



Wirral University
Teaching Hospital
NHS Foundation Trust

Annual Report and Accounts 2016/17



WUTH

It's all about U

**Wirral University Teaching Hospital NHS Foundation Trust
Annual Report and Accounts 2016/17**

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

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Performance Report

Message from the Chairman and Chief Executive

Welcome to our review of 2016/17; a year of notable achievements for Wirral University Teaching Hospital against a backdrop of significant challenges that affect the whole of Wirral's health and social care economy.

Like last year, demand from our services continues to increase meaning that the Trust is in the same position as the majority of other health and social care organisations with regards to operational and financial pressures. Responding effectively to the challenges we all face is the joint responsibility of every organisation within the Wirral health and social care economy. We recently published our updated five-year strategy "Locally Focused, Regionally Significant", which reaffirms our commitment to working with NHS and local authority partners to achieve the changes needed across the whole of the local health and social care system. Across Wirral and Cheshire we are working together on a delivery plan that covers three main areas; excellent services, shaping our own future and maximising value. All of this work supports the national 5 Year Forward View (5YFV). There are 44 national 5YFV areas and the Trust is part of the Cheshire and Merseyside footprint.

We continue our efforts to drive down costs while managing an increase in patient demand, an ageing population and patients with more complex needs. Our aim going forward is to maximise efficiency without compromising the excellent care that our staff provide. As part of this, we are reviewing our back office and middle office functions to identify alternative models of delivery working with our partners to ensure that we are fully utilising the resources that we have available. Reducing pressure on our hospitals, achieving timely discharge and promoting alternatives to our extremely busy Emergency Department continue to be priorities. We have seen periods of unprecedented demand on our Emergency Department over the past twelve months.

We have increased our efforts to improve waiting times to meet the '4-hour' access standard and continue to have discussions regarding care home and domiciliary care provision, which is impacting on patient discharges. We have implemented robust measures to manage these pressures, including instigating our Full Capacity Policy on a number of occasions and investing almost £400,000 in opening a new Ambulatory Care Unit (ACU). The new unit is helping to improve patient care by facilitating timely review by the acute medicine multidisciplinary team, which means that patients who have been referred with medical problems by their GP no longer have to go through the Emergency Department. A recent national audit by the Society of Acute Medicine identified it as one of the top three performers out of 94 such units, which is testament to the hard work and commitment of everyone involved.

Despite such a challenging environment, we are extremely proud to have made significant progress in areas including end of life care, infection prevention and control and maternity. We continue to receive fantastic recognition for services

including dementia care, laparoscopic surgery, endometriosis, neonatal care, stroke and endoscopy. Several of our wards have recently achieved 'Gold Standard' for the excellent care that they provide to patients and we are delighted that our Infection Prevention and Control Team and our Library and Knowledge Service have been recognised with recent high profile national awards.

One of our biggest achievements over the 2016/17 year was being named a Global Digital Exemplar by NHS England. The Trust has become a world leader in health informatics thanks to our use of technology in enhancing patient safety, improving compliance and increasing efficiency. We started our digital journey in 2009 and have since become one of the most digitally enabled Trust's in the country, transforming patient care. Our ultimate goal is to release even more time for clinicians to spend with our patients by reducing administrative tasks, therefore improving patient experience and we look forward to further exciting developments over the next twelve months.

We have received some outstanding feedback about our services and workforce over the past twelve months and have made further investment into making sure that patients and visitors have access to the information they need. In January 2017 we opened the new Information Bank at Arrowe Park Hospital, which features a wide range of advice as well as a quiet area for people to discuss private or sensitive matters. We are delighted that Healthwatch, the independent consumer champion for health and social care services, is also offering support from our new facility. We have also introduced Matron Surgeries and a Matron Helpline for our patients, visitors and staff to have a direct link to our senior nursing colleagues. The year also saw us host our first ever Cancer Health and Wellbeing Event, supported by a host of other organisations including Wirral Community NHS Foundation Trust, Wirral Clinical Commissioning Group and Wirral Hospice St. John's. We look forward to staging such additional and important events in the future.

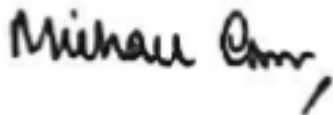
As the biggest employer locally, improving the health and wellbeing of our strong workforce remains high on our agenda so it is pleasing that we set a new Trust record during the most recent annual Flu Fighter campaign. Three quarters of staff were vaccinated within just seven weeks, which exceeded the national target. The collective efforts of the workforce have also resulted in a huge increase in stop smoking referrals, meaning that more and more staff, patients and visitors are getting the support they need to help them quit. This can only have a positive impact on our local health services.

Following on from the impressive improvements made in the 2015 NHS Staff Survey, we are pleased that the 2016 results show that progress has been maintained despite the national backdrop of the NHS being more challenging than ever. The Trust has improved in a number of key quality indicators, particularly with regards to patients being our top priority and colleagues recommending our Trust as a place to work. However the results also indicated that we needed greater focus and support with regards to training our workforce. Reassuringly, we had anticipated this and already implemented plans to support staff development, including an exciting apprenticeship programme offering colleagues an opportunity to develop their skills in a range of different areas.

As a key and large organisation for Wirral, we are leading the way locally in delivering employment opportunities for young people. We currently have 75 apprentices and building on the success of the current apprenticeship programme, will be looking to take on a further 50 young people over the next 12 months as part of our £1.1 million apprenticeship drive.

We have maintained our momentum to improve nursing recruitment and are continuing in our efforts to attract and nurture new nursing staff. We were delighted to be selected by Health Education England to become a Nursing Associate pilot and welcomed our first cohort of associates in January. Working alongside registered nurses and other healthcare staff in hospital wards, the associates are also receiving support and training from the University of Chester as part of a two-year course.

We are extremely proud of the hard work and dedication shown by colleagues across the Trust and would like to take this opportunity to thank them for the significant difference they make on a daily basis to our local communities. In doing so, we must also recognise our hundreds of volunteers who kindly donate their time for free and make an important contribution to our services. In addition, our Board, our Directors, our Council of Governors, our Members and the support of our external stakeholders has, and will continue to play a vital role as we adapt to a changing environment while striving for continued improvement. 2016/17 has been a difficult year for the whole of the NHS. However with effective partnership working across our local and regional health and social care economy we will rise to future challenges to provide the best possible care.



Michael Carr
Chairman



David Allison
Chief Executive

Overview of Performance

This section gives an overview on the Trust. It sets out the purpose and key activities of Wirral University Teaching Hospital as well highlighting what Foundation Trust status enables us to do.

Having a clear overview section gives readers of the Annual Report an insight into the workings of the organisation, such as where our estate is located and what services we provide.

This section also gives an opportunity for the Trust to highlight other key achievements and recognition over the past year including a snapshot of some of the Trust's key figures and what we delivered in 2016/17.

The purpose of the Trust and its key activities

Wirral University Hospital NHS Foundation Trust (WUTH) is not only the largest employer in Wirral but is also one of the largest and busiest acute Trusts in the North West of England. 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 from NHS Improvement (previously Monitor) the regulator of NHS funded healthcare, on 1st July 2007.

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
- Borrow to invest in new and improved services for patients and service users. We have a key accountability to our local community through our public members and governors.

We are also accountable to our commissioners (through contracts), Parliament and NHS Improvement (NHSI). Providing a comprehensive range of high quality acute care services, our 5893 strong workforce serves a population of approximately 400,000 people across Wirral, Ellesmere Port, Neston, North Wales and the wider North West footprint. Our principal activities during 2016/17 centred on contracts placed by primary care organisations and specialist commissioning bodies.

We operate 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 and specialist stroke and neuro rehabilitation services.

We also provide a range of outpatient services from community locations:

- 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
- Other locations – a range of outpatient services are provided from GP practices, schools and children's centres.

The full range of our services includes:

- accident & emergency (A&E) services for adults and children
- a diverse range of acute and non-acute specialties
- outpatients services
- day surgery services
- maternity including a midwifery led unit
- neonatal level 3 unit
- diagnostic and clinical support services
- specialist services, such as:
 - renal medicine
 - dermatology
 - orthopaedics (hip & knee)
 - ophthalmology (retinal)
 - urology (cancer centre)
 - stroke (hyper-acute unit)
 - gynaecology (advanced laparoscopic endometriosis centre)
 - neonatal level 3 unit and Ronald McDonald House: charity home away from home accommodation for parents of sick children and premature babies.

We are also a tertiary centre providing specialist services to a wider population in Merseyside, Cheshire and North Wales.

Our clinical work is also complemented by corporate services, which comprise of:

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

As the largest employer on the Wirral, we have had significant recognition from external organisations for our support for staff through effective policies, initiatives and partnership working approach. We have also launched exciting new apprenticeship opportunities for our workforce and continue our commitment to developing the talents of young people in Wirral. We recently held a successful apprenticeships open day for 16-24 year olds, which was attended by around 700 people, keen to find out more about working for our Trust.

Our position as a leader in the development and use of clinical information technology (IT) has been strengthened by the on-going implementation of the Wirral Millennium system, in partnership with providers Cerner Ltd. We are extremely proud that increased usage across the Trust has resulted in us being named as a Global Digital Exemplar; formal recognition of our innovative approach. Wirral Millennium is now established as our core clinical system, enabling the vast majority of the Trust's electronic patient record including virtually all nursing, Allied Health Professional and medical documentation outside of our Intensive Care Unit (ICU). The roll-out of 'Phase 3' last winter saw us using digital records throughout the Trust with the last major 'go live' event of the project. Phase 3 included Adult Critical Care, Anaesthetics, Chemotherapy Prescribing and Administration, Inpatient Clinical Noting, Fluid Balance and IV Infusions. These areas are taking advantage of integration between their medical devices and Millennium, which is decreasing the time needed to transcribe patient observations and improving patient safety. As a teaching hospital of the University of Liverpool and University of Chester, we are also renowned as a leader in the region for high quality education and training for a wide range of staff including doctors, nurses and other clinicians.

In 2016/17 the Trust provided the following:

	2016/17
Total Births	3,239
A&E Attendances	94,288
Emergency Admissions *	54,472
New Outpatient Attendances	108,948
Diagnostic examinations performed	340,195
Elective Day Case Admissions**	42,787
Elective Inpatient Admissions	7,901

*Including maternity emergencies but excluding births.
 **Excludes Nephrology
 Outpatient Data excludes Genitourinary Medicine (GUM) clinic.

The key issues and risks which could affect the FT in delivering its objectives are covered within the Annual Governance Statement within this Annual Report.

Financial Overview 2016/17

The Trust set a challenging financial plan for 2016/17, which included the need for system-wide support to generate £5.0m in savings ('the health economy challenge') and to enable the Trust to fully access Sustainability and Transformation Fund (STF) income, which was made available to NHS providers in 2016/17. The Trust's main commissioner also experienced financial difficulties, and the resulting effects within the health and social care economy impacted on the Trust's ability to deliver the plan.

Within this challenging landscape, the Trust has reported a year end deficit of £11.9m, with a normalised deficit of £10.4m after impairment costs of £1.5 were removed, compared with a planned surplus of £0.2m. Despite the deficit, the Trust maintained cash balances through a combination of best practice internal working capital measures, and loan support from the Department of Health, with the Trust finishing the financial year with a cash balance of £5.4m.

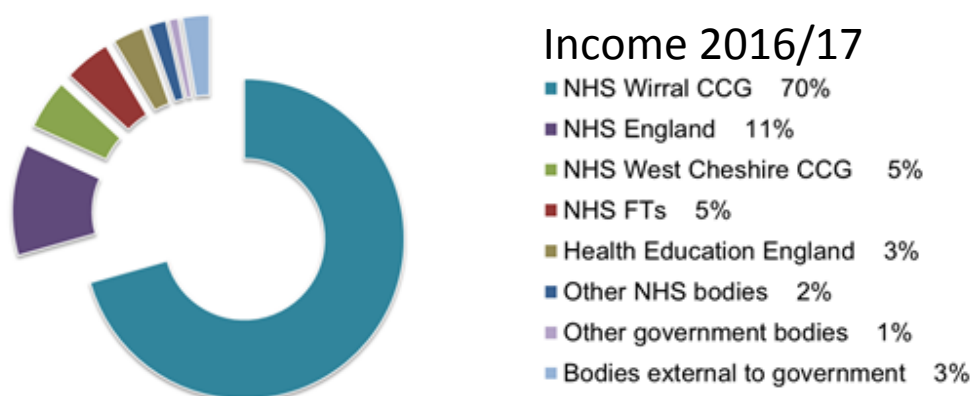
The Trust's budgets are expressed in a single document held and reviewed by NHSI, which has assumed Monitor's duties as the sector regulator for foundation trusts in 2016/17. This document is known as the Trust's plan.

The following commentary provides more detail on the Trust's key financial results, which are formally reported in the Trust's annual accounts, with particular reference to the 2016/17 plan.

Income

The Trust has generated income of £324.9m in the year, which is £3.4m lower than planned. Wirral Clinical Commissioning Group (Wirral CCG) remains the largest commissioner of services from the Trust, generating £229.4m (70%) of the Trust's overall income, which is broadly consistent with 2015/16. Differing from previous contracting arrangements, the Trust agreed a 'financial envelope' with Wirral CCG for 2016/17, with the aim of facilitating transformational change in pathways and processes, to improve service delivery, and offering more financial certainty to both parties.

The chart below depicts the Trust's income by customer type.



Elective activity and outpatient attendances were below plan in 2016/17, whereas A&E attendances exceeded plan. The elective activity variance was driven by the displacement of planned activity as a result of the increase in A&E demand.

The Trust experienced a higher number of A&E attendances than in each of the previous two years. A&E targets agreed as part of the STF's conditions were achieved cumulatively up to December 2016. However, due to the increase in demand, which was compounded by a reduction in step-down beds within the health and social care economy, and the closure of intermediate care beds within the community, the Trust's quarter 4 targets were not achieved.

Of the total income earned in 2016/17, £6.9m relates to income distributed from the STF. The objective of this fund is to support trusts in gaining a sustainable financial footing, whilst incentivising improvements in service standards. A total of £9.9m was available to the Trust during the financial year, but £3m was withheld as a result of non-achievement of specific targets issued to the Trust, £2.5m of which was in quarter 4.

Clinical income by point of delivery	2016/17 £000	2015/16 £000
Elective income	50,266	49,997
Non elective income	83,370	79,846
Outpatient income	35,399	36,550
A&E income	10,835	10,757
Other NHS clinical income	102,578	97,578
Private patient income	627	560
Other clinical income	921	1,059
Total income from activities	283,996	276,347

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

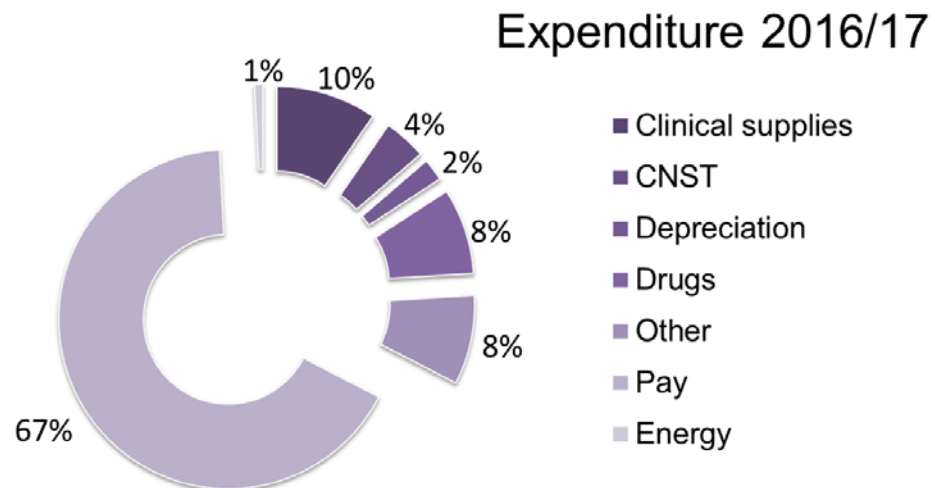
Total expenditure incurred by the Trust during 2016/17 was £336.7m (£321.6m 2015/16), which is an increase of £15.1m or 4.7% on 2015/16. Pay is the largest expenditure category at £224.3m, which is 67% of the Trust's total expenditure. Within this pay figure, the amount spent on qualified nursing staff remains the most significant, at £65.5m. In non-pay costs, £32.3m was spent on clinical supplies, and £27.6m was spent on drugs, which is an increase of £5.7m on last year.

Other notable expenditure items in 2016/17 are as follows.

- £13.8m for the Trust's clinical negligence insurance (CNST) premium.
- £62.7m on medical staff.
- £11.1m on premises.
- £5.2m on general supplies.

Depreciation of £7.3m 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 this and previous years. A net charge of £1.5m is also included within total expenditure, which relates to impairments of assets within the Trust's built estate, which have arisen due to changes in their market price as assessed by the Trust's independent valuers.

The following chart depicts the main categories within total reported expenditure for 2016/17.



Pay expenditure was £11m higher than planned. The variance is due to both the non-achievement of planned savings of £5m through the wider health economy, and ongoing cost pressures associated with escalation areas that remained open all year as a result of increased demand and delayed discharges.

Despite the challenges, the Trust invested in improving quality and patient outcomes in 2016/17 with the expansion of the Acute Medical Unit (AMU). This enabled the Trust to deliver better outcomes as a result of additional assessment space.

Capital investment

Capital expenditure for the year totalled £6.9m (£6.6m in cash terms), which reflects the Trust's plan to invest in its estate and infrastructure, as well as leading-edge technologies. This expenditure underpins patient experience, service delivery, and the achievement of efficiencies in the medium and long-term.

The Trust's main schemes for 2016/17 were as follows.

- Continued investment in the Trust's IT infrastructure and patient care systems (£2.1m).
- Redevelopment of two wards (£0.8m) as part of a wider £1.3m ward upgrade program, including the AMU expansion described previously.
- Purchase of new anaesthetic machines to improve the theatre service provided at the Trust's Clatterbridge site (£0.5m).

Cash

The cash balance held at 31 March 2017 was £5.4m. Although higher than the previous year's closing cash balance, this figure was £2.5m lower than planned, primarily driven by the 2016/17 deficit which itself exceeded plan.

Although the Trust has experienced diminishing liquidity, prompt supplier payments have been maintained. Note 9.3 to the accounts - *Better Payment Practice Code (BPPC)* – evidences the Trust's performance in 2016/17, although the 95% targets were not met. The Trust continues to draw down funds from a loan facility supplied by the Department of Health, which will continue to support liquidity in 2017/18.

Use of Resources Rating (UoR Rating)

NHSI has assumed Monitor's duties as the sector regulator for foundation trusts, and assesses the Trust's monthly and annual performance. With effect from October 2016, the financial rating system from Monitor's Risk Assessment Framework (RAF) was superseded by NHSI's Single Oversight Framework. As a result, the RAF's Financial Sustainability Risk Rating (FSRR) was replaced by the new Use of Resources Rating (UoR Rating). This represents a refinement in how NHSI assess areas of financial risk across the sector.

Both FSRR and the UoR Rating are measured from 1 to 4 using a number of financial metrics. However, ratings have been reversed - whilst 4 was the highest rating achievable for FSRR, it is the lowest UoR Rating.

The Trust's overall UoR Rating was 3 for 2016/17, which was lower than planned. This result partly expresses sector-wide pressures, with performance mirroring the downward trend in ratings for providers nationally. In particular, the Rating reflects the Trust's inability to deliver the £5.0m 'health economy challenge' savings and the consequent loss of quarter 4 STF income (£2.5m).

The Trust's FSRR / UoR Rating performance for 2016/17 is detailed in the table below.

	Metric	FSRR Plan Q2 YTD	Actual Q2 YTD	UoR Rating Plan	Actual Q4 YTD
Financial sustainability	Liquidity (days)	1	1	4	4
	Capital service capacity (times)	3	1	2	4
Financial efficiency	I&E margin (%)	3	1	2	4
Financial controls	Distance from financial plan (%)	3	3	2	4
	Agency spend (%)	n/a	n/a	1	1
Overall NHSI FSRR		2	2		
Overall NHSI UoR Rating				2	3

Cost improvement plans (CIPs)

The CIP requirement is a national Department of Health strategy involving all NHS staff, patients, clinicians and the voluntary sector. It aims to improve the quality and delivery of NHS care whilst safely reducing costs.

The Trust again set a challenging CIP target for 2016/17 and successfully managed to deliver this target after the application of non-recurrent resources, as detailed in the following table.

	Actual £m	Plan £m	Variance £m	Variance %
2016/17	11.2	11.2	0.0	0.0%
Percentage of total income	3.4%	3.4%		
2015/16	13.3	13.0	0.3	2.3%
Percentage of total income	4.3%	4.2%		

The delivery of CIP is proving increasingly difficult year-on-year on a transactional basis, underlining the need for transformational change in future years.

Reference costs

The Trust's reference cost index, which measures the relative efficiency of trusts in England, continues to be positive, with the Trust scoring 94 for the return submitted in July 2016. In essence, this means that the Trust is 6% more efficient than the national average, and demonstrates the Trust's commitment

to deliver value for money in a challenging health economy.

Countering fraud and corruption

The Trust's Bribery Policy and Fraud & Corruption Policy, as well as the Standards of Business Conduct policy document, are available to, and binding on, all Trust staff. Through Mersey Internal Audit Agency (MIAA), the Trust receives a local counter fraud service which prevents and detects fraud, and reports activities and findings to the Trust's Audit Committee.

The Trust's Standing Financial Instructions, which detail the financial responsibilities applicable to all Trust staff, have also been significantly refreshed and relaunched during 2016/17.

Future outlook

During 2017/18, the Trust will continue on its journey to achieve financial sustainability. The Trust has agreed to a control total which has been set by NHSI. This will allow the Trust to potentially access £8.9m of additional income, which will support the transition towards sustainability.

The following factors are key to the delivery of the Trust's 2017/18 plan.

- Transformation of social care within the Wirral health economy and close management of costs across the Trust, to deliver the activity plan within agreed budgets.
- Development and delivery of detailed efficiency plans which achieve in-year savings of £15m, and which lay the foundations for further savings into future years.
- Securing £8.9m of funding from the STF.
- Continued access to interim financial support from the Department of Health.

As part of the planning process, and conditional to accepting a control total deficit of £0.4m, the Trust's Board of Directors accepted the residual risk of a £5m 'gap' within the planning assumptions. Proposals to bridge this gap have been identified and will be progressed during the financial year.

Looking further forwards, the Trust is fully engaged with the STP process, which has the aim of delivering financially sustainable services within the next 4 years.

Outlined below are the key financial elements of the Trust's 2017/18 plan.

2017/18 Plan	£m
Deficit per planned Statement of Comprehensive Income (accounts basis)	(0.6)
Deficit (control total basis, as set by NHSI)	(0.4)
Assumed CIP achievement within the above deficits	15.0
Residual risk within the planning assumptions, with plans progressed to mitigate	5.0
Capital expenditure	7.3
Capital expenditure on a cash basis	8.0
Closing cash balance	2.3
Department of Health facility drawn down to support liquidity (net)	1.9
Overall UoR Rating	3
UoR Rating comprises the following planned ratings	
Liquidity	4
Capital service capacity	4
I&E margin	3
Performance against control total (respecified)	1
Agency spend	1

Going concern disclosure

The Trust is judged to be a going concern if it is to continue in operation for the foreseeable future. There is no presumption of going concern status for NHS foundation trusts. Directors must decide each year whether or not the Trust is a going concern, and whether it is appropriate for the Trust to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.

In forming a view, the Directors have considered the financial factors captured in the Trust's 2017/18 plan, including any projected losses or liquidity risks, alongside any other foreseeable operational and compliance matters. This assessment covers a period of at least 12 months from the date of approval of the financial statements.

In particular, the Directors have noted the following indicators of going concern status.

- The Trust's 2017/18 plan has been submitted to NHSI, which accepts the control total issued by NHSI, and no queries or issues have been brought to the Trust's attention by NHSI subsequent to that submission.
- No major losses of commissioner income are anticipated, and the list of commissioner-requested services remains unchanged.
- No deterioration in the overall UoR Rating is forecast for the next two financial

years.

- Planned operating cash-flows for 2017/18 and 2018/19 are positive.
- The Trust's net borrowings requirement for 2017/18, to support liquidity, is planned to be £1.9m. This represents an 89% reduction from the 2016/17 requirement. This loan is backed by signed contracts. NHSI and Department of Health have implicitly approved, through the acceptance of plans, the required loan facility for 2018/19. There are no anticipated problems in complying with the terms of these loan facilities.
- The Trust has not identified any risk of an inability to repay borrowings when they fall due – all treasury activity is included in the Trust's planning models and all borrowings are intra-governmental – ultimately, if required, terms may be renegotiated.
- The Trust has a newly established Executive Team with all key members in place, and the Trust's general vacancy rates are low compared with comparator trusts.
- The Trust is actively engaged in local strategic transformation planning with health economy partners, to develop models to deliver sustainable healthcare from 2017/18 onwards.

The Directors have also noted the following uncertainties.

- The NHS landscape is changing, and significant transformation will be required of the Trust in the foreseeable future.
- Future borrowing requirements from 2018/19 have not been contractually pre-agreed.
- Delivery of the Trust's plans will depend on successful transformation of local social care provision, achievement of 4.5% CIP savings, and the delivery of STF trajectories which will create STF income.

Based on their detailed assessment, the Directors have concluded that no material uncertainties have been identified which cast significant doubt on the ability of the Trust to continue as a going concern. The Directors have a reasonable expectation that the Trust has access to adequate resources to continue in operational existence for the foreseeable future, notwithstanding the present and forecast financial challenges facing the Trust and the sector. For this reason, the Trust is judged to be a going concern, and the going concern basis is adopted in preparing the accounts.

Performance Analysis

Performance against Single Oversight Framework Targets

The primary process for Foundation Trusts to assure themselves on governance and performance is the NHSI Single Oversight Framework which came into effect on 1st October 2016 (formerly the Risk Assessment Framework) and performance against the key metrics is detailed below.

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%	96.0%	94.8%	96.6%	96.3%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all breast symptom referrals	Minimum 93%	97.0%	96.9%	97.1%	95.2%
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Minimum 96%	97.3%	96.8%	97.2%	97.7%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (surgery)	Minimum 94%	97.9%	95.2%	97.2%	95.0%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (drugs)	Minimum 98%	100%	100%	100%	100%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Minimum 85%	86.7%	85.8%	86.1%	86.5%
Maximum waiting time of 62 days from screening referral to treatment for all cancers	Minimum 90%	96.8%	100%	96.2%	94.9%
Referral to treatment time – incomplete pathways < 18 weeks	Minimum 92%	91.2%	90.1%	85.2%	83.2%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	Minimum 95%	85.4%	89.0%	86.1%	79.8%
Maximum number of avoidable cases of C difficile (cumulative)	Maximum 29 for the year	3	8	11	13

Access to Cancer Care

The Trust consistently achieved the Cancer access targets for all quarters and for all metrics across the whole of 2016/17. The continued dedication of staff across many disciplines and departments in ensuring these most vulnerable patients experience as few delays as possible in accessing high quality treatment at every step of their clinical pathways is to be commended.

Access to Elective Care

Achievement of the Referral to Treatment (RTT) standard is directly linked to demand and capacity. The Trust has experienced high demand at a time of reduced capacity across a range of specialities which has resulted in a Trust inability to deliver performance against the RTT standard of 92% during any month of 2016/17.

The Trust has established an RTT Improvement Team who have produced a comprehensive action plan, which has received support from the national Elective Intensive Support Team, and will be addressed throughout 2017/18. Significant work was undertaken during 2016/17 to understand the Trust core capacity and its ability to deliver elective demand to enable improved capacity and demand modelling for 2017/18. Additionally, the Trust has developed a suite of information systems to support the tracking and compliance against the RTT standard by speciality. A range of data quality reports have also been developed and will be used by service teams to ensure adherence to best practice.

Access for Emergency Patients

Despite the range of actions being put in place, performance against the Emergency Access Standard remained below the minimum 95% for 2016/17.

The Trust continues to work in collaboration with the national Emergency Care Improvement Programme and health and social care economy partners to improve patient flow. However, the Trust has continued to see increased emergency demand and in particular an increase in the acuity of patients presenting by ambulance at the Emergency Department. To support this increase in acuity the Trust has made significant investment to improve patient flow having redesigned both the acute medicine and older people's assessment units. However, improving patient flow is multifactorial and the Trust has seen an increase in the number of medically optimised patients waiting within acute beds for discharge with social care support. Improvement against the Emergency Access Standard will be monitored via the newly established economy wide Accident and Emergency Delivery Board.

Avoidable Cases of *C difficile*

The Trust reported 35 *Clostridium difficile* (*C.diff*) toxin cases to Public Health England for 2016/17, 13 of which were confirmed as avoidable cases against a threshold of no more than 29 cases for 2016/17. Post Infection Reviews were performed on all cases to identify any lapses in care that contributed towards the infection occurring. The lessons learned to prevent further infection have been shared across the Trust.

Throughout the winter months the Trust has experienced challenges in maintaining the Hydrogen Peroxide Vaporisation (HPV) programme due to the unavailability of a decant ward, however there have been many other mitigating actions put in place to ensure that *C.diff* has remained high profile with a continued focus on prevention.

Whilst there is a plan to re-establish the proactive HPV programme, the Trust has invested in Ultra Violet Light (UVL) Technology; an alternative high level disinfection which will support the HPV programme. It is also a suitable alternative in the absence of a HPV. This, along with rapid detection and prompt effective isolation, will ensure that the key elements of a preventative *C.diff* strategy are in place to ensure the Trust remains below the 2017/18 threshold which remains at no more than 29 cases.

Set out below is a table outlining performance against the Trust's current strategic aims and the operational objectives for 2016/17:

Strategic Aim	Operational Objective 2016/17	Year End Position
To be: the top NHS Trust in the north west for patient and staff satisfaction	Deliver a Friends and Family Test recommendation score of above 95% and a non-recommendation score of below 2%	The Trust has consistently delivered a Friends and Family Test recommendation score of above 95% through 2016/17 and a non- recommendation score of below 2%
	Deliver a year on year reduction in the number of complaints and a year on year improvement in response times	In 2016/17 The Trust saw a 14% reduction in complaints. This is a decrease for the 4 th consecutive year. The Trust delivered a response rate of 84% in agreed time scales compared to 80% in 2015/16.
	Deliver a year on year improvement in our staff satisfaction score	The Trust has improved its position on the two key questions in the NHS Staff Survey (recommend as a place to work / recommend as a place for care) and has maintained the overall staff engagement score. It was noted by the Chief Executive of Quality Health that given the previous year's improvement journey, it is a great achievement in itself to sustain improvement levels. The Trust continues to aspire to be in the top 20% of organisations in the North West for overall Staff Engagement

		levels.
To deliver: consistently high quality secondary care services enhanced through the provision of regional specialist services within available resources	Continue to deliver our quality strategy and build on the recommendations of our September 2015 CQC inspection	The Trust has delivered its Quality Strategy with a specific focus on End Of Life, Maternity, Medicines Management and Safeguarding following on from our September 2015 CQC inspection. Furthermore the Trust has delivered the Ward Accreditation programme and Care Quality Inspection programme throughout 2016/17.
	Deliver the Harm Free Care programme and ensure that our harm free care score is no lower than 95%	The Trust has consistently delivered above 95% throughout 2016/17. In addition the Trust has developed a Harm Free Care collaborative with neighbouring Trusts.
	Deliver a Hospital Standard Mortality Rate (HSMR) that is better than expected	The Trust HSMR remains significantly below expected at 93.8 to January 2017 and performs well in comparison to national and regional peers. During 2016/17 the Trust has continued to deliver consistent, evidence based practice through the Advancing Quality programme, reducing harms from falls and pressure ulcers in particular.
To prioritise: the development of new models of care in cooperation with our acute/secondary, primary, community and social care partners	Continue to support the roll out of the Healthy Wirral Programme in order to deliver: <ul style="list-style-type: none"> • A reduction in the level of unplanned hospitalisation for chronic ambulatory care sensitive conditions bringing Wirral nearer to the NHS England average 	In 2016/17 the Trust saw a reduction in unplanned hospitalisation for chronic ambulatory sensitive conditions of 0.3%

	<ul style="list-style-type: none"> • A year on year reduction in Emergency Department attendances • A year on year reduction in non-elective admissions • A year on year reduction in avoidable readmissions (as a percentage of all admissions) • A year on year reduction in admissions from nursing homes • A reduction in average length of stay (ALOS) bringing WUTH in line with best quartile performance 	<p>The Emergency department saw an increase of 1.1% in attendance in 2016/17. This is a year average; however attendances were significantly up during the Winter period.</p> <p>The Trust saw a reduction of 0.1% in non-elective admissions in 2016/17.</p> <p>The Trust saw a reduction of 0.6% in avoidable readmissions in 2016/17.</p> <p>The Trust saw a 9.8% reduction in admissions from nursing homes in 2016/17.</p> <p>ALOS for emergency admissions was reduced by 0.4% in 2016/17.</p> <p>ALOS for elective admissions increased by 2.9% in 2016/17.</p>
	<p>Work with acute/secondary, primary, community and social care partners on the 'end to end' redesign of the unscheduled care system and services for older people</p>	<p>The Trust, in partnership with all Wirral health and social care stakeholders, has been part of the development of a strategic outline vision for Elder Care supported by AQUA. This vision will be considered as one part of a whole system of Accountable Care moving forward in support of the Five Year Forward View (5YFV).</p> <p>The Trust has held the Chair role of the Cheshire and Wirral Urgent Care Board in 2016/17 and has progressed Urgent Care oversight through that group.</p>
	<p>Work with the Countess of Chester to deliver:</p> <ul style="list-style-type: none"> • An agreed model for 	<p>The Trust and The Countess of Chester NHSFT (COCH) commenced a review of Urology</p>

	<p>the future development of women's and children's services in South Mersey</p> <ul style="list-style-type: none"> • An agreed model for future surgical services 	<p>and Vascular services in 2016/17 with a view to delivery of reconfiguration in 2017/18.</p> <p>These reviews are clinically led and form part of our ongoing Acute Care Alliance with the Countess of Chester.</p> <p>Through the emerging 5YFV High Quality Hospital Care programme the Trust and COCH will have a focus on a South Mersey Response for Women and Children's Services in 2017/18.</p>
<p>To build on: joint working with partner agencies to deliver the maximum operational and financial benefits</p>	<p>Progress:</p> <ul style="list-style-type: none"> • Development of VAT efficient Special Purpose Vehicle for service delivery • A Strategic Estates Partner with a third party • Integration of back office and clinical support functions with the Countess of Chester 	<p>A formal tendering process to identify a Strategic Estates Partner preferred bidder has been completed.</p> <p>Back and Middle office support integration will now be considered via Local Delivery System Plan work as part of the Cheshire and Merseyside 5YFV.</p>
	<p>Develop and implement a strategy to support closer working relationships with primary care services</p>	<p>Through 2016/17 the Trust has established relationships with the newly emerged GP federations in order to develop new ways of working with Primary Care. Through a GP engagement Listening into Action event we have identified key work streams including establishment of Consultant Lead Primary Care Education sessions.</p> <p>Furthermore the Trust has identified potential areas to work closely with Primary Care going forward.</p> <p>The Trust has also been represented at the local medical committees through 2016/17 in support of Primary Care</p>

To ensure: our people are aligned with our vision	<p>Continue on the ongoing delivery of the Workforce and OD Strategy in order to deliver:</p> <ul style="list-style-type: none"> • A healthy organisational culture • A sustainable and capable workforce • Effective leaders and managers 	<p>The Trust has delivered Year 2 of the Trust's Workforce / Organisational Development Strategy, vision and operating model priorities for 2015 – 2018. The high level Workforce key performance indicators which are used to monitor the effectiveness of implementation show strong performance.</p>
	<p>Work to deliver absence rates below 4%, appraisal rates of 88% and a staff FTT continued improvement in our NHS Staff Survey</p>	<p>The Trust has introduced a suite of Health & Wellbeing initiatives to drive down sickness absence (and put over 17,000 days back in the system). It is worthy of note that for the 2016/17 period the sickness rate was below 4% for the majority of months.</p>
	<p>Increase the number of staff attending Listening into Action events.</p>	<p>The Trust has implemented the next phase of Listening into Action (LIA) plan.</p> <p>LIA huddles are now rolled out to every department in the organisation and repeated every 6 months. During 2016/17 there were over 170 huddles that took place which resulted in 779 improvement actions being undertaken. The work undertaken represented an increase in staff attending LIA events by 12%. For those staff that have been engaged via LIA, the Trust can demonstrate significant improvements in the number of staff who report the Trust as a good place to work and a good place for family / friends to receive treatment.</p>
To guarantee: the sustainability of the Trust through transformation of	Contribute to the development of the Sustainability and Transformation	The Trust has been an active member of the Cheshire and Merseyside 5YFV following its establishment in 2016/17. The

<p>service provision and system performance</p>	<p>partnership for the period 2021 across the Wirral, South Mersey and Cheshire and Mersey footprints and achieve all 2016/17 milestones</p>	<p>Trust is represented through the High Quality Hospital Care Board which has introduced a focus on Women and Children's, Cardiovascular and Urgent Care.</p> <p>The Trust will be looking to maximise its position as a Centre for Global Digital Excellence in support of the Cheshire and Merseyside 5YFV and holds the Executive Sponsor role for this work stream. The Cheshire and Merseyside 5YFV is comprised of 3 constituent Local System Delivery Plans and WUTH is part of the Cheshire and Wirral system.</p> <p>We are active in supporting the development of the emerging Cheshire and Wirral system. Through 2017/18 this will be fundamental in supporting the delivery of Integrated Care locally on the Wirral as part of the 5YFV.</p>
<p>To maximise: the benefits of innovation in clinical and organisational practice, enabling technologies and the role of the Trust as a teaching institution</p>	<p>Work towards full digitisation of the Electronic Patient Record</p>	<p>Phase 3 of the implementation of Cerner was completed in November 2016 with Chemotherapy in January 2017. There are still elements to complete remaining which will be achieved through the Digital Wirral programme using Global Digital Excellence funding from NHS Digital.</p>
	<p>Work towards achievement of HIMMS level 6</p>	<p>Achievement of this measure requires closed loop medication administration (CLMA). CLMA requires further investment which will be achieved through the Digital Wirral programme using Global Digital Excellence funding from NHS Digital.</p>
	<p>Work to further improve our Research and Development metrics</p>	<p>Encouraging work with academic units including the wider Wirral Care Record is beginning with Liverpool, Manchester and</p>

		<p>Warwick universities.</p> <p>Aligned to this the Trust will develop a structure in Wirral to support the governance of research and information governance around using data for research. The Digital Wirral programme and our profile as an exemplar will help with this in the next 2 years.</p>
	Look to improve our digital maturity index	The work above will continue to add to the Trust's maturity index. WUTH has implemented more of Cerner's products than any other UK site and Cerner is one of the most advanced Electronic Patient Records in the world. There is another maturity assessment due in 2017.
Enabled by: financial, commercial and operational excellence	<p>Ensure the delivery of the NHS Constitution access standards:</p> <ul style="list-style-type: none"> • The 18 week Referral to Treatment Target (RTT) • An improvement on the 4 hour emergency target in year • Delivery of national cancer standards 	<p>RTT 18 week trajectory was not achieved; however robust systems and processes have been re-established for 17/18.</p> <p>4 Hour A&E Standard trajectory was achieved for Q1 & Q2 despite continuing health and social care challenges.</p> <p>Cancer targets all achieved for 2016/17.</p>
	Deliver national infection prevention control targets for <i>Clostridium difficile</i>	The Trust reported 35 <i>C.diff</i> toxin cases to Public Health England for 2016/17. All cases were investigated with 13 being deemed to be avoidable which was within the NHSI threshold of 29.
	Implement the relevant recommendations of Lord Carter's review of hospital performance and productivity in order to	The Trust is able to demonstrate robust compliance with the Lord Carter hospital performance and productivity review recommendations. This is

	deliver an Adjusted Treatment Cost figure putting the Trust in the top 10% of NHS Trusts in England	illustrated by good performance through the model hospital portal for our pharmacy and pathology services. The Trust's Adjusted Treatment Cost figure places the Trust in the Top 20%.
	Deliver a Financial Sustainability/Use of Resource Rating score of 2	A UoR score of 3 was delivered for 2016/17.
	Continue to work to improve our NHS Improvement governance rating.	The Trust is in regular dialogue with NHSI on its governance rating and in particular on the removal of the Section 111 additional licence condition. NHSI are currently reviewing the Trust's end of year financial performance, with particular emphasis on delivery of cost improvement savings with a view to revisiting the application to remove this condition.

Environmental Matters

During 2016/17 the Trust continued to reduce its environmental impact. This year we have had a further reduction in imported electricity from 11,865,701 kWh in 2015/16 to just 7,336,439 kWh. This huge achievement has primarily been due to the continued excellent performance of the two combined heat and power (CHP) units and a carbon reduction strategy measure introduced in 2015/16 and is testament to the partnership working between the Trust and Ener-G Combined Power Ltd.

The Trust's bi-annual review and update of our Travel Plan has been completed during 2016/17 and included carrying out staff and visitor travel surveys and setting targets for increasing sustainable modes of travel to our hospitals in order to reduce dependence on the car. Our Travel Plan is supported by a Transport Strategy Group, involving Trust staff and governors together with colleagues from Wirral Borough Council and Merseytravel, the local transport authority serving the Wirral.

Capital Estates & Backlog Maintenance Investment

An estate that is safe, comfortable and fit purpose is imperative to our success and creating a positive first impressions for our patients, staff and visitors is high on our agenda. Investment in our estate continued during 2016/17 with a capital allocation of £1.6m awarded to refurbish or create new facilities that included:

- Ward 11
- Ward 17
- Information Bank
- Ward 24/25 bridge
- Acute Medical Unit
- Ward M2
- Step Down Facility at Clatterbridge Hospital.

During 2016 the Patient-led Assessment of the Care Environment (PLACE) awarded our estate a condition rating of 96.84% which had increased from 93.84% in 2015 and is above the national average of 93.49%. Despite this achievement and further Board assurance to a significant level that the correct management processes are in place within the Operations & Maintenance Department, backlog maintenance remained a challenge during 2016/17. With some £1.3m being invested in backlog, our significant, moderate and low risk areas of maintenance continue to grow. As it is unlikely that the Trust is able to fund such a significant cost to eradicate risk assessed backlog maintenance (£7,112,559.38) without impacting on front line services, new commercial enterprises must be sought to support the funding of projects going forward.

Estates Operational Performance

The Operations & Maintenance Department received approximately 13,200 work requests during 2016/17 for reactive maintenance repairs to be carried on the estate and equipment with an achievement of 80% succession rate for prioritisation.

The Year Ahead

With Sustainability and Transformation planning underway, 2017/18 will be an important period in shaping our estate to ensure that we are future ready to provide services during the 5YFV. In order to achieve the significant changes required, the Trust will announce the selection of a Strategic Estates Partner in June 2017. The partner will add to our in-house team of estates professionals and will bring a wealth of experience and knowledge in strategic planning and commercialism.

Social, Community and Human Rights Issues

The Trust is committed to promoting equality and diversity (E&D) amongst its workforce so that it is at the heart of all we do. This means ensuring that equality and fairness is embedded in the delivery of our services to patients, their families and carers, and members of the local community. It also means ensuring that our employment practices are fair, flexible and enabling so that each member of staff can reach their full personal and professional potential. Supporting continuous commitment and improvements in relation to the E&D agenda, the Director of Nursing and Midwifery is the Board E&D Lead for the organisation and is keen to support sustainable progress, in line with regional and national standards and policy.

The Trust enjoys well established working relationships and engagement activities with a range of local stakeholder groups and organisations who represent patients with protected characteristics including the Wirral Older People's Parliament, Wirral

Independent Resource for Equality and Diversity (WIRED - Carers Association), the Alzheimer's Society and Healthwatch, the independent consumer champion, a network made up of individuals and organisations working to positively influence Wirral health and social care services.

Committed to sharing and encouraging both knowledge and implementation of human rights approaches in healthcare, the Trust has been keen to further develop the excellent working relationships that we have successfully established with many other community partners including Wirral Mencap, Cheshire and Wirral Partnership (CWP), Age UK, Citizens Advice Bureau (CAB) and Department of Adult Social Services (DASS). Many representatives from these organisations attend and are members of several hospital committees including the Trust's Quality & Safety Committee and the recently established Learning Disabilities Group in order to ensure that the Trust is informed and aware of service user and local community views on health and social care related issues. This enables recommendations to be incorporated into service delivery that will support improvements in patient and family/carer experience.

Chaired by the Director of Nursing and Midwifery, we are very proud that many stakeholder group representatives are standing members of the Trust's Patient and Family Experience Group (PFEG) which is integral to the organisation's safety and quality governance structure and reporting process. Because of key stakeholder attendance and engagement, the Trust is able to share important patient-related information, practices and policies with local third sector organisations via Healthwatch and WIRED representatives, who act as local network leads. During the last E&D and Human Rights week, our Director of Nursing and Midwifery and Chairman were proud to stand alongside our community colleagues and demonstrate the close working relationships that we have developed, reflecting a united hospital and community stance towards the delivery of excellent health and social care delivery.

To assess the impact of Trust policies and/or practices on Equality Target Groups (also known as groups having protected characteristics) and to ensure that equality, diversity and human rights are embedded into its policies and practices, and that the Trust complies with its public sector equality duty, an analysis of all policies, especially those relating to vulnerable patients, is undertaken. To do this, the Trust uses an Equality Analysis pro forma to ensure that we are fully compliant with the Public Sector Duties, defined in the Equality Act 2010.

The Trust's Dementia Steering Group, chaired by our Matron for Dementia, is supported by strong representation from third sector organisations including the Alzheimers Society and WIRED, whose advice is sought actively with regard to the delivery of care for dementia patients who utilise the Trust's services.

In January 2017, the Trust was delighted to welcome into our newly opened 'Information Bank' which includes several members of Healthwatch staff who work closely alongside the Trust's Patient Relations Team. Supporting enhanced communication, the staff provide an information, support, signposting and advice service for health and social care related issues. Located on the ground floor of Arrowe Park Hospital, this highly visible and easily accessible resource is accessed

by patients, families, visitors and staff who are seeking advice, reassurance and support. There is also a range of important information on display for visitors to the area, including the 'Matrons' Hotline' number via which patients, their families and members of the public can receive support in a timely and efficient manner, as well as a quiet area for people to discuss private or sensitive matters.

Health education and advice such as smoking cessation and substance misuse services are also available in this area and, in addition, there are a variety of resources available for carers, including advice and support for those living with, and those caring for people with dementia.

The Trust is working hard to ensure that WUTH is an organisation where diversity is valued, regardless of race, age, disability, gender, sexual orientation, faith, religion or socio-economic status. In recognising that everyone is different, the Trust values the unique contribution that individual experience, knowledge and skills can make in delivering service goals which is visible and apparent at all levels of the organisation.

Working to proactively identify opportunities for joint working that will serve to benefit our hospital and the local community, the Trust is represented at the Wirral CCG Quality Contract meeting where partner organisations are in attendance. In addition, hospital representation is included at the Crisis Care Concordat, a bi-monthly meeting attended by Healthwatch, Fire, Police, Ambulance, DASS and Wirral CCG representatives.

Going forward, the Trust intends to consult further on our service and care delivery with local and regional partners and stakeholders, and where required, undertake joint consultation with other health and social care organisations, in line with the Healthy Wirral initiative and the Cheshire and Merseyside 5YFV.

The Trust as part of the Five Year Forward View (5YFV)

Any consideration of the Trust's future development, performance and position is now placed in the context of the national 5YFV. There are 44 national 5YFV areas and the Trust is part of the Cheshire and Merseyside footprint. There are 4 key themes to this work to support the delivery of NHS England's triple aim of Better Health, Better Care & Better Value:

- Demand management and prevention at scale
- High Quality Hospital Care
- Back and Middle support services
- Changing the way we work together.

The Cheshire and Mersey 5YFV footprint is the second largest nationally and is comprised of three Local Delivery Systems (LDS). WUTH is part of the Cheshire and Wirral LDS serving a combined population of just over 1 million. Increasingly Accountable Care Systems are being seen as the local (e.g. Wirral) vehicles for delivery of the 5YFV. This requires all Health and Social Care partners in the locality to be developing a response to Accountable Care with place based integrated care systems funded on a population basis.

In late 2015, the Trust undertook a fundamental review of its long term strategy up to the end of the decade. To compliment this and to account for the 5YFV progress the Trust will be refreshing its Clinical Strategy in 2017.

The Trust's long term vision remains to be both locally focussed and regionally significant. This will be done first and foremost for the Trust's patients and with the Trust's staff in line with the Trust's PROUD values that have been embedded within the organisation for many years now.

We have 3 large work programmes for 2017-20: Shaping our own future, Maximising value and Excellent services which mirror the national 5YFV views intentions for Better Health, Better Care, Better Value.

In addition, across Cheshire we will be working closely with the Countess of Chester as part of an Acute Care Alliance to develop our services better together.

As well as a new clinical strategy we have several other key enablers for strategic change

- A Service Transformation Team to provide programme management and governance
- A Strategic Estates Partnership
- Our position as a national Global Digital Exemplar.

For 2017-19 the Trust has agreed a 2 year operational plan with our commissioners. For this period the three key themes upon which our strategy will be delivered is based are as follows:

Excellent services:

- Meet NHS Constitution standard trajectories for waiting times in A&E, RTT and cancer care
- Aim for a CQC rating of Good before moving on to be rated Outstanding
- Launch a long term programme to eliminate unwarranted clinical variation
- Change how the Trust is managed to ensure that clinicians lead service design and delivery
- Flex our workforce model in recognition of recruitment/retention problems and in support of the introduction of new models of care

Shaping Our Own Future:

- Work with partner organisations across Wirral, Cheshire and Merseyside to implement the 5YFV
- Create an Accountable Care Organisation in Wirral
- Develop further the Acute Care Alliance with the Countess of Chester Hospital
- Develop further our Clinical Strategy
- Roll out our plans to confirm WUTH as a Global Centre of Digital Excellence and for the extension locally of population health management

Maximising Value - We will:

- Extract the financial benefits to be derived from developing excellent services and shaping our own future with a particular focus on the development of an Accountable Care Organisation, the Acute Care Alliance with the Countess of Chester Hospital and WUTH's status as a Global Centre of Digital Excellence
- Maximise the economic returns from better use of the Trust's land
- Deliver the recommendations of Lord Carter's report on hospital productivity
- Deliver our transformation agenda "Quality Healthcare, Sustainable Future" to improve productivity and efficiency through redesigning service delivery whilst achieving value for money.



David Allison
Chief Executive

Date: 24th May 2017

Accountability Report

Directors' Report

Board of Directors

Role and Composition

The Board of Directors has collective responsibility for all aspects of the Trust's performance. The 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 NHSI, the CQC, NHS Litigation Authority and other relevant bodies
- Setting and maintaining the Trust's vision, values and standards of conduct 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 has established a governance structure which sets out how assurance and performance management is organised and is supported by the Trust's Standing Orders, Standing Financial Instructions and a Scheme of Reservation and Delegation. Together they define the governance arrangements and decisions reserved for the Board, its Assurance Committees and those further delegated to management throughout the Trust.

In 2016/17 the Board comprised of a Non-Executive Chairman, six independent Non-Executive Directors and five Executive Directors.

Non-Executive Directors are generally appointed to a three-year term of office, with appointments staggered where possible, such that two or three terms expire on 30th June each year.

The unitary nature of the Board of Directors means that Non-Executive and Executive Directors share the same responsibility and engage to constructively challenge decisions and help to develop proposals on strategy.

There is a clear division of responsibilities between the Chairman and the Chief Executive. The Chairman 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 also the role of the Chairman 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.

Non-Executive Directors

Michael Carr
Chairman



Michael Carr was appointed Chairman of Wirral University Teaching Hospital NHS Foundation Trust in July 2010, having previously been a Non-Executive Director of the Trust from July 2008.

Michael was appointed for a further one year term as Chair during 2016/17 up until 30th June 2018. From 2004 to 2007, Michael was the inaugural Executive Director of the Russell Group of Universities, the primary association for the UK's leading research universities. He was Registrar of the University of Liverpool from 1988 to 2007. He is a Trustee of the Alliance House Foundation and Vice-Chairman of the Institute of Alcohol Studies, and from 1998 to 2007 was a Non-Executive Director of MIDAS Capital Partners Ltd. Michael was a Non-Executive Director and Vice Chairman of the Royal Liverpool and Broadgreen University NHS Trust for ten years until 2006, where he also served as Chairman of its Audit Committee.

Cathy Bond
Non-Executive Director, Deputy Chair, Senior Independent Director and Chair of Audit Committee



Cathy Bond was appointed as a Non-Executive Director in July 2011 having taken early retirement in February 2010 from the position of Director of Finance at the Royal Liverpool and Broadgreen University Hospitals NHS Trust, a position she gained in 1992. As the Director of Finance, Cathy was responsible for commissioning and contracts with other Trusts. Cathy has a BSc (Hons) and full CIPFA membership. Cathy has been the Trust's Senior Independent Director since July 2015.

Cathy was appointed as a Non-Executive Director on 1st July 2011 and was appointed for a second term during 2013/14 up until 30th June 2017.

Cathy Maddaford
Non-Executive Director and Chair of Quality and Safety



Cathy Maddaford is a Registered General Nurse and qualified as a Midwife. She has worked clinical in acute hospitals, community and primary care settings. Cathy has Held Executive Directors posts including Nursing, Quality, and Performance in both Provider and Commissioning NHS Organisations.

Cathy holds a BEd (Hons) and an MA in Health Service Management from the University of Manchester and an MA in Healthcare Law from the University of Salford.

Cathy took up the role of Quality and Safety Committee Chair from 1st July 2016.

Cathy was appointed as a Non-Executive Director on 1st July 2013 and was appointed for a second term during 2015/16 up until 30th June 2019.

Andrea Hodgson
Non-Executive Director and Chair of Finance, Business Performance and Assurance Committee



Andrea Hodgson is a qualified finance professional with extensive business experience gained across the financial services industry focussing on delivering changes to processes, procedures and culture change programmes in a complex and highly regulated environment.

She has held a variety of senior national positions throughout her career at KPMG, Nationia Group and Lloyd's Banking including those of Finance Director and Change Director.

Andrea took up the role of Finance Business Performance and Assurance Committee Chair from 1st July 2016.

Andrea was appointed as a Non-Executive Director on 1st July 2014 and was appointed for a second term during 2016/17 up until 30th June 2020.

Jean Quinn
Non-Executive Director and Chair of Quality and Safety Committee



Jean Quinn was appointed Non-Executive Director in January 2011, having previously been a Stakeholder Governor. She is a former GP, university lecturer at the University of Liverpool Medical School and local councillor with Wirral Borough Council, where she was the Cabinet Member for Streetscene and Transport and spokesperson for the Social Care and Health Overview and Scrutiny Committee. She qualified MBChB in 1970 at Liverpool

Medical School and is a Fellow of the Royal College of General Practitioners.

Jean stood down from her role as Quality and Safety Committee Chair on 30th June 2016.

Jean was appointed as a Non-Executive Director in January 2011 and was appointed for a third term of one year during 2016/17 up until 31st December 2017.

Graham Hollick

Non-Executive Director and Chair of Finance, Business Performance and Assurance Committee



Graham Hollick began his career in 1964 when he joined the Central Africa Building Society. Here, he ultimately rose to Chief Executive and, in 1998, was appointed Group Chief Executive at Old Mutual Central Africa. Graham retired in 2004 and moved to the United Kingdom. On his arrival in the United Kingdom he undertook lecturing in Management Science Methods and Tutoring in Quantitative Techniques and Operations Management at Aston University until 2012.

His Executive and Non-Executive Director experience includes being appointed to numerous quoted and unquoted companies' Boards. In 2005 he was appointed to the Board of Royal Liverpool and Broadgreen University Teaching Hospitals NHS Trust where he was Deputy Chair and Chair of the Finance and Performance Committee.

Graham stood down from his role as Finance, Business Performance and Assurance Committee Chair on 30th June 2016.

Graham was appointed as a Non-Executive Director on 1st July 2013 and was appointed for a second term during 2015/16 up until 30th June 2019.

John Sullivan

Non-Executive Director



John Sullivan was appointed Non-Executive Director in July 2015 up until 30th June 2018.

He has extensive international manufacturing, business change and HR experience at senior levels in ICI, Texaco Canada Inc, Ineos Chlor Ltd, Sanofi Aventis Ltd and Novartis Vaccines & Diagnostics Ltd. Recently he also founded ICTAN Limited, providing management consultancy and executive coaching support to senior manufacturing and general management leaders in various industries.

John has been a Chartered Chemical Engineer for over 30 years and holds an MBA from York University, Toronto, Canada.

Executive Directors

David Allison
Chief Executive



David Allison joined the Trust as Chief Executive on 2nd April 2012 having formerly worked as Chief Operating Officer for Newcastle Hospitals NHS Foundation Trust. As an experienced leader, he has a record of delivering enhanced performance and introducing significant developments within an acute hospital setting. He also has experience in Regional Development and the private sector. David recognises the commitment, skills and expertise that exist within the hospital and since joining the Trust has been building on the excellent foundations already in place to

deliver the quality of healthcare that the communities we service have a right to expect.

Evan Moore
Medical Director



Dr Evan Moore was appointed as Medical Director of the Trust in October 2012. He joined the Trust in 2002 as a consultant anaesthetist where his interest in medical leadership led him to be being elected to the chairmanship of the Hospital Consultant Body, serving in this representative and negotiating role for several years. His first formal management role was as clinical director of the Theatres and Anaesthetics Directorate where he led a team of over 70 anaesthetists, introducing workforce and productivity efficiencies. Success in this role led to Evan being initially appointed as Deputy Medical Director where his responsibilities included job planning, medical productivity and patient flow.

Evan was appointed as Deputy Chief Executive Director at Besti Cadawaldr University Health Board and left the Trust to take up his new post at the end of August 2016.

Mark Lipton
Interim Medical Director



Having been at the Trust for 23 years, Dr Mark Lipton joined Wirral hospitals as a Consultant Radiologist with a specialist interest in GI (Gastro Intestinal) and Intervention.

Over the years, Dr Lipton's career with us has seen him develop greatly from Clinical Service Lead in Pathology (2009-2012) to Divisional Medical Director for Diagnostics and Clinical Support (2012-2015). Most recently he was appointed Deputy Medical Director.

Dr Lipton took up the post of Interim Medical Director from September 2016 to December 2016 which saw him work in collaboration with all staff across the organisation to serve the patients of the Trust and the local population.

Susan Gilby
Medical Director



Dr Susan Gilby joined Wirral University Teaching Hospital as Medical Director at the start of January 2017.

Formerly the Medical Director at Wye Valley NHS Trust, she brings with her a wealth of experience that will be of great benefit to patients and colleagues at our Trust.

Originally a music graduate at the University of Manchester, she went on to complete a Bachelor of Medicine (MB) degree, launching her medical career.

As a junior doctor she gained senior house officer (SHO) experience in paediatrics, surgery, A&E and primary care. She then decided to specialise in intensive care. Following that she was a Consultant Anaesthetist and Intensivist and Fellow in Cardiothoracic Anaesthesia at Liverpool Heart and Chest NHS Foundation Trust, where she was also a college tutor.

She later decided to work more local to her home in Cheshire and joined Mid Cheshire NHS Foundation Trust, where she was a Consultant in Anaesthesia and Critical Care and then latterly the Associate Medical Director for the Division of Medicine and Emergency Care. During her time at the Trust she was a clinical lead for the £25 million development of its theatres.

She was later appointed Medical Director at Wye Valley NHS Trust, where she led the transformation and turnaround of the Trust after it was put in special measures in October 2014.

Wirral University Teaching Hospital now has the benefit of her significant experience and expertise.

Janelle Holmes
Chief Operating Officer



Janelle Holmes was appointed as Chief Operating Officer in April 2016. Prior to taking up this role, Janelle was the Director of Operations and Performance at Salford Royal Foundation Trust.

Janelle has worked in the NHS since qualifying as a Registered General Nurse in 1991. During her nursing career she worked in a variety of clinical areas, moving into operational management in 2004 following a spell as a 'health economy' service transformation lead.

Janelle is passionate about service improvement, staff development and whole system working to improve patient outcomes and experience. In 2011 she successfully integrated Salford Community Adult and Children's Services with the

acute hospital as Managing Director for Salford Health Care. In 2015 she established the Better Care at Lower Cost programme as Director for Productivity and Efficiency with the specific focus of improving patient quality and safety to drive cost reduction.

Janelle sees her role at WUTH as one of supporting the Divisions and clinical services to reliably deliver operational excellence through a framework of assurance and accountability to ensure excellent clinical outcomes and patient experience.

Gaynor Westray
Director of Nursing and Midwifery



Gaynor Westray joined the Trust as a student nurse back in 1984 and has spent her entire NHS career dedicated to caring for people at Wirral hospitals.

After three years of nurse training, Gaynor became a Staff Nurse on the orthopaedic wards here at Arrowe park Hospital, her hard work and commitment to patient care resulted in her being promoted to Ward Sister initially at Arrowe Park Hospital, then transferring to Clatterbridge Hospital

In 2002, Gaynor had the privilege of becoming the Trust's first ever Matron. This progressed into a general management role, managing clinical services within Critical Care, Orthopaedics, surgery and special surgery, as well as the theatres at both Clatterbridge and Arrowe Park hospitals. She was later promoted to Associate Director of Nursing within Surgery, Women and Childrens and then in 2014 as Deputy Chief Nurse.

In early 2016 Gaynor was appointed as Director of Nursing and Midwifery and Director of Infection Prevention and Control.

Having been a member of the Wirral community for many years and with more than three decades of nursing experience, Gaynor aims to ensure the best possible care and has pledged to continue and build on the current Nursing and Midwifery Strategy which focuses on care, compassion, competence, communication, courage and commitment.

Gareth Lawrence
Acting Director of Finance



Gareth Lawrence was appointed Acting Director of Finance in November 2015 until May 2016.

Gareth has over 12 years NHS experience and previously spent five years working at St Helens and Knowsley NHS Trust in senior finance positions. He sees the role as ensuring that the Trust has the right controls and processes in place to manage the public finances as well as working with our clinical services to seek out continuous improvements for the patients that we serve.

David Jago
Director of Finance



David Jago joined Wirral University Teaching Hospital in June 2016. He was previously Director of Finance at Liverpool Heart and Chest Hospital before being appointed as Deputy Chief Executive/Chief Finance Officer in September 2013.

David's experience includes:
Director of Finance, Procurement and IM&T at Tameside Hospital NHS Foundation Trust
Deputy Director of Finance at University Hospital South

Manchester

Deputy Director of Finance at Conwy and Denbighshire NHS Trust

David is a member of the Chartered Institute of Public Finance and Accountancy. He also has a BA(Hons) degree in Economics.

Board, Management and Clinical Leadership, Capacity and Capability

At the time of the breach in August 2015 the Trust had a number of interim support arrangements in place for both financial turnaround and operational performance, the continuation of which formed part of the Trust's enforcement undertakings. Following the successful recruitment of a new Director of Finance and a new Chief Operating Officer in 2016 the Trust managed to lift undertaking 1.7 described below:

'The licensee will continue with interim support arrangements for both financial turnaround and operational performance until it can demonstrate that it has in place on a permanent and sustainable basis sufficient personnel with the skills and experience necessary to deliver the Recovery Plan and to deliver its services on a financially sustainable basis.'

The Trust also appointed the Deputy Chief Nurse into the post of Director of Nursing and Midwifery in February 2016 following the retirement of the previous postholder.

The Well Led Governance Review undertaken in July 2016 commented on *'the change in the Executive Team with high levels of confidence being expressed from internal and external stakeholders around the new team, with less silo working, improved dynamics and greater clarity on roles and responsibilities apparent.'*

In summary the decision by NHSI in March 2016 to remove the undertaking in relation to interim support being required together with the outcomes of the Well led Governance Review which articulate the positive views of staff and external stakeholders supports the Trust's view that it has now has a capable and competent Board.

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), seeking to pay 95% of invoices within contract terms or 30 days where no terms have been agreed. Performance against this target is offered in Note 9.3 to the accounts. There has been one payment of interest in 2016/17 under the Late Payment of Commercial Debts (Interest) Act 1998, as disclosed in Note 9.2 to the accounts.

Quality Governance Reporting

The Trust has a clinical governance and assurance structure which has been formally approved by its Board of Directors. The Quality and Safety Committee recognised as the key Board Assurance Committee which monitors performance in quality, safety and patient experience. Full details of the work of the Quality and Safety Committee are outlined in this report. This Annual Report also outlines how the Trust has managed a range of quality and safety issues/initiatives as follows:

Performance Analysis – this section outlines how the Trust performed against key access targets and where this was not achieved, the actions being taken to improve performance in 2017/18.

The Staff Report – this section highlights how the Trust has maintained improved staff engagement and organisational development and the positive impact this has had on staff morale, vacancy rates, attendance and appraisal levels.

The Annual Governance Statement – this outlines the work undertaken to address the findings of the CQC comprehensive inspection undertaken in September 2015 and the recommendations made following the Well Led Governance Review which reached its conclusion in September 2016.

Well Led Governance Review - In line with Monitors Quality Governance and Well Led Framework, the Trust undertook an externally led Well Led Governance Review in 2016/17 which focused on four key areas:

- Strategy and planning
- Capability and culture
- Process and structures
- Measurement

The Board commenced the review by undertaking a self-assessment in August 2015 which was externally facilitated by MIAA. The outcomes of the self-assessment informed the tender process for the independent review. Following a procurement exercise in February 2016, Deloitte were appointed as independent reviewers and a thorough evaluation was undertaken between April and June 2016 during which time Deloitte considered a collection of evidence and gained the views of the Board, staff and key stakeholders. As part of their final report, the Trust was provided with a detailed set of recommendations which are being actioned by the Board and progress monitored by the Audit Committee.

Further details of the Well Led Governance Review can be found within the Annual Governance Statement within this Annual Report.

Following on from the Well-Led Governance Review, the Trust commissioned an independent Quality Governance Review in early 2017, to be undertaken by independent reviewers Facere Melius, to further evaluate the governance structures and processes within the quality arm of the organisation. On receipt of the final report, an action plan will be drafted to address any recommendations and progress against these actions monitored by the Quality and Safety Committee.

To further support enhancement of patient safety and experience, the Trust will also embed a Safety Summit initiative which will be open to all staff to provide a forum for the discussion of incidents and near misses and facilitate Trust wide learning as a consequence of such occurrences.

The Quality Report – this outlines Trust performance against its agreed quality priorities for 2016/17. It also articulates the focus of attention for 2017/18 and outlines the rationale for this.

The Trust as Part of the 5YFV – this section outlines the partnerships/strategic alliances and collaborations the Trust is embarking upon to improve financial sustainability and patient care. The Trust has engaged a wide range of external stakeholders as part of the developing strategy to ensure clinical buy-in and partnership support. This activity will continue as the emerging strategies progress.

Income for the purposes of the health service in England

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England (principal) must be greater than its income from the provision of goods and services for any other purposes (non-principal). The Trust has met this statutory requirement.

Non-principal income is used to provide additional funding for the Trust. It is directly reinvested in the delivery of high quality NHS services.

Statement of disclosure to Auditors

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

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



David Allison
Chief Executive

Date: 24th May 2017

Remuneration Report

Annual Statement on Remuneration

The Remuneration and Appointments Committee met on two occasions during 2016/17, the reduction in the number of meetings compared to 2015/16 reflects the establishment of the new Executive Team undertaken in the previous year.

The current Executive Team has undoubtedly introduced a new level of rigour and expertise, which has been acknowledged by the regulator, NHSI.

The Director of Finance commenced employment on the 1st June 2016 and the Medical Director on the 1st January 2017.

Senior Managers' Remuneration Policy

We use the definition of Senior Manager to mean the members of the Senior Management Team who are Directors of the Trust and those managers who are paid on Local Senior Manager rates believing that only these individuals direct or control the Trust's major activities.

Executive Directors of the Trust are employed on contracts of service and are substantive members of the Trust. Their contracts are open ended employment contracts, which can be terminated by either party with six months' notice. The Trust's disciplinary policies apply to the Executive Directors and Senior Managers, including the sanction of summary dismissal for gross misconduct.

No Executive Director or Senior Manager is entitled to severance payments or termination payments beyond those accruing for redundancy, in line with Trust policy, or for pay in lieu of notice. The Trust has no plans to introduce incentive payments or rewards to Executive Directors.

Annual Report on Remuneration

Remuneration and Appointments Committee

This Committee comprises of the Non-Executive Directors and is chaired by the Trust Chairman. Its purpose is to decide the pay, allowances and other terms and conditions of the of the Executive Directors and of staff who are not on national terms as well as consider the appointments of Executive Directors as their posts fall vacant.

The Committee received the outcomes of the annual appraisals of the Chief Executive and members of the Executive Team.

Members of the Committee had no financial interest in the matters to be decided. The Chief Executive, Director of Workforce and the Director of Corporate Affairs normally attended meetings in 2016/17, except where their own salaries or performance were discussed.

The Remuneration Committee met on two occasions during 2016/17.

Attendance at Remuneration and Appointments Committee Meetings in 2016/17

	Meeting Attendance Actual/Possible 1 st April 2016 – 31 st March 2017
Michael Carr, Chair	2/2
Cathy Bond	2/2
Cathy Maddaford	2/2
Graham Hollick	2/2
Jean Quinn	2/2
John Sullivan	2/2
Andrea Hodgson	2/2

Directors' and Governors' Expenses

Expenses paid to Executive and Non-Executive 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 nine Directors during the year was £5,120 (6, £3,150 in 2015/16). In 2016/17, 15 Executive and Non-Executive Directors were in Office (16 in 2015/16)

The total amount of expenses reimbursed to four Governors during the year was £360 (4, £340 in 2015/16). In 2016/17, 23 Governors were in office (25 in 2015/16).

Remuneration Disclosures which are Subject to Audit

The following disclosures are subject to audit.

Salaries and benefits of senior managers 2016/17

	Salary & fees (in bands of £5,000) £000	Taxable benefits (to the nearest £100) £	Pension-related benefits (in bands of £2,500) £000	Total (in bands of £5,000) £000
David Allison Chief Executive	200 - 205	3,700	70.0 - 72.5	275 - 280
Evan Moore Medical Director (to August 2016)	75 - 80	2,100	5 - 7.5	85 - 90
Dr Mark Lipton Interim Medical Director (from September 2016 to December 2016)	55 - 60	0	0	55 - 60
Dr Susan Gilby Medical Director (from January 2017)	45 - 50	0	60 - 62.5	105 - 110
Gaynor Westray Director of Nursing and Midwifery	105 - 110	1,900	187.5 - 190	295 - 300
Gareth Lawrence Acting Director of Finance (to May 2016)	15 - 20	1,000	35 - 37.5	50 - 55
David Jago Director of Finance (from June 2016)	105 - 110	5,700	162.5 - 165	275 - 280
Janelle Holmes Chief Operating Officer (from April 2016)	130 - 135	0	167.5 - 170	300 - 305
Chris Oliver Director of Operations (Interim to June 2016, substantive thereafter)	95 - 100	5,200	32.5 - 35	135 - 140
Mark Blakeman Director of Infrastructure & Informatics (to November 2016)	60 - 65	2,600	0	60 - 65
Paul Charnley Director of IT and Information (from December 2016)	30 - 35	700	10 - 12.5	45 - 50
James Mawrey Director of Workforce	95 - 100	5,500	37.5 - 40	135 - 140
Carole Self Director of Corporate Affairs	90 - 95	2,600	47.5 - 50	140 - 145
Pippa Roberts Director of Pharmacy and Medicines Management	100 - 105	0	67.5 - 70	165 - 170
Mike Coupe Director of Strategy (to February 2017)	110 - 115	0	37.5 - 40	150 - 155
Jill Galvani Director of Nursing & Midwifery (to February 2015)	n/a	n/a	n/a	n/a
Alistair Mulvey Director of Finance (to November 2015)	n/a	n/a	n/a	n/a
Sharon Gilligan Director of Operations (to November 2015)	n/a	n/a	n/a	n/a
Anthony Hassall Director of Strategy & Partnerships (to August 2015)	n/a	n/a	n/a	n/a
Michael Carr Chairman	45 - 50	0	n/a	45 - 50
Catherine Bond Non-Executive Director	15 - 20	0	n/a	15 - 20
Dr Jean Quinn Non-Executive Director	10 - 15	0	n/a	10 - 15
Graham Hollick Non-Executive Director	10 - 15	0	n/a	10 - 15
Catherine Maddaford Non-Executive Director	10 - 15	0	n/a	10 - 15
Andrea Hodgson Non-Executive Director	10 - 15	0	n/a	10 - 15
John Sullivan Non-Executive Director	10 - 15	0	n/a	10 - 15
Jeff Kozer Non-Executive Director (to June 2015)	n/a	n/a	n/a	n/a

Salaries and benefits of senior managers 2015/16

	Salary & fees (in bands of £5,000) £000	Taxable benefits (to the nearest £100) £	Pension-related benefits (in bands of £2,500) £000	Total (in bands of £5,000) £000
David Allison Chief Executive	190 - 195	5,200	30 - 32.5	230 - 235
Evan Moore Medical Director (to August 2016)	185 - 190	5,400	30 - 32.5	225 - 230
Dr Mark Lipton Interim Medical Director (from September 2016 to December 2016)	n/a	n/a	n/a	n/a
Dr Susan Gilby Medical Director (from January 2017)	n/a	n/a	n/a	n/a
Gaynor Westray Director of Nursing and Midwifery	15 - 20	0	145 - 147.5	160 - 165
Gareth Lawrence Acting Director of Finance (to May 2016)	40 - 45	3,000	67.5 - 70	110 - 115
David Jago Director of Finance (from June 2016)	n/a	n/a	n/a	n/a
Janelle Holmes Chief Operating Officer (from April 2016)	n/a	n/a	n/a	n/a
Chris Oliver Director of Operations (Interim to June 2016, substantive thereafter)	25 - 30	2,000	42.5 - 45	70 - 75
Mark Blakeman Director of Infrastructure & Informatics (to November 2016)	30 - 35	1,200	10 - 12.5	45 - 50
Paul Charnley Director of IT and Information (from December 2016)	n/a	n/a	n/a	n/a
James Mawrey Director of Workforce	30 - 35	1,100	32.5 - 35	60 - 65
Carole Self Director of Corporate Affairs	25 - 30	100	30 - 32.5	55 - 60
Pippa Roberts Director of Pharmacy and Medicines Management	30 - 35	0	0	30 - 35
Mike Coupe Director of Strategy (to February 2017)	30 - 35	0	12.5 - 15	45 - 50
Jill Galvani Director of Nursing & Midwifery (to February 2015)	105 - 110	0	0	105 - 110
Alistair Mulvey Director of Finance (to November 2015)	140 - 145	0	7.5 - 10	150 - 155
Sharon Gilligan Director of Operations (to November 2015)	80 - 85	4,600	25 - 27.5	110 - 115
Anthony Hassall Director of Strategy & Partnerships (to August 2015)	40 - 45	1,500	77.5 - 80	120 - 125
Michael Carr Chairman	45 - 50	0	n/a	45 - 50
Catherine Bond Non-Executive Director	15 - 20	0	n/a	15 - 20
Dr Jean Quinn Non-Executive Director	10 - 15	0	n/a	10 - 15
Graham Hollick Non-Executive Director	10 - 15	0	n/a	10 - 15
Catherine Maddaford Non-Executive Director	10 - 15	0	n/a	10 - 15
Andrea Hodgson Non-Executive Director	10 - 15	0	n/a	10 - 15
John Sullivan Non-Executive Director	10 - 15	0	n/a	10 - 15
Jeff Kozer Non-Executive Director (to June 2015)	0 - 5	0	n/a	0 - 5

Unless otherwise indicated, all of the listed senior managers were in post for the twelve month period to 31 March 2017. 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.

The element of the Medical Director's remuneration which relates to their clinical role is not currently separable from the remuneration for their management role. This additional disclosure therefore cannot be offered in addition to the 'total remuneration' disclosures in the preceding tables. No annual performance-related bonuses or long term performance-related bonuses were paid during the period.

Taxable benefits relate to a vehicle scheme which forms part of executives' remuneration.

Within the year, the Director of Strategy received an exit package of pay in lieu of notice totalling £22k. This is included within the Exit Packages section of the Staff Report under *Contractual payments in lieu of notice*. There have been no payments in 2016/17 to past senior managers.

Pension benefits of senior managers 2016/17

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	£000	£000	£000	£000	£000	£000	£000
David Allison Chief Executive	2.5 - 5	2.5 - 5	25 - 30	65 - 70	405	86	491
Evan Moore Medical Director (to August 2016)	0 - 2.5	0 - 2.5	40 - 45	120 - 125	620	26	682
Dr Mark Lipton Interim Medical Director (from September 2016 to December 2016)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr Susan Gilby Medical Director (from January 2017)	0 - 2.5	0 - 2.5	45 - 50	140 - 145	853	21	939
Gaynor Westray Director of Nursing and Midwifery	7.5 - 10	25 - 27.5	35 - 40	115 - 120	519	169	689
Gareth Lawrence Acting Director of Finance (to May 2016)	0 - 2.5	0 - 2.5	10 - 15	30 - 35	113	4	136
David Jago Director of Finance (from June 2016)	5 - 7.5	17.5 - 20	45 - 50	145 - 150	751	128	906
Janelle Holmes Chief Operating Officer (from April 2016)	5 - 7.5	20 - 22.5	35 - 40	105 - 110	475	136	611
Chris Oliver Director of Operations (Interim to June 2016, substantive thereafter)	0 - 2.5	0 - 2.5	15 - 20	40 - 45	163	23	186
Mark Blakeman Director of Infrastructure & Informatics (to November 2016)	0 - 2.5	0	30 - 35	80 - 85	477	8	489
Paul Charnley Director of IT and Information (from December 2016)	0 - 2.5	0 - 2.5	0 - 5	0 - 5	0	2	6
James Mawrey Director of Workforce	0 - 2.5	0 - 2.5	15 - 20	45 - 50	217	30	247
Carole Self Director of Corporate Affairs	2.5 - 5	7.5 - 10	10 - 15	35 - 40	195	54	249
Pippa Roberts Director of Pharmacy and Medicines Management	2.5 - 5	0 - 2.5	25 - 30	70 - 75	379	52	431
Mike Coupe Director of Strategy (to February 2017)	0 - 2.5	0 - 2.5	35 - 40	60 - 65	518	56	580
Jill Galvani Director of Nursing & Midwifery (to February 2015)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alistair Mulvey Director of Finance (to November 2015)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sharon Gilligan Director of Operations (to November 2015)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Anthony Hassall Director of Strategy & Partnerships (to August 2015)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

- (a) Real increase in pension at pension age (bands of £2,500)
(b) Real increase in pension lump sum at pension age (bands of £2,500)
(c) Total accrued pension at pension age at 31 March 2017 (bands of £5,000)
(d) Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5,000)
(e) Cash equivalent transfer value (CETV) at 1 April 2016 (to the nearest £1,000)
(f) Real increase in CETV (to the nearest £1,000)
(g) CETV at 31 March 2017 (to the nearest £1,000)

Non-Executive Directors do not receive pensionable remuneration. All pension benefits relate to the NHS Pension Scheme.

Pension benefits of senior managers 2015/16

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	£000	£000	£000	£000	£000	£000	£000
David Allison Chief Executive	2.5 - 5.0	2.5 - 5.0	20 - 25	65 - 70	361	39	405
Evan Moore Medical Director (to August 2016)	2.5 - 5.0	0	40 - 45	115 - 120	588	26	620
Dr Mark Lipton Interim Medical Director (from September 2016 to December 2016)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dr Susan Gilby Medical Director (from January 2017)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Gaynor Westray Director of Nursing and Midwifery	0 - 2.5	2.5 - 5.0	30 - 35	90 - 95	387	19	519
Gareth Lawrence Acting Director of Finance (to May 2016)	0 - 2.5	2.5 - 5.0	5 - 10	25 - 30	71	17	113
David Jago Director of Finance (from June 2016)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Janelle Holmes Chief Operating Officer (from April 2016)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chris Oliver Director of Operations (Interim to June 2016, substantive thereafter)	0 - 2.5	0 - 2.5	10 - 15	35 - 40	136	9	163
Mark Blakeman Director of Infrastructure & Informatics (to November 2016)	0 - 2.5	0	30 - 35	85 - 90	460	4	477
Paul Charnley Director of IT and Information (from December 2016)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
James Mawrey Director of Workforce	0 - 2.5	0 - 2.5	15 - 20	45 - 50	190	8	217
Carole Self Director of Corporate Affairs	0 - 2.5	0 - 2.5	10 - 15	30 - 35	155	13	195
Pippa Roberts Director of Pharmacy and Medicines Management	0 - 2.5	0 - 2.5	20 - 25	70 - 75	360	5	379
Mike Coupe Director of Strategy (to February 2017)	0 - 2.5	0	30 - 35	55 - 60	518	6	490
Jill Galvani Director of Nursing & Midwifery (to February 2015)	0 - 2.5	0 - 2.5	55 - 60	165 - 170	1,110	14	1,140
Alistair Mulvey Director of Finance (to November 2015)	0 - 2.5	0	30 - 35	90 - 95	524	7	541
Sharon Gilligan Director of Operations (to November 2015)	0 - 2.5	0 - 2.5	15 - 20	50 - 55	256	14	280
Anthony Hassall Director of Strategy & Partnerships (to August 2015)	0 - 2.5	0 - 2.5	25 - 30	65 - 70	294	13	338

- (a) Real increase in pension at pension age (bands of £2,500)
(b) Real increase in pension lump sum at pension age (bands of £2,500)
(c) Total accrued pension at pension age at 31 March 2016 (bands of £5,000)
(d) Lump sum at pension age related to accrued pension at 31 March 2016 (bands of £5,000)
(e) Cash equivalent transfer value (CETV) at 1 April 2015 (to the nearest £1,000)
(f) Real increase in CETV (to the nearest £1,000)
(g) CETV at 31 March 2016 (to the nearest £1,000)

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.

Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate

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

Hutton review of fair pay

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. In this context the median is defined as the total remuneration of the staff member who lies in the middle of the linear distribution of staff, excluding the highest paid director. The median is based on the annualised, full time equivalent remuneration for the year excluding employer's costs.

The banded remuneration of the Trust's highest paid director in the financial year 2016/17 was £205k to £210k (2015/16 £190k to £195k). This was 7.9 times (2015/16 7.5 times) the median remuneration of the workforce, which was £26,407 (2015/16 £25,818).

In 2016/17, 3 employees received remuneration in excess of the highest paid director (2015/16 6 employees). Their remuneration in 2016/17 ranged from £208k to £306k (2015/16 £198k to £219k). The upper limit of this range has increased due to a single instance of significant back-pay awarded to a member of clinical staff for work done in previous financial years.

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

The year-on-year change in the ratio is considered negligible. The increase is driven by an increase in the highest paid director's pay band, and the inclusion of the

highest paid director's car allowance, which was not included in previous years' calculations.

As in previous years, temporary agency staff are excluded from the calculations. The calculation methodology is kept the same so that the 2016/17 results are comparable with those in previous years. Summary results are included in the table below.

	2016/17	2015/16
Band of highest paid director's remuneration (£000)	205 - 210	190 - 195
Median total (£)	26,407	25,818
Ratio	7.9	7.5



David Allison
Chief Executive

Date: 24th May 2017

Staff Report

The Workforce & Organisational Development Strategy articulates the Trust vision which is to have a healthy organisational culture, a sustainable and capable workforce, working in an integrated manner with partners and where the leadership and management of our people is effective, it is conducted in a manner that improves staff experience and lets us demonstrate that we have put our values into action.

The Trust has already made significant progress in delivering the Workforce & Organisational Development Strategy with the successful completion of the Year 1 plan. Monitoring of the Strategy and its progress through year 2 objectives is achieved via the Trust's governance framework utilising pertinent oversight committees such as the Workforce and Communications Group and Quality and Safety Committee. The Human Resources & Organisational Development department continue to monitor the key characteristics of the workforce such as proportions in different staff groups, pay band, age, length of service, turnover in order to inform the workforce strategy and departmental planning. The department continues to ensure alignment of the Trust clinical workforce with the delivery of care, based on both demand/flow and demographics/acuity. Optimising leadership skills and potential remains essential and as such we continue to develop and improve our Leadership and Management framework. The Trust's values continue to be embedded in HR processes including recruitment, appraisal, remuneration and training. A clear commitment to enhancing the wellbeing of our workforce has resulted in significant improvements in staff sickness levels, in line with the Health & Wellbeing plan the Trust's flu vaccination rate for front line staff continue to improve as 79% of our frontline staff received the vaccination in 2016/17. The Trust's vacancy rate is reported to the Quality & Safety Committee and our rates remain low when compared to peer NHS organisations.

The main anticipated changes to the shape of the Workforce are as follows:

1. Non-medical staffing is projected to reduce with reductions in administrative staff as systems and efficiencies become leaner and more streamlined, taking advantage of enabling technologies
2. Medical staffing levels have increased over recent years, specifically within the Consultant level positions. Whilst this increase has slowed, it is anticipated that consultant numbers will be maintained. Generally the Trust does not have significant problems in recruiting into senior positions although for a few 'hard to fill' areas bespoke plans are in place. The Trust has a range of measures in place in order to mitigate the anticipated reduction in Junior Doctors in this time period
3. The nurse vacancy rate remains low when compared to peer organisations. Recruitment of nurses has not traditionally been a problem for the Trust and a comprehensive recruitment and retention plan is in place.

There has been a focus on delivering the Health and Wellbeing Plan to ensure high rates of attendance amongst our staff. This has resulted in low levels of sickness absence with the majority of months this year falling below the Trust sickness rate target of 4% or less.

The Trust remains committed to ensuring our staff are regularly appraised and that they receive all of the required training to ensure they continue to be safe and effective in their roles. The Trust sets a stretch appraisal target of 88% and for the majority of 2016/17 rates have been within 2% of this stretch target. Mandatory training compliance levels are high at over 90% for most of this year.

The Trust's Employees

The number of whole time equivalents (WTE) employed by the Trust during 2016/17 (as at March, 2017) was 4888.60 WTE and the total number of employees was 5893 (Head Count).

The following table provides a more detailed breakdown of our employees by WTE and Headcount for 2016/17 (as at March, 2017). This is broken down by staffing groups and by the number of male and female employees.

Staff Group	WTE	Headcount
Add Prof Scientific and Technic	193.99	216
Additional Clinical Services	979.69	1173
Administrative and Clerical	929.51	1076
Allied Health Professionals	261.32	318
Estates and Ancillary	567.47	894
Healthcare Scientists	121.11	137
Medical and Dental	399.16	426
Nursing and Midwifery Registered	1436.35	1653
Grand Total	4888.60	5893

Gender	WTE	Headcount
Female	3788.17	4678
Male	1100.43	1215
Grand Total	4888.60	5893

Banding	Female		Male		Total WTE	Total Headcount
	WTE	Headcount	WTE	Headcount		
Band 8A	99.79	109	33.20	34	132.99	143
Band 8B	25.57	28	10.21	11	35.79	39
Band 8C	17.23	18	5.00	5	22.23	23
Band 8D	4.00	4	1.00	1	5.00	5
Band 9	1.00	1			1.00	1
Senior Manager	8.00	8	7.00	7	15.00	15
Grand Total	155.59	168	56.41	58	212.01	226

Analysis of average staff numbers

Employee category	Permanently employed	Other	2016/17 Total	2015/16 Total
Medical and dental	389	159	548	529
Administration and estates	915	-	915	952
Healthcare assistants and other support staff	1,589	-	1,589	549
Nursing, midwifery and health visiting staff	1,505	-	1,505	2,152
Scientific, therapeutic and technical staff	369	-	369	530
Healthcare science staff	134	-	134	216
Agency and contract staff	-	55	55	28
Bank staff	-	145	145	119
Other	-	7	7	7
Total average staff numbers	4,908	359	5,267	5,082
of which				
Number of employees engaged on capital projects	-	-	-	6

The average number of employees is calculated as the WTE number of employees under contract of service in each week of the financial year, divided by the number of weeks in the financial year.

The *Other* category in the above tables includes Non-Executive Directors and engagements who do not have a permanent employment contract, including agency/temporary staffing and inward secondments from other organisations.

Analysis of staff costs

	Permanently employed £000	Other £000	2016/17 Total £000	2015/16 Total £000
Salaries and wages	181,232	572	181,804	169,760
Social security costs	16,278	10	16,288	12,885
Employer's contributions to the NHS Pension Scheme	19,092	-	19,092	18,381
Employer's contributions to the National Employment Savings Scheme (NEST)	19	-	19	11
Agency / contract staff	-	7,098	7,098	12,849
Total staff costs	216,621	7,680	224,301	213,886
Capitalised (non-revenue) costs within total staff costs	-	-	-	295

Staff Engagement and Satisfaction

The Trust recognises that staff satisfaction and engagement is essential in improving quality and productivity and helping us to meet our significant financial and future challenges. Staff satisfaction and engagement are key elements of the Workforce and Organisational Development Strategy 2015-18.

Following receipt of the 2015 National Staff Survey findings in March 2016, a Staff Engagement Action Plan was developed and supported by divisional plans to address areas requiring improvement. The Staff Engagement Action Plan for 2016/17 was focused to ensure momentum is maintained, building on the significant improvement made in the National Staff Survey 2015. The action plan was given high priority to ensure it has been delivered, monitored, communicated and assured in a timely way.

In 2016/17, the Staff Engagement Action plan focused on:

- LIA on 3 levels - Annual CEO staff engagement events and Wave 7 and 8 LIA Teams including Winter Planning, learning from incidents and internal communications. LIA Huddles have been completed across the Trust with 779 improvement actions identified and most actioned by department managers and their teams
- Rewards and recognition through the PROUD Team of the Quarter, Individual Recognition Scheme, national and regional award recognition and highly successful annual PROUD Awards.
- Extension of the Trust Board Partners scheme in January 2016 following a positive review
- Conduct of senior leaders events focused on employee engagement and organised CEO Back to the Floor Programme
- Supported implementation of the Leadership and Management Development Framework
- Ensured regular positive communications via Start the Week, News Bulletin, intranet, Team Brief and CEO Forum. The Trust also made greater use of social media and a refreshed communications campaign based on the Staff Friends and Family Test
- Establishment of a highly effective and well regarded Freedom to Speak Up Staff Guardian team to enable staff to speak up safely, following staff engagement through LIA
- Supported Health and wellbeing agenda through promotional events and Schwartz Rounds
- Corporate nurse recruitment campaign
- Quality Review of personal development plans with revised training and guidance.

For the last 3 Years, the Trust has received national awards for Staff Engagement. In 2016/17, we were winners of the Patient Experience (PENNA) Awards, finalists in the Healthcare People Management Awards for the LIA 100 Day Challenge and were Highly Commended by Health Service Journal Value in Healthcare Awards 2016.

2016 National Staff Survey Results

The 2016 survey results were received and presented to the Trust in March 2017. The survey was sent to 1,250 staff via mixed mode – hard copy and on line. The Trust response rate was 46% compared to 44% nationally for Acute Trusts.

The results indicate that the Trust maintained the significant improvement made in the 2015 and were commended for this by Quality Health in their results presentation to the Trust.

Organisational Key Findings - Key questions and findings indicated in the table below about the organisation have all improved.

		2014	2015	2016
Q21a	"Care of patients / service users is my organisation's top priority"	53%	66%	71%
Q21b	"My organisation acts on concerns raised by patients / service users"	56%	67%	70%
Q21c	"I would recommend my organisation as a place to work"	41%	58%	62%
Q21d	"If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation"	52%	66%	69%
KF1.	Staff recommendation of the organisation as a place to work or receive treatment	3.29	3.67	3.73
	Overall Staff Engagement Score	3.48	3.79	3.78

Questions in the survey make up 32 key findings.

- The Trust is in the best 20% of Acute Trusts or has improved since the 2015 on 8 key findings
- The Trust is in the worst 20% or has deteriorated since the 2015 survey in 10 Key findings (3 in worst 20%)
- 14 Key findings have remained the same as the previous year.

Overall Staff Engagement Score

There are 9 questions that make up the staff engagement score. The results for overall staff engagement have confirmed that the Trust was slightly below the national average, achieving a score of 3.78 compared to 3.81 nationally.

OVERALL STAFF ENGAGEMENT

(the higher the score the better)

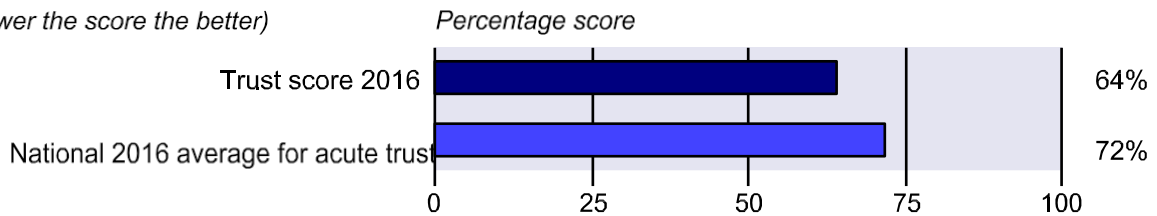


Top and Bottom Ranking Scores Compared to Other Acute Trusts in England

TOP FIVE RANKING SCORES

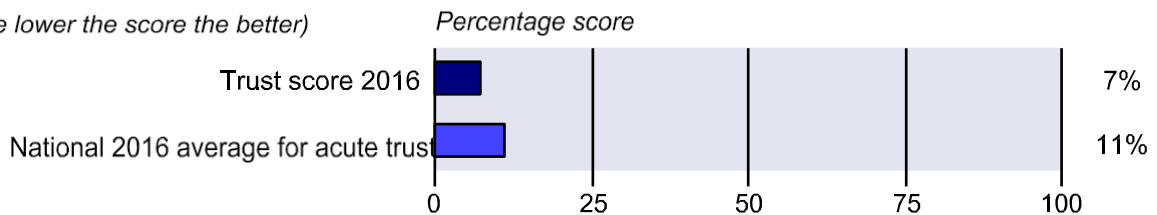
✓ KF16. Percentage of staff working extra hours

(the lower the score the better)



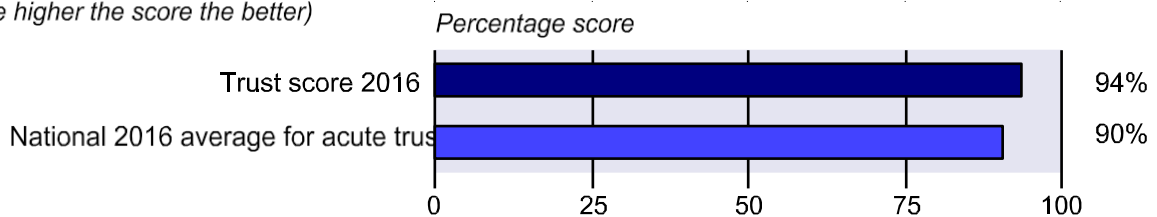
✓ KF20. Percentage of staff experiencing discrimination at work in the last 12 months

(the lower the score the better)



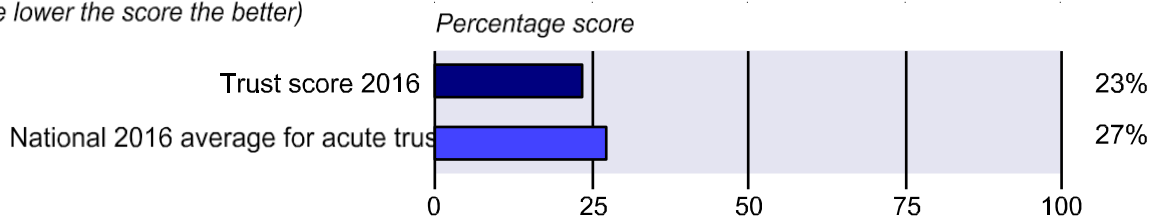
✓ KF29. Percentage of staff reporting errors, near misses or incidents witnessed in the last month

(the higher the score the better)



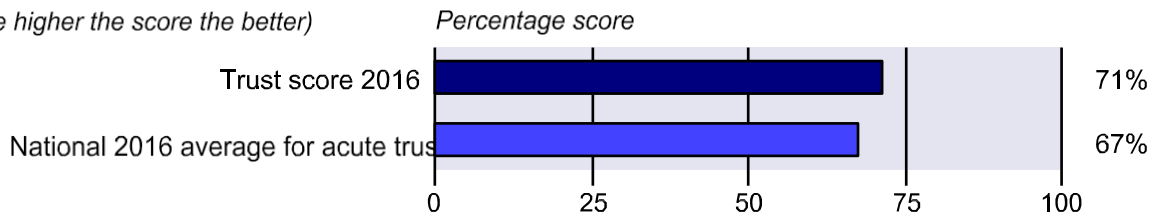
✓ KF25. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months

(the lower the score the better)



✓ **KF24. Percentage of staff / colleagues reporting most recent experience of violence**

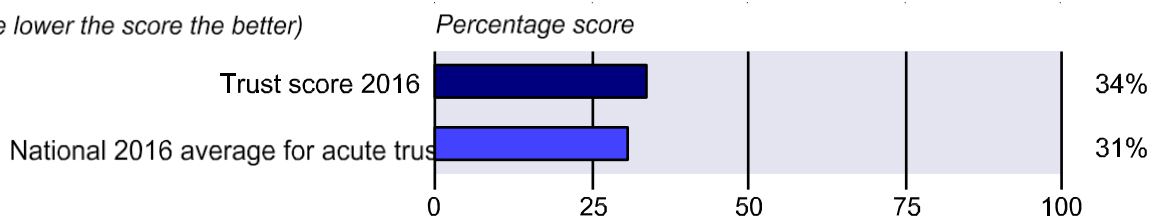
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BOTTOM FIVE RANKING SCORES

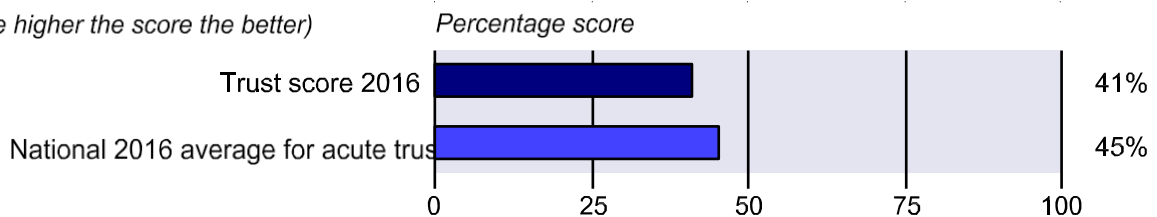
! **KF28. Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month**

(the lower the score the better)



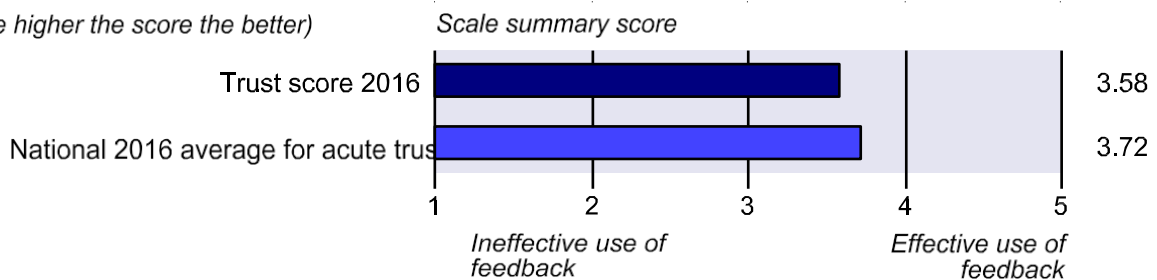
! **KF27. Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse**

(the higher the score the better)



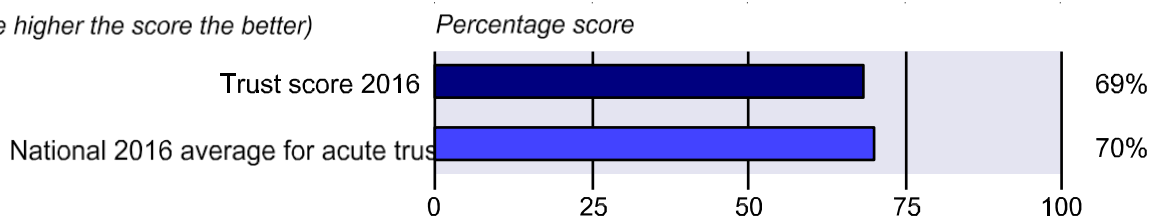
! **KF32. Effective use of patient / service user feedback**

(the higher the score the better)



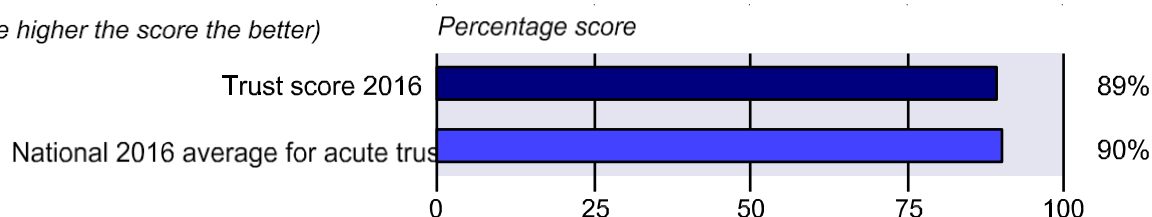
! **KF7. Percentage of staff able to contribute towards improvements at work**

(the higher the score the better)



! KF3. Percentage of staff agreeing that their role makes a difference to patients / service users

(the higher the score the better)



Staff Engagement Action Plan 2017/18

The refreshed Trust wide plan has been developed with the support of staff via a staff focus group held on 29th March 2017. Input has been provided by the Trust’s Management Teams and Trade Union colleagues via the Staff Engagement Group. The key focus areas within the plan have been identified as the areas where the Trust performed lower than the national average and include:

Objective/Focus Area	Key Actions
Enabling staff to contribute towards improvements at work	<ul style="list-style-type: none"> • LIA ++ 3 levels including ‘Happier & Healthier’ huddles and targeting key areas • Staff Suggestion Scheme • Executive ‘Back to the Floor’ programme
Staff feel their role makes a difference to patients / service users	<ul style="list-style-type: none"> • Rewards & Recognition • Star Award Scheme • Individual Recognition
Communication between senior management and staff	<ul style="list-style-type: none"> • Refresh of the ‘All About You’ Campaign • Communications Champions and NHS email accounts for all staff • Refresh of the Team Brief
Staff confidence and security in reporting unsafe clinical practice and reduction in staff witnessing potentially harmful errors, near misses or incidents	<ul style="list-style-type: none"> • Freedom to Speak Up Guardians • LIA, Quality Improvement Champions, transformation schemes • Safety Culture work programme including safety summit
Use of patient experience data	<ul style="list-style-type: none"> • Review of current processes and best practice
Positive action on Health and well-being	<ul style="list-style-type: none"> • A refreshed health and well-being plan inclusive of the national CQUIN • Raise awareness of process to report bullying, harassment and abuse
Appraisals, Performance Development Plans (PDP) and training opportunities	<ul style="list-style-type: none"> • Promotion of training opportunities • LIA appraisal and PDP’s

The 2017 plan will be supplemented by divisional plans and these will be monitored throughout 2017 by the LIA Staff Engagement Group. This Group will also review the details of the quarterly Staff Friends and Family Test to ensure any additional actions required are incorporated into the Staff Engagement Work Programme. Additional questions will be added to the quarterly Staff Friends and Family Test against the

key focus areas within the plan to enable progress to be monitored in advance of the 2017 national Staff Survey. Findings of the quarterly questionnaire will be reported via the Quality and Safety Committee Workforce Dashboard.

The Staff Engagement Plan will remain a key standing item at the Workforce and Communication Group and this will report up to the Quality and Safety Committee via the Workforce Dashboard and Chair's report.

Expenditure on consultancy

Total expenditure on consultancy for 2016/17 has been £0.2m (£1.6m 2015/16).

Reporting of highly-paid off-payroll arrangements

Tables 1 and 2 address engagements which have lasted for more than six months, and which exceed £220 per day.

Table 1: For all off-payroll engagements as at 31 March 2017

Number of existing engagements as at 31 March 2017.	15
The following figures pertain to the above existing engagements.	
Number that have existed for less than one year at time of reporting.	13
Number that have existed for between one and two years at time of reporting.	1
Number that have existed for between two and three years at time of reporting.	1
Number that have existed for between three and four years at time of reporting.	-
Number that have existed for four or more years at time of reporting.	-

All off-payroll engagements have been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017

Number of new engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017.	26
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations.	25
Number for whom assurance has been requested.	1
The following figures pertain to the above.	
Number for whom assurance has been received.	-
Number for whom assurance has not been received.	1
Number that have been terminated as a result of assurance not being received.	-

The Trust has robust contractual agreements with agencies and intermediaries, through which it engages off-payroll workers. These contracts confer an explicit obligation on the agencies to undertake an assessment, and calculate and deduct tax. The Trust requests assurance from agencies, which is provided by way of a statement on the invoice for each worker, and now undertakes checks on a sample of engagements per agency on a monthly basis. Such engagements have therefore been assessed as low risk.

From the above table, the engagement for whom assurance has not been received left the Trust before assurance could be obtained. There is no indication of any tax irregularity.

There have been no off-payroll engagements of Board members in 2016/17.

Table 3: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017

Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year. This figure includes both off-payroll and on-payroll engagements.	22

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)	2016/17	2016/17	2016/17	2015/16	2015/16	2015/16
	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	-	24	24	-	24	24
£10,001 - £25,000	-	5	5	-	2	2
£25,001 - £50,000	-	1	1	-	1	1
£50,001 - £100,000	-	-	-	-	1	1
Total number of exit packages by type	-	30	30	-	28	28
Total resource cost	-	168	168	-	230	230

In 2016/17, nine of the 'other departures' were as a result of dismissal, and a further seventeen were as a result of voluntary resignation. In 2015/16, fourteen were as a result of dismissal, and a further nine as a result of voluntary resignation. Ill-health retirement costs are met by NHS Pensions and are not included in the table.

This disclosure reports the number and value of 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.

	2016/17 Payments agreed Number	2016/17 Total value of agreements £000	2015/16 Payments agreed Number	2015/16 Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	2	19	1	34
Mutually agreed resignations (MARS) contractual costs	-	-	2	13
Contractual payments in lieu of notice	28	149	24	163
Non-contractual payments requiring HM Treasury approval	-	-	1	20
Total	30	168	28	230

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 payments require HM Treasury pre-approval. No such payments have been made in 2016/17.

NHS Foundation Trust Code of Governance Disclosures

The Directors of Wirral University Teaching Hospital NHS Foundation Trust are responsible for the preparation of the Annual Report and Accounts. It is their consideration that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and contain the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

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

The Board of Directors regularly reviews its balance of skills to ensure that they are appropriate to the requirements of the Trust and has taken action to ensure that vacant Board positions are filled in a timely manner, with consideration to succession planning, in order to mitigate risk associated with Board level turnover and the potential loss of organisational memory and continuity of leadership.

To ensure that Executive Directors continue to fulfil the requirements of the Trust and work to support the Trust in achieving its strategic objectives, annual appraisals are conducted annually by the Chief Executive.

The Chairman has ensured that the Board of Directors and Council of Governors work effectively together, through the provision of timely and appropriate information; the convening of joint workshops; attendance of Board members at Council of Governors meetings; and through a programme of joint workshop sessions. These are structured opportunities, particularly for the Non-Executive Directors, to obtain the views of the Governors and, through them, the membership. Non-Executives and Governors also attend Care Quality Inspections as team where they visit wards and departments to assess care quality and patient experience. Non-Executive Directors are also invited to public events, such as the Annual Members Meeting, where they can meet members.

The Chairman reviews the performance of the Chief Executive and of the Non-Executive Directors annually and reported to the Governors Nominations Committee and Council of Governors. The Governors undertake an annual appraisal of the Chairman which is led by the Senior Independent Director.

At its meeting of 21st September 2016 and 7th December 2016, the Council of Governors, with the support of the Board of Directors, approved the reappointment of the Chairman for a further 1 year term until July 2018 and Dr Jean Quinn, Non-Executive Director, for a further 1 year term until December 2017 respectively. This decision was taken in the full knowledge that the Trust would need to explain its action in the Annual Report as per the NHS Foundation Trust Code of Governance. The risks with these extensions were fully explored, agreed and supported by NHSI as this provided stability to support the integration of a refreshed Executive Team.

All Non-Executive Directors are considered independent in respect of the criteria of independence as set out in the Code of Governance.

The Trust Constitution sets out the procedures for the removal of the Chairman or another Non-Executive Director, which is initiated by the Governors and ultimately decided by the Council of Governors.

Members of the Board attend the quarterly meetings of the Council of Governors in order to present information and respond to any questions raised by Governors. The Non-Executive Directors who chair Board Committees present an overview of the work of their committee to Governors on a rotational basis.

Governors have been actively engaged in developing the Trust's forward plans through the work of the Annual Plan Advisory committee and presentations and discussions with the Board at Governors' workshops. Governors gain an understanding of issues arising from patient feedback through participation in a programme of Care Quality Inspections, receipt of assurance reports from the CQC and other bodies; and through attendance at meetings of the Board of Directors.

The Trust maintains a Register of Interests and the Board of Directors and Council of Governors review their respective registers on an annual basis to identify any potential conflicts of interest affected their day to day responsibilities. No such conflicts of interest have been identified. In 2016/17 the Chairman had no significant commitments outside of the Trust that conflict or impact upon his ability to meet his responsibilities outside of the Trust.

The Registers of Interest for the Board of Directors and Council of Governors are available to the public and can be access on request by writing to the Director of Corporate Affairs, Executives Offices, Wirral University Teaching Hospital NHS Foundation Trust, Arrowe Park Hospital, Arrowe Park Road, Upton, Wirral, CH49 5PE.

The way in which the Board applies the principles and provision is described with the various sections of the Report and the Directors consider that, for the 2016/17 year, the Trust has been compliant with the code as detailed for declaration within the Annual Reporting Manual.

Board of Directors

The Board of Directors undertake regular reviews to ensure that the Trust maintains a robust committee structure which enables it to fulfil its purpose and, as such, the Board delegates specific functions to its committees as outlined within their terms of reference.

Assurance Committee Chair's Reports are presented to the Board of Directors following every committee meeting to provide a summary of the key areas of discussion and any resultant actions to be monitored by the committee.

The Board of Directors met on eleven occasions in 2016/17 in order to discharge its duties. All meetings were quorate.

Director	Meeting Attendance Actual/ Possible 1st April 2016 – 31st March 2017 (% Attendance)
Michael Carr Chairman	10/10 (100%)
Cathy Bond Senior Independent Director	10/10 (100%)
Andrea Hodgson	10/10 (100%)
Graham Hollick	10/10 (100%)
Cathy Maddaford	9/10 (90%)
John Sullivan	10/10 (100%)
Dr Jean Quinn	9/10 (90%)
David Allison Chief Executive	10/10 (100%)
Susan Gilby Medical Director (from 1 st January 2017)	3/3 (100%)
Janelle Holmes Chief Operating Officer	9/10 (90%)
David Jago Director of Finance (from 1 st June 2016)	8/8 (100%)
Gareth Lawrence Acting Director of Finance (until 31 st May 2016)	2/2 (100%)
Mark Lipton Interim Medical Director (until 1 st January 2017)	3/3 (100%)
Evan Moore Medical Director (resigned August 2016)	4/4 (100%)
Gaynor Westray Director of Nursing and Midwifery	8/10 (80%)

Board Assurance Committees

The Board has the following Assurance Committees:

- Audit Committee
- Finance, Business Performance and Assurance Committee
- Quality and Safety Committee
- Charitable Funds Committee
- Remuneration and Appointments Committee

Audit Committee

The Audit Committee is established as an Assurance Committee of the Board of Directors and is a Non-Executive led Committee. 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 Committee met five times during 2016/17 in order to discharge its duties and all meetings have been quorate and a Chairs report submitted to the Board of Directors following each meeting to outline the key areas of discussion and actions to be undertaken to address issues identified.

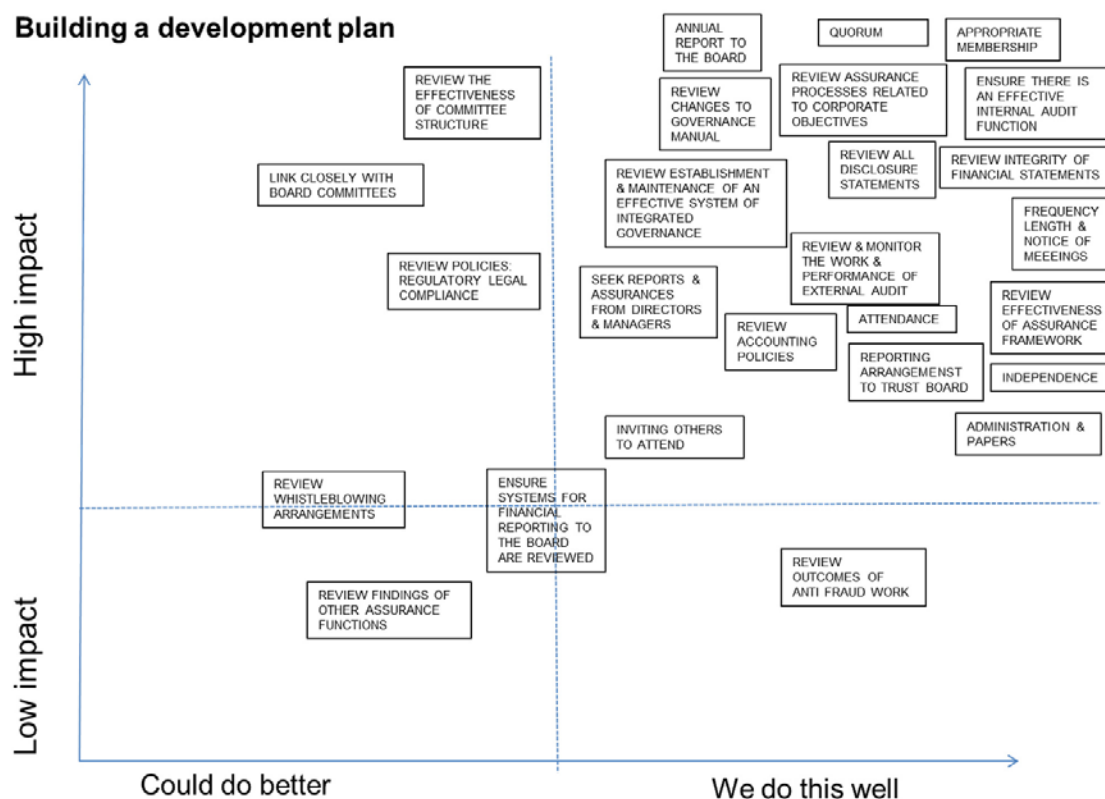
The Terms of Reference of the Committee were reviewed and updated in September 2016. The Audit agenda is framed around the Committee Terms of Reference in order to provide assurance to the Board of Directors across a range of activities including corporate, clinical, financial and risk governance and management. The Audit Committee work programme for 2016/17 covered the following:

- Review of the effectiveness of the revised Board Assurance Framework management processes
- Review of the Risk Management System and Processes
- Review and recommendation of the Annual Report, Annual Accounts and Annual Governance Statement to the Board
- Review of the Scheme of Reservation and Delegation and Standing Financial Instructions
- Review of compliance against the Trust's Provider Licence
- Review of risks and controls around financial management, including losses, special payments and financial assurance
- External Audit Reports
- Internal Audit Reports
- Fraud Reports
- Review of Clinical Audit

The Audit Committee first commenced a review of its effectiveness in May 2016 however, following a revision to the Non-Executive Director portfolios in July 2016, the Committee agreed to postpone a full review of Committee effectiveness until early 2017. This was to enable newer members to gain greater familiarity with the remit and conduct of the Committee so that they were able to contribute a more informed opinion and gain the most value from the annual appraisal.

In February 2017 the Audit Committee members conducted an in-depth review of the Committee's performance, facilitated by the Trust's internal auditors, MIAA, which sought Committee member views on current performance and future developments. After reviewing a number of key aspects of the Committee's Terms of Reference the members agreed the following:

Building a development plan



An action plan, drafted by MIAA and agreed by the Trust, will be actioned by the members of the Audit Committee through 2017/18 to realise improved Committee effectiveness and enable the members to better discharge their responsibilities.

The Committee will focus on the following priorities for 2017/18:

- IT Service Continuity
- Water Safety
- Nurse Staffing Levels
- Data Quality
- Clinical Handover of Care
- Sustainability and Transformation Planning and Partnership Engagement
- Achievement of the Trust's System Control Total

	Meeting Attendance Actual / Possible 1st April 2016 – 31st March 2017 (% Attendance)
Cathy Bond, Chair	5/5 (100%)
Andrea Hodgson	2/2 (100%)
Graham Hollick	3/3 (100%)
Cathy Maddaford	1/2 (50%)
John Sullivan	3/3 (100%)

Finance, Business Performance and Assurance Committee

The Committee is established as an Assurance Committee of the Board of Directors and is a Non-Executive led Committee. Its purpose is to seek assurance on behalf of the Board with regards to the Trust's financial and operational performance delivery of the in-year plans and the development of future plans within the context of the requisite licence regulatory requirements and statutory obligations.

The Terms of Reference of the Committee are reviewed annually with the last review date being April 2016.

The Finance, Business Performance and Assurance Committee met seven times during 2016/17 in order to discharge its duties and all meetings have been quorate.

In line with the Committee Work Plan which was established and approved in April 2016, the Committee undertook key pieces of work under the following headers for 2016/17:

Risk and Assurance

The Committee has reviewed the Board Assurance Framework at each of its meetings during 2016/17 and the agenda for the Committee is framed around the key areas of delegation in the BAF and focuses on key issues and gaps in assurance. Following a full review of the Board Assurance Framework in September 2016, the Committee was assigned 9 of the 20 strategic risks described within the Board Assurance Framework and has recommended to the Board risks for removal and inclusion in the Board Assurance Framework over 2016/17.

The Committee has responded to requests from the Audit Committee and undertaken reviews in a number of key areas which subsequently provided assurance to the Board. The Committee also took on a range of "deep dives" on behalf of the Board with a view to providing assurance in complex areas.

Financial Management and Assurance

The Committee has reviewed at each meeting the full financial position of the Trust, undertaken the annual assessment of the going concern statement ahead of formal Board approval and reviewed of the in-year financial forecast. A full review of the Trust's cash and capital expenditure was also undertaken together with a review of the Use of Resources assessment.

Performance and Improvement

The Committee reviewed progress against the Carter recommendations in October 2016 together with the Trust's current performance against transactional performance metrics.

The Committee has undertaken the role on behalf of the Board of reviewing compliance with the agency cap during 2016/17 to great effect.

The Committee has reviewed progress against the Cost Improvement Plan CIP at each of its meetings; this included the revised methodology implemented during the year.

The Committee has reviewed at each of its meetings, performance against Referral to Treatment Targets and the 4 Hour A&E Standard although it has been acknowledged that the Board in 2016/17 took on a greater role in this regard.

The Committee has reviewed a variety of IT progress reports through 2016/17 and in particular in relation to the successful implementation of Wirral Millennium Phase 3 which came to fruition at the end of January 2017 and the projects in relation to the Global Digital Exemplar programme.

Regulation

The Committee reviewed the self-assessment undertaken against the Information Governance Toolkit in March 2017 and the internal audit report which provided “significant” assurance of this process. This enabled the Trust to achieve Level 2 in all requirements for 2016/17.

The Committee has reviewed all submissions to NHSI on a monthly, quarterly and annual basis ahead of recommendation to the Board.

Governance

The Committee has received reports from all its supporting Executive Working Groups throughout 2016/17 and reviewed and approved the Terms of Reference for its sub-groups when required.

The Committee will focus on the following priorities for 2017/18:

- Monitoring the achievement of the agreed control total for the Trust
- Greater focus on IT benefits realisation as part of the Global Digital Excellence programme
- A review of how the Executive Working Groups that support the Committee work and are constructed
- Performance against a Payment by Results contract
- Monitoring and achievement of the Cost Improvement Plan and in particular opportunities identified by the Lord Carter Review
- Improvements in data quality and coding
- The management of the Trust estate

		Meeting Attendance Actual / Possible 1st April 2016 – 31st March 2017 (%Attendance)
Graham Hollick (Chair until June 2016)	Non- Executive Director	6/7 (85.7%)
Andrea Hodgson (Chair from July 2016)	Non- Executive Director	6/7 (85.7%)
John Sullivan	Non-Executive Director	6/7 (85.7%)

Evan Moore (until August 2016)	Medical Director	1/2 (50%)
Susan Gilby (from January 2017)	Medical Director	1/2 (50%)
Janelle Holmes	Chief Operating Officer	5/7 (71.4%)
David Jago (from June 2016)	Director of Finance	6/6 (100%)
Gareth Lawrence (until May 2016)	Activing Director of Finance	1/1 (100%)

Quality and Safety Committee

The Committee is a Non-Executive led Committee which is established as an Assurance Committee of the Board of Directors. Its purpose is to provide the Board with assurances in respect of delivery of the Trust's Quality Improvement Strategy and service delivery in respect of clinical effectiveness, safety and patient and staff experience. It is also responsible for assessing the impact of performance and compliance with both national and local requirements.

The terms of reference of the Committee are reviewed annually and the last review date was January 2017.

The Quality and Safety Committee met six times during 2016/17 in order to discharge its duties and all meetings have been quorate.

In line with the Committee Work Plan which was established and approved in May 2016, the Committee undertook key pieces of work under the following headers for 2016/17:

Risk

The Committee has reviewed the Board Assurance Framework (BAF) at each of its meetings during 2016/17 and the agenda for the Committee is framed around the key areas of delegation in the BAF and focuses on key issues and gaps in assurance. Following a full review of the Board Assurance Framework in September 2016, the Committee was assigned 10 of the 20 strategic risks described within the Board Assurance Framework and has recommended to the Board risks for removal and inclusion in the Board Assurance Framework over 2016/17.

The Committee also took on a range of "deep dives" on behalf of the Board and reviewed the outcome reports of external quality reviews with a view to providing assurance in complex areas.

Clinical Effectiveness and Safety

The Committee agreed the Trust Quality Improvement Strategy (QIS) for 2016-19 and restructured its agenda to ensure that discussions were framed around the objectives outlined within the strategy. The Committee has also begun to revise the

metrics of the Clinical Quality Dashboard to ensure that the report is reflective of the QIS.

In response to the recommendations of the externally led Well Led Governance Review, conducted in 2016/17, the Committee agreed a revised remit and approach to the dissemination of work amongst its sub-groups. This will be continued into 2017/18 following receipt of the outcomes of the Quality Governance Review to ensure the quality governance meeting structure supports the needs of the Trust.

The Committee has received an update at each of its meetings in respect of Trust progress against both the regulatory and internal action plans which were drafted following the CQC inspection of September 2015. The Committee was pleased to note the progress made and noted the further work to be undertaken to further improve compliance, particularly in respect of the 'Safe' domain.

Patient Experience

At each meeting the Committee was provided with a patient story which outlined the experiences of the Trust's patients and carers. The Committee also received regular updates in respect of the Trust's Friends and Family Test performance via the minutes throughout the reporting period.

Workforce and Staff Satisfaction and Engagement

The Committee received an in-depth update on the progress against the Workforce and OD Strategy 2015-18 and after review agreed that the priority areas remained in line with the key objectives of the Trust.

The Committee received an in-depth review of the outcomes of the NHS Staff Survey for 2016 which saw the Trust maintain the positive performance reported in 2015 and agreed with the proposed areas for improvement for which progress updates would be provided to the Committee throughout the coming year.

Governance

The Committee has received reports from all its supporting Executive Working Groups throughout 2016/17 and reviewed and approved the Terms of Reference for its sub-groups when required.

The Committee received the following annual reports during 2016/17:

- Clinical Audit
- Safeguarding
- Accountable Officer Controlled Drugs
- Incidents, Legal Services, Claims and Complaints
- Emergency Planning and Business Continuity
- Health and Safety

The Committee will focus on the following priorities for 2017/18:

- Monitoring the progress against the recommendations received following the outcomes of the review by the Royal College of Ophthalmologists

- Monitor progress of implementation of the recommendations of the Quality Governance Review, including revision of the remit of the Committee's sub-groups
- Further embed the recommendations of the Well-Led Governance Review pertaining to the scope and remit of the Committee
- Revise the Clinical Quality Dashboard to provide assurance of the positive progress of the QIS
- Monitoring compliance against the CQC Fundamental Standards of Care
- Tracking progress against the NHS Staff Survey improvement actions

	Meeting Attendance Actual / Possible 1st April 2016 – 31st March 2017 (% Attendance)
Jean Quinn (Chair until June 2016)	6/6 (100%)
Cathy Maddaford (Chair from July 2016)	6/6 (100%)
John Sullivan (until June 2016)	1/1 (100%)
Andrea Hodgson (from July 2016)	5/5 (100%)
Evan Moore (until August 2016)	0/2 (0%)
Mark Lipton (from September 2016 to December 2016)	2/2 (100%)
Susan Gilby (from January 2017)	2/2 (100%)
Gaynor Westray	5/6 (83.3%)
Janelle Holmes	6/6 (100%)
Robert Howell - Lead Governor	4/6 (66.6%)

Charitable Funds Committee

The Committee is chaired by the Trust Chairman to oversee the effective management of charitable funds, held by Wirral University Teaching Hospital NHS Foundation Trust Charitable Fund, registered charity number 1050469.

The Board of Directors approved a restructure of the Charity's funds in October 2016 to ensure that the Charity's governance is aligned with national best practice. The Committee will oversee the restructure throughout 2017/18. Further details are available within the Charity's Annual Report and Accounts.

The Committee met two times during 2016/17.

Remuneration and Appointments Committee

The operations of the Remuneration and Appointments Committee are detailed within the Remuneration Report of this Annual Report.

Council of Governors

Role and Composition

The Council of Governors has responsibility for representing the interests of our members and partner organisations in discharging its statutory duties which are:

- To appoint and, if appropriate, remove the Chairman
- To appoint and, if appropriate, remove the other Non-Executive Directors
- To decide the remuneration and allowances, and other terms and conditions of office, of the Chairman and other Non-Executive Directors
- To approve the appointment of the Chief Executive
- To appoint, and if appropriate, remove the auditor
- To receive the annual accounts, any report on these provided by the auditor, and the Annual Report.

In addition,

- In preparing the NHS FT's forward plan, the Board of Directors must have regard to the views of the Council of Governors.

The Health and Social Care Act 2012, has brought additional powers and duties for the Council of Governors. Those that came into force on 1st October 2012 were:

- Governors must decide whether the Trust's private patient work would significantly interfere with the Trust's principal purpose, which is to provide goods and services for the health service in England; and
- The Council of Governors must approve any proposed increase in non-NHS income of 5% or more in any financial year.

The 2012 Act sets out some further powers and duties for governors which came into force in 2013/14:

- Holding Non-Executive Directors, individually and collectively to account for the performance of the Board of Directors
- Representing the interests of the members of the Trust as a whole and the interests of the public
- Approval of 'significant transactions'.

The Trust's constitution sets out how the Council of Governors will discharge its duties and this includes processes for the appointment and removal of Non-Executive Directors.

The Council of Governors comprises of:

- 13 public governor seats
- 5 staff governor seats
- 4 seats assigned to nominated partner organisations.

The names of those who served as Governors during 2016/17 are listed in the attendance report at the end of this section.

Our governors hold office for terms of three years and may serve up to a maximum of nine years if they are successfully re-elected / re-appointed and provided they continue to reside in the area of their constituency (public governors); continue to be in employment at the Trust (staff governors); and continue to be nominated by the organisation they represent (appointed governors).

Governor Elections

A total of five seats were available on the Council of Governors in 2016/17. Three of which were for Staff Governors and two for Public Governors. All seats were unopposed and therefore no elections took place in 2016/17.

Governor attendance at Council of Governor Meetings 2016/17

The following tables list the governors who have served on the Council of Governors during 2016/17 and individual attendance by governors and directors at Council of Governors meetings. Four meetings of the Council of Governors were held in 2016/17.

Governor	Constituency / Class	Meeting attendance Actual / Possible 1st April 2016 – 31st March 2017 (% attendance)
Public		
Annie Pierce	Bebington and Clatterbridge	1/2 (50%)
Rohit Warikoo	Bidston and Cloughton	3/4 (75%)
Frieda Rimmer	Birkenhead, Tranmere and Rock Ferry	2/2 (100%)
Evelyn Hurren	Birkenhead, Tranmere and Rock Ferry	N/A
Steve Evans	Bromborough and Eastham	4/4 (100%)
Eileen Hume	Greasby, Frankby, Irby, Upton and Woodchurch	4/4 (100%)
Fleur Flannagan	Heswall, Pensby and Thingwall	2/4 (50%)
Sue Mitchell	Leasowe, Moreton and Saughall Massie	2/4 (50%)
Derek Hampson	Liscard and Seacombe	2/4 (50%)
Len Smith	Neston, Little Neston, Parkgate, Riverside, Burton, Ness, Willaston and Thornton	2/4 (50%)
Paul Harris	New Brighton and Wallasey	3/4 (75%)

Governor	Constituency / Class	Meeting attendance Actual / Possible 1st April 2016 – 31st March 2017 (% attendance)
Angela Tindall	North West and North Wales	3/4 (75%)
George Wadham	Oxton and Prenton	4/4 (100%)
Robert Howell	West Wirral	4/4 (100%)
Staff		
Rosemary Morgan	Registered Medical Practitioners and Registered Dentists	4/4 (100%)
Paula Clare	Registered Nurses and Registered Midwives	2/4 (50%)
Carol Skillen	Registered Nurses and Registered Midwives	1/4 (25%)
Amrit Kang	Other Healthcare Professionals	1/2 (50%)
Norman Robinson	Other Trust Staff	4/4 (100%)
Stakeholder Governors		
Fadil Hannan	University of Liverpool	3/4 (75%)
Mandy Duncan	Wirral Third Sector Assembly	3/4 (75%)
Kathy Hodson	Wirral Metropolitan Borough Council	2/4 (50%)
Christina Muspratt	Wirral Metropolitan Borough Council	1/4 (25%)

Director Attendance at Council of Governor Meetings 2016/17

Name	Role	Meetings attended (maximum 4 and % attendance)
Michael Carr	Chairman	4/4 (100%)
Cathy Bond	Senior Independent Director	3/4 (75%)
Andrea Hodgson	Non- Executive Director	2/4 (50%)
Graham Hollick	Non- Executive Director	2/4 (50%)
Cathy Maddaford	Non- Executive Director	3/4 (75%)
John Sullivan	Non- Executive Director	3/4 (75%)
Jean Quinn	Non- Executive Director	2/4 (50%)
David Allison	Chief Executive	4/4 (100%)
Mark Blakeman	Director of Infrastructure and Informatics	0/2 (0%)
Paul Charnley	Director of IT and Information	1/2 (50%)
Mike Coupe	Director of Strategy	3/3 (100%)
Susan Gilby (from 3 rd January 2017)	Medical Director	1/1 (100%)
Janelle Holmes	Chief Operating Officer	3/4 (75%)
David Jago	Director of Finance	2/4 (50%)
Evan Moore	Medical Director	1/1 (100%)

Chris Oliver	Director of Operations	3/4 (75%)
Gaynor Westray	Director of Nursing and Midwifery	2/4 (50%)

Council of Governor Committees

Nominations Committee

Governors are invited to participate in the Nominations Committee, the membership of which is set out below. Its purpose is to identify appropriate candidates for Non-Executive Director posts, including the Trust Chairman, as and when the terms of office provide, for appointment or re-appointment by open competition. The Committee makes recommendations to the Council of Governors for appointment. The Committee met four times during the year.

Nominations Committee Membership & Attendance 2016/17

Name	Role	Meetings attended (maximum 4 and % attendance)
Michael Carr	Trust Chairman	2/2(100%)*
Cathy Bond	Senior Independent Director	2/2 (100%)*
Steve Evans	Public Governor	3/4 (75%)
Kathy Hodson	Public Governor	0/4 (0%)
Robert Howell	Lead Governor	4/4 (100%)
Rosemary Morgan	Staff Governor	3/4 (75%)
Angela Tindall	Public Governor	4/4 (100%)

*indicates the number of available Committees the Chairman and Senior Independent Director were required to attend.

In 2016/17 the Committee received and noted the performance and development review summaries for the Non-Executives. The Committee also undertook a review of the fit and proper persons test for Non-Executive Directors.

A review of the performance and appraisal for the Chairman was undertaken by the Council of Governors at its private meeting in June 2016 in line with its Terms of Reference.

The Council of Governors has established two non-statutory committees to support it in discharging its responsibilities:

Membership and Engagement

This sub-Committee is supported by our membership manager to shape communications between the Trust and its members. Committee members attended events across Wirral to engage with special interest groups in order to promote the benefits of membership and disseminate and collate feedback about the Trust's

services. The Committee also recruited new members, targeting recruitment in order to improve representation. The Committee now consists of both, Ambassadors and Governors. In October 2016 the Committee reviewed and amended the Membership Strategy to better reflect its aims and objectives.

Annual Plan Advisory Committee

This Committee met monthly with the Director of Strategy.

It has been involved in setting both, a two year and a five year plan of strategic priorities. The Committee has a number of key roles which include providing feedback from fellow Governors, Trust members and the general public. The Committee also reviews strategic themes and objectives and the programme for completion of the Annual Plan.

Strengthening excellent relationships with Governors and members

Council of Governors

The Trust considers the input of the Council of Governors to be invaluable in representing the local population and helping put the voice of patients into our decision-making processes.

During 2016/17 as well as Governors being instrumental in membership and engagement and the development of the Annual Plan they have also been involved in a range of Governor workshops, the topics for which have been determined by the Council. The workshops this year have included Pharmacy, Surgical wards, Library services and End of life care.

Governors took an active role in the Annual Members Meeting in November 2016 which included an 'active market place' showcasing the work of the Trust as well as taking questions before and during the meeting from members.

The Trust continues to seek the views of Governors and members and to this end has introduced the concept of Ambassadors for both specialist cohorts of our population as well as young people. The Ambassador role is designed to continually engage with ex-Governors who have shown a positive interest in working together with the Trust.

Members of the Trust

Our members continue to 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 8,824 public members plus an additional 5,893 staff members.

They have supported us in a variety of ways, including:

- voting in governor elections
- acting as a yardstick of public opinion about our plans

- receiving and giving feedback on newsletters and other documents
- volunteering.

Membership

We are committed to ensuring that our membership is representative of the population we serve.

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:

- Bebington and Clatterbridge
- Bidston and Claughton
- Birkenhead, Tranmere and Rock Ferry
- Bromborough and Eastham
- Greasby, Frankby, Irby , Upton and Woodchurch
- Heswall, Pensby and Thingwall
- Leasowe, Moreton and Saughall Massie
- Liscard and Seacombe
- Neston, Little Neston, Parkgate and Riverside, Burton, Ness, Willaston and Thornton
- New Brighton and Wallasey
- North West and North Wales
- Oxtton and Prenton
- West Wirral.

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.

Membership Strategy

We believe that our membership makes a real contribution to improving the health of our communities and now that we have recruited an optimum number of members, our emphasis will be upon ensuring good representation and encouraging an active and engaged membership.

We plan to maintain membership at around its current level during the year ahead and will manage ‘churn’ by targeting recruitment activity towards under-represented groups within the communities we serve.

The Trust’s Membership Strategy was reviewed in October 2016.

Throughout 2016/17, we continued to maintain and improve our engagement with our members. Members receive regular mailings, including ‘Public Membership News’ and are invited to events such as the Annual Members Meeting, Special Members meetings and the Council of Governors meetings. Our Annual Members Meeting, held in November 2016, provided an opportunity for members, local people, staff and other stakeholders to hear how the organisation performed during the year, and to meet members of the Board of Directors and Council of Governors.

Membership Profile

Membership size and movements		
Public constituency	2015/16	2016/17
At year start (1 st April)	9,230	9,063
New members	217	176
Members leaving	384	415
At year end (31 st March)	9,063	8,824
Staff constituency	2015/16	2016/17
At year start (1 st April)	5520	5871
New members	811	557
Members leaving	460	535
At year end (31 st March)	5871	5893
Patient constituency	There is no Patient Constituency	

Analysis of membership 2016/17				
Public constituency	Number of members	%	Eligible membership	%
Age (years)			2014 figures collated by CACI Ltd, except for ethnicity, which is 2011 Census, ONS	
0 - 16	4	0.05	1,559,015	19.97
17 - 21	133	1.51	479,693	6.14
22+	7,742	87.74	5,768,270	73.89
Not stated	945	10.71	N/A	N/A
Total	8,824	100.00	7,806,978	100.00
Ethnicity				
White	8,323	94.32	6,957,431	90.48
Mixed	41	0.46	115,213	1.51
Asian or Asian British	93	1.05	445,546	5.79
Black or black British	25	0.29	99,230	1.28

Other	10	0.11	71,707	0.93
Not stated	332	3.76	N/A	N/A
Socio-economic groupings*				
AB	2,296	26.02	458,764	19.08
C1	2,528	28.65	722,317	30.04
C2	1,895	21.48	507,354	21.10
DE	2,056	23.30	716,240	29.79
Gender analysis			(2014 figures collated by CACI Ltd)	
Male	3,244	36.76	3,851,148	49.33
Female	5,370	60.86	3,955,827	50.67
Unspecified	210	2.38	N/A	N/A
Patient constituency	There is no patient constituency			

The analysis section of this report excludes:
945 public members with no dates of birth, 332 members with no stated ethnicity and 210 members of unspecified gender.
'ABC' data is only available from 2011 census information and collected from the working population aged 16 - 64; therefore the 'eligible membership' numbers are significantly less than the total local population shown in the age profile.

Any member who wishes to communicate with governors and/or directors should contact:

The Membership Office
Arrowe Park Hospital
Arrowe Park Road
Upton
Wirral
CH49 5PE

☎ 0800 0121 356 or email wih-tr.foundation@nhs.net

NHS Improvement's Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five key themes:

- Quality of Care
- Finance and Use of Resources
- Operational Performance
- Strategic Change
- Leadership and Improvement Capability (Well Led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving most support, and '1' reflects providers with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and first two quarters relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHSI guidance for Annual Reports.

Segmentation

Wirral University Teaching Hospital NHS Foundation Trust has been placed in Segment 3 of the Single Oversight Framework following breach of the Trust's provider licence in 2015 with the additional licence condition – Section 111. Following successful appointment of the Director of Finance and Chief Operating Officer in early 2016/17, NHSI removed the 2016 enforcement undertakings in relation to the requirement for interim financial and operational support.

The recommendation to remove the Section 111, made by NHSI in November 2016, has been deferred and is to be revisited following agreement of the financial control totals for 2017/18.

This segmentation information is the Trust's position at 24th May 2017. Current segmentation information for NHS Trusts and FT's is published on the NHSI website.

Finance and Use of Resources

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

Area	Metric	2016/17 Q3 Score	2016/17 Q4 Score
Financial Sustainability	Capital Service Capacity	4	4
	Liquidity	4	4
Financial Efficiency	I&E Margin	4	4
Financial Controls	Distance from Financial Plan	2	4
	Agency Spend	1	1
Overall Scoring		3	3

Statement of Accounting Officer's Responsibilities

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 Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, 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, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health 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 and
- Prepare the financial statements on a going concern basis.

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 him/her 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.

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



David Allison
Chief Executive

Date: 24th May 2017

Annual Governance Statement

Annual Governance Statement 2016-17

Scope of responsibility

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*.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of 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 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

I am responsible for risk management across all organisational, financial and clinical activities at the Trust. I have delegated responsibility for the coordination of operational risk management to the Director of Nursing and Midwifery who leads the Risk Management Team. The Risk Management Strategy (RMS) provides a framework for managing risks across the organisation and is consistent with best practice and Department of Health guidance. The RMS provides a clear, structured and systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, organisational and financial processes across the organisation. It sets out the specific role of the Board and Assurance Committees together with the individual responsibilities of the Chief Executive, Executive directors and all staff in managing risk.

The Director of IT and Information has been identified as the Senior Information Risk Owner (SIRO) and oversees risks relating to information governance, raising any relevant issues directly with the Board of Directors.

The Trust has reported no level 2 incidents during 2016/17.

Divisional management teams are responsible for the operational management of risks. An escalation process is in operation to ensure that, where necessary, risks are referred to the relevant senior team or senior management, as detailed in the RMS. The Trust also has mechanisms to act upon alerts and recommendations made by all relevant central bodies.

The national expectation for NHS bodies to work as part of a single footprint; in collaboration with other organisations or as part of a Vanguard site has seen the emergence of a series of risks associated with these partnership arrangements. The Trust currently monitors these risks through the Board Assurance Framework and reporting papers to the Board but is looking for partners to strengthen the governance arrangements going forward.

Risk management training is provided at the corporate induction programme for all new staff and provides details of the Trust's risk management systems and processes. This is augmented by local induction, which is organised by line managers. Annual mandatory training for existing staff reflects essential training needs and includes risk management processes relating to health and safety, manual handling, safeguarding, clinical risk management (for clinical staff) and information governance. The training programmes are also available to hospital volunteers.

The Board of Directors undertakes risk management training annually as part of its development programme and through the Assurance Committees also undertakes a review of its risk profile as part of the review of the Board Assurance Framework at each of its meetings. The Board undertook a review of its risk appetite in 2016 and has agreed to develop a risk appetite statement which will be shared within the wider organisation.

The Trust has recognised, as confirmed in the Well Led Governance Review, that understanding of effective risk management at Divisional and Directorate Level requires a full review. Whilst teams comply with the processes for identifying, reporting and escalating risks within the organisation; the lack of triangulation and accountability at the appropriate level is evident. The Trust is undertaking a further quality governance review which will provide recommendations for embedding risk management further based on the individual needs of the organisation. The Senior Team has also provided risk management training and guidance to Divisional triumvirate teams in order to support them to be able to identify, focus and manage their risks appropriately.

One of the key actions arising from the Culture and Engagement Plan was to review the Trust's process for raising concerns to ensure the Trust promotes a culture of openness where staff feel they have the freedom to speak up and be listened to. As a result of this and in response to the recommendations made by Sir Robert Francis Freedom to Speak Up review, a variety of changes occurred to the raising concerns (formerly whistleblowing) policy and process. The Trust introduced a Cultural Ambassador and three Staff Guardians and a variety of Trust-wide communications were launched to promote the service, highlight the importance of speaking up and the support mechanisms available.

The Guardians activity to date has been extremely successful, with positive feedback from both the National Staff Survey and other organisations. 97 concerns were raised in 2016/17 compared to 92 in 2015/16 all of which were acted upon as appropriate. A fourth Staff Guardian was introduced in March 2016.

Activity is monitored through:

- Monthly Guardian meeting with Director of Workforce and cultural ambassador.
- Quarterly report to Workforce and Communications Group
- Monthly Workforce dashboard to senior managers across the Trust.
- Annual report to the Quality and Safety Committee and Workforce and Communications Group
- Raising Concerns annual data to the Trust Board through the Annual Workforce Report.

The Risk and Control Framework

Risk management requires the participation, commitment and collaboration from all staff. Risks are identified and assessed proactively, at a corporate or local level, to identify actual or potential hazards or threats and to ensure that adequate control measures are in place to eliminate or reduce any potential consequences of the risk. Proactive risk assessment is informed by internal inspection processes, such as those relating to compliance with Care Quality Commission (CQC) standards, fire safety and infection control, Health and Safety workplace inspections, nursing and midwifery audits, evaluation of national reports, NHS England safety alerts, administered by the National Reporting and Learning System, and self-assessment of risk. Risks are also identified and assessed reactively in response to incident reports, near miss reports, complaints reporting, claims, and external assessments and reviews. The Trust uses a generic risk assessment form and scoring system to support consistent risk assessment.

All risks are scored using a risk matrix that takes account of the likelihood of occurrence and the impact of it; actions and an ongoing review and escalation process ensures that all identified risks are either eliminated or controlled to their lowest level. The level of scrutiny and performance management is proportionate to the significance of the risk, however there is an expectation that all risks are proactively managed to minimise their potential impact. The process is set out in the Trust's risk management strategy.

New risks are logged on the system from the Divisions and Corporate Services by the Risk Team. Reports relating to risks on the risk register are produced by the Risk Team on a weekly and monthly basis and are sent to appropriate Divisions, Groups, Committees and Boards. The reports identify current risks, risks due for review and risks that have passed their review date. The reports are stratified depending upon the requirements of the Division, group, Committee or Board. Divisions are responsible for the monitoring of the Divisional risk registers and the Risk Manager oversees the updating of corporate risks. The Trust is in the process of review of the information in relation to risk in response to feedback from the Divisional teams.

Incidents are logged and managed in the incident reporting module of Safeguard. On average there are around 1100 incident reports submitted per month. The new process developed in the Risk Team has seen the end of the previous issues with the 'web holding file' and concerns regarding incidents not being reviewed and escalated in a timely fashion.

Clinical incidents are uploaded to the National Reporting and Learning System (NRLS) on a weekly basis by the Risk Team. The overall increase in incident reporting along with the improvements in the Risk Team processes has seen the Trust NRLS position improve from the bottom 25% of reporters to the top 25% of reporters nationally.

The management of risk is the responsibility of all staff employed by the Trust. The Trust acknowledges its legal duty to safeguard patients, staff and the public and while failure to manage risk effectively can lead to unacceptable harm to someone it can also result in damage to the Trust's reputation and financial loss. The Board of Directors has overall responsibility for corporate governance including quality, safety and risk management within the Trust and it has legal and statutory obligations, which demand that the management of risk is addressed in a strategic and organised manner.

The principles of risk identification, assessment, action planning and treatment apply at a local and corporate level and risks that cannot be managed at a local level are escalated as necessary to ensure they are controlled and mitigated. Risks scoring 10 or above are escalated to the Operational Risk Management Team (ORMT) from the divisions, via the Risk Team so that mitigation can be monitored corporately. The responsibility for risk management remains with the team that identified the risk, although corporate support for mitigation will be given as appropriate.

All new risks that score 15 or above are escalated to the Quality and Safety Committee or Finance Business Performance or Assurance Committee as outlined in the Risk Management Strategy.

The Board of Directors will be notified of all risks which score 20 or above at the next meeting of the Board. The Board of Directors reviews all strategic risks to the organisation's strategic objectives through the BAF. The Board of Directors is also made aware of any serious incidents, as they occur, from the Assurance Committee Chairs reports. The Trust has an established a process for alerting the Board of Directors, Council of Governors and Senior Management Team to any reputational risks facing the Trust.

The Trust's governance committee structure, work plans and terms of reference are reviewed annually. Changes to committee, or group, terms of reference are approved by the Board or related committee. The Trust is currently undertaking a review of its committee/group structure below Assurance Committee level to ensure that information and escalation processes are effective.

All committees and groups within the structure have 'Risks Identified' as a standing agenda item and have a responsibility for escalating risk issues discussed at their meeting through the chair, or divisional lead, in line with the Trust escalation

process. However, the following committees and groups have specific functions pertaining to risk management:

- Board of Directors
- Audit Committee
- Quality and Safety Committee
- Finance Business Performance and Assurance Committee
- Operational Risk Management Team
- Health and safety partnership
- Divisional management teams

Data quality and data security risks are managed and controlled by the risk management system. Risks to data quality and data security are continuously assessed and added to the IT risk register, which is reviewed by the Information Governance Group; it provides assurances directly to the Finance Business Performance and Assurance Committee.

Information governance risks are managed as part of the processes described above and assessed using the Information Governance Toolkit and the risk register is updated with any identified information.

The potential impact to quality and safety is considered for all cost improvement schemes. The cost improvement programme is governed by the Transformation Steering Group (TSG) which reports into Finance, Business, Performance and Assurance Committee. All cost improvement schemes are reviewed by TSG and undergo an approval process including the Quality Impact Assessment.

The Quality Impact Assessment (QIA) form has been amended to ensure all the questions are appropriate to determine any potential risk to quality and safety and to include a QIA review process whereby as part of the scheme approval process the Medical Director and Director of Nursing have the option to select a review once project delivery has commenced. The options for review are at 3, 6 or 9 months. This will ensure that where appropriate a review is undertaken and timely action can be taken if there has been a detrimental impact to quality and safety. The changes to processes and in particular the introduction of a review process for quality assessments will provide additional governance and scrutiny that will minimise the risk further.

The Board Assurance Framework

The review of the BAF is a standing agenda item for each of the Assurance Committees. The Committee's agendas are focussed on the gaps in assurance/control and the Chair's reports to the Board outline where these gaps in assurance/control have been successfully mitigated or where further support is required. The Committee's also reviews the Trust's risk profile as a consequence of the action taken during the reporting period.

The Trust has continually reviewed the impact of the BAF during 2016/17 and took into account of the following in its revision in September 2016:

- The key measures which underpin the revised strategic objectives for 2016/17 were extensive and did not lend themselves to being incorporated into the existing BAF format.
- The Board requested that the learning from the risk appetite session be incorporated into the BAF.
- The introduction of Sustainability and Transformation Trajectories from NHSI and the need to monitor progress against these without losing sight of NHS constitutional standards.
- The feedback from the Well led Governance Review in relation to providing an 'at a glance' view of the trajectory of risk scoring and tolerance for each and the need to clearly articulate how risks are assigned to relevant Committees
- The need to manage the size of the BAF in an ever challenging landscape
- The new single oversight framework and the appetite from the Board to frame risks around themes

The new BAF took into account all these considerations without losing the strengths of the original BAF in terms of all Board Members being able to articulate clearly what the key risks facing the organisation were and our ability to manage them. A Guide to using the Board Assurance Framework was developed and approved in 2016 to ensure that the BAF remains fit for purpose.

The Director of Corporate Affairs has undertaken training on the Board Assurance Framework with each of the Divisional and Corporate Services Teams in order that local priorities are linked to strategic objectives and to provide greater understanding of the view of the risk from the Board's perspective.

Compliance with the Provider Licence

The Audit Committee review compliance against the Trust Provider licence on a quarterly basis. The review highlights potential risks to compliance and where improvements have been made. The outcome of the review is reported to the Board in the Audit Committee Chairs Report.

Following the Breach of the Trust's Provider Licence in 2015 with the additional licence condition - section 111, NHS Improvement removed in 2016 the enforcement undertakings in relation to the requirement for interim financial and operational support following the appointment of the Director of Finance and Chief Operating Officer.

NHSI put forward a recommendation, following the Progress review meeting in November 16, to remove the Section 111; this decision has been deferred and will be re-visited following the agreement of financial control totals for 2017/18.

Infection Prevention and Control

Following identification of the first case of Carbapenemase Producing Enterobacteriaceae (CPE) in 2011, the Trust approved the implementation of a preventative strategy to manage and contain CPE which it has built upon year on year. The key elements of the strategy included rapid detection of colonised cases,

effective isolation and promoting doing the basics brilliantly, with the overall objective being to prevent clinical infections with extremely limited treatment options from occurring. The solution to rapid detection was to improve surveillance systems, introduce rapid molecular testing whilst to ensure effective isolation a purpose built unit was required.

The most significant outcome was an 84% reduction in the number of clinical infections and a 95% reduction in the number of bloodstream infections with none reported over a 17-month period (NTA2016 Infection Prevention and Control CPE outcomes).

The Trust's infection prevention and control strategy has also achieved significant improvements in lowering the number of reported avoidable C difficile cases during 2016/17. The Trust reported 13 cases against an annual target of 29 which is commendable given the unprecedented level of demand placed on the hospital.

Development of the Service Transformation Team

In line with the Trust's strategic objectives the Transformation Portfolio entitled 'Quality Health Care Sustainable Future' was developed. It is intended that this would act as a mechanism to support the delivery of the cost improvement requirement.

It is intended that for future years the cost improvement cycle will transcend a 2-3 year cycle to enable effective planning to support activity/delivery to commence prior to the requirement of benefits realisation in recognition that transformational schemes take longer in practice to come to fruition.

The Trust has invested in the Service Transformation Team during 2016/17 as it recognised that to undertake transformation that would lead to significant quality and efficiency savings would require additional resource with the right skills. The impact of this investment is articulated later in this statement.

NHS Staff Survey

The Trust remained committed throughout 2016 to ensuring that the improvement achieved in the 2015 staff survey continued. A staff engagement programme was developed which focussed on a number of key priority areas identified from the 2015 survey, supported by local improvement plans within divisions.

The 2016 National Staff Survey took place between 26th September and 2nd December 2016 and was sent to 1,250 staff via a mixed mode – hard copy and email. During the survey period a high level communications plan was in place to raise awareness with staff of what had been done in response to the 2015 National NHS Staff Survey. Highlights were communicated in the We Said...We Did booklet. The Trust achieved a response rate of 46% which is above average for Acute Trusts.

The results of the 2016 National Staff Survey and management recommendations were presented to the Trust by the Chief Executive from Quality Health on 8th March. The results showed that the Trust had maintained the improvements made in 2015 survey despite the challenges faced over the last 12 months – financial pressures,

unprecedented winter pressures, uncertainty regarding the impact of Sustainability and Transformation Plans and negative press publicity.

The Trust's overall staff engagement score of 3.78 was very slightly lower than the national average of 3.81. The overall organisational key findings are noted below:

		2014	2015	2016
Q21a	"Care of patients / service users is my organisation's top priority"	53%	66%	71%
Q21b	"My organisation acts on concerns raised by patients / service users"	56%	67%	70%
Q21c	"I would recommend my organisation as a place to work"	41%	58%	62%
Q21d	"If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation"	52%	66%	69%
KF1	Staff recommendation of the organisation as a place to work or receive treatment (Q21a,c,d)	3.29	3.67	3.73

It is clear that the focus on the staff engagement programme has continued to make a difference however the Trust recognises that it is on an improvement journey and there is much more to do.

The refreshed staff engagement plan for 2017 outlines the steps that will now be taken to support the Trust in delivering improved staff engagement levels, with the clear aspiration of moving into the top 20% of organisations in the North West for Staff Engagement.

The refreshed plan has been developed with the support of staff via a staff focus group held on 29th March 2017. Input has been provided by the Trust's Management Teams and Trade Union colleagues via the Staff Engagement Group.

The 2017 plan will rightly be supplemented by divisional plans and these will be monitored throughout 2017 by the LiA Staff Engagement Group. This Group will also review the details of the quarterly Staff Friends and Family Test to ensure any additional actions required are incorporated into the staff engagement work programme. Additional questions will be added to the quarterly Staff Friends and Family Test against the top priorities within the plan to enable progress to be monitored in advance of the 2017 national staff survey. This will be reported via the Quality and Safety Committee Workforce Dashboard

The Care Quality Commission

The CQC carried out its comprehensive inspection in September 2015. Overall, the Trust was rated as 'Requires Improvement' which was in line with the Trust's own

self-assessment. The breakdown of ratings under each of the domains is outlined below:

<i>Are services safe?</i>	Requires Improvement
<i>Are services effective?</i>	Good
<i>Are services caring?</i>	Good
<i>Are services responsive?</i>	Requires Improvement
<i>Are services well-led?</i>	Requires Improvement
<i>Overall Trust</i>	Requires Improvement

The Trust received requirements notices under Regulations 11, 12, 13, 15, 16, 17 and 18.

Although the report recommended a series of improvements to be made, the CQC acknowledged that the Trust was aware of the need to make improvements and in many cases the actions to progress these were being implemented. The Trust has been monitoring compliance and improvements through a range of mechanisms including:

- ‘Deep Dive’ events involving a panel of Executive and Non-Executive Directors and representatives of the Quality and Safety Team questioning representatives from clinical divisions and corporate services in detail about their progress towards completing their action plans and achieving the CQC Fundamental Standards. Four of these have now taken place. The Fourth “deep dive” focussed on improvement to the domain of “safe”.
- The CQI programme is the Trust’s principal assurance process regarding compliance with the CQC standards in wards and clinical departments. The programme has been running in its current form since December 2015 although a similar programme of mock inspections ran for eight months in 2015 prior to the full CQC inspection.
- Ward accreditation scheme - Since implementation of the programme in June 2016, twelve wards have been assessed. The results are as follows:
 - ✓ 3 – Gold
 - ✓ 5 – Silver
 - ✓ 4 – Bronze

The accreditation process continues to evolve and will encompass finance and learning and development elements over the coming months. Every ward that has undertaken the ward accreditation programme so far has been awarded “Gold” for Standard 3 – Personalised Care and 10 of the 11 wards have achieved “Gold” for staff questions which is the standard that underpins knowledge for the organisations PROUD values.

The Trust is focusing on compliance with the domain of “safe” particularly in light of the recent Never Events; the number of medication incidents; the work being undertaken on processes for undertaking serious incidents and mortality reviews and the risk relating to internal ward/department transfers. The Trust meets regularly with CQC to review progress and is hoping to be part of the re-inspection process for 2017. Key next steps include:

Improving Patient Safety

A number of workstreams are currently in progress:

- A Safety Awareness Week is to be held (date to be confirmed), with the intention that it should be the first of a series of such events
- The Trust is also organising weekly Patient Safety Summits. These will take approximately one hour; be chaired by a clinical Executive Director; and attended by as many clinical staff as possible, but all clinical staff are welcome to attend
- Each meeting will discuss two recent serious incidents or clusters of lower harm incidents to identify the rapid changes that are needed to prevent similar incidents happening again. Where there are key learning points that are clearly evident, these will be communicated across the organisation as 'Safety Bites' within 24 hours
- An external review of Quality Governance has been ongoing since the beginning of 2017, and a report, including detailed recommendations for change, is expected shortly.

Self-Assessment

The Trust has been advised by CQC to complete a self-assessment of its ratings for its core services and for the Trust as a whole. The last occasion on which we had to submit a self-assessment to CQC was in July 2015, two months prior to the last comprehensive inspection. This involved reviewing a wide range of internally-produced and externally-published evidence documentation and intelligence, and reaching collective agreement among the Executive Team regarding our ratings. We envisage that we will take a similar approach this time.

Communication – Staff











Prior to the 2015 inspection, a variety of means were used to inform our staff about the inspection process, what the Inspectors would be doing, and what staff needed to do themselves. In addition to established communication channels such as CEO Forum and 'Start the Week', these included 'Little Gems' newsletters, presentations, and drop-in information sessions. This activity was spread over a period of seven months – while we may not have as much time available on this occasion, the Trust is considering communication as part of its preparedness.

The conclusion is that the Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission

Governance Reviews

The Board undertook its self-assessment against the Monitor Well Led Governance Review in August 2015, externally facilitated by MIAA. The results of the self-assessment informed the tender process for the full review Governance Review which was undertaken in April – June 2016. The outcome of the review was positive although the Board acknowledged there was further improvements that could be made. The Trust agreed to 17 recommendations following the review which are

being monitored by the Audit Committee and the Board. The outcome of the review is outlined below:

Detailed Criteria		
1A	Does the Board have a credible strategy and robust plan to deliver?	
1B	Is the Board aware of potential risks to the quality, sustainability and delivery of services?	
2A	Does the Board have the skills and capability to lead the organisation?	
2B	Does the Board shape an open, transparent, and quality focused culture?	
2C	Does the Board support continuous learning and development across the organisation?	
3A	Are there clear roles and accountability in relation to board and quality governance?	
3B	Are there clearly defined processes for escalating and resolving issues and managing performance?	
3C	Are stakeholders actively engaged on quality, financial and operational performance?	
4A	Is appropriate information on organisational and operational performance being analysed and challenged?	
4B	Is the Board assured of the robustness of information?	

Following the review and the work that was initiated, the Trust agreed to commission a further quality governance review in order to progress improvements below Assurance Committee level. This work is due to be completed in May 17. The Director of IT and Information is leading a piece of work to improve the management of information including reviewing the Board performance dashboard.

The Board of Directors reviews the validity of its Corporate Governance Statement on an annual basis by reviewing evidence that supports statements ahead of formal approval as well as reviewing the additional information which enables the Board to consider when support of a statement cannot be made.

Cyber Security

The Trust undertook an assessment of its progress against the 10 steps to cyber security in early 2017. No red areas of risk were highlighted in the assessment although areas for improvement are being progressed. This work was supported by the internal audit review on Cyber Security undertaken by MIAA.

On Friday 12th May 2017, NHS England declared a 'major incident' as around 40 Trusts were reportedly hit by an unprecedented national cyber-attack.

The attack was believed to be the result of "ransomware", a type of malware that is used by computer hackers to lock information, extort money or force people or organisations to behave in certain ways. This Trust was **not** infected but was affected by some external links which have now been resolved. The Trust continues to work with NHS England and NHS Improvement to ensure that all precautions are being taken to prevent a further attack.

NHS Pension Scheme

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 Legislation

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

Carbon Reduction

The foundation trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Key In-Year Risks

The Board Assurance Framework describes the key in-year risks together with mitigating action to address these. Risks in the BAF are framed around the 5 themes in the Single Oversight Framework as follows:

- Quality of Care – the in- year risks relate to the work being undertaken to improve quality and safety compliance as outlined under the section on the Care Quality Commission. The Trust is placing particular emphasis on the safety culture in the organization as a result of the learning to date on the Never Events in Ophthalmology which will formally reported in the Royal College of Ophthalmology Review in April 2017.
- Finance and Use of Resources – the in-year risks relate to the Trust's management of cash; achievement of the control total; managing its agency spend and demonstrating value for money. How the Trust has performed is

detailed in the section on review of economy, efficiency and effectiveness of the Use of Resources.

- Operational Performance – the in- year risks relate to achievement of the access targets for both A & E and Referral to Treatment RTT. The Trust has applied a good degree of internal rigour in relation to managing patient flow through the Emergency Department drawing upon the expert support from the ECIP team however serious concerns exist with the lack of provision for out of hospital care beds. The Trust is working with partners through the A & E Delivery Board to enact change and better use of the Better Care Fund going into 2017/18.
- RTT – The Trust continues to make significant progress against the agreed improvement plan currently focussing on capacity & demand modelling & patient level tracking as opposed to over 18 week breach validation. This work is being supported by the elective Intensive Support Team. Data quality reports are being validated so that speciality level recovery plans can be completed by the Divisional Business Managers. In late February NHSE confirmed additional funding would be made available to the Trust to support with validation of patient records. The validation work is being coordinated by the newly formed Patient Tracking Team
- Leadership and Improvement – the in-year risks relate to the adherence to the requirements of the additional licence condition section 111 described earlier in this statement and the need to improve clinical leadership and engagement outlined in the Well Led Governance Review. The new Medical Director is leading on this piece of work which will progress through 2017.
- Strategic Change – the Trust has identified a range of opportunities and risks associated with partnership/collaborative working which it is seeking to address through formal governance processes and clinical engagement exercises.

Internal Audits

MIAA conducted 16 formal internal audits during 2016/17 which all received a rating of 'significant assurance' with the exception of:

- Water safety – there were 2 high risk recommendations both of which have been reviewed by MIAA as follows:
 - Local level arrangements – This recommendation has been fully implemented
 - Corporate level arrangements – This recommendation has been fully implementedA full review will be undertaken of Water Safety as part of the 2017/18 Internal Audit Plan
- Nurse staffing levels reported
 - Produce a brief procedure document that defines the process for the collection, collation and submission of nurse staffing data internally and externally – This recommendation has been fully implemented
 - Ensure that any triangulation of information relating to staff shortages provides rigor and not conflicting information - This recommendation has

- been partially completed with daily reports being run and checked by NHSP. Electronic solution to be introduced by the end of the year that interfaces with the NHSP system
- IT Service Continuity - there were 2 high risk recommendations both of which have been reviewed by MIAA as follows:
 - Business Continuity/Disaster Recovery Strategy - This recommendation has been fully implemented
 - Back up Servers - This recommendation has been partially implemented. Plans are in place to migrate legacy software. One project is in progress and another project is planned for in Quarter 3 2017/18.
- A full review will be undertaken of IT Service Continuity as part of the 2017/18 Internal Audit Plan.

Future Risks

The key operational risks to the delivery of the operational plan 2017/18 – 2018/19 are summarized below. These would pose a risk to delivery of NHS Constitutional standards for urgent care and referral to treatment targets:

- Unplanned growth in demand (elective and non-elective). The Trust is reliant on partners implementation of demand management schemes, e.g. reducing non elective attendances and admissions in line with Right Care and Emergency Care Pathway, the failure of implementation of procedures of limited clinical value at commissioner level will impact on planned activity levels
- Managing the loss of intermediate care capacity and any further unplanned reductions
- Market vulnerability of independent sector of domiciliary care, care homes and detox provision
- Unplanned events, e.g. Junior Doctor Industrial action, Flu, Major incidents, Infection Prevention and Control issues
- Challenges with lack of system wide implementation of Better Care Fund which impacts on out of hospital care and reablement.
- Consultant workforce challenges in specific specialities and gaps in Junior Doctor rotas across Medicine as a whole.
- Bandwidth and leadership to manage internal and external system wide transformation.

The Trust hosts the Chair role of the A&E Delivery Board and as such will have opportunity to proactively manage key operational risks.

The 2017/18 revised Control Total of £0.4m deficit still represents a significant financial challenge to the Trust that was discussed during the March Board meeting. The Trust Board subsequently agreed to the revised control total for 2017/18 but rejected the 2018/19 offer. The Trust Board agreed to the 2017/18 control total on the following assumptions:

- NHSI and NHSE would continue to work within the Wirral Health & Social care economy to enable proactive and pragmatic approach in assisting the Health Economy to a more sustainable financial position.
- Developments within the Social care funding arena did in fact go towards positively enabling the Trust to dramatically reduce the number of medically optimised patients within the Trust (currently on average circa 100) which in turn would assist with Patient flow and both protect the Trust from historically experienced adverse impact of the Elective programme and secure improved delivery against the A&E 4 hour wait target.
- Developments within the proposed A&E streaming model would not adversely affect the Trust in delivering a sustainable A&E service as a result of lost income.

The Trust is confident that the improvements in data quality processes in RTT in particular will yield results in 2017/18 and beyond and will provide for a much safer sustainable system for managing patient waiting lists in the future.

The Trust continues to work with NHSI and NHSE to ensure that all possible precautions are being taken to ensure the Trust is protected as much as possible from any further Cyber Attacks.

Concerns with progress to an Accountable Care Organisation/System at a Healthy Wirral level has been particularly disappointing given the significant concerns relating to out of hospital care. The Trust continues to exert influence at a regional and national level with a view to leveraging change.

The Trust is fully engaged with work at a Local Delivery System LDS level, particularly in relation to the close working with the Countess of Chester and at a Sustainability and Transformation Plan level STP most notably through the High Quality Hospital Care work stream and the Digital agenda. Both of these areas however bring a significant degree of risk because of the lack of agreed governance arrangements. The Trust is already beginning to see the potential impact of this through the work at an STP level in Women's and Children's which it is challenging.

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

The Trust has considered the impact of the changes made by the National Audit Office to the Use of Resources assessment for 2016/17. Three sub-criteria will now be used by the Auditors to inform the assessment as follows:

- Informed decision making
- Sustainable resource development
- Working with partners and other third parties

Financial and Operational Planning and overview of financial performance

The Trust's resources are managed within the framework set by the Scheme of Reservation and Delegation and Standing Financial Instructions. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources.

The development of the two year operational plan has been progressed through the senior management team; the annual plan advisory committee; finance business performance and assurance committee and the Board.

Divisions are held to account for the delivery of operational plans through the performance review framework. This year the Trust has modelled its 2017/18 capacity planning using the Intensive Support Team's (IST) capacity and demand tool. This is a standard 'static' capacity modelling tool (recognized by NHSI) which maps plans at point of delivery (POD) against available job planned capacity and then calculates the difference.

The models enable teams to understand their demand and importantly the variation in that demand. The model supports the understanding of median waits, DNA (Did Not Attend) and ROTT (Removal Other Than Treatment) as well as rebookings.

Once the model has been populated with demand projections and the waiting time parameters required it then informs the specialty of the gap between capacity and demand and importantly for the Trust the current backlog along with the time and capacity required for this to be cleared to achieve a sustainable RTT position.

For the financial year 16/17 the Trust reported a normalised deficit of (£10.4m) against the control total surplus of £0.2m. While this position is adverse performance to plan agreed by the Board of Directors and submitted to NHSI it is in-line with the revised forecast that was presented to regulators in September 2016. The adverse performance materially being driven by;

- The impact of the Health Economy challenge (£5m saving) that was profiled within Q4
- As a result of the Health Economy challenge not being delivered the Trust was not able to access the Sustainability and Transformation Funding (STF) for Q4; this in turn impacted the position by (£2.5m), in addition to RTT non-compliance pressures of (£0.5m)
- The Trust continues to experience an increase in demand for its Non Elective services over and above those that have been reported all year. The additional internal costs of this were c. £2.5m.

The Trust has strengthened its Service Transformation Team which has enabled the Trust to deliver the 2016/17 target of £11.2m.

The Trust concluded the financial year with a cash balance of £5.4m, exceeding the revised forecast position which in part was a result of the cash preservation initiatives deployed. Reliance on external funding to support cash balances will continue into 2017/18, with access being secured.

The Trust has improved its financial rigour during 2016/17 which has been noted by NHSI. There is recognition that financial controls which are within the gift of the organisation perform well and the concerns with out of hospital care beds has impacted significantly on the Trust's financial performance overall. This has been acknowledged by NHSI as part of the agreement of control totals for 2017/18. The

Trust has also agreed a two year payment by results contract with Wirral Clinical Commissioning Group. The current financial position places particular concern on the Trust's cash flow and is therefore the subject of continued review and monitoring.

The Lord Carter Review and reference costs

The Trust is in the process of procuring a strategic estates partner with a view to exploring how the Trust could manage its estate in an alternative way through the use of VAT efficient funding. The Trust has sought expert advice and the outcome of the process is due to be presented to the Board in April 17.

The Trust's reference cost return for 2015/16 was submitted in July 2016. The outputs of this return show that the Trust has a reference costs index (RCI) of 94 which indicates that the Trust's costs are 6% less in total than the national mean for like services.

Agency spend was £7.1m for 2016/17 which was c£1.0m lower than the required ceiling. This reflected the work the Trust undertook to manage its agency costs across the organization. There is a continual focus on improving the agency trajectory going into 17/18 but risks noted in some key difficult to recruit areas such as radiologists.

The initial Hospital Pharmacy Transformation Plan was rated as Green and commended as an exemplar by NHSI in late 2016. This plan was prepared under the overarching programme of work undertaken to deliver the recommendations from the Carter report issued 5th February 2016.

Nurse vacancy rates have been consistently below national levels in 2016/17 as a result of a wide range of initiatives to recruit, retain and develop roles fit for the future workforce.

Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred to Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports, which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The Annual Quality Report 2016/17 has been developed in line with national guidance, with regular reporting on the performance of key quality metrics to the Quality & Safety Committee and to the Board of Directors. The work is led by the Medical Director.

The Quality and Safety Committee, chaired by a Non-Executive Director and comprising a number of Non-Executive and Executive Directors receives quarterly reports and assurances on the quality report metrics. All data and information within the Quality Report is reviewed through this committee. The committee is active in ensuring that quality remains at the heart of all Trust business. The Quality Report

within this Annual Report describes the quality improvements achieved in 2016/17. External audit assurance reports on the Quality Report are reviewed by the Audit Committee.

The Board of Directors agreed the priorities for 2016/17 as part of the Quality Account Report which sets out ambitions and milestones for further improvement of safety, clinical effectiveness and patient experience. The Quality and Safety Committee utilises a quality dashboard that enables it to measure trends in performance of key indicators that contribute to high level quality and safety metrics and identify improvement work.

The Trust has a dedicated Quality and Safety Team with the relevant skills and experience to identify, direct and measure quality improvement work across the organisation.

The Quality Report has been reviewed through both internal and external audit processes and comments have been provided by local stakeholders including local commissioners: Wirral Health Watch and the Borough Council Co-ordinating Committee.

Priorities for 2017/18 have been discussed with stakeholders with agreement that for 2017/18 5 of the 6 priorities for 2015/16 would be retained although the metrics would be re-considered to ensure appropriate. For 2018/19 the Trust has agreed that a lower number of priorities would be chosen to ensure adequate focus and attention on achievement.

The key external and publically reported measure on elective waiting time data is in Referral to Treatment performance. The External Audit testing, as part of the review of the Quality Account, on the "Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period" concluded in a qualified opinion from the External Auditors. The auditors commentary is as follows:

'Having tested the mandated indicator for incomplete pathways for 2016/17 included in the Quality Report this is qualified, as six errors were identified in relation to the clock start and end times from the cases tested. However, we are pleased to note that, although this indicator was also qualified in 2015/16, there is clear evidence that the Trust has acted upon recommendations made last year to improve data quality.'

Our testing of the mandated indicator for A&E 4 hour wait for 2016/17 (Arrowe Park Hospital A&E patients only) found no evidence that this indicator was not reasonably stated in all material respects in accordance with relevant guidelines on calculation. The indicator was qualified in 2015/16.

Our testing of the indicator selected by governors for 'percentage of deaths at the Trust that were reviewed under the 2016 Mortality Review Framework' for the calendar year 2016 found no evidence that this indicator was not reasonably stated in all material respects in accordance with relevant guidelines on calculation. In line with NHS Improvement's Guidance, we do not express any

assurance in respect of this indicator.'

The Trust has a robust system to review and update policies to ensure they support high quality care; this is managed by the quality and safety department. All new policies and revised policies that change process are subject to a two-week consultation process with staff prior to approval. Policies include key performance indicators that are audited in line with the policy requirements. Quality improvement plans are monitored in a number of ways primarily within the appropriate division. Plans to mitigate risk, to reduce the risk of a serious incident or complaint recurring, or the action plans from external reviews, are performance managed through the risk register until completion by the Operational Risk Management Team.

Plans made in response to external inquiries such as the Francis II report are performance managed through the Clinical Governance Group. There are scheduled updates for other quality improvement plans including the quality improvement strategy to the Clinical Governance Group. This Group then provides assurance to the Board through the Quality and Safety Committee.

Review of effectiveness

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 the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The BAF provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed on a regular basis.

Internal audit provides me with an opinion about the effectiveness of the assurance framework and the internal controls reviewed as part of the internal audit plan. Work undertaken by internal audit is reviewed by the Audit Committee. The Director of Internal Audit has provided me with an overall opinion of 'significant assurance' for 2016/17.

The Trust's programme of clinical audit work was reviewed in February 2017 against the Guidance published late in 2016 by the Healthcare Quality Improvement Partnership (HQIP).

HQIP is an organisation which is funded by the Department of Health to promote good practice in clinical audit and other quality improvement activities within the NHS. The agreed recommendations being implemented as a result of this review

provides me with assurance that the Trust will be able to share the learning and impact from clinical audits much more effectively in the future.

Financial management and governance is monitored through the Finance Business Performance and Assurance Committee and reviewed by the Audit Committee. This provides me with assurance on the continuous improvements being made to deliver the necessary financial savings.

My review is also informed by External Audit Opinion, periodic assessments of compliance with CQC standards and other external inspections such as the Well Led Governance review, accreditations and reviews.

Conclusion

The Annual Governance Statement has not identified any significant internal control issues and demonstrates a good number of improvements made in internal control during 2016/17. This is particularly evident in relation to the redesign of the Board Assurance Framework and its revised review methodology; the additional financial rigour highlighted by NHS Improvement as a result of the development of the Service Transformation Team and the leadership afforded by the New Director of Finance. The improvements in data quality led by the Chief Operating Officer which resulted in an unqualified audit opinion in the review of A & E data and although a qualified opinion for RTT the systems and processes put in place to improve this data in a sustainable way has been noted by our External Auditors. In relation to quality and safety, the work led by the Director of Nursing and Midwifery to improve processes and systems in infection prevention and control have clearly demonstrated significant improvement in reducing avoidable cases of C difficile which provides the Trust with a strong methodology going forward.

There is clearly still more the Trust can do going forward however the systems and processes for establishing robust internal levels of control developed in key areas during 2016/17 provides an established methodology for improvement which will be deployed more wider in the organisation. The challenges facing the Trust in 2017/18 are significant given the rising demand for hospital services within tight financial constraints coupled with the need to work much more across organisational boundaries to ensure that the NHS is maximising every opportunity for its populations. The new Medical Director will build upon the actions already undertaken in key areas to ensure that the Trust maintains and improves its quality and safety culture Trustwide with the introduction of safety summits; changes to the mortality reviews and the enhanced approach to learning from mistakes to be adopted. The Trust will focus its governance reviews; internal and external audits on key areas which support the delivery of these key challenges going forward in order to ensure that the Trust continues to provide safe, effective care going forward.

A handwritten signature in blue ink, appearing to read "D Allison". The signature is fluid and cursive, with a distinct "D" at the start and "Allison" written in a connected script.

David Allison
Chief Executive

Date: 24th May 2017

Quality Report 2016/17

24th May 2017

Joe Roberts, Head of Assurance

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Part 1: Foreword

For several years, the pressure on Acute Hospitals such as ours has been steadily increasing. Changes in our society – such as an ageing population – have meant that demand for our services has risen year on year, making hospitals ever busier. At the same time, like the whole of the public sector, we are working in a difficult financial climate. We have had to stretch our funds further, and to change how we do things so that we can work more efficiently and effectively. These trends have continued during 2016/17; our Emergency Department in particular has experienced unprecedented levels of demand, particularly so in the first weeks of 2017.

The scale of the challenge that we have faced over the last twelve months is without precedent, but we have met that challenge. We have developed new services; we have worked to improve existing services; we have supported our staff and actively recruited to front-line posts; and we have set out plans and strategies for the future.

Acute Care is the area that is typically the first to be affected when demand for services increases. Improving patient flow through the organisation has been a key focus during the past year and is one of the priority topics covered by this report. A particularly visible example of what we are doing is the Ambulatory Care Unit, which we opened in June 2016. The unit, which cost £400,000 to build, contains a six-trolley bay, 20 comfortable assessment chairs and a suite of consultation rooms. Patients who are referred by their GP now go to the ACU, rather than to the Emergency Department, and it treats approximately forty patients per day.

Also in Acute Care, our Acute Medical Unit took part in a national audit organised by the Society of Acute Medicine, and was the third highest-performing acute unit out of 94 from across the country. The three criteria in the audit were the time taken to get an early warning score, the time it took to be seen by a doctor and the time it took to be seen by a consultant. The AMU achieved these excellent results despite being 10% busier than at the same time last year.

Our Trust has long aspired to be a leader in the use of information technology in healthcare, and this was recognised in September when we were chosen as a 'Global Digital Exemplar', one of only twelve hospitals in the country to achieve this status. The award was accompanied by £10 million of new funding to spend on further IT improvements. In November, we implemented phase III of our Cerner Millennium electronic patient record, moving inpatient medical noting from paper to computer. This is the last major 'go live' event for Millennium, although we will be making further adjustments and improvements on a smaller scale. It has had a significant positive impact on quality and safety for patients; for example, we have seen improvements in completion of inpatient nursing assessments, endorsement of test results, and the timeliness of the discharge summaries that are sent to GPs.

We have worked hard, and allocated substantial resources, to ensure that our clinical areas are fully staffed. The programme of recruitment which was announced in last year's edition of this report has continued. Our nursing vacancy rate is, at just 3.5%, much better than the national average. As well as recruiting nurses through conventional channels, we are taking part in initiatives such as Return to Practice, which aims to attract former nurses back to the profession, and NHS England's Nursing Associate pilot programme. Going forward, we will be recruiting over fifty apprentices to the Trust. Several of these will be trained as Healthcare Assistants, or for roles in other clinical and allied services such as the Laboratories, Pharmacy, Physiotherapy and Occupational Therapy.

It is not just on the wards where we have been welcoming new faces to the team. During the past year, we have welcomed four new Directors to the senior management team after their predecessors moved to pastures new. Our newest executive colleague is the Medical Director, Dr Susan Gilby, a consultant anaesthetist and intensivist by profession, who played a key role in the recovery and transformation of her

previous Trust after it had been placed in special measures by the CQC. Janelle Holmes, a nurse by background, joined us as Chief Operating Officer; David Jago is our Director of Finance; and Paul Charnley is the new Director of IT and Information.

We recognise that the intense pressures on the hospital have affected our staff, and their wellbeing is a priority. We know that the happier and healthier our staff are, the better the care we provide for our patients. We have a range of initiatives both large and small, for example we organised a staff health and wellbeing week in May; we have launched a 'Happier and Healthier U' newsletter, and training in mindfulness techniques is available to help staff prevent and manage stress. We have Staff Guardians with whom staff can raise concerns or issues if, for whatever reason, they do not feel able to do so through the normal management structure. We now have four Guardians – an experienced and popular Matron joined the team during the year. We also appointed a Guardian of Safe Working for medical staff. The Guardian is responsible for protecting the safeguards within the national contract for junior doctors, in order that they do not work excessive hours.

The challenges which we face are unlikely to go away and it is important that we are prepared for them. During the year, we refreshed our five-year strategy, Locally Focused, Regionally Significant. The plan contains ten work programmes which contribute to three broad objectives: excellent services; shaping our own future; and maximising value. Throughout the plan, there is an emphasis on change being shaped and led by clinicians. The plan also emphasises working together with other health and social care organisations on the Wirral, as well as our neighbours at the Countess of Chester NHS Foundation Trust, to achieve consistency and efficiency.

This annual Quality Account goes into more detail about our achievements during the past twelve months, and is also frank about where we need to improve. One highlight in the report is how we have improved End of Life Care. Through measures like implementing a new record of care for patients who are dying, training our staff, and recruiting new Palliative Care Consultants, we are making sure that patients who are approaching the end of their lives get the care they need, and that they, their relatives and carers, are given emotional support and treated with compassion. We have also made substantial progress against our other priorities, for example reducing the number of grade 2 pressure ulcers by almost half. At the same time, we need to do more to achieve our targets for some of the other priority topics, such as medicines management, and we will be taking this work forward in the year ahead.

I would like to thank our patients for choosing our Trust for their care and treatment, and our staff for their hard work during the year.

I am pleased to confirm that the Board of Directors has reviewed the 2016/17 Quality Account. I confirm that it is a true and fair reflection of our performance and that to the best of our knowledge the information within this document is accurate.

Part 2: Review of Quality Performance

This section of the report tells you how we performed against the six priorities that we set ourselves in 2016/17. In 2016/17, we retained four of the six priority topics from the previous year (nutrition and hydration, readmissions, missed medications and pressure ulcers), as there was still work to be done for each of them before we could reach the standards to which we aspire. However, the detailed targets for these priorities were adjusted and updated. The priorities relating to dementia and mortality were discontinued in recognition of the considerable progress that had been made, and two new priority topics were added: improving patient flow, and End of Life care.

2.1.1 Patient Experience Priorities

1. Implement the SAFER bundle to improve patient flow and ensure safe discharges

The target for 2016/17 is:

- We will aim for 25% of all medical discharges from base wards to be before noon, against a baseline of 17.7% in January 2016
- We will aim to improve compliance within specialty care ('right patient right bed') so that no more than 10% of patients are admitted to the 'wrong' bed, against a baseline of 16% in February 2016

Executive Lead: Gaynor Westray (Director of Nursing and Midwifery), Dr Susan Gilby (Medical Director)

In February 2016, our Trust agreed to work with the Emergency Care Improvement Programme (ECIP) to implement the SAFER Patient Flow Bundle (including Red 2 Green bed day processes). The bundle is a combined set of simple rules for adult inpatient wards to follow to improve patient flow and prevent unnecessary waiting. By reducing time spent waiting, and making sure that patients are in the right bed (a bed on a ward which is best able to meet their specific clinical needs), we can significantly improve patients' experience, as well as making our services work more efficiently and effectively. Thus we chose SAFER as one of our six priority topics for the Quality Account in 2016/17.

One of the key measures for the success of SAFER is the number of patients being discharged before midday. We set ourselves a target for 25% of discharges to take place before midday, although this has proved more challenging than anticipated; on average, only 15% of our discharges have been before noon. We have also sought to measure compliance with 'right patient right bed' although this has proven difficult to measure reliably in practice and in the absence of robust data, is not reported here.

A key element of the process is the multi-disciplinary morning 'board round' at which the needs of each patient – and what needs to be done if they are to be discharged – are discussed. These have now become part of our normal way of working across all Medical wards. Later in the day, at around 3pm, there should also be a 'huddle' of key staff, lasting approximately 10-15 minutes, to confirm that the actions agreed at the board round earlier in the day have actually been completed. The aim is to make sure that "today's work is done today" rather than spilling over into the following day and potentially delaying discharges. It has been somewhat more difficult to make staff available for these and to embed them as part of routine practice.

We recognise that more remains to be done and we are not yet seeing the full results of the work done so far on SAFER. Therefore this will remain as a priority topic in next year's Quality Account.

Since the start of 2017, we have stepped up the pace of the initiative. The first week of January – traditionally the busiest week of the year in acute hospitals – was Safer Start Week, with extra resources allocated to implementing the SAFER process. This had been planned many weeks in advance, and proved to be a success.

SAFER is now in place on every medical ward, and the division’s Matrons have two hours per day of protected time allocated to patient-flow related activities. They spend this time reviewing the needs of each patient in full, and ensuring that the SAFER process is being followed. In addition, we have developed Multi Agency Discharge Events (MADEs) which run fortnightly in conjunction with the Integrated Discharge Team (IDT) and social care colleagues, to help us to understand what our patients are waiting for and support individual patient discharges. Ward 22 have developed an approach to ‘Red 2 Green Days’ that has been recognised as an exemplar model and presented at national conferences. This process, which identifies both external and internal delays, is being extended to other wards.

In the near future, we will commence a review of all participating wards to identify what more we need to do in order to maximise the benefits of this method of working. The Trust’s Service Transformation Team will work alongside the management of each medical ward on the review and will support them with producing and implementing their action plans. They will use a ‘Plan, Do, Study, Act’ methodology (PDSA) to engage with clinicians and increase the number of patients safely discharged by midday.

2. Ensure patients are supported with eating and drinking based on their individual needs

The target for 2016/17 is:

- 85% of patients will report receiving appropriate assistance with eating, and 90% with drinking
- By quarter 4, where appropriate, patients’ nutritional and fluid input will be recorded within their electronic record of care

Executive Lead: Gaynor Westray

Assistance with Eating (Quality Account target 85%)		Assistance with Drinking (Quality Account target 90%)	
Qtr. 1	84%	Qtr. 1	93%
Qtr. 2	79%	Qtr. 2	86%
Qtr. 3	93%	Qtr. 3	93%
Qtr. 4	97%	Qtr. 4	95%

During the year to date, we have not consistently met our target for assistance with eating and drinking. There was a notable improvement later in the year, although it should be noted that these figures are extracted from the Learning with Patients Questionnaire (LWPQ) and the total number of patients completing the survey has reduced significantly over the past year. The low rates of participation in the survey have been attributed to the focus on the Friends and Family Test (FFT), meaning that some patients are reluctant to complete the survey when they have already responded to the FFT. Currently we are reviewing the patient experience data that we collect to judge whether it is essential and fit for purpose, but in the meantime, staff on clinical areas have been asked to remember to issue the questionnaire and to encourage patients to fill it in.

We have a number of other sources of information besides the LWPQ about how well we are meeting our patients’ nutritional needs. There is a Ward Accreditation process whereby wards are audited by the

Corporate Matron and given an overall rating of gold, silver or bronze – the accreditation tool includes several questions about nutrition and hydration. Also, as part of the Care Quality Inspections, which are mentioned elsewhere in this report and are similar to a mock CQC inspection, we ask patients for their opinion about the food and drink provided and whether they got help with their meals if needed, and we check a sample of patient records to confirm that their nutritional needs were assessed. We have also sought assurance from outside the Trust – Mersey Internal Audit Agency completed an audit of nutrition in the Trust during summer 2016.

The information from these audits and inspections paints a similar picture to the LWPO – there is evidence of good practice in many areas of the Trust, but overall we need to improve. Furthermore, in 2016 we received the results of PLACE – the Patient-led Assessment of the Care Environment. This covers both estates management and catering, and the results for the catering element of the assessment were disappointing. This was attributed to changes to the menu which replaced hot lunches with sandwiches and shortened the menu cycle to one week.

There are a number of work streams in progress which will contribute towards achieving the improvements that we seek. We now have an Operational Nutrition Group, which is chaired by the Deputy Director of Nursing or the Corporate Matron and includes Ward Sisters, Matrons, Dieticians and the Head of Facilities (who manages the Catering team). The topics discussed by the group have included development of a Food and Drink Strategy and a nutritional analysis of our current menu.

Already some changes have been made as a result of the group’s work, such as making full-fat milk, and other higher-calorie food products, more readily available for patients who are at risk of becoming malnourished. In March 2017 an action plan was developed which includes developing a training programme about nutrition for staff, and recruiting volunteers to assist at mealtimes with patients who need help to eat and drink. A new service improvement project titled ‘Eat Drink Move’ is being implemented on four wards, recognising how good nutrition can contribute to patients’ recovery. Also, members of the group will be completing observations of the mealtime service on selected wards, to check that patients are getting support if needed.

With regard to the second aspect of our target, it is already possible to record fluid balance on the Millennium electronic patient record. Electronic fluid balance charts were first introduced in 2014 but were not used consistently because some staff found that it did not meet their requirements; in response, the function for recording fluid balance in Millennium was improved as part of phase III of Millennium, which went live in November. Electronic recording of patients’ food intake is not yet available – an electronic chart has been designed but has not yet gone live. It is included within the priority list of the Wirral Millennium Improvement Team. When this has been implemented, all paper-based recording of nutritional information should end.

2.1.2: Safer Care Priorities:

3. Reduce harm to patients, in particular from newly formed pressure ulcers

The target for 2016/17 is:

- Zero tolerance of avoidable hospital-acquired pressure ulcers at grades 3 and 4
- We will aim for a 50% reduction in avoidable hospital-acquired grade 2 pressure ulcers, compared to the 2015/16 year end position

Executive Lead: Gaynor Westray

Reducing the number of pressure ulcers has been a priority in the Trust's Quality Account since 2012/13, and we have made consistent progress year-on-year since then. The table below shows how the number of pressure ulcers have decreased for each grade of seriousness (1, 2, 3 and 4). Compared to the previous year, the number of grade 2 pressure ulcers reduced from 182 to 118 (35.2%). This is a smaller decrease than this year's target of a 50% reduction, although it does represent a reduction of almost three-quarters since we first established a baseline in 2013/14.

Pressure Ulcer/Injury	Baseline 2012/13	2013/14	2014/15	2015/16	Overall reduction	2016/17 Q1	2016/17 Q2	2016/17 Q3	2016/17 Q4	Total YTD
Grade 4	3	0	0	0	100%	0	0	0	1	1
Grade 3	44	19	10	11	57%	2	0	2	1	5
Grade 2	N/A	468	220	182	61%	34	29	22	33	118
Grade 1	N/A	N/A	N/A	46	80% since Q1 2015/16	8	12	9	8	37
Deep Tissue Injury	N/A	N/A	N/A	N/A	N/A	31	32	17	31	111

Although the number of avoidable grade 3 pressure ulcers has reduced further during the past year, we have not achieved the second element of our target, which was for zero tolerance of all avoidable pressure ulcers at grades 3 and 4. We have focused on sharing the lessons learned from investigating these cases, for example by means of patient stories at our Harm Free Collaborative meeting.

During the past year, we have continued to train staff to prevent pressure ulcers, and to recognise them when they occur and treat them appropriately. As well as training for Band 5 staff nurses, we have also provided training for Clinical Support Workers using the national 'React to Red' learning materials. There is also more guidance available for staff in the Trust's Pressure Ulcer Prevention Policy, which was ratified and published in October 2016.

We have also started to monitor and report the frequency of deep tissue injuries (DTI) – defined as 'intact purple maroon tissue', as these may deteriorate and become a pressure ulcer if they are not attended to promptly. The figures for DTI's recorded in 2016/17 will be used as a baseline against which to measure improvements in future years. This represents a more proactive approach to preventing pressure ulcers.

Back in 2015 the Trust was awarded funding of £212,000 by the NHS Litigation Authority for pressure ulcer prevention measures as part of the 'Sign up to Safety' initiative (see also section 2.4.2 of this report). The bulk of the money was allocated to recruiting an additional Tissue Viability Specialist Nurse, and an assistant, and also to purchasing profile beds which reduce the patient's risk of developing a pressure ulcer. The positive effects of this investment started to be seen in 2015/16, and have continued over the past year.

We complete a quarterly audit of pressure ulcer prevention and management; a common theme from the audit results has been the need to improve the quality of documentation. Currently the 'SKIN bundle' of skin care measures is still documented on paper, but an electronic version of the documentation is due to go live within the Millennium patient record system in the near future. As has been seen elsewhere in the Trust, moving to electronic recording can improve the content and quality of documentation and contribute towards better patient safety outcomes.

4. Reduce the frequency of missed medication events

The target for 2016/17 is:

- We will aim for no more than 3% of critical medication doses to be missed, and;
- an appropriate care score of 70%

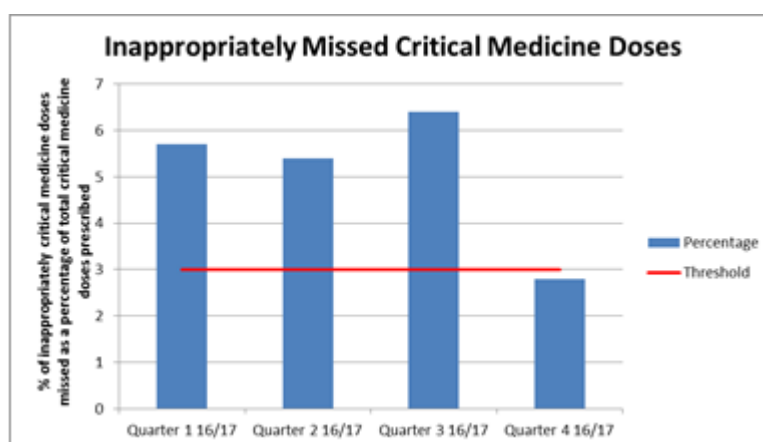
Executive Lead: Gaynor Westray

Data for quarters 1, 2 and 3 were collected and analysed retrospectively within the Pharmacy Clinical Governance Team, using an audit sample of 5 patients on each ward. The purpose of the quarterly point prevalence study was to provide a detailed analysis of the appropriateness of missing a dose, whether classified as a critical or non-critical medicine. Previous audits undertaken by the Trust audit team could not ascertain the appropriateness of a missed dose as the auditors were not clinical staff and thus assumptions were made e.g. that if a patient refused a medicine or was not on the ward that it was an appropriate missed dose. The point prevalence study therefore aimed to provide a more realistic picture of inappropriately missed medication.

To further improve data quality, a decision was made to enhance the assessment in quarter 4 with prospective data collection, where data was jointly reviewed by the ward pharmacy team and the ward manager to assess gaps and the appropriateness of any missed doses. It was anticipated that these data will give a more informed view on defining which medicines are critical for individual patients e.g. the critical medicine list defines regular analgesic as critical only if the patient is in pain but this cannot be assessed remotely. This methodology was also intended to enable a judgement call to be made on the appropriateness of nursing staff recording 'clinical reason' or 'other appropriate reason' and also to identify whether a supply of medication was available on the ward when 'no ward supply' was recorded.

Results

Compliance was achieved in quarter 4, during which 2.8% of all critical medicine doses were inappropriately missed against the threshold of less than 3%. This represents a significant improvement in performance in comparison to previous quarters as demonstrated below.



These results are encouraging although this level of improvement was not expected at this point as a number of key elements of the service improvement plans, e.g. missed medicines as part of nurse handover, are only due to commence in quarter 1 2017/18. It is noteworthy however that the need for improvement has been emphasised by the Deputy Director of Nursing, the plan for improvement has commenced and is being performance managed through the senior nurse accountability framework and so there was a level of improvement in nursing practice expected albeit not to this extent.

For quarter 4, the following variables were also considered to play a significant role in the change in performance detailed in these results:

- The appropriateness of missing a dose was undertaken by individual ward pharmacists and ward managers on the audit day, to take into account the patient's clinical signs, for example, whether the patient was in pain. As described, the purpose of the change was to prevent potential over-recording

of missed doses with the previous method of data capture and the remote and retrospective interpretation by the Pharmacy Clinical Governance Team. Also 'medication unavailable' can be validated with this new method. One of the three critical missed doses this quarter recorded as 'medicine unavailable', an antiplatelet dose, was confirmed by the auditors as being available in the ward's stock medicine cupboard at the time the dose was omitted. The other two missed doses were unavailable, one unavoidable as it had just been prescribed at the time of the audit and one avoidable as the medicine should have been ordered when the last dose was administered on the previous medicines round. Although the new method will add a variable which will impact on the audit results, this is considered to be a more accurate approach and therefore this new method will continue in 2017/18.

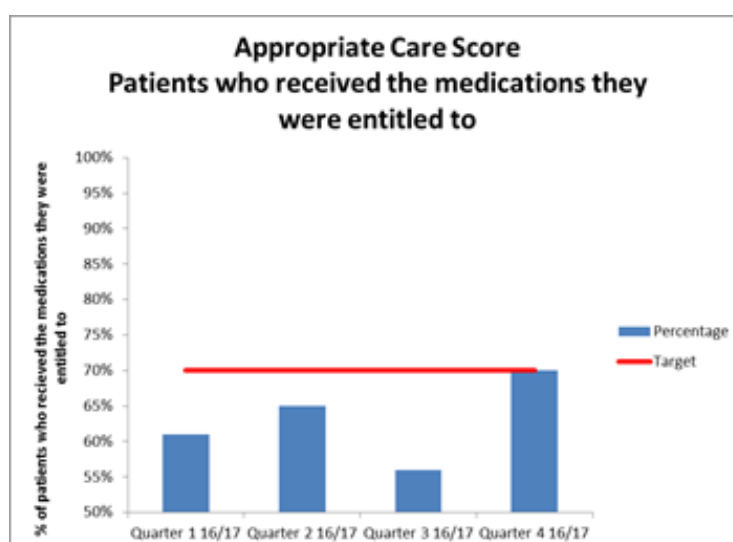
- Wards were aware of the timing of the audit, whereas previously with retrospective data collection this would not have been known. This could allow "general housekeeping" to occur in advance of the audit. In order to exclude this variable next month an independent auditor will highlight the missed doses in a the 24 hour period which will be randomly allocated but the advantages of interpretation by ward pharmacists with ward sisters will be retained.

The following table compares the reasons given for critical missed doses by quarter:

Reason Given	Number of critical doses inappropriately missed/ Number of critical meds missed expressed as a % of total critical doses inappropriately missed			
	Quarter 1 16/17	Quarter 2 16/17	Quarter 3 16/17	Quarter 4 16/17
No documentation	24 (43%)	18 (41%)	9 (16%)	9 (36%)
Reason given not appropriate	1 (2%)	2 (4.5%)	5 (9%)	4 (16%)
Unable to confirm if given	NONE	1 (2%)	15 (25%)	3 (12%)
Medication unavailable	5 (9%)	2 (4.5%)	7 (12%)	3 (12%)
Patient refused	11 (19%)	9 (18%)	9 (16%)	3 (12%)
Patient nil by mouth	5 (9%)	NONE	NONE	2 (8%)
No reason given	10 (19%)	7 (16%)	13 (22%)	1 (4%)
Route unavailable	NONE	3 (7%)	NONE	NONE
Patient unavailable	NONE	3 (7%)	NONE	NONE

Appropriate Care Score (ACS)

Although 96% of all medicines (critical and non-critical) were administered appropriately, only 126 patients of 181 sampled received all of their medicines as intended. This results in an appropriate care score (ACS) of 70%, the target of 70% has been achieved.



We are taking action in order to further improve performance against this priority. We have been undertaking a 'Deep Dive' to investigate the reasons for missed doses on two areas followed by a focussed Service Improvement Project across the organisation. A key element of this work is developing better data at ward level so that we can understand which doses are being missed and why. From the initial stage of this project we have identified improvement actions around prescribing, recording information in the electronic patient record, staff education and clinical handover. Also, Ward Pharmacy Technicians are providing support to ensure that all stock cupboards are kept in good order and that ward stock levels are appropriate.

2.1.2: Clinical Effectiveness Priorities:

5. Improving End of Life Care

The target for 2016/17 is:

- We will re-launch the Palliative and End of Life Care Team to ensure Trust-wide awareness of referral criteria and processes (including how to access services out of hours)
- We will add 'Care in the Last Days of Life' to corporate induction for all new staff, to 75% of existing nurses and clinical support workers in the Acute and Medical Division, and to 75% of doctors in training Trust-wide
- We will roll out the 'Record of Care for Patients in the Last Days of Life'
- We will increase the staffing resource allocated to Specialist Palliative Care

Executive Lead: Gaynor Westray

Substantial progress has been made during the past year against our Quality Account targets.

In August, the Trust agreed a Training Needs Analysis for end of life care, which identified what training is required for different professions and staff grades, and the End of Life Care Facilitators, who deliver most of the training, started to produce regular reports in November, showing how many staff have taken part. According to the first report, 34% of nurses in the Medical Division (which is where the majority of deaths in the hospital occur) have been trained in 'caring for carers', 34% in 'symptom control in the dying phase' and 29% in 'priorities for dying'. During the year we secured two permanent Transformation Nurse posts, to deliver training and support service improvement initiatives. Formal training sessions are not the only source of information for staff; the facilitators provide informal advice and support to individuals and to small groups. Also, we now have a Wirral End of Life Care website which contains a range of useful information for health care professionals, and members of the public.

Looking forward, we are working to expand the training provided in order to fill gaps identified by the training needs analysis. We have agreed with other health and social care organisations in the Wirral to develop a joint education delivery plan for Wirral and have held initial meetings to scope the plan. A particular priority is training on communication skills, which will support advance care planning. We are currently exploring opportunities to enable us to deliver advanced-level communication skills training.

The additional funding which the Trust has allocated to end of life care has allowed us to achieve the staffing-related aspect of the target, by recruiting to 1.6 whole time equivalent Consultant posts. The newly-appointed Consultant is due to take up their post in May 2017. This will bring our palliative care medicine resource into line with commissioning guidance which says that there should be one Palliative Care Consultant for every 250 beds.

We also updated our End of Life Care Strategy in response to the feedback included in the report of the CQC inspection which took place in September 2015, and supplemented it with a simple 'strategy on a page'

which summarises our commitments and priorities for those who may not have time to read the full document. The strategy was relaunched at an awareness week which took place in October 2016. Many staff signed a pledge that they would contribute towards putting the strategy into effect. The Palliative and End of Life Care Team meets every month and reviews the progress of an action plan based on the requirements of the strategy. The Deputy Director of Nursing, Associate Medical Director, and End of Life Care Transformation Lead Nurse produce a six-monthly update report about the strategy.

The Record of Care for patients at the end of life was successfully implemented during 2016/17 in our Trust and in Wirral Hospice St John's. In October we audited the care given to the first fifty patients for whom the record had been completed. The results were encouraging, showing improvements in documented care, and a reduction in interventions in the last 48 hours of life. Some changes have been made to the standard record and we have now introduced version 2. The next steps will be: to create an electronic version of the record in the Cerner Millennium patient records system (currently the record of care is a paper document); to ensure that the record is considered and utilised more consistently in WUTH; and for Wirral Community Trust to start to use the record of care.

6. Reduce emergency readmissions within 30 days

The target for 2016/17 is:

- We will aim to achieve a 1% reduction on overall readmissions compared to 2015/16, with no more than 10% readmissions being potentially avoidable

Executive Lead: Dr Susan Gilby (Medical Director)

The most recent statistics available for the percentage of patients readmitted within thirty days are from January 2017. For the financial year to date, the readmissions percentage was 8.96%. This represents a small improvement compared to 2015/16, when the readmissions percentage for the full year was 9.1%, but it is unlikely that the target for 2016/17 of a 1-percentage point reduction in the overall readmission rate will be achieved by year end.

We use a monthly audit of 50 records of patients who were readmitted to assess whether readmissions were potentially avoidable. The most recent audit results are from January 2017, and showed approximately 8% of readmissions to have been potentially avoidable, although the audit results can fluctuate considerably from month to month and the combined results of the first two quarters of 2016/17 show that the percentage of readmissions which were judged as avoidable was slightly above the target of 10%.

We are continuing with measures which have been described in previous editions of this report, such as improved services for older people who are particularly likely to be re-admitted as emergency cases. At the same time, the Trust is seeking to improve patient flow and reduce patients' length of stay by discharging patients earlier in the day (see priority 1 in this report) when it is clinically justifiable. There is potentially a tension between that priority and this one, as if patients are discharged too early, they may be readmitted later. Therefore it is positive to note that this has not happened, and it provides further assurance over the implementation of the SAFER initiative.

2.2 External reviews and accreditations

During the year the Trust has had a number of external reviews of its services, examples of which are set out below.

National Inpatient Survey

In June 2016, the results of the Care Quality Commission (CQC) 2015 National Inpatient Survey were published, and overall the survey was very positive for the Trust, showing improvement in a number of areas.

For the majority of the published questions, the CQC placed our two hospitals as “about the same”; this is a positive result as they reflect the good results from last year; For a number of others, the results were significantly improved compared to the 2014 survey.

For two of the questions, our Trust was in the top performing Trusts by scoring better than most organisations. Those questions were around whether patients were given enough support from health and social care professionals to help recover and manage their condition, and whether staff took the patient’s family or home situation into account when planning discharge.

Gold Standard Education

Also in June, our Trust received a gold award from Health Education England for the standard of education in practice. The Trust achieved 94%, even better than the 92% achieved last year.

Health Education England also highlighted areas of good practice at our Trust. This included areas such as good reporting, development of newly qualified staff, continuing developments with community and social care placements and engagement with schools.

This recognised the hard work of our nursing and Allied Health Professional mentors, Ward Sisters, and particularly our team of three Practice Education Facilitators who work in the Trust.

Endoscopy - JAG Accreditation

In January 2017, the Trust achieved Joint Advisory Group (JAG) accreditation for another year. JAG is the quality standard for gastrointestinal endoscopy. The assessment has strict criteria governing clinical requirements, waiting targets, patient experience and staff engagement.

The Endoscopy Unit at Arrowe Park is more than just a diagnostic unit, as it also carries out complex therapy. Since its refurbishment a few years ago, the unit has gone from strength to strength. Colleagues ensure waiting lists are kept to a minimum with flexible working to meet demand, meaning that patients get the results of their endoscopy on the same day that it was done, and the majority of patients the unit sees each day are able to return home the very same day. The demand for endoscopy has continued to increase and the department has been consistently busy, but this has not affected the high standard of service that it provides.

Infection Prevention and Control - Nursing Times Award

In October, our Infection, Prevention and Control Team won the Infection Control category of the Nursing Times Awards. This was a great achievement for Andrea Ledgerton, Associate Director of Nursing for IPC, and for all her team. The judges were particularly impressed by the pro-active strategies that the team have developed and implemented, and the impact that their work has had on patient flow and patient safety.

Leadership and Development Award

In December, Consultant Ophthalmologist Alison Rowlands was announced as a winner in the NHS Leadership Academy Awards. She won the ‘Leading and Developing People’ category of the awards. The purpose of the award is to recognise someone who is a role model, and who creates an open, positive space for staff and peers to access learning, share knowledge and ask questions.

2.3 Staff Engagement - Listening into Action

The Staff Engagement work programme for 2016/17 was focused to ensure momentum is maintained, building on the significant improvement made in the National Staff Survey 2015, announced in March 2016. The Staff Engagement Team have led the Trust wide staff engagement plan, aligning this to the Trust's Culture and Engagement Plan 2015-18 and results of the 2015 National Staff Survey. The team have ensured it has been given high priority and have worked closely with the Communications and Marketing Team, Divisions and other key stakeholders to ensure it has been delivered, monitored, communicated and assured in a timely way.

In 2016/17, we continued to utilise Listening into Action (LiA) as a way of working, putting clinicians and staff at the centre of change for the benefit of our patients, our staff and the Trust as a whole. Building on the success of the 100 Day Challenge, Listening into Action (LiA) Huddles have been completed in all departments and over 800 improvement actions were identified and progressed by department managers and their teams. Revisits have ensured actions are completed and communicated back to staff. LiA pulse checks taken at the revisit identify if staff are feeling any different post improvement actions. Pulse check results are monitored by the LiA Staff Engagement Group.

To date, 110 Teams have adopted LiA to address improvements required, focused on quality and safety, patient experience and enabling our teams. Examples in 2016/17 include:

- **Paediatric Transition to Adult Services** – Developed “My Transition”, CQUIN Group formed to improve quality of transition across health and social care services in Wirral.
- **Learning from the EU Recruitment Process** – Improved Welcome programme, enhanced pre arrival NMC registration status, commenced English language courses with local college, developed local community and WUTH information folder.
- **End of Life Care** - Improved ward availability of anticipatory care drugs, redistribution of clinical guidelines, introduced a butterfly magnet for the last days of life, developed and improved patient information leaflets, staff training sessions, trained volunteers to support patients and their loved ones.
- **Winter Planning** – opened two planned winter wards, opened beds at ElderHome at Clatterbridge, ‘discharge to assess’ scheme, ‘home first’ model of care and proactive flu campaign.
- **Improving Incident Reporting and Management** – “Safely Does It” Awareness campaign, visibility walls, link to appraisal process, training, promoting reporting, Incident reporting increased by 2.4% in Q1 and National Reporting and Learning System uploading increased by 19.8% in Q1.

A review of Listening into Action in 2016 was undertaken in December 2016, findings and key achievements are detailed below:

- Developed LiA on 3 levels – CEO Big Conversations, Wave 7 and 8 LiA Teams and Schemes and LiA Huddles. Reached every department in the Trust through LiA huddles or LiA Teams
- Ensured CEO Leadership of Listening into Action through the annual CEO led Big Conversations, Back to the Floor Programme, Trust Board Partner and weekly communications via Start the Week, CEO Forum and Team Brief
- Continue to provide updates on LiA / Staff Engagement via CEO report, Quality and Safety Workforce Report, Workforce and Communications Group, Partnership Steering Group, LiA Staff Engagement Group including internal monitoring of staff engagement score
- Used LiA methodology to address key challenges eg Communications, Winter Planning and Primary Care engagement, learning from incidents
- Executive Directors and members of Senior Management Team to continue to support LiA work streams as sponsors and actively engage with agreed teams

- Agreed LiA Champions network
- Reviewed effectiveness of LiA Pass it On Event and commenced Pass it On via monthly CEO forum
- Winners of the Patient Experience (PENNA) Awards 2016 for Staff Engagement, Shortlisted by HPMA (Healthcare People Management) Awards for the LiA 100 Day Challenge (Staff Engagement) and Highly Commended by HSJ Value in Healthcare Awards 2016

Other Staff Engagement Work

- Extended the Trust Board Partners scheme in January 2016 following a positive review.
- Held senior leaders events focused on employee engagement
- Established a highly effective and well regarded Freedom to Speak Up (FTSU) Staff Guardian team to enable staff to speak up safely, following staff engagement through LiA. Shortlisted for National Award and recognized nationally for best practice by both NHS Employers and the National Guardian Office. Invited to establish and host first regional network meeting held in December 2016. In 2016/17, 80 concerns were raised @ 17/1/17 and acted upon. The National Staff Survey results 2016 have shown further improvement in the number of staff who would feel secure raising concerns, rising by 10% in the last two years since the FTSU Guardian Service began.
- The Trust held a highly successful annual PROUD Awards event, continues to provide the Team of the Quarter and 100% attendance recognition schemes and introduced an Individual Recognition Scheme.
- Regular communications supported by the Chief Executive via Start the Week, News Bulletin, intranet, Team Brief and CEO Forum to keep staff informed about progress being made and schemes implemented.
- Supported engagement and development of a Medical Engagement Plan, aligned to the Trust's Culture and Engagement Plan
- Supported and co-ordinated staff social events
- Supported implementation of the Leadership and Management Development Framework

In the 2016 National Staff Survey, the Trust maintained the significant improvement made in the 2015 Survey when we were noted as the most improved Trust by Quality Health. Highlights from the survey include the following:

		2014	2015	2016
Q21a	"Care of patients / service users is my organisation's top priority"	53%	66%	71%
Q21b	"My organisation acts on concerns raised by patients / service users service users"	56%	67%	70%
Q21c	"I would recommend my organisation as a place to work"	41%	58%	62%
Q21d	"If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation"	52%	66%	69%
KF1.	Staff recommendation of the organisation as a place to work or receive treatment (Q21a, 21c-d)	3.29	3.67	3.73
	Overall Staff Engagement Score	3.48	3.79	3.78

The Trust is also required to report its performance against the following two indicators in the 2016 National Staff Survey by the NHS Improvement Quality Account guidance:

KF26 Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months: 26% (*slightly above national average of 25%*)

KF21 Percentage believing that Trust provides equal opportunities for career progression or promotion: for the Workforce Race Equality Standard 88% (*slightly above national average of 87%*)

2.4 Local and National Quality Indicators

2.4.1 Locally used Indicators

The indicators in this section have been identified by the Board in consultation with stakeholders or are a national requirement and are monitored throughout the year. Additional information is provided below.

Where there is deterioration in our position, work is in progress to improve our performance. For example, the percentage of patients risk-assessed for malnutrition has declined; the Trust's Operational Nutrition Group, made up of both clinical and catering staff, has developed a comprehensive action plan to improve all aspects of nutrition and hydration. This includes actions such as developing a training package for staff, completing a nutritional audit, enhancing the menu and recruiting volunteers to help at meal times on busy wards.

Safety measures reported	2014/15	2015/16	2016/17
“Never events” that occurred in the Trust <i>These are a national list of 14 applicable incidents that should never occur</i>	5	3	5
Serious Incidents reported, investigated and remain serious	114	106	59
Reports made to the National Patient Safety Agency by the Trust and percentage of incidents reported that resulted in serious harm or death	8,957 0.4%	9,482	9,855 0.3%
National Patient Safety Agency <i>Rate of patient safety incidents (per 100 admissions) and % resulting in severe harm.</i>	<1%	<1%	<1%
Clinical outcome measures reported –			
Hospital Standardised Mortality Ratio (HSMR) - an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than you would expect (<i>Dr Foster data</i>) <i>NB: Data for 2016 relates to April-October 2016</i>	90 (range 85-96)	89.35 (range 84.31-94.16)	89.58 (range 85.8 – 100)

Safety measures reported	2014/15	2015/16	2016/17
Summary Hospital-Level Mortality Indicator <i>SHMI value and banding (National Information Centre data)</i> <i>NB: Data released in 2016/17 relates to October 2015 – September 2016</i>	96.74 (as expected)	96.9 (as expected)	96.6 (as expected)
% of Deaths with palliative care coding (<i>Dr Foster data</i>)	30.3%	28.1%	28.3%
“% compliance with the standard to review all deaths	N/A new indicator for 2017/18 onwards	N/A new indicator for 2017/18 onwards	See comments below
% of admitted patients risk assessed for VTE	94.1%	94%	94%
% of admitted patients who had risk assessment for malnutrition (MUST) <i>Please note: This data refers to compliance at 7 days. Figures for 2014/15 have not been included as the method of calculating performance changed with the introduction of the Millennium patient information system, so previous statistics are not comparable.</i>	N/A	84.9%	80%
% Emergency Readmissions within 30 days <i>(Dr Foster data – most recent data available is from January 2017)</i>	9.2%	9.1%	8.96%
Average length of stay (days) <i>(Dr Foster data – most recent data available is from November 2016)</i>	4.5 (<i>against expected figure of 4.7</i>)	5.0	5.0
Patient experience measures reported			
Number of complaints received by the Trust	456	446	346
% complaints responded to within agreed timescale	83%	80%	84%
% patients who felt they were treated with courtesy and respect (from Learning with Patients survey)	96%	96.5%	96.4%
Responsiveness to inpatients’ personal needs (from National Patient Survey)	68.0%	67.9%	78%
Staff respondents who would recommend the Trust to friends or family needing care (from National Staff Survey: CQC)	52%	66%	69%

Table 8a Local and National Quality Indicators

Never Events

The Trust has reported five never events during the financial year 2016/17, under the following categories:

- Wrong lens x3
- Wrong patient
- Retained swab

Wrong Lens incidents

2 of the incidents involved a transcription error which led to the wrong lens being selected. The 3rd incident involved the wrong lens being selected due to incorrect biometry results.

As a result of these incidents, the following actions have been taken:

- Lens calculations are now done in the IOL master
- The cataract pathway has been reviewed
- The biometry SOP has been amended
- Weekly audits if the adherence to the biometry SOP are in place

Wrong Patient

When the last patient of the day was seen in an outpatient eye clinic it was discovered that their notes stated that they had received laser treatment that day. On examination of the patient it was evident that they had not received laser treatment, and further investigation revealed that the patient who had received the treatment did not require it.

Initial actions taken included:

- The short term suspension of invasive procedures unless they were time or sight critical
- The importance of following the patient identification process was reiterated to staff.
- A visit from the Royal College of Ophthalmologists has been arranged
- A department wide action plan has been developed to address the issues raised via this and the 3 never events involving the wrong lenses being implanted.

Retained Swab

The patient had undergone an emergency caesarean section. The operation had finished and a dressing had been applied to the wound. A missing swab was only identified on the final check prior to the patient leaving theatre. Following a thorough search of the theatre, a decision was made to reopen the abdomen, and the missing swab was located and removed.

The actions put in place following the incident included:

- Communication to staff to reaffirm the importance of counting the swabs before during and after the operation and the importance of the WHO checklist.
- Institute good practice of using a clip on the swabs that are put into the abdomen

Serious Incidents

During the financial year a total of 140 serious incidents were reported on StEIS (the Strategic Executive Information System).

A total of 59 (out of a total of 75 investigations completed within the year) of the serious incidents reported, remained at a serious risk rating following investigation (moderate or severe).

Root Cause Analysis investigations identify the key learning points from the incidents to try to prevent recurrence and the 'Lessons Learnt' as a result of the investigation and any opportunities for shared learning. The themes from these investigations included:

- Communication
- Documentation
- Training
- Compliance with Review of SOPs in place and policies and procedures

The total number of incidents reported during the period of 01/04/16 – 31/01/17 was 13,771.

National Patient Safety Agency (NPSA)

The number of incidents reported to the NPSA via National Reporting and Learning System (NRLS) for the period 01/04/16 – 31/03/17 was 9,855.

Developments in Incident Reporting

Developments to improve the reporting of incidents, the management of RCAs and embedding the lessons learnt from incidents and investigations include:

- RCA training continues to be delivered to staff responsible for completing investigations
- RCA templates introduced to ensure consistency and quality of reports are being reviewed
- Communication and information sharing continues via a dedicated site on the Trust intranet and through the reintroduction of a newsletter and a newly introduced weekly 'Safely Does It' email.
- Monthly reports to the Operational Risk Management Team detailing current performance against several Quality and Safety key performance indicators
- Further development of the formal use of the Incident Decision Tree to aid decision making and to ensure staff are treated fairly when they are involved in serious incidents. This has now been extended to include medicine administration errors.
- The introduction of 2 weekly Serious Incident Review Group meetings which completed RCA's and Local Review.

Mortality

Our mortality continues to be lower overall than for comparable Trusts with a comparable mix of patients. The SHMI is generally consistent with the HSMR; however, reporting lags six months behind HSMR. Reducing mortality was a priority topic in the Quality Account for five years from 2011 to 2016, and previous editions of this annual report described the work that was being done to achieve this goal, for example ensuring consistent care through the Advancing Quality initiative, and conducting mortality reviews of the records of patients who had died. This work has continued and has been improved and extended – for example the process for mortality reviews was updated in 2016 and 2017, and more conditions have been brought within the scope of Advancing Quality. We also complete audits of care for conditions which have triggered an alert by recording a higher level of mortality than would be expected – for example, alcohol-related liver disease (audited in November 2016).

In February 2017 we agreed to implement a new approach to mortality reviews which involves moving from a retrospective, sampling method of reviewing mortality, to a timely screen of all deaths in hospital with a more in-depth review of those deaths that are cause for concern. This new process takes into account the recommendations of a recent national review by the Care Quality Commission of how Trusts report and monitor mortality, which the Secretary of State for Health has instructed NHS Trusts to implement. We piloted the process in March 2017 and it takes effect from April 2017.

The new screening process involves consultant and non-consultant senior grade doctors from across all divisions to provide an objective opinion using a standardized survey tool. Where concerns are raised the death will have an in depth review by the divisional multidisciplinary team. This should reduce the number of in-depth reviews whilst providing more opportunity to identify and act on key issues and trends, so enhance trust wide learning; improve the clinical coding and provide assurance that potentially avoidable harms are being consistently identified and the associated learning disseminated. Although there will be fewer in-depth reviews, the overall number of deaths reviewed will increase greatly.

Compliance with the new process will be reported as one of our local performance indicators in the Quality Account in future years. For 2016/17, this Quality Account includes in table 8b below the percentage of deaths which were subject to review under our former process. These figures cover the calendar year 2016 rather than the financial year 2016/17, as the process worked three months in arrears (the new process will

work only a week in arrears to provide more timely feedback). The Trust's Mortality Review Framework defined eight categories of deaths for which mortality reviews were completed. The numbers in each category that were reviewed are shown below. This is intended as a baseline against which progress can be measured.

	No. of Deaths	No. reviewed	% reviewed
All deaths following a planned admission (elective admissions)	23	9	39.13
All deaths following a planned admission (non-emergency transfers from other providers)	22	9	40.91
All deaths within the surgical specialties	184	91	49.46
All deaths within acute care services (not dead on arrival in A&E)	57	48	84.21
Any deaths within Women's services not undergoing external/ peer review	2	1	50.00
Any death within Paediatric services not undergoing external /peer review	0	0	N/A
All deaths following non-elective admission within specialties other than Medicine for the Elderly (DME) and general medicine	893	378	42.33
A sample of 50 consecutive deaths following non-elective admission in DME and general medicine	50	8	14.00
Total deaths reviewed	1622	668	41.18

Table 8b

Length of Stay

The most recent data available covers the ten months from April 2015 to January 2016. This shows an average length of stay of 5.0 days, which is virtually unchanged from the year before. There are factors which contribute to increasing the average length of stay, for example initiatives aimed at reducing the number of short admissions, such as rapid access clinics and the 'single front door', as well as difficulty in arranging discharges and packages of care due to the financial and demographic challenges facing the social care system. At the same time, there are other initiatives which should contribute to reducing the average length of stay, such as the work to improve patient flow (SAFER, Red 2 Green days etc.) which is described in section 2.1 of this report. To some extent, these factors balance one another out.

Complaints

The Trust has received 14% fewer complaints compared with 2015/16. On average, the Trust is receiving 28 complaints per month and responding to 27, with the number of ongoing investigations continuing to fall (from 103 in April 2016 to 82 at the end of March 2017).

Although the Trust met its target of responding to at least 80% of complaints within the timescale agreed with the complainant, during the first six months of 2016/17 only 22% of complainants received a response within the timescale originally agreed. The majority of complaints instead required extension by the Patient Relations Team due to reports received from the divisions being delayed, or requiring further detail. Although fewer in number, complaints are also becoming increasingly complex, requiring more lengthy and detailed reports. Thus in order to support a quality-driven, responsive service to complainants, during 2016/17 the Patient Relations Team has undertaken work to provide the divisions with improved weekly reports that show the progress of current investigations, and highlight the numbers and any associated delays so that the divisional management teams are aware of their corresponding positions and can support responses as/when required.

Further work is also currently taking place to improve the analysis of trends identified from complaints, litigation, incidents and patient experience in the quarterly CLIPPE report, with greater emphasis then being placed on divisional ownership of action plans and staff feedback/training.

In January 2017, the Trust opened the Information Bank, which is staffed by members of the Patient Relations Team, together with representatives from Healthwatch. Its aim is to provide a highly visible and easily accessible location for patients, families, visitors and staff to access support. In tandem with the new Matron Hotline, it is expected that by emphasising timely local resolution of concerns before they become complaints, the number of formal complaints will continue to fall further.

Other Patient Experience Measures

We have continued to implement our Nursing and Midwifery Strategy ('Modern patient focused nursing and midwifery based on traditional values'). It is based around the '6Cs' of care, compassion, competence, communication, courage and commitment. It is also likely that increased staffing numbers at the front line have contributed to this improvement, as nursing staff have more time to spend with patients.

The results of the national staff survey question about whether staff would recommend the Trust to friends or family members needing care have shown further improvement during the year, increasing from 66% to 69%, which places us in line with the national average. This reflects progress in boosting nurse staffing numbers and the Trust's successful efforts to improve staff engagement.

2.4.2 Sign up to Safety

In April 2015, the Trust was awarded funding of £299,000 by the NHS Litigation Authority, the body which acts as an insurer for NHS Trusts. The funds were allocated to support implementation of a three-year Safety Improvement Plan which we drafted, and the NHSLA approved. The intention was that the plan should result in improvements to patient safety, which should in turn reduce the frequency of successful litigation against the Trust, and the compensation and legal costs payable by NHSLA. It is too early to assess whether the plan has succeeded in reducing the number of claims, as litigants normally have three years after the event (and sometimes more) to lodge a claim. However, it has contributed demonstrably to safer practice and improved outcomes. We report on our progress to NHSLA twice a year.

The plan focuses on three patient safety issues which were selected on the basis that they represent a significant risk to patients and have been the cause of numerous legal claims against our organisation. These are: sepsis, pressure ulcers, and missed fractures.

Pressure Ulcers

This accounts for the great majority of the funding provided. Funds were allocated as follows:

- £169,000 to fund the salaries of a Band 6 Tissue Viability specialist nurse and a Band 3 assistant
- £33,000 to contribute towards the cost of replacing beds with new 'profile beds'
- £5,000 to purchase pressure-relieving devices which go underneath patients' heels
- £5,000 to print 'pressure ulcer passports'

All the actions above have been completed, with the exception of the pressure ulcer passports, where it has taken some time to reach agreement about the content of the document with our partners in the community. The additional resources have helped us to continue reducing the incidence of pressure ulcers (see Priorities for 2016/17 elsewhere in this report).

Sepsis

£20,000 was allocated in order to purchase or develop an e-learning package to educate staff in the diagnosis and management of sepsis. This has been delayed as some of the IT hardware in use at the Trust does not yet have sufficient graphics capability to support e-learning. In the meantime, we have provided face-to-face training on sepsis as part of the mandatory training for clinical staff on cardio-pulmonary resuscitation, although this is only a short-term measure. We monitor the standard of our sepsis care as part of the Advancing Quality initiative, and for a CQUIN target agreed with our commissioners.

Missed Fractures

We were not awarded any funding for this section of the Safety Improvement Plan. A Consultant is acting as the Project Lead and has attended an NHSLA/Sign up to Safety workshop in London and networked with other leads working to reduce missed fractures in their organisations. HD Viewers are a solution which could reduce the incidence of missed fractures and we are considering how these can be purchased and funded.

Training and Development Costs

Of the remaining funding, £61,000 was allocated for clinical staff to attend an external training programme to become 'Patient Safety Champions'. The course itself was free but we would need to pay for travel costs and for cover for the front-line clinical staff taking part. A number of staff have completed the programme, but the course has unfortunately been discontinued by the training provider and we are scoping alternatives. The remainder of the funds, amounting to £4,200, were allocated to printing costs and purchasing new software.

2.4.3 Reducing Hospital Acquired Infection

The Trust has continued to follow a proactive focussed improvement programme to reduce hospital acquired infections. The key actions undertaken this year to prevent hospital acquired infections have included:

- Learning lessons from post-infection reviews and sharing these with staff, for example the need for thorough documentation, and not to miss screening opportunities
- Implementing a full ward deep cleaning programme to target areas of priority (five areas deep cleaned during March)
- The Infection Prevention and Control Team monitoring the effectiveness of cleaning, e.g. by using adenosine triphosphate
- Purchasing new ultraviolet machines to support effective decontamination when full ward hydrogen peroxide vapour cleaning is not possible
- Matrons monitoring the cleaning checklists in all their areas and inspecting equipment as they walk round, particularly commodes
- Undertaking regular audits of hand hygiene and infection control practice across clinical areas
- Daily risk assessment of all MRSA positive patients to ensure that higher risk patients (i.e. those with MRSA in wound, sputum, urine) are isolated
- Ensuring prompt testing of suspected CPE cases, e.g. through in-house testing and using taxis to transport samples to the laboratories

Period	MRSA Bacteraemia Cases	Target	Clostridium difficile cases	Target
2011/12	1	5	68	120

2012/13	2	0	27	50
2013/14	2	0	28	33
2014/15	4	0	28	24
2015/16	2	0	48	29
2016/17	1	0	35	29

Table 9 Infection Control Maximum Targets for MRSA and Clostridium difficile cases

The Trust has reported 35 cases of clostridium difficile to NHS England during the past year. However, for the purposes of national targets, we are measured against the number of cases that were found to have been avoidable. There have been 13 avoidable cases during the year, comfortably below the maximum figure of 29 permitted by NHS Improvement (formerly Monitor). This is a creditable achievement, considering the intense operational pressure on the hospital in recent months, which can make the work of infection control, such as prompt isolation of infected patients, more difficult.

One bloodstream infection due to MRSA was reported in December, meaning that we have breached our tolerance level of zero for the year. The post infection review following the bacteraemia identified that this patient became colonised during their inpatient episode and found contributory factors including a delay in screening another patient in the same bay on admission who turned out to be positive, as well as some cleaning issues in the ward where the infection occurred, which may have had an impact. To deal with the issues highlighted by this case, a number of measures are in place such as screening audits on randomly-selected MRSA patients.

In order to meet the challenge, we will need to take forward a number of actions including:

- Scoping and developing surveillance systems which would support a more preventative infection prevention and control service
- Providing onsite rapid testing initially for CPE, and eventually for flu and norovirus as well
- Considering the benefits of further compartmentalisation of ward 24 (adjacent to the Ward 25 isolation unit) to release medical beds for 'step down' patients

Period	Tolerance for 2015/16	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MRSA Bacteraemia Cases	0	0	0	0	0	0	0	0	0	1	0	0	0
C Difficile cases	29	0	2	1	1	0	4	1	1	1	1	1	0

Table 9: Hospital Acquired Infections reported in 2015/16

2.4.4 National Targets

The Trust's performance against the national cancer access targets has been consistently strong with all standards achieved through the year. For Referral to Treatment within 18 weeks, the Trust was within the 1% tolerance of the minimum 92% standard up to and including July. However from August onwards waiting lists and waiting times have grown and the standard has not been achieved. The target for a maximum four-hour wait in Accident and Emergency has not been achieved in any quarter of 2016-17. The number of Clostridium Difficile cases has been well below the maximum trajectory all year. The tables below show performance by month for the referral to treatment and Accident and Emergency targets, and performance by quarter for the other targets.

National targets and regulatory requirements	Target	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Referral to treatment time : incomplete pathways < 18 weeks	Minimum 92%	91.08%	91.39%	91.00%	91.02%	90.58%	88.61%	86.80%	85.62%	83.03%	82.51%	83.14%	84.00%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge (WUTH ED alone)	Minimum 95%	80.05%	77.60%	84.10%	85.25%	86.20%	85.85%	85.61%	84.96%	77.66%	74.28%	70.55%	75.71%

Table 11a RTT and Accident and Emergency Targets – monthly analysis

National targets and regulatory requirements	Target	Q1	Q2	Q3	Q4	Full year
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Min 85%	86.7%	85.8%	86.1%	86.5%	86.3%
Maximum waiting time of 62 days from NHS Screening referral to treatment	Min 90%	96.8%	100%	96.2%	94.9%	96.6%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer – surgery	Min 94%	97.9%	100%	97.2%	95.0%	97.3%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer – drug treatment	Min 98%	100%	100%	100%	100%	100%
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Min 96%	97.3%	96.8%	97.2%	97.6%	97.2%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	Min 93%	96.0%	94.7%	96.6%	96.3%	95.9%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all breast symptom referrals	Min 93%	97.0%	96.9%	97.1%	95.2%	96.6%
Clostridium Difficile cases due to a lapse in care (cumulative)	Max 29 pa	3	8	11	13	13

Table 11b National targets and regulatory requirements – quarterly analysis

Referral to treatment time within 18 weeks – incomplete pathways

The Trust did not deliver performance against the Referral to Treatment RTT standard of 92% during any month in 2016/17. The percentages reported are based on a snapshot at the end of each month; the average month-end performance for 2016/17 was **87.4%**. Achievement of this standard is directly linked to demand & capacity. Across a range of specialities the Trust has seen an increase in demand and a reduction in capacity.

The Trust has established an RTT Improvement Team who have produced a comprehensive action plan which has been supported by the national elective intensive support team. Significant work has been undertaken during 2016/17 to understand the Trust core capacity and its ability to deliver elective demand. In addition to the capacity and demand modelling the Trust has developed a suite of information systems to help support the tracking and compliance by speciality of the RTT standard. A range of data quality reports have also been developed and will be used by service teams to ensure best practice is adhered to.

Access for emergency patients

Despite the range of actions being put in place in the Urgent Care Recovery Plan, performance against the Emergency Access Standard remained below the minimum 95% for 2016/17. Performance for the year as a whole was **80.74%** (this figure is for the Emergency Department alone, and does not include the Arrowe Park Walk-in Centre, as this is managed by a separate organisation, Wirral Community NHS Trust). The Trust continues to work with health and social care economy partners, and NHS Improvement to improve patient flow.

Access to cancer care

The Trust again consistently achieved the Cancer access targets for all quarters and for all metrics across the whole of 2016/17. The continued dedication of staff across many disciplines and departments in ensuring these most vulnerable patients experience as few delays as possible in accessing high quality treatment at every step of their clinical pathways is to be commended.

2.4.5 Core Indicators

NHS Digital provides comparative benchmarking for organisations against a range of indicators. These data are not always as timely as other data reported from local sources, and may not refer to earlier financial years. However, it does provide some information about how the Trust has performed relative to other organisations as it compared WUTH's position with the national average, as well as the lowest and highest indicator values nationally.

Summary Hospital Mortality Indicator

The SHMI is “as expected” for the Trust for both data sets with a clear reduction over time reflecting the ongoing work to reduce mortality described earlier:

	July 2015 – July 2016				October 2015 – September 2016			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
SHMI	1.0	0.955	0.69	1.17	1.00	0.966	0.68	1.16
% Deaths coded for palliative care	29.4%	30.5%	0.6%	54.8%	29.9%	28.3%	0.4%	56.3%

Table 11: Summary Hospital Mortality Indicator

The Trust considers that this data is as described for the following reason – the data are historic and the Trust recognised the coding for co-morbidities and palliative care was not reflecting the population; this has now been rectified following a review of the clinical coding process, and the difference between our percentage and the national average has reduced for the second year in succession.

The Trust has taken the following actions to improve this percentage, and so the quality of its services: participation in the Advancing Quality initiative, which aims to achieve consistent high quality care across seven clinical focus areas (heart failure, pneumonia, COPD, sepsis, hip fractures, alcohol related liver disease and acute kidney injury; in the past it also covered heart attack and stroke), and our mortality reviews of the records of patients who have died in the hospital. The approach to the mortality reviews was revised and refreshed during 2016, and again in February 2017, so that we will be screening all deaths, rather than a sample, and doing more ‘in-depth’ reviews of deaths which give cause for concern.

Patient Reported Outcome Measures

Patient Reported Outcome Measures (PROMs) assess the quality of care delivered to NHS patients from the patient perspective. Currently covering four clinical procedures, PROMs calculate the health gains after surgical treatment using pre- and post-operative surveys. The data have been collected since 2009. The adjusted average health gain looks at how much better patients’ health is after their surgery than before; therefore the higher the figure the better the result.

	April 2015 - March 2016				April 2016 – September 2016			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
Groin Hernia Surgery	0.089	0.078	0.021	0.157	0.089	*	0.005	0.162
Hip replacement surgery	0.429	0.357	0.225	0.544	0.443	*	0.285	0.537
Knee replacement surgery	0.318	0.333	0.186	0.398	0.335	0.318	0.259	0.430
Varicose Vein Surgery	0.097	0.030	-0.004	0.150	0.104	*	0.016	0.152

*Casemix-adjusted figures not calculated where there are less than 30 modelled records

Table 12 – PROMS indicator

The Trust considers that these data are as described for the following reason – the data are historic and the Trust works to ensure patients receive effective care that enhances their experience. Our response rates have traditionally been low and this has affected the figures that have been reported.

We are continuing to monitor the hip outcomes and are working with the Health and Social Care Information Centre to look at individual surgeon scores and pre-operative score variation which can skew the outcome.

Readmissions within 28 days

	April 2013 – March 2014				April 2014 – March 2015			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
0 to 15								
16 or over								

*Data not available from Health and Social Care Information Centre – latest data is 2011/12 which has been reported in the 2013/14 Quality Account.

Table 13 – Readmissions within 28 days indicator

The Trust considers that this data is as described for the following reason – the data are historic and the trust needs to consolidate work to reduce emergency readmissions to effect a change. The most recent data available from the Health and Social Care Information Centre is from the year ended 31st March 2012. The next instalment of data was due in August 2016 but has been delayed while the methodology for data collection and analysis is reviewed.

The Trust has taken the following actions to improve this percentage, and so the quality of its services: readmissions has been a priority area in the Quality Account since 2014/15 (although we use readmissions within 30 days as our performance indicator, rather than within 28 days). The section of this report which reviews performance against our six priorities provides information about the measures which we have taken and which are still underway.

Trust’s responsiveness to the personal needs of its patients

Responsiveness to personal needs is a high-level indicator bringing together patients responses from the national inpatient surveys. Our Trust has moved from being slightly below the national average, to slightly above.

	April 2014 – March 2015				April 2015 – March 2016			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
Responsiveness to personal needs (indicator value)	76.5	76.0	67.4	87.4	77.2	78.5	70.6	88.0

Table 14 – Responsiveness to personal needs of patients

The Trust considers that this data is as described for the following reason – the Trust has invested heavily to ensure safe staffing levels in clinical areas, and has also developed new processes to monitor the standard of nursing care.

The Trust has taken actions to improve this score, and so the quality of its services, through an increase in the nursing establishment and recruitment to vacant posts; in early 2017 our vacancy rate stood at 3.5%, which is considerably below the national average. We are continuing to implement our Nursing and Midwifery Strategy, which is based upon the 6 C's (care, compassion, competence, communication, courage and commitment) and is displayed in summary form on every ward. Matrons undertake regular rounds to check the standard of care on wards within their spheres of responsibility; Corporate Nursing undertake a Ward Accreditation scheme covering all aspects of patient care and the wards' activities; and we also have a programme of Care Quality Inspections based on the Care Quality Commission's criteria of caring, effective, responsive, safe and well-led, which have increased in frequency during 2017 and take place approximately fortnightly.

Recommend the Trust to Family and Friends

	Staff Survey 2015				Staff Survey 2016*			
	National Average (All Acute Trusts)	WUTH	Low	High	National Average (All Acute Trusts)	WUTH	Low	High
Agree/Strongly Agree (%)	69%	66%	46%	85%	70%	69%	49%	85%

Table 14 – Recommending the Trust to family and friends

The Trust considers that this rate is as described for the following reason – the Trust has prioritised staff engagement since it received disappointing results in the 2015 National Staff Survey, and has allocated significant resources to staff improvement projects over the past three years.

The Trust has taken actions to improve this score, and so the quality of its services, by prioritising staff engagement. These are described in more detail in section 2.3 of this report. For example, we have a three-year Culture and Engagement Plan covering the period from 2015 to 2018 and have also developed a Medical Engagement Strategy. All wards and departments now have a Trust Board Partner – a member of the Executive Team who visits the department regularly and with whom the staff in that area can communicate directly. We also have four Freedom to Speak Up Guardians with whom colleagues can raise concerns outside of the normal management structure (a new guardian joined the team in 2016). Our efforts were recognised when the Trust won the Staff Engagement Award in the 2016 PENNA Patient Experience awards and was highly commended in the Health Service Journal Awards. Also, the most recent national staff survey (conducted in late 2015 and published in March 2016) shows improvement across a number of questions besides this one.

VTE assessment – Based on acute trusts

The Trust continues to perform slightly lower than the national average, and there is a slight downward trend in performance.

	Quarter 3 2015/16				Quarter 4 2015/16			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
Compliance (%)	95.8%	94.4%	61.5%	100	95.9%	94.2%	78.6%	100%

Table 16 VTE assessment – based on acute trusts

The Trust considers that this percentage is as described for the following reason – our performance is broadly consistent, although falling short of the target, reflects the considerable effort which has been put

into raising awareness of how to prevent and manage this disease in recent years. Our electronic patient record alerts doctors of the need to assess individual patients in a different way to its predecessor.

The Trust has taken actions to improve this score, and so the quality of its services, by continuing to implement the corporate policy for the prevention and management of VTE disease and delivering a training package to staff. The Trust's Clinical Audit Team undertake a monthly audit of the measures in place to prevent and manage VTE and feedback is provided to areas which have not met the standard.

C.difficile rates

During the period for which NHS Digital have provided data, the Trust's performance deteriorated and was markedly worse than the national average:

	April 2014 – March 2015				April 2015 – March 2016			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
C.difficile (rate per 100,000 bed days)	14.6	11.9	0	62.6	14.9	20.1	0	66

Table 17 C.difficile rates

The Trust considers that this rate is as described for the following reason: the data is historic as it relates to the 2015/16 financial year. In particular, the final quarter of that year saw a 'spike' in the number of cases, which was largely due to an outbreak of Norovirus experienced during February 2016 that made the work of Infection Prevention and Control considerably more difficult. During 2016/17 performance improved (see section 2.4.3 of this report).

The Trust has taken actions to improve this score, and so the quality of its services, by undertaking post infection reviews, continuing to promote good hand hygiene practice, effective use of isolation, and decontamination through the hydrogen peroxide vapour programme. Also during 2016/17 a full ward deep-cleaning programme has been initiated, and the effectiveness of cleaning has been monitored more closely, for example by using adenosine triphosphate.

Patient Safety Incidents Reported, based on large acute trusts

We also actively encourage automated electronic reporting in some areas to ensure better coverage of incidents and support monitoring the impact of our safety work:

	April 2015 – September 2015				October 2015 – March 2016			
	National Average	WUTH No. Rate	Low	High	National Average	WUTH No. Rate	Low	High
Patient Safety Incidents	3,521	3,482 29.5	1,559	12,080	2,203	5,679 47.7	1,499	11,998
	The Trust reported 15 incidents that resulted in severe harm or death				The Trust reported 15 incidents that resulted in severe harm or death			

Table 18 Patient Safety Incidents Reported, based on large acute trusts

The Trust considers that this rate is as described for the following reason – The Trust continues to have higher than average levels of incident reporting. This is associated with low levels of harm and can be seen as a sign of an open culture. We actively encourage our staff to report incidents through mandatory and

essential training. However, the majority of incidents reported are low or no harm, allowing us to examine trends and put processes in place to reduce the risk to future patients.

Also, this data is historic, and during 2016/17 we have seen a further increase in levels of incident reporting. In the first ten months of 2016/17, the number of incidents reported was 7.0% higher than for the whole of 2015/16.

The Trust has taken actions to improve this score, and so the quality of its services, by educating staff about the importance of reporting incidents. During the previous year (2015/16) we substantially revised the training presentation which is delivered to new staff at their corporate induction, and to existing staff at their mandatory refresher training. We have also introduced a new training programme on serious incident investigation for more senior staff. Lessons learned from incidents feature in 'Safely Does It', a simple bulletin that is available on the intranet. In addition, we held a Patient Safety Week in March 2016, and have delivered ad-hoc training on risk management and incident reporting for specific departments such as Critical Care. These processes have all been further embedded during 2016/17 and are delivering positive results.

Other indicators

The national indicators relating to mental health or ambulance services are not relevant to the services provided by this Trust and therefore are not included in this report.

Part 3: Priorities for Improvement and Statements of Assurance

Part 3.1: Looking forward to 2017/18; what are our priorities?

We have developed our quality improvement strategy based on the views of patients, relatives and carers, governors, staff, Wirral Healthwatch, the Health and Care Performance Panel at Wirral Council, and the Clinical Commissioning Group by asking what they thought of our services and what we should focus on when improving quality. We have also analysed our patient experience feedback, the risk management systems and our existing quality improvement work such as clinical audit, to help focus our activity. The strategy sets out clear expectations about quality improvement with measurable achievements to monitor our progress. In light of this, we have reviewed our Quality Account priorities for 2017/18 to support making that vision a reality.

3.1.1 Our priorities for improvement in 2017/18 are:

We intend to maintain five of the same six priorities which we have been working towards in 2016/17. Over the past twelve months a great deal of work has been done to improve performance in the six selected areas. However, we are not yet consistently achieving the targets which we set, and the work which we are doing will take more time to bear fruit. In the past, we have always retained priorities in the Quality Account until the targets have been achieved, and we are continuing with this approach.

We propose to maintain five of the six priorities (nutrition and hydration; pressure ulcers; medication missed doses; patient flow; and end of life care). One priority - readmissions – has been discontinued. This is because there is no specific programme of work associated with it, although in recent years some other initiatives have contributed to improvement such as developing the role of community Geriatricians, and joint working with nursing homes. We originally included readmissions as a ‘balancing measure’, because there was potentially a risk that measures to accelerate discharge, for example SAFER, could result in significant numbers of patients being discharged too early and then readmitted through the Emergency Department or acute units soon after. Although the level of unplanned readmissions has fluctuated and we have not always met our Quality Account target, this risk has not been realised.

During February and March 2017 the Trust sought opinions from its stakeholders regarding what its Quality Account priorities should be for the year ahead. This involved writing to our external stakeholders (Health Watch, Wirral Clinical Commissioning Group, and Wirral Council’s Overview and Scrutiny Committee); an online survey for our staff; and information stands at Arrowe Park and Clatterbridge where we sought the views of patients and visitors. The feedback received from this exercise has been taken into account in setting the priorities.

Therefore, in 2017/18 the priorities are:

Patient Experience

- 1 Implement the SAFER bundle to improve patient flow and ensure safe discharges

Rationale: the Trust has found it difficult to ensure that patient flow through the hospital is smooth, with the effect that people may remain in hospital even though they are medically fit to be discharged and are keen to return home. This has also resulted in delays for people entering the hospital through the Emergency Department; we have not achieved the four-hour Accident and Emergency target during 2016/17.

We are implementing the SAFER bundle. This initially started with selected wards which introduced it as a pilot project, and is now in place across all Medical Wards. This is a national initiative and includes the following elements:

- S – Senior review. All patients should be reviewed by a senior clinician before midday. A board round takes place before 10am to prioritise which patients to see on the ward round, poorly patients then patients to be discharged and then others.
- A – Assessment. All patients will have a Targeted Date of Discharge (TDD) set and reviewed daily on the board round.
- F – Flow from assessment units. We aim for wards to start ‘pulling’ assessment patients to their empty beds by 10.00am, so that patients in ED can be transferred to assessment areas as early as possible.
- E – Early discharge. We aim to discharge patients before noon where possible. Completing TTHs the day before supports this.
- R – Review. A weekly review of all patients with a length of stay of 7 days or more takes place with staff from the Integrated Discharge Team, social services and community trust.

Target: We will aim for 25% of all medical discharges from base wards to be before noon, from base wards (medical wards and assessment areas, and surgical wards which are implementing the SAFER initiative).

Lead: *Mrs G Westray, Director of Nursing and Midwifery; and Dr S Gilby, Medical Director*

2 Ensure patients’ nutritional needs are identified and met

Rationale: Eating and drinking are basic needs for our patients. Poor nutrition and hydration can increase the risk of poor healing and additional complications for our patients as well as causing distress. We use the Malnutrition Universal Screening Tool (MUST) to assess patients’ nutritional needs and make referrals to dieticians where necessary. We monitor compliance with this process and are not satisfied with the results. Therefore we think this should be a focus for improving our patients’ experience.

Target: Our targets are as follows:

- Achieve 95% in the quarterly point prevalence study which measures compliance with MUST assessments at seven days, by the end of quarter 4
- 95% of patients with a MUST score of 2 or higher will have been referred to a dietician, by the end of quarter 4

Lead: *Mrs G Westray, Director of Nursing and Midwifery*

Safety Priority

1 Reduce harm to patients particularly in relation to newly formed pressure ulcers

Rationale: Health care is not without risk of harm. We have been measuring harm free care using the Safety Thermometer tool. This is based on a monthly audit of a sample of patients from across the Trust noting whether they have fallen, had a blood clot, a catheter acquired urinary tract infection and/or a pressure ulcer. We believe this is a helpful monitoring tool and will continue to report it as we have progress still to make. The key harm is pressure ulcers and therefore we will continue to focus on this and reduce new pressure ulcers further.

Targets: Our targets are as follows:

- Zero tolerance of avoidable pressure ulcers at grades 3 and 4
- We will aim for a 50% reduction in the number of hospital-acquired, avoidable grade 2 pressure ulcers, compared to the 2016/17 year end position
- We will improve how lessons are learned, by introducing a new Local Review Tool to investigate, and by re-launching the Pressure Ulcer Review Team meeting at which cases are discussed.

Lead: *Mrs G Westray, Director of Nursing and Midwifery*

2 Reduce the number of “missed medication” events

Rationale: Patients need to receive their prescribed medication in a timely way to speed recovery. During this year a pharmacy intervention monitoring audit has identified a number of missed medication doses and it is one of the main drivers for our medication error rate. Therefore we want to undertake targeted work to reduce the number of such events.

Target: Our targets are as follows:

- We will aim for no more than 5% of all medication doses to be missed;
- No more than 3% of critical medication doses to be missed; and,
- an appropriate care score of 70%

Lead: *Mrs G Westray, Director of Nursing and Midwifery*

Clinical Effectiveness Priority

1 Improving End of Life Care

Rationale: Across the country, there is evidence of huge variation in the quality of end of life care that people receive, both across services, geographically and between different groups of people. At national level, five new Priorities for Care have now replaced the Liverpool Care Pathway (LCP) as the new basis for caring for someone at the end of their life. The new approach recognises that in many cases, enabling the individual to plan for death should start well before a person reaches the end of their life.

Since 2014, the Care Quality Commission have regulated end of life care as one of the eight core services which they inspect at every planned inspection. In our Trust’s inspection, end of life care was rated as ‘requires improvement’ overall, and ‘inadequate’ for the well-led standard. During 2016/17 the Trust revised and relaunched its End of Life Care Strategy and delivered an action plan which has resulted in substantial improvements. Key successes have included implementing the Record of Care for patients at the end of life, appointing to new Consultant posts, and developing a new training programme to staff. However, there is more to do, and continuing to include this as a priority in the Quality Account will ensure that it is monitored regularly and that our external stakeholders are kept informed of our progress.

Targets: Our targets are as follows:

- Improve the uptake of the record of care for patients in the last days of life from the baseline of 30% to 50% of expected deaths by Quarter 4 2017/2018, measured through the Trust-wide mortality audit

- Develop the Cerner 'care in the last days of life' template by Q1 and implement its use to achieve 50% of expected deaths Quarter 4 2017/2018. (needs electronic monthly report as part of the Cerner development to see uptake; also change to Trust-wide mortality audit tool)
- Develop a template within Cerner Millennium to document advance care planning discussions and patient-held advance care planning booklet by Quarter 1 2017/2018
- Develop a corresponding education package to raise awareness of advance care planning by Quarter 2, with uptake of education will be reported in the quarterly Palliative & End of Life Education report
- By 31st March 2018, we will have implemented Advance Care Planning in Renal Services, the Acute Medical Unit, and Specialist Palliative Care services

Lead: Mrs G Westray, Director of Nursing and Midwifery and Dr S Gilby, Medical Director

3.1.2 Monitoring of our Priorities for 2017/18

We will continue to provide a quarterly report on progress with our priorities to the Board of Directors and internal committees such as the Clinical Governance Group; progress is shared with the governors biannually by means of a presentation. The quarterly reports on progress are available to our local commissioners, Wirral Healthwatch, Wirral Borough Council Overview and Scrutiny Committee via the Health and Care Performance Panel and NHS England. Individual priorities are managed and monitored by a range of staff in the Trust. For 2017/18 we intend to review the format and content of these reports so that they provide readers with greater assurance while also being more concise.

3.1.3 Provision of Feedback

We welcome and wish to encourage feedback on our Quality Account. If you would like to comment on this report or if you want to make suggestions for future priorities please contact Joe Roberts, Head of Assurance.

Part 3.2 Statements of Assurance from the Board of Directors

The Trust uses a wide variety of information to provide the Board with assurance on the quality of our services. This information comes from a number of national and local initiatives:

3.2.1 Service reviews

During 2016/17, the Trust provided and/or subcontracted 68 relevant health services (see Appendix 1). The Trust has reviewed the data available to it on the quality of care in all of the relevant health services. The income generated by the NHS services reviewed in 2016/17 represents 100% of the total income generated from the provision of NHS services by the Trust for the year. Information covering all services and the three dimensions of quality is brought together in an Integrated Performance Report reviewed by the Board of Directors every month. This report enables the Board to triangulate quality data and monitor the impact of target delivery. In addition a clinical quality dashboard is monitored monthly through the Quality and Safety Committee (a subcommittee of the Board); this monitors trends in the safety, clinical effectiveness and patient experience and main drivers underpinning them.

Each division has an internal quality and safety structure and processes that support and performance manage the quality agenda.

3.2.2 Participation in National Clinical Audit and Confidential Enquiries

Clinical audit helps improve the quality of patient care by measuring compliance with best practice standards for care we give. This identifies areas for improvement that can be acted on prior to re-audit at a later date to show improvement.

During 2016/17, the Trust took part in 31 national clinical audits and 5 national confidential enquiries covering relevant health services that the Trust provides.

During 2016/17, the Trust participated in 75.6% (31/41) of national clinical audits and 100% national confidential enquiries that we were eligible to participate in. NHS England's list of 51 national audits to be reported in the Quality Account for 2016/17 included six audits which are not relevant to this Trust and four which did not take place at national level. In 2015/16, we participated in 97% of relevant national audits.

The national clinical audits which the Trust was eligible to participate in during 2016/17, for which data collection was completed during 2016/17 are listed in Appendix 2. This table includes the number of cases submitted to each audit as a percentage of the number of registered cases required by the terms of that audit and a summary of actions. In year, we received and reviewed reports from six of national audits in NHS England's list. The remainder have been discussed and action plans are either in place or development.

Examples of actions taken, or planned, in response to our results in national audits include:

- *Rheumatoid and Inflammatory Arthritis* – increasing the number of specialist nurses and clinic capacity so that follow up patients can be seen sooner and to reduce waiting times for new referrals; providing patients with education about how they can contribute to managing their condition
- *Heart Failure* – ensuring that patients are referred to a specialist nurse for follow up
- *UK Parkinson's Audit* – providing carers with information about support that is available for them from social services and voluntary organisations; working more closely with Speech and Language Therapy to ensure that patients receive a regular review

There were five national confidential enquiries which the Trust was eligible to participate in during 2015/16, all of which we actually participated in (see table 1 below).

National Confidential Enquiries Title	Case Requirement	Cases Audited
NCEPOD – Mental Health in young people	100%	4/4
NCEPOD – Care of patients with mental health problems in Acute Trusts	100%	5/5
NCEPOD - Chronic Neurodisability (<i>still underway at year end</i>)	100%	9/10
NCEPOD - Non-invasive ventilation (NIV)	100%	2/2
<i>Mothers and Babies: Reducing Risk Through Audits and Confidential Enquiries Across the UK (MBRRACE-UK)</i>	100%	<i>Data not available</i>

Table 19 - National Confidential Enquiries

The reports of two national confidential enquiries were received by the Trust during the year – the first was *Treat the Cause: Acute Pancreatitis*, which was published in July 2016. We completed a gap analysis against the report, which showed that we were fully compliant with 14 of the 18 recommendations and partially compliant with the other four. In order to achieve full compliance, we have agreed to implement an action plan which includes additional education for consultants and junior doctors, and further clinical audits.

The second report received was *Treat as One: Mental Health in General Hospitals* – this was only published in late January 2017. In the normal manner, a Consultant will be identified to complete a gap analysis of the Trust’s practice against the recommendations, and compile an action plan.

In addition to the national clinical audits we undertake local clinical audits, a number of which are repeat audits in order to identify the level of improvement made as a result of earlier improvement actions.

The reports of 187 local clinical audits were reviewed by the Trust in 2016/17. The following are examples of action which we have taken, or intend to take, to improve the quality of healthcare provided, resulting from audits which have been completed in the year:

- Developing a pathway for the assessment of delirium so that we can identify it better, document the care given and provide better information for the patient’s GP on the discharge letter
- Improving the experience for parents through simple straightforward measures such as making it easier to find the Outpatient department for newborn hearing screening
- Ensuring that all sections of the World Health Organisation checklists are completed in interventional radiology, thus improving patient safety

3.2.3 Participation in Clinical Research

During 2016/17, 741 patients receiving NHS services provided or sub-contracted by the Trust were recruited to participate in research approved by a research ethics committee. This demonstrates the Trust’s continued commitment to research in order to provide evidence to improve treatment and the quality of care for our patients.

The National Institute for Health Research (NIHR) is divided into 15 Local Clinical Research Networks (CRN). The Trust is a member of North West Coast (NWC) CRN which is hosted by Royal Liverpool and Broadgreen University Hospital NHS Trust. The NIHR NWC CRN allocates funding to the Trust to support NIHR adopted studies.

Research within the Trust is supported by a small administrative team (3 WTE) and 11 Research Nurses (7 WTE) and a Research Midwife (0.7 WTE). The Trust's Research Strategy states that the Trust aims to increase and improve research and development activity within the Trust by embedding research into everyday practice. Much of the research involves collaboration with key support services and the Research Department works closely with pharmacy, pathology and radiology to ensure that the Trust has the capacity and capability to set up and effectively run our studies.

The research portfolio continues to be clinically diverse including: cancer, critical care, emergency care, dementia, gastroenterology, haematology, neonatal, paediatric, reproductive health, renal, respiratory, rheumatology and stroke studies. During 2016/17 the Trust approved 36 studies adopted onto the NIHR portfolio and 24 studies not on the NIHR portfolio.

The Trust is a member of the NIHR Collaboration for Leadership in Applied Health Research & Care (CLAHRC) North West Coast (NWC). The CLAHRC NWC is a joint project run by programme partners: Liverpool Clinical Commissioning Group, The University of Liverpool, Lancaster University and University of Central Lancashire. The Trust is working with the CLAHRC to deliver programmes aimed at tackling health inequalities.

Between April 2016 and March 2017, 25 new articles written by WUTH staff, published in professional journals were identified (as listed on PubMed, Medline and EMBASE). New publications are recorded and disseminated across the organisation in order to share new knowledge. This shows the Trust's commitment to improving outcomes for patients, staff professional development and also to making a wider contribution to healthcare on a national level.

3.2.4 Commissioning for Quality and Innovation

Commissioning for Quality and Innovation (CQUIN) is a mandated sum of money put aside by Commissioners to fund quality improvement, with providers earning the income by delivering agreed quality targets. A proportion of Trust income in 2016/17 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and local healthcare commissioners, and any person or body the Trust entered into a contract, agreement or arrangement with the provision of NHS services, through the CQUIN payment framework.

The targets for 2016/17 were developed by Wirral Clinical Commissioning Group and NHS England and agreed with the Trust. They reflect areas of desired improvement identified nationally and locally. The table below summarises progress against our CQUIN targets and Service Delivery Improvement Priorities. The final year end position has not yet been agreed with commissioners and the information below is based on what we have reported to them regarding our progress.

Indicator for 2016/17	Current position
<p>1. Sepsis There should be timely identification and treatment of Sepsis, both in the emergency department and in acute inpatient areas.</p>	<p><i>More progress required</i> At the end of Quarter 3, our audit showed that we were achieving 95% for sepsis screening (against a target of 90%), but only 46% for treatment and day 3 review (against a target of 75%)</p>
<p>2. Antimicrobial Resistance and Antimicrobial Stewardship The Trust should be able to provide evidence of the appropriate use of antibiotics and antimicrobials (attempt at a 1% reduction in antibiotic consumption per 1,000 admissions)</p>	<p><i>On track to achieve</i> In Quarter 4 the Trust provided an assurance report which demonstrates good antimicrobial stewardship practices, and specifically appropriate use of carbapenems and piperacillin/ tazobactam across the hospital. It also confirms that we have achieved the local milestones for this CQUIN target.</p>

Indicator for 2016/17	Current position
<p>3. End of Life Care Pathways</p> <p>The Trust should help to deliver person-centred End of Life Care through improved integration within and between providers of healthcare along the pathway. The goal is to ensure that people are asked what their preferred place of care is and that those preferences are met.</p>	<p><i>On track to achieve</i></p> <p>A review of casenotes of Palliative Care patients in quarter 3 showed that 96% of patients had their preferred place of care recorded, and 55% of individuals who indicated they wished to die at home did so. Notwithstanding instances where hospital admission may be medically appropriate, the data suggests that system wide improvements are required to support people to remain at home in their last days of life. Further analysis is being completed after the end of quarter 4.</p>
<p>4. Transition to Adult Services</p> <p>The Trust should work with partners to develop a process for patients to transition from children`s services at WUTH, Wirral Community NHS Trust, Cheshire & Wirral Partnership NHS Trust (CWP) to adult health services.</p> <p>This includes patients with: complex Health and Social Care needs; mental /physical health learning disabilities needing complex comprehensive services and care; long term conditions; mental health conditions or learning disabilities; and safeguarding concerns.</p>	<p><i>On track to achieve</i></p> <p>The Trust participates in the Transition Group set up by the Clinical Commissioning Group. This has four main programmes of work (the Trust leads on workstream no. 2):</p> <ol style="list-style-type: none"> 1. Management of legacy patients from WUTH to community setting /care packages: Lead Community Trust 2. Physical nursing care management of under 18 year olds in the community and the involvement of primary care, SNs and Health Visitors 3. Transition for patients aged 14-25 years with complex continuing health & social care needs 4. Access to resources & removal of barriers <p>The Trust has produced a draft pathway, and a Child / Young Person Transition Policy.</p>
<p>5. Seven-day Services</p> <p>The Trust should make progress towards implementing four standards from the 2013 NHS services, 7 days a week forum review. By the end of quarter 4 the Trust should achieve full compliance with 7 day standards.</p>	<p><i>Unlikely to achieve in full</i></p> <p>A review based on national benchmarking data in quarter 3 showed that we have good processes in place for compliance with the standards on access to diagnostic testing and access to interventions; but that at present we do not have sufficient consultant staffing to meet the standards on first consultant review and first daily review.</p> <p>This is only audited biannually across the country. Data collection for the second national data set of the year is underway but results are not yet available at the time of publication of this report.</p>

Indicator for 2016/17	Current position
<p>6. Digital Technology</p> <p>The Trust should set out how it will contribute to the implementation of the Local Roadmap, and develop and implement its local strategy to go 'paper free' at the point of care. This means fully coded, standardised electronic records with key clinical information captured in an electronic patient record at the point of care.</p>	<p><i>On track to achieve</i></p> <p>Phase III of Millennium went live in late November. Digitised medicines management is in place in most areas, with maternity and outpatients the final areas planned for 2017.</p> <p>Positive patient ID using bar coding is in place for specimen collection and blood transfusion. Plans for closed loop medications administration form part of the Wirral Centre for Global Digital Excellence programme.</p> <p>Cyber security arrangements are in place. Firewalls VPN and virus management arrangements are all being upgraded during this financial year. Further work will be undertaken later in the year.</p>
<p>7. E-referral</p> <p>The aim is for over 80% of referrals to be made by the national E-referral system for outpatient referral and booking by April 2017. Where services are not currently directly bookable, the Trust should have a plan for transitioning towards this.</p>	<p><i>On track to achieve</i></p> <p>From 1st April 2017 the Trust no longer accepts paper referrals for routine appointments and all paper referrals are returned with a request to book using the e-referral system.</p> <p>All services have updated the Directory of Services, to enable accurate referrals to the correct specialty.</p>
<p>8. Sustainability and Transformation Fund (STF) performance</p> <p>The Trust should complete Service Development and Improvement Plan template to reflect the final Performance Improvement Trajectories and Assurance Statements relevant to the Provider, as signed off by NHS Improvement and NHS England. It should then be included at Schedule 6D in each NHS Standard Contract which the Provider signs with an NHS Commissioner or Commissioners for 2016/17.</p>	<p><i>Unlikely to achieve in full</i></p> <p>The Trust did not achieve its financial control total in 2016/17, predominantly due to the £5m Health Economy challenge not being concluded, and operational cost pressures within the Trust caused by high levels of demand. As a consequence, Emergency Department targets have not been achieved, and performance against the Referral to Treatment target continues to be a challenge.</p>
<p>9. Urgent Care Centre</p> <p>The Trust and Wirral Community NHS Trust should work together to maintain a patient streaming process within Accident and Emergency, based on the learning from Single Front Door pilot project, and to manage demand for services.</p>	<p><i>On track to achieve</i></p> <p>We monitor the number of patients who have been deflected to GP's and other provision, and in January we undertook a 1 day audit at Arrowe Park Hospital which identified no patients with low acute trauma injuries conveyed by ambulance crews.</p> <p>Senior managers from Acute Care at WUTH are meeting regularly with counterparts from the Community Trust to establish pathways. Trust representatives also attend fortnightly urgent care recovery group meetings, and the ED delivery board.</p>

Indicator for 2016/17	Current position
<p>10. Transforming Elderly Services (Frailty) The Trust should participate in the Transforming Elderly Services Steering Group with key stakeholders, working to develop a multi-agency plan to change and improve services for elderly people</p>	<p><i>On track to achieve</i> A Steering Group with key stakeholders is in place. They have held a process mapping event, developed an action plan, and held a follow-up event. We are involved in Task and Finish Groups to improve community support, e.g. Teletriage, Falls and Dementia.</p> <p>Within the Trust, we have established pathways for front door and Older Person's Assessment Unit. We have successfully developed our Frailty Unit and Consultant and Specialist Nurse in-reach to the Emergency Department to prevent unnecessary non-elective admissions. In addition, we have developed an ambulatory area within our Frailty Unit for GP referrals and the provision of infusions, transfusions etc. to prevent unnecessary overnight stays in hospital. We have been held as an exemplar site for Frailty and have had our work published.</p> <p>The Community Geriatricians are supporting the Discharge to Assess beds with a weekly ward round and we are currently scoping plans for a Falls clinic to support patients who suffer frequent falls to remain out of hospital.</p>
<p>11. Outcomes Framework Development</p>	<p><i>The Trust has asked for greater clarity from the Clinical Commissioning Group as to what is required to support delivery and evidence for this target</i></p>
<p>12. Diabetes Community Vision The Trust should collaborate with the Clinical Commissioning Group and other stakeholders on integrated diabetes and related pathways.</p>	<p><i>On track to achieve</i> Phase 1 of the new model of care involves the development of an Integrated Community Diabetes Service.</p> <p>This model is has been piloted and the learning and key successes of the pilot schemes have informed new ways of working.</p> <p>Within this model, care is delivered in an integrated way across primary, community, social and acute sectors to reduce the risk of hospital admission and increase the availability of care in a local community based settings.</p>
<p>13. Respiratory Community Vision The Trust should collaborate with the Clinical Commissioning Group and other stakeholders on integrated respiratory pathways for opinion and assessment in the community.</p>	<p><i>On track to achieve</i> The Trust is leading on the operational delivery of the project and continue to develop aspects of the service to meet patients' needs. The service for the year has been shown to be utilised progressively and efficiently, and financially well managed. The only risk currently to the service is the uncertainty of future funding which may cause instability in the service around the ability to retain staff if this project is continued in the future</p>

Indicator for 2016/17	Current position
<p>14. Cancer Chemotherapy (Adult) The aim of the target is standardisation of chemotherapy doses through a nationally consistent approach to dose banding of intravenous SACT.</p>	<p><i>On track to achieve</i> In quarter 4, The Trust have over achieved against 7 of the 8 targets but did not achieve the specific target relating to Vinblastine. We have reported to commissioners that that we have achieved the target overall.</p>
<p>15. Activation Systems for Patients with Long term Conditions The Trust should establish a working group and produce an implementation plan including; team building and training plan for staff who will administer Patient Activation Measures; creation of mechanisms for gathering, presenting and/or analysing data; recruiting a pilot group of patients; and developing activation options.</p>	<p><i>On track to achieve</i> Delivery of the PAM work has been progressing to build capacity within the Trust to train staff and identify patient groups for the PAM pilot.</p> <p>To date, 156 have patients have been recruited to take part. This was lower than the original target because the pilot programme was delayed until quarter 4. This was because of a delay in confirming resources, and several clinics were cancelled in quarter 3 due to changes in operational demand.</p>
<p>16. Neonatal Critical Care All preterm babies born more than 10 weeks early (<30 weeks of gestation) should have a follow up evaluation 2 years after their due date (corrected age), to ensure that they are developing normally. This is important to ensure that any effects of prematurity, e.g visual impairment and intellectual development, are identified in a timely way.</p>	<p><i>On track to achieve</i> A report produced in quarter 4 shows that we have achieved 100% follow up.</p>
<p>17. Propose and implement QIPP schemes for 17/18 The Trust should deliver schemes to improve the quality of care while making efficiency savings, as part of the Quality, Innovation, Productivity and Prevention programme.</p>	<p><i>On track to achieve</i> The Trust reported that it achieved all of its milestones by the end of Quarter 4.</p>
<p>18. Dental The Trust should have the necessary IT infrastructure systems and management processes in place to support referral management.</p>	<p><i>On track to achieve</i> A secure email account is fully operational and is receiving emails for referrals from the referral management service.</p>
<p>19. Dental Managed Clinical Networks (MCNs) The Trust should participate actively in MCNs and clinical engagement groups.</p>	<p><i>On track to achieve</i> The Oral Surgery MCN core group is now in place with one of our Consultants as the named contact; he attends the contract meetings and is updated accordingly. The MCN core group will be producing detailed work plans.</p>
<p>20. Breast Cancer Screening There should be a comprehensive review of communications/information available to stakeholders (patients, referrers) at all stages of the NHS screening pathway to identify full range of resources available, their purpose, content, format and accessibility (languages).</p>	<p><i>On track to achieve</i> The Wirral & Chester invitation letters and other literature have been checked to ensure they are appropriate for intended audience and up to date, and have been amended where necessary.</p> <p>Clerical staff and radiographers have requested feedback from patients either face-to-face or via the telephone and the response has been favourable regarding the changes that have been made.</p>
<p>21. Child Health Information System</p>	<p><i>Superseded</i></p>

Indicator for 2016/17	Current position
	The local contract for 0-19 years services is moving to Wirral Community Trust. The Executive team at WUTH have approved the migration of the Genesis system to WCT. There is an IT plan in place for the transfer of the system. NHS England have agreed to pay for the transition.
22. Diabetic Eye Screening Programme The Trust should engage and participate in programme changes taking place in 2016/17.	<i>On track to achieve</i> The Trust has completed a review of communication materials looking at format, target group, content, language and method of delivery. Our staff have also worked with GP practices and HealthWatch Wirral to promote awareness of the service.
23. Cervical Screening The Trust should engage with, and support, a review of lab provision in Cheshire and Merseyside during 16/17	<i>On track to achieve</i> The Trust has participated in all meetings of the Western Cheshire & Wirral Cervical Screening Programme Board during the year.

Table 20: 2016/17 CQUINs

The amount of income in 2016/17 conditional on achieving quality improvement and innovation goals was £5.38million subject to the final year income for 2016/17. For the year 2015/16, the total associated payment was £5,436,328 (actual amount paid).

Looking forward, NHS England's national CQUIN guidance for 2017/18 was published in November 2016 and is based on two priorities:

1. *Clinical quality and transformational indicators* - 13 indicators have been defined which aim to improve quality and outcomes for patients including reducing health inequalities, encourage collaboration across different providers and improve the working lives of NHS staff.

2. *Supporting local areas*: Sustainability and Transformation Plans – reinforcing the critical role providers have in developing and implementing local STPs; and local financial sustainability – encouraging providers and commissioners to work together to achieve financial balance across their regions

At this stage we have not yet agreed local CQUINs with the Clinical Commissioning Group.

3.2.5 Care Quality Commission Registration and Reviews

The Trust is required to be registered with the CQC, and is currently registered without any conditions on its registration. The Care Quality Commission has not taken any enforcement action against the Trust during the year. The Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

The Trust was last inspected by the CQC in September 2015, when we underwent a full comprehensive inspection. The report from this inspection was published shortly before the end of the last financial year and was summarised in last year's Quality Account. We were rated as 'requires improvement' overall. The ratings given by CQC for each core service, our two sites, and the Trust as a whole, are shown in Appendix 5.

The Trust has two action plans to address the findings from the inspection. The first is the Regulatory Action Plan. This plan deals with the 'must do' issues in the CQC report – those findings which made us non-compliant with their Fundamental Standards. The second is the Divisional Plan – this is a more

developmental plan which is based on the 'should do' actions from the report and which aims to raise the Trust from 'requires improvement' to a 'good' rating.

These plans are updated on a weekly basis and are monitored monthly by our Clinical Governance Group and by the Trust Board. We also share the latest version of the plan with the CQC at the engagement meetings which we hold with them approximately every six weeks. Good progress has been made with both plans and only a small number of actions remain to be completed. Mostly the remaining actions are longer-term ones for which the deadlines are not yet due.

We anticipate that we will be re-inspected during 2017/18 and to assess our preparedness, we have held four 'Deep Dive' events in August, September, October and January. At these meetings, clinical leaders and managers from each of the Divisions and corporate departments have to give a presentation about their progress. They are then questioned by a panel chaired by the Director of Nursing, and by their peers. The meetings do not just focus on the action plans from the CQC inspection, but on the full range of CQC's Fundamental Standards. For example, the topics from recent Deep Dives included nutrition, medicines management, estates and emergency planning. These were not problematic issues at the time of the inspection, but it is important for us to know whether we are still meeting the standards required by our patients.

We have a programme of Care Quality Inspections which has been underway since January 2016. These are based on the CQC inspection process and use a questionnaire structured around CQC's five questions (whether a service is safe, caring, responsive, effective and well-led). They work on a peer-review basis – most of the staff on the inspection teams are front-line clinicians from other wards or departments. At the end of the inspection the Ward Sister or departmental manager receives verbal feedback, followed by a written report approximately a week later. So far, 30 wards and other patient-facing departments have been inspected.

Also during the year, we received an outlier alert from CQC. They monitor statistics for mortality for a range of conditions and procedures, and instruct Trusts to investigate if the level of mortality is significantly higher than would be expected for a comparable hospital.

In November, they issued an alert for Alcohol-related Liver Disease (ARLD). In response, we completed an audit of the records of all 37 patients diagnosed with ARLD who died between June 2015 and June 2016. The audit found that the care given was appropriate for 34 of the 37 patients (92%); with 14 thought to have received excellent care. Two patients were judged to have received substandard care that might have affected the outcome, and one patient was judged to have received substandard care that could be expected to impact on outcome; this related to early aggressive treatment. We have developed an action plan which includes the following: updating the liver disease checklist; ensuring that Gastroenterologists are involved in the care of ARLD patients at an early stage; completing dietetic assessments within 48 hours; and improving compliance with the sepsis bundle and the Acute Kidney Injury guideline.

In the previous year (2015/16) we had been asked to investigate higher than expected levels of puerperal sepsis in Maternity. An audit was completed by the Women's and Children's Division in April 2016 and the actions arising from that audit have been implemented in full.

3.2.6 Data Quality

The Trust submitted records during 2016/17 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics (HES) which are included in the latest published data.

The percentages in table 21 below include the patient's valid NHS number. The results shown for GP Registration have a 'valid' GP code assigned. This includes all 'valid' codes so will include any records assigned as 'unknown'. The figures for 2015/16 are based on data covering the ten months to the end of January 2016 as this is the most recent data available at the time of writing; the year end position will not be known until after the final version of this report is published.

NHS Coverage	2013/14	2014/15	2015/16	2016/17
<i>Admitted patient care</i>	99.6	99.7	99.7	99.8
<i>Outpatients</i>	99.8	99.8	99.9	99.8
<i>AandE</i>	98.8	98.9	99.1	98.8
GP Registration				
<i>Admitted patient care</i>	100	100	100	100
<i>Outpatients</i>	100	100	100	100
<i>AandE</i>	99.9	99.9	99.9	99.9

Table 21 - Data Quality

The Trust is committed to achieving and maintaining high levels of data quality across all areas of healthcare information. In order to provide assurance a Trustwide Data Quality Group meets regularly to review data quality standards, discuss the data quality error reports and address any issues that arise.

The Trust will be taking the following actions to improve data quality for 2017/18:

- All new starters will be given a 'Data Quality – Best Practice Guidelines' booklet.
- Increasing visibility/awareness of the Data Quality team and their function.
- Further development of the relevant webpages on the intranet, providing a concise reference point for data quality related information and guidance.
- Continued reinforcement of the patient demographics checking process.
- Production of divisional data quality summaries to accompany the monthly reports circulated to divisional managers which will highlight any trends or issues that may require corrective actions.

3.2.7 Information Governance

Information Governance (IG) ensures the necessary safeguards for, and appropriate use of, patient and person identifiable information. Risks relating to IG are contained within the Trust monitoring and reporting mechanisms. An Information, Information Governance and Coding Group (IIGCG) ensures the Trust maintains compliance with relevant legislation and good practice.

The Trust IG assessment score for 2016/17 was 76% (equal to last year's score) and we achieved 'Significant Assurance' in our audit by Mersey Internal Audit Agency. We also obtain a rating of either 'Satisfactory' which means level 2 attainment, or above, has been achieved on all requirements, or 'Not Satisfactory' where level 2, or above, has not been achieved on all requirements. We scored 'Satisfactory' (GREEN) for 2016/17.

Information risks are managed in the same way as all other risks identified in the Trust. They are reviewed by the IIGCG, which reports to the Finance, Business Performance and Assurance Committee. The IIGCG also continues to report to the Audit Committee to increase the level of assurance on IG processes.

Highlights from the work programme for this year will include focus on data flow mapping and information sharing agreements, integrating privacy impact assessments into project planning for new or changed information assets/systems, introduction of the new online IG Training Tool and a targeted public and staff IG communications campaign. Work has commenced on ensuring compliance with the General Data Protection Regulation coming into force in May 2017 which will supersede the Data Protection Act.

3.2.8 Clinical Coding

Accurate clinical coding is essential to the provision of effective healthcare at local and national level. It drives financial flows, informs payments and is critical to intelligent commissioning through the provision of epidemiological data that truly reflects the health and care needs of the nation.

In 2016/2017 the Trust continued to commission an external audit programme from the Clinical Coding Academy at Merseyside Internal Audit Agency (MIAA). Two audits have been conducted by MIAA across the year. The first of these was an audit of orthopaedics and breast coding performed in September 2016 with overall accuracy of our coded data reported as 96.30% for primary diagnosis, 98.05% for secondary diagnosis, 97.60% for primary procedure and 97.79% for secondary procedures. The results of these audits should not be extrapolated further than the actual sample audited.

A second audit was performed on obstetrics and neonates coding in quarter 1 of 2017, for which we are awaiting a formal report. These external audits were supplemented with additional internal audits throughout the year. As of February 2017 the department has introduced a full time internal audit programme ran by our trainee auditor. The Trust was not subject to the Payment by Results clinical coding audit during 2016/17.

The Trust will be taking the following actions in 2017/2018 to continue to improve data quality:

- Work with colleagues throughout the trust to improve the quality of our coded data with particular emphasis on clinician engagement and the improvement of documentation.
- Continue to commission external clinical coding audits with continuation of our internal audit programme.
- Ensure the continual development of coding staff, as well as ensuring all staff receive relevant feedback at individual and team level as appropriate.

2016/2017 has seen three members of the department leave their roles at the trust including one of our divisional team leaders, whose post at the time of writing remains vacant. Our Clinical Coding Manager has been on maternity leave since June 2016 and will return in June 2017. The department have trained six trainee staff throughout the year with a further three vacancies to be filled in the first months of 2017/2018. We also have four clinical coders sitting the National Clinical Coding Qualification in March 2017 in order to gain accreditation. Trained clinical coders are a scarce resource and their recruitment continues to be challenging for the service as a whole.

3.2.9 Duty of Candour

Duty of Candour is outlined in a specific Trust policy and procedure which was adopted in March 2015. It is incorporated into our Root Cause Analysis documentation when we investigate serious incidents. We notify the family (and / or their relatives or carers) within ten days, ideally face-to-face, and follow up with a written notification. When the Root Cause Analysis is complete, the report is shared with them.

We monitor compliance with timescales on an exception basis at the Operational Risk Management Team each month. In addition, a compliance report is produced monthly for the Clinical Commissioning Group.

We cover the duty of candour as part of our mandatory risk management training programme at Level 1 (delivered to all staff on induction) and Level 2 (for senior managers and clinicians in job bands 7 and above). There is also an information leaflet for staff in circulation. The key message given to staff is that *“saying sorry is not an admission of liability and is the right thing to do”*.

Annex: Statements from Third Parties

Statement from Wirral Clinical Commissioning Group

As lead commissioner Wirral CCG is committed to commissioning high quality services from Wirral University Teaching Hospital. We take very seriously our responsibility to ensure that patients' needs are met by the provision of safe, high quality services and that the views and expectations of patients and the public are listened and acted upon.

We welcome the opportunity to comment on this account and believe it reflects accurately quality performance in 2016/17 and clearly sets out the direction regarding quality for the 2017/18

We acknowledge that this has been a challenging year for Trust and in view of this expected progress has not been made during 2016/17 in a number of priority areas in particular:

SAFER: It is disappointing that this care bundle has not been implemented and embedded across all areas within the trust. This is a priority promotes patient safety by enabling patients to be admitted to the appropriate ward and to be discharged safely and earlier in the day. The CCG will work with the trust and use the contractual levers available in order to ensure progress is made in this area. This priority will support patient flow within the hospital and the achievement against the four hour standard which is a priority for the health and social care economy.

Nutrition and Hydration: This has not been consistently met, despite the priority being carried forward from the previous year. Assistance with Eating and drinking is a measure of good quality care and supports recovery. As this is to remain a priority for next year, the trust needs to align their patient surveys and measure to ensure that there is good data capture and actions are implemented in order to improve scores.

Missed medications- The CCG welcome the change in data collection this year as this give an accurate view of critical missed medications throughout the year. The improvement is noted in Q4, and by continuing this priority in 2017/18 the Trust will be able to ascertain that the measures put in place have been sustained.

Over the past 2 years, the trust has undertaken a large amount of work in relation to pressure ulcers and this has resulted in a significant decrease in pressure ulcer formation. We are confident that the further work that is being undertaken will result in achievement of the target zero tolerance for all avoidable pressure ulcers at grade 3 and 4.

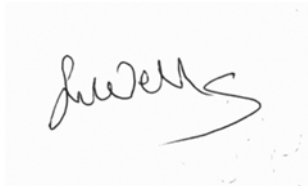
For the 2016/17 contract, in partnership with the Trust, a set of challenging local CQUINs were developed. The objectives were developed by the CCG and agreed with the Trust, and reflected areas of desired improvement identified locally. To date, not all of these have been fully achieved. This demonstrates, at least in part, the high standard that have been set in order improve the quality of care for our patients. Both organisations remain resolute to achieving these standards in the forthcoming year.

Patient safety and preventing harm remains of paramount importance to the CCG. There has been an increase in Never Events from 3 2015/16 to 6 in 2016/17, these are the most serious events that cause harm to patients and have occurred within surgery and therefore remains a concern for the CCG.

It has been noted that the trust have participated in a number of external reviews. The CCG would like to take congratulate the Trust on the outcome of these reviews including the JAG accreditation which assures quality in clinical, waiting times and patient experience.

It is pleasing to see the trust's decrease from last year in Hospital attributed MRSA cases (from 2 in 2015/16 to 1 in 2016/17). Whilst the trajectory for C Difficile has not been achieved (29 cases), the trust has had a decrease from 48 in 2015/16 to 33 in 2016/17. This has been due to the work that has been undertaken by the Infection Prevention and Control team throughout challenging operational pressures.

We believe that this quality account gives a high profile to continuous quality improvements in Wirral University Teaching Hospital and the monitoring of the priorities for 2017/18. Wirral Clinical Commissioning Group looks forward to continuing to work in partnership with the Trust to assure the quality of services commissioned over the forthcoming year.

A handwritten signature in black ink, appearing to read 'Sue Wells', is centered within a light gray rectangular box. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dr Sue Wells
Chair - Wirral CCG

Statement from Wirral Metropolitan Borough Council – Health and Care Performance Panel

During the 2016/17 municipal year, the People Overview & Scrutiny Committee undertook the health scrutiny function at Wirral Council. The Committee established a Panel of Members (the Health and Care Performance Panel) to undertake on-going scrutiny of performance issues relating to the health and care sector. Members of the Panel met on 16th May 2017 to consider the draft Quality Account and received a verbal presentation on the contents of the document. Members would like to thank Wirral University Teaching Hospital Foundation Trust (WUTH) for the opportunity to comment on the Quality Account 2016/17. Panel Members look forward to working in partnership with the Trust during the forthcoming year. Members provide the following comments:

Overview

Members acknowledge that 2016/17 has again been a year of challenges for the Trust as well as for the NHS as a whole. Members recognise the pressures on the health and care system and the rising demand for acute services. This is set against the continuing difficult financial background in which the Trust, along with many other Foundation Trusts, finds itself. Therefore, it continues to be a challenge to ensure that these factors do not impact adversely on service quality and patient experience.

However, members note the positive steps which have been taken by the Trust in response to the CQC inspection, which was carried out in September 2015. Members recognise that the draft Quality Account highlights areas, such as End of Life Care where improved outcomes are demonstrated. The continued focus on investment in frontline staff which took place during the year, against a difficult financial background, is welcomed as is the improvement in staff morale which continues to be demonstrated by the results of the national staff survey. Although the targets for all of the 2016/17 priorities were not met, progress has been demonstrated.

In the context of the increased emphasis on health and social care integration and on Sustainability and Transformation Plans (STPs), it may be that a greater prominence for partnership working will be appropriate in future years.

Review of Quality Performance for 2016-17

Improve the SAFER bundle to improve patient flow and ensure safe discharges

The target to achieve 25% of all medical discharges from base wards before noon has not yet been achieved, with an average of 15% being accomplished. Regarding afternoon ‘huddles’ to plan for the following day’s discharges, it is noted that “It has been somewhat more difficult to make staff available for these and to embed them as part of routine practice”. However, Members support the Trust’s intention to pursue patient flow as a key priority.

Ensure patients are supported with eating and drinking based on their individual needs

Although the target for assistance with eating and drinking has not been met consistently during the year, significant improvement was apparent later in the year. It is reassuring that this priority will continue in the forthcoming year as the Trust acknowledges that “there is evidence of good practice in many areas of the Trust, but overall we need to improve”. It is noted that the planned introduction of electronic recording of

food intake via the Wirral Millenium project should lead to improved data quality. Members also welcome the actions being taken to ensure that nutritional standards are improved.

Reduce harm to patients, in particular from newly formed pressure ulcers

Although the number of grade 2 pressure ulcers reduced from 182 to 118, it is disappointing that, against a target of zero tolerance of all avoidable pressure ulcers at Grades 3 and 4, the Trust experienced 5 at Grade 3 and 1 at Grade 4.

Reduce the frequency of 'missed medication' events

It is noted that compliance for missed medication was achieved in Quarter 4 of 2016/17. Members were reassured that, in order to maintain future data quality, the Trust has taken steps to make use of an independent auditor to monitor the process.

Improving End of Life Care

Members welcome the progress that has been made during the year in relation to End of Life Care. The allocation of additional staffing resource to specialist palliative care as well as the extension of staff training is particularly appreciated.

Looking forward to 2016/17; what are our priorities?

Members welcome the retention of five of the existing priorities for 2017/18, acknowledging the Trust's reasoning for doing so. The ending of the priority related to the reduction of readmissions within 30 days is also noted.

Other comments:

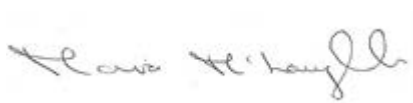
Friends and Family Test

Although the Quality Account report refers to staff responses to the Friends and Family Test, there is no reference to patient responses to the Test. As an indicator of patient experience, it is suggested that patient scores for the Friends and Family Test would be a useful addition.

Never Events

Members note the occurrence of 5 Never Events during 2016/17, which is disappointing.

I hope that these comments are useful



Councillor Moira McLaughlin

Former Chair, Health and Care Performance Panel and

Former Chair, People Overview & Scrutiny Committee

Commentary by Healthwatch Wirral

Healthwatch Wirral (HW) would like to thank WUTHFT (Wirral University Teaching Hospital NHS Foundation Trust) for the opportunity to comment on the Quality Account for 2016/17.

Over the last year WUTHFT have been receptive to HW's input on improving patient experience and have accepted both challenge and recommendations.

HW acknowledges that the Trust works in a challenging environment, having to manage increased demand for its services from a growing and ageing population. It is reassuring that the Trust appears to have been proactive by increasing frontline staff numbers, engaging with staff and planning ahead to manage winter pressures.

Priorities for 2017/18

The priorities were noted and Healthwatch look forward to receiving updates on progress during the year.

Review of Quality Performance

It was disappointing to see that during the year to date, the Trust have not consistently met their target for assistance with eating and drinking. We acknowledge that existing measures have been reinforced but supporting patients to eat and drink is a basic fundamental need. However, it is reassuring to hear that there are a number of work streams in progress which will contribute towards achieving the improvements.

It was also disappointing to see that the target set for Discharges to take place before midday had not been achieved. Healthwatch has identified Discharge from Hospital as a priority for 2017/18 and therefore would welcome progress updates on the 'Safer' initiative to improve patient flow.

Healthwatch are pleased that reducing the number of pressure ulcers remains a priority in the Trust's Quality Account and that the Trust continues to make consistent progress in this area. However, it was disappointing to see that the target for zero tolerance of all avoidable pressure ulcers at grades 3 and 4 was not achieved.

Healthwatch note the measures that the Trust is taking to improve their performance.

It was pleasing to see that the 'Reduce the frequency of missed medication events' target was achieved in quarter 4 which represented a significant improvement in performance in comparison to previous quarters.

It was encouraging to see that substantial progress has been made during the past year in improving End of Life Care. This included updating the Trust's End of Life Strategy, the identification of training needs for staff and the successful implementation of the Record of Care for patients at the end of life.

HW noted that there had been a small improvement in the target for reducing emergency readmissions within 30 days. However, the Trust is unlikely to achieve the target for 2016/17 of a 1-percentage point reduction in the overall readmission rate by year end. HW would be keen to understand the impact on patient flow.

There were 5 'Never Events' during the year and Healthwatch has noted the action taken. HW would seek assurances from the Trust that robust learning has been attained to prevent these events re-occurring in the future.

It was reassuring to see that the number of complaints received had reduced and that the percentage of staff recommending the Trust to Friends and Family had increased. It was gratifying to see that the Trust continues to use 'Listening Into Action' which is a positive initiative to improve staff engagement.

However, it would be helpful if actual numbers were included within the Quality Account as well as percentages so that issues can be put into perspective.

Healthwatch are pleased that the Trust has continued to follow a proactive focussed improvement programme to reduce hospital acquired infections.

The Trust should be congratulated for their performance in the external reviews and accreditations as detailed in the Quality Account.

Finally, overall the report was honest and informative. Healthwatch Wirral appreciate the opportunity to comment on the report as a critical friend. We look forward to receiving quarterly reviews on progress with the implementation of the Quality Account and strategic plans.

Karen Prior

Chief Officer - Healthwatch Wirral
On behalf of Healthwatch Wirral

Glossary for Quality Account

Abbreviation / term	Definition
AKI	Acute Kidney Injury
AMU	Acute Medical Unit
AQ	Advancing Quality
Appropriate Care Score	A patient in the Advancing Quality Programme receives all the interventions they are entitled to.
CCG	Clinical Commissioning Group
COPD	Chronic Obstructive Pulmonary Disease – chronic lung disease
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
Composite scores	Calculation derived from data in multiple variables in order to form reliable and valid measures
CPE	Carbapenemase Producing Enterobacteriaceae – new strain of resistant organism
DASS	Department of Adult Social Services
FFT	Friends and Family Test – a question contained within the national inpatient and staff survey
HPV	Hydrogen Peroxide Vaporiser
HES	Hospital Episode Statistics
HSMR	Hospital Standardised Mortality Rate
IOL	Intra-ocular Lens
LWPQ	Learning with Patients Questionnaire – an internal patient survey
MBRRACE-UK	Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries
MEWS	Medical Emergency Warning Score
MUST	Malnutrition Universal Screening assessment Tool
MRSA	Meticillin Resistant Staphylococcus Aureus – bacteraemia; this is a blood stream infection
NCEPOD	National Enquiry into Patient Outcome and Death
NHSLA	NHS Litigation Authority
NICE	National Institute of Clinical Excellence
NIHR	National Institute of Health Research
NPSA	National Patient Safety Agency (now part of NHS Improvement)
NRLS	National Reporting and Learning System

OPRA	Older Persons Rapid Assessment
RTT	Referral to Treatment – time taken from referral to treatment
SAFER	A national initiative to improve patient flow. The name SAFER is an acronym – an abbreviation for Senior Review, Assessment, Flow, Early Discharge and Review.
Safety Express	Safety Express is a single programme which focuses on system re-design of fundamental care processes and behaviours.
SDIP	Service Development and Improvement Programme – contractual obligation to improve care in a given area. These may be national or locally defined.
SHMI	Summary Hospital-Level Mortality Indicator – a measure of death within 30 days of discharge from hospital; not adjusted for palliative care
SOP	Standard Operating Procedure
SSKIN	SSKIN is a five step model for pressure ulcer prevention. Surface: make sure patients have the right support. Skin inspection: early inspection means early detection. Keep patients moving. Incontinence/moisture: patients need to be clean and dry. Nutrition/hydration: help patients have the right diet and plenty of fluids
TARN	Trauma Audit Research Network
VRE	Vancomycin Resistant Enterococci
VTE	Venous Thrombo-Embolism or blood clot in the vein
WHO	World Health Organisation
WUTH	Wirral University Teaching Hospital

Appendix 1

Services Provided by the Trust

CLINICAL SUPPORT DIVISION (10)

Pathology	Radiology
Bed Management	Therapies
Integrated Discharge Team	Theatres and Anaesthetics
Booking and Outpatients	Sterile Services
Cancer Pathway Management	Pain Management

ACUTE AND MEDICAL SPECIALTIES DIVISION (15)

Emergency Department	Respiratory
Acute Medicine	Rheumatology
Critical Care	Haematology
Department of Medicine for the Elderly	Endoscopy
Cardiology	Sexual Health
Gastroenterology	Stroke
Diabetes	Rehabilitation
Nephrology	

SURGICAL AND WOMEN'S AND CHILDREN'S DIVISION (17)

Surgical Elective Admissions Lounge	Maxillofacial
Pre-operative Assessment	Dermatology
Surgical Assessment	Park Suite
Surgical Day Case	Trauma and Orthopaedics
Colorectal	Paediatrics
Limb Centre	Obstetrics and Maternity Services
Upper Gastro-intestinal	Gynaecology

Urology	Ophthalmology
Ear, Nose and Throat	

CORPORATE SERVICES (26)

Corporate Governance and Foundation Trust Membership Office	Information Technology
Finance and Procurement	Informatics
Clinical Coding	Information Governance
Programme Management Office	Medical Records
Quality and Safety	Equipment Services
Corporate Nurse Management (including End of Life Care)	Switchboard
Chaplaincy	Strategy and Partnerships
Bereavement Office	Communications
Infection Prevention and Control	Human Resources
Complaints and Patient Experience	Learning and Development
Safeguarding	Occupational Health
Pharmacy	Health and Safety
Estates	Hotel Services

Appendix 2

National Clinical Audit Participation

Name of Audit/Confidential Enquiry	Data collection 2016/17	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
Adult critical care (Case Mix Programme – ICNARC CMP)	Yes	Yes 851 100%	Yes	The Trust sends data regularly and receives quarterly reports that are discussed at Critical Care clinical governance meetings and at Trustwide Clinical Governance Team
Asthma (paediatric and adult) care in emergency departments	Yes	Yes 50 100%	No	Data submitted 31.01.17
Severe Sepsis and Septic Shock - care in emergency departments	Yes	Yes 49 98%	No	Data collection ran from November 2016 to the end of January 2017; data submitted 31.01.17. Report due in summer 2017
Major Trauma Audit (TARN)	Yes	Yes 62-73%	Yes	Quarterly reports are generated by TARN and are then discussed at the Trauma Governance meetings
Severe Sepsis and Septic Shock - care in emergency departments	No	N/A	N/A	No audit 2016-17
Bowel Cancer (NBOCAP)	Yes	Yes Audit data for 2016/17 is not due to be submitted until later in the year. Only 2015/16 data available – 210/216 cases were submitted with case ascertainment at 97%.	No	Date of report publication to be confirmed

Name of Audit/Confidential Enquiry	Data collection 2016/17	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
Nephrectomy audit (BAUS)	Yes	Yes 2016/17 data not available; for 2015/16 - 72% of the total of 303 cases expected for this unit according to HES for 2013, 2014 and 2015 combined.	No	BAUS is ongoing data submission. Urology attend annual BAUS meeting where data is presented. Report to be published in September 2017 for 2016/17 data
Percutaneous Nephrolithotomy (PCNL) (BAUS)	Yes	Yes 13/13 cases, 100%	No	See comments for nephrectomy audit above
Radical Prostatectomy Audit (BAUS)	Yes	Yes – 2016/17 data not available; 15/16 data - The data returns from this centre of 253 cases represent 116.6 % of the total of 217 expected for this unit according to HES for 14/15	No	Report to be published in September 2017 for 2016/17 data
Elective Surgery (National PROMs Programme) Hernia and Varicose Veins	Yes	Yes Oct 2015 - Sept 2016 (Expected – 1699) / (Actual – 1465) = 86% Oct 16 - Sept 17 (Expected – 1577) / (Actual – 730) = 46%	No	Report publication date to be confirmed, during 2017/18
National Comparative Audit of Blood Transfusion programme	Yes	Yes 35/35 = 100%	No	Report publication date to be confirmed, during 2017/18

Name of Audit/Confidential Enquiry	Data collection 2016/17	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
National Emergency Laparotomy Audit (NELA)	Yes	Yes 230/230 = 100% Prior to data cleaning and analysis, Arrowe Park Hospital added 230 cases and locked 230 cases for Year 3 (1 December 2015 - 30 November 2016). Based on contemporaneous HES data, Arrowe Park performs 16 cases per month or 192 cases per year. This would be equivalent to a RAG rating of 'Green'.	No	Report to be published July 2017
National Prostate Cancer Audit	Yes	Yes Data Collection took place from April 2016 to Mar 2017; last published data in 2016 report from 2014/15 activity data - expected cases 365. Numbers submitted 406 and the case ascertainment (>100%)	No	Report to be published December 2017
National Vascular Registry	Yes	No – all vascular services have moved to the Countess of Chester Hospital	N/A	
Oesophago-gastric Cancer (NAOGC)	Yes	Yes - 2016/17 data will not be available until 2017/18 report Only 2013-15 data available. 201/250 = >90%	No	Report to be published September 2017
Medical and Surgical Clinical Outcome Review Programme (NCEPOD) - Acute Pancreatitis	Yes	No - Not collecting 2016/17 data; only 2014/15 data available	No	Report to be published July 2017
NCEPOD - Child Health Clinical Outcome Review Programme (Chronic Neurodisability)	Yes	Yes 9/10 cases (study still open at year end)	No	Study still underway

Name of Audit/Confidential Enquiry	Data collection 2016/17	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
NCEPOD - Child Health Clinical Outcome Review Programme Young People's Mental (Health)	Yes	Yes 4/4 cases = 100%	Yes	Gap analysis currently being completed
Diabetes (Paediatric) (NPDA)	Yes	Yes 163 cases = 100%	No	Annual Report not available at time of this report
Perinatal mortality and morbidity confidential enquiries (term intrapartum related neonatal deaths)	Yes	Yes Awaiting report	Yes	Stillbirth review group established to meet recommendations
Maternal mortality surveillance	Yes	Yes	Yes	Action plan compiled and included in Corporate Risk Register
Neonatal Intensive and Special Care (NNAP)	Yes	Yes Awaiting report	Yes (2016 report)	Data within 2016 report covers January 2015 – December 2015; Data for January 2016 – December 2016 will be presented at audit day May 2017
Paediatric Asthma	Yes	Yes Awaiting report	No	Data being collated and audit to be presented shortly
Paediatric Pneumonia	No	No	N/A	Audit will be carried out as part of 2017/18 Audit Forward Plan
UK Cystic Fibrosis Registry	Yes	No	N/A	
Acute Coronary Syndrome or Acute Myocardial infarction (MINAP)	Yes	Yes Awaiting data in report	No Most recent is 2014/15	Data collection took place from April 2016 to March 2017; report awaited
Adult Cardiac Surgery Cardiac Rhythm Management (CRM)	Yes	No	N/A	
Congenital Heart Disease (CHD)	No	No	N/A	The 2013-2016 report is delayed until further notice
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	Yes	No	N/A	
Endocrine and Thyroid National Audit	Yes	No	N/A	

Name of Audit/Confidential Enquiry	Data collection 2016/17	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
Falls and Fragility Fractures Audit programme (FFFAP)	Yes	Yes Awaiting data in report	No Most recent report is 2015 data	Data collection took place September 2016; report due May 2017
Head and Neck Cancer Audit (HANA)	Yes	Yes 100%	No	
Inflammatory Bowel Disease (IBD) programme	Yes	Yes Awaiting data in report	No	Data Collection took place between April 2016 and March 2017; report not due until November 2017
Learning Disability Mortality Review Programme (LeDeR)	Yes	No	N/A	
National Audit of Dementia	Yes	Yes Awaiting data in report	No	Data collection took place April to November 2016; report due in May 2017
National Audit of Rheumatoid and Early Inflammatory Arthritis	No	N/A	N/A	3-year audit ongoing until 2018. National Audit was not collecting data during 2016/17. This will be recommissioned in 2017
National Chronic Obstructive Pulmonary Disease Audit Programme (COPD)	Yes	Yes Awaiting data in report	No Latest report 2015 data	Pulmonary Rehab Data collection took place April 2016 – Mar 2017 Secondary Care Data Collection is not planned until later 2017
National Diabetes Audit - Adults	Yes	Yes Awaiting data in report	No	Data Collection for foot care audit took place April 16 – March 17; inpatient audit data collection took place Sept 16; Core audit ? Data collection took place May – July 16
National Heart Failure Audit National Institute for Cardiovascular Outcomes Research (NICOR)	Yes	Yes Awaiting data in report	No Most recent is 2014/15	Data collection took place from April 2016 to March 2017; report awaited

Name of Audit/Confidential Enquiry	Data collection 2016/17	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
National Joint Registry	Yes	Yes 1262 100%	No	NJR DQA Completed and sent to NJR Data Quality on 14.02.2017
National Lung Cancer Audit (NLCA)	Yes	Yes Awaiting data in report	No Most recent is 2015/16	Data collection took place from April 2016 to March 2017; report awaited
National Ophthalmology Audit	Yes	Yes 100%	No	Report awaited
Sentinel Stroke National Audit programme (SSNAP)	Yes	Yes 100%	Yes	Reported biennially
National Cardiac Arrest Audit (NCAA)	Yes	No	N/A	
National Audit of Pulmonary Hypertension	Yes	No	N/A	
Renal Replacement Therapy – Renal Registry	Yes	Yes Awaiting data in report	No Most recent report is 2015 data	Data collection April 2016 to March 2017; report not yet published

Please note: the following national audits were included in NHS England's list of 51 national clinical audits for 2016/17 but were not applicable to the Trust, as we do not provide the services concerned:

- Chronic Kidney Disease in Primary Care
- Mental Health Clinical Outcome Review
- Prescribing Observatory for Mental Health
- National Neurosurgery Audit Programme
- National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI)
- National Vascular Registry (all services now provided at Countess of Chester Hospital)

Thus there were 45 audits which were relevant to this Trust.

Appendix 3

Statement of Directors' responsibilities in respect of the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

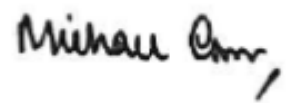
Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take actions to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2016 – May 2017
 - Papers relating to Quality reported to the Board over the period April 2016 – May 2017;
 - Feedback from the commissioners dated May 2017
 - Feedback from governors dated March 2017
 - Feedback from local Healthwatch; dated May 2017
 - Feedback from Overview and Scrutiny Committee dated May 2017
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated June 2016
 - The latest national inpatient survey, published June 2016
 - The latest national maternity survey, published December 2015
 - The latest national staff survey, published February 2017
 - The Head of Internal Audit's annual opinion over the trust's control environment dated May 2017
 - The most recent Care Quality Inspection Report, published March 2016
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review;
- and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual)).

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

By order of the Board

Handwritten signature of Michael Comyn in black ink.

Chairman
Date: 24th May 2017

Handwritten signature of D. Fleming in blue ink.

Chief Executive
Date: 24th May 2017

Independent Practitioner's Limited Assurance Report to the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust to perform an independent limited assurance engagement in respect of Wirral University Teaching Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2017 (the "Quality Report") and certain performance indicators contained therein against the criteria set out in the 'NHS foundation trust annual reporting manual 2016/17' and additional supporting guidance in the 'Detailed requirements for quality reports for foundation trusts 2016/17' (the 'Criteria').

Scope and subject matter

The indicators for the year ended 31 March 2017 subject to the limited assurance engagement consist of the national priority indicators as mandated by NHS Improvement:

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period;
- percentage of patients with a total time in Accident and Emergency (A&E) of four hours or less from arrival to admission, transfer or discharge (Wirral University Teaching Hospital patients only).

We refer to these national priority indicators collectively as the 'Indicators'.

Respective responsibilities of the directors and Practitioner

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the Criteria set out in the NHS foundation trust annual reporting manual 2016/17 and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports for foundation trusts 2016/17'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance and the six dimensions of data quality set out in the 'Detailed requirements for external assurance for quality reports for foundation trusts 2016/17'.

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2016 to May 2017;
- papers relating to quality reported to the Board over the period April 2016 to May 2017;
- feedback from Commissioners dated May 2017;
- feedback from Governors dated March 2017;
- feedback from local Healthwatch organisations dated May 2017;

- feedback from Overview and Scrutiny Committee dated May 2017;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated June 2016;
- the national in-patient survey dated June 2016 and maternity survey dated January 2016;
- the national staff survey dated February 2017;
- the Care Quality Commission inspection report dated March 2016; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated May 2017.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting Wirral University Teaching Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2017, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body, and Wirral University Teaching Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- limited testing, on a selective basis, of the data used to calculate the indicators tested back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is narrower in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance.

The scope of our limited assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Wirral University Teaching Hospital NHS Foundation Trust.

Our audit work on the financial statements of Wirral University Teaching Hospital NHS Foundation Trust is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as Wirral University Teaching Hospital NHS Foundation Trust's external auditors. Our audit reports on the financial statements are made solely to Wirral University Teaching Hospital NHS Foundation Trust's members, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work is undertaken so that we might state to Wirral University Teaching Hospital NHS Foundation Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of Wirral University Teaching Hospital NHS Foundation Trust's financial statements are not planned or conducted to address or reflect matters in which anyone other than such members as a body may be interested for such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than Wirral University Teaching Hospital NHS Foundation Trust and Wirral University Teaching Hospital NHS Foundation Trust's members as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

Basis for qualified conclusion

The indicator reporting the percentage of incomplete pathways within '18 weeks for patients on incomplete pathways at the end of the reporting period' did not meet the six dimensions of data quality in the following respects:

- Accuracy - Our testing identified errors in the clock end dates recorded in five of the forty cases we tested. The errors resulted in end times being incorrectly recorded in line with the applicable guidance, with errors ranging from 3 to 100 days.
- Validity – Our testing identified one error where a case should have not have been included in the population.

Qualified conclusion

Based on the results of our procedures, with the exception of the matter reported in the basis for qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2017:

- the Quality Report is not prepared in all material respects in line with the Criteria set out in the NHS foundation trust annual reporting manual 2016/17 and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports for foundation trusts 2016/17'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Manchester

24 May 2017

Appendix 5

Care Quality Commission ratings for Wirral University Teaching Hospital NHS Foundation Trust

Source: report of CQC inspection, September 2015 (report published March 2016)

Core Service	SAFE	EFFECTIVE	CARING	RESPONSIVE	WELL LED	OVERALL
ARROWE PARK HOSPITAL						
Urgent and Emergency Services	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Medical Care	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Surgery	Requires Improvement	Good	Good	Good	Good	Good
Critical Care	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Maternity and Gynaecology	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Children and Young People	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
End of Life Care	Requires Improvement	Requires Improvement	Good	Requires Improvement	Inadequate	Requires Improvement
Outpatients & Diagnostic Imaging	Requires Improvement	Not rated	Good	Requires Improvement	Requires Improvement	Requires Improvement
OVERALL	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
CLATTERBRIDGE HOSPITAL						
Medical Care	Requires Improvement	Good	Good	Good	Requires Improvement	Requires Improvement
Surgery	Requires Improvement	Good	Outstanding	Good	Good	Good
Outpatients & Diagnostic Imaging	Requires Improvement	Not rated	Good	Requires Improvement	Requires Improvement	Requires Improvement
OVERALL	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
WIRRAL UNIVERSITY TEACHING HOSPITAL						
Overall Trust rating	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement

Independent Practitioner's Limited Assurance Report to the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust to perform an independent limited assurance engagement in respect of Wirral University Teaching Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2017 (the "Quality Report") and certain performance indicators contained therein against the criteria set out in the 'NHS foundation trust annual reporting manual 2016/17' and additional supporting guidance in the 'Detailed requirements for quality reports for foundation trusts 2016/17' (the 'Criteria').

Scope and subject matter

The indicators for the year ended 31 March 2017 subject to the limited assurance engagement consist of the national priority indicators as mandated by NHS Improvement:

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period;
- percentage of patients with a total time in Accident and Emergency (A&E) of four hours or less from arrival to admission, transfer or discharge (Wirral University Teaching Hospital patients only).

We refer to these national priority indicators collectively as the 'Indicators'.

Respective responsibilities of the directors and Practitioner

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the Criteria set out in the NHS foundation trust annual reporting manual 2016/17 and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports for foundation trusts 2016/17'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance and the six dimensions of data quality set out in the 'Detailed requirements for external assurance for quality reports for foundation trusts 2016/17'.

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes and papers for the period April 2016 to May 2017;
- papers relating to quality reported to the Board over the period April 2016 to May 2017;
- feedback from Commissioners dated May 2017;
- feedback from Governors dated March 2017;
- feedback from local Healthwatch organisations dated May 2017;

- feedback from Overview and Scrutiny Committee dated May 2017;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated June 2016;
- the national in-patient survey dated June 2016 and maternity survey dated January 2016;
- the national staff survey dated February 2017;
- the Care Quality Commission inspection report dated March 2016; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated May 2017.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting Wirral University Teaching Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2017, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body, and Wirral University Teaching Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- limited testing, on a selective basis, of the data used to calculate the indicators tested back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is narrower in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance.

The scope of our limited assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Wirral University Teaching Hospital NHS Foundation Trust.

Our audit work on the financial statements of Wirral University Teaching Hospital NHS Foundation Trust is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as Wirral University Teaching Hospital NHS Foundation Trust's external auditors. Our audit reports on the financial statements are made solely to Wirral University Teaching Hospital NHS Foundation Trust's members, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work is undertaken so that we might state to Wirral University Teaching Hospital NHS Foundation Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of Wirral University Teaching Hospital NHS Foundation Trust's financial statements are not planned or conducted to address or reflect matters in which anyone other than such members as a body may be interested for such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than Wirral University Teaching Hospital NHS Foundation Trust and Wirral University Teaching Hospital NHS Foundation Trust's members as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

Basis for qualified conclusion

The indicator reporting the percentage of incomplete pathways within '18 weeks for patients on incomplete pathways at the end of the reporting period' did not meet the six dimensions of data quality in the following respects:

- Accuracy - Our testing identified errors in the clock end dates recorded in five of the forty cases we tested. The errors resulted in end times being incorrectly recorded in line with the applicable guidance, with errors ranging from 3 to 100 days.
- Validity – Our testing identified one error where a case should have not have been included in the population.

Qualified conclusion

Based on the results of our procedures, with the exception of the matter reported in the basis for qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2017:

- the Quality Report is not prepared in all material respects in line with the Criteria set out in the NHS foundation trust annual reporting manual 2016/17 and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's 'Detailed requirements for external assurance for quality reports for foundation trusts 2016/17'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2016/17' and supporting guidance.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Manchester

24 May 2017

Independent auditor's report to the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust

Our opinion on the financial statements is unmodified

In our opinion:

- the financial statements give a true and fair view of the financial position of the Wirral University Teaching Hospital NHS Foundation Trust (the Trust) as at 31 March 2017 and of its expenditure and income for the year then ended; and
- the financial statements have been prepared properly in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the NHS foundation trust annual reporting manual 2016/2017 and the requirements of the National Health Service Act 2006.

Who we are reporting to

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.

What we have audited

We have audited the financial statements of Wirral University Teaching Hospital NHS Foundation Trust for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and the NHS foundation trust annual reporting manual 2016/17.



Overview of our audit approach

- Overall materiality: £6,350,000, which represents 2% of the Trust's gross operating expenses and finance costs;
- We performed a full-scope audit of Wirral University Teaching Hospital NHS Foundation Trust
- Key audit risks were identified as:
 - Occurrence of income from patient care activities and existence of associated receivables; and
 - Valuation of property, plant and equipment

Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that, in our judgement, had the greatest effect on our audit and how we tailored our procedures to address these risks in order to provide an opinion on the financial statements as a whole. This is not a complete list of all the risks we identified:

Audit risk	How we responded to the risk
<p>Occurrence of operating income from patient care services and the existence of associated receivables</p> <p>85% of the Trust's income is from contracts with NHS commissioners for patient care activities. The majority of this income is related to a contract with Wirral CCG. These contracts detail the rates for, and level of patient care activity to be undertaken by the Trust.</p> <p>The Trust recognises patient care activity income during the year based on the completion of these activities. Patient care activities provided that are additional to those incorporated in the contracts with NHS commissioners, are subject to verification and agreement by the NHS commissioners. As such, there is the risk that income is recognised for these additional services that is not subsequently agreed to by the NHS commissioners.</p> <p>We therefore identified occurrence of income from patient care activities and the existence of associated receivables as a significant risk requiring special audit consideration.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • evaluating the Trust's accounting policy for recognition of income from patient care activities for appropriateness and evaluating the appropriateness of changes from the prior year; • gaining an understanding of the Trust's system for accounting for income from patient care activities and evaluating the design of the associated controls; • obtaining an exception report from the Department of Health (DoH) that details differences in reported income and expenditure; and receivables and payables between NHS bodies; agreeing the figures in the exception report to the Trust's financial records; and for differences calculated by the DoH above £250,000 for the Trust's main commissioners, obtaining corroborating evidence to support the amount recorded in the financial statements by the Trust; • agreeing, on a sample basis, amounts recognised as income from patient care activities in the financial statements to signed contracts, contract variations, invoices or other supporting documentation; and • agreeing on a sample basis, receivable balances due at 31 March 2017 to subsequent cash receipts or invoices. <p>The Trust's accounting policy for income from patient care activities, including its recognition, is shown in note 1.4 to the financial statements and related disclosures are included in notes 2 and 16.</p>
<p>Valuation of property, plant and equipment</p> <p>The valuation of land, buildings and dwellings within property, plant and equipment involves estimates that require judgements in relation to useful lives and asset valuation basis such as a modern equivalent and single site revaluation. In total these represent over 69% of the total asset value on the Trust's statement of financial position.</p> <p>Specifically, the external valuation estimates relating to the revaluation of both the Arrowe Park and Clatterbridge sites to a single site modern equivalent asset basis has led to a £19.3 million decrease in the value of the buildings asset. There is therefore an increased risk that these assets are incorrectly valued.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • obtaining management's assessment of the valuation of property, plant and equipment and understanding the valuation process, including key controls and assumptions used by management; • assessing the competence, objectivity and expertise of management's valuer, including using the work of an auditor's expert to assess whether we could place reliance on their work; • assessing the appropriateness of the instructions issued to the valuer and the scope of their work, including the completeness of the data provided to the valuer; • for a sample of assets revalued in the year, agreeing the valuation from the valuer's report to asset register and the financial statements; • for a sample of assets revalued at the year-end using indexation, confirming that the appropriate index factor has been applied and considering the adequacy of evidence in relation to the carrying value of the asset;

Audit risk	How we responded to the risk
<p>We therefore identified the valuation of property, plant and equipment as a significant risk requiring special audit consideration.</p>	<ul style="list-style-type: none"> • evaluating management's assessment of assets not re-valued during the year; • challenging the assumptions made by management in relation to the modern equivalent asset valuation and the appropriateness of the related alternative single site valuation methodology; • agreeing the total valuation adjustments made to the fixed asset register and the financial statements to the valuation report provided by the Trust's valuer. <p>The Trust's accounting policy for the valuation of property, plant and equipment is shown in note 1.8 with further disclosure on critical judgements and estimation uncertainty in note 1.3, and related disclosures are included in note 11.</p>

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the audit of the Trust's financial statements as a whole to be £6,350,000, which is 2% of the Trust's operating expenses and finance costs. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how it has expended its revenue and other funding.

Materiality for the current year is higher than the level we determined for the year ended 31 March 2016 to reflect that we have further developed our knowledge of the Trust and its environment.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the financial statements. We also determined a lower level of specific materiality for certain areas such as cash and cash equivalents and disclosures of senior manager remuneration in the Remuneration Report.

We determined the threshold at which we will communicate misstatements to the Audit Committee to be £250,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Chief Executive as Accounting Officer; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We conducted our audit in accordance with International Standards on Auditing (ISAs) (UK and Ireland) having regard to the Financial Reporting Council's Practice Note 10 'Audit of financial statements of public sector bodies in the United Kingdom'. Our responsibilities under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code) and those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Trust in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Trust's business and is risk based, and in particular included an interim visit to evaluate the Trust's internal control relevant to the audit including relevant IT systems and controls over key financial systems.

Overview of the scope of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code. Based on our risk assessment, we undertook such work as we considered necessary.

Other reporting required by regulations

Our opinion on other matters required by the Code is unmodified

In our opinion:

- the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the NHS foundation trust annual reporting manual 2016/17 and the requirements of the National Health Service Act 2006; and
- 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 audited financial statements.

Matters on which we are required to report by exception

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Code we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS foundation trust annual reporting manual 2016/17 or is misleading or inconsistent with the 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; or
- we have reported a matter in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we have referred a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- 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 2017.

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

Responsibilities for the financial statements and the audit

What the Chief Executive, as Accounting Officer, is responsible for:

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 Directions and for being satisfied that they give a true and fair view. The Accounting Officer is also responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We are required under Section 1 of Schedule 10 of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. 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.

Certificate

We certify that we have completed the audit of the financial statements of Wirral University Teaching Hospital NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code.

Karen Murray

Karen Murray
Director
for and on behalf of Grant Thornton UK LLP

4 Hardman Square
Spinningfields
Manchester
M3 3EB

24 May 2017

Wirral University Teaching Hospital NHS Foundation Trust

Annual accounts for the year ended 31 March 2017

FOREWORD TO THE ACCOUNTS

Wirral University Teaching Hospital NHS Foundation Trust

These accounts, for the year ended 31 March 2017, 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.

They are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed



David Allison
Chief Executive Officer

Date **24 May 2017**

Wirral University Teaching Hospital NHS Foundation Trust - Annual Accounts 2016/17

Statement of Comprehensive Income

	Note	2016/17 £000	2015/16 £000
Operating income from patient care activities	2	283,996	276,347
Other operating income	3	40,781	29,759
Total operating income		324,777	306,106
Operating expenditure	4.1	(332,477)	(317,215)
Operating surplus / (deficit)		(7,700)	(11,109)
Finance income	8	97	130
Finance expenditure	9.1	(632)	(437)
PDC dividends payable		(3,617)	(3,983)
Net finance costs		(4,152)	(4,290)
Gains / (losses) on disposal of non-current assets	5.2	(66)	(26)
Surplus / (deficit) for the year		(11,918)	(15,424)
Other comprehensive income			
Will not be reclassified to income and expenditure			
Impairments	5.1	(16,970)	2,500
Revaluations		127	1,807
Other reserve movements		1	1,544
Total comprehensive income / (expenditure) for the period		(28,761)	(9,573)

The notes on pages 195 to 237 form part of these accounts.

All income and expenditure is derived from continuing operations.

Wirral University Teaching Hospital NHS Foundation Trust - Annual Accounts 2016/17

Statement of Financial Position

	Note	31 March 2017 £000	31 March 2016 £000
Non-current assets			
Intangible assets	10	12,188	13,190
Property, plant and equipment	11	145,817	163,678
Trade and other receivables	16.1	950	1,613
Total non-current assets		158,955	178,481
Current assets			
Inventories	15	3,881	4,378
Trade and other receivables	16.1	16,389	15,589
Cash and cash equivalents	17.1	5,390	3,523
Total current assets		25,660	23,490
Current liabilities			
Trade and other payables	18.1	(31,059)	(34,103)
Other liabilities	19	(3,341)	(4,998)
Borrowings	20	(1,015)	(1,050)
Provisions	22.1	(668)	(664)
Total current liabilities		(36,083)	(40,814)
Total assets less current liabilities		148,532	161,157
Non-current liabilities			
Other liabilities	19	(9,154)	(9,496)
Borrowings	20	(26,708)	(10,322)
Provisions	22.1	(2,221)	(2,202)
Total non-current liabilities		(38,083)	(22,020)
Total assets employed		110,449	139,137
Financed by			
Public dividend capital		72,525	72,453
Revaluation reserve		33,349	51,337
Income and expenditure reserve		4,575	15,347
Total taxpayers' equity		110,449	139,137

The notes on pages 195 to 237 form part of these accounts.

The primary financial statements on pages 191 to 194 and the notes on pages 195 to 237 were approved by the Trust's Board of Directors on 24 May 2017 and signed on its behalf by David Allison, Chief Executive Officer.

Signed

24 May 2017

David Allison
Chief Executive Officer

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2016 - brought forward	72,453	51,337	15,347	139,137
Surplus / (deficit) for the year	-	-	(11,918)	(11,918)
Other transfers between reserves	-	(1,145)	1,145	-
Impairments	-	(16,970)	-	(16,970)
Revaluations	-	127	-	127
Transfer to income and expenditure reserve on disposal of assets	-	-	-	-
Public dividend capital received	72	-	-	72
Other reserve movements	-	-	1	1
Taxpayers' equity at 31 March 2017	72,525	33,349	4,575	110,449

Statement of Changes in Equity for the year ended 31 March 2016

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2015 - brought forward	72,417	46,337	29,920	148,674
Surplus / (deficit) for the year	-	-	(15,424)	(15,424)
Other transfers between reserves	-	(702)	702	-
Impairments	-	2,500	-	2,500
Revaluations	-	1,807	-	1,807
Transfer to income and expenditure reserve on disposal of assets	-	(33)	33	-
Public dividend capital received	36	-	-	36
Other reserve movements	-	1,428	116	1,544
Taxpayers' equity at 31 March 2016	72,453	51,337	15,347	139,137

Information on reserves**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 expenditure, in which case they are recognised in operating expenditure - net impairments. 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 this NHS foundation trust.

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 trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by this NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

In 2016/17, the Trust received additional PDC totalling £72k from the Department of Health's *Places of Safety (Mental Health)* scheme.

Statement of Cash Flows

	Note	2016/17 £000	2015/16 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(7,700)	(11,109)
Non-cash income and expenditure			
Depreciation and amortisation	4.1	7,265	8,118
Net impairments	5.1	1,469	68
Income recognised in respect of capital donations	3	(239)	(86)
(Increase) / decrease in receivables and other assets		(607)	(1,335)
(Increase) / decrease in inventories		497	(305)
Increase / (decrease) in payables and other liabilities		(4,496)	(1,075)
Increase / (decrease) in provisions		17	(169)
Other movements in operating cash flows		10	-
Net cash generated from / (used in) operating activities		(3,784)	(5,893)
Cash flows from investing activities			
Interest received		99	137
Purchase of intangible assets		(7)	(2,232)
Purchase of property, plant and equipment		(6,583)	(5,858)
Sales of property, plant and equipment		12	-
Receipt of cash donations to purchase capital assets		205	86
Net cash generated from / (used in) investing activities		(6,274)	(7,867)
Cash flows from financing activities			
Public dividend capital received		72	36
Movement on loans from the Department of Health		16,440	(1,015)
Capital element of finance lease rental payments		-	(360)
Interest paid on finance lease liabilities		-	(39)
Other interest paid		(627)	(356)
PDC dividend paid		(3,960)	(3,921)
Net cash generated from / (used in) financing activities		11,925	(5,655)
Increase / (decrease) in cash and cash equivalents		1,867	(19,415)
Cash and cash equivalents at 1 April		3,523	22,938
Cash and cash equivalents at 31 March	17.1	5,390	3,523

Note 1 Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the *Department of Health Group Accounting Manual (DH GAM)*, which shall be agreed with the Secretary of State. Consequently, the following financial statements and associated notes have been prepared in accordance with the *DH GAM 2016/17* issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's *Financial Reporting Manual (FReM)* to the extent that they are meaningful and appropriate to NHS foundation trusts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities. Such revaluation instates carrying values to fair value, as determined by the relevant accounting standards, and subject to the interpretations and adaptations of those standards made in the *FReM*.

These accounts have been prepared on a going concern basis, as explained under *Critical accounting judgements*, below.

The accounting policies have been applied consistently to all periods presented in these financial statements and in dealing with items considered material in relation to the accounts.

The financial statements are presented in pounds sterling, stated in thousands where indicated.

Assets and liabilities are classified as current if they are expected to be realised within, or where they have a maturity of less than, twelve months from the Statement of Financial Position date. All other assets and liabilities are classified as non-current.

1.2 Joint operations accounting

Joint operations are collaborative 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. Where material, the Trust includes within its financial statements its share of each operation's assets, liabilities, income and expenditure.

1.3 Accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions which create a risk of material uncertainty.

These judgements, estimates and assumptions are based on historical experience and other factors considered of relevance. Actual results may differ from those estimates, and underlying assumptions are continually reviewed. Revisions to estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

Listed below are areas where management have made critical judgements in the process of applying the entity's accounting policies.

Going concern

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. The Trust is judged to be a going concern if it is to continue in operation for the foreseeable future. There is no presumption of going concern status for NHS foundation trusts. Directors must decide each year whether or not the Trust is a going concern, and whether it

is appropriate for the Trust to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.

In forming a view, the directors have considered the financial factors captured in the Trust's 2017/18 plan, including any projected losses or liquidity risks, alongside any other foreseeable operational and compliance matters. This assessment covers a period of at least 12 months from the date of approval of the financial statements.

In particular, the directors have noted the following indicators of going concern status.

- The Trust's 2017/18 plan has been submitted to NHS Improvement (NHSI), which accepts the control total issued by NHSI, and no queries or issues have been brought to the Trust's attention by NHSI subsequent to that submission.
- No major losses of commissioner income are anticipated, and the list of commissioner-requested services remains unchanged.
- No deterioration in the overall Use of Resources (UoR) Rating is forecast for the next two financial years.
- Planned operating cash-flows for 2017/18 and 2018/19 are positive.
- The Trust's net borrowings requirement for 2017/18, to support liquidity, is planned to be £1.9m. This represents an 89% reduction from the 2016/17 requirement. This loan is backed by signed contracts. NHSI and Department of Health have implicitly approved, through the acceptance of plans, the required loan facility for 2018/19. There are no anticipated problems in complying with the terms of these loan facilities.
- The Trust has not identified any risk of an inability to repay borrowings when they fall due – all treasury activity is included in the Trust's planning models and all borrowings are intra-governmental – ultimately, if required, terms may be renegotiated.
- The Trust has a newly established Executive Team with all key members in place, and the Trust's general vacancy rates are low compared with comparator trusts.
- The Trust is actively engaged in local strategic transformation planning with health economy partners, to develop models to deliver sustainable healthcare from 2017/18 onwards.

The directors have also noted the following uncertainties.

- The NHS landscape is changing, and significant transformation will be required of the Trust in the foreseeable future.
- Future borrowing requirements from 2018/19 have not been contractually pre-agreed.
- Delivery of the Trust's plans will depend on successful transformation of local social care provision, achievement of 4.5% cost improvement plan (CIP) savings, and the delivery of STF trajectories which will create STF income.

Based on their detailed assessment, the directors have concluded that no material uncertainties have been identified which cast significant doubt on the ability of the Trust to continue as a going concern. The directors have a reasonable expectation that the Trust has access to adequate resources to continue in operational existence for the foreseeable future, notwithstanding the present and forecast financial challenges facing the Trust and the sector. For this reason, the Trust is judged to be a going concern, and the going concern basis is adopted in preparing the accounts.

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 foundation trust as a whole, in its regular 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 2016/17, 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 14).

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 to 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 2017 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 2017.

Finance leases

The Trust has a number of different lease arrangements, and follows IAS 17 *Leases* in classifying those leases as either finance leases or operating leases at the point of recognition. This classification leads to different accounting treatments, and different transaction values and balances for each reporting period within the Statement of Comprehensive Income and the Statement of Financial Position as outlined under 1.14 *Leases*, below. In following IAS17, an element of judgement is required in deciding a lease's classification.

Borrowings

The Trust has included its 'working capital facility' loan from the Department of Health within non-current borrowings in the Statement of Financial Position. It was initially assumed that this loan was for ad-hoc and short-term purposes. The judgement that the entire facility should be classified as non-current as at 31 March 2017 is based on the facility's maturity date (May 2021), and the absence of any requirement or plan to repay principal in 2017/18.

The total balance of working capital facility borrowings as at 31 March 2017 is £17.5m.

Estimation uncertainty

The following is a key source of estimation uncertainty at the end of the reporting period that presents significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Asset valuation and lives

The value and remaining useful lives of land and building assets are estimated by the Trust's valuers DTZ Debenham Tie Leung Ltd (DTZ) / Cushman & Wakefield. Valuations are carried out in accordance with the Royal Institute of Chartered Surveyors' *RICS Valuation - Professional Standards* (the 'Red Book'), and are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property, as described under *1.8 Property, plant and equipment*.

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. Operational equipment is carried at cost less any accumulated depreciation. Where assets are of low value and/or have short useful economic lives, these are carried at depreciated historical cost as this is not considered to be materially different from fair value. Software licences are depreciated over the shorter of the term of the licence and the useful economic life.

The Trust's reliance on valuation methods and estimates leads to estimation uncertainty. The total balance of intangible and tangible fixed assets as at 31 March 2017 is £158.0m.

Other sources of estimation uncertainty

The following are other sources of estimation uncertainty that are not currently judged to cause a significant risk of material adjustment to the carrying amount of assets and liabilities within the next financial year.

- Provisions such as those for employer and public liability legal claims.
- For early retirements that took place before the NHS pension scheme was modified in 1995, a provision is made in the accounts incorporating inflation and the relevant discount rate. Inflation is estimated at 2.5% unless actuals are known, and where the effect of the time value of money is material, the estimated risk-adjusted cash flows are discounted using the Treasury's discount rate of 0.24% (1.37% 2015/16) in real terms.
- Provision for impaired receivables, including 22.94% (21.99% 2015/16) of accrued Injury Cost Recovery (ICR) income to reflect the average value of claims withdrawn as advised to the Department of Health by the Compensation Recovery Unit (CRU) of the Department for Work and Pensions.
- Employee benefits in respect of annual leave entitlement not taken at the end of the year, for which an accrual is calculated on a sample of Trust employees.
- Income accruals for clinical episodes not yet fully completed as at the end of the reporting period ('partially completed spells'), as the calculation involves an average specialty-specific tariff per episode.
- Inventory balances 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, which cannot, operationally, all be undertaken simultaneously at close of play on 31 March.

1.4 Income

Recognition

Income in respect of services provided is recognised when and to the extent that performance occurs, and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Revenue government and other grants

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

Partially completed spells

The Trust recognises income for incomplete patient spells. Patients admitted before 31 March but not discharged before midnight 31 March are accounted for on the basis of average length of stay for the admitting speciality minus the patient's length of stay at midnight 31 March.

1.5 Expenditure on 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 expenditure except where it results in the creation of assets such as property, plant and equipment or inventory.

1.6 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments 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 untaken leave forward into the following period.

NHS pension schemes

The schemes

Past and present employees are covered by the provisions of the two NHS pension schemes. Both are unfunded, defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. The schemes are designed such that it is not possible for NHS bodies to identify their share of the schemes' underlying assets and liabilities. Therefore, each scheme is accounted for as if it was a defined contribution scheme.

Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

Pension costs

The cost to the Trust of participating in the schemes is taken as equal to the contributions payable to the schemes for the accounting period. That is, employer's pension costs of contributions are charged to operating expenditure as and when they become due.

For early retirements other than those due to ill-health, the additional pension liabilities are not funded by the NHS pension schemes. The full liability for the additional costs is charged to the Trust at the time the Trust commits itself to the retirement, regardless of the method of payment.

Accounting valuation

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

A valuation of scheme liability is carried out annually by the scheme actuary (currently, the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes.

The valuation of the schemes' liabilities as at 31 March 2017 is based on the valuation data as at 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant *FReM* interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS pension schemes was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the scheme actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019, and will consider the cost of the schemes relative to the 'employer cost cap'. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the schemes change by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

Further details as at 31 March 2017

The NHS pension schemes provide defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the schemes or the specific conditions that must be met before these benefits can be obtained.

Annual pensions are normally based on 1/80th of the best of the last three years pensionable pay for each year of service for the 1995 section, and 1/60th of reckonable pay per year of membership for the 2008 section of the final salary scheme. Members who are 'practitioners' as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax-free lump sum, up to a maximum amount permitted under HMRC rules. This provision is known as 'pension commutation'.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices, with reference to the Consumer Price Index (CPI), in the twelve months ending 30 September in the previous calendar year.

Early payment of a pension, with enhancement, is available to members of the schemes who are permanently incapable of fulfilling their duties effectively through illness or infirmity. The additional costs of other early retirements are not funded by the schemes.

On death, a pension is normally payable to the surviving spouse. A death gratuity is payable, which amounts to twice the final year's pensionable pay for death in service, or five times annual pension for death after retirement.

Members can purchase additional service in the schemes and contribute to money purchase Additional Voluntary Contributions (AVCs) run by the schemes' approved providers or by other Free Standing Additional Voluntary Contributions (FSAVCs) providers.

National Employment Savings Trust (NEST)

NEST is a defined contribution pension scheme that was created as part of the government's workplace pensions reforms under the Pensions Act 2008. This alternative scheme is provided under the Trust's 'automatic enrolment' duties to the small number of employees who choose this scheme or are excluded from actively contributing to the NHS pension schemes.

NEST Corporation is the Trustee body that has overall responsibility for running NEST. It is a non-departmental public body (NDPB) operating at arm's length from government, and it reports to Parliament through the Secretary of State for Work and Pensions.

NEST levies a contribution charge and an annual management charge which is paid for from employee contributions. There are no separate employer charges levied by NEST and employees do not have to enter into a contract to utilise NEST-qualifying pension schemes. The Trust is legally required to make a minimum contribution for opted-in employees who earn more than the qualifying earnings threshold, and the cost to the Trust of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. That is, employer's pension costs of contributions are charged to operating expenditure as and when they become due.

1.7 Intangible assets

IFRS 13 *Fair Value* is adopted in full. However, IAS 38 *Intangible Assets* has been adapted and interpreted for the public sector context, which limits the circumstances in which a valuation is prepared under IFRS 13.

Recognition

Intangible assets are non-current, 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. An intangible asset is recognised only where it is probable that future economic benefits will flow to, or service potential will be provided to, the Trust, the asset is expected to be used for at least one financial year, and where the cost of the asset can be measured reliably and is at least £5,000.

Finance costs arising from loans to finance intangible assets are not capitalised as part of the cost of those assets.

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the related 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 there is an active market, intangible assets must be carried at market value. Where no active market exists, intangible assets are valued at the lower of amortised replacement cost and the value in use where the asset is income-generating. Where there is no value in use, the asset should be valued using amortised replacement cost.

Intangible assets under construction, revaluation gains and losses, impairments, surplus assets and held-for-sale assets are treated in the same manner as for property, plant and equipment.

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 only when all of the following conditions are met.

- The project is technically feasible to the point of completion, and will result in an intangible asset for sale or use.
- The Trust intends to complete the asset and sell or use it.
- The Trust has the ability to sell or use the asset.
- There is a demonstrable way for the intangible asset to generate probable future economic or service delivery benefits e.g. there is a market for it or its output, or where it is to be used for internal use, the usefulness of the asset can be shown.
- The Trust has adequate financial, technical and other resources to complete the development and sell or use the asset.
- The Trust can measure reliably the expenditure attributable to the asset during development.

Amortisation

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

The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is an accounting estimate and may prove to be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Expected useful economic lives at point of first recognition are as follows.

Software 2 to 10 years.

1.8 Property, plant and equipment

IFRS 13 *Fair Value* is adopted in full. However, IAS 16 *Property, Plant and Equipment* has been adapted and interpreted for the public sector context, which limits the circumstances in which a valuation is prepared under IFRS 13.

Recognition

Property, plant and equipment is capitalised where the following conditions are met.

- The item 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.
- The item is expected to be used for more than one financial year.
- The cost of the item can be measured reliably.
- The cost meets one of the following three criteria.
 - For single assets, the cost is at least £5,000, including irrecoverable VAT.
 - For grouped assets, where the assets are functionally interdependent, they have broadly simultaneous purchase and disposal dates and are under single managerial control, the collective cost is at least £5,000, and each individual cost exceeds £250, including irrecoverable VAT.
 - The cost forms part of the initial equipping and setting-up, or refurbishment, costs of a building, ward or unit, and each individual asset exceeds £250 including irrecoverable VAT.

Finance costs arising from loans to finance property, plant and equipment are not capitalised as part of the cost of those assets.

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

Measurement

Valuation – carrying amount

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. The carrying amount in the period between initial recognition and any revaluation is this initial cost less any subsequent accumulated depreciation or impairment.

Property, plant and equipment assets comprising the Trust's estate (property and land) are subsequently revalued as follows.

- Specialised buildings – *current value in existing use*, which is taken to be equivalent to depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis.
- Land and non-specialised buildings – *current value in existing use*, which is interpreted as market value for existing use, which is defined in the Royal Institute of Chartered Surveyors' 'Red Book' (*RICS Valuation – Professional Standards*) as existing use value (EUV).

Surplus assets, which are non-operational assets with no clear plans to be brought back into use, are valued at *fair value – highest and best use* under IFRS 13 *Fair Value Measurement*, if they do not meet the requirements of IAS 40 *Investment Property* or IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, and there are no restrictions on the Trust or the assets which would prevent access to the market at the reporting date. If access to the market is prevented, such assets are valued at *current value in existing use*.

Assets re-classified as held-for-sale under IFRS 5 are measured at the lower of their *carrying amount* or *fair value less costs to sell*.

Other assets (e.g. medical equipment) are not subsequently revalued, but are held at depreciated historic cost (DHC), net of impairments, as this is not considered to be materially different from current value in existing use, for short-life low-value assets.

Where management conclude that the carrying amount of property and land assets may be materially different from *current value in existing use*, an independent valuation is commissioned. Revaluations of property and land are carried out as mandated by a qualified valuer who is a member of the Royal Institute of Chartered Surveyors (RICS) and in accordance with the Practice Statements contained within *RICS Valuation – Professional Standards* (the 'Red Book').

Revaluations are routinely performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the Statement of Financial Position date. Debenham Tie Leung Ltd (DTZ) carried out a full revaluation of the Trust's land and buildings as at 31 March 2014. Revaluations are scheduled as follows, as a minimum, but may be more frequent if deemed necessary.

- Interim revaluations every 3 years.
- Full revaluations every 5 years, as recommended by NHS Improvement.

Between revaluation exercises, the carrying amount of an asset is the value at the date of previous revaluation less any subsequent accumulated depreciation, and less any subsequent accumulated impairment losses.

Prior to 31 March 2009, the depreciated replacement cost of specialised buildings was based on an exact replacement of the asset in its present location, whereas HM Treasury has since required that the MEA basis also entails an alternative site valuation basis, provided that the location requirements of the service are met. The MEA concept generally requires that replacement cost is based on the cost of a modern replacement asset that has the same productive capacity as the property being valued. From 2017, the Trust has opted to interpret the MEA basis as pertaining to a single combined hospital facility ('single site model').

The accounting entries for revaluation gains and losses are detailed below. Where an individual asset is revalued, then all the assets within its class must be revalued at the same time.

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 will flow to the Trust, and the cost of the item can be determined reliably. That is, only subsequent expenditure which enhances an asset beyond its original specification can be capitalised.

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 which has been replaced is de-recognised.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance intended to restore an asset to its original specification, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is an accounting estimate and may prove to be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Freehold land is considered to have an infinite life and is not depreciated. Property, plant and equipment which is reclassified as held-for-sale under IFRS 5 ceases to be depreciated at the point of reclassification. Assets in the course of construction are not depreciated until the assets are brought into use.

Finance-leased assets are depreciated over the shorter of the useful economic life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term. If this is the case, the asset is depreciated in the same manner as owned assets. The useful economic lives of owned assets are as follows.

Property is depreciated over the following useful lives.

- Buildings excluding dwellings 2 to 80 years.
- Dwellings 2 to 80 years.

Equipment is depreciated over the following useful lives.

- Plant and machinery 2 to 17 years.
- Vehicles 2 to 9 years.
- Furniture and fittings 2 to 12 years.
- Information technology equipment 2 to 7 years.

These useful economic lives reflect the total life of an asset, and not its remaining life.

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 expenditure, in which case they are recognised in operating income.

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

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

Impairments

At each reporting period end, the Trust checks whether there is any indication that any of its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

In accordance with the *DH GAM*, impairments that arise from a clear consumption of economic benefits or service potential in the asset are charged to operating expenditure. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of:

- the impairment charged to operating expenditure; and
- the balance in the revaluation reserve attributable to that asset before impairment.

An impairment arising from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised as a credit to 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.

Assets under construction

Assets under construction are measured at the cost of construction less any impairment loss. The cost of construction includes relevant professional fees, but not borrowing costs. Assets are reclassified to the appropriate category when they are brought into use, and depreciation commences. For an asset that is newly-constructed, a formal revaluation should only be necessary if there is an indication that the initial cost is significantly different from the potential revalued amount. Otherwise, the asset is only revalued on the next occasion when all assets of that class are revalued.

De-recognition

A non-current asset intended for disposal is reclassified under IFRS 5 as held-for-sale once all of the following criteria are met.

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales.
- The sale must be highly probable, i.e.:
 - i. management are committed to a plan to sell the asset;
 - ii. an active programme has begun to find a buyer and complete the sale;
 - iii. the asset is being actively marketed at a reasonable price;
 - iv. the sale is expected to be completed within 12 months of the date of classification as held-for-sale; and
 - v. the actions needed to complete the plan indicate that it is unlikely that the plan will be dropped or that significant changes will be made to it.

Following reclassification, the asset is measured at the lower of its carrying amount and fair value less costs to sell. Depreciation ceases to be charged. The asset is then fully de-recognised when all material sale contract conditions have been met.

It is possible for assets to be disposed of directly from operational property, plant and equipment categories, without revaluation or reclassification as surplus or held-for sale, should the conditions for reclassification not be met for an appreciable period. Any property, plant and equipment asset which is to be scrapped or demolished does not qualify for recognition as held-for-sale, and instead is retained as an operational asset with an adjustment to the asset's economic life. The asset is de-recognised when scrapping or demolition occurs.

1.9 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 imposes a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor. When such a condition is imposed, 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.

1.10 Private Finance Initiative (PFI) transactions and service concessions

Certain PFI transactions are accounted for as 'on Statement of Financial Position' or 'on SOFP' by the Trust, when they meet the definition of a service concession, as defined by IFRS Interpretations Committee (IFRIC) 12 *Service Concession Arrangements*, interpreted in HM Treasury's *FReM*. In accordance with IAS 17 *Leases*, the underlying assets are recognised as property, plant and equipment, together with an equivalent financial liability. Subsequently, the assets are accounted for as property, plant and equipment.

The annual contract payments ('unitary fee') are apportioned between the repayment of the liability, a finance cost and charges for services. The service charge is recognised in operating expenditure and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

The Trust has identified one 'service concession' asset. 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. No unitary fee is payable, as the operator's income derives from charges to users. As outlined in Note 19, a deferred income balance has been created which is released each year as income to offset the straight line depreciation charge incurred over the asset's useful economic life.

1.11 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 or the weighted average cost method.

1.12 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 date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash, bank and overdraft balances are recorded at the current values of these balances in the Trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see *Third party assets*, below).

1.13 Financial instruments

Recognition

Financial assets and financial liabilities which arise from contracts for 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, are recognised when, and to the extent that, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases (*1.14 Leases*).

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition

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

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

Classification and measurement

The only category of financial assets held by the Trust is 'loans and receivables'. The only category of financial liabilities held by the Trust is 'other financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in non-current assets and current assets.

The Trust's loans and receivables comprise cash and cash equivalents, and parts of the Trust's trade receivables, accrued income and other receivables balances.

Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. For short term receivables, amortised cost usually equates to invoice value.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

Other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. For short term payables, amortised cost equates to invoice value.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as non-current liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs.

Loans from the Department of Health are included in other financial liabilities. However, they are always measured at historic cost less repayments, with any unpaid interest accrued separately, as directed by HM Treasury's *FReM*,

Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset, impacting on the estimated future cash flows of the asset (e.g. the Trust may find itself unable to collect amounts due).

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. For financial assets other than receivables, the loss is recognised in the Statement of Comprehensive Income, and the carrying amount of the asset is reduced directly.

Impairments of receivables

At each period end, the Trust individually reviews receivables for recoverability. Following this review, an impairment is recognised in the Statement of Comprehensive Income for those receivables where there is reasonable uncertainty of obtaining settlement. The carrying amount of each impaired asset is usually reduced

through an allowance account called 'provision for impaired receivables', although occasionally, debts may be directly and permanently written-off.

1.14 Leases

Finance leases – Trust as lessee

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

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

The annual rental is split between the repayment of the liability and a finance cost, which is calculated by applying the implicit interest rate to the outstanding liability, so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

In summary, the various charges apply as follows.

- The finance charge is allocated across the lease term on a straight line basis.
- Depreciation is charged on the asset as per the Trust's property, plant and equipment policy.
- Any lease rental expenditure that would otherwise have been charged to expenditure under an operating lease is fully de-recognised.

Finance leases – Trust as lessor

Where substantially all risks and rewards of ownership of a Trust-owned asset are transferred to a lessee, the lease is classified as a finance lease. The leased asset is de-recognised from property, plant and equipment, and a 'finance lease debtor' balance is recognised within other receivables, which is calculated as the aggregate of future minimum lease payments receivable and the unguaranteed residual value accruing to the Trust, discounted at the interest rate implicit in the lease.

The interest rate implicit in the lease is the discount rate that, at the inception of the lease, causes the aggregate present value of both the minimum lease payments and the unguaranteed residual value to be equal to the sum of the fair value of the leased asset and any initial direct costs of the lessor.

The annual rental inflows are split between repayment of the Trust's receivable, and finance income in the Statement of Comprehensive Income. Finance income is calculated by applying the implicit interest rate to the outstanding receivable, so as to achieve a constant rate of finance over the life of the lease.

Operating leases

Operating leases are any leases which are not classified as finance leases. Operating lease rentals are charged to operating expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenditure over the life of the lease. Operating lease rental income mirrors the treatment of lease expenditure, and is credited to operating income, in the Statement of Comprehensive Income, on a straight-line basis over the term of the lease.

In applying IFRIC 4 *Determining whether an Arrangement Contains a Lease*, collectively significant rental arrangements that do not have the legal status of a lease but convey the right to use an asset for payment are accounted for under the Trust's lease policy, where fulfilment of the arrangement is dependent on the use of specific assets.

Leases of land and buildings

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

1.15 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 in real terms of -2.70% for short-term provisions, -1.95% for medium term provisions, and -0.80% for long term provisions (-1.55%, -1.00% and -0.80% 2015/16). For post-employment benefits including early retirement provisions and injury benefit provisions the HM Treasury's pension discount rate of 0.24% in real terms (1.37% 2015/16) is used.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed in Note 22.2 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 the NHS Litigation Authority 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 expenditure when the Trust is notified.

1.16 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 Trust's control) are not recognised as assets, but are disclosed in Note 23 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 23, 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 Trust's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.17 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 predecessor NHS trust(s), with the addition of subsequent further investment by the Department of Health in the Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32 *Financial Instruments: Presentation*.

A charge, reflecting the forecast cost of capital utilised by the Trust, is payable as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Service

(GBS) and National Loan Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment occur as a result of the audit of the annual accounts.

1.18 Value added tax (VAT)

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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 Corporation tax

As an NHS foundation trust, Wirral University Teaching Hospital NHS Foundation Trust is specifically exempted from corporation tax through the Corporation Tax Act 2010. The Act provides that HM Treasury may dis-apply this exemption only through an order via a statutory instrument (secondary legislation). Such an order could only apply to activities which are deemed commercial, and arguably much of the Trust's other operating income is ancillary to the provision of healthcare, rather than being commercial in nature. No such order has been approved by a resolution of the House of Commons. There is therefore no corporation tax liability in respect of the current financial year.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts (Note 17.2) in accordance with the requirements of HM Treasury's *FReM*.

1.21 Foreign exchange

The functional and presentational currencies of the Trust are 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 financial transaction. Exchange gains or losses are recognised in income or expenditure in the period in which they arise.

1.22 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 each individual case is handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

The note on losses and special payments (Note 26) is compiled from the Trust's losses and special payments register, which reports on an accruals basis with the exception of provisions for future losses.

1.23 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. The Trust has not issued any gifts with the exception of occasional ad hoc collaborative gestures with NHS partners of a trivial nature.

1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been 'early adopted' in 2016/17.

1.25 Accounting standards and amendments issued but not yet effective or adopted

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

In each case below, the amendments or new standards are not yet adopted by the EU, and the financial year in which the change is expected to become effective is disclosed after the standards' names.

IFRS 9 *Financial Instruments*: [new standard] (2018/19) - this new standard is likely to have a non-material impact on the Trust's accounts, with particular focus on the impairment of financial assets. It is intended to eventually replace IAS 39 *Financial Instruments: Recognition and Measurement*, which currently sets out the requirements for the recognition and measurement of financial instruments.

IFRS 14 *Regulatory Deferral Accounts*: [new standard] – this standard is not applicable to DH group bodies.

IFRS 15 *Revenue from Contracts with Customers*: [new standard] (2018/19) – this new standard provides a single, principles based five-step model to be applied to all contracts with customers, and will in some cases alter how income is measured at a point in time. The standard may have some impact on disclosures, and specific interpretations for the public sector are currently being considered. There may be wide-ranging impact on the timing of the recognition of income, including complex spells of care, penalties and sanctions, and readmissions.

IFRS 16 *Leases*: [new standard] (2019/20 – possible *FReM* implementation period) – this standard replaces IAS 17 *Leases*, and is expected to have a significant impact on accounting by lessees in particular. The standard will re-specify the recognition, measurement, presentation and disclosure of leases. Rather than applying a distinction between operating leases ('off balance sheet (SOFP)') and finance leases ('on SOFP'), lessees will be required to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' ('on SOFP') for virtually all lease contracts, excepting small-value contracts or those with a lease term not exceeding 12 months.

Annual Improvements 2014-16 cycle (2018/19)

The IASB's Annual Improvements process is intended to enhance the quality of existing standards by clarifying or rectifying relatively minor issues. A number of standards are subject to improvement however none of the changes are likely to have significant impact on the Trust.

IAS 7 *Statement of Cash Flows*: [amendment] (2017/18) – this amendment suggests possible additional disclosure, which will have insignificant impact on the Trust's accounts.

The following amendments will have no impact on the Trust's accounts.

IAS 12 *Income Taxes*: [amendment] (2017/18)
IFRS 2 *Share-based Payment*: [amendment] (2018/19)
IFRS 4 *Insurance Contracts*: [amendment] (2018/19)
IAS 40 *Investment Property*: [amendment] (2018/19)

The following interpretation will have no impact on the Trust's accounts.

IFRIC 22: *Foreign Currency Transactions and Advance Consideration*: (2018/19)

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

IFRS - International Financial Reporting Standard.

IFRIC - International Financial Reporting Interpretations Committee.

IAS - International Accounting Standard.

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Note 2 Operating income from patient care activities

Note 2.1 Income from patient care activities (by nature)

	2016/17 £000	2015/16 £000
Acute services		
Elective income	50,266	49,997
Non elective income	83,370	79,846
Outpatient income	35,399	36,550
A & E income	10,835	10,757
Other NHS clinical income ¹	102,578	97,578
Additional income		
Private patient income	627	560
Other clinical income ²	921	1,059
Total income from activities	283,996	276,347

¹ Other NHS clinical income includes income received in respect of rehabilitation and renal services, diagnostic services, community and elderly care services.

² Other clinical income relates largely to ICR income, described in Note 2.2, below.

Note 2.2 Income from patient care activities (by source)

	2016/17 £000	2015/16 £000
CCGs and NHS England	278,443	268,786
Other NHS foundation trusts	1,332	363
NHS trusts	264	1,127
NHS other	-	55
Local authorities	168	427
Other non-NHS		
Private patients	627	560
Overseas patients (chargeable to patient)	6	20
Injury cost recovery (ICR) scheme (was RTA income) ¹	897	1,025
Other	2,259	3,984
Total income from activities	283,996	276,347

¹ ICR income represents the recovery of costs from insurers, in cases where personal injury compensation is paid, such as after a road traffic accident (RTA). The scheme is administered by the Compensation Recovery Unit (CRU) of the Department for Work and Pensions. The Trust's ICR debt is subject to a provision for impaired receivables at 22.94% (21.99% 2015/16). This percentage is updated by the CRU, and reflects expected rates of collection across the NHS.

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Note 2.3 Overseas visitors

(relating to patients charged directly by Wirral University Teaching Hospital NHS Foundation Trust)

	2016/17	2015/16
	£000	£000
Income recognised this year	6	20
Cash payments received in-year	3	2
Amounts added to provision for impairment of receivables	-	34
Amounts written off in-year	31	-

Note 3 Other operating income

	2016/17	2015/16
	£000	£000
Research and development	505	535
Education and training	9,819	9,518
Receipt of capital grants and donations	239	86
Charitable and other contributions to expenditure	458	-
Non-patient care services to other bodies	13,933	11,259
Sustainability and Transformation Fund (STF) income ¹	6,909	-
Rental revenue from operating leases	643	471
Other income ²	8,275	7,891
Total other operating income	40,781	29,759

¹ STF income was made available to NHS providers in 2016/17, to support trusts in gaining a sustainable financial footing, whilst incentivising improvements in service standards. Receipt is conditional on the achievement of specific targets.

² Other income of £8.3m (£7.9m 2015/16) includes car parking income, catering income, pharmacy income, staff accommodation rental income and other miscellaneous income recharged to other NHS bodies.

In accordance with accounting instructions from NHS Improvement, the Trust has reclassified the reversal of impairments to expenditure (Note 4.1).

Note 3.1 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 arising 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.

	2016/17	2015/16
	£000	£000
Income from services designated (or grandfathered) as commissioner requested services	261,997	253,700
Income from services not designated as commissioner requested services	21,999	22,647
Total operating income from patient care activities	283,996	276,347

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Note 4.1 Operating expenditure

	2016/17	2015/16
	£000	£000
Services from NHS foundation trusts	685	575
Services from NHS trusts	26	2
Purchase of healthcare from non-NHS bodies	1,102	385
Employee expenditure - executive directors	954	1,002
Remuneration of non-executive directors	141	140
Employee expenditure - staff	223,206	212,589
Supplies and services - clinical	32,311	32,274
Supplies and services - general	5,235	5,301
Establishment	1,604	1,855
Research and development	29	64
Transport	1,040	1,000
Premises	11,107	13,705
Increase / (decrease) in provision for impairment of receivables	(293)	160
Inventories written down	7	5
Drug costs	27,593	21,904
Rentals under operating leases	1,635	1,325
Depreciation on property, plant and equipment	5,131	5,866
Amortisation on intangible assets	2,134	2,252
Net impairments ¹	1,469	68
Audit fees payable to the external auditor		
Audit services - statutory audit	46	46
Other auditor remuneration (external auditor only) - see Note 4.2	7	7
Clinical negligence ²	13,781	11,312
Legal fees	138	143
Consultancy costs	163	1,673
Internal audit and local counter-fraud service costs	95	82
Training, courses and conferences	403	834
Patient travel	8	9
Redundancy	-	4
Hospitality	-	2
Insurance	435	407
Other services, e.g. external payroll	268	68
Losses, ex gratia and special payments ³	213	200
Other expenditure	1,804	1,954
Total	332,477	317,215

¹ In accordance with accounting instructions from NHS Improvement, the Trust has reclassified the reversal of impairments from income to expenditure, resulting in a net impairment cost within operating expenditure.

² Clinical negligence costs relate to the Trust's annual contribution to the NHS Litigation Authority under its risk-pooling scheme.

³ Losses, ex gratia & special payments includes the value of industrial injury claims notified but not yet settled.

Losses on disposal of non-current assets are no longer included in this note, but are separately disclosed in the Statement of Comprehensive Income.

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Note 4.2 Other auditor remuneration

	2016/17	2015/16
	£000	£000
Other auditor remuneration paid to the external auditor		
1. Audit of accounts of any associate of the Trust	-	-
2. Audit-related assurance services	7	7
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	<u>7</u>	<u>7</u>

Note 4.3 Limitation on auditor's liability

The limitation on auditors' liability for external audit work is £2m (£2m 2015/16).

Note 5.1 Impairment of assets

	2016/17	2015/16
	£000	£000
Net impairments charged to operating deficit by cause		
Loss or damage from normal operations	17	-
Unforeseen obsolescence	-	12
Changes in market price	1,452	(236)
Other impairments	-	292
Total net impairments charged to operating deficit	<u>1,469</u>	<u>68</u>
Impairments charged / (credited) to the revaluation reserve	16,970	(2,500)
Total net impairments	<u>18,439</u>	<u>(2,432)</u>

The impairment of the main hospital block at Arrowe Park Hospital (£10.9m) is included in impairments charged to the revaluation reserve. This impairment was a result of the full desktop revaluations of the Trust's estate as at 1 April 2016 and as at 31 March 2017.

Note 5.2 Gains / losses on disposal of non-current assets

	2016/17	2015/16
	£000	£000
Gain on disposal of non-current assets	-	-
Loss on disposal of non-current assets	(66)	(26)
Net gain / (loss) on disposal of non-current assets	<u>(66)</u>	<u>(26)</u>

These losses relate to disposals of equipment assets.

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Note 6 Employee benefits

	2016/17	2015/16
	Total	Total
	£000	£000
Salaries and wages	181,673	169,760
Social security costs	16,278	12,885
Employer's contributions to the NHS Pension Scheme	19,092	18,381
Employer's contributions to the National Employment Savings Scheme (NEST)	19	11
Temporary staff (including agency)	7,098	12,849
Total staff costs	224,160	213,886
Capitalised (non-revenue) costs within total staff costs	-	295

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

Note 6.1 Retirements due to ill-health

During 2016/17 there were 5 early retirements from the Trust agreed on the grounds of ill-health (3 2015/16). The estimated additional pension liabilities of these ill-health retirements is £292k (£203k 2015/16). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

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Note 7 Operating leases

Note 7.1 Lease income under operating leases where the Trust is the lessor

	2016/17 £000	2015/16 £000
Operating lease revenue		
Minimum lease receipts	643	471
Total	643	471
	31 March 2017 £000	31 March 2016 £000
Analysis of future minimum lease receipts by due date		
Not later than one year	459	480
Later than one year and not later than five years	251	893
Later than five years	-	1,014
Total	710	2,387

Operating lease income is derived from retail and 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.

	From	To
Ronald McDonald House	December 2009	December 2034
Frontis Homes Ltd - underlying land related to staff accommodation blocks	June 2006	June 2046
Postgraduate Medical Centre - underlying land	May 1971	April 2070

Note 7.2 Lease expenditure and commitments under operating leases where the Trust is the lessee

	2016/17 £000	2015/16 £000
Operating lease expenditure		
Minimum lease payments	1,635	1,325
Total	1,635	1,325
	31 March 2017 £000	31 March 2016 £000
Analysis of future minimum lease payments by due date		
Not later than one year	1,494	1,143
Later than one year and not later than five years	4,070	3,724
Later than five years	6,092	6,763
Total	11,656	11,630

The Trust holds a long-term lease for the use of car parking land at the Arrowe Park Hospital site, rents off-site premises to accommodate clinics, and also leases complex medical equipment used in the delivery of healthcare for periods not exceeding 10 years.

Where applicable, break clauses in the Trust's lease contracts have been taken into account in the calculation of future minimum lease payments.

The Trust is also committed to a 15 year contract, which commenced in 2013/14, with the Carbon and Energy Fund, for the provision of a maintained energy service, including the installation of infrastructure assets at the Trust's main hospital sites. A 'lease' of the infrastructure assets is deemed to be embedded in the main service contract, through IFRIC 4 *Determining whether an Arrangement Contains a Lease*. Therefore, figures for these assets are included in the tables above.

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Note 8 Finance income

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

	2016/17	2015/16
	£000	£000
Interest on bank accounts	35	68
Finance income due to finance lease	62	62
Total	97	130

Note 9.1 Finance expenditure

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

	2016/17	2015/16
	£000	£000
Interest expenditure		
Loans from the Department of Health	625	363
Finance leases	-	37
Interest on late payment of commercial debt (Note 9.2)	1	-
Total interest expenditure	626	400
Other finance costs - unwinding of discount	6	37
Total	632	437

Note 9.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2016/17	2015/16
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	1	-

Note 9.3 Better Payment Practice Code (BPPC)

The Better Payment Practice Code gives NHS organisations a target of paying 95% of invoices within agreed payment terms or in 30 days where there are no terms agreed.

Performance for the financial year against this target is contained in the table below.

	2016/17		2015/16	
	Number	£000	Number	£000
Non-NHS				
Trade invoices paid in the period	88,782	152,478	93,286	121,266
Trade invoices paid within target	75,661	134,849	77,939	101,086
Percentage of trade invoices paid within target	85.2%	88.4%	83.5%	83.4%
NHS				
Trade invoices paid in the period	2,780	36,150	2,484	34,552
Trade invoices paid within target	2,043	30,490	1,870	31,768
Percentage of trade invoices paid within target	73.5%	84.3%	75.3%	91.9%

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Note 10.1 Intangible assets - 2016/17

	Software licences £000	Other £000	Intangible assets under construction £000	Total £000
Gross cost at 1 April 2016 - brought forward	19,805	30	1,203	21,038
Additions	(10)	-	1,142	1,132
Reclassifications	1,256	-	(1,256)	-
Gross cost at 31 March 2017	21,051	30	1,089	22,170
Amortisation at 1 April 2016 - brought forward	7,848	-	-	7,848
Provided during the year	2,134	-	-	2,134
Reclassifications	-	-	-	-
Amortisation at 31 March 2017	9,982	-	-	9,982
Net book value at 31 March 2017	11,069	30	1,089	12,188
Net book value at 1 April 2016	11,957	30	1,203	13,190

Note 10.2 Intangible assets - 2015/16

	Software licences £000	Other £000	Intangible assets under construction £000	Total £000
Gross cost at 1 April 2015 - brought forward	15,913	-	2,893	18,806
Additions	2,170	30	32	2,232
Reclassifications	1,722	-	(1,722)	-
Gross cost at 31 March 2016	19,805	30	1,203	21,038
Amortisation at 1 April 2015 - brought forward	5,596	-	-	5,596
Provided during the year	2,252	-	-	2,252
Reclassifications	-	-	-	-
Amortisation at 31 March 2016	7,848	-	-	7,848
Net book value at 31 March 2016	11,957	30	1,203	13,190
Net book value at 1 April 2015	10,317	-	2,893	13,210

The balance held as an intangible asset under construction relates to costs incurred in developing the Trust's Patient Care Information System. The closing balance in assets under construction relates to elements of Phase 2d and Phase 3 of this project.

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Note 11.1 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Gross cost at 1 April 2016 - brought forward	1,929	131,671	13,350	-	37,637	107	9,846	3,906	198,446
Additions	-	2,823	-	-	1,911	-	1,008	15	5,757
Impairments	(2)	(19,381)	(191)	-	-	-	-	-	(19,574)
Reversals of impairments	-	2,413	191	-	-	-	-	-	2,604
Revaluations	(180)	(3,783)	(55)	-	-	-	-	-	(4,018)
Disposals / derecognition	-	-	-	-	(469)	-	-	-	(469)
Gross cost at 31 March 2017	1,747	113,743	13,295	-	39,079	107	10,854	3,921	182,746
Accumulated depreciation at 1 April 2016 - brought forward	-	-	-	-	25,706	93	6,290	2,679	34,768
Provided during the year	-	2,514	180	-	1,594	2	691	150	5,131
Impairments	180	1,305	-	-	18	-	-	-	1,503
Reversals of impairments	-	(34)	-	-	-	-	-	-	(34)
Revaluations	(180)	(3,785)	(180)	-	-	-	-	-	(4,145)
Disposals / derecognition	-	-	-	-	(294)	-	-	-	(294)
Accumulated depreciation at 31 March 2017	-	-	-	-	27,024	95	6,981	2,829	36,929
Net book value at 31 March 2017	1,747	113,743	13,295	-	12,055	12	3,873	1,092	145,817
Net book value at 1 April 2016	1,929	131,671	13,350	-	11,931	14	3,556	1,227	163,678

Note 11.2 Property, plant and equipment - 2015/16

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Gross cost at 1 April 2015 - brought forward	1,927	131,204	12,536	281	36,724	101	7,953	3,723	194,449
Additions	-	3,544	-	11	969	6	1,893	183	6,606
Impairments	-	(1,981)	-	(292)	-	-	-	-	(2,273)
Reversals of impairments	2	4,479	-	-	-	-	-	-	4,481
Revaluations	-	(5,226)	814	-	-	-	-	-	(4,412)
Disposals / derecognition	-	(349)	-	-	(56)	-	-	-	(405)
Gross cost at 31 March 2016	1,929	131,671	13,350	-	37,637	107	9,846	3,906	198,446
Accumulated depreciation at 1 April 2015 - brought forward	-	2,677	492	-	23,931	91	5,691	2,521	35,403
Provided during the year	-	2,796	492	-	1,819	2	599	158	5,866
Impairments	-	8	-	-	12	-	-	-	20
Reversals of impairments	-	(244)	-	-	-	-	-	-	(244)
Revaluations	-	(5,235)	(984)	-	-	-	-	-	(6,219)
Disposals / derecognition	-	(2)	-	-	(56)	-	-	-	(58)
Accumulated depreciation at 31 March 2016	-	-	-	-	25,706	93	6,290	2,679	34,768
Net book value at 31 March 2016	1,929	131,671	13,350	-	11,931	14	3,556	1,227	163,678
Net book value at 1 April 2015	1,927	128,527	12,044	281	12,793	10	2,262	1,202	159,046

The dwellings balance entirely comprises staff accommodation blocks at the Trust's Arrows Park site which are owned and operated by Frontis Homes Limited, which is part of Your Housing Group. This accommodation is situated on land owned by the Trust, and leased to Frontis through a 'peppercorn' operating lease. The accommodation block is included in this note and accounted for as 'on-Statement of Financial Position' by the Trust, as it meets the definition of a service concession contained within IFRS Interpretations Committee (IFRIC) 12 *Service Concession Arrangements*.

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Note 11.3 Property, plant and equipment financing - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2017									
Owned	1,747	112,453	-	-	11,109	12	3,864	1,045	130,230
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	-	13,295	-	-	-	-	-	13,295
Government granted	-	-	-	-	-	-	-	-	-
Donated	-	1,290	-	-	946	-	9	47	2,292
NBV total at 31 March 2017	1,747	113,743	13,295	-	12,055	12	3,873	1,092	145,817

Note 11.4 Property, plant and equipment financing - 2015/16

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2016									
Owned	1,929	130,204	-	-	10,981	14	3,545	1,174	147,847
Finance leased	-	-	-	-	100	-	-	-	100
On-SoFP PFI contracts and other service concession arrangements	-	-	13,350	-	-	-	-	-	13,350
Government granted	-	-	-	-	-	-	-	-	-
Donated	-	1,467	-	-	850	-	11	53	2,381
NBV total at 31 March 2016	1,929	131,671	13,350	-	11,931	14	3,556	1,227	163,678

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Note 12 Donations of property, plant and equipment

In 2016/17, the Trust received cash donations of £0.2m to fund donated assets, which have been recognised as additions (£0.2m). Donated assets, and cash received, in 2015/16 totalled £0.1m.

Note 13 Revaluations of property, plant and equipment

The value and remaining useful lives of land and building assets are estimated by the Trust's valuers DTZ Debenham Tie Leung Ltd (DTZ) / Cushman & Wakefield. Their independent valuations are carried out in accordance with the Royal Institute of Chartered Surveyors' *RICS Valuation - Professional Standards* (the 'Red Book'). Valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

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 an impairment is necessary. In these circumstances this has been credited to operating expenditure - net impairments.

A revaluation of the Trust's estate was undertaken and applied in September 2016, as at the valuation date of 1 April 2016. This resulted in a revaluation loss recorded in the revaluation reserve (within the Statement of Financial Position) of £18.7m, and a net impairment to Trust expenditure (within the Statement of Comprehensive Income) of £1.5m. These losses were attributable to a change in valuation method, using a 'single site model'. That is, the Trust opted to interpret the modern equivalent asset (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.

A second full desktop asset valuation was undertaken by the valuers in 2016/17, using the same 'single site model', as at the valuation date of 31 March 2017. This was applied on 31 March 2017. As a result of the 31 March 2017 revaluation, a revaluation gain of £1.9m was recorded in the revaluation reserve, with a negligible credit to net impairment in Trust expenditure.

Overall, the full-year effect of revaluation has been a loss to the revaluation reserve of £16.8m which is recorded in the Statement of Changes in Equity, and a net impairment to Trust expenditure of £1.5m (Note 5.1).

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. In 2016/17, the lives of equipment assets were reviewed and extended, to better reflect the observed operational lives of similar assets in recent years. The lives of assets determined at recognition are disclosed within the accounting policies (Note 1).

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Note 14 Disclosure of interests in other entities

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 significant operations, as detailed below.

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 £1.3m. 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 2016/17, the Trust's net expenditure on CWMS services was £2.7m.

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). This collaboration was designed to create savings through scale efficiencies, and provide resilience to each of the operators' HR functions, including payroll and recruitment.

Activities are carried out at the Countess of Chester Health Park, and end-user services can be accessed via intranet portal. In 2016/17, HRWBS has additionally sold services to Cheshire and Wirral Partnership NHS Foundation Trust, Wirral Clinical Commissioning Group, and Wirral Community NHS Trust.

Assets purchased are owned by the purchasing trust, with the further possibility of joint procurement of future assets. As the 'host' operator, Countess of Chester Hospital NHS Foundation Trust is responsible for HRWBS staff, and administering the payment of staff and suppliers in the first instance. Each trust is ultimately responsible for its share of HRWBS's costs, and the net charge to the Trust for 2016/17 is £0.4m.

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Note 15 Inventories

	31 March 2017 £000	31 March 2016 £000
Drugs	889	1,343
Consumables	2,962	3,009
Energy	30	26
Total inventories	<u>3,881</u>	<u>4,378</u>

Inventories recognised in expenditure for the year were £53,188k (£48,164k 2015/16). Write-down of inventories recognised as expenditure for the year were £7k (£5k 2015/16).

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Note 16.1 Trade receivables and other receivables

	31 March 2017 £000	31 March 2016 £000
Current		
Trade receivables due from NHS bodies	6,150	2,747
Receivables due from NHS charities	189	336
Other receivables due from related parties	575	588
Provision for impaired receivables	(274)	(609)
Deposits and advances	150	141
Prepayments (non-PFI) including capital prepayments ¹	2,458	4,553
Accrued income	2,913	3,616
Interest receivable	2	4
Finance lease receivable	630	-
PDC dividend receivable	289	-
VAT receivable	1,231	767
Other receivables	2,076	3,446
Total current trade and other receivables	16,389	15,589
Non-current		
Provision for impaired receivables	(256)	(277)
Prepayments (non-PFI)	91	-
Finance lease receivable	-	630
Other receivables	1,115	1,260
Total non-current trade and other receivables	950	1,613

¹ In accordance with accounting instructions from NHS Improvement, the Trust has reclassified a capital receivable to Prepayments (non-PFI) including capital prepayments.

Other receivables balances relate mainly to recharge arrangements, whereby the Trust recoups costs from third parties for goods or services delivered.

The majority of the Trust's debt relates to the Trust's provision of healthcare.

The carrying amounts of trade and other receivables approximate to fair value.

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Note 16.2 Provision for impairment of receivables

	2016/17	2015/16
	£000	£000
At 1 April	886	1,001
Increase in provision	402	241
Amounts utilised	(63)	(275)
Unused amounts reversed	(695)	(81)
At 31 March	530	886

Trade receivables that are less than 3 months past due, and not referred to a debt agency, will not usually be assessed as impaired, unless there is strong and specific evidence that recovery is unlikely. The *provision for impairment of receivables* chiefly comprises NHS Injury Compensation Recovery (ICR) scheme debts, in addition to private patient, overseas patient and staff debtor balances.

Note 16.3 Analysis of financial assets

	31 March	31 March
	2017	2016
	£000	£000
Ageing of impaired financial assets (Trade and other receivables)		
0 - 30 days	-	26
30 - 60 days	-	23
60 - 90 days	-	17
90 - 180 days	7	71
Over 180 days	59	298
Total	66	435

This note addresses the disclosure requirements of IFRS 7 *Financial Instruments: Disclosures*. In particular, the above table does not include the provision of £463k (£450k 2015/16) against NHS ICR scheme debts, since they are not deemed to be financial instruments.

	31 March	31 March
	2017	2016
	£000	£000
Ageing of non-impaired financial assets past their due date		
0 - 30 days	1,063	1,065
30 - 60 days	331	93
60 - 90 days	475	147
90 - 180 days	542	295
Over 180 days	602	172
Total	3,013	1,772

The above table does not include non-instrument debtors, including the amounts pertaining to the NHS ICR scheme debtor. Further information on the credit quality of the Trust's receivables is included in Note 25.

The Trust's current payment policy is that all invoices are due for payment after 30 days.

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Note 17.1 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.

	2016/17	2015/16
	£000	£000
At 1 April	3,523	22,938
Net change in year	1,867	(19,415)
At 31 March	5,390	3,523
Cash at commercial banks and in hand	488	177
Cash with the Government Banking Service (GBS)	4,902	3,346
Total cash and cash equivalents as in Statement of Financial Position	5,390	3,523

Note 17.2 Third party assets held by the Trust

Wirral University Teaching Hospital NHS Foundation Trust has identified two types of assets of which it has physical possession, but which it does not own. Both types of asset are outlined below, and have been excluded from the Trust's Statement of Financial Position.

The Trust holds money on behalf of some inpatients as a service during their hospital stay. The Trust also holds unused consignment inventories in the normal course of business. These inventories typically comprise surgical equipment, which is held on Trust premises whilst still owned by suppliers, and the Trust is only obliged to pay for these assets when they are used or expire.

Total balances for third party assets held by the Trust are disclosed below.

	31 March	31 March
	2017	2016
	£000	£000
Monies held on the behalf of patients	7	4
Consignment inventories	2,099	2,502
Total third party assets	2,106	2,506

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Note 18.1 Trade and other payables

	31 March 2017 £000	31 March 2016 £000
Current		
Receipts in advance	33	932
NHS trade payables	645	980
Amounts due to other related parties	776	313
Other trade payables	3,355	1,578
Capital payables	2,211	2,703
Social security costs	2,343	1,919
Other taxes payable	1,856	1,846
Other payables	3,930	8,494
Accruals	15,910	15,283
PDC dividend payable	-	54
Total current trade and other payables	31,059	34,103

Other payables includes NHS Pension Scheme contributions to be paid over, and other arrangements whereby the Trust collects funds to be paid over to third parties.

The carrying amounts of trade and other payables approximates to fair value.

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Note 19 Other liabilities

	31 March 2017 £000	31 March 2016 £000
Current		
Deferred grants income	2,999	1,406
Deferred rent of land income	-	14
Other deferred income	342	3,578
Total other current liabilities	3,341	4,998
Non-current		
Deferred grants income	-	-
Deferred rent of land income	-	-
Other deferred income	9,154	9,496
Total other non-current liabilities	9,154	9,496

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 is released to the Statement of Comprehensive Income over the period of the arrangement, and therefore there is a balance in current *other deferred income* which represents next year's income release.

Note 20 Borrowings

	31 March 2017 £000	31 March 2016 £000
Current		
Loans from the Department of Health	1,015	1,015
Obligations under finance leases	-	35
Total current borrowings	1,015	1,050
Non-current		
Loans from the Department of Health	26,708	10,269
Obligations under finance leases	-	53
Total non-current borrowings	26,708	10,322

Note 25 contains further details relating to the Trust's loans.

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Note 21 Finance leases

Future lease receipts due under finance leases where the Trust is the lessor

	31 March 2017 £000	31 March 2016 £000
Gross lease receivables	630	630
Analysis of gross minimum lease receipts by due date		
Not later than one year	630	-
Later than one year and not later than five years	-	2
Later than five years	-	628
Net lease receivables	630	630

As lessor, the Trust held a single finance lease as at 31 March 2016, for the use of a building asset. The non-current lease receivable was reclassified in 2016/17 as a current lease receivable, as the lease has been cancelled in 2017/18.

Obligations under finance leases where the Trust is the lessee

	31 March 2017 £000	31 March 2016 £000
Gross lease liabilities	-	76
Analysis of gross minimum lease payments by due date		
Not later than one year	-	29
Later than one year and not later than five years	-	47
Later than five years	-	-
Finance charges allocated to future periods	-	12
Net lease liabilities	-	88
Analysis of net minimum lease payments by due date		
Not later than one year	-	35
Later than one year and not later than five years	-	53
Later than five years	-	-
Net lease liabilities	-	88

The Trust held a single finance lease as lessee as at 31 March 2016, for medical equipment. This was derecognised in 2016/17.

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Note 22.1 Provisions for liabilities and charges

	Pensions - early departure costs £000	Other legal claims £000	Total £000
At 1 April 2016	2,471	395	2,866
Change in the discount rate	-	-	-
Arising during the year	295	376	671
Utilised during the year	(259)	(165)	(424)
Reversed unused	(27)	(203)	(230)
Unwinding of discount	6	-	6
At 31 March 2017	2,486	403	2,889
Expected timing of cash flows			
Not later than one year	265	403	668
Later than one year and not later than five years	1,131	-	1,131
Later than five years	1,090	-	1,090
Total	2,486	403	2,889

Other legal claims totalling £0.4m (£0.4m 2015/16) are made up of employer's liability and public liability claims for which there is also a corresponding contingent liability of £0.1m (£0.2m 2015/16) declared in Note 23. Pensions - other staff (£2.5m) relates to the cost of permanent injury retirements.

The amount provided for employer's / public liability claims is based on actuarial assessments received from the National Health Service Litigation Authority (NHSLA) as to their value and anticipated payment date.

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Note 22.2 Clinical negligence liabilities

At 31 March 2017, £168,511k was included in provisions of the NHSLA in respect of clinical negligence liabilities of Wirral University Teaching Hospital NHS Foundation Trust (£168,346k at 31 March 2016).

Note 23 Contingent assets and liabilities

A contingent liability of £99k exists at 31 March 2017 for potential third party claims in respect of employer's liability and public liability claims (£188k at 31 March 2016). A provision for the expected value of probable cases is shown in Note 22.1.

Note 24 Contractual capital commitments

	31 March 2017 £000	31 March 2016 £000
Property, plant and equipment	-	-
Intangible assets	223	375
Total	223	375

Contractual capital commitments relate to committed expenditure with Cerner Limited in developing the Trust's Patient Care Information System.

There are no other capital contracts which commenced in 2016/17, and which are due for completion in a future year.

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Note 25 Financial instruments

Note 25.1 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 the Payment by Results (PbR) mechanism, which bases the income received each year to the activity delivered in that year by reference to the National Tariff. Monthly payments are received from CCGs based on annual service contracts, and this national framework reduces the Trust's exposure to liquidity risk.

In 2016/17, the Trust's largest contract, with Wirral CCG, varied from the PbR mechanism, in that a set level of cash income was guaranteed each month. This arrangement further reduced exposure to liquidity risk.

In addition, the Trust actively mitigates liquidity risk by daily cash management procedures and by keeping all cash balances in an appropriately liquid form. Liquidity is monitored by the Board on a monthly basis through monthly reports on movements, variances and trends in cash-flows, and the liquidity metric measured within the NHSI's Use of Resources (UoR) Rating.

The Trust may borrow from commercial organisations to support liquidity, but currently has no commercial borrowings. The Trust has a working capital loan facility in place with the Department of Health (DH) for revenue support (£17.5m at 3.5% fixed interest rate, drawn down in 2016/17) and holds two loans with DH which have funded capital developments. These comprise a 25 year loan (£6.5m at 4.32% fixed interest rate, drawn down in 2009/10), and a 10 year loan (£7.5m at 1.96% fixed interest rate, 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, £3.7m has been repaid. The maturity date of the working capital facility loan is in 2021, with no set repayment schedule. There is therefore no significant imminent risk that a number of significant borrowings could become repayable at one time, and cause unplanned cash pressures.

The loan repayment schedule is contained within the maturity of financial liabilities table in Note 25.4.

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 main source of income for the Trust is from CCGs in respect of healthcare services provided under agreements. The credit risk associated with such customers is minimal. The Trust regularly reviews debtor balances, and has a comprehensive system in place for pursuing past-due debt. Non-NHS customers typically have a higher default rate, but represent a small proportion of income. Therefore, the Trust is not exposed to significant credit risk from its customers.

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 £11.5m (£10.3m 2015/16), being the total of the carrying amount of financial assets excluding cash (Note 25.2).

There are no amounts held as collateral against these balances.

An analysis of aged and impaired receivables is disclosed in Note 16.3.

The movement in the provision for impaired receivables during the year is disclosed in Note 16.2. From the total balance of assets which require a provision for their impairment, £0.1m (£0.4m 2015/16) are impaired financial assets.

Terms have been renegotiated for financial assets totalling £37k (£34k 2015/16), which would otherwise be deemed past due or impaired.

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Currency 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.

Interest rate risk

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 25.2 Financial assets

	31 March 2017 £000	31 March 2016 £000
Loans and receivables per Statement of Financial Position		
Trade and other receivables excluding non financial assets	11,500	10,283
Cash and cash equivalents at bank and in hand	5,390	3,523
Total at 31 March 2017	16,890	13,806

Note 25.3 Financial liabilities

	31 March 2017 £000	31 March 2016 £000
Other financial liabilities per Statement of Financial Position		
Borrowings excluding finance lease and PFI liabilities	27,723	11,284
Obligations under finance leases	-	88
Trade and other payables excluding non financial liabilities	23,295	27,928
Total at 31 March 2017	51,018	39,300

Note 25.4 Maturity of financial liabilities

	31 March 2017 £000	31 March 2016 £000
In one year or less	24,309	28,978
In more than one year but not more than two years	1,015	1,048
In more than two years but not more than five years	3,046	3,066
In more than five years	22,648	6,208
Total	51,018	39,300

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Note 25.5 Fair values of financial instruments at 31 March 2017

The Trust has two capital loans with the Department of Health. 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, including the working capital loan facility, have carrying values which are not significantly different from their fair values.

Note 26 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, during the financial year.

	2016/17		2015/16	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	11	1	11	3
Bad debts and claims abandoned	27	74	22	3
Stores losses and damage to property	3	7	1	5
Total losses	41	82	34	11
Special payments				
Compensation payments	1	7	-	-
Special severance payments	-	-	1	20
Ex-gratia payments	79	200	68	212
Total special payments	80	207	69	232
Total losses and special payments	121	289	103	243

Note 27 Events after the reporting date

There are no events after the reporting date which require disclosure.

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Note 28 Related party transactions

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; instead, Monitor prepares NHS Foundation Trust Consolidated Accounts, for further consolidation into the Department of Health'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 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

All bodies within the scope of the Whole of Government Accounts are considered to be related parties as they fall under the common control of HM Government and Parliament. The Trust's related parties therefore include other trusts, foundation trusts, clinical commissioning groups, local authorities, central government departments, executive agencies, non departmental public bodies (NDPBs), trading funds and public corporations.

During the year, the Trust has had a number of transactions with WGA bodies. Listed below are those entities 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 Pension Scheme
Countess of Chester Hospital NHS Foundation Trust	NHS Professionals
Health Education England	NHS West Cheshire CCG
HM Revenue & Customs	NHS Wirral CCG
NHS England (including sub-entities)	The Clatterbridge Cancer Centre NHS Foundation Trust
NHS Litigation Authority	Wirral Community NHS Foundation Trust

Public dividend capital (PDC) transactions with the Department of Health

The Trust made PDC dividend payments to the Department of Health totalling £4.0m (£3.9m 2015/16), received additional PDC of £0.07m (£0.04m 2015/16), and is reporting a year-end debtor totalling £0.3m (£0.1m 2015/16) for PDC dividend receivable.

Provision for impairment of receivables - related parties

No related party debts have been written off by the Trust in 2016/17 (4, totalling £1k, in 2015/16). The Trust's provision for impairment of receivables includes no balance in relation to its related parties (£101k 2015/16).

Charitable related parties

Wirral University Teaching Hospital NHS Foundation Trust Charitable Fund (registered charity number 1050469) 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 charitable capital and revenue items for the benefit of patients.

The Charity's reserves balance as at 31 March 2017 was £1.4m (£1.6m 2015/16) with net incoming resources of £0.2m (£0.3m 2015/16). During the year the Charity incurred expenditure of £0.4m (£0.2m 2015/16) in respect of goods and services for which the Trust was the beneficiary.

Other related parties

Aside from the Trust's Charity, the Trust has no subsidiaries or associates.

Key management personnel

During the financial year under review, no member of either the Board or senior management team, and no other party closely related to these individuals, has undertaken any material transactions with Wirral University Teaching Hospital NHS Foundation Trust.

Key management personnel are identified as those directors who are members of the Trust's senior management team, and the non-executive directors of the Trust. Details of their remuneration and other benefits can be found in the remuneration section of the Annual Report.

