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Wirral University
Teaching Hospital
NHS Foundation Trust



Annual Report and Accounts

2017 / 2018

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**Wirral University Teaching Hospital NHS Foundation Trust
Annual Report and Accounts 2017/18**

**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

As your recently announced Interim Chair and Acting Chief Executive, we would like to take this opportunity to welcome you to our annual review; a year of notable demand, challenge and change since we were established as a foundation trust in 2007.

Similar to other acute NHS organisations in the region, we are not alone in the increased demand we have had to endure over the past 12 months, however throughout the difficulties that we have faced, whether service pressures or financial; the passion, ambition and dedication shown by our strong and committed workforce has remained throughout.

The latter part of the 2017/18 year has seen us at the receiving end of increased media coverage in which the regulator, NHS Improvement has openly scrutinised some of our internal workings, with a focus around culture and governance. This has highlighted to us the importance of openness and transparency which is absolutely paramount to the Trust. The external review undertaken by NHS Improvement has been extremely useful to us in recognising how we now move forward so we can collectively shape a strong and stable future for the organisation.

While this has been an unsettling time for colleagues, and in many respects the public, we embrace a changing senior and clinical leadership structure in which we are fully committed to bringing about organisational and cultural change. We would like to thank our workforce for their continued commitment and focus over the past year. There are many areas where we have done well, such as our increasing use of digital technology to further enhance patient care. Our new sepsis pathway in admission areas gives a “red flag” if a patient’s condition should cause a concern and our mNEWS (Modified National Early Warning Score) system has been introduced which is more sensitive at detecting unwell or deteriorating patients.

Patient flow remains the biggest challenge however that the Trust, and the entire Wirral health and social care economy face. These challenges are happening now and are very real indeed. The Trust cannot continue to be the centre point of patient blockages. As highlighted in the national media, the winter we have faced has been one of the toughest most NHS staff will say that they have ever dealt with. Urgent change, whether locally or nationally, is needed to further assist the challenge this Trust faces when it comes to areas such as delayed discharges. It is pleasing to know that there is a great deal happening behind the scenes, not just from the Trust but from our partner organisations to assist with this huge stumbling block. It was pleasing to have NHS England highlight that the issue around patient flow is very much a system challenge and not something an acute trust should be working in silo on. It is very much hoped this strong approach and outlook continues.

We have received some strong patient feedback this last year about our services and the colleagues who have been at the centre of the care being given. It is humbling to read such comments and we very much welcome these notes of kindness. For the times we may not get everything right however, it is important that we continue to listen to how things could have been done differently and act on these changes accordingly.

We continue to work ever closer with our partners in Wirral and neighbouring West Cheshire to further develop new economy-wide approaches to healthcare to make sure that it is sustainable and meets the needs of the local population.

As the biggest employer in Wirral we have a serious role as a partner in the wider health and social care economy. We have a great opportunity and a big responsibility to improve the future wellbeing of our population. While we are in this time of transition for our Trust, we must ensure our approach is open and transparent so we can bring about significant change.

2017/18 has been a rollercoaster year in many respects, but away from the dips we have faced and tackled head on, the peaks and highs are substantial. Our biggest thanks of the year must go to the unstinting dedication shown by our strong and committed workforce, our Governors, Members and team of volunteers. Whether it has been the challenge of service pressures, such as dealing with the worst winter on record or facing the barrage of media headlines and scrutiny, our wider teams have stood firm in their belief in wanting to do the very best for the Trust. The green shoots we are now starting to see grow and flourish must continue as the new foundations we are laying will build a strong and confident organisation for the future.



Sir David Henshaw
Interim Chairman



David Jago
Acting 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 2017/18.

The purpose of the Trust and its key activities

Wirral University Teaching 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 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. Providing a comprehensive range of high quality acute care services, our 6,048 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 2017/18 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 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 revisions)
 - ophthalmology (retinal)
 - urology (cancer centre)
 - stroke (hyper-acute unit)
 - gynaecology (advanced laparoscopic endometriosis centre)
 - neonatal level 3 unit and Ronald McDonald House: charity home 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:

- 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.

Our Trust has been recognised as a Global Digital Exemplar for our use of technology in enhancing patient safety, improving safety and increasing efficiency. We are the first Trust in the UK to use Cerner Oncology technology, which offers greater support and control when caring for haematology patients, around planning, prescribing, documenting, verifying, administration and discharge.

Staff development has been a key priority of the Trust over the past year. A new Leadership and Effectiveness Directory was launched highlighting the range of courses open to colleagues and the support available. A range of apprenticeships has also been launched at varying levels up to Master's Degree level.

Our Human Resources and Organisational Development (HROD) Team was also announced Team of the Year in the Healthcare People Management Association (HPMA) Awards in June. The awards celebrate excellence in Human Resource Management. Guided by our Workforce and OD Strategy, the HROD Team here at WUTH have been relentless in their creativity and hard work in pursuit of excellence.

The new re-branded WUTH Charity was introduced allowing the Trust to make the most of charitable donations so they can be of most benefit for patients. There is a general Patient Wish Fund as well as seven funds for key specialty areas and this has made it much easier for people to make a donation.

Leading clinicians at our Trust were appointed as national clinical leads on a programme to improve the quality of care across the NHS. Dr Debbie Lowe is national lead for Stroke as part of the Getting It Right First Time (GIRFT) programme, while Dr Beverley Oates, Consultant Physician and Gastroenterologist was announced as the programme's lead for Gastroenterology. They were both invited to 10 Downing Street to attend a special meeting with Health Secretary, Jeremy Hunt, along with other GIRFT clinical leads and this is the first time an NHS programme has been invited to Number 10.

A great deal of work has been carried out to enhance the service we provide to bereaved families. Our Bereavement Team has transformed the service over the past two years and in August 2017, the team won the Rosa Parks Award with the Fab Academy. It is a fantastic achievement and a real reflection of the work the excellent work of the Bereavement Team.

In 2017/18 the Trust provided the following:

	2017/18
Total Births	3,192
A&E Attendances	94,224
Emergency Admissions *	55,939
New Outpatient Attendances	110,478
Diagnostic Examinations Performed	348,727
Elective Day Case Admissions**	43,973
Elective Inpatient Admissions	7,189

*Including maternity emergencies but excluding births

**Excludes Nephrology

Outpatient data excludes GUM clinic.

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

Financial Overview 2017/18

The Trust set a challenging financial plan for 2017/18, which included significant challenge to delivery, due to the acceptance of a £5m 'gap' within the planning assumptions, the need to deliver £15m efficiency savings, and the possibility of not meeting the performance conditions which would allow the Trust to fully access Sustainability and Transformation Fund (STF) income (£8.9m).

Due to the scale of challenge facing the Trust, it delivered a year end deficit of £17.4m compared with a planned deficit of £0.6m. Despite the deficit, the Trust maintained cash balances through a combination of prudent internal working capital measures, and £22.4m net loan support from the Department of Health and Social Care (DHSC), with the Trust finishing 2017/18 with a cash balance of £8.0m.

The Trust's budgets are expressed in a single document held and reviewed by NHS Improvement (NHSI). This document is known as the Trust's plan.

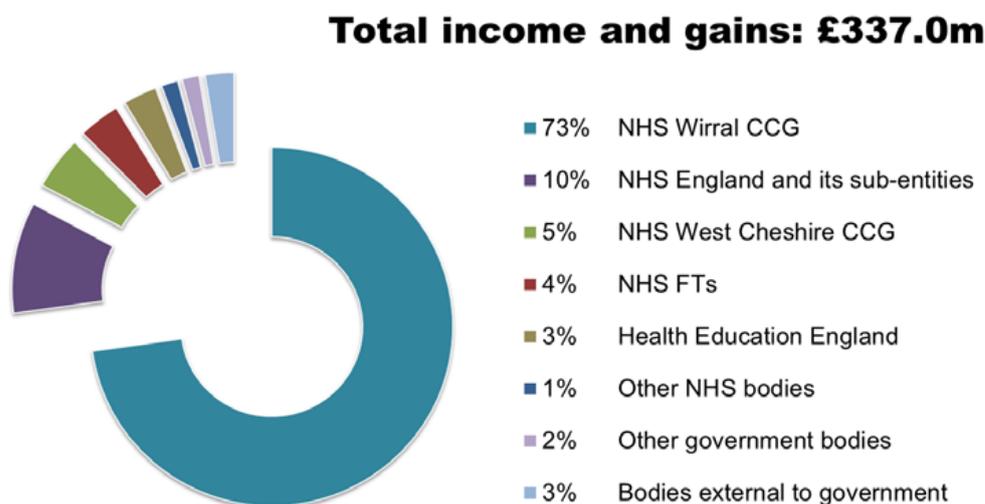
The following commentary provides more detail on the Trust's key financial results, which are formally reported in the Trust's annual accounts, with particular reference to the 2017/18 plan.

Income

The Trust has generated income and gains of £337.0m in the year, which is £2.7m lower than planned. This total includes a £3.8m disposal gain related to the sale of land at the Trust's Clatterbridge site.

Of the total income earned in 2017/18, £3.4m 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 £8.9m was available to the Trust during the financial year, but £5.5m was withheld as a result of non-achievement of specific targets issued to the Trust.

The chart (right) depicts the Trust's total income and gains for 2017/18, split by customer or commissioner type.



Wirral Clinical Commissioning Group (Wirral CCG) remains the largest commissioner of services from the Trust, generating £245.4m (73%) of the Trust's overall income, which is broadly consistent with 2016/17. The Trust and Wirral CCG agreed to a 'cost per case' (Payment by Results (PbR)) contract for 2017/18 as opposed to the 'block' arrangement agreed in 2016/17.

Commissioner-funded delivery of patient care activities remains the largest source of Trust income (£295.4m). Elective activity and outpatient attendances were below plan in 2017/18, whereas non elective activity exceeded plan significantly. This position reflects unprecedented demand in emergency care, and the complexity of patients presenting during the year, which resulted in the displacement of planned activity. The position was compounded further by the national directive from NHS England to reduce elective care in the last quarter of the year.

A&E targets agreed as part of the STF's conditions were not achieved in 2017/18 from month 2 onwards. This reflects the level of demand and the complexity of patients seen in A&E.

The table to the right details the Trust's 2017/18 income from patient care activities ('clinical income').	Clinical income by point of delivery	2017/18	2016/17
		£000	£000
	Elective income	48,175	50,266
	Non elective income	100,856	83,370
	First outpatient income	15,962	20,739
	Follow-up outpatient income	17,200	14,660
	A & E income	12,886	10,835
	High cost drugs income from commissioners	14,687	16,288
	Other NHS clinical income	84,331	86,290
It is split by the broad admission type, known as 'point of delivery'.	Private patient income	349	627
	Other clinical income	927	921
	Total income from activities	295,373	283,996

The year-on-year increase in non elective income reflects a combination of factors including the introduction of a new national tariff for 2017/18, a new classification methodology from NHS England, and an unprecedented increase in emergency activity mentioned above. Sanctions applied by Wirral CCG in relation to the Non Elective Marginal Rate Efficiency Target (MRET), set at 2013/14 values, impacted the Trust adversely by £6.1m.

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 2017/18 was £354.3m (£336.7m 2016/17), which is an increase of £17.6m or 5% on 2016/17. Total expenditure exceeded plan by £14.1m, and the variance is mostly attributable to pay costs. Pay is the largest expenditure category at £235.7m, 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 £64.3m. In non-pay costs, £34.0m was spent on clinical supplies, and £24.9m was spent on drugs.

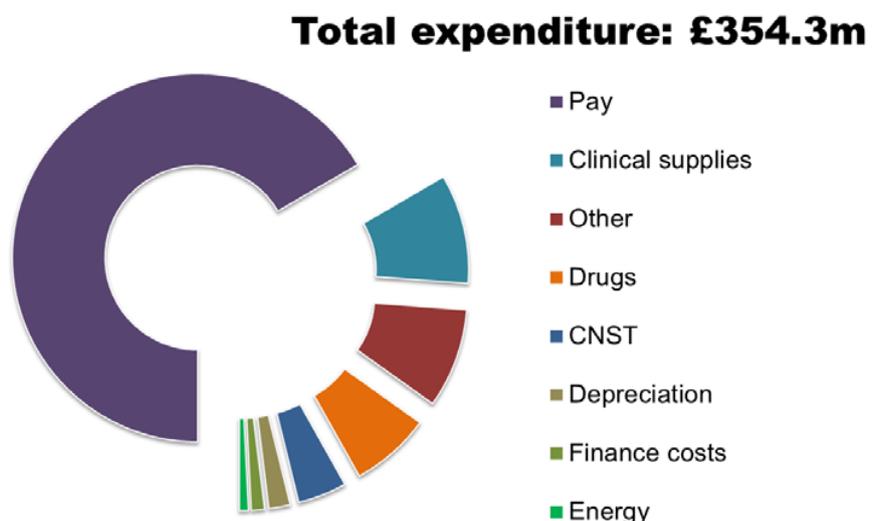
Other notable expenditure items in 2017/18 are as follows.

- £15.2m for the Trust's clinical negligence insurance (CNST) premium.
- £67.1m on medical staff, including bank and agency staff.
- £13.8m on premises.
- £4.6m on general supplies.

Depreciation of £6.6m 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.

The chart (right) depicts the main categories within total reported expenditure for 2017/18.

'Other' includes premises, leasing and IT-related costs.



Pay expenditure was £14.5m higher than planned. This overspend is partly due to the non-achievement of planned savings of approximately £7.2m, which were included in CIP plans and were part of the £5.0m gap challenge. In addition, operational pressures of £7.3m related to staffing escalation wards / areas in response to high non-elective demand during the winter months, and medical staffing in the emergency department. Although there was an overall pay overspend, the Trust's agency spend was £6.7m, which was £1.4m lower than the 2017/18 target figure set by NHS Improvement ('the NHSI ceiling').

Capital investment

Capital expenditure for the year totalled £13.6m (£9.2m 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 2017/18 were as follows.

- **£5.0m** *Digital Wirral* investment in the Trust's patient care systems funded by the DHSC's *Global Digital Exemplar (GDE) Programme*.
- **£3.6m** Medical equipment, including
 - £0.9m CT1 scanner;
 - £0.6m endoscopes and related equipment;
 - £0.5m mobile x-ray machines;
 - £0.5m defibrillator replacement programme; and
 - £0.4m ultrasound machines.
- **£1.5m** Improvements to the Trust's built estate including a ward refurbishment project at Clatterbridge Hospital (£0.6m).
- **£1.0m** Information technology improvement schemes.

Cash

The cash balance held at 31 March 2018 was £8.0m. This was higher than the previous year's closing cash balance (£5.4m) and £5.7m higher than planned, primarily due to the receipt of the proceeds of a land sale at the Trust's Clatterbridge site in late March.

Within the Directors' report, the Trust's performance in 2017/18 on the *Better Payment Practice Code (BPPC)* targets is disclosed. Although the Trust is borrowing from DHSC to maintain liquidity, prompt supplier payments have been

generally maintained. Underperformance against BPPC’s 95% targets was primarily due to the management of temporary cash pressures between loan draw-downs. The Trust intends to improve on its payment performance in 2018/19.

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 96 for the return submitted in September 2017. In essence, this means that the Trust is 4% more efficient than the national average, and demonstrates the Trust’s commitment to deliver value for money in a challenging health economy.

Use of Resources rating (UoR rating)

The table (right) shows the Trust’s 2017/18 UoR rating.

NHSI assesses financial risk through the UoR rating. It is measured from 1 to 4 using a number of financial metrics, with 1 being the highest rating.

The Trust’s overall UoR rating was 3 for 2017/18, which was consistent with plan.

Financial sustainability

Financial efficiency

Financial controls

UoR financial metric	Actual	Plan
	<i>Rating</i>	<i>Rating</i>
Liquidity	3	4
Capital service capacity	4	4
I&E margin	4	3
Distance from financial plan	4	1
Agency spend	1	1
Overall UoR financial rating	3	3

The *Liquidity* rating of 3 exceeded plan due to the receipt of land sale proceeds, and the *I&E margin* rating of 4 was below plan due to the Trust’s overall deficit against plan. The ongoing work in controlling agency pay spend has resulted in an *Agency spend* rating of 1, which in turn has maintained the overall UoR rating of 3.

Cost improvement plans (CIPs)

The CIP requirement is a national DHSC strategy requiring all NHS staff to seek to improve productivity whilst ensuring the maintenance of high quality standards.

The Trust again set a challenging CIP target for 2017/18 of £15m in addition to the requirement to bridge a 2017/18 planning 'gap' of £6.6m (£5m after mitigation). Although a CIP figure of 2.5% was delivered in comparison with the national requirement of 2%, there was still a shortfall of £6.6m against plan, as shown below.

	Actual £m	Plan £m	Variance £m	Variance %
2017/18	8.4	15.0	-6.6	-44.0%
Percentage of total income	2.5%	4.4%		
2016/17	11.2	11.2	0.0	0.0%
Percentage of total income	3.4%	3.4%		

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

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, 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 (SFIs), which detail the financial responsibilities applicable to all Trust staff, were re-launched towards the end of 2016/17, with follow-up training delivered in 2017/18. All senior budget managers are expected to sign a declaration confirming their awareness of the SFIs, which outline their duties with regards to financial governance.

Future outlook

During 2018/19, the Trust will continue on its journey and challenge to achieve financial sustainability. The Trust has not agreed to the planning control total which has been set by NHSI, which means that it is not expected to receive STF income in 2018/19. In addition, it will be subject to financial sanctions relating to non-delivery of national performance targets, such as RTT and A&E.

The Trust is planning to deliver a 2018/19 deficit of £25.3m. This plan is more 'achievable' than the 2017/18 plan, but remains challenging, particularly if demand continues.

The following factors are key to the delivery of the Trust's 2018/19 plan.

- Transformation of care within the Wirral health economy and close management of costs across the Trust, to deliver the activity plan within agreed budgets. The management of demand during the Winter season will be an important area of concern and focus.
- Development and delivery of detailed and transformational efficiency plans which achieve in-year CIP savings of £11m, and which lay the foundations for further savings into future years.
- Net impact of the National Pay Award on the Trust is not expected to exceed 1%.
- Continued access to borrowings from the Department of Health and Social Care, to potentially include additional loans to fund capital projects.

Looking further forwards, the Trust is fully engaged with the Sustainability and Transformation Partnership (STP) process, working closely with other health and social care providers, with the aim of delivering financially sustainable services for the local health economy beyond 2018/19 and into the medium and long-term.

The key financial elements of the Trust's 2018/19 plan are detailed in the following table.

2018/19 Plan	£m
Deficit per planned Statement of Comprehensive Income (25.3)	
Assumed CIP achievement within the above deficit	11.0
Capital expenditure 7.3	
Capital expenditure on a cash basis	12.4
Closing cash balance 1.8	
DHSC loans to support liquidity	25.0
Overall financial UoR rating 3	
UoR rating comprises the following planned ratings	
Liquidity	3
Capital service capacity	4
I&E margin	4
Performance against control total	4
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.

In forming a view, the directors have considered key finance and income factors captured in the Trust's 2018/19 plan and beyond. 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 factors.

- No major losses of commissioner income are anticipated, and the list of commissioner-requested services remains unchanged. The Trust has a 2 year Payment by Results (PbR) contract with its main commissioner which reflects the activity agreed in the Trust's plan.
- The Trust's 'unapproved' borrowings requirement for 2018/19 is £25.0m. This broadly matches the planned deficit (£25.3m), as the Trust is, and will be, borrowing to operate. The borrowings are 'unapproved' as specific contracts for each planned draw of cash have not yet been signed. Relevant factors considered in relation to these borrowings are listed below.
- The Trust anticipates implicit approval of the loans through DHSC and NHSI's acceptance of the Trust's plans.
- The Trust has not identified any risk, within the period of this assessment, 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 directors have identified the reliance on 'unapproved' borrowings in 2018/19 and beyond, due to ongoing operating deficits, as representing a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern, in line with DHSC guidance.

Nevertheless, and notwithstanding the present and forecast sector-wide challenges noted within this Annual Report and Accounts, the directors have noted that the Trust intends to continue to operate for the foreseeable future, and has not been informed by any relevant national body of any intention related to the dissolution of the Trust. For this reason, they continue to adopt the going concern basis in preparing the financial statements and the financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

Performance Analysis

Performance against Single Oversight Framework Targets

The primary process for foundation trusts to assure themselves on governance and performance is the NHS Improvement Single Oversight Framework which came into effect on 1st October 2016, 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%	95.62%	96.84%	98.24%	96.15%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all breast symptom referrals	Minimum 93%	83.57%	93.88%	98.41%	95.83%
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Minimum 96%	96.75%	97.04%	96.85%	97.56%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (surgery)	Minimum 94%	98.33%	96.49%	96.97%	98.61%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (drugs)	Minimum 98%	100.00 %	100.00 %	100.00 %	100%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Minimum 85%	85.41%	86.40%	85.95%	86.71%
Maximum waiting time of 62 days from screening referral to treatment for all cancers	Minimum 90%	97.44%	96.97%	95.92%	94.34%
Referral to treatment time – incomplete pathways < 18 weeks	Minimum 92%	81.68%	79.88%	79.84%	75.03%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	Minimum 95%	81.04%	81.12%	83.93%	76.99%
Maximum number of avoidable cases of C difficile (cumulative)	Maximum 29 for the year	7	16	22	27

Access to Cancer Care

The Trust again consistently achieved the Cancer access targets for all quarters and for all metrics across the whole of 2017/18. 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

The focus of RTT is on the incomplete standard, with the threshold set at a minimum 92% of patients waiting to be at 18 weeks or less. The Trust is judged externally by the total waiting time across all specialties.

The Trust did not deliver performance against the Referral to Treatment RTT standard of 92% during any month in 2017/18. Performance deteriorated slightly for the first three quarters of 2017/18 as the Trust worked through a comprehensive overhaul of the validation and management of the 23,000 patients waiting. In quarter 4, the nationally mandated cancellation of the elective programme to help ease the urgent care winter pressures resulted in a more significant deterioration in performance.

An Elective Recovery Programme has been agreed with commissioners and regulators to improve performance to 80% by March 2019 and achieve a reduction in numbers waiting, in line with national planning expectations.

Access for Emergency Patients

Despite a health economy wide focus and a range of actions put in place, performance against the emergency access standard remained below the minimum 95% throughout 2017/18.

Increased urgent care demand has been evident through most of the year, with the Winter months bringing particular pressure to bear on the Arrowe Park site. This has been similarly reflected in many other economies within the region, and in the national picture.

The Trust continues to work closely with health and social care partners across Wirral, and has agreed a trajectory to improve performance for the Arrowe Park site up to 90% by September 2018, and up to the national 95% standard by March 2019.

Avoidable Cases of *C difficile*

The Trust has a robust programme for managing and monitoring *C difficile*.

The number of avoidable cases through the year has been very low, and the threshold maximum 29 cases for the year has been achieved with the final number at 27.

Set out below is a table outlining performance against the Trust's current strategic aims and the operational objectives for 2017/18: The Board has agreed to revisit its vision and aims for 2018 onwards in order to provide greater clarity of outcome with a view to improving engagement and understanding in the organisation.

Key issues and risks facing the Trust in-year and in the future are described in detail in the Annual Governance Statement later in this report. The Annual Governance Statement also outlines how the Board uses the Board Assurance Framework to link risks, performance against objectives and key performance targets with a view to being able to triangulate information from various sources. The newly developed integrated quality dashboard also seeks to link risks and performance from the entire spectrum of CQC standards including financial performance.

Who	Aim / Objective	Year End Performance
Janelle Holmes	Meet NHS Constitution standards for waiting times in A&E, referral to treatment time and cancer care	<p>ED Performance - There have been significant levels of improvement work both planned and developed with partners to support the delivery of this constitutional standard by addressing patient flow across the health economy. This has resulted in a step change in performance throughout the year; however work will continue to further improve and embed through 18/19. There has been significant improvement throughout the year across all specialities to deliver the 18-week referral to treatment (RTT) constitutional standard. This has included developing an appropriate live patient tracking system including clearing backlogs of patients to improve performance. This was delayed at the end of 17/18 following the National request to suspend some non-urgent electives to support non elective flow.</p> <p>Cancer Care. The 62-day performance standard has been reliably delivered throughout 17/18.</p>
Susan Gilby	Aim for a CQC rating of <i>Good</i> before moving on to be rated <i>Outstanding</i>	The Trust has implemented weekly safety summits followed by safety bites bulletins to provide a fora where “real time” shared learning from mistakes can be undertaken. The Trust has also revised the serious incident review process to ensure that the Trust focuses on learning based on severity of risk. The appetite for this has grown significantly since its inception in late summer of this year and will begin to create the open transparent environment we all want to work within. The Trust has recently been inspected by CQC through two unannounced visits and a “well led” review). It is anticipated a draft report will be ready for review by the middle of June.
Susan Gilby	Launch a long term programme to eliminate unwarranted clinical variation	In support of the Cheshire and Merseyside Health and Care Partnership and in line with developments across the wider NHS in England, the Trust will accelerate its work on minimising clinical variation through the Getting it Right First Time (GIRFT) and other nationally accepted quality indicators. A number of extant clinical pathways are now enabled digitally through Cerner Millennium (Sepsis, Fractured Neck of Femur and Stroke pathways). These have been implemented on a risk based priority basis within the Trust and are showing good signs of enabling a reduction in unwarranted variation. The Trust has committed to a rolling programme to digitally enable more pathways in 18/19.
Susan Gilby	Change how the Trust is managed to ensure that clinicians lead service design and delivery	The Board has agreed the new clinical leadership model and the management of change has commenced. The new model is planned to take effect from April 18. The Trust has received positive feedback to date on the proposed changes. Key roles with respect to Associate Medical Directors have been filled as has a substantial number of clinical service leads with a number of vacancies to be recruited to predominantly in Medicine.

Helen Marks	Flex our workforce model in recognition of recruitment / retention problems and in support of the introduction of new models of care	The national issues of recruiting to posts within clinical positions are no different for the Trust. The challenge for the Trust is to ensure that we have the right staff, with the right skills at the right time to deliver high quality care to our patients. Role redesign has remained a strong focus for the Trust, which in turn has started to re-shape the design of our workforce. To support this complex agenda the Trust is seeking to develop a more robust approach to workforce planning.
David Jago	Work with partner organisations across Wirral, Cheshire and Merseyside to implement the Sustainability and Transformation Plan (STP)	In line with current narrative from Chair of NHS for C&M (STP) we have prioritised progression of place based care through Healthy Wirral with partners. Priorities include MSK Prime Provider contract, Healthy Wirral 50+ new models of care proof of concept, Urgent Care, Dermatology and further roll out of the Wirral Health Care Record to enable population health management. We also prioritise acute care collaboration with Countess of Chester, establishing a Wirral & West Cheshire Alliance directed through a joint Executive Steering Group and with clinical and operational engagement on each of the initial areas of focus.
David Jago	Create an Accountable Care Organisation (ACO) in Wirral	Our focus now, in line with current narrative from the Chair of NHS C&M is to focus less on the creation of an ACO, but to work closely with partners in Wirral on enabling more accountable care through place based collaboration. This will ensure we focus on function rather than form, enabling priorities that deliver better health better care and better value.
Janelle Holmes/Helen Marks/David Jago	Develop further the Acute Care Alliance with the Countess of Chester Hospital	Having established formal governance and change delivery framework arrangements, we have established a Clinical Services Collaboration Committee which leads our clinical collaborations, focusing initially on Urology, Renal, Haematology and Women's & Children's services. We also work closely on pathology, linking this to the broader North 4 network footprint identified by NHSI as being one of 29 national pathology networks that they would like to see. We have also established a Corporate Functions Collaboration committee which leads our focus on procurement, HR and Informatics with other corporate functions to be reviewed more fully later in the year.
Paul Charnley	Roll out our plans to confirm WUTH as a Global Centre of Digital Excellence and for the extension locally of population health management	Progress was hampered to some extent by availability of national GDE funding not released until July 17. Projects are well underway with people having been recruited and appointed and equipment bought. All 51 GP practices are now delivering the data to the Wirral Care Record. Use of the collective data in population health is just beginning but is showing very promising signs of being a major asset to support integrated care for Wirral. Pace of delivery has increased and there are new deliverables from the programme every month, such as connected medical devices, electronic care pathways, reduction in paper on wards and improved medicines administration practice.

David Jago	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	<p>Given the complexity of the agenda, whilst progress is being made there are challenges around vertical versus horizontal integration with potential financial benefits more likely to flow in 2018/19. Benefits re GDE delivered in 2017/18 centered around financial benefits realisation from:</p> <ul style="list-style-type: none"> • Contract extension with Cerner • Contract renegotiation with Cerner
David Jago	Maximise the economic returns from better use of the Trust's estate	Strategic Estates Partnership (SEP) procurement process abandoned by Board of Directors. Transaction concluded in 2017/18 re residual estate at Clatterbridge.
David Jago	Deliver the recommendations of Lord Carter's report on hospital productivity	Trust ATI at 0.91. Model hospital KPI presentation to future Board of Directors. Assurance reporting on compliance to Carter recommendations via Finance and Business Assurance Committee. Model Hospital notes Trust productivity levels.
Susan Gilby	Deliver our transformation agenda "Quality Healthcare, Sustainable Future" to improve productivity and efficiency through redesigning service delivery whilst achieving value for money.	<p>Getting It Right First Time (GIRFT) is a national programme working with frontline clinicians to identify and reduce unwarranted variations in service delivery and clinical practice across the NHS. Currently 35 surgical and medical specialties are being reviewed. The aim is to improve the quality of medical and clinical care within the NHS through deeper insight of performance, informed by data analysis across a range of metrics. The Trust has two consultants appointed to lead this programme of work. A range of service lines have now received their GIRFT reports with these being used to inform the Trusts Cost Improvement Programme and our alliance with the Countess of Chester.</p> <p>The Trust is working with Commissioners to deliver on a prime provider contract for MSK services in partnership with the Community Trust.</p>

Quality		
Susan Gilby	<p>CQC rating: We will aim for a 'Good' rating in 2017 and a rating of 'Outstanding' in 2019 by: implementing our Quality Strategy, continuing our Care Quality Inspections and the ward accreditation programme and create a Quality Governance Team supporting divisional clinical governance arrangements.</p>	<p>The Trust has established an internal programme of self-assessment audits of wards and clinical areas. The Care Quality Audits provides a scoring aligned to the CQC Five Domains. The Safe Domain represents an ongoing challenge within the Trust and is an area of focus for senior management. During Quarter 2 an Enhanced Support for Clinical Areas Team was established to go into areas identified as requiring a higher level of support in increasing their overall performance. The Quality Governance Team has been reviewed and consultation for a new structure to support the Trust commenced during Q4 2017/18.</p>
Gaynor Westray	<p>Friends & Family Test: We will introduce new mechanisms for obtaining feedback in areas with high volumes of patient contacts.</p>	<p>We continue to offer a variety of methodologies for obtaining FFT feedback in line with NHS England guidelines. These include SMS, IVM, paper and scan-able solutions. Work is ongoing to introduce electronic methods of gathering FFT and survey feedback including kiosk, tablet and online survey.</p>
Gaynor Westray	<p>Harm Free Care: Priorities are pressure ulcers, falls, VTE & catheter associated UTIs. We will develop a Wirral Harm Free Care collaborative.</p>	<p>The Wirral Harm Free Collaborative has full engagement from all partners and meets on a bi-monthly basis. The Terms of Reference and annual work plan reflect cross organisational priorities. WUTH continues to reach the 95% National Harm Free Care target reported via the Safety Thermometer.</p>
Susan Gilby	<p>Mortality: We will continue to deliver a Hospital Mortality Rate below the national mean by implementing our Quality Strategy and meeting the Acute Care Scores for</p>	<p>HSMR and SHMI rates continue to be below the national average. SHMI currently at 97 and HSMR at 88</p>

	Advancing Quality.	
Gaynor Westray	<p>IPC: We will prioritise the maintenance of our Cleaning programme, early detection and the prompt isolation of patients with improved use of isolation facilities.</p>	<p>A high level IPC improvement plan has been developed. The implementation of the plan will be monitored via the Quality and Safety Committee on behalf of the Trust Board.</p> <p>Communication, Culture and Training</p> <ul style="list-style-type: none"> • Review key IPC governance and operational meetings • Divisional accountabilities to be embedded in order to ensure ownership of IPC • Clear escalation processes to be developed • Senior Leadership in the IPCT • Management of risks appropriately alongside operational demands • IT solutions to release IPC Nurses' time <p>Detect Rapidly</p> <ul style="list-style-type: none"> • Review CPE and MRSA screening and isolation strategy based on local epidemiology data, best practice guidance and national evidence. • Screening compliance - reporting to be developed <p>Isolate Promptly</p> <ul style="list-style-type: none"> • Effective management of side room use • Review Isolation Ward processes <p>Do the Basics Brilliantly</p> <ul style="list-style-type: none"> • Develop an outline plan for introduction of aseptic non-touch technic (ANTT) Trust-wide. • Promote hand hygiene, Personal Protective Equipment (PPE) and Bare Below the Elbow policies. • Review placement of alcohol gel containers and location, particularly for ward refurbishments. • Ensure consistent standards of cleaning at all levels and that the cleaning provision is adequate.

		<ul style="list-style-type: none"> Review key estate issues, especially those in inpatient & patient facing areas.
Gaynor Westray	<p>Complaints: We will deliver a year on year reduction in the number of complaints and an improvement in response times by applying Value Stream Mapping to the complaints process, introducing Matron clinics to drive local ownership of the resolution of complaints and opening a new communications hub.</p>	<p>During 2017/18 the Trust received a total of 304 formal complaints; on average 25 formal complaints each month. This represents a 10% decrease in the number of formal complaints compared with the previous year. The metric for measuring responsiveness to complaints has been amended. From April – September 2017 the Trust reported performance as the agreed timeframe with the complainant, this was at 69%. Reporting now focuses on the designated level of complaint as outlined in the Trust policy and a retrospective review of actual performance has been conducted. Therefore, of those formal complaints closed in 2017/18, 22% were responded to in line the designated level outlined in the Trust policy. The average response time for complaints has decreased from 99 working days in 2016/17 to 68 working days in 2017/18.</p> <p>At the close of 2017/18 the Trust was managing a caseload of 115 active complaints of which 65 had breached the Trust policy timeframe. Steps are being taken to reduce the number of breached complaints with the appointment of dedicated resource, employed specifically to manage the breached complaints. During 2018/19 the complaints process is to be fully reviewed in order for improvements to the management of complaints to be made.</p> <p>There were 7 new PHSO cases opened and 12 cases closed, of which 3 (25%) were partially upheld.</p> <p>The matron hotline has now been in place for 12 months. This service is managed solely by matrons without input from the Patient Relations Team. It is planned that during 2018/19 the matron hotline contacts will be recorded by the Patient Relations Team to allow reporting alongside all other patient experience metrics.</p>
Susan Gilby	<p>Variation: We will initiate a long term programme for the minimisation of clinical variation led by the Medical Director. The programme will be supported by the Cerner Millennium platform and access to global</p>	<p>This work is now a workstream of the GDE Board. Clinical pathways are being set up on Wirral Millennium in order on priority based on risk. Fractured Neck of Femur has been completed with stroke and sepsis in the advanced stages of completion.</p>

	expertise. It will involve Wirral and West Cheshire organisations.	
Organisational & Clinical Practice		
Janelle Holmes	NHS Constitution standards: We will work with partner agencies to implement the CCG's new model for urgent care. We will act on the A&E Rapid Implementation Guidance. We will implement the findings of the review of the RTT patient pathway and ensure that demand and capacity are in balance. We will improve the way we monitor and manage performance.	We continue to work closely with Wirral CCG and partners to shape the future of urgent care. The WCCG led Value Stream Analysis (VSA) is underway. The A&E rapid improvement implementation guidance forms the basis of the Wirral Health Economy improvement work and is monitored through the ED Delivery Board. Formal capacity and demand has been rolled out across the organisation to inform activity planning and to deliver the RTT improvement plan. The Director of Operations and Performance, along with the Information Team has developed robust monitoring and performance systems.
Susan Gilby	7 day working: We will continue to improve our status against the 4 priority clinical standards.	Business case for respiratory consultant approved which will enable a 7 day respiratory in-reach service.
Susan Gilby	Diabetes and respiratory medicine: We will implement new and integrated models of care.	The team continue to deliver the Healthy Wirral model and engage in economy wide steering groups to support the community models of care.
Gary Price	Women's and children's services: We will implement the new model of	The Trust continues to be an active member of the Cheshire and Merseyside Women and Children's Partnership in support of the 5YFV.

	care agreed across Cheshire and Merseyside.	<p>In 2017 the Trust supported a separate Women and Children's Division with enhanced clinical and managerial support to address the specific strategic and operational challenges facing the services. Through summer 2017 the Division has been working closely with CoCH clinical teams in order to address some of the key challenges facing Women and Children's services from a Wirral and Western Cheshire viewpoint. On the 10th of October, a team of Senior WUTH and CoCH Clinicians and Managers, presented the work done to date on Women and Children's services as part of our Wirral and Western Cheshire Alliance at the Cheshire and Mersey Clinical Summit.</p> <p>The work presented demonstrated how both sets of clinical teams have agreed common aims and purpose to develop opportunities for collaborative working and outlined those services that they wish to collaborate on in 2018/19. This is as an enabler for further integrated working over the coming years. Work has now commenced with Primary Care, Wirral CCG and Western Cheshire CCG to understand the commissioning and public engagement requirements for any new models of delivery ensuring the patient is at the center.</p> <p>In March 2018 Maternity services were able to deliver a new model of care for the Wirral through the opening of a midwifery lead unit at Seacombe Children's Center. This is in partnership with the CCG and Local Authority. This offers great potential for the further development of Child and Family Hubs.</p> <p>Finally in October 2017 WUTH received its Women's services GIRFT in which there were many outstanding areas of clinical work. This review which will be used going forward as a template against which to improve our services further.</p>
Susan Gilby	Vascular surgery and urology: We will implement the revised service and governance arrangements agreed with the Countess of Chester Hospital.	Vascular service transferred to CoCH; consultant staff TUPED. Urology clinical model agreed; enablers in progress with likely implementation in early 2018/19.
David Jago	Clatterbridge Hospital: We will undertake a feasibility	Part of longer term plans when Trust clinical strategy and consequent use of estate to underpin has been agreed.

	study for the development of Clatterbridge Hospital as a centre of excellence in elective surgery.	
Janelle Holmes/Helen Marks	Clinical and non-clinical support services: We will progress the consolidation of services proposed in the Cheshire & Merseyside Sustainability & Transformation Plan.	The focus during 17/18 has been on reducing unwarranted variation and local place based collaboration. We are participating in the North 4 pathology network, which is formed from a subset of C&M trusts in line with NHSI recommendations.
Janelle Holmes/Helen Marks	The Wirral health and social care system: We will work with our local partners on proposals for the integrated planning and delivery of primary, community, social and hospital services. In particular, we will develop closer strategic and operational links with primary care.	Through Healthy Wirral Partners Group, made up of CEOs, Accountable Officers and senior Execs from Local Authority, CCG, GP Federations and NHS Providers, we continue to progress dialogue around joint LA/CCG commissioning intentions and how we enable Place Based Care that delivers Better Health, Better Care and Better Value. This will be defined in joint commissioning Green paper to be published in November. We have supported both GP Federations with engagement events with their GP Practices, and are actively exploring Primary & Acute Care Collaboration opportunities.
Human Resources		
Helen Marks	A healthy organisational culture: We will establish clear values & behaviours, embed LIA further and deeper in the organization and implement our Health & Wellbeing Plan.	Since April 2017 there has been a range of interventions implemented following the introduction of the Workforce & OD Strategy. Detailed below are some of the actions that have been taken in relation to this area:- <ol style="list-style-type: none"> 1. Medical Engagement Plan agreed and initial work commenced. 2. Organisational Plan 2017 to 2020 based on Values, Behaviours and Attitude agreed 3. Learning into Action (LiA) Teams Wave 9 in progress including supporting staff affected by cancer, mandatory training, radiology, safe administration of medicines. Wave 8 feeding

		<p>back at Leaders Forum/Team Brief.</p> <ul style="list-style-type: none"> • LIA 2017 CEO Divisional Quality & Safety Big Conversations held: <ul style="list-style-type: none"> ○ Medicine and Acute – 2 Winter Preparedness engagement sessions ○ Diagnostics and Clinical Support – Engaging Staff in learning from serious incidents and complaints ○ Women’s and Children’s – Working together with our partners ○ Surgery - Engaging Staff in learning from serious incidents and complaints (scheduled for 20/10/17) • Refreshed LiA huddles in 150+ departments with over 600 improvement actions identified from huddles that are being progressed within teams. Follow up to check completed actions and promote outcomes via Trust communications. • Freedom To Speak Up Guardian role strengthened. <p>Health and Wellbeing Plan agreed and in place. This included Health and Wellbeing events held on the 13th of September 2017 at the Leadership and Development Centre and the 2nd of October 2017 in the Education Centre</p>
Helen Marks	<p>A sustainable workforce: We will workforce plan at Trust & Divisional level, have a greater focus on medical job planning, address recruitment & retention issues across key service areas and develop new ways of working (e.g. ANP, ENP, Associate Physician).</p>	<p>Since April, 17 the following actions have been taken in relation to this area of the Workforce & OD Strategy:-</p> <ul style="list-style-type: none"> • Education Plan 2017 to 2020 developed and agreed. • Health Education England (HEE) Action Plan achieved in preparation for the November 2017 Quality visit. • Library Quality Assurance Framework (LQAF) evidence documentation submitted in Aug 2017. • Advanced Nurse Practitioner and Physician Associate Strategy roles reviewed, and additional supporting actions put in place. • Enhanced focus on e-rostering for both the nursing and medical workforce. • Apprenticeship Programmes now available from level 2 to level 7. Includes Talent Matrix reports available and now been mapped into new apprenticeship frameworks for roll out from April 2017. <p>Deputy Medical Director reviewed Job Planning Policy with a view to launch in Oct-March 2018.</p>
Helen Marks	<p>A capable workforce: We will implement a local educational strategy and</p>	<p>Since April 2017 the following actions have been taken in relation to this area of the Workforce & OD Strategy:-</p>

	improve E-Learning usage, drive up Education KPI's, align contribution, recognition and reward, and lastly ensure NMC Revalidation.	<ul style="list-style-type: none"> • Learning and Development programmes refreshed to support Training Needs Analysis. • Leadership Training Needs Analysis identified for all senior medical staff. • Leadership and Personal Effectiveness Directory implemented in September with hard copies going out in to the organisation. • Continuing to review Mandatory Training programmes to ensure the Trust is compliant. • E learning platform launched in August 2017 with project plan developed to move all core skills programmes over to NLMS. • ESR Self-service for Mandatory Training now available. • Appraisal documentation reviewed and updated. • Six Roadshows took place during August/September 2017 to promote Leading and Development opportunities. • Developing Apprenticeship Pathways across the Organisation. <p>Full compliance with the Learning and Development Agreement maximising funding from HEE.</p>
Helen Marks	Effective leaders and managers: We will implement our clinical engagement plan, provide local support in developing leaders and managers, and roll out coaching, mentoring and supervision.	<p>Since April, 17 the following actions have been taken in relation to this area of the Workforce & OD Strategy:-</p> <ul style="list-style-type: none"> • Leadership and Management Development Framework Year 2 objectives achieved now working towards Year 3 objectives. • Medical Leadership Framework agreed and cascaded throughout organisation. • Content agreed for the 4th Consultant Foundation Development Programme. • In house Twenty-first Century Leadership Programme is in place. • Be-spoke training programmes arranged dependent on organisational needs. E.g. Personal Resilience. • Promoting NW Leadership Academy programmes where relevant to maximise access <p>Promoting in house coaching with increased uptake in first two quarters of 2017/18.</p>
Estate		
David Jago	Estate strategy: We will develop and implement an estates strategy aligned to our service development plans.	As below
David Jago	Strategic Estate	SEP procurement process “abandoned” with consideration required as to contingency

	Partnership: We will develop a SEP to support investment in the Trust's buildings and the development of the two hospital sites.	planning.
David Jago	Rationalisation of Wirral public sector facilities: We will work with local partner agencies to maximise the use of NHS and local authority premises.	Revisited use of Community facilities to give financial and service benefit. Working with Wirral system to log public sector estate and how to ensure optimal use.
David Jago	CBH and APH: We will continue the ward refurbishment programme and fund those schemes identified by Divisions as priorities.	Capital expenditure and priorities agreed with Director of Nursing and Midwifery.
Informatics		
Paul Charnley	Global Centre of Digital Excellence by: We will accelerate the digitising of patient records, focusing on paperless clinical processes for our doctors, complete our work on medicines management, investing in additional medical devices to replace our legacy equipment, E-Communication capability	<p>Progress was hampered to some extent by availability of national GDE funding not released until July 17. The team is now in place and work started in 2017/18 is beginning to be completed on a range of subjects</p> <ul style="list-style-type: none"> • Paperless Clinical processes (Inpatients, Emergency Department & Outpatients). • Medicines management (Partially complete) e.g Antimicrobial Stewardship, closed loop medicines administration, removing the final pieces of paper used in meds, maternity and neonates prescribing, VTE and Chemotherapy Trials. • Patient flow and capacity management (18/19). • Device integration – vital signs and ECG machines mostly done, infusion pumps being planned. • Image management – including the images from various departments into the record.

	<p>and bringing the Microbiology service onto Wirral Millennium.</p>	<ul style="list-style-type: none"> • Electronic communications with other organisations ready for all but 3 GP practices. • Health Information Exchange between GP and hospital now up and running, other organisations in planning stage. • Join pathology project underway with Microbiology first. • Care pathways being developed and rolled out including Fractured Neck of Femur, AKI, Sepsis, End of life, COPD and Stroke. • Patient Portal is up and running. • Cyber security and infrastructure enhancements. <p>The work of realising the benefits from these developments will continue sometime after they have gone live.</p> <p>COCH has gone through the commercial process and reached an agreement with Cerner to move on to our Wirral Millennium system which will then be a shared record for the two trusts.</p>
<p>Paul Charnley</p>	<p>Population Health Management: We will continue the development of a population health management approach across the health economy, focusing on the roll out of additional disease and wellness registries and the development of a health economy wide operations centre.</p>	<p>The Health Information Exchange which allows clinicians to see each other's electronic records in a secure manner is live and in the first month there were around 10,000 exchanges which before then would have involved a phone call and a delay in care. All 51 GP practices are delivering the data to the Wirral Care Record and the use of the collective data in population health is now the subject of a programme of work governed by the joint Healthy Wirral Population Health Intelligence Group chaired by the Director of Public Health. The first points of focus are Diabetes, Asthma and COPD and Antimicrobial stewardship. Data is now being added and tested for Wirral Community Trust and plans are in place for data to be included from the Hospice and Cheshire and Wirral Partnership and Wirral Social Care. Other registries are being developed in areas such as Cardiovascular disease/Stroke, depression and alcohol related issues. Healthy Wirral Executive Group is now shaping the programme that will lead to employing these tools to transform health care for our population.</p>

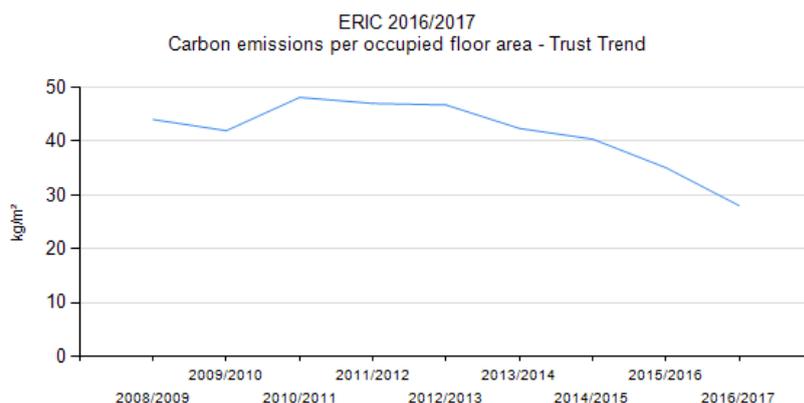
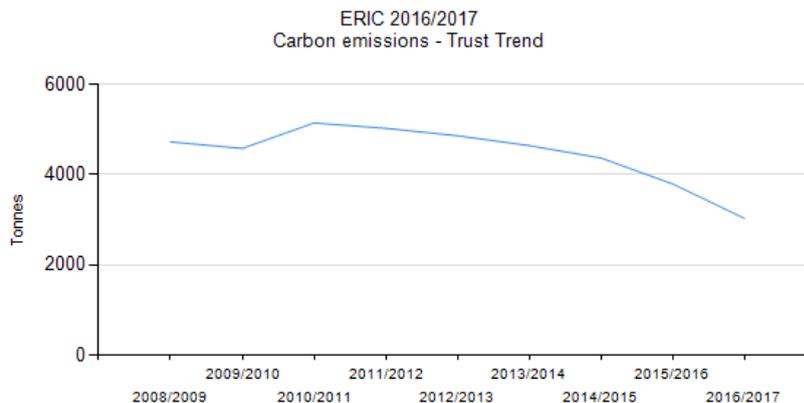
Environmental Matters

Sustainability Report

Corporate Vision - The Director of Finance who has executive responsibility for Estates is executive lead for sustainability and will be working with the Associate Director of Estates & Facilities to close the gap with regard to a Board approved strategy. Whilst the Trust is committed to the sustainability agenda it acknowledges the limited progress made in this area but will address the shortfalls in 2018/19.

Energy - Further energy reduction plans are being developed, with a view to Salix Funding on Lighting and Building Management systems, and the employment of a dedicated Energy Technician with the Trust. The Trust's Combined Heat and Power (CHP) Energy centres continue to provide efficient heat and energy supplies and our reliance on electricity from the grid has reduced.

Carbon -



Travel and Transport - We are developing a green travel plan, including travel surveys to be undertaken in June 2018. The Trust's internal transport is in the process of being reviewed to provide greater efficiencies and increased utilisation, and further promotion of public transport, cycling, walking and car share options to help reduce the impact of our carbon from vehicular traffic from staff, patients and visitors.

Waste - We are currently retendering our waste contract, with a focus on innovative working and increased recycling; this will be in place by August 2018.

Water - Our waste water is above national benchmark levels, so we are investigating the reasoning behind this currently.

Anaesthetic Gases/ Pharmaceuticals and Medical Devices - There are no current actions being undertaken with regards to sustainability in these areas.

Sustainable Food - Whilst we strive to be able to provide sustainable options on the food menu, the need to reduce costs over a number of years has restricted our progress.

Leadership Engagement and Development - The Trust has re-launched its environmental action group with a view to improving environmental matters using the NHS Sustainable Development Unit Guidance and assessment documentation.

Healthy Sustainable and Resilient Communities - The Trust is heavily involved in the Healthy Wirral Initiatives around the community.

Sustainable Clinical and Care Models - This has been led by our Director of Strategy and Sustainability, with collaboration being undertaken with the Countess of Chester, Wirral Community Trust and the CCG.

Innovation - The Trust does not currently operate any sustainability innovation.

Metrics - With the exception of Model Hospital and the Estates return Information Collection (ERIC), the Trust doesn't currently benchmark using the SDU information and we do not currently report anything to the Board on sustainability outside clinical care models.

Social Value - The Trust is unable to evidence use of the Public Service Act to leverage any environmental improvements, local social capital or economic value currently, but this will form part of the Trust's strategy when developed.

Social, Community, Anti-bribery and Human Rights Issues

Wirral University Teaching Hospital is committed to promoting equality and diversity 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. The Director of Nursing and Midwifery is the Board level Equality and Diversity lead.

The gender pay gap legislation introduced in April 2017 requires that UK employers with 250 employees or more publish data about their gender pay gap on an annual basis (based on a snapshot date of 31st March each year for the public

sector). This is therefore the Trust's first gender pay gap report and falls in line with national reporting requirements. Data is based on the snapshot date of 31st March 2017.

The report identifies a mean gender pay gap of 23.9% in favour of male employees, with a mean bonus pay gap of 7.8% and proportionality of bonus difference of 5.6% both in favour of males (0.6% of females receive bonus and 6.2% males).

Breakdown of data identifies that most pay bands show similar minimal pay gaps, with the exception of 3 pay bands having a gender pay gap of over 6% (pay bands 1, 8d and "other").

This first data capture has identified some themes that need further exploration and consideration of positive action to support improvements.

Themes identified are:

- 1) Low levels of male employees overall, particularly in lower middle and upper middle quartiles, with a larger gender pay gap in pay band 1 in favour of females
- 2) Lower levels of female employees in the highest quartile positions
- 3) Lower levels of female employees in Consultant positions
- 4) Bonus pay gap in favour of males (6.2%) and low proportionality of females accessing bonus payments (0.6%)

The Trust will issue a further gender pay gap report following review of the data from the impending snapshot date of 31 March 2018 and plans to address the issues will be presented and approved at the newly established Workforce Assurance Committee.

The Trust enjoys well established working relationships and engagement activities with a range of local stakeholder groups and organisations which 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, so that recommendations can be incorporated into service delivery that will support improvements in patient and family/carer experience.

Because of key stakeholder attendance and engagement, WUTH 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.

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.

In January 2017, the Trust opened the Information Bank. It is staffed by members of the Patient Relations Team, together with representatives from Healthwatch. The Information Bank continues to provide a highly visible and easily accessible location for patients, families, visitors and staff to access support, with an emphasis on timely local resolution of concerns before they become complaints. The Information Bank has an average daily footfall of 54 visitors (in addition to telephone and written contacts), with enquiries ranging from basic signposting to the resolution of informal (Level 1) concerns.

The Trust has a comprehensive Standards of Business Conduct policy which is issued to all new starters upon commencement of employment. Senior staff are reminded of their duties under this policy and in particular in relation to the offences under the Bribery Act 2010. The Trust maintains records of all declarations of gifts, hospitality, outside employment, private practice and sponsorship at both Divisional and Corporate Levels. Board and Senior Managers declare on annual basis any potential conflicts of interest and this is declared on the Trust's public website.

Annual audits of compliance are undertaken by the Director of Corporate Affairs and Mersey Internal Audit Service.



David Jago
Acting Chief Executive

Date: 25th May 2018

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 NHS Improvement, the Care Quality Commission, 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 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 2017/18 the Board comprised a non-executive chairman, six independent non-executive directors and five executive directors. During the period July 2017 – December 2017, the Board had seven independent non-executive directors which reflected the added emphasis required on quality as both post holders were medical.

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.

The section in this report on the NHS Foundation Trust Code of Governance outlines how the Trust discloses registers of interest for the Board of Directors together with the commitments of the Chairman. The Trust, as required by NHSI, appointed Sir David Henshaw, the current Chairman at Alder Hey Children's Hospital, to the interim position of Chair following the resignation of Mr Michael Carr in February 2018. The Trust accepts that it was in breach of the additional licence condition under section 111 of the Health and Social Care Act. The Trust and NHSI also accept that Sir David Henshaw will undoubtedly have a significant time commitment in terms of his role as Chair at Alder Hey but has implemented support arrangements to mitigate this risk. The Council of Governors recognise that the legal position with regards to this regulatory action has resulted in the Council of Governors not being involved in the appointment process on this occasion.

Non-Executive Directors

Sir David Henshaw Interim Chairman



Sir David took up post as interim Chair on 2nd March 2018. Sir David is also the current Chair of Alder Hey Children's Hospital.

Alongside his valuable experience within the health arena, Sir David has worked extensively in local government. He spent ten years at Knowsley Borough Council before being appointed as Chief Executive of Liverpool City Council, a role which he occupied for seven years.

Sir David has undertaken a number of Non-Executive Director roles for a number of other public and private organisations including the Chair of Manchester Academy for Health Sciences and Non-Executive Director for Albany Investment PLC. He has various charitable Trustee roles.

In February 2012 Sir David was asked by Monitor to take on the role of Interim Chair at University Hospitals of Morecambe Bay NHS Foundation Trust. This lasted until April 2013. He has subsequently been Interim Chair at Dorset HealthCare University NHS Foundation Trust and St George's University Hospitals NHS Foundation Trust. He was appointed Chair of National Museums Liverpool early in 2017.

Graham Hollick
Non-Executive Director and Chair of Audit Committee



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.

Graham 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 Hospitals NHS Trust where he was Deputy Chair and Chair of the Finance and Performance Committee.

John Sullivan
Non-Executive Director



John was appointed as a Non-Executive Director in July 2015.

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.

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



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

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

John Coakley

Non-Executive Director and Chair of Quality and Safety Committee



John was appointed as a Non-Executive Director in July 2017. John retired in 2014 as Medical Director and Deputy Chief Executive of Homerton University Hospital NHS Foundation Trust, which he had held for 16 and 10 years respectively. Prior to that John was a Consultant Physician in Intensive Care Medicine.

John set up the first ICU follow up and bereavement clinic in London and was awarded the OBE for contribution to the NHS in the Queen's Birthday Honours list in 2014.

He was also awarded a national Silver Clinical Excellence Award by ACCEA in 2007 and renewed in 2011. John was an active researcher before his Consultant appointment and for several years after.

Executive Directors

David Jago

Acting Chief Executive



David 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 assumed the position of Acting Chief Executive on 15th December 2018.

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 is of great benefit to patients and colleagues at our Trust.

Janelle Holmes
Chief Operating Officer



Janelle 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.

Gaynor Westray
Director of Nursing and Midwifery



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

Gareth Lawrence
Acting Director of Finance

Gareth was appointed Acting Director of Finance on 15th December 2018.



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.

Board Resignations

*Michael Carr
Chairman*



Michael Carr was appointed Chairman of Wirral University Teaching Hospital NHS Foundation Trust from July 2010 to 27th February 2018.

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



Cathy was appointed as a Non-Executive Director in July 2011 and left following completion of her 6 year tenure on 30th June 2017.

*Cathy Maddaford
Non-Executive Director and Chair of Quality and Safety/Senior Independent Director*



Cathy was appointed as a Non-Executive Director on 1st July 2013 and was appointed for a second term during 2015/16. Cathy resigned on 13th March 2018.

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



Andrea was appointed as a Non-Executive Director on 1st July 2014 and was appointed for a second term during 2016/17. Andrea resigned on 13th March 2018.

Jean Quinn
Non-Executive Director



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

David Allison
Chief Executive



David Allison joined the Trust as Chief Executive on 2nd April 2012. With effect from 13th December 2017, he was no longer a 'senior manager' as defined by the *Department of Health and Social Care Group Accounting Manual* due to a variation of duties, but he held the job title 'Chief Executive' into 2018/19.

Board, Management and Clinical Leadership, Capacity and Capability

Following the Breach of the Trust's Provider Licence in 2015 with the additional licence condition - section 111 in relation to Senior Management and Board leadership and capability, the Trust in March 2018 formally agreed to a revised set of enforcement undertakings. The rationale for the change was due to some of the original 2015 undertakings not being fully complied with or no longer being effective as a means of securing compliance due to the passage of time and intervening events. NHS Improvement also decided to take further regulatory action in the form undertakings as outlined below.

NHS Improvement found the Trust to be in breach of conditions FT4 (5)(a), (d) and (f) and CoS3(1) in relation to financial sustainability and in breach of condition FT4 (5)(c) in relation to A & E Performance.

As the Chairman resigned from his post on 27 February 2018 and a permanent replacement had not yet been identified, NHSI determined that the Trust breached its additional licence conditions under section 111 of the Act. The Trust has now appointed an interim Chair, as specified by NHSI, and the process for the substantive position has been agreed.

The Trust has agreed the timeline and processes for appointing substantively to a number of interim positions as outlined in the Annual Governance Statement.

The interim Chair, in conjunction with the Board and the Council of Governors, will ensure that the Trust has suitable arrangements in place in respect of a Senior

Independent Director and the Deputy Chair following the resignations of Mrs Maddaford and Mrs Hodgson respectively.

HM Treasury cost allocation and charging guidance

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

Policy on the payment of suppliers

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

BPPC performance, including invoices with 'other payment terms', is shown below.

	2017/18		2016/17	
	Number	£000	Number	£000
Non-NHS				
Trade invoices paid in the period	90,345	176,448	88,830	152,488
Trade invoices paid within target	71,391	136,841	75,701	134,858
Percentage of trade invoices paid within target	79.0%	77.6%	85.2%	88.4%
NHS				
Trade invoices paid in the period	2,678	40,918	2,732	36,140
Trade invoices paid within target	1,613	26,343	2,003	30,481
Percentage of trade invoices paid within target	60.2%	64.4%	73.3%	84.3%

The Trust also discloses performance based solely on invoices with '30 calendar days' terms, as follows.

	2017/18		2016/17	
	Number	£000	Number	£000
Non-NHS				
Trade invoices paid within 30 days	62,011	132,638	71,626	121,372
Trade invoices paid or should have been paid within that 30 day period	79,558	173,252	92,779	149,275
Percentage of trade invoices paid within 30 days	77.9%	76.6%	77.2%	81.3%
NHS				
Trade invoices paid within 30 days	1,613	26,343	2,003	30,481
Trade invoices paid or should have been paid within that 30 day period	2,678	40,918	2,732	36,140
Percentage of trade invoices paid within 30 days	60.2%	64.4%	73.3%	84.3%

Underperformance against BPPC's 95% targets was primarily due to the cash pressures created by the timing of loan draw-downs. The Trust intends to improve on its payment performance in 2018/19.

There has been one payment of interest in 2017/18 (one in 2016/17) under the Late Payment of Commercial Debts (Interest) Act 1998, as disclosed in Note 10.1 to the accounts. This payment was for £360, which rounds down to nil in that disclosure. For both 2016/17 and 2017/18, no compensation was paid, and no amounts related to NHS payables.

Fees and charges (income generation)

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

Totals relating to these arrangements are disclosed in the table (right).

	2017/18	2016/17
	£000	£000
Income	3,254	3,227
Full cost	(3,225)	(3,169)
Surplus	29	58

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.

Quality Governance Reporting

The Trust has a quality governance and assurance structure which has been formally approved its Board of Directors. The Quality and Safety Committee is 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 2018/19.

The Staff Report – this section highlights the work undertaken to improve engagement, the key results from the NHS Staff Survey 2017 and the response by the Trust and key performance data and metrics.

The Annual Governance Statement – this outlines how the Trust has maintained a sound system of internal control. This year’s statement highlights two significant internal control issues following action being taken by NHS Improvement and the external auditor’s qualified opinion in relation to Value for Money.

Well Led Governance Review - In line with Monitor’s 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

Following on from the Well-Led Governance Review, the Trust commissioned an independent Quality Governance Review in early 2017, undertaken by independent reviewers Facere Melius, to further evaluate the governance structures and processes within the quality arm of the organisation. The Trust is responding to the recommendations in the review and currently revising its quality governance structures.

The Board also received the outcomes of the medical engagement survey in 2017 and as a result has implemented a new clinical leadership model from April 2018. Further details of this can be found in the Annual Governance Statement.

Following 2 unannounced inspections by the Care Quality Commission in March 2018, the Trust is scheduled to have a review of its leadership, management and culture as part of the “Well Led” domain the CQC assessment framework in May 2018. NHSI also commissioned an external investigation into the allegations of cultural, behavioural and governance issues in the Trust in March 2018, further details of which are outlined in the Annual Governance Statement.

The Quality Report – this outlines Trust performance against its agreed quality priorities for 2017/18. It also articulates the focus of attention for 2018/19 and outlines the rationale for this.

Statement of disclosure to auditors

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

- is not aware of any relevant audit information of which the Trust’s auditors are unaware

- has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.



David Jago
Acting Chief Executive

Date: 25th May 2018

Remuneration Report

Annual Statement on Remuneration

The Remuneration and Appointments Committee met on 9 occasions during 2017/18. The Committee sought external advice where necessary in order to discharge its duties.

Senior Managers' Remuneration Policy

The definition of 'senior managers' is *'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS foundation trust'*.

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 Executive Directors, including the sanction of summary dismissal for gross misconduct.

No 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 Committee has no plans to introduce incentive payments or rewards to executive directors.

The Committee reviews on an annual basis the remuneration of Directors reporting to the Chief Executive using a variety of benchmarking tools and performance appraisal.

The Trust had 3 senior managers whose salaries were above the threshold of £142,500, used in the Civil Service, during 2017/18. Two of those were full time members of staff with the latter being on a pro-rata interim basis. In determining the salary levels, the Trust took into account the market rates for equivalent roles: its ability to secure the skills it required and the risks posed in not recruiting into these positions. The Trust also sought and received advice and guidance from NHS Improvement before appointing to these posts.

Annual Report on Remuneration

Remuneration and Appointments Committee

This Committee comprises 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.

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 2017/18, except where their own salaries or performance were discussed.

Attendance at Remuneration and Appointments Committee Meetings in 2017/18

	Meeting Attendance
	Actual / Possible
	1st April 2017 – 31st March 2018
	(% Attendance)
Michael Carr, Chair (until 27 th February 2018)	7/8 (87.5%)
Sir David Henshaw, Chair (Chair from 2 nd March 2018)	1/1 (100%)
David Allison (Senior manager until 13 th December 2017)	3/5 (60%)
David Jago (Acting Chief Executive from 15 th December 2017)	1/2 (50%)
Cathy Bond	1/1 (100%)
John Coakley	6/8 (75%)
Graham Hollick	7/9 (77.7%)
Sue Lorimer	7/8 (87.5%)
Cathy Maddaford	6/8 (75%)
John Sullivan	9/9 (100%)
Jean Quinn	6/6 (100%)

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 6 directors during the year was £4,000 (9, £5,100 in 2016/17). In 2017/18, 17 executive and non-executive directors were in office (15 in 2016/17).

The total amount of expenses reimbursed to 5 governors during the year was £700 (4, £400 in 2016/17). In 2017/18, 26 governors were in office (23 in 2016/17).

Remuneration disclosures which are subject to audit

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

Salaries and benefits of senior managers

	2017/18					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	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 Jago Director of Finance (to December 2017) Acting Chief Executive (from December 2017)	140 - 145	4,000	62.5 - 65	205 - 210	105 - 110	5,700	162.5 - 165	275 - 280		
David Allison ¹ Chief Executive	140 - 145	3,900	65 - 67.5	210 - 215	200 - 205	3,700	70 - 72.5	275 - 280		
Gareth Lawrence Acting Director of Finance (from December 2017)	30 - 35	0	62.5 - 65	95 - 100	15 - 20	1,000	35 - 37.5	50 - 55		
Dr Susan Gilby Medical Director	185 - 190	4,000	22.5 - 25	215 - 220	45 - 50	0	60 - 62.5	105 - 110		
Dr Mark Lipton Interim Medical Director (from September 2016 to December 2016)	n/a	n/a	n/a	n/a	55 - 60	0	0	55 - 60		
Evan Moore Medical Director (to August 2016)	n/a	n/a	n/a	n/a	75 - 80	2,100	5 - 7.5	85 - 90		
Gaynor Westray Director of Nursing and Midwifery	105 - 110	4,000	87.5 - 90	195 - 200	105 - 110	1,900	187.5 - 190	295 - 300		
Denise Price Interim Director of Nursing (from September 2017 to December 2017)	50 - 55	0	n/a	50 - 55	n/a	n/a	n/a	n/a		
Janelle Holmes ² Chief Operating Officer	130 - 135	4,000	17.5 - 20	155 - 160	130 - 135	0	167.5 - 170	300 - 305		
Anthony Middleton Director of Operations (from May 2017)	95 - 100	4,000	12.5 - 15	115 - 120	n/a	n/a	n/a	n/a		
Chris Oliver Director of Operations (to May 2017)	10 - 15	0	15.0 - 17.5	25 - 30	95 - 100	5,200	32.5 - 35	135 - 140		
Paul Charnley Director of IT and Information	100 - 105	4,000	22.5 - 25	125 - 130	30 - 35	700	10 - 12.5	45 - 50		
Mark Blakeman Director of Infrastructure and Informatics (to November 2016)	n/a	n/a	n/a	n/a	60 - 65	2,600	0	60 - 65		
Helen Marks Interim Director of Workforce (from February 2018)	15 - 20	1,700	0 - 2.5	20 - 25	n/a	n/a	n/a	n/a		
James Mawrey Director of Workforce (to February 2018)	80 - 85	3,400	17.5 - 20	100 - 105	95 - 100	5,500	37.5 - 40	135 - 140		
Carole Self Director of Corporate Affairs	95 - 100	4,000	27.5 - 30	125 - 130	90 - 95	2,600	47.5 - 50	140 - 145		
Terry Whalley Director of Strategy (from June 2017)	95 - 100	0	20 - 25	115 - 120	n/a	n/a	n/a	n/a		
Mike Coupe Director of Strategy (to February 2017)	n/a	n/a	n/a	n/a	110 - 115	0	37.5 - 40	150 - 155		
Pippa Roberts ³ Director of Pharmacy and Medicines Management	n/a	n/a	n/a	n/a	100 - 105	0	67.5 - 70	165 - 170		

Salaries and benefits of senior managers

	2017/18				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	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
Sir David Henshaw Chairman (from March 2018)	0 - 5	0	n/a	0 - 5	n/a	n/a	n/a	n/a
Michael Carr Chairman (to February 2018)	40 - 45	0	n/a	40 - 45	45 - 50	0	n/a	45 - 50
Graham Hollick Non-Executive Director	15 - 20	0	n/a	15 - 20	10 - 15	0	n/a	10 - 15
Catherine Bond Non-Executive Director (to June 2017)	0 - 5	0	n/a	0 - 5	15 - 20	0	n/a	15 - 20
John Coakley Non-Executive Director (from July 2017)	10 - 15	0	n/a	10 - 15	n/a	n/a	n/a	n/a
Susan Lorimer Non-Executive Director (from July 2017)	10 - 15	0	n/a	10 - 15	n/a	n/a	n/a	n/a
John Sullivan Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
Catherine Macdafford Non-Executive Director (to March 2018)	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
Andrea Hodgson Non-Executive Director (to March 2018)	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
Dr Jean Quinn Non-Executive Director (to December 2017)	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15

¹ The Chief Executive was no longer deemed to be a 'senior manager' with effect from 14 December 2017

² The Chief Operating Officer additionally provided absence cover as Interim Director of Nursing in 2018, with no effect on remuneration

³ The Director of Pharmacy and Medicines Management was no longer deemed to be a 'senior manager' with effect from 1 April 2017

Unless otherwise indicated, all of the listed senior managers were in post for the twelve month period to 31 March 2018. 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 Chief Executive's period in the remuneration tables ends on 13 December as he was no longer a 'senior manager' as defined by the *Department of Health and Social Care Group Accounting Manual (DHSC GAM)*, due to a variation of duties, although he still held the job title 'Chief Executive' beyond the 2017/18 financial year end.

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. It is therefore not possible to additionally disclose the element of the Medical Director's total remuneration that relates to their non-managerial role. 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, and the payment of accommodation costs for an interim director.

There have been no exit packages agreed with senior managers within 2017/18, and no payments made to past senior managers other than those related to ongoing employment, where applicable.

Pension benefits of senior managers

	2017/18							2016/17						
	(a) £000	(b) £000	(c) £000	(d) £000	(e) £000	(f) £000	(g) £000	(a) £000	(b) £000	(c) £000	(d) £000	(e) £000	(f) £000	(g) £000
David Jago Director of Finance (to December 2017) Acting Chief Executive (from December 2017)	2.5 - 5	0	50 - 55	145 - 150	906	95	1,010	5 - 7.5	17.5 - 20	45 - 50	145 - 150	751	128	906
David Allison ¹ Chief Executive	2.5 - 5	0 - 2.5	30 - 35	70 - 75	491	54	574	2.5 - 5	2.5 - 5	25 - 30	65 - 70	405	86	491
Gareth Lawrence Acting Director of Finance (from December 2017)	0 - 2.5	0 - 2.5	15 - 20	30 - 35	136	13	181	0 - 2.5	0 - 2.5	10 - 15	30 - 35	113	4	136
Dr. Susan Gilby Medical Director	0 - 2.5	5 - 7.5	45 - 50	145 - 150	939	89	1,037	0 - 2.5	0 - 2.5	45 - 50	140 - 145	853	21	939
Evan Moore Medical Director (to August 2016)	n/a	0 - 2.5	0 - 2.5	40 - 45	120 - 125	620	26	682						
Gaynor Westray Director of Nursing and Midwifery	2.5 - 5	12.5 - 15	40 - 45	130 - 135	689	126	821	7.5 - 10	25 - 27.5	35 - 40	115 - 120	519	169	689
Janelle Holmes ² Chief Operating Officer	0 - 2.5	2.5 - 5	35 - 40	115 - 120	611	70	687	5 - 7.5	20 - 22.5	35 - 40	105 - 110	475	136	611
Anthony Middleton Director of Operations (from May 2017)	0 - 2.5	0	40-45	100-105	602	21	632	n/a						
Chris Oliver Director of Operations (to May 2017)	0 - 2.5	0 - 2.5	15 - 20	40 - 45	186	3	210	0 - 2.5	0 - 2.5	15 - 20	40 - 45	163	23	186
Paul Charnley Director of IT and Information	0 - 2.5	0	2.5 - 5	0	6	27	33	0 - 2.5	0 - 2.5	0 - 5	0 - 5	0	2	6
Mark Blakeman Director of Infrastructure and Informatics (to November 2016)	n/a	0 - 2.5	0	30 - 35	80 - 85	477	8	489						
Helen Marks Interim Director of Workforce (from February 2018)	0-2.5	0	10 - 15	40 - 45	278	1	285	n/a						
James Mawrey Director of Workforce (to February 2018)	0 - 2.5	0	20 - 25	45 - 50	247	28	282	0 - 2.5	0 - 2.5	15 - 20	45 - 50	217	30	247
Carole Self Director of Corporate Affairs	0 - 2.5	5 - 7.5	15 - 20	45 - 50	249	50	302	2.5 - 5	7.5 - 10	10 - 15	35 - 40	195	54	249
Terry Whalley Director of Strategy (from June 2017)	0 - 2.5	0	5 - 10	0	66	16	86	n/a						
Mike Coupe Director of Strategy (to February 2017)	n/a	0 - 2.5	0 - 2.5	35 - 40	60 - 65	518	56	580						
Pippa Roberts ³ Director of Pharmacy and Medicines Management	n/a	2.5 - 5	0 - 2.5	25 - 30	70 - 75	379	52	431						

- (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 2018 (bands of £5,000)
(d) Lump sum at pension age related to accrued pension at 31 March 2018 (bands of £5,000)
(e) Cash equivalent transfer value (CETV) at 1 April 2017 (to the nearest £1,000)
(f) Real increase in CETV (to the nearest £1,000)
(g) CETV at 31 March 2018 (to the nearest £1,000)
- (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)

¹ The Chief Executive was no longer deemed to be a 'senior manager' with effect from 14 December 2017

² The Chief Operating Officer additionally provided absence cover as Interim Director of Nursing in 2018, with no effect on remuneration

³ The Director of Pharmacy and Medicines Management was no longer deemed to be a 'senior manager' with effect from 1 April 2017

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

Cash equivalent transfer values

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

Real increase in CETV

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

Hutton review of fair pay

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 highest paid director is, at 31 March, a 'senior manager' as defined previously in this *Remuneration report*.

The banded remuneration of the Trust's highest paid director in the financial year 2017/18 was £190k to £195k (2016/17 £205k to £210k). This was 7.4 times (2016/17 7.9 times) the median remuneration of the workforce, which was £26,135 (2016/17 £26,407).

In 2017/18, 12 employees received remuneration in excess of the highest paid director (2016/17 3 employees). Their remuneration in 2017/18 ranged from £198k to £330k (2016/17 £208k to £306k).

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. Remuneration figures are based on the annualised, full time equivalent remuneration at 31 March, and they therefore may vary from actual annual pay per individual. As in previous years, temporary agency staff are excluded from the

calculations. The calculation methodology is kept the same so that the 2017/18 results are comparable with those in previous years.

The year-on-year change in the ratio is driven by the decrease in the highest paid director's pay band, which itself is due to changes to the Chief Executive role within the financial year. Summary results are included in the table below.

	2017/18	2016/17
Band of highest paid director's remuneration (£000)	190 - 195	205 - 210
Median total (£)	26,135	26,407
Ratio	7.4	7.9



David Jago
Acting Chief Executive

Date: 25th May 2018

Staff Report

The Trust is facing some significant challenges in relation to the culture across the Trust. The issues of bullying and harassment, lack of engagement and the questioning of the Trust's values and behaviours have surfaced following independent reviews. The Trust will be reviewing its Workforce and Organisational Development strategy over the coming months to ensure that it will significantly focus on these issues and underpin the strategic direction of the organisation.

The Trust's Employees

The number of whole time equivalents (WTE) employed by the Trust during 2017/18 (as at March 2018) was 5005.56 WTE and the total number of employees was 6048 (Headcount)

The following table provides a more detailed breakdown of our employees by WTE and Headcount for 2017/18 (as at March 2018). This is broken down by the number of male and female employees and by staffing groups.

Gender	WTE	Headcount
Female	3868.16	4793
Male	1137.39	1255
Grand Total	5005.56	6048

Staff Group	WTE	Headcount
Add Prof Scientific and Technic	219.67	246
Additional Clinical Services	1033.05	1226
Administrative and Clerical	967.11	1113
Allied Health Professionals	261.19	330
Estates and Ancillary	574.73	913
Healthcare Scientists	123.08	138
Medical and Dental	391.02	419
Nursing and Midwifery Registered	1435.71	1663
Grand Total	5005.56	6048

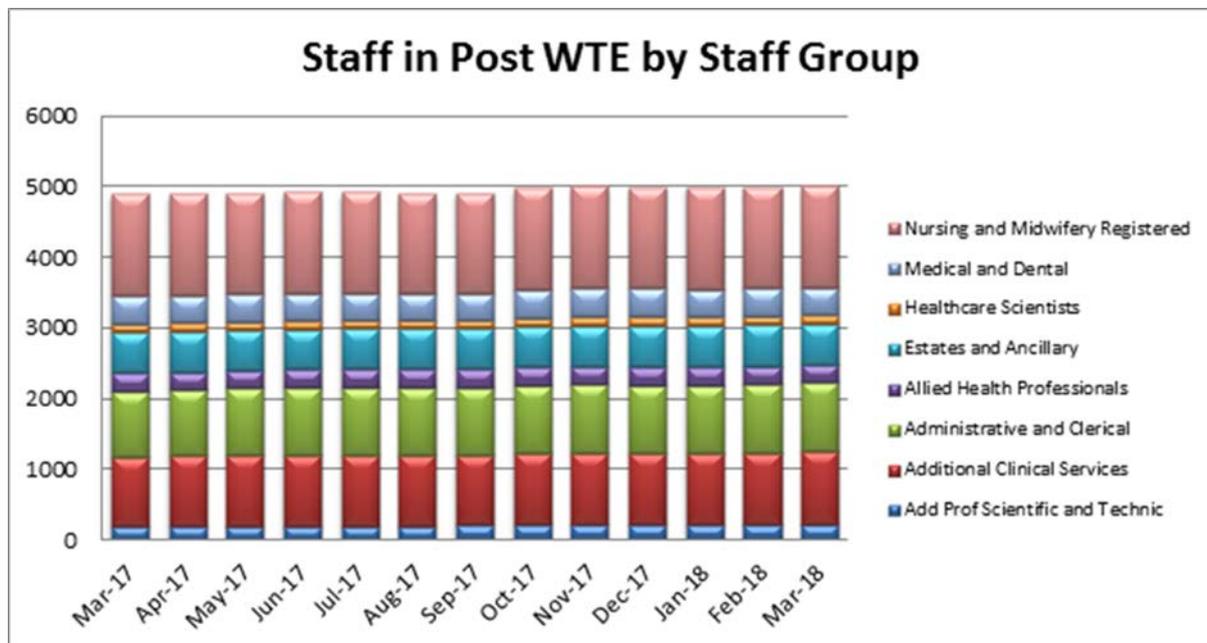
Analysis of average staff numbers

Employee category	Permanently employed	Other	2017/18 Total	2016/17 Total
Medical and dental	380	211	591	577
Administration and estates	927	12	939	922
Healthcare assistants and other support staff	1,638	141	1,779	1,692
Nursing, midwifery and health visiting staff	1,496	48	1,544	1,542
Scientific, therapeutic and technical staff	400	21	421	392
Healthcare science staff	135	1	136	135
Other	-	7	7	7
Total average staff numbers ¹	4,976	441	5,417	5,267

¹ Agency and contract staff and Bank staff as reported in 2016/17 have been reclassified to Other column in 2017/18, which distributes figures across the remaining rows

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

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



Analysis of staff costs

	Permanently employed £000	Other £000	2017/18 Total £000	2016/17 Total £000
Salaries and wages	178,480	12,773	191,253	181,804
Social security costs	16,938	11	16,949	16,288
Apprenticeship levy	842	-	842	n/a
Employer's contributions to the NHS Pension Scheme	20,119	-	20,119	19,092
Employer's contributions to the National Employment Savings Scheme (NEST)	18	-	18	19
Agency / contract staff	-	6,704	6,704	7,098
Total staff costs	216,397	19,488	235,885	224,301



Staff policies and actions applied during the financial year

The overarching Trust Education Policy ensures that all staff have access to training and development opportunities.

The Trust is committed to supporting disabled people in employment and has signed up to the Disability Confident Employer scheme, with a focus on actively supporting work experience and internship opportunities for disabled people. We are setting up a disability staff network support group and are supporting the new Workforce Disability Equality Standards (WDES) that come into force with effect from 1st April 2018. This will ensure that we more robustly monitor and support staff who have identified that they have a disability and ensure greater opportunities for them to share their experiences and views so we can improve things further. All this is underpinned by our policies which ensure that any barriers to the employment of disabled people are removed; these include policies on safe and fair employment, equality and diversity, disability leave, Education Policy etc.

The Trust believes that providing staff with relevant information on a timely basis is key to having a fully engaged workforce. To this end many channels are used on both a regular and ad hoc basis. These include: Weekly CEO communication, Team Brief throughout 2017, now replaced with Trust Board Brief following staff feedback, National Staff Survey Findings 2016 feedback to staff, 'we said we did' information on what had been done in response to National Staff Survey, Emergency Department Listening Exercise, National Staff Survey 2017 feedback session and engagement with key groups and trade unions.

As the biggest employer locally, WUTH has many channels of communication when it comes to employee involvement around decision making. A weekly CEO message to all staff will often include thought provoking content in which staff are asked to give feedback where possible. Regular and frequent staff engagement meetings are held within all areas of the workforce divisions. These meetings purposely ask for the views of staff so any areas of concern can be flagged at the earliest of opportunities and blockages unblocked. The Trust works closely in partnership with Staff Trade Unions to ensure staff views through this route are captured and acted upon. One very important area is via our Freedom to Speak Up Guardians. Staff continue to use this facility openly in the confidence that all employee concerns are taken seriously. The Trust takes particular note of the Annual national staff survey and quarterly staff friends and family test, extracting issues and putting in place detailed plans to address. In all these ways WUTH continuously takes on-board staff feedback throughout the year and will take action where appropriate.

A number of staff engagement events are held each year to further enhance employee involvement. Such events include CEO 'big conversations' and winter planning.

WUTH Occupational Health Department has received SEQOHS accreditation as a Safe, Effective, Quality Occupational Health Service. During the period April 2017-March 2018 the Occupational Health Department (OHD) scheduled 9485 appointments to support staff. Occupational Health supported the infection control team with outbreaks & cases of Flu, Measles and Chicken pox which involved screening all staff members whom had contact with index cases. Our Occupational Health Department again ran a highly successful Flu Campaign in which 81.3% of front line staff were vaccinated.

We work closely with agencies such as the Mersey Internal Audit Agency (MIAA) to publicise where possible messages around countering fraud. Such messages may be communicated globally to staff via our weekly News Bulletin, via the dedicated fraud page on the staff website or via our dedicated staff social media channels on Facebook and Twitter.

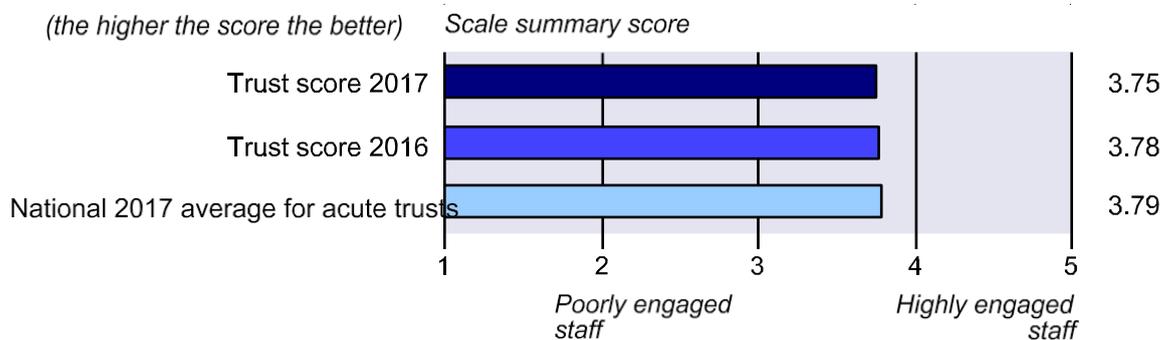
2017 National Staff Survey Results

The National Staff Survey was undertaken between September and December 2017. It was distributed to a random sample of 1250 staff across all roles and divisions. For the first time, the Trust had increased its distribution via NHS email to 70% of invitees, with 30% who received it in hard copy format. Multiple reminders were sent. The 2017 results were received and presented to the Trust in March 2018.

The Trust's response rate was the lowest seen in several years at 31% (382 respondents). The national average for acute trusts administered by Quality Health was 45%. Our response rate in 2016 was 46%.

The figure below shows how Wirral University Teaching Hospital NHS Foundation Trust compares with other acute trusts on an overall indicator of staff engagement. Possible scores range from 1 to 5, with 1 indicating that staff are poorly engaged (with their work, their team and their trust) and 5 indicating that staff are highly engaged. The Trust's score of 3.75 was below (worse than) average when compared with trusts of a similar type but not a significant change from the 2016 staff survey result.

OVERALL STAFF ENGAGEMENT

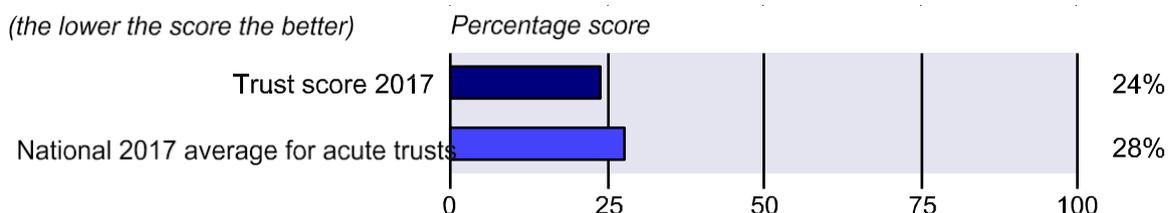


Top and Bottom Ranking Scores

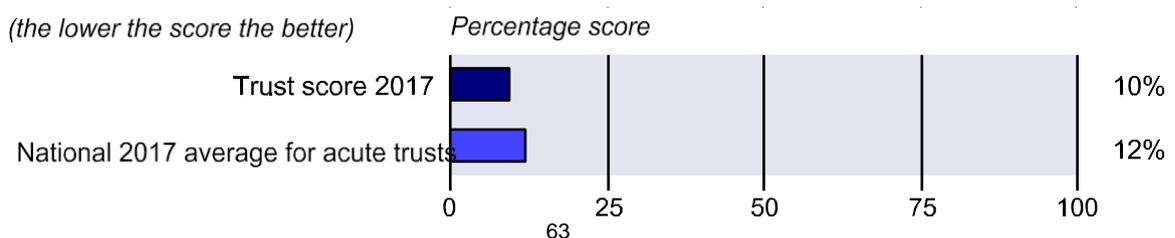
This page highlights the five Key Findings for which Wirral University Teaching Hospital NHS Foundation Trust compares most favourably with other acute trusts in England.

TOP FIVE RANKING SCORES

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

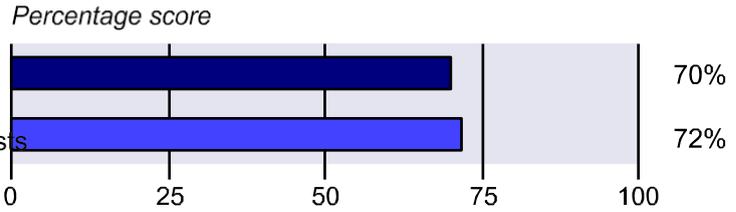


- ✓ **KF20. Percentage of staff experiencing discrimination at work in the last 12 months**



✓ **KF16. Percentage of staff working extra hours**

(the lower the score the better)



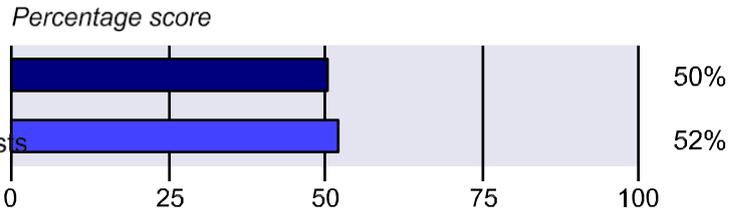
✓ **KF23. Percentage of staff experiencing physical violence from staff in last 12 months**

(the lower the score the better)



✓ **KF18. Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves**

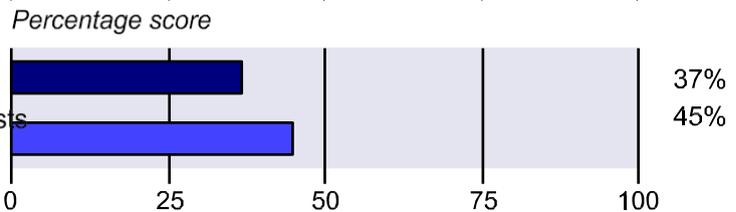
(the lower the score the better)



BOTTOM FIVE RANKING SCORES

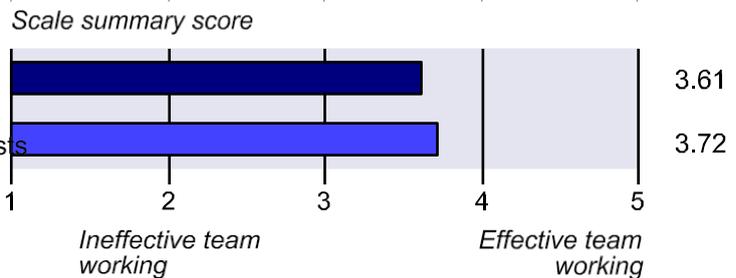
! KF27. Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse

(the higher the score the better)



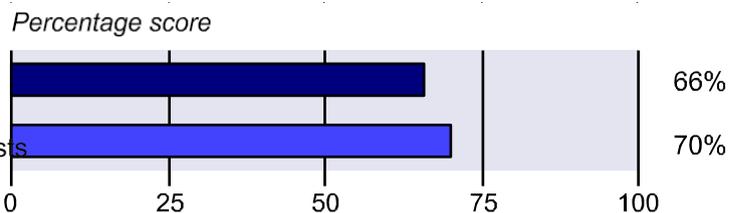
! KF9. Effective team working

(the higher the score the better)



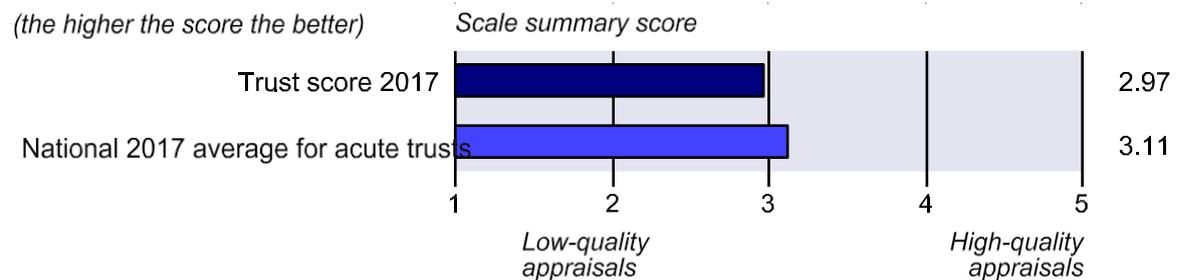
! KF7. Percentage of staff able to contribute towards improvements at work

(the higher the score the better)



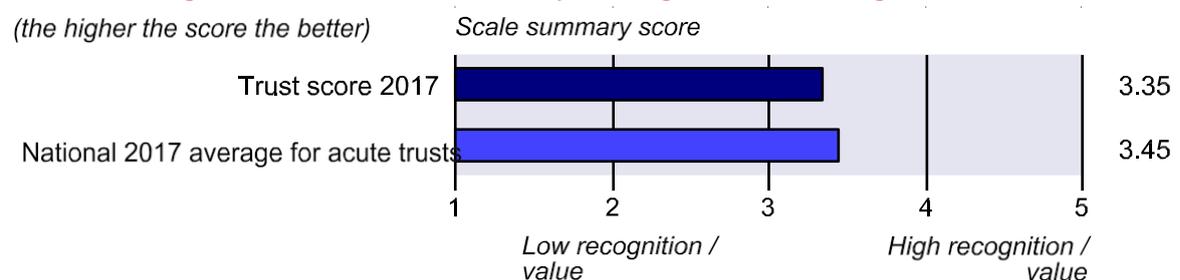
! KF12. Quality of appraisals

(the higher the score the better)



! KF5. Recognition and value of staff by managers and the organisation

(the higher the score the better)



Next Steps

The Staff Engagement work programme for 2018 will take a new approach and focus on key themes delivered through a refreshed Organisational Development Plan. Additionally, these key themes will take into consideration feedback from staff on the low or most deteriorated areas within the 2017 National Staff Survey. Themes will include:

- **Culture** – redefining the Trust's values and behaviours and shaping a compassionate organisational culture from board to ward.
- **Leadership** – developing compassionate leaders at every level of the organisation.
- **Healthy working environments** – creating healthy working environments for all our workforce which are free from bullying and harassment and promotes the health and wellbeing of our employees
- **Learning organisation** – supporting our workforce to grow and learn that are based on quality conversations about individuals development needs and aspirations.
- **Engagement** – ensuring our workforce have a voice and our actively engaged in the business of the Trust and its direction of travel
- **Valuing our staff** – that we recognise the contributions that are staff make to the Trust on daily basis and celebrate their successes
- **Inclusivity** - securing a diverse workforce enables us to deliver a more inclusive service and improve patient care.

The strategy will focus on shaping the culture of the Trust and in particular detailing the required behaviours that will create a compassionate organisation from board to ward. In addition the Trust will be securing compassionate leaders at every level of the organisation particularly focusing on the newly established clinical leadership teams.

The Board responded to the very disappointing outcome of the Medical Engagement Survey undertaken in the summer of 2017 by developing and implementing a clinical engagement plan supported by the implementation of a new clinical leadership model.

Conversations will be cultivated across the organisation to engage the workforce in shaping discussions on quality ideas that may subsequently positively impact on the Trust finances. As well as introducing recruitment and retention activities that incorporate the development of career pathways, supporting newly qualified members of staff from education to profession.

The Trust will commit to ensure that we have the right numbers of staff in the right place with the right skills at the right time. Trust leaders will maintain a strategic forward view, anticipating and managing required organisational change. In the period 2017–19 workforce numbers and structures at WUTH will be impacted by increased cross working with the Countess of Chester Hospital (COCH) and closer co-operation with primary and social care in a move towards an Integrated Care System.

IT developments will increase the effectiveness of the workforce. The outcomes of these changes on staffing levels will inevitably be impacted by increased demand, increased acuity and a drive for improved quality (e.g. ensuring safe staffing levels through management of KPIs such as Care Hours per Patient Day, meeting waiting time targets etc.).

The Trust currently has a 4.69% sickness rate, over a rolling 12 month period. Reductions in sickness allows extra staff days for the care of our patients as well as reducing the reliance on bank and agency staff. The organisation is committed to creating a health and wellbeing framework with a view to supporting the health and wellbeing of our workforce, our patients and our communities. As a minimum the Trust ensures a very high number of our staff receives the Flu Vaccination; this year 81.3% employees were vaccinated.

The Trust has a total vacancy rate of 4.9%. For our nursing staff it is 6.09% and for our medical and dental workforce 4.98%. However, for consultant medical staff we have a vacancy rate of 7.71%. The Trust is committed to reduce vacancy rates part of which will be nurturing new talent. The Trust has plans to expand the numbers participating in its already successful apprenticeship program (in line with national guidance). Further progress will be made in our multidisciplinary workforce planning including a particular focus on the integration of new roles. New roles, job planning and skills development particularly in key groups such as our Advanced Nurse Practitioners and Associate Physician will assist in maintaining a stable workforce.

Key to the delivery of workforce efficiency savings and to maintaining high quality services will be a reduction in reliance on and cost of non-core staffing. Progress has been made in ensuring that the skill mix of substantive staff is optimised to reduce the need for agency and bank staffing. The further development of e-Roster, currently underway, will also support this.

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.

There were no compulsory redundancies in either 2016/17 or 2017/18.

All exit packages shown in the table on the right were classed as 'other departures'.

Exit package cost band (including any special payment element)	2017/18	2016/17
	Total number of exit packages by cost band Number	Total number of exit packages by cost band Number
< £10,000	20	24
£10,001 - £25,000	2	5
£25,001 - £50,000	-	1
Total number of exit packages by type	22	30
Total resource cost	104	168

In 2017/18, 14 of the 'other departures' were as a result of dismissal, and 4 were as a result of voluntary resignation. A further 4 cases comprised pay in lieu of notice relating to ill-health retirement. 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. Ongoing costs related to ill-health retirements are met by NHS Pensions and are not included in this disclosure.

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

	2017/18	2017/18	2016/17	2016/17
	Agreements Number	Total value of agreements £000	Agreements Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	2	19
Contractual payments in lieu of notice	22	104	28	149
Total	22	104	30	168

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

Non-contractual exit packages require HM Treasury pre-approval. No such payments have been made in either 2016/17 or 2017/18.

Expenditure on consultancy

Total expenditure on consultancy for 2017/18 has been £0.1m (£0.2m 2016/17).

Off-payroll arrangements

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

Table 1 : For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months

Number of existing engagements as at 31 March 2018	9
Of which	
Number that have existed for less than one year at time of reporting	5
Number that have existed for between one year and two years at time of reporting	4
Number that have existed for between two years and three years at time of reporting	0
Number that have existed for between three years and four years at time of reporting	0
Number that have existed for between four or more years at time of reporting	0

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

Table 2 : All new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that lasted longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	9
Of which	
Number assessed as within the scope of IR35	9
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	9
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payment engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018

Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the year	0
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year, including both off-payroll and on-payroll engagements	24

There have been no off-payroll engagements of Board Members in 2017/18.

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 recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors accepts that the resignations in 2017/18 are higher than normal. The Annual Governance Statement provides the background to the enforcement action undertaken and the investigation undertaken by NHSI which concluded in March 2018. The Board also accepts that the issues raised in the investigation report were not raised or formally recorded in the Board minutes however the Investigation Report was made public and available to all staff.

The Trust, as part of its legal duties, ensures that appropriate insurance is arranged to cover the risk of legal action against any of its Directors.

The Chairman met on several occasions with the non-executives without the executives present as recommended under the Code of Governance.

All Board members and Governors on the Council meet the "fit and proper" persons test as described in the Trust's provider licence.

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 internal Care Quality Inspections team where they visit wards and departments to assess care quality and patient experience. Non-Executive Directors are also invited to public events where they can meet members, such as the Annual Members Meeting. The lead Governor is a member of the Quality and Safety Committee and all Governors are welcomed at the Board of Directors meetings.

The Chairman reviews the performance of the Chief Executive and of the Non-Executive Directors annually and reports this to the Governors Nominations

Committee and Council of Governors. This includes any recommendations for professional development relevant to individual or collective Non-Executive duties. 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 NHS Improvement as this provided stability to support the integration of a refreshed Executive team.

The Council of Governors supported the recommendation from the Nominations Committee in September 2017 that the Chairman's tenure should further be extended. This recommendation was superseded by the resignation of the Chairman in February 2018.

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 Strategy and Sustainability 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 Care Quality Commission 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 2017/18 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 2017/18 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 undertakes 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. The Board supported the recommendations of the quality governance review undertaken in 2017 which outlined changes to the structure below sub-committee level, and this work is on-going. The Board also agreed to establish a new Workforce Assurance Committee in March 2018 to focus on workforce performance metrics and the organisational development work in relation to culture.

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 10 occasions in 2017/18 in order to discharge its duties. All meetings were quorate.

Director	Meeting Attendance Actual/ Possible 1st April 2017 – 31st March 2018 (% Attendance)
Michael Carr Chairman (resigned 27 th February 2018)	8/8 (100%)
Sir David Henshaw Chair (from 2 nd March 2018)	1/1 (100%)
Cathy Bond Senior Independent Director/ Deputy Chair (until 30 th June 2017)	3/3 (100%)
John Coakley (from 1 st July 2017)	6/8 (75%)

Andrea Hodgson Deputy Chair (from 1 st July 2017, until 13 th March 2018)	9/9 (100%)
Graham Hollick	9/10 (90%)
Sue Lorimer (from 1 st July 2017)	8/8 (100%)
Cathy Maddaford Senior Independent Director (from 1 st July 2017, until 13 th March 2018)	7/9 (77.7%)
John Sullivan	10/10 (100%)
Dr Jean Quinn (until 31 st December 2017)	7/7 (100%)
David Allison Chief Executive (senior manager until 13 th December 2017)	7/7 (100%)
Susan Gilby Medical Director	8/10 (80%)
Janelle Holmes Chief Operating Officer	9/10 (90%)
David Jago Director of Finance	7/7 (100%)
David Jago Acting Chief Executive (from 15 th December 2017)	3/3 (100%)
Gareth Lawrence Acting Director of Finance (from 15 th December 2017)	3/3 (100%)
Denise Price Interim Director of Nursing (from 4 th September 2017, until 5 th January 2018)	3/3 (100%)
Gaynor Westray Director of Nursing and Midwifery	3/5 (60%)

Board Assurance Committees

During 2017/18 the Board had the following Assurance Committees:

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

The Board agreed in March 2018 to establish a further Assurance Committee to focus on Workforce.

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

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.

In February 2017 the Audit Committee members conducted an in-depth review of the Committee's performance, facilitated by the Trust's internal auditors, Mersey Internal Audit Agency (MIAA), which sought Committee member views on current performance and future developments.

The Committee determined that the following areas required action:

Action	Responsibility	Progress to date
A1. Workplan: To reflect periodically that the Committee is ensuring a review of integrated governance is being achieved. This will ensure clarity of purpose	Audit Committee	The Committee has reviewed the work being undertaken as part of the quality governance review in the summer of 2017 and the establishment of the integrated quality dashboard.
A2. Coordination of Committees: Allow for more formalised review of the work of other Committees i.e. keeping more of a formal record of when issues have been passed over	Audit Committee / Director of Corporate Affairs	The Chair of Audit Committee Report now formally records when an action has been passed to an Assurance Committee. This is then followed up by the respective committee and formally reported back through the BAF and to the Board

		through the appropriate Chair's report
A3. Board Assurance Framework: To record in the BAF improvements that have been made as a result of interaction with other committees	Audit Committee / Director of Corporate Affairs	The BAF now includes a section on the position of the Audit Committee. This includes the outcome of all internal audit and external audit reports and where the Committee have requested specific action be taken.
A4. Other Assurance Functions: To consider how the work of other assurance functions is considered/reviewed by the Committee.	Audit Committee	Whilst high level issues are reviewed by the Committee, this is still an area for improvement.

The Terms of Reference of the Committee were reviewed and updated in December 2017 and the Audit agenda was 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 risk, governance and management.

The Audit Committee met 5 times during 2017/18 in order to discharge its duties, all meetings have been quorate and a Chair's report submitted to the Board of Directors following each meeting to outline the key areas of discussion and actions to be undertaken to address any issues identified.

Audit Committee members have met in private with both internal and external auditors and are committed to continuing with this practice going into 2018/19.

The Audit Committee work programme for 2017/18 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 compliance with the Standards of Business Conduct Policy and the management of conflicts of interest
- 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 including the review of effectiveness of the service which was undertaken as part of the private meetings with auditors and the constant review of the challenges facing the Trust and how Audit partners could support this

- Internal Audit Reports and follow up actions
- Anti-fraud work plans and performance data
- Review of Clinical Audit and the establishment of a new clinical audit strategy

The significant internal control issues identified as part of the Audit Committee's work together with the actions to address these are described in the Annual Governance Statement.

The Audit Committee in conjunction with the Council of Governors last tendered for external audit services in 2015/16. Grant Thornton UK LLP was awarded the contract based on recommendations from peer organisations and their demonstration of value for money. The length of the original tenure was 3 years extended by a further 2 years as per the original tender contract.

External auditors have not undertaken any non-audit work during the reporting period.

Specific significant issues discussed by the Audit Committee during 2017/18

The Committee discussed a number of significant issues in relation to external audit findings for the year ended 31 March 2018, as set out below.

Value for Money Conclusion

The Committee reviewed the risk based review of the Trust's value for money arrangements undertaken by the external auditor. The auditor was satisfied that the Trust has proper arrangements to secure economy, efficiency and effectiveness in its use of resources, except for in relation to sustainable resource deployment and informed decision making. The external auditor issued a qualified 'except for' value for money conclusion. The two risks identified are outlined below:

1. Informed decision making - The Trust's arrangements to address the governance issues reported to NHSI during December 2017

During the year, an independent review of the Trust's governance arrangements found cultural, behavioural and governance issues at the Trust. The outcome of this review was followed by a number of resignations from the Trust's Board including Chairman and Chief Executive, which have adversely impacted the Trust's leadership capacity and capability. In March 2018, NHS Improvement invoked an additional license condition on the Trust under section 111 of the Health and Social Care Act 2012.

2. Sustainable resource deployment – Financial resources and future sustainability

The Trust delivered a £17.4 million deficit in 2017/18 compared with a planned deficit of £0.6 million. The deficit included a £3.9 million gain from land sale at the Clatterbridge site and Sustainability and Transformation (STF) funding of £3.4m. Cost Improvement Savings (CIP) delivered £8.4m of the NHSI £15.0m

target. As a result of the deficit position, the Trust has been dependent upon £23.4m of revenue support loans from DH to meet commitments. For 2018/19, the Trust has submitted a deficit plan of £25.3m and has not agreed to the NHSI control total (£11.0m surplus). In arriving at the deficit plan the Trust requires £25.0m of revenue support loans from DHSC which is not yet formally agreed.

The Annual Governance Statement outlines how the Trust plans to mitigate these significant internal control issues going into 2018/19 and beyond. This includes the work of the Audit Committee as outlined below.

Going concern material uncertainty disclosures

The Trust incurred a £17.4m financial deficit in delivering its services in 2017/18 and has received financial revenue support via revenue support loans of £23.4m during the year. The Trust anticipates that it may take a number of years before the Trust's income equals or exceeds its expenditure. The Trust will therefore require further cash support via revenue loans to meet its liabilities in 2018/19 and 2019/20. The source and value of the loans has yet to be confirmed.

The Committee has been able to place reliance upon work undertaken by the external auditor as part of the work that they undertook to enable them to develop their audit opinion.

Conclusion

The Committee has framed its work programme for 2018/19 to address the risks outlined above including the two identified significant internal control issues described in more detail in the Annual Governance Statement, these being the achievement of financial sustainability and informed decision making which led to the qualified "except for" Value for Money Conclusion.

The Committee has agreed that its priorities for 2018/19 will be:

- Monitor progress towards "true" financial sustainability
- Seek greater assurance from the Finance Business Performance and Assurance Committee on the outcome of the Use of Resources Assessment and the Value for Money Conclusion
- Revision of the Trust's review of compliance with its Provider Licence, in particular to areas of breach and the outcome of the Well Led Assessment in May 2018
- Review how the Trust begins to implement a streamlined Board Assurance Framework across the organisation and thereby improve its ability to mitigate risk
- Seek greater assurance from Board sub-committees on the work being undertaken in relation to whistleblowing and freedom to speak up with a view to improving the culture of the organisation
- Assurance on the implementation of the General Data Protection Regulations (GDPR) from May 2018
- Ensure that the clinical audit programme has the same gravitas for the Committee as the internal audit plan

The Committee met on 5 occasions as outlined below:

	Meeting Attendance Actual / Possible 1st April 2017 – 31st March 2018 (% Attendance) Non-Executive Directors
Cathy Bond, Chair (until 30 th June 2017)	2/2 (100%)
Graham Hollick, Chair (from July 1 st 2017)	4/5 (80%)
Sue Lorimer	2/3 (66.6%)
John Sullivan	5/5 (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 2017.

The Finance Business Performance and Assurance Committee met 7 times during 2017/18 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 2017, the Committee undertook key pieces of work under the following headings for 2017/18:

- Risk and Assurance
- Financial Management and Assurance
- Performance and Improvement
- Regulation
- Governance

		Meeting Attendance Actual / Possible 1st April 2017 – 31st March 2018 (% Attendance)
John Coakley	Non- Executive Director	3/6 (50%)
Susan Gilby	Medical Director	4/7 (57.1%)
Andrea Hodgson (Chair until March 2018)	Non- Executive Director / Deputy Chair	6/6 (100%)
Graham Hollick	Non- Executive Director	1/1 (100%)
Janelle Holmes	Chief Operating Officer	3/7 (42.8%)
David Jago	Director of Finance	5/5 (100%)
Gareth Lawrence	Acting Director of Finance	2/2 (100%)
Sue Lorimer (Chair from March 2018)	Non- Executive Director	5/6 (83.3%)
Helen Marks (from 1 st February 2018)	Interim Director of Workforce	2/2 (100%)
James Mawrey (until 4 th February 2018)	Director of Workforce, HR and OD	2/5 (40%)
John Sullivan	Non-Executive Director	1/1 (100%)
Gaynor Westray	Director of Nursing and Midwifery	3/3 (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 July 2017.

The Quality and Safety Committee met 6 times during 2017/18 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 January 2017, the Committee undertook key pieces of work under the following headers for 2017/18:

- Risk
- Clinical Effectiveness and Safety
- Patient Experience
- Workforce and Staff Satisfaction and Engagement
- Governance

	Meeting Attendance Actual / Possible 1st April 2017 – 31st March 2018 (% Attendance)
John Coakley	2/5 (40%)
Jan Eccleston Associate Director of Risk	1/3 (33.3%)
Susan Gilby Medical Director	5/6 (83.3%)
Andrea Hodgson Deputy Chair	4/5 (80%)
Janelle Holmes Chief Operating Officer	5/6 (83.3%)
Robert Howell Lead Governor	2/4 (50%)
David Jago Director of Finance	4/5 (80%)
Gareth Lawrence Acting Director of Finance	0/1 (0%)
Cathy Maddaford (Chair from 1 st July 2017)	4/5 (80%)

Senior Independent Director	
Helen Marks Interim Director of Workforce (from 1 st February 2018)	1/1 (100%)
James Mawrey Director of Workforce	5/5 (100%)
Denise Price Interim Director of Nursing	1/3 (33.3%)
Karen Prior Healthwatch Representative	3/6 (50%)
John Sullivan (Chair 14 th March 2018)	5/5 (100%)
Angela Tindall Lead Governor	2/2 (100%)
Alison Quinn Head of Patient Experience	2/5 (40%)
Jean Quinn (Chair until 30 th June 2017)	4/4 (100%)
Gaynor Westray Director of Nursing and Midwifery	2/3 (66.6%)

Charitable Funds Committee

The Committee was chaired by the Trust Chairman to oversee the effective management of charitable funds, held by Wirral University Teaching Hospital NHS Foundation Trust Charitable Fund (known as 'WUTH Charity'), registered charity number 1050469.

The Board of Directors approved a restructure of the Charity's funds in October 2016, alongside new policies and a revised Mission, to ensure that the Charity's governance was aligned with national best practice. The Committee reviewed the new arrangements throughout 2017/18, during which time a new Income Strategy was also approved. Further details are available within the Charity's Annual Report and Accounts.

The Committee met 4 times during 2017/18.

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 external auditor
- to receive the annual accounts, any report on these provided by the auditor, and the annual report.

In addition,

- In preparing the NHS Foundation Trust'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
- 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:

- 13 public governor seats
- 5 staff governor seats

- 4 seats assigned to nominated partner organisations

The names of those who served as Governors during 2017/18 are listed in the attendance report at the end of this section. This also details the name of the Lead Governor.

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).

The Council of Governors approved the policy for removal from the Council of any governor who consistently and unjustifiably fails to attend the meetings of the Council or has an actual or potential conflict of interest which prevents the proper exercise of their duties. This policy is appended to the Trust's Constitution.

The Council of Governors traditionally undertakes an annual review of its collective performance; this was not undertaken in 2017/18 although action to improve performance and understanding have been undertaken as part of the Council of Governors workshops throughout the year.

Governor Elections

A total of six seats were available on the Council of Governors in 2017/18, five of which were for Public Governors and one for Staff Governor.

Governor attendance at Council of Governor Meetings 2017/18

The following tables list the governors who have served on the Council of Governors during 2017/18 and individual attendance by governors and directors at Council of Governors meetings. Four meetings of the Council of Governors were held in 2017/18.

Governor	Constituency / Class	Meeting attendance Actual / Possible 1st April 2017 – 31st March 2018 (% attendance)
Public		
Annie Pierce	Bebington and Clatterbridge	0/2 (0%)
Rohit Warikoo	Bidston and Claughton	1/4 (25%)
Frieda Rimmer	Birkenhead, Tranmere and Rock Ferry	3/3 (100%)
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	2/3 (66.6%)
Sue Mitchell	Leasowe, Moreton and Saughall Massie	0/1 (0%)
Derek Hampson	Liscard and Seacombe	1/3 (33.3%)
Len Smith	Neston, Little Neston, Parkgate, Riverside, Burton, Ness, Willaston and Thornton	1/2 (50%)
Ian Linford	Neston, Little Neston, Parkgate, Riverside, Burton, Ness, Willaston and Thornton	1/2 (50%)
Paul Harris	New Brighton and Wallasey	1/2 (50%)
Sheila Hillhouse	New Brighton and Wallasey	2/2 (100%)
Angela Tindall (Lead Governor)	North West and North Wales	4/4 (100%)
George Wadham	Oxton and Prenton	4/4 (100%)
Robert Howell	West Wirral	2/2 (100%)

Governor	Constituency / Class	Meeting attendance Actual / Possible 1st April 2017 – 31st March 2018 (% attendance)
John Fry	West Wirral	2/2 (100%)
Staff		
Rosemary Morgan	Registered Medical Practitioners and Registered Dentists	2/2 (100%)
Richard Latten	Registered Medical Practitioners and Registered Dentists	1/1 (100%)
Paula Clare	Registered Nurses and Registered Midwives	1/4 (25%)
Carol Skillen	Registered Nurses and Registered Midwives	2/4 (50%)
Amrit Kang	Other Healthcare Professionals	0/4 (0%)
Norman Robinson	Other Trust Staff	4/4 (100%)
Stakeholder Governors		
Fadil Hannan	University of Liverpool	2/4 (50%)
Mandy Duncan	Wirral Third Sector Assembly	2/4 (50%)
Kathy Hodson	Wirral Metropolitan Borough Council	1/4 (25%)
Tony Jones	Wirral Metropolitan Borough Council	2/4 (50%)

Director Attendance at Council of Governor Meetings 2017/18

Michael Carr	Chairman	3/3 (100%)
Sir David Henshaw	Chair	1/1 (100%)
John Coakley	Non- Executive Director	1/3 (33.3%)
Andrea Hodgson	Non- Executive Director/ Deputy Chair	1/3 (33.3%)

Graham Hollick	Non- Executive Director	3/4 (75%)
Sue Lorimer	Non- Executive Director	3/4 (75%)
Cathy Maddaford	Senior Independent Director	3/3 (100%)
John Sullivan	Non- Executive Director	3/4 (75%)
Jean Quinn	Non- Executive Director	3/3 (100%)
David Allison	Chief Executive	2/3 (66.6%)
Paul Charnley	Director of IT and Information	0/4 (0%)
Susan Gilby	Medical Director	3/4 (75%)
Janelle Holmes	Chief Operating Officer	3/4 (75%)
David Jago	Acting Chief Executive	1/1 (100%)
David Jago	Director of Finance	3/3 (100%)
Gareth Lawrence	Acting Director of Finance	1/1 (100%)
Helen Marks	Interim Director of Workforce	1/1 (100%)
James Mawrey	Director of Workforce	2/3 (66.6%)
Anthony Middleton	Director of Operations and Performance	4/4 (100%)
Denise Price	Interim Director of Nursing	0/2 (0%)
Gaynor Westray	Director of Nursing and Midwifery	1/1 (100%)
Terry Whalley	Director of Strategy and Sustainability	4/4 (100%)

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 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 twice during the year.

Nominations Committee Membership & Attendance 2017/18

Name	Role	Meetings attended (maximum 2 and % attendance)
Michael Carr	Trust Chairman	1/1(100%)*
Cathy Maddaford	Senior Independent Director	1/1 (100%)*
Steve Evans	Public Governor	2/2 (100%)
Kathy Hodson	Stakeholder Governor	1/2 (50%)
Robert Howell	Lead Governor	1/2 (50%)
Rosemary Morgan	Staff Governor	0/2 (0%)
Angela Tindall	Public Governor	2/2 (100%)

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

In June 2017 the Committee reviewed and agreed the Terms of Reference for the Nominations Committee.

The Committee was presented with a re-structure of the portfolios of the Non-Executive Directors. The Committee was asked to support the recommendation that the role of Senior Independent Director and Deputy Chair, previously undertaken as a dual role by Mrs Cathy Bond be divided into two separate roles. Mrs Bond's tenure as a Non-Executive Director ended on 30th June 2017 and the proposal was therefore, that Ms Cathy Maddaford would undertake the role of Senior Independent Director and Mrs Andrea Hodgson would undertake the role of Deputy Chair. Both positions commenced on 1st July 2017.

The Nominations Committee sought and used the services of an external recruitment agency in respect of 2 Non-Executive appointments these being Mrs Lorimer and Dr Coakley. The Nominations Committee sought external independent advice from the Chair of the Clatterbridge Cancer Centre as part of this appointment process, although this individual did not have any voting rights.

The Committee agreed in June 2017 that it would review levels of remuneration against any changes in market conditions through external benchmarking and changes to individual responsibilities which may involve a greater level of commitment than previously otherwise required. The Committee agreed that the Director of Workforce would lead on this work.

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 plays a large part in the design and content of the Trust's Proud Magazine. The Committee now consists of both Ambassadors and Governors.

Strategy and Sustainability Advisory Committee

This committee meets on an ad-hoc basis with the Director of Strategy and Sustainability. The Committee consults with the Trust's officers and directors on how key issues for Governors dovetail with the Trust Strategy. It further looks at priorities to ensure long term clinical & financial sustainability of high quality locally accessible service, and specifics set out in the Long Term and Annual Plans.

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 2017/18 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 Haemodialysis, Patient nutrition, Care of patients with dementia and General Data Protection Regulations (GDPR).

Governors took an active role in the Annual Members Meeting in September 2017, at which they were presented with the Annual Report and Accounts.

The Trust continues to seek the views of Governors and members alongside the Ambassador role which was 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 8,759 public members plus an additional 6,048 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.

Throughout 2017/18, we continued to maintain and improve our engagement with our members.

Members receive regular mailings, including the Trust's 'Proud' magazine, 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 September 2017, 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	2016/17	2017/18
At year start (1 st April)	9,063	8,824
New members	176	76
Members leaving	415	141
At year end (31 st March)	8,824	8,759
Staff constituency	2016/17	2017/18
At year start (1 st April)	5,871	5,893

New members	557	749
Members leaving	535	594
At year end (31 st March)	5,893	6,048
Patient constituency	There is no Patient Constituency	

Analysis of membership 2017/18				
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	5	0.06	1,571,130	20.01
17 - 21	88	1.00	472,864	6.02
22+	7,730	88.25	5,809,132	73.97
Not stated	936	10.69	N/A	N/A
Total	8,759	100.00	7,853,124	100.00
Ethnicity				
White	8,264	94.36	6,957,053	90.48
Mixed	40	0.46	115,212	1.51
Asian or Asian British	95	1.07	445,546	5.79
Black or Black British	25	0.29	99,230	1.30
Other	10	0.11	71,705	0.93
Not stated	325	3.71	N/A	N/A
Socio-economic groupings*				
AB	2,284	26.08	458,745	19.08

C1	2,508	28.63	722,279	30.04
C2	1,879	21.45	507,325	21.10
DE	2,039	23.28	716,214	29.79
Gender analysis			(2014 figures collated by CACI Ltd)	
Male	3,205	36.59	3,876,101	49.36
Female	5,346	61.03	3,977,023	50.64
Unspecified	208	2.37	N/A	N/A
Patient constituency	There is no patient constituency			

The analysis section of this report excludes:

936 public members with no stated dates of birth, 325 members with no stated ethnicity and 208 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 of 2016/17 relating to the RAF has not been presented on the basis of accountability was different. This is in line with NHS Improvement's 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.

The Trust agreed to a revised set of enforcement undertakings in March 2018 in relation to financial sustainability and A & E Performance. Full details of this can be found in the Annual Governance Statement.

Finance and Use of Resources

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

Area	Metric	2017/18 Scores				2016/17 Scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial Sustainability	Capital Service Capacity	4	4	4	4	4	4
	Liquidity	3	4	4	4	4	4
Financial Efficiency	I&E Margin	4	4	4	4	4	4
Financial Controls	Distance from Financial Plan	4	4	4	2	4	2
	Agency Spend	1	1	1	1	1	1
Overall Scoring		3	3	3	3	3	3

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 an 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 the 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 and Social Care 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 and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; 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 Wirral University Teaching Hospital NHS Foundation Trust, and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The accounting officer is also responsible for safeguarding the assets of the 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*.

A handwritten signature in black ink, appearing to read 'D Jago', with a stylized flourish underneath.

David Jago
Acting Chief Executive

Date: 25th May 2018

Annual Governance Statement

Annual Governance Statement 2017/18

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 2018 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 Medical Director 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 and Social Care 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.

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.

Divisional management teams are responsible for the operational management of risks. The Trust determined that it needed to undertake much more in-depth risk management training with operational teams during 2017/18 with a view to improving the identification and management of risk at Divisional level as well as overall accountability. The changes included the devolution of risk input and review to Divisional teams.

The Trust also commissioned an external review of Quality Governance, which reported in the summer of 2017. Following this review, changes were made to the Trust's systems and processes, including how the Trust responded to serious incidents and how the integrated governance team will respond in future to issues on quality and safety. A summary of some of the key changes implemented to date are outlined below:

- Root Cause Analysis (RCA) training for all staff responsible for completing investigations
- Greater communication, learning and information sharing through the development of the Safety Bites global newsletter and the commencement of the weekly Safety Summit
- Monthly reporting of performance of quality and safety key indicators through the integrated quality dashboard
- The introduction of a weekly serious incident review panel meeting where 72 hour reviews are discussed with divisions and decisions made as to progression to a RCA or Local Review
- Formalised mechanisms to act upon alerts and recommendations made by all relevant central bodies

The Trust is still finalising the structure and leadership within the quality governance team which should be concluded in the summer of 2018.

The Risk and Control Framework

Risk management requires 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.

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. Healthwatch is part of the membership of the Quality and Safety Committee and represents the views of the public in terms of managing risk and safety.

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.

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.

Clinical incidents are uploaded to the National Reporting and Learning System (NRLS) on a weekly basis by the Risk Team.

The Risk Management Strategy outlines how risks are managed dependent upon the overall risk score. In summary this is as follows:

Risks scoring below 10 – Review by Operational/Divisional Teams

Risks scoring between 10 and 15 – Review by Senior Management Team

Risks scoring between 15 and 20 – Review by appropriate Assurance Committee as outlined in the Board Assurance Framework

Risks scoring above 20 – Reviewed by the Board of Directors

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.

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
- Senior Management Team
- Health and safety partnership
- Divisional management teams

The Board in March 2018 approved the establishment of a specific Workforce Assurance Committee. The Trust acknowledged that without a well-led, engaged and developed workforce the Trust would experience high levels of sickness, increased employee relation cases, an increase in turnover and difficulties in recruitment. Therefore, workforce is one of the highest risks for the Trust.

In addition, the Trust has had a number of reports that have highlighted concerns in relation to the culture of the organisation and a significant lack of engagement. Some of these issues were highlighted in the disappointing NHS Staff Survey 2017.

Data quality and data security risks are managed and controlled by the risk management system. Risks to data quality, data security and the introduction of the new General Data Protection (GDPR) Regulations in May 2018 are continuously assessed and added to the IT risk register, which is reviewed by the Information, Information Governance and Coding Group; it provides assurances directly to the Finance Business Performance and Assurance Committee and the Audit 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 and specific approval is required before commencement by the Medical Director and/or the Director of Nursing and Midwifery. The cost improvement programme is governed by the Transformation Steering Group (TSG) which reports into the Finance Business Performance and Assurance Committee. The Trust extended its processes this year to include a post implementation review. This change was prompted by a material risk arising from a cost improvement scheme associated with patients' nutrition and hydration. The options for review are at 3, 6 or 9 months. Building on work from 2017/18 the QIA process for 2018/19 and beyond will incorporate the wider five CQC domains (safe, effective, responsive, caring and well led), allowing insight into staff impact. If a project requires an Equality Impact Assessment, this is supported by the Divisional Associate Directors of Nursing.

The Trust developed an integrated quality dashboard in the Summer of 2017 to ensure that one version of timely data could be used by all governance groups and

committees. This effectively enabled reviews to triangulate information across the spectrum of priorities for the Trust and highlight with ease where one area of risk was potentially impacting on another. This is designed to enable early intervention to be taken before a risk escalates.

- **Care Quality Commission Registration**

The Foundation Trust is fully compliant with the registration for the requirements of the Care Quality Commission (CQC). No enforcement action or requirement to participate in any special reviews or investigations by the CQC has been necessary during the reporting period.

The Trust was last inspected in September 2015 with a published rating of “requires improvement”. Action plans were developed following the inspection and progressed throughout 2016 and 2017. In March 2018, the Trust has undergone two unannounced CQC inspections of clinical areas; this included the Emergency Department, Critical Care, Medical Specialties, Surgery and Maternity Services. The Trust is awaiting the formal feedback which is not expected until the “Well Led” review of leadership, management and culture which is scheduled for early May 2018.

The Trust monitors compliance against the CQC’s five domains of safe, caring, responsive, effective and well-led through the integrated quality dashboard and through a series of internal care quality inspections. The internal care quality inspections had significant involvement from Governors, as representatives of patients and the public in order to maintain an independent perspective.

The Trust has seen quality improvements in End of Life Care as evidenced by NHSI in January 2018 and CQC in March 2018. The Trust was rated as “outstanding” in the annual assessment of Wirral Clinical Commissioning Group by NHS England for its care of people with dementia across Wirral and benchmarks well for sepsis care following the inception of the new sepsis pathway into admission areas. Significant improvements have also been made to prevent medication missed doses.

- **Risk Appetite**

The Board reviewed at each of its meetings the work of the Assurance Committees including the review of the Board Assurance Framework and those risks which had been escalated to either Assurance Committee Level or required Board attention. The Board in April 2017 agreed to publish and provide guidance to colleagues on its appetite towards risk. The risk appetite statement was framed around the themes in the Board Assurance Framework under the categories of “Cautious”, “Moderate” and “Open”. The Board determined that all risks associated with quality, safety or staffing required a “cautious” approach, acknowledging the view that it was not prepared to tolerate elevated risk in this area. The Board took a pragmatic approach to Finance and Performance and determined that it needed to take a “moderate” approach, this in essence recognised the challenging environment that the Trust was operating in and although all conceivable effort was being undertaken to achieve financial and operational performance, the Board agreed that quality and safety would always be its primary objective. The “Open” approach to strategy and

transformation recognised the need for the Board to operate outside its traditional boundaries and therefore accept a higher level of risk in areas where certainty of outcome is not assured.

- **Compliance with the Provider Licence**

Following the Breach of the Trust's Provider Licence in 2015 with the additional licence condition - section 111 in relation to Senior Management and Board leadership and capability, the Trust in March 2018 formally agreed to a revised set of enforcement undertakings. The rationale for the change was due to some of the original 2015 undertakings not being fully complied with or no longer being effective as a means of securing compliance due to the passage of time and intervening events. NHS Improvement also decided to take further regulatory action in the form of undertakings as outlined below.

NHS Improvement found the Trust to be in breach of conditions FT4 (5)(a), (d) and (f) and CoS3(1) in relation to financial sustainability and in breach of condition FT4 (5)(c) in relation to A & E Performance.

As the Chairman resigned from his post on 27 February 2018 and a permanent replacement had not yet been identified, NHSI determined that the Trust breached its additional licence conditions under section 111 of the Act. The Trust has now appointed an interim Chair, as specified by NHSI, and the process for the substantive position has been agreed.

The Audit Committee has traditionally reviewed compliance against the Trust's provider licence on a quarterly basis. Following the change in undertakings agreed, the Trust will now amend its review process accordingly. The outcome of each review has and will continue to be reported to the Board in the Audit Committee Chair's Report.

The Board will continue to undertake an annual review of its corporate governance statements, reviewing a range of evidence to support the validity of each of these, as required under NHS FT Condition 4(8)b.

- **Well Led Framework**

The Board last undertook a Well Led Governance Review in 2016 and although largely positive at the time, there was acknowledgement that further improvements could be made. A variety of work was undertaken and commissioned to support this improvement namely in relation to culture, engagement and quality governance.

The Board responded to the very disappointing outcome of the Medical Engagement Survey undertaken in the summer of 2017 by developing and implementing a clinical engagement plan supported by the implementation of a new clinical leadership model.

The Trust has openly reported on the investigation undertaken on behalf of NHS Improvement, which concluded in March 2018, into allegations of cultural, behavioural and governance issues. The outcome of this investigation and indeed

the need to instigate this may impact on the Trust's impending Well Led review which is due to commence in May 2018. A variety of resignations from the Board and Senior Management have been accepted and the Trust has agreed the timeline and processes for appointing substantively to a number of interim positions as outlined below:

Chairman – External process to be commenced July 2018. Interviews scheduled for week commencing 10 September 2018

Non-Executive Appointments – External process commenced. Final interviews scheduled for early May 2018

Chief Executive – External process commenced. Final interview to take place on 7 June 2018

Director of Workforce - External process to be commenced to enable a substantive post to be finalised before February 2019

The Trust accepts that this has impacted negatively on the organisation's reputation as well as its leadership capacity and capability. The Trust is however immensely proud of its staff for maintaining good standards of quality and safety during this turbulent period.

- **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, these being Quality of Care; Finance and Use of Resources; Operational Performance; Leadership and Improvement and Strategic Change. To provide an even greater focus on the key risks facing the organisation, the Trust undertook an exercise with senior leaders and Board members in 2017 to identify the top 4 risks facing the organisation. These are detailed below:

1. **Workforce** – ability to recruit and retain the workforce of the future. The need to undertake organisational development work to enact a cultural change
2. **Quality and Safety** – this includes infection prevention and control, medicines management and nutrition and hydration
3. **Access** – this includes all access standards but principally the 4 hour Accident & Emergency standard, and noting the 2018/19 planning guidance regarding Referral to Treatment and patient waiting numbers
4. **Finances** – includes the financial plan for 2017/18 and thereafter which includes the reliance on borrowings to provide operational cash and a shortage of available capital funding, especially given the condition of the Trust's estate.

- **Internal Audits**

MIAA conducted 14 formal internal audits during 2017/18. Twelve of the reports received a rating of "significant assurance". One received a rating of "high assurance" and three areas received "limited assurance". By exception, the reports rated as "high" or "limited" are outlined below:

Combined Financial Systems – “high assurance” - this review covered the General Ledger, Accounts Receivable, Accounts Payable, Asset Management, and Treasury Management.

Activity Data Capture – 62 Day Cancer target – “limited assurance” – The specific risk is inaccurate recording and reporting of key waiting times. The Trust agreed to ensure that by September 2017 the Cancer Manager and Cancer Lead Nurse would conduct monthly audits to ensure data quality is robust. Localised training will be provided where shortcomings are identified. Result of audit and actions taken will be tracked by the Trust’s Cancer Board. The Trust reported back to the Audit Committee that this action has now been completed and that the action taken has addressed the risk identified.

Critical Applications – Pharmacy JAC System – “limited assurance” – the specific risk was that a number of security weaknesses were identified, namely with the third party account protection. The Trust agreed to undertake a range of accepted recommendations by November 2017. The Trust reported to the Audit Committee that these had now been undertaken with the exception of one recommendation. MIAA confirmed that they were satisfied that the actions arising from the JAC review had been addressed. In relation to the outstanding point that was discussed by the Committee, MIAA accept the operational rationale for this and that management has accepted the risk and will work around this. As such this can be considered closed from their point of view.

Data Warehouse – “limited assurance” – Although the Data Warehouse portal is under development and was not live, there was a risk that reports containing sensitive data were not sufficiently secure. Internal auditors could not confirm that user access and patching was in line with security best practice. A lack of sufficiently secure servers increases the likelihood of inappropriate access and the potential for data breaches, operational disruption and the associated risks. The Trust has agreed to undertake a series of recommendations over the next 2 months ahead of “go live”. The most significant risk however in relation to security of the server has now been remedied which mitigates the risk in relation to patching and passwords. The Audit Committee concluded that good progress had been made but accepted that there was still more work to be done and instructed MIAA to review the action taken to date and planned, ahead of its meeting in May 2018.

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 “**substantial assurance**” for 2017/18; this is based on the Trust’s proven track record for a low number of “limited assurance” reports and its ability to respond promptly and robustly to follow up actions.

- **Future Risks**

Workforce – the key workforce risks are outlined in the workforce and OD plan and are summarised below:

- High nursing vacancy rates
- Our ability to develop compassionate leaders that in turn will develop the right organisational culture
- Establishing capability and capacity at senior management and Board level
- Improving reporting of workforce metrics

Quality and Safety – they key quality and safety risks are outlined in the Quality Report and are summarised below:

- Our ability to discharge patients before noon which would improve flow through the hospital (SAFER)
- Improving the attractiveness and nutritional standards of food provided for patients
- Failure to reduce the incidence of pressure ulcers

Access - the key operational risks to the delivery of the operational plan 2017/18 – 2018/19 are summarised 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 re-ablement.
- Consultant workforce challenges in specific specialties and gaps in junior doctor rotas across Medicine as a whole.
- Bandwidth and leadership to manage internal and external system-wide transformation.

Finances – the key financial risks to the delivery of the financial plan 2018/19 are summarised below:

- Reliance on borrowings for operational cash
- Interest payable on borrowings
- Shortage of available capital funding and the condition of the Trust estate
- Bandwidth and collective external agreement to implement transformational change that will improve flow across the health and social care community and release the necessary savings
- Impact of operational pressures as outlined above
- **Mitigating Actions**

Operational plan risks including access are being managed by working with health and social care partners through the work of the A&E Delivery Board and the creation of an Accountable Care System in order to increase operational accountability and whole system strategic planning. Further details of this are provided in the Operational Plan 2018/19.

Quality improvement is being progressed through a variety of methodologies supported by the Advancing Quality Alliance (AQuA) and includes the recommendations from the Getting it Right First Time (GIRFT) initiative for obstetrics and gynaecology and the work across Cheshire and Merseyside to minimise clinical variation. The Trust's quality improvement strategy and quality account outline how hot lunches have replaced soup and sandwiches; how the Trust has purchased new hybrid mattresses to support the work on reducing the incidence of pressure ulcers and the support being offered by the Transformation Team to implement the SAFER initiative.

The Workforce and Organisational Development Strategy describes how the Trust will focus on the following areas over the next 12 months:

- Culture
- Leadership
- Healthy working environments
- Learning organisation
- Engagement
- Valuing our staff
- Inclusivity

The establishment of the new Workforce Assurance Committee reporting directly to the Board will provide the visibility and emphasis on this vital area. The Audit Committee will follow up on any areas of concern.

The interim independent Chair is leading the Board through a significant period of change and supporting progression at pace with appointments to substantive positions within the Senior Management Team and the Board as a whole. The timeline for the substantive positions of the Chair and the Chief Executive is detailed under the section on Well Led.

The draft financial plan has been developed in line with the annual planning timetable set out by NHS Improvement and the overarching financial strategy

principle is to create a long-term financially stable organisation. Full details of the short term and long term strategy are outlined in the operational plan narrative 2018/19.

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.

Information Governance

Although the Trust has not scored any incidents at Level 2 during 2017/18, it did take the decision to notify the ICO of a particular incident involving a staff member who accessed their own information on the Trust's network as the Trust was not sure whether this was an isolated case or not. The ICO determined there was no evidence to substantiate further enquiry and therefore no further action was necessary.

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

Foundation Trusts are expected to demonstrate to their patients, communities and taxpayers that they are delivering value for money, evidencing both efficiency and effectiveness. This is even more important in times of fiscal constraint. NHS Improvement (NHSI) and the Care Quality Commission (CQC) believe there is significant potential for more productive use of resources across the NHS which would improve quality of care for patients. In the Autumn of 2017 NHSI and CQC launched the Use of Resources Assessment which uses a range of Key Lines of Enquiry, prompts and metrics to form a balanced view of the Trust.

The Trust undertook its Use of Resources Assessment on 5th April 2018 and although the formal report is awaited, NHSI highlighted in their feedback letter some areas of good practice which included the collaboration with Countess of Chester

Hospital NHS Foundation Trust; the integration, professional leadership and strong performance in Pharmacy; and the benchmarking around Procurement. Key highlights from the Trust's submission under the review areas are outlined below:

Clinical Services – The Trust is acting as prime provider in Musculoskeletal (MSK) services going into 2018/19 with significant savings expected. Other programmes for reform going forwards with lead provider expectation are frail elderly and urgent care. The Trust is using the GIRFT reports in its work with the Countess of Chester in order to build common standard operating procedures across both trusts.

People – The Trust is operating within its agency ceiling of £8.1m with £6.7m spent at the end of the year. The Trust has reduced its use of qualified nursing agency staff by 15% since 2016/17. Pharmacy agency spend has reduced from £55k to £15k per month. The Trust does not use agency clinical support workers following the introduction of a successful programme of recruitment. The Trust is not an outlier for sickness absence.

Clinical Support Services – The Trust's pathology and imaging services are benchmarked by NHSI and have the lowest cost per test across the Cheshire and Merseyside footprint. The Trust shares non-urgent pathology services with the Countess of Chester for microbiology, immunology and cytology. There is also an on-going project that aims to merge blood sciences and histology to form one overall joint service.

Corporate services, procurement, estates and facilities – the Trust is rated green for efficiency in procurement under the Model Hospital framework, and performance against the Purchase Price Index and Benchmarking PPIB Top 100 opportunities is also ranked as green with a variance of 5.90% against the median compared to a national variance of 6.90% (for 2017/18 the value of the opportunity was stated as £249k).

Finance – the Trust has historically delivered between 3-4% cost improvement programmes per year however despite this the Trust has not delivered the required financial out-turn as agreed to at the beginning of the year. The Trust had agreed with the regional NHSI team a revised forecast adjusted financial performance deficit (AFPD) of (£20.6m) in M10; this shows a year end AFPD excluding Sustainability and Transformation Funding STF variance of (£12.5m) against the control total.

At the end of the financial year the Trust reported a deficit of £17.4m. AFPD excluding STF was £22.7m, with a variance of £13.4m against the control total.

In considering the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018, the Trust has identified the following key issues.

- The Trust has set a deficit budget of £25.3m for 2018/19 which includes a cost improvement programme target of £11.0m.
- The Trust does not have sufficient cash to meet its commitments without receiving significant external funding, as highlighted in the Trust's going concern disclosure within the Overview section of this Annual Report.

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 2017/18 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 2017/18. External audit assurance reports on the Quality Report are reviewed by the Audit Committee.

The Board of Directors agreed the priorities for 2017/18 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 uses the integrated quality dashboard to enable it to measure trends in performance of key indicators that contribute to high level quality and safety metrics and identify improvement work.

The Trust is in the process of establishing a revised integrated quality governance team with the relevant skills and experience to identify, direct and measure quality improvement work across the organisation.

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.

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

Priorities for 2018/19 have been discussed with stakeholders with agreement that for 2018/19 3 priorities will be taken forward. These being:

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

Target: We will aim for 33% of all medical discharges to be before noon, from base wards (medical wards and assessment areas, and surgical wards which are implementing the SAFER initiative).

2. Ensure patients' nutritional needs are identified and met

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

3. Reduce harm to patients particularly in relation to newly formed pressure ulcers

Target: Achieve zero tolerance of avoidable pressure ulcers at grades 3 and 4 and aim for a 50% reduction in the number of hospital-acquired, avoidable grade 2 pressure ulcers, compared with the 2017/18 year end position.

The key external and publically reported measure on elective waiting time data is in Referral to Treatment performance. 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" produced the following conclusion:

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018, the indicator has not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

External audit testing as part of the review of the Quality Account on the "Percentage of patients with a total time in A&E of four hours from arrival to admission, transfer or discharge – Arrowe Park A&E only" produced the following conclusion:

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018, the indicator has not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

The Council of Governors chose a local indicator in relation to malnutrition to be reviewed. In line with the requirements of NHS Improvement's guidance this indicator is not subject to a limited assurance opinion. The external auditors do not provide Governors with any formal assurance in relation to whether this indicator is fairly stated. The local indicator was to "Achieve 95% in the quarterly point prevalence study which measures compliance with MUST assessments at seven days by the end of Q4". The commentary from the external auditor is as follows:

Based on the results of our procedures we did not identify any material issues in relation to the calculation of this indicator or the six dimensions of data quality.

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

The Board Assurance Framework 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. The identification of the top 4 key risks in-year enables the organisation to prioritise its resources accordingly.

The Audit Committee, having reviewed progress against the Clinical Audit Plan in April 2017, supported the view of the Medical Director that a new clinical audit strategy needed to be developed and implemented with greater emphasis on outcomes. The Committee received an update on plans to progress this work in December 2017 and has agreed to review the new Clinical Audit Strategy in May 2018. The Committee agreed in April 2018 that the Clinical Audit plan needed to be agreed alongside the Internal Audit Plan in the future.

Following the amendments to the Trust's licence conditions, the Audit Committee has agreed with the recommendation from the Director of Corporate Affairs that the routine NHS Improvement licence compliance review be revised to take into account the amendments and the changes to the Board.

I am assured by the work of the Audit Committee in relation to anti-fraud services and was pleased with the overall rating of "Green" for compliance against the Standards for Providers. The work on compliance with the Standards of Business Conduct policy continues to improve although it is acknowledged that this requires ongoing attention and will form part of the Internal Audit Workplan into 2018/19.

The approach to quality improvement assures me that there is real focus on openness and transparency and learning from mistakes. The establishment of the weekly safety summits; the integrated quality dashboard and the safety bulletins are supporting the development of an open supportive culture underpinned by good quality data.

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 although the ongoing need for borrowing remains a significant concern.

I acknowledge that the investigation by NHS Improvement into cultural, behavioural and governance issues in late 2017 and the revision of the Trust's enforcement undertakings in March 2018 requires significant action going forward and I am working with the new interim independent Chair to enact the necessary changes to the Senior Management Team and the wider Board over the summer.

My review is also informed by external audit opinion, in particular on the opinions in relation to waiting times; the annual accounts including the value for money opinion and the going concern statement.

Conclusion

The Annual Governance Statement demonstrates a good number of improvements made in internal control during 2017/18, although it is evident that improvements in leadership, clinical engagement and the overall culture are urgently required.

Despite the difficulties in leadership, engagement and culture the Trust has managed to improve performance in A & E over the last 6 months and continues to receive positive feedback from patients on the quality of services most notably in Maternity Services. Other specific quality improvements have been seen in End of Life, Dementia and Sepsis Care.

Two significant internal control issues have been identified during this reporting period. Both of these are described as part of the external auditor's Value for Money qualified opinion under the work of the Audit Committee. The Trust has now agreed to the establishment of a new Workforce Assurance Committee which reports directly to the Board; agreed to appoint substantively to an Executive Director of Workforce and is progressing with the recommendations from a range of cultural reviews undertaken. The Audit Committee has agreed to monitor true financial sustainability as part of its work programme for 2018/19 informed by the work of the Finance Business Performance and Assurance Committee. For these reasons, I believe that the Trust is appropriately addressing the significant internal control issue.

The Trust has a significant amount of work to undertake on its journey of improvement most notably in securing its future substantive leadership team and building trust and confidence at all levels in the Trust. The establishment of the new clinical model from 2018/19 supported by an improved integrated quality governance structure will also provide the basis for improvement going forward.



David Jago
Acting Chief Executive

Date: 25th May 2018

Quality Account 2017/18

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Part 1: Foreword

The past year has undoubtedly been one of the most challenging years for the Trust since its establishment as a foundation trust. Continuing increased demand for our services has meant that our hospital has been at full and extended capacity for long periods of time, at the same time placing further pressure on our finances. Also, the management and governance of the organisation were under the spotlight in late 2017, culminating in an external review by NHS Improvement. The new leadership of the Trust recognises the scale of these challenges and is committed to organisational and cultural change in order to meet them.

At the end of such a challenging year, I am grateful to all of our staff for their hard work, and I would also like to thank our patients for choosing our hospital to care for them.

In last year's Quality Account, we identified five clinical priorities for the year ahead. Our performance against these targets which we set for ourselves has been mixed, reflecting the challenges the Trust has faced during the year.

In some areas, we have performed very well. At the end of the financial year, we are meeting – indeed, we are out-performing – our target for medication missed doses. We have also made great progress in improving care for patients at the end of life, although a conscious decision was taken to delay some IT developments for this service which had been due earlier in 2017/18. The improvements made to end of life care were recognised by NHS Improvement when they visited the Trust to provide guidance and support to the service in January 2018, and in an unplanned visit by CQC as part of their inspection regime.

Performance in other areas has not been so strong. We have observed an increase in pressure ulcers after four years of continuous reductions. We are failing to complete more discharges before noon, which would improve patient flow through the hospital. Of particular concern is the failure to meet our targets for nutrition and hydration.

Resources have been allocated to these issues in order to get back on track. For example, hot lunches are to be re-introduced in place of soup and sandwiches, to improve the attractiveness and nutritional standards of the food which we provide to patients. Regarding patient flow, the Trust's Service Transformation Team has staff working full-time to support wards to implement the SAFER initiative. To help reduce the incidence of pressure ulcers, we are purchasing new hybrid mattresses.

There have been notable developments in other areas besides the five Quality Account priorities, including some significant achievements. For example, last year's edition of this report highlighted that the Trust had attained 'Global Digital Exemplar' status in recognition of our advanced use of the Cerner Millennium electronic patient record. The Trust now has a digital 'Fast Follower' – we will be working with our near neighbours, the Countess of Chester NHS Foundation Trust, to support their adoption of Millennium in order that they can obtain the same benefits in terms of patient safety and efficiency.

Another area where the Trust has performed well is the care of people with dementia across Wirral. This was rated as "outstanding" in the annual assessment of Wirral Clinical Commissioning Group by NHS England. As one of the partners involved in providing dementia care to our local population, we are proud of this achievement.

The unprecedented busy pace of clinical activity has not prevented us from making important changes to our clinical systems and processes. For example, in late 2017 the Trust introduced the mNEWS early warning system, replacing the long-established MEWS protocol. This should improve how we identify and respond to any deterioration of a patient's condition while they are in hospital. Sitting alongside mNEWS is a new Sepsis pathway which we introduced in our admission areas, and which incorporates a single 'red flag' alert when a patient's condition should be causing concern. Our sepsis care performs well compared to our counterparts, as benchmarked by the Advancing Quality Alliance.

We are also making changes to our organisation, to ensure that it is fit for purpose. New leadership arrangements and governance structures are being put in place in our four clinical divisions, which will ensure that management of key services is always clinically-focused and clinician-led. Also during the year, the Trust commissioned an external review of Quality Governance, which reported in summer 2017. Following this review, changes were made to our systems and processes, such as how we respond to serious incidents, and a new Integrated Governance department will be formed to ensure delivery of safe effecting care, underpinned by a culture of learning and continuous improvement.

I am pleased to confirm that the Board of Directors has reviewed the 2017/18 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.

A handwritten signature in black ink, appearing to read 'D Jago', with a stylized flourish at the end.

David Jago
Acting Chief Executive
25 May 2018

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 2017/18. In 2017/18, we retained five of the six priority topics from the previous year (nutrition and hydration, missed medications, patient flow, end of life care and pressure ulcers), while the readmissions priority was discontinued. However, the detailed targets for these priorities were adjusted and updated.

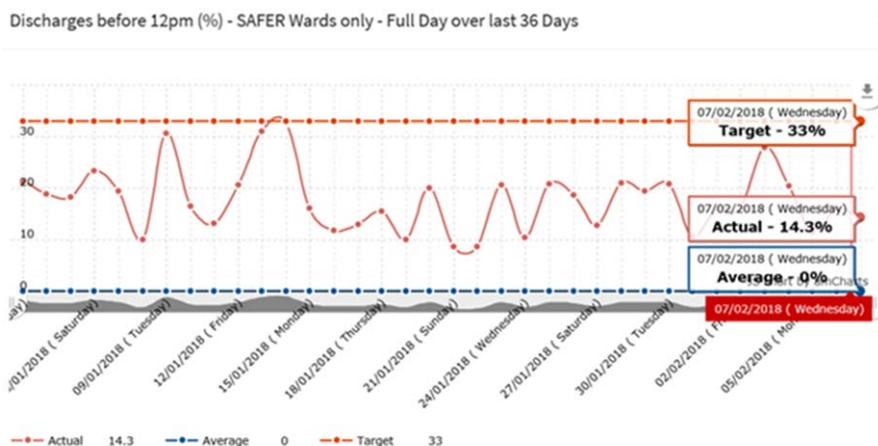
2.1.1 Patient Experience Priorities

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

The target for 2017/18 is:

- 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).

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



Meeting this target has continued to be challenging for the Trust; the most recent figures available show that 17.7% of discharges took place before noon on our SAFER wards in January 2018 (18.6% in December, and 17.6% in November). Nevertheless, we are committed to improvement and are now working to a higher operational target (33%) than that originally agreed for the Quality Account, as shown in the graph above.

Additional resources have been allocated to the SAFER initiative. A member of the Service Transformation Team worked full time on the initiative and a Ward Sister was seconded for a period of twelve months. These staff worked alongside the ward teams to educate them about the SAFER way of working, and to sign off their competencies. They spent an average of two weeks working with each ward before moving on to the next area. There is a weekly meeting to review progress, which reports into the Patient Flow Improvement Group chaired by the Director of Operations.

In the wards visited, the team identified that the right people were coming together in the right place at the right time for 'board rounds' and huddles, they were not always having the right conversations about what was needed to get patients home. In addition, the tradition of discharging patients in the afternoon was a

cultural barrier in some areas. In response, they supported wards with behaviour modelling such as guidance on how to have challenging conversations, as well as using targets and data and using technology. Following the completion of their work, responsibility was handed over to divisional management in the Acute and Medical Specialties Division.

SAFER forms part of a wider agenda to improve patient flow through the hospital. Alongside SAFER, there are regular reviews of stranded patients – those who have been in hospital for seven days or more. These started on the medical wards at Arrowse Park and have now been extended to medical wards at Clatterbridge. These reviews include senior nurses, allied health professionals and Consultants, and members of the Integrated Discharge Team. The intention is to understand why patients are still in hospital and if there are any barriers which can be broken down in order for them to return home.

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

The target for 2017/18 is:

- 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

Executive Lead: Gaynor Westray

The most recent data available is from the end of quarter 4, and showed that compliance with MUST assessment at seven days was just 59% in the quarterly point prevalence audit. This was clearly an unsatisfactory result although it is an improvement from the audit in quarter 3, which recorded 44% compliance.

The need to improve is recognised at all levels of the organisation. Ward Sisters have received the compliance data directly and have been provided with full details of non-compliance for further local analysis and action planning. Each division is developing an action plan to achieve the required improvements. The Trust's new Associate Director of Nursing – Corporate Nursing has been tasked with improving our approach to nutrition and hydration. The issue is high on the Board agenda and the Quality and Safety Committee held a 'deep dive' discussion about nutrition at its meeting in March.

A dedicated Nutrition and Hydration Working group has been established. This is a multidisciplinary group with nursing, medical, dietetic and catering representation; the group aims to expand to include a patient representative, a Governor, and a member of the Finance Department. Some practical obstacles to identifying and meeting patients' nutritional needs have become apparent through the group's work, for example scales used to weigh patients as part of the MUST assessment being unreliable or unavailable, and inconsistent approaches to recording patients' fluid balance. The Group is working with the EBME (equipment maintenance) Department and the Trust's Nursing Informatics Lead on these two issues.

The disappointing results of the quarterly audit are consistent with other sources of intelligence. In summer 2017 the Trust received poor ratings for food in the national PLACE Assessment (Patient-Led Assessment of the Care Environment). Additional funding has been secured to make necessary changes to patient menu choices and to ensure adequate nutritional requirements. A number of smaller-scale initiatives are also in

place, for example piloting the use of finger food, mainly for patients with dementia, in two wards, and monitoring the use of snack fridges onwards.

The second aspect of the target relates to dietician referrals. A point prevalence study was completed in March 2018. This showed that, of patients whose score in the MUST assessment was 2 or higher, indicating a possible risk of malnutrition, 89% had been referred to a dietician. This is also below the target for the year and will be addressed in the programmes of work described above.

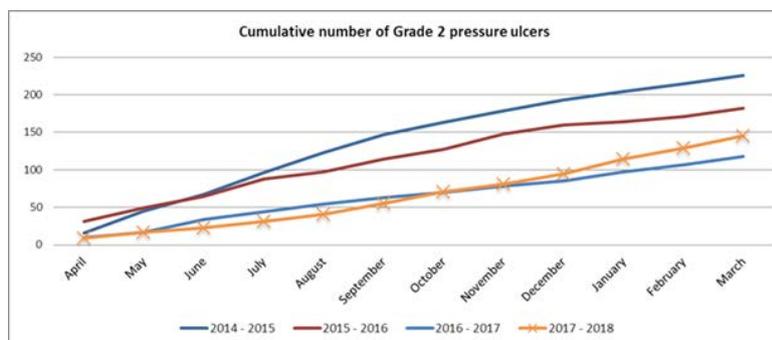
2.1.2: Safer Care Priorities:

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

The target for 2017/18 is:

- Zero tolerance of avoidable pressure ulcers at grades 3 and 4
- 50% reduction in the number of 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.

Executive Lead: Gaynor Westray



Pressure Ulcer/Injury	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Reduction from first recorded year to 2017/18
Grade 4	3	0	0	1	1	0	100%
Grade 3	44	19	10	11	5	4	91%
Grade 2	-	466	220	182	118	145	69%
Grade 1	-	-	-	46	37	37	20%
Deep Tissue Injury	-	-	-	-	111	141	N/A

The Trust has not achieved its targets of reducing the number of grade 2 pressure ulcers and having zero avoidable grade 3 or 4 pressure ulcers. During the year, there were three grade 3 pressure ulcers which were

found to be avoidable on investigation. The total number of grade 2 pressure ulcers recorded during the year was 145, compared to 118 in 2016/17 (an increase of 22.8%) – this does not differentiate between avoidable and unavoidable cases.

The intense operational pressure on the hospital in recent months has made the prevention and management of pressure ulcers more difficult. In particular, it has been more difficult for staff to be released to attend training. Also, a post in the Tissue Viability Team was vacant, which caused the 'React to Red' training programme for Clinical Support Workers to be interrupted, although this has now been filled.

The Trust is investing in new equipment which will help to prevent pressure ulcers. These include 200 hybrid mattresses which can be used for any patient, but which can be pumped up for the benefit of patients who are at risk of developing a pressure ulcer. This should avoid the need to order specialist pressure-relieving mattresses, which may not always be available immediately from the equipment library. These hybrid mattresses belong to individual wards and remain on the wards. The intention is that eventually all mattresses purchased will be hybrid mattresses. Also, special pressure-relieving cushions are being purchased for bedside chairs.

The Tissue Viability Team undertake a quarterly audit and feedback the results to areas which need to improve. The audit covers: patient assessments; documentation; use of appropriate equipment; and moving of patients. Completion of Braden scores (which assess the patient's risk of developing a pressure ulcer) within six hours of admission, and of the SSKIN bundle of preventative measures, are areas of poor compliance in the audit.

The relaunch of the Pressure Ulcer Review Team took place, with the initial meeting of the group held in July. It is chaired by a Deputy Associate Director of Nursing and includes Matrons and Ward Sisters. The group monitors Trust-wide performance in the prevention and management of pressure ulcers, and discusses the lessons learned from individual investigations. It was planned for the group to meet approximately every six weeks, although during busy periods this has not always been possible.

In August the Trust launched the Local Review Tool, which is used to investigate hospital-acquired grade 2 pressure ulcers and deep tissue injuries, replacing the former SBAR (Situation Background Assessment Recommendation) document. Grade 3 or 4 pressure ulcers continue to be subject to a full Root Cause Analysis investigation.

4. Reduce the frequency of missed medication events

The target for 2017/18 is:

- 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%

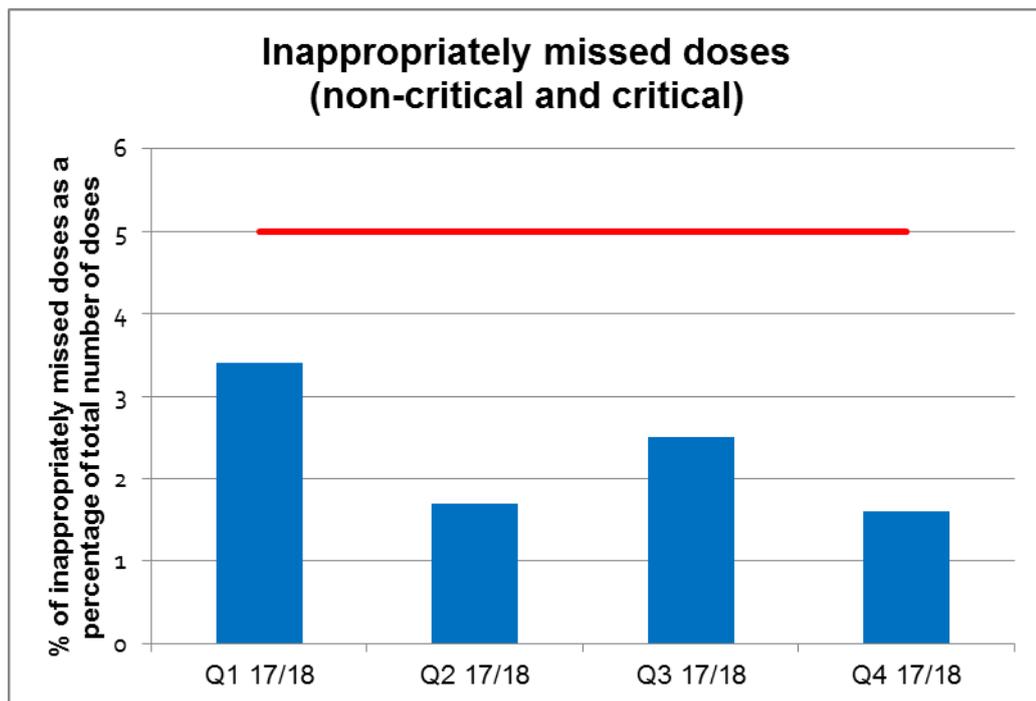
Executive Lead: Gaynor Westray

This target is measured by means of a quarterly audit. The standard method was random sampling of 5 patients for each ward. Each missed dose was analysed by the Pharmacy Quality and Safety Team, taking into account the specific circumstances and clinical situation documented in the notes, to make an

assessment as to whether it was an appropriate or inappropriate missed dose. Where medicines were documented as 'not available' on the wards the lockers and ward stock were checked and pharmacy dispensing records analysed to ascertain whether the medicine was available on the ward at the time of the missed dose.

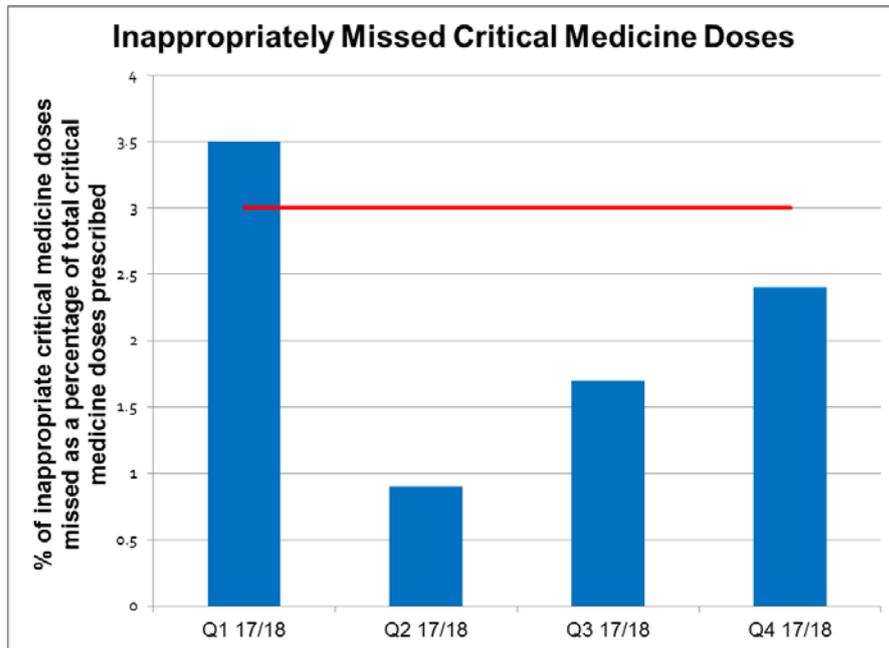
Total missed medicines

Compliance was achieved every quarter during 2017/18. No more than 5% of medication doses were inappropriately missed in the audit samples.



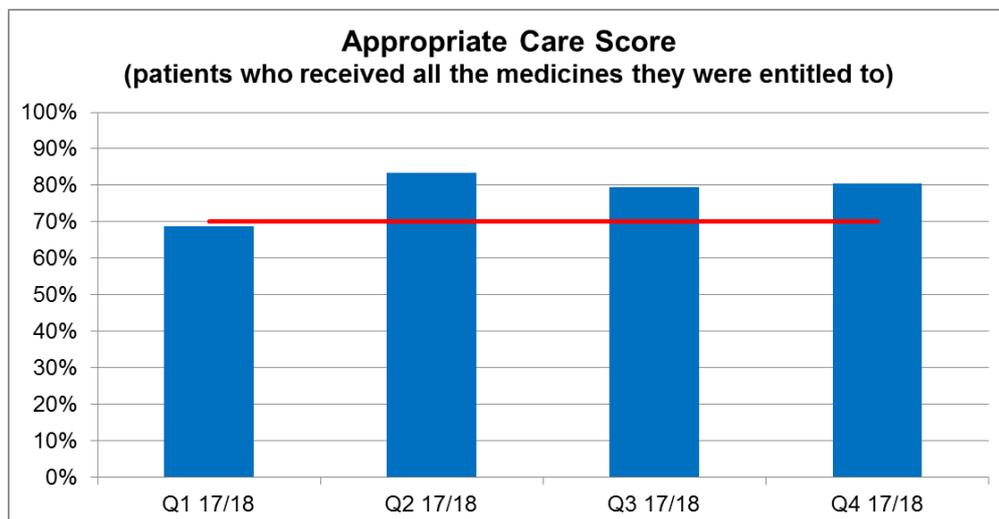
Critical medicines

Compliance was achieved in quarters 2, 3 and 4, where no more than 3% of critical medication doses were inappropriately missed in the audit samples.



Appropriate Care Score (ACS)

The target for appropriate care score (ACS) was met in quarters 2, 3 and 4 2017/18, where greater than 70% of patients received all of their medicine doses as intended.



Improvement actions undertaken to date

- Associate Directors of Nursing raising awareness of the importance of minimising missed doses and emphasising the requirement to record the reason for any doses missed.
- A service improvement project piloted on 4 wards involved ward managers receiving daily reports detailing all missed doses in the previous 24 hour period. The reasons for doses missed were

investigated in a minimum of 5 patients per ward and to facilitate discussion of solutions, these included ward sisters:

- Reviewing categories for missed doses within Wirral Millennium. A significantly simplified list of reasons went live on Wirral Millennium in July 2017.
- Working with ward pharmacists and medical teams to review regular laxatives, analgesics, nutritional supplements and nebulisers that were no longer required regularly.
- Discussing missed dose data regularly at huddles and board rounds. Missed doses during the previous 24 hours were highlighted to the nurse responsible for the patient so they could take steps to prevent further missed doses.
- Training via ward 'Druggles' in January/February 2018. These included examples of incidents where patients have suffered potential harm due to missed medicines, expected practice regarding documentation and a reminder of the critical medicines list.
- In order to reduce missed doses as a result of medicine availability the duration of supply for inpatients originating from care homes has been reviewed to minimise the need for re-supply. It has been identified that over the last 12 months the average length of stay for these patients was 9 days so the routine supply has been amended to accommodate this.

Further action is required via senior nurse leadership to improve:

- Documentation of the reason the dose was missed.
- Medication being recorded as unavailable when there is supply in the patient's locker or in the ward stock cupboard. Also opportunities to order medicines are being missed which has led to multiple missed doses.
- Documentation to record discussions undertaken when patients refuse critical medicines or evidence of escalation to the medical team.
- Utilisation of a new daily ward level report of critical missed doses by all ward sisters / charge nurses from April 2018 to build on the pilot ward work and enable matrons to review the medicines involved and develop solutions for their ward area and for nursing leadership teams to hold to account where required.

Other planned actions to meet our target include:

- A plan to improve medicines administration training has been agreed and nursing resources to develop and implement this are being discussed. This will combine Wirral Millennium training with practical demonstration of MAR best practice.
- A policy setting out the 'near patient' model for supply and administration of medicines has been developed for discussion at MSOP. This is part of the medicines optimisation strategy to streamline supply processes, reduce waste, reduce administration errors and enhance how staff communicate with patients about their medicines.

2.1.2: Clinical Effectiveness Priorities:

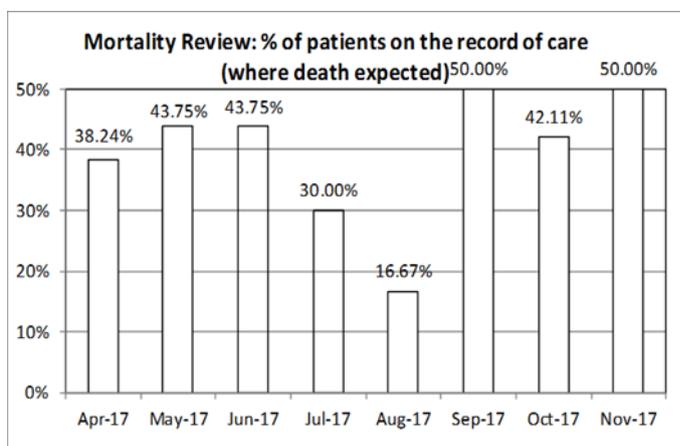
5. Improving End of Life Care

The target for 2017/18 is:

- 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

Executive Lead: Gaynor Westray



Through our monthly mortality review process, we monitor whether the record of care had been used for patients who have died and whose death was expected. Although the results have fluctuated during the year, the most recent figures, from November 2017, show the 50% target being met.

The 'care in the last days of life' template has been developed. This went live at the end of March 2018, behind the original schedule. The decision to delay implementation was taken in order not to over-burden clinicians with too many changes to the system at once.

A template has been developed to document advance care planning in the electronic patient record, although this is not yet in use. The introduction of an education package to train staff in advance care planning has been postponed until shortly before implementation of the new template.

Work has started on implementation of advance care planning in Renal services; a baseline audit has been completed to measure current practice but the work programme arising from the audit was delayed by the departure of a key member of staff.

Although progress against some of the specific targets listed above has been delayed, the Trust has made significant improvements to end of life care in general over the past twelve months. This was recognised by NHS Improvement, who visited the Trust in January 2018 to assess our service and identify improvement

opportunities. NHSI representatives met with our Consultants, our Transform Lead Nurse, a Ward Sister and Divisional Managers. They visited the Bereavement Office, the Chapel and the Mortuary. Their report commented that *“the audit of the record and prompt for Adult Care in the last days of life is also very informative and again shows evidence of improvement. The audit should stand the Trust in good stead for this year’s national audit”*.

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 Maternity Survey

The 2017 Survey of Women’s Experiences of Maternity Care, undertaken by the Care Quality Commission, involved 130 NHS Trusts across the country and asked women about the care they received during their pregnancy, while they were having their baby and after their baby was born.

Results showed that Wirral Women and Children’s Hospital was one of only two nationally to perform ‘better than expected’ in four core areas of care, with a strong emphasis on establishing relationships and communicating with patients.

The Trust outperformed the majority of other NHS hospitals in several questions, with a particular highlight being that women felt they were given the information or explanations they needed in hospital after giving birth.

Respondents were also positive about the support they received with feeding their babies, giving Wirral some of the best results in the country for these areas. This included the information provided during pregnancy about feeding their newborn baby, the consistency of advice from healthcare professionals and the support and encouragement that new mothers received.

The Trust also outperformed many other hospitals for the care provided to mothers at home after giving birth, with responses showing that they felt listened to, received advice based on their personal circumstances and had confidence in the midwife providing their care. Women also said they were given enough information about their own physical recovery and that midwives were aware of their medical history and that of their babies.

Other responses showed improvements since the last survey undertaken in 2015, with more women saying that birthing partners could get as involved as they wanted to be during their labour.

Ambulatory Care Unit

The Ambulatory Care Unit (ACU) were recognised by NHS Elect in May 2017 for their innovative work.

The acute medicine ambulatory care service based in the ACU has been part of cohort nine of the Ambulatory Emergency Care Network, organised by NHS Elect. Over 150 hospitals have been part of this network. An event was held in Birmingham in which the unit received an accolade recognising its “innovative approach”.

The unit's significant electronic systems of tracking and booking, consultant timely input, electronic decision prompts and referrals were all highlighted by the network. Huddles that had been carried out at the unit, the Advanced Nurse Practitioner model and clinical drive for non-admitted care were also amongst the many attributes recognised.

Endoscopy - JAG Accreditation

The Trust's Endoscopy Unit once again achieved JAG (Joint Advisory Group) Accreditation for 2017/18. This very busy unit regularly has positive feedback from patients. For example, a patient who had an endoscopic ultrasound in December left feedback via NHS Choices thanking the team for their "endless patience, reassurance and professionalism". This accreditation was also another achievement for Dr Bev Oates as Clinical Service Lead for Gastroenterology and Endoscopy at WUTH. In 2017 Dr Oates was announced as National Clinical Lead for Gastroenterology as part of the NHS Getting It Right First Time programme, which aims to improve the quality and consistency of hospital services across the country.

Dementia Care

In July 2017, the care of people with dementia in Wirral was rated as "outstanding" in the annual assessment of Wirral Clinical Commissioning Group by NHS England. As one of the partner organisations involved in providing dementia care to the local population, the Trust is proud of this achievement, which reflects the partnership work being undertaken across a number of organisations in Wirral. Cancer care was also rated as "good" in the assessment and as one of the partners this also includes the high quality service we are providing at our Trust for patients.

Health Education England Quality Review 2017

In April 2018 we received our Quality Review outcome report following the Health Education England review into post graduate medical education which took place on 2 November 2017. The placements reviewed were: Emergency medicine; paediatrics; obstetrics and gynaecology; surgery. The visiting team heard many examples of excellent training placements – for example in Trauma and orthopaedics, Obstetrics and Gynaecology, Oral and Maxillo Facial Surgery, urology and emergency medicine. Some trainees reported that Wirral surgery placements set a high benchmark for educational quality.

This report shows real improvement in education provision at WUTH and notes that there were no patient / learners safety concerns raised at the review. The report concludes by making recommendations to further improve education provision and requests that an action is completed and returned to Health Education England North West before 1 August 2018.

Nursing and Midwifery Council Visits

The NMC visited the Midwifery Department in November 2017 to look at the quality of learner placements and governance structure for managing compliance with NMC standards. The report goes to the University of Chester and any actions required are fed back to the Trust. Two commendations were given one of which was the excellent collaborative relationship between the University of Chester and the Trust in practice. One action was identified related to documenting equality and diversity training of clinical staff each year when they attend the University to assist with our interviews.

Edge Hill University had an NMC monitoring visit and as part of their review they visited the Trust to look at the quality of our placements for the Return to Nursing programme. From the visit excellent feedback was received with good practice and commendations noted.

Safe, Effective, Quality Occupational Health Standards (SEQOHS)

The Occupational Health Department achieved a successful renewal of their accreditation application submitted in December for another year. SEQOHS accreditation is the formal recognition that an occupational health service provider has demonstrated that it has the competence to deliver against the measures in the SEQOHS standards. Work continues on gaining the 5 year full accreditation plan.

Library and Knowledge Service compliance with the Library Quality Assurance Framework (LQAF)

The Trust Library and Knowledge Service achieved its highest level of compliance (99%) with the requirements of the Library Quality Assurance Framework (LQAF) England.

2.3 Staff Engagement - Listening into Action

Staff Satisfaction and Staff Engagement is a key element of the Workforce & Organisational Development Strategy. The Workforce & Organisational Development Strategy articulates our 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 and conducted in a manner that improves staff experience and lets us demonstrate that we have put our values into action.

The Staff Engagement work programme for 2017/18 was focused on the lowest scoring areas in the National Staff Survey 2016 to aim to continue to improve levels of engagement. The Staff Engagement Team have led the Trust wide staff engagement plan, aligning this to the Trust's Culture and Engagement Plan 2015-18, supported by Divisional Improvement plans.

A detailed action plan was developed from the findings of the 2016 national staff survey. This was monitored on a regular basis via the LiA Staff Engagement Group, Workforce and Communications Group and reported to the Partnership Steering Group, supplemented by divisional improvement plans. Key actions delivered in 2017 are:

- Opportunities for staff to be involved in change and improvements including Listening into Action (LiA) CEO events and LiA work streams. To date, 119 Teams have adopted LiA to address improvements required, focused on quality and safety, patient experience and enabling our teams. Examples in 2017/18 include: Supporting Staff Affected by Cancer, Mandatory Training, Radiology, engaging staff in learning from incidents, collaborative working, Safe Administration of Medicines, paediatric flow.
- Listening into Action huddles completed in over 90% of departments and identified over 650 improvement actions, progressed locally and within LiA teams.
- Rewards and recognition - Introduced Employee of the Quarter and 100% attendance.
- Continued focus on improving internal communications including weekly staff engagement communications
- Positive action on Health and Wellbeing and Health and wellbeing plan refreshed and aligned to a national CQUIN target

- Promotion of the role of Freedom to Speak Up (FTSU) Guardians and introduced medical FTSU Guardian
- Creating a safety culture
- Making better use of patient and service user feedback to inform decisions
- Quality of appraisals and promoting access to training
- Implementation of the medical engagement plan, including medical leadership structure from 1/4/18, introduction of Senior medical staff values based recruitment, developed new Senior medical staff Induction Programme, new Senior medical staff leadership training plan to support new leadership roles from April 2018.

The Trust set aspirational targets to be in the top 20% of organisations in the North West for Staff Engagement levels. The Trust Board agreed the quarterly Staff Friends and Family Test (Staff FFT) to be used to monitor progress in achieving this aspiration. Additional questions that make up the overall staff engagement score were added to the Staff FFT. The results since the last National Staff Survey have declined in staff recommendation for work and overall staff engagement score. This has also been highlighted in the results of the National Staff Survey 2017, published on 6th March 2018.

It should be noted that question 1 in the National Staff Survey undertaken in Quarter 3 of each year, is not directly comparable to the Staff FFT.

Staff Friends and Family Test Questions	Q1 2016/17 Staff FFT	Q2 2016/17 Staff FFT	Q3 2016/17 Staff Survey 2016	Q4 2016/17 Staff FFT	Q1 2017/18 Staff FFT	Q2 2017/18 Staff FFT	Q3 2017/18 Staff Survey 2017
Question 1 Recommend Trust for Care	79%	86%	69%	78%	79%	79%	69% (N/Av 71%)
Question 2 Recommend Trust to work	58%	64%	62%	58%	57%	52%	59% (N/Av 61%)
Staff Engagement Score	3.82	3.97	3.78	3.78	3.76	3.70	3.75 (N/A 3.79)

Question 1 –maintained the score from last year’s staff survey and is 2% below the national average.

Question 2 –decreased by 3% since the national staff survey 2016 and is 2% below the national average.

The Staff Engagement score has gone down from 3.78 in the staff survey 2016 to 3.75 in 2017. Whilst this is higher than Q2 2017/18, the overall score is below the national average of 3.79

Comments from respondents during the year regarding reasons for not recommending the Trust as a place to work include: morale, staffing levels/workload/staff moves, management style/behaviours, training opportunities.

National Staff Survey 2017 Results

The national results were received on 20th February 2018 and published on 6th March. There are a total of 87 survey questions which are grouped to form 32 key findings. The results below are compared to Acute Trusts nationally. The key findings and overall staff engagement score are summarised below.

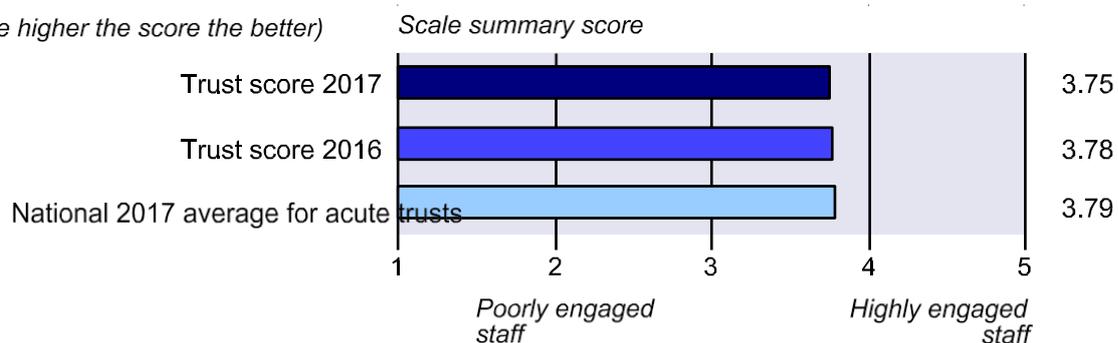
Key Findings	Number of Key Findings
No significant change since 2016 survey	30
Deteriorated	2
Best 20% Trusts	2
Better than average	5
Average	3
Worse than average	13
Worst 20% Trusts	9

The Organisation

		Your Trust in 2017	Average (median) for acute trusts	Your Trust in 2016
Q21a	"Care of patients / service users is my organisation's top priority"	69%	76%	71%
Q21b	"My organisation acts on concerns raised by patients / service users"	66%	73%	70%
Q21c	"I would recommend my organisation as a place to work"	59%	61%	62%
Q21d	"If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation"	69%	71%	69%
KF1.	Staff recommendation of the organisation as a place to work or receive treatment (Q21a, 21c-d)	3.70	3.76	3.73

OVERALL STAFF ENGAGEMENT

(the higher the score the better)



Top Five Ranking Scores

	Score 2016	Score 2017	National Average 2017
KF 25 % staff experiencing harassment, bullying or abuse from patients relatives or the public in the last 12 months	24%	24%	28%
KF20 % staff experiencing discrimination at work in the last 12 months	7%	10%	12%
KF16 % staff working extra hours	64%	70%	72%
KF23 % staff experiencing physical violence from staff in last 12 months	2%	2%	2%
KF18 % staff attending work in last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves	48%	50%	52%

Bottom Five Ranking Scores (* greatest local change)

	Score 2016	Score 2017	National Average 2017
KF27 % colleagues reporting their most recent experience of harassment, bullying or abuse	41%	37%	45%
KF9 Effective team working*	3.73	3.61	3.72
KF7 % staff able to contribute towards improvement at work	69%	66%	70%
KF12 Quality of appraisals	3.05	2.97	3.11
KF5 Recognition and value of staff by managers and the organisation*	3.48	3.35	3.45

Health and Wellbeing

The implementation of the Health and Wellbeing Plan is a key objective within the Workforce and Organisational Development Strategy 2015-18 and supports the culture and engagement plan. A National CQUIN target for 2017-19 has been set that has 3 key components.

- 1a) Improvement of health and wellbeing of NHS staff
- 1b) Healthy food for NHS staff, visitors and patients
- 1c) Improving the uptake of flu vaccinations for front line staff within providers

CQUIN 1a has been a particular challenge and internal monitoring via the Quarterly Friends and Family Test has indicated and been reported as unlikely to be achieved. For CQUIN 1a, we need to achieve 5% improvement against two of three national staff survey questions (Q9a,b,c) related to health and wellbeing, with the 2015 survey results being the baseline.

Given that these questions deteriorated in the 2016 staff survey, the challenge has been even greater. Despite significant amount of work in 2017, CQUIN 1a has not been achieved based on the 2017 National Staff Survey findings. Mitigating actions have been put in place and a deep dive of the health and wellbeing plan has been undertaken and a robust communications campaign will be delivered.

Quality Health presented the results and key recommendations from the 2017 National Staff Survey to the Trust on 13th March. Our organisational development plan inclusive of staff engagement, will be focused on key themes for improvement including: leadership, culture, learning organisation, engagement, valuing our workforce, healthy workforce and inclusivity.

The Trust is also required to report its performance against the following two indicators in the 2017 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: 24% (slightly better than national average of 26%)

KF21 Percentage believing that Trust provides equal opportunities for career progression or promotion for the Workforce Race Equality Standard:
75% (BME) equal to national average, 84% (White) below 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, a workstream has been developed to change how complaints are handled, and an Interim Head of Patient Experience and Complaints Manager have been working with their team to reduce a backlog of complaints and to improve the quality and timeliness of written responses to complaints.

Safety measures reported	2015/16	2016/17	2017/18
“Never events” that occurred in the Trust (<i>source: Safeguard – Trust’s own risk and incident database</i>) <i>These are a national list of 16 applicable incidents that should never occur</i>	3	5	4
Serious Incidents reported, investigated and remain serious (<i>source: Safeguard database</i>)	106	59	15
Reports made to the National Patient Safety Agency by the Trust and percentage of incidents reported that resulted in serious harm or death (<i>source: NHS Improvement - National Reporting and Learning System</i>)	9,482	9,855 0.3%	9,571 0.05%
Rate of patient safety incidents (per 100 admissions) and % resulting in severe harm (<i>source: NHS Improvement - National Reporting and Learning System</i>)	<1%	<1%	<1%

Clinical outcome measures reported			
<p>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>source: Dr Foster</i>)</p> <p>NB: Data for 2017 relates to December 2016 – November 2017; please also note that while previous reports have provided a rolling figure - this has now moved to a spot mortality figure for the period, thus data may not be directly comparable between years</p>	89.35 (range 84.31-94.16)	89.58 (range 85.8 – 100)	73 (range 58.9 – 89.0)
<p>Summary Hospital-Level Mortality Indicator: SHMI value and banding (<i>source: NHS Digital</i>)</p> <p>NB: Data released in 2017/18 relates to October 2016-September 2017</p>	96.9 (as expected)	96.6 (as expected)	96.6 (as expected)
% of Deaths with palliative care coding (<i>source: Dr Foster</i>)	28.1%	28.3%	35.2%
% compliance with the standard to review all deaths (<i>source: the Trust's own monitoring spreadsheets and mortality meeting minutes</i>)	N/A new indicator for 2017/18 onwards	N/A new indicator for 2017/18 onwards	11.9%
% of admitted patients risk assessed for VTE (<i>source: NHS Digital</i>)	94%	94%	95.8%
<p>% of admitted patients who had MUST risk assessment for malnutrition (<i>source: point prevalence audit undertaken by the Trust's Corporate Nursing Team</i>)</p> <p>NB: This data refers to compliance at 7 days</p>	84.9%	80.0%	59% (Q4 2017/18)
<p>% Emergency Readmissions within 30 days (<i>source: Dr Foster</i>)</p> <p>NB: most recent data available is from December 2017</p>	9.1%	8.96%	9.1%
<p>Average length of stay in days (<i>source: Dr Foster</i>)</p> <p>NB: most recent data available is from December 2017</p>	5.0	5.0	5.1
Patient experience measures reported			
Number of complaints received by the Trust (<i>source: Safeguard database</i>)	446	346	305
% complaints responded to within timescales stipulated by the Trust's Concerns and Complaints Policy (<i>source: calculated by the Trust's Patient Experience Team</i>)	N/A new indicator for 2017/18 onwards	N/A new indicator for 2017/18 onwards	21%

% patients who felt they were treated with courtesy and respect (<i>source: Trust's own Learning with Patients survey</i>)	96.5%	96.4%	N/A
NB: the Learning with Patients Questionnaire is no longer reported as one of the Trust's key performance measures; the monitoring of patient experience is currently under review			
Responsiveness to inpatients' personal needs (<i>source: CQC - National Patient Survey</i>)	67.9%	78%	69.7%
Staff respondents who would recommend the Trust to friends or family needing care (<i>source: CQC - National Staff Survey</i>)	66%	69%	68%

Never Events

The Trust has reported four never events during the financial year 2017/18, under the following categories:

- Surgical Foreign body left in situ x2
- Wrong site surgery
- Overdose of Methotrexate for non-cancer treatment

Surgical Foreign Body left in situ incidents

1. A 64 year old patient underwent a left total hip replacement in Clatterbridge hospital. Following the implantation of the prosthesis the registrar was asked to repair the abductors and close the wound. For the abductor repair, a 2.5mm gold synthes drill is used to make bone tunnels to pass suture material which is used for secure abductor repair. The registrar used the drill and did not report any intra-operative problem with the equipment. The patient was recovered and returned to the ward.

When the equipment was returned to the Sterile Services Department (SSD) for cleaning it was noted that approximately 2cms of the drill bit was missing. The tray was checked thoroughly along with the documentation from theatre. The theatre scrub nurse was contacted who informed the clinical team that the end of the drill bit was missing. A check x-ray of the patient's hip the following morning revealed the tip of the drill bit to be inside the patient. Actions already taken include:

- Integrity checks on equipment are already included on 'the count' check lists and staff have been reminded of this
- Scrub nurse has reflected on the incident
- The incident has been communicated across the wider theatre team regarding the reported never event with emphasis on the importance of checking both the numbers and integrity of all surgical instrumentation and medical devices in use during surgery
- The Consultant involved has provided a written rationale for why the drill bit will not be removed
- All drills were replaced before the weekend
- Theatre staff have been given training on how to recognise signs of fatigue and wear on drill bits
- Staff have been empowered to remove from service any drill bits they find with the appearance of fatigue and wear
- The incident has been discussed at the Trust's Safety Summit

2. Retained drain post procedure: In September 2017 a patient underwent a Caesarean section operation at Liverpool Women's Hospital. During the procedure part of a surgical drain was found in patients' abdomen. The drain was removed and the abdomen was examined for any injury; no injury was found.

The patient had previously had two caesarean section operations at Wirral University Teaching Hospital (WUTH) in 2006 and 2013 with no other surgical procedures since this time. The clinical governance team at WUTH was informed and a review of the patients' management during her admission in 2013 was commenced. Actions already taken include:

- The Ward Manager has reviewed training records of Midwifery Support Worker staff and all have completed the university module which includes the removal of surgical drains.
- Incident was shared at the Trust wide Safety Summit in November 2017 for Trust wide learning.

Wrong site surgery incident

A patient for query left tibial vessel angioplasty, had given consent for puncture of the left but was informed that it may be necessary to puncture the right, but only if it was difficult to access the left. An initial puncture was made on the right by mistake, corrected and puncture and procedure were made on the left. The vessels to the foot were adequate so no angioplasty was carried out. Initial actions taken included:

- The WHO checklist was amended to include verbalisation of access route, procedure and laterality.
- A universal approach amongst radiologists has been developed for the process for marking a patient for angioplasty and the Pre-operative surgical site marking policy updated.
- An iPad has been purchased to allow staff within the Interventional Radiology suite to confirm the electronic request (laterality and procedure) prior to commencing the procedure.

Overdose of Methotrexate for non-cancer treatment

A patient was admitted and his weekly dose of methotrexate was prescribed for Wednesday. However, he had already had his dose of methotrexate on Monday while he was at home. He had brought in his medication from home. The investigation of this incident is ongoing at the time of writing.

Serious Incidents

During the financial year a total of 97 serious incidents were reported on StEIS (the Strategic Executive Information System).

A total of 12 (out of a total of 97 investigations completed within the year) of the serious incidents reported, remained at a serious risk rating following investigation (moderate or severe). We have adopted the NRLS risk matrix within this financial year which has altered the way that the scoring shows moderate or high. In previous years an RCA scoring 4 x 1 or higher would show as a moderate or severe; it now shows as a low, which will explain why the number of RCA's closing as a moderate or severe have reduced over the last year.

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 Standard Operating Procedures in place and policies and procedures

The total number of incidents reported during the period of 01/04/17 – 31/3/18 was 12,527.

National Patient Safety Agency (NPSA)

The number of incidents reported to the NPSA via National Reporting and Learning System (NRLS) for the period 01/04/17 – 31/03/17 was 9,571.

Developments in Incident Reporting

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

- Root Cause Analysis training continues to be delivered to staff responsible for completing investigations
- Communication and information sharing continues via a dedicated site on the Trust intranet and through the Safety Summit and the weekly Safety Bites global newsletter.
- Monthly reports detailing current performance against several Quality and Safety key performance indicators
- The introduction of a weekly Serious Incident panel meeting where 72hr reviews are discussed with divisions and decisions made as to progression to an RCA or Local review.

Mortality

Our mortality continues to be lower overall than for comparable Trusts with a comparable mix of patients, as measured by the Hospital Standardised Mortality Ratio (HSMR) and the Standardised Hospital Mortality Index (SHMI). The SHMI is generally consistent with the HSMR; however, reporting lags six months behind HSMR. The HSMR measures 85% of in-patient deaths adjusted for palliative care, social deprivation and admission history. It is a more timely mortality index, while the SHMI measures *all* deaths in the hospital and those occurring within 30 days of discharge.

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 in detail the work done to achieve this goal. The Trust had an existing mortality review process which was well-embedded and was managed at divisional level.

In February 2017 we agreed to implement a new approach to mortality reviews which involved 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 is based on the recommendations of the Care Quality Commission's national report, *Learning, Candour and Accountability*, which was published in December 2016 and which the Secretary of State for Health instructed all Trusts to act upon. We piloted the process in March 2017 and it took effect from April 2017.

The new screening process involves consultant and non-consultant senior grade doctors from across all divisions who provide an objective opinion using a standardized survey tool - a Primary Mortality Review (PMR). Where concerns are raised, the death will have a more in-depth review - a Strategic Judgemental Review (SJR). This review assesses the death for any lapses in care, with an assessment as to whether the death was avoidable, based on the criteria of having a >50% chance of being avoidable. Alternatively a Root Cause Analysis investigation may be completed, if the death has been reported as a serious incident, for example because the patient suffered a serious fall before they died. Also, there are separate, nationally-

mandated processes for deaths which occur in Women's and Children's services. During Quarter 3 and 4 2017/18, 49 of the 220 deaths with completed reviews were referred for more detailed review by SJR or RCA. We aim to eventually perform Strategic Judgemental Reviews on 10% of all deaths. Currently the Trust has two Consultants who have been trained to complete SJR's and a programme is in development to train many more reviewers, including nursing staff.

Mortality Reviews completed

During 2017/18 1617 of WUTH patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 365 in the first quarter; 343 in the second quarter; 413 in the third quarter; 496 in the fourth quarter.

By March 2018, 652 case record reviews had been carried out or assigned in relation to the 1617 deaths included above, (it is likely some of those assigned will not be completed). 3 out of the 20 deaths referred so far for a more in-death review are judged to be more likely than not to have been due to problems in the care provided to the patient. 2 of these were as a result of falls, and the other due to a missed dilatation of the abdominal aorta. As assessment of deaths occurring in Quarter 3 and Quarter 4 of the year is not complete, the number of avoidable deaths may rise further.

Issues identified through the review process

Common themes have emerged from our Primary Mortality Reviews. Improvements have been observed in end of life care generally; the standard of Mental Capacity Assessment documentation and of Do Not Attempt Cardiopulmonary Resuscitation documentation; and communication with families.

However, issues have been identified regarding patients who should have been on the Record of Care at the end of life, but for whom the document was not used. Some errors have been observed in completion of death certificates (approximately 5% of the cases reviewed for Quarter 3 of 2017/18). Fast-track discharge processes had not always worked effectively for patients approaching the end of life, and issues with prescribing or administration of medicines were found in 3% of cases.

Actions taken in response to reviews and their impact

Learning points from the primary reviews have been discussed at all divisional governance meetings, and shared by e-mail to all Consultants, junior doctors and nursing staff. Work is underway to improve the standard of death certification by junior doctors. The Trust's Deputy Medical Director leads the mortality review process and produces a quarterly report about the progress of the programme and the issues that have been found.

In terms of the effectiveness of the measures taken, the Trust's performance in terms of mortality continues to be strong. However, it is difficult to isolate the impact of the measures described above from other initiatives aimed at improving the quality and safety of care. These initiatives include: the Advancing Quality program for Heart disease, hip fractures, large joint replacements, sepsis, alcoholic liver disease, pneumonia, and COPD; the Trust's End of Life Care Strategy; nMEWS (a new modified early warning score which should ensure prompt identification of when a patient's condition is deteriorating); and a more structured and better-documented approach to clinical handovers.

Length of Stay

The most recent data available covers the ten months from April 2017 to January 2018. This shows an average length of stay of 5.1 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, e.g. SAFER, which is described in section 2.1 of this report. To some extent, these factors balance one another out.

Complaints

The Trust received a total of 305 complaints in the period April 2017-18; this is 10% fewer complaints compared with the previous financial year. On average, the Trust has received 25 new complaints per month and responded to 28. The majority of complaints required an extension beyond the initially agreed date with only 21% being resolved within the designated timeframe outlined in the Trust policy.

Traditionally the key performance indicator for this report has been whether the complaint was resolved within the timescale agreed with the complainant, so if we and the complainant had agreed a longer response time than that required by the Trust's Concerns and Complaints Policy, the key performance indicator would still be met. As it was commonplace to agree extensions with complainants, compliance with the KPI was substantially higher in previous editions of this report. For clarity and consistency, the KPI stipulated within our Trust Policy is now being used as a yardstick.

The top four thematic categories within the formal complaints received (comprising 75% of all themes) were:

- Treatment and Procedure breaking down mainly to the subcategories of: Treatment / Procedure – Inappropriate / Wrong (34%); Treatment / Procedure – Delay / Failure (31%); End of Life (6%); Complication During / Following Op / Procedure (5%); and Delay / Failure to Monitor (5%)
- Communication breaking down mainly to the subcategories of: Communication Failure with Patient / Visitor / Carer (67%); Staff Attitude – Nursing (8%); Staff Attitude – Medical (7%); Communication Failure Within Team (7%)
- Transfer and Discharge breaking down mainly to the subcategories of: Discharge – Inappropriate (35%); Discharge – Planning Failure (28%); Discharge – Delay / Failure (13%); Transfer – Delay / Failure (10%)
- Access and Admission breaking down mainly to the subcategories of: Delay / Failure in Access to Hospital Care (49%); Appointment Delay / Cancel – Outpatient (28%); Appointment Delay / Cancel – Inpatient (18%); Follow-up Appointment Delay / Failure (5%)

The majority of complaints (40%) involved the Medicine and Acute Division, followed by Surgery (33%), Women and Children's (36%), Corporate Services (9%), and Clinical Support (7%).

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.

The Trust uses the Friends and Family Test (FFT) as a primary measure of patient experience. This is a standard national questionnaire which asks patients whether they asks people if they would recommend the services they have used to their friends and family. Results are collected monthly and are calculated for each individual ward and outpatient service.

In January 2018, 98% of inpatients who completed the FFT survey responded that they would recommend the Trust, against 1% who would not. For the Emergency Department, the figures were 92% recommend and 4% not recommend; and for Outpatients they were 95% recommend and 2% not recommend. In all three categories the Trust performed better than the national average, and the regional average for Cheshire and Merseyside. However, the overall response rate (the number of patients who actually complete the survey) is generally lower at this Trust than others, and we are working to increase this percentage.

The focus on the FFT has led to a significant reduction in the number of patients completing the Trust’s own Learning with Patients Questionnaire, and the results of the LWPQ are no longer routinely analysed and reported as a key performance indicator.

2.4.2 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:

- Monitoring of the high-level Infection Prevention and Control Improvement Plan through Infection Prevention and Control Committee, and the Quality and Safety Committee
- Learning lessons from post-infection reviews and sharing these with staff, for example the need for thorough documentation, and not to miss screening opportunities (the review process has been updated during the year)
- Devising a Wirral Health Economy Improvement Plan for reducing Gram negative blood stream infections, e.g. E.coli, Klebsiella and Pseudomonas
- Encouraging participation of staff in the flu vaccination programme during summer and autumn 2017, ahead of winter
- A ‘Back to Basics’ campaign focusing on hand hygiene and targeted at staff during November 2017
- Hydrogen Peroxide Vapour decant replacement ‘deep clean’ programme, for example two wards received a full ward clean during January 2018
- Reviewing use of side rooms to ensure patients are isolated appropriately and identify patients who require isolation
- Daily reviews by the Infection Prevention and Control Team of patients suffering from diarrhoea

Period	MRSA Bacteraemia Cases	Target	Clostridium difficile toxin cases	Target
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 (13 avoidable)	29
2017/18	2	0	51 (27 avoidable)	29

The Trust has reported 51 cases of toxin 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 27 avoidable cases during the year against a tolerance target of 29. This is double the number compared to 2016/17, when there were 13 avoidable cases, and may reflect the high levels of bed occupancy during the year, which have made it more difficult to isolate patients in side rooms. A common theme arising from post-infection reviews of these cases was inconsistent/inaccurate documentation relating to bowel activity, which resulted in a delay in identification, sampling and isolation. Also, quality control checks completed earlier in the year by the Infection Prevention and Control Team of cleaning indicated that cleaning had not always been performed to an optimal standard, although there was some evidence of improvement later in the year. They also found that cleaning bed spaces in between patients had been difficult, especially in areas with a higher turnover.

Two bloodstream infections due to MRSA were reported, meaning that we have breached our tolerance level of zero for the year. The post infection reviews following the bacteraemia identified issues including: MRSA screening did not include all appropriate sites; a sputum specimen was not collected prior to commencing antibiotics; there was a delay in referring problems with a PICC line; and that acquisition of MRSA probably occurred on a previous admission on which standard infection prevention and control precautions may not have been followed.

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

- Reviewing the assurance and accountability framework for infection control
- Improving compliance with screening of patients for MRSA on admission, and for CPE on discharge
- Training staff to 'fit test' respirators for use in the event of a flu outbreak

Period	Tolerance for 2017/18	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MRSA Bacteraemia Cases	0	0	1	0	0	0	0	0	0	0	0	0	1
Toxin C Difficile cases	29	2	3	2	1	6	2	3	1	2	1	1	3

2.4.3 National Targets

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-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Referral to treatment time: incomplete pathways < 18 weeks	Minimum 92%	80.33%	82.05%	82.67%	80.15%	79.07%	80.42%	80.91%	80.91%	77.70%	76.43%	75.60%	73.07%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge (Arrowe Park site - including Walk In Centre managed by Wirral Community NHS Trust)	Minimum 95%	82.21%	79.80%	81.14%	76.94%	79.26%	87.50%	87.84%	85.73%	78.36%	78.45%	78.33%	74.39%
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge (WUTH Emergency Department alone)	Minimum 95%	77.36%	74.37%	76.08%	70.44%	72.88%	83.42%	83.88%	81.15%	70.55%	70.86%	70.49%	63.22%
Percentage of diagnostic waits <= 6 weeks	Minimum 99%	99.87%	99.63%	99.25%	98.76%	98.72%	99.87%	99.15%	99.49%	98.72%	98.82%	99.20%	99.23%

National targets and regulatory requirements	Target	Q1	Q2	Q3	Q4	Full year
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	Minimum 93%	95.62%	96.84%	98.24%	96.15%	96.71%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all breast symptom referrals	Minimum 93%	83.57%	93.88%	98.41%	95.83%	92.92%
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Minimum 96%	96.75%	97.04%	96.85%	97.56%	97.05%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer – surgery	Minimum 94%	98.33%	96.49%	96.97%	98.61%	97.60%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer – drug treatment	Minimum 98%	100.00%	100.00%	100.00%	100.00%	100.00%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Minimum 85%	85.41%	86.40%	85.95%	86.71%	86.12%
Maximum waiting time of 62 days from NHS Screening referral to treatment	Minimum 90%	97.44%	96.97%	95.92%	94.34%	96.17%
Maximum waiting time of 62 days from consultant upgrade to treatment	Minimum 85%	90.40%	91.74%	94.07%	90.98%	91.80%
Clostridium Difficile cases due to a lapse in care (cumulative)	Maximum 29 pa	7	16	22	27	27
Percentage of diagnostic waits <= 6 weeks	Minimum 99%	99.25%	99.87%	98.72%	99.23%	99.23%

Referral to treatment time within 18 weeks – incomplete pathways

The Trust did not deliver performance against the Referral to Treatment RTT standard of a minimum 92% during any month in 2017/18. The percentages reported are based on a snapshot at the end of each month; the average month-end performance for 2017/18 was 79.12%.

The Trust has in place a RTT Improvement Plan, the comprehensive actions of which have been developed with support from NHS Improvement and the National Elective Intensive Support Team. Significant work has been undertaken over the last twelve months to understand the Trust core capacity and its ability to deliver elective demand. Alongside this patient waiting lists have been completely validated to identify the true elective demand on the Trust. The considerable urgent care pressures through the Winter period, including the nationally mandated suspension of the non-urgent elective programme across three months, has contributed to a deterioration in performance against this standard. Long-waiting patients are proactively managed, and patients with excessive waits are assessed for potential harm resulting from the waiting time.

Access for emergency patients

The joint Urgent Care Recovery Plan for the Wirral Health economy is in place, and despite the considerable efforts across all parties the performance against the Emergency Access Standard remained below the minimum 95% for 2017/18. Performance for the year as a whole was 80.81% (this includes the All Day Health Centre located on the Arrowe Park site, in line with external reporting). When this walk-in centre, which is managed by Wirral Community NHS Trust, is excluded, the performance for WUTH's Emergency Department alone was 74.63% for the year.

The considerably increased pressure on urgent care services in 2017/18 was experienced regionally and nationally, leading to difficulties achieving the four-hour standard in most areas. However the key elements of the Wirral urgent care plan are being maintained including primary care streaming, additional community

beds, and revised integrated discharge managements. The primary internal focus remains on discharges earlier in the day using the SAFER framework, real time clinical escalation and bed management.

Access to Cancer Care

The Trust again consistently achieved the Cancer access targets for all metrics across the whole of 2017/18. The two-week standard for breast referrals was not achieved for quarter 1 due to an imbalance between capacity and demand. However that was recovered and the standard was met for all the remaining quarters. All other standards were achieved for all quarters through the year. 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.

Diagnostic 6 weeks wait

The percentages reported are based on a snapshot at the end of each month; the average month-end performance for 2017/18 was 99.23%.

2.4.4 Core Indicators

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 2016 – June 2017				October 2016 – September 2017			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
SHMI	1.00	0.969	0.89	1.119	1.00	0.966	0.73	1.25
% Deaths coded for palliative care	31.1%	32.4%	11.2%	58.6%	31.4%	35.2%	11.5%	59.5%

The Trust considers that this data is as described for the following reason: The Trust continues to perform statistically better than its peer group. This reflects the success of a number of longstanding initiatives, participation in the Advancing Quality benchmarking programme, 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 Trust has taken the following actions to improve this percentage, and so the quality of its services: a new approach to mortality reviews was introduced in 2017 so that we will be screening all deaths, rather than a sample, and following up with more ‘in-depth’ reviews of deaths which give cause for concern. The Trust has also put considerable effort into improving how clinical handover is given and recorded and it is expected that this may also contribute to reductions in mortality.

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 - March 2017			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
Groin Hernia Surgery	0.089	0.078	0.021	0.157	*	*	*	*
Hip replacement surgery	0.429	0.357	0.225	0.544	0.445	0.421	0.417	0.472
Knee replacement surgery	0.318	0.333	0.186	0.398	0.319	0.323	0.297	0.348
Varicose Vein Surgery	0.097	0.030	-0.004	0.150	*	*	*	*

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

The Trust considers that these data are as described for the following reason – The Orthopaedic Directorate is pleased with the most recent PROMs results for both hip and knee replacement as they demonstrate the department to be performing well in relation to all three outcome measures recorded for each procedure. The results are within the normal spectrum expected for a unit of this size.

The aim of the PROMs study is not to “league table” units but to ensure there is a high standard of appropriate patient selection, that realistic patient expectations are set from an early stage and that the surgery is performed at the appropriate stage in the pathological process. By ensuring that the operation is not performed too early or too late in the disease process optimum clinical outcome can be achieved and this is demonstrated by a significant increase in outcome scores.

The results would suggest this aim is being achieved by our unit, that appropriate patient referral and selection is taking place, and that good quality surgery, nursing care, physiotherapy and occupational therapy is taking place.

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 was reported in the 2013/14 Quality Account.

The Trust considers that this data is as described for the following reason – the data are historic; the most recent data available from the Health and Social Care Information Centre is from the year ended 31st March 2012. No further data has been published for this indicator nationally.

The Trust has taken the following actions to improve this percentage, and so the quality of its services: readmissions was a priority topic in the Quality Account in 2014/15, 2015/16 and 2016/17 (although we used readmissions within 30 days as our performance indicator, rather than within 28 days) and during that period a monthly audit of readmissions was undertaken to check whether they were avoidable. There was a particular focus on improving services for older people who are particularly likely to be re-admitted as emergency cases, for example by Geriatricians working in the community with nursing homes.

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 remained slightly above the national average.

	April 2015 – March 2016				April 2016 – March 2017			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
Responsiveness to personal needs (indicator value)	77.2	78.5	70.6	88.0	68.1	69.7	60	85.2

The Trust considers that this data is as described for the following reason – the Trust’s results in the 2016 National Inpatient Survey are close to the national average, with the Trust rated as amber, or ‘about the same’, in between the best performing and worst performing trusts, for all eleven domains within the survey. Although for 13 questions in the survey, there was an improvement of 5% or more compared to results of the previous year’s survey, the Trust did perform particularly poorly for questions relating to nutrition and hydration, e.g. whether patients were offered a choice of food, and how they would rate the hospital food.

Actions being taken to improve nutrition and hydration are described in section 2.1 of this report under Priority 2; these include the reintroduction of hot lunches and a review of the menu. In terms of how we respond to patients’ needs more generally, we continue to implement our Nursing and Midwifery Strategy, which is based on the 6C’s of patient care – care, compassion, communication, commitment, competence and courage. We also observe, and report on, the quality of care in wards and clinics, in our internal Care Quality Inspection Programme (see section 3.2.5).

Recommend the Trust to Family and Friends

	Staff Survey 2016				Staff Survey 2017			
	National Average (All Acute Trusts)	WUTH	Low	High	National Average (All Acute Trusts)	WUTH	Low	High
Agree/Strongly Agree (%)	70%	69%	49%	85%	70%	68%	47%	86%

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. This contributed to achieving a substantial increase in the following year’s survey. In the 2017 survey, our results were static and did not show a further improvement, although this must be seen in the context of a very challenging and unprecedentedly busy year for the Trust and the NHS as a whole.

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 and have also developed a new Medical Engagement Plan, after a survey completed earlier in the year which showed disappointing results. The ‘Listening into Action’ programme has been in place since 2013; 90% of teams and departments have held ‘huddles’ to obtain feedback from staff, plus there have been a number of cross-departmental workshops covering topics such as mandatory training, or supporting staff affected by Cancer. We also have five Freedom to Speak Up Guardians with whom colleagues can raise concerns outside of the normal management structure; a Consultant joined the team during the year, becoming the first medical guardian.

VTE assessment – Based on acute trusts

The Trust now performs slightly better than the national average, in contrast to last year’s edition of this report, in which performance was slightly below the average of the NHS.

	Quarter 2 2017/18				Quarter 3 2017/18			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
Compliance (%)	95.2%	95.5%	71.9%	100%	95.3%	95.8%	76.1%	100%

The Trust considers that this percentage is as described for the following reason – our performance is broadly consistent over time. A ‘deep dive’ review undertaken during 2017/18 by the Deputy Medical Director found that there was some confusion among staff regarding the timescales for re-assessment at 24 hours and we have worked to address this issue.

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. The Trust’s Clinical Audit Team continue to undertake a monthly audit of the prevention and management of VTE; the results are reported as a key performance indicator in the Integrated Quality Governance Report (also known as ‘the

dashboard'). New national guidance is expected to be published shortly by NICE – the Trust is planning to update its policy, training and audit to reflect the new guidance.

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 2015 – March 2016				April 2016 – March 2017*			
	National Average	WUTH	Low	High	National Average	WUTH	Low	High
C.difficile (rate per 100,000 bed days)	15	20.2	0	67.2	12.9	15.8	0	82.7

The Trust considers that this rate is as described for the following reason: the data is historic as it relates to the 2016/17 financial year. It should be noted that only 13 cases of C.Diff were found to be avoidable when investigated – this was significantly below the maximum number of avoidable infections permitted by NHS Improvement (29).

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 (e.g. through a 'Back to Basics' staff information campaign), effective use of isolation, and decontamination through the hydrogen peroxide vapour programme, and daily reviews of patients suffering from diarrhoea. These are described in section 2.4.2 of this report.

Patient Safety Incidents Reported, based on large acute trusts

	October 2015 – March 2016				October 2016 – March 2017			
	National Average	WUTH No. Rate	Low	High	National Average	WUTH No. Rate	Low	High
Patient Safety Incidents	2,203	5,679 47.7	1,499	11,998	2,436	6,061 51.1	0	14,506
	The Trust reported 15 incidents that resulted in severe harm or death				The Trust reported 12 incidents that resulted in severe harm or death			

The Trust considers that this rate is as described for the following reason – the data are historic. The Trust continues to have higher than average levels of incident reporting. According to NHS Improvement's National Reporting and Learning System, we are in the top 25% of NHS organisations nationally for the number of incidents reported (six-monthly report, September 2017). This is a positive sign as it demonstrates that our staff know how to report incidents and feel confident to do so. The vast majority of incidents reported involve either no, or low, harm to patients.

The Trust has taken actions to improve this score, and so the quality of its services, by promoting the importance of reporting and investigating incidents as part of a wider 'safety culture'. Every Thursday lunchtime, a Safety Summit is held. This is open to all clinical staff. A summary is given of a recent incident, often by the staff members who were involved, and the attendees discuss the lessons that can be learned. Following the summit, a 'Safety Bites' newsletter is sent out to the whole Trust via e-mail. The Trust has also invested in upgrading its incident reporting and management software system, to make it easier to use and to improve the format and quality of information which it generates.

Other indicators

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

2.4.5 Seven Day Services

There is a national drive to improve access to senior decision makers early in the patient's admission seven days a week. This will enable planning and should support reducing length of stay whilst providing patients with a better experience. This national priority is reflected in the Trust's Quality Improvement Strategy for 2016-19.

During 2017 the Trust participated in the national Seven Day Service Audit. This measured against four key clinical standards which have been demonstrated to reduce patient mortality:

- Standard 2:* All emergency admissions to have a consultant review within 14 hours
- Standard 5:* Availability of diagnostic services
- Standard 6:* Availability of interventional diagnostic services
- Standard 8a:* Ward patients with high dependency needs to be reviewed by a consultant twice daily
- Standard 8b:* Ward patients on a pathway of care need to be reviewed by a consultant once daily, or have a delegated review, or have documented no medical review required

The audit took place in March 2017, with standard 2 also being audited a second time in September 2017. The results are summarised in the table below.

Standard	Status	Achieved?
2	In March 2017 64% of emergency admissions were seen by a consultant within 14 hours; with a split between weekday/weekend of 65%/59% respectively. In September 2017 55% of emergency admissions were seen by a consultant within 14 hours, with a split between weekday/weekend of 58%/49%	NO
5	The only area non-compliant due to unavailable diagnostic services was Echocardiology	NO
6	The only area non-compliant due to unavailable interventional diagnostic services was urgent radiotherapy	NO
8a	100% Ward patients with high dependency needs are twice daily reviewed by a consultant	YES
8b	61% Ward patients on a pathway of care need are reviewed by a consultant once daily, or have a delegated review or have documented no medical review required; with a split between weekday/weekend of 68%/43% respectively.	NO

Since the audit, further progress has been made. The issue regarding urgent radiotherapy has been resolved, and the availability of mobile scans should improve access to echocardiology at weekends. The Deputy Medical Director is leading on the implementation of full seven-day working within the Trust.

Originally there was not a Trust-wide plan to achieve these standards. Instead, work has been undertaken within each Division. In the Acute and Medical Division progress has been made by the Acute Medical Unit and the individual medical sub-specialities developing their own services to meet 7 day working. In the Surgical Division, the development of the acute surgical team has progressed the standards. In the Women's and Children's Division, further work is to be done to provide assurance regarding the paediatric services within these standards. The Deputy Medical Director is working with the Divisional Management Teams to formulate an organisation-wide action plan in order to attain full compliance with all of the standards by 2020.

Part 3: Priorities for Improvement and Statements of Assurance

Part 3.1: Looking forward to 2018/19; what are our priorities?

We developed our quality improvement strategy for the three years from 2016 to 2019 based on the views of patients, relatives and carers, governors, staff, Wirral Healthwatch, the Adult Care and Health Overview & Scrutiny Committee 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 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 has three overall objectives: enhanced patient experience; no avoidable harm; and consistent and reliable care. Sitting beneath these objectives are nineteen priority topics, of which we have chosen to focus on three for the Quality Account (previously six; the Quality Account priority relating to readmissions was discontinued at the end of last year). 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 2018/19 to support making that vision a reality.

3.1.1 Our priorities for improvement in 2018/19 are:

We intend to focus on just three topics in our Quality Account for 2018/19 – Patient Flow, Nutrition and Hydration, and Pressure Ulcers. These are all carried forward from this year's Quality Account, as the commentary in part 2.1 regarding performance over the last twelve months indicates that there is much work still to be done for each of them. The priorities for medication missed doses and end of life care are being discontinued, recognising the considerable progress that has been made with both. It is hoped that by having just the statutory minimum number of priority topics (three) we will be able to concentrate our efforts and improvement activities on those areas where improvement is most needed.

During February and March 2018 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). The feedback received from this exercise has been taken into account in setting the priorities.

Therefore, in 2018/19 the priorities are:

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 33% 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

3 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.

Target: 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 2017/18 year end position

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

3.1.2 Monitoring of our Priorities for 2018/19

As part of a review of quality governance and the management information which we produce relating to clinical quality and performance, the quarterly Quality Account reports have been discontinued. Instead, all of the priority topics are now reported within the monthly Integrated Quality Governance Report (also known as 'the Dashboard'). The intention behind this report is to give a clearer view of compliance with key performance indicators and what is being done to get back on track when they are not being met. It includes more graphical and numerical data, and less narrative. This is shared with our commissioners each month as part of our contract with them, and information from this report has also been shared with HealthWatch on request.

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 74 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 2017/18 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 2017/18, the Trust took part in 40 national clinical audits and 5 national confidential enquiries covering relevant health services that the Trust provides.

During 2017/18, the Trust participated in 85% (40/47) of national clinical audits and 100% national confidential enquiries that it was eligible to take part in, and which actually took place. NHS England's list of 63 national audits to be reported in the Quality Account for 2017/18 included 12 audits which are not relevant to this Trust and four which did not take place at national level. In 2016/17, we participated in 75% of relevant national audits.

The national clinical audits which the Trust was eligible to participate in during 2017/18, for which data collection actually took place during 2017/18 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 (where this data is available) and a summary of actions. In year, we received and reviewed reports from eight of the national audits in NHS England's list. For the majority of the audits undertaken during the year the reports were not due to be available until after the year end.

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

Royal College of Emergency Medicine Sepsis Audit

- Improved recording of observations with the introduction of a Wi-Fi link between observation machines and the electronic patient record
- New 'Adult sepsis screening and action tool and sepsis six pathway' launched in ED/Trust October 2017

- Lactate measurement from gas machine now available on patients electronic record.

There were five national confidential enquiries which the Trust was eligible to participate in during 2017/18, all of which we actually participated in (see table 19 below).

National Confidential Enquiries Title	Case Requirement	Cases Audited
NCEPOD – Acute Heart Failure <i>NB: this study is still ongoing</i>	100%	2/6
NCEPOD – Cancer in Children	100%	1/1
NCEPOD - Chronic Neurodisability	100%	7/7
NCEPOD – Perioperative Diabetes <i>NB: this study is still ongoing</i>	100%	None so far
NCEPOD – Mental Health Conditions in Young People	100%	4/4
<i>Mothers and Babies: Reducing Risk Through Audits and Confidential Enquiries Across the UK (MBRRACE-UK)</i>	100%	<i>Data not yet available</i>

Table 19 - National Confidential Enquiries

The report of one national confidential enquiry was received by the Trust during the year – *Inspiring Change A review of the quality of care provided to patients receiving acute non-invasive ventilation*, which was published in July 2017. A gap analysis is still being compiled, with an action plan; this has been slightly delayed due to staffing changes.

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 114 local clinical audits were reviewed by the Trust in 2017/18. 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:

Acute Medical Unit (AMU) audit of end of life care

- The use of prognostic indicator guidance tools to identify patients nearing the end of life is being encouraged to aid decision making for advance care planning
- Daily palliative in reach sessions to AMU with consultant support have been established since July 2017

Specialist Palliative Care audit - symptom management nausea and vomiting

- Plan to increase education regarding nausea and vomiting in EOL patients
- Plan to improve documentation of assessment, anti-emetic choice and effectiveness
- Options considered for promoting anti-emetic guidance for non-dying phase within electronic patient record

Respiratory Service audit of lumbar punctures in acute care

- It was confirmed some patients were having unnecessary CT scans before lumbar punctures
- Checklist to be completed prior to booking a scan in patients with meningococcal meningitis

Breast Wound Infection Audit

- Education of patients and relatives about importance of hand washing during the wound healing period
- Staff performed a trial of nasal decontamination of Staph Aureus
- The service will continue to monitor breast wound infection rates and consider the introduction of an identified microbiologist.

3.2.3 Participation in Clinical Research

During 2017/18, 731 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), 11 Research Nurses (7 WTE) and a Research Midwife (0.7 WTE). 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, cardiology, critical care, dementia, emergency care, gastroenterology, haematology, neonatal, orthopaedic, paediatric, physiotherapy, reproductive health, renal, respiratory, rheumatology, stroke, surgery and vascular studies. The past 2 years has seen a dramatic increase in cancer research. Cancer recruitment between 2013 to 2016 averaged at 34 participants per year; in 2016/17 this had increased to 60 and during 2017/18 it had increased further to 123.

In 2017/18 33 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 2017/18 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 2017/18 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 2017/18	Current position
CQUINS	
1a. Staff Health and Wellbeing The Trust should aim to achieve a 5% improvement in 2 out of 3 NHS National Staff Survey questions relating to health and wellbeing, musculoskeletal injuries, and stress	<i>Not yet known</i> At the end of quarter 3 the Trust was still awaiting publication of the staff survey results.
1b. Healthy Food The Trust should reduce the amount of foods on sale at its premises which are high in fat, sugar or salt, and should make healthier options available for staff, especially for those working out of hours. More low calorie pre-packaged foods such as sandwiches should be on sale.	<i>Not yet known</i> Performance against this target will not be confirmed until mid-April.
1c. Flu Prevention The Trust should achieve an uptake of flu vaccinations of 70% by frontline clinical staff.	<i>Not yet known</i> Performance against this target will not be confirmed until mid-April.
2a. Timely identification of Sepsis in the Emergency Department and acute inpatient settings This target measures the percentage of patients who met the criteria for sepsis screening and were screened for sepsis.	<i>On track to achieve</i> The most recent data is from Quarter 3 – in the Trust’s own audit, 94% of relevant patients in the Emergency Department and 93.3% of relevant inpatients had been screened. Thus compliance was achieved.
2b. Timely treatment of Sepsis This target measures the percentage of patients in the audit for 2A above, who were found to have Sepsis and who received antibiotics within one hour.	<i>Further progress needed</i> The most recent data is from Quarter 3 – the Emergency Department achieved 80.3% but acute inpatient departments only achieved 63.2%. Only partial compliance was achieved.
2c. Antibiotic Review There should be an assessment of clinical antibiotic review between 24-72 hours of patients with Sepsis who are still inpatients at 72 hours.	<i>On track to achieve</i> At Quarter 3, raw data submitted to Public Health England suggests that the milestone of 75% was achieved although this is awaiting confirmation by NHS England.

Indicator for 2017/18	Current position
<p>2d. Reduction in Antibiotic Consumption This target measures: total antibiotic usage for all patients per 1,000 admissions; total usage of carbapenem per 1,000 admissions; and total usage of piperacillin-tazobactam per 1,000 admissions.</p>	<p><i>On track to achieve</i> Audit data indicates that the Trust's stewardship practices remain good; we anticipate being able to assure the Clinical Commissioning Group of this again with a report in Quarter 4, thus meeting standards agreed for a local variation.</p>
<p>3. Improving services for people with mental health needs to present to the Emergency Department The target is to reduce by 20% the number of attendances to A&E for those within a selected cohort of frequent attenders who would benefit from mental health and psychosocial interventions, and establish improved services to ensure this reduction is sustainable</p>	<p><i>On track to achieve</i> The national data submission systems are changing with a new Emergency Care Dataset (ECDS), however the local system for tracking the selected cohort of patients has demonstrated that the local diagnosis is being correctly identified for those patients, and supports effective ongoing joint patient care.</p>
<p>4. Improve GP access to Consultant advice prior to referring patients in to secondary care The scheme requires providers to set up and operate advice and guidance services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients in to secondary care.</p>	<p><i>On track to achieve</i> The following services are operational for 'Consultant Connect': urology; paediatrics; gynaecology; general surgery – including the addition of upper gastrointestinal and colorectal since Dec 2017; Ear Nose and Throat; and ophthalmology (currently providing the service through the primary care triage service, moving to the synchronous service with the email system). The Trust declared compliance in Quarter 3.</p>
<p>5. E-Referrals The target is for 100% of referrals to first outpatient services to be capable of being received through e-referrals, and for a 4% reduction in the number of appointment slot issues.</p>	<p><i>On track to achieve</i> For Quarters 1 to 3 combined, 90.87% of referrals came through e-referrals. In Quarter 3, 43% of new outpatient referrals were placed on the 'Appointment Slot Issues' list, which was better than the quarterly target.</p>
<p>6. Proactive and Safe Discharge The desired outcomes of this health economy-wide CQUIN should be improvement in patient outcomes, improvement in patient flow, and reduction in delayed discharges (and thus reduction in associated costs). This is a two year target covering 2016/17 and 2017/18. There are three elements: a) Map existing discharge pathways, new protocols, baseline/trajectories etc. b) plan & implement new Emergency Care Data Set (ECDS) c) increase the proportion of patients discharged home with 7 days, by 2.5% from a 16/17 baseline (then up again in 18/19)</p>	<p><i>Further progress needed</i> At the end of Quarter 3, the Trust were still struggling to get a working version of the ECDS solution from Cerner, providers of the Millennium electronic patient record, who are working with a group of clients. An implementation date will be set once they have cleared it at the test sites. This has been reported to NHS Digital and to the Chief Information Officer of NHS England.</p>

Indicator for 2017/18	Current position
<p>7. Preventing ill health by risky behaviours This CQUIN focuses on alcohol and tobacco use and requires the Trust to complete an information systems audit, to train staff on how to deliver brief interventions with patients, and to collect a range of data which can be used as a baseline for future improvements.</p>	<p><i>On track to achieve</i> The actions were completed during Q1.</p>
<p>8. Appliances The Trust is required to review and update its quality improvement strategy and to add new quality outcome indicators.</p>	<p><i>On track to achieve</i> The Surgical Appliance Service have updated their quality strategy and provided progress reports. As part of this work they have developed a patient experience survey which is issued to all open access patients following supply of their orthosis.</p>
SDIPs	
<p>1. Smoke-free Premises This SDIP requires the Trust to fulfil the requirements of NICE Public Health Guidance PH48, i.e. that hospital premises, including grounds and vehicles, are smoke-free by 31st December 2018.</p>	<p><i>On track to achieve</i> The Trust's Smoke Free Policy is broadly in line with PH48. The Trust is re-launching a smoking cessation programme through a health economy-wide Risky Behaviours Group which is completing a new gap analysis against the NICE guidance.</p>
<p>2. Specialised HIV Services This SDIP requires the Trust to develop networked care with formal protocols for 24/7 consultant cover and on-call arrangements for both outpatients and inpatients achieved through: formalised networked arrangements / pathways and an appropriately staffed / qualified inpatient rota.</p>	<p><i>On track to achieve</i> A Service Level Agreement has been developed with Royal Liverpool and Broadgreen University Hospitals NHS Trust to deliver these outcomes.</p>
<p>3. Outsourced contracts The Trust is required to provide copies of any outsourced pharmacy agreements.</p>	<p><i>On track to achieve</i> Only one pharmacy service meets the definition of an outsourced service; the Service Level Agreement has been provided.</p>
<p>4. Cancer Chemotherapy This SDIP requires full implementation of an effective e-Prescribing system for chemotherapy across all relevant clinical teams within the Trust (other than those dealing with children, teenagers and young adults) across all tumour sites.</p>	<p><i>On track to achieve</i> E-prescribing went live for intrathecal chemotherapy in September 2017; Biosimilar rituximab in November 2017. A work programme is underway to convert all current clinical trials to electronic prescribing.</p>

The amount of income in 2017/18 conditional on achieving quality improvement and innovation goals is £6.38m. For the year 2016/17, the total associated payment was £6.109m (actual amount paid).

Looking forward, NHS England's national CQUIN guidance was published in November 2016 covering a two year period from 2017 to 2019 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 of the inspection was published in March 2016 and the Trust was rated as ‘Requires Improvement’. Two action plans were developed to address the recommendations in the report and were implemented during 2016 and 2017.

At the time of writing, the Trust has undergone two unannounced CQC inspections of clinical areas, which took place during March 2018. These inspections covered the Emergency Department, Critical Care, Medical Specialties, Surgery and Maternity services. Some initial verbal feedback was given at the end of each visit but a formal report is not expected until after their ‘Well Led’ visit, which assesses the leadership, management and culture of the organisation and is scheduled for early May.

The Trust has its own programme of Care Quality Inspections which has been underway since January 2016. These are based on the CQC’s five domains of safe, caring, responsive, effective and well-led. The inspections are mostly undertaken by clinical staff who are given some time away from their normal duties; participants report that they found taking part to be a positive experience and has helped them to identify where improvements can be made in their own work areas and practice. There has also been substantial involvement by Governors, who as representatives of patients and the public provide an independent perspective. During 2017/18, 25 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 May, they issued an alert for Septicaemia (except in labour). In response, a case note review of 40 patients was undertaken in July using the Royal College of Physicians Structured Judgement Review tool – a mixture of patients who were septic on arrival, and who developed sepsis while in hospital. The audit found that the deaths reviewed were all expected and that their care was generally good. It also found that there was room for improvement in communication around palliative care, and that MET emergency calls had been used on occasion for palliated patients. An action plan was developed which includes introducing a mandatory training package on sepsis, improving clinical coding, and implementing new pathways and alerts.

3.2.6 Data Quality

The Trust submitted records during 2017/18 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 2017/18 are based on data covering the ten months to the end of January 2018 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	2014/15	2015/16	2016/17	2017/18
	%	%	%	%
<i>Admitted patient care</i>	99.7	99.7	99.8	99.8
<i>Outpatients</i>	99.8	99.9	99.8	99.9
<i>Emergency Department</i>	98.9	99.1	98.8	99.1
GP Registration				
<i>Admitted patient care</i>	100	100	100	100
<i>Outpatients</i>	100	100	100	100
<i>Emergency Department</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 2018/19:

- All new starters will be given Data Quality best practice guidance.
- 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 data quality 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, personal data. Risks relating to IG are contained within the Trust monitoring and reporting mechanisms. An Information, Information Governance and Coding Group (IIGCG) ensure the Trust maintains compliance with relevant legislation and good practice.

The Trust IG assessment score for 2017/18 was 77% and we achieved 'Significant Assurance' in our audit by Mersey Internal Audit Agency in February 2018. 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 Green (Satisfactory).

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 focus on the new General Data Protection Regulation (GDPR) which comes into effect from 25 May 2018, undertaking an extensive data flow mapping exercise, promoting the new Data Security Awareness training and the launch of a new Data Security and Protection Toolkit (previously the IG Toolkit).

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 2017/18 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 colorectal and urology coding performed in September 2017 with overall accuracy of our coded data reported as 90.67% for primary diagnosis, 96.68% for secondary diagnosis, 98.92% for primary procedure and 92.58% for secondary procedures. The results of these audits should not be extrapolated further than the actual sample audited.

A second audit was performed on cardiology in January of 2018. The overall accuracy of our coded data is reported as 94.5% for primary diagnosis, 91.0% for secondary diagnosis, 100% for primary procedure and 97.3% for secondary procedures. The results of these audits should not be extrapolated further than the actual sample audited. These external audits were supplemented with additional internal audits throughout the year. In May 2017 the department appointed a second full-time auditor. Both auditors await formal audit training from NHS Digital. The Trust was not subject to the Payment by Results clinical coding audit during 2017/18.

The Trust will be taking the following actions in 2018/2019 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.

2017/2018 has seen four members of the department leave their roles at the trust including our experienced clinical coder trainer. A further two trained staff have taken 12 months maternity leave. Our Clinical Coding Manager returned from maternity leave in July 2017. A full-time apprentice clinical coding trainer was

appointed in July and two experienced clinical coders were appointed in September 2017. The department has trained five trainee staff throughout the year with a further two vacancies filled in April 2018. A further two experienced staff have handed in their notice and will leave in May 2018. One member of staff passed the National Clinical Coding Qualification in September 2017. 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 in the Integrated Quality Governance Report, which is reported to our Clinical Governance Group and the Quality and Safety Committee, and shared with 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

NHS Wirral Clinical Commissioning Group (CCG) is committed to commissioning high quality services from Wirral University Teaching Hospital NHS Foundation Trust. We take 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 2017/18 and clearly sets out the direction regarding the forthcoming priorities for 2018/19. We acknowledge that this has been a challenging year for Trust; however we are disappointed that expected progress has not been made during 2017/18 in a number of priority areas in particular:

SAFER: This is the second year where this care bundle has not been robustly implemented and embedded across all areas within the trust. This remains an area of concern for NHS Wirral CCG, as this approach promotes patient safety by enabling patients to be admitted to the appropriate ward and to be discharged safely and earlier in the day. A contract performance notice was issued in 2017/18 to ensure that trajectories are set to support achievement of the care bundle. A Service Development Improvement Plan (SDIP) has been established for the 2018/19 contract with the aim of ensuring delivery against this priority. This will be measured through the contractual process.

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, NHS Wirral CCG will be reviewing achievement monthly against the measures set by the trust.

Pressure Ulcers: 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. It is therefore disappointing to see the increase in grade 2 pressure ulcers. We welcome the refocus that the trust are putting to this priority and are confident that focus on this and improvement in nutrition and hydration will result in a reduction in grade 2 pressure ulcers in 2018/19 and achievement of zero tolerance for all avoidable pressure ulcers at grade 3 and 4.

Whilst acknowledging the challenging operational pressures, Infection Prevention and Control has not seen an improvement in 2017/18, this is a cause of concern for NHS Wirral CCG. Although not identified as a priority for 2018/19 within the quality account, NHS Wirral CCG supported by Public Health (Wirral Borough Council) will monitor these thresholds monthly through the contractual process.

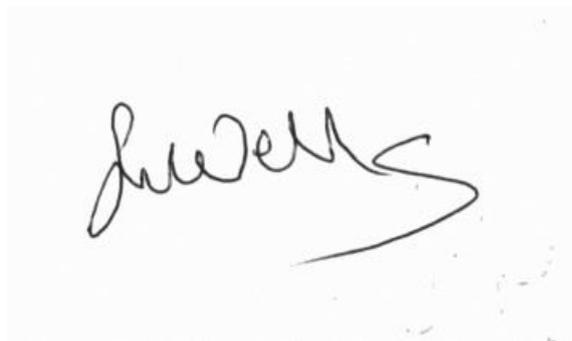
Patient safety and preventing harm remains of paramount importance to the CCG. There has been no improvement in Never Events from 2016/17 to 2017/18, these are the most serious events that cause harm to patients and have occurred within surgery and therefore remains a concern for the CCG.

It has been noted that the trust have participated in a number of external reviews. The CCG would like to congratulate the Trust on the outcome of these reviews including the JAG accreditation which assures quality in clinical care and patient experience.

It is encouraging that the number of complaints has reduced from the previous year however; it is disappointing to see that only 21% have been resolved within the timeframes within the Trusts policy. This can delay learning across the organisation to prevent a similar occurrence in other areas.

NHS Wirral CCG would like to congratulate the Trust on their results of the 2017 Survey of Women's Experiences of Maternity Care, undertaken by the Care Quality Commission, showed that Wirral Women and Children's Hospital performed "better than expected". This is deserved with the amount of partnership work that they have undertaken with partners to ensure that women have optimal care.

We believe that this quality account gives a true reflection of performance against the priorities set in 2017/18. NHS Wirral CCG will continue to work in partnership with the Trust and is looking forward to working with a strong and stable leadership team to assure the quality of services commissioned for the population over the forthcoming year.

A handwritten signature in black ink, appearing to read 'Sue Wells', is centered on a white rectangular background.

Dr Sue Wells
Chair
NHS Wirral Clinical Commissioning Group

Statement from Wirral Metropolitan Borough Council – Adult Care and Health Overview & Scrutiny Committee – 15th May 2018

The Adult Care and Health Overview & Scrutiny Committee undertake the health scrutiny function at Wirral Council. The Committee has established a task & finish group of Members to consider the draft Quality Accounts presented by relevant health partners. Members of the Panel met on 9th May 2018 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 2017/18. Panel Members look forward to working in partnership with the Trust during the forthcoming year. Members provide the following comments:

Overview

Members acknowledge that 2017/18 has again been a year of challenges for the Trust, both from the perspective of demand for services and capacity but also due to the review relating to the management and governance of the organisation. Members look forward to the permanent appointment of a new Chief Executive which will further enhance the stability of the organisation. Members recognise the pressures on the health and care system and the rising demand for acute services which, in the past, has resulted in winter pressures and is now increasingly becoming year-round pressures. This is borne out by the Trust having introduced three additional wards to deal with the peak winter pressures and these wards now becoming part of the permanent establishment.

It continues to be a challenge to ensure that these factors do not impact adversely on service quality and patient experience. As a result, it may have become more difficult for the Trust to deliver on last year's Quality Account priorities with concerns being reported in three of the five priority areas, namely improving patient flow (SAFER bundle); nutrition and hydration; and pressure ulcers. However, the progress with missed medications and, in particular, end of life care is warmly welcomed. Beyond the Quality Account priority areas, the result of the 2017 Survey of Women's Experiences of Maternity Care, undertaken by the Care Quality Commission is appreciated.

Review of Quality Performance for 2017-18

Implement 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 the most recent data available showing that 17.7% of discharges took place before noon on the SAFER wards in January 2018. This priority area clearly impacts on patient flow and enables timely and safe discharge but also facilitates other new patients to be admitted to the most appropriate bed. As this is the second year that this target has been missed, Members welcome the additional resources that have been allocated to the SAFER initiative while also urging the Trust to ensure that further progress is made in the coming year. 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

Members are concerned that the targets relating to nutrition and hydration have not been achieved, one by a significant margin. Again, this is a priority area which has been continued from the previous year. Members understand from the Director of Nursing that further actions and interesting initiatives have now been put in place and hope that these will lead to progress during 2018/19 when the same priority area will be continue to be in place. The reinstatement of hot meals at lunchtime and the availability of finger food as well as the introduction of more nutritional menus are all welcomed.

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

The increase in the number of grade 2 pressure ulcers from 118 (in 2016/17) to 145 (in 2017/18) is noted. This follows a number of years when the numbers of grade 2 pressure ulcers had reduced. In addition, against a target of zero tolerance of all avoidable pressure ulcers at Grades 3 and 4, the Trust experienced 4 at Grade 3 and 0 at Grade 4. The comment in the draft Quality Account that "The intense operational pressure on the hospital in recent months has made the prevention and management of pressure ulcers more difficult" is also noted. The continued focus on this priority in the forthcoming year is also welcomed.

Reduce the frequency of 'missed medication' events

Members welcome that for the total missed medications target, compliance was achieved every quarter during 2017/18, while the critical medicine target was achieved in quarters 2, 3 and 4.

Improving End of Life Care

Members welcome that the progress in relation to End of Life Care has been recognised by NHS Improvement during a visit in January 2018.

Looking forward to 2018/19; what are our priorities?

Members welcome the retention of three of the five existing priorities for 2018/19, acknowledging the Trust's reasoning for doing so.

Other comments:

Staff Engagement

Members note the reduction in score for the Trust for Indicator KF5 ('Recognition and value of staff by managers and the organisation') in the National Staff Survey 2017 compared to the previous year and when compared to the national average. Similar messages are apparent from other staff engagement indicators too. While recognising the difficult circumstances within which the Trust has been operating, the importance of staff morale and the potential impact on patient care is noted. Members welcome the recent investment in frontline staff, which has taken place, as reported by the Director of Nursing.

Never Events

Members note the occurrence of 5 Never Events during 2017/18, which is disappointing.

Complaints

The Trust received 305 complaints in the period April 2017 – March 2018; a reduction of 10% on the previous year, which is welcomed. However, it is also noted that "The majority of complaints required an extension beyond the initially agreed date with only 21% being resolved within the designated timeframe outlined in the Trust policy".

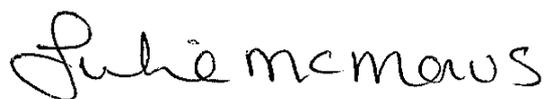
Reducing hospital acquired infection

In 2017/18, there has been 1 case of MRSA (against a target of 0) and 43 cases of Clostridium difficile (C-diff), although 23 of those cases were deemed to be avoidable. The number of avoidable cases has risen from 13 since the previous year. Although the Trust has been operating under challenging circumstances, the prioritisation of further progress would be welcomed.

Friends and Family Test

It is noted and welcomed that in all three categories of the Friends and Family Test for patients (Inpatients; Emergency Department and Outpatients), the Trust performed better than the national average.

I hope that these comments are useful



Councillor Julie McManus
Chair, Adult Care and Health Overview & Scrutiny Committee
Wirral Borough Council

Commentary by Healthwatch Wirral – 14th May 2018

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 2017/18.

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.

Priorities for 2018/19

The priorities were noted and Healthwatch look forward to receiving updates on progress during the year.

Review of Priorities for Improvement 2017/18

Patient Flow

It was disappointing to see that the target set for patient discharge home to take place before midday had not been achieved and that discharge from hospital was also included as one of the top four thematic categories within the formal complaints received by the Trust.

Healthwatch noted that additional resources have been allocated to the SAFER Initiative and that the Trust is committed to improvement and is working towards a higher operational target than that originally agreed for the Quality Account. Healthwatch, therefore, would welcome progress updates on the 'Safer' initiative to improve patient flow.

Nutrition and Hydration

It was concerning that, during the year to date, the Trust have not consistently met their target for assistance with eating and drinking.

The indicators used for effective nutrition and hydration appear to be too process focussed rather than providing assurance that all patients have their nutrition and hydration needs met through good quality nursing care. However, it was reassuring to hear that a dedicated Nutrition and Hydration Working group has been established and a number of initiatives, such as the introduction of finger foods, snack fridges, the reintroduction of hot lunches and the planned review of menus.

Healthwatch hope that these initiatives, along with the work streams in progress, will contribute towards achieving improvements and would be happy to see improvement in next year's Quality Account.

Reducing Harm (in relation to newly formed pressure ulcers)

Healthwatch noted that reducing the number of pressure ulcers remained a priority in the Trust's Quality Account once again.

It was disappointing to see that the targets were not achieved in reducing the number of grade 2 pressure ulcers and having zero avoidable grade 3 and 4 pressure ulcers.

Healthwatch noted the measures that the Trust is taking to improve their performance including investing in new equipment such as specialist pressure relieving mattresses. It is assuring that the Trust is monitoring compliance, but it is a concern that poor compliance has been acknowledged. Healthwatch, therefore, look forward to receiving regular updates on improvements. HW would also welcome an update on how closely the Trust works with Community Service eg primary and community care as well as Care Homes to identify and prevent pressure ulcers early.

Missed Medication Events

It was pleasing to see that the 'Reduce the frequency of total missed medication events' target was achieved this year and that the target for patients receiving all of their critical medicine dosages as intended was met in quarter 2,3 and 4.

End of Life Care

Healthwatch were encouraged to see that significant progress had been made during the past year in improving End of Life Care and that this was recognised by NHS Improvements.

Never Events

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.

Complaints

It was reassuring to see that the number of complaints received had reduced in the period April 2017-18 and that the Trust continues to perform well in the Friends and Family Test. Healthwatch noted that the response rate is generally lower than at other Trusts but were reassured that the Trust are working to improve the numbers.

Healthwatch noted that one of the top key thematic categories within formal complaints received concur with data captured by Healthwatch monitoring regarding poor communication between staff and patients.

Reducing Hospital Acquired Infections

It was disappointing to see that the Trust had 27 avoidable cases of clostridium difficile. This was a significant increase from last year's figure but may be due to high levels of bed occupancy during the year making it difficult to isolate patients.

Two bloodstream infections were reported resulting in a breach of the Trust's tolerance level of zero. Healthwatch noted the proposed actions to be taken to improve in this area.

External Reviews and Accreditations

The Trust should be congratulated for their performance in the external reviews and accreditations as detailed in the Quality Account.

Healthwatch were particularly pleased to hear that Wirral was rated as 'Outstanding' in the annual assessment of the CCG by NHS England. The Trust was one of the partner organisations involved and should be commended for being recognised as providing high quality dementia care to the local population.

Finally, overall the report was open and informative. Healthwatch Wirral appreciates the opportunity to comment on the report as a critical friend. We would also recommend that percentages or numbers are used consistently within the Quality Account, for ease of clarity and understanding. 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-Embolicism or blood clot in the vein
WHO	World Health Organisation
WUTH	Wirral University Teaching Hospital

Services Provided by the Trust

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 (jointly with Wirral Community Trust)
Gastroenterology	Stroke
Diabetes	Rehabilitation
Nephrology	

DIAGNOSTICS AND CLINICAL SUPPORT DIVISION (12)

Pathology	Radiology
Bed Management	Therapies
Integrated Discharge Team	Sterile Services
Booking and Outpatients	Pain Management
Limb Centre	Pharmacy
Cancer Pathway Management	

SURGICAL AND WOMEN'S AND CHILDREN'S DIVISION (14)

Surgical Elective Admissions Lounge	Oral and Maxillofacial
Pre-operative Assessment	Dermatology
Surgical Assessment	Trauma and Orthopaedics
Surgical Day Case	Ear, Nose and Throat

Colorectal	Ear, Nose and Throat
Ophthalmology	Theatres and Anaesthetics
Upper Gastro-intestinal	Urology

WOMEN'S AND CHILDREN'S DIVISION (8)

Paediatrics (Children's Ward)	Community Paediatrics
Obstetrics and Maternity Services	Community Midwifery
Neonatal Unit	Gynaecology
Termination of Pregnancy	Fertility Service

CORPORATE SERVICES (25)

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
Hotel Services	Health and Safety
Estates	

Appendix 2

National Clinical Audit Participation

Name of Audit/Confidential Enquiry	Data collection 2017/18	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
Acute and Medical Division				
Major Trauma Audit: TARN	Yes	Yes 97.2% compliance to date (but will increase due to lag in data availability)	Yes	Reports reviewed at trust trauma meetings and any trends addressed Most recent quarterly report suggests increase in average time to scan since a change in process – trauma lead due to meet with radiology to examine this further. Trend will be monitored on future reports.
ICNARC – Critical Care	Yes	Yes 100% of patients admitted to Critical Care	Yes	Recent report shows overall that the SMR had reduced substantially, mainly due to a reduction in mortality in the emergency surgery and pneumonia groups. Improvement in coding is also noted
Royal College of Emergency Medicine - Fractured Neck of Femur	Yes	Yes 43 patients	No	Report expected summer 2018
RCEM Pain in Children	Yes	Yes 50 patients	No	Report expected summer 2018
RCEM Procedural Sedation in Adults	Yes	Yes 50 patients	No	Report expected summer 2018
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	Yes	No	Report expected summer 2018
Cardiac Rhythm Management (CRM) - NICOR	Yes	Yes	No	Report expected summer 2018

Name of Audit/Confidential Enquiry	Data collection 2017/18	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
Falls and Fragility Fractures Audit programme (FFFAP)	Yes	Yes 30 patients	Yes	<ul style="list-style-type: none"> Falls improvement group looking in depth regarding Quality Improvement in areas highlighted in National Audit. Next consecutive meetings are all focussed on national report and quality improvements. RCP clinical practice tool for lying and standing BP has been rolled out and due for further review Reviewing action plans for local audit on walking aids Setting up a focus group looking specifically at medication review and exploring best practice options nationally with other trusts
National Audit of Dementia – Royal College of Physicians	Yes	Yes 50 patients	Yes	The action plan is currently being compiled at the time of writing
National Heart Failure Audit - NICOR	Yes	Yes	No	Report expected to be published in summer 2018
Sentinel Stroke National Audit Programme (SSNAP)	Yes	Yes 100%	Yes	<ul style="list-style-type: none"> Weekly Breach meetings including therapy Feedback to A&E/radiology re: breach Thrombolysis scrutiny groups 7 day consultant led service 24/7 stroke coordinators Transfer of Speech & Language Therapy teams across from Community Trust Physiotherapy / Occupational Therapy cover for acute stroke 7 days week Telemedicine business case in process for out of hours thrombolysis CERNER stroke pathway currently in build phase may help re: robust data/pathway driven clinical care
UK Parkinson's Audit – Parkinson's UK	Yes	Yes	No	Report expected June 2018
Adult Community Acquired Pneumonia – British Thoracic Society	Yes	Yes	No	Awaiting publication of report

Name of Audit/Confidential Enquiry	Data collection 2017/18	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
Inflammatory Bowel Disease (IBD) Programme - IBDR	Yes	Yes	No	Awaiting publication of report
National Chronic Obstructive Pulmonary Disease Audit (COPD) – Royal College of Physicians	Yes	Yes	No	Audit still in progress
National Diabetes Audit – Adults –NHS Digital	Yes	Yes	Yes	Report was published March 2018; gap analysis and action plan being developed
National End of Life Care audit	Yes	Yes	No	Audit still in progress
National Lung Cancer Audit (NLCA) - RCP	Yes	Yes	No	Awaiting publication of report
Non-Invasive Ventilation – Adults – British Thoracic Society	Yes	Yes	No	Awaiting publication of report
Medical and Surgical Clinical Outcome Review Programme – NCEPOD Non-Invasive Ventilation	Yes	Yes 2 (100%)	No	Report received in 2017; gap analysis and action plan being developed
Medical and Surgical Clinical Outcome Review Programme NCEPOD- Heart Failure	Yes	Yes	No	Report due summer 2018
Corporate Division				
Learning Disability Mortality Review Programme (LeDER)	Yes	Yes	N/A	Awaiting report
National Cardiac Arrest Audit	Yes	No	N/A	N/A
Surgical Division				
National Joint Registry	Yes	Yes 902 100% (April 17 - Dec 17)	No	Awaiting publication of report
Elective Surgery (National PROMs Programme) (Hips and Knees)	Yes	Hip: Yes 532 (100%) Knee: Yes 566 (100%) (Apr 17 - Feb 18)	No	Awaiting publication of report
Head and Neck Cancer Audit	Yes	No	N/A	
Medical and Surgical Clinical Outcomes Review Programme	Yes	Yes	TBC	TBC
National Comparative Audit of Blood Transfusion Programme	Yes	Yes	No	Awaiting publication of report

Name of Audit/Confidential Enquiry	Data collection 2017/18	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
National Ophthalmology Audit	Yes	Yes 94.7%	Yes	No action points arising from the audit
BAUS Urology Audits: Cystectomy	Yes	Yes 100%	N/A	Report available later this year
BAUS Urology Audits: Nephrectomy	Yes	Yes 100%	N/A	Report available later this year
BAUS Urology Audits: Percutaneous nephrolithotomy	Yes	Yes 100%	N/A	Report available later this year
BAUS Urology Audits: Radical prostatectomy	Yes	Yes 100%	N/A	Report available later this year
Bowel Cancer (NBOCAP)	Yes	Yes 100%	N/A	Submitted October annually on patients diagnosed April-March. Report available later this year
National Emergency Laparotomy Audit (NELA)	Yes	Yes	N/A	Report available later this year
Oesophago-gastric Cancer (NAOGCA)	Yes	Yes 100%	N/A	Submitted annually in October based on patients diagnosed April- March. Report available later this year
Prostate Cancer	Yes	Yes 100%	Yes	Annual report available Dec 2017.
Women's and Children's Division				
Diabetes (Paediatric) (NPDA)	Yes	≈ 130-140	N/A	Report not available until June 2018
Maternal, Newborn & Infant Clinical Outcome Review Programme (MBRRACE)	Yes	Yes	N/A	Report not yet available
National Audit of Breast Cancer in Older Patients (NABCOP)	Yes	Yes. Data retrieved from Cancer Registry / Hospital Episodes Statistics data	N/A - No individualised report to WUTH was received.	The first annual report will be discussed at our monthly audit meeting for implementation of recommendations.
National Audit of Seizures and Epilepsy in Young People	Yes	No	N/A	Audit was commencing at time of writing – we expect to submit cases in 2018/19.
National Maternity and Perinatal Audit	Yes	Yes	N/A	Report not yet available

Name of Audit/Confidential Enquiry	Data collection 2017/18	Participation Yes/No Number Participation %	Report received and reviewed (Y/N)	Actions taken and comments
National Neonatal Audit Programme (NNAP) (Neonatal Intensive and Special Care)	Yes	Yes The numbers varied according to the item which was audited – thus we are not able to give a single percentage	Yes	<p><u>Antenatal Steroids</u> Information shared and discussed with obstetric team and there is a plan to look at current practice.</p> <p><u>Temperature within Range</u> Problems recognised with documenting the correct time that the temperature was actually taken as opposed to the time it was recorded. This has been highlighted and the average of our unit is now 84%.</p> <p><u>Screening for Retinopathy of Prematurity</u> The drop in our rates has been addressed by having a dedicated team to ensure babies are screened on time.</p> <p><u>Mother's milk at time of discharge</u> ANNP and lactation consultant working to increase Breast Feeding rates. One to one sessions with ANNP, teaching sessions being rolled out for all staff and network audit being undertaken.</p>
Paediatric Asthma	Yes	No	N/A	The Trust participated in 2016, was to concentrate on Pneumonia for 2017 but did not participate due to the department focusing on introducing a paediatric sepsis pathway
Paediatric Intensive Care – PICA Net	Yes	No	N/A	N/A
Paediatric Pneumonia	Yes	No	N/A	The Trust did not participate due to the department focusing on introducing a paediatric sepsis pathway

Please note: the following national audits were included in NHS England's list of 63 national clinical audits for 2017/18 but were not applicable to this Trust's services:

- Congenital Heart Disease (CHD) – NICOR
- Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions
- Mental Health Clinical Outcome Review Programme
- National Audit of Anxiety and Depression
- National Audit of Psychosis
- National Bariatric Surgery Registry
- National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI) – *Walton Centre for Neurology lead on this audit in the region*
- National Institute for Cardiovascular Outcomes Research (NICOR) - Adult Cardiac Surgery
- NICOR - Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions PCI
- National Vascular Registry
- Neurosurgical National Audit Programme
- Prescribing Observatory for Mental Health

In addition, four audits did not take place nationally and thus the Trust was not able to participate:

- BAUS Urology Audits: Urethroplasty
- British Thoracic Society – Pleural Procedures
- British Thoracic Society – Smoking Cessation
- National Audit of Rheumatoid and Early Inflammatory Arthritis

Thus there were 47 audits which took place and were relevant to this Trust.

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.

NHS Improvement 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 2017/18 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 2017 – May 2018
 - Papers relating to Quality reported to the Board over the period April 2017 – May 2018;
 - Feedback from the commissioners dated May 2018
 - Feedback from governors dated March 2018
 - Feedback from local Healthwatch; dated May 2018
 - Feedback from Overview and Scrutiny Committee dated May 2018
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, dated April 2018;
 - The latest national inpatient survey, published June 2017
 - The latest national staff survey, published February 2018
 - The Head of Internal Audit's annual opinion over the trust's control environment dated May 2018
 - The most recent Care Quality Commission 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 NHS Improvement's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at: <https://improvement.nhs.uk/resources/nhs-foundation-trust-annual-reporting-manual-201718/>) as well as the standards to support data quality for the preparation of the Quality Report.

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



Sir David Henshaw
Interim Chairman
25 May 2018



David Jago
Acting Chief Executive
25 May 2018

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 2018 (the "Quality Report") and certain performance indicators contained therein against the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and additional supporting guidance in the 'Detailed requirements for quality reports 2017/18' (the 'Criteria').

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to the limited assurance engagement consist of the national priority indicators as mandated by NHS Improvement:

- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge – Arrowe Park A&E only
- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways

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 2017/18' 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 2017/18' 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 2017/18'; 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 2017/18' and supporting guidance and the six dimensions of data quality set out in the "Detailed requirements for external assurance for quality reports 2017/18'.

We read the Quality Report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual 2017/18' 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 for the period April 2017 to May 2018;

- papers relating to quality reported to the Board over the period 1 April 2017 to May 2018;
- feedback from commissioners dated May 2018;
- feedback from governors dated March 2018;
- feedback from local Healthwatch organisations dated May 2018;
- feedback from the Overview and Scrutiny Committee dated May 2018;
- the Trust’s complaints report published under regulation 18 of the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, dated April 2018;
- the national inpatient survey dated June 2017;
- the national staff survey dated February 2018; and
- the Head of Internal Audit’s annual opinion over the Trust’s control environment dated May 2018.

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 (Revised) 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 2018, 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 against supporting documentation
- comparing the content requirements of the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller 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 that 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 2017/18' 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. 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.

Conclusion

Based on the results of our procedures, as described in this report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- 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 2017/18' 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 2017/18'; and
- the indicators in the Quality Report identified as having been subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Manchester

25 May 2018

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

Wirral University Teaching Hospital

NHS Foundation Trust

Arrowe Park Hospital, Wirral, CH49 5PE

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Annual Accounts 2017/18, including Independent Auditor's Report

Independent auditor's report to the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust

Report on the Audit of the Financial Statements

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Wirral University Teaching Hospital NHS Foundation Trust (the "Trust") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including the accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the NHS foundation trust annual reporting manual 2017/18.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2018 and of its expenditure and income for the year then ended; and
- have been properly prepared 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 2017/2018; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

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.

Material uncertainty related to going concern

We draw attention to note 1.3.1 in the financial statements, which indicates that the Trust is seeking additional cash support of £25 million in 2018/19 from NHS Improvement. As stated in note 1.3.1, NHS Improvement has not, at the date of our report, confirmed this support. These events or conditions, along with the other matters explained in note 1.3.1, indicate that a material uncertainty exists that may cast significant doubt about the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

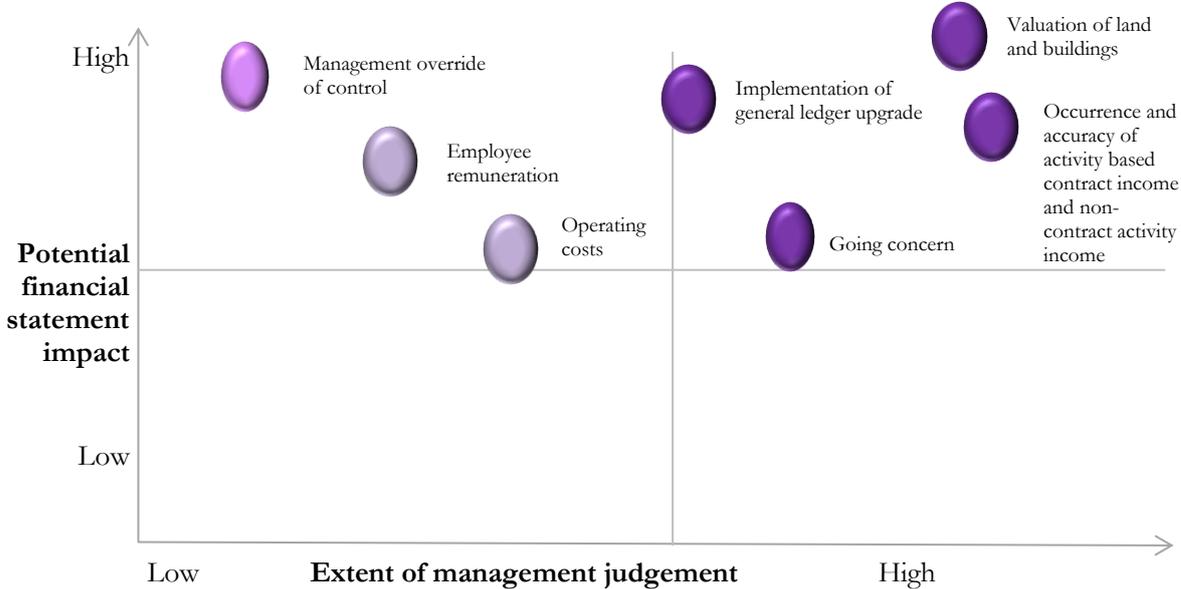


Overview of our audit approach

- Overall materiality: £6,664,000 which represents 1.9% of the Trust's gross operating costs (consisting of operating expenses and finance expenses);
- Key audit matters were identified as:
 - Valuation of land and buildings
 - Occurrence and accuracy of activity based contract income and non-contract activity income
 - Implementation of general ledger upgrade
- We performed a full scope audit of Wirral University Teaching Hospital NHS Foundation Trust. We have tested all of the Trust's material income and expenditure streams and assets and liabilities.

Key audit matters

The graph below depicts the audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
<p>Risk 1 – Valuation of land and buildings</p> <p>The Trust revalues its land and buildings on a five-yearly basis to ensure the carrying value in the Trust’s financial statements is not materially different from fair value at the financial statements date. The last full revaluation was performed at 31 March 2014. In the intervening years between full revaluations interim desktop revaluations are performed on an annual basis.</p> <p>This valuation represents a significant estimate by management in the financial statements.</p> <p>We therefore identified valuation of property as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> evaluating management’s processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work assessing the competence, capabilities and objectivity of the valuation expert understanding the basis on which the valuation was carried out and critically assessing the valuer’s report challenging the information and assumptions used by the valuer to assess completeness and consistency with our understanding assessing and challenging the overall reasonableness of the valuation movement. <p>The Trust’s accounting policy on valuation of property is shown in note 1.8 to the financial statements and related disclosures are included in note 12.</p> <p>The Audit Committee identified valuation of land and buildings as a significant issue in its report on page 77 of the Annual Report, where the Audit Committee also described the action that it has taken to address this issue.</p> <p>Key observations</p> <p>We obtained sufficient audit assurance to conclude that:</p> <ul style="list-style-type: none"> the basis of the valuation was appropriate and the assumptions and processes used by management in determining the estimate were reasonable; the valuation of land and buildings disclosed in the financial statements is reasonable.

Key Audit Matter	How the matter was addressed in the audit
<p>Risk 2 – Occurrence and accuracy of activity based contract income and non-contract activity income</p> <p>89% of the Trust’s operating income is for income from patient care activities which includes £288.6 million from block contracts, and £6.8 million for non-contract activities.</p> <p>Activity based contract income and non-contract activity income is subject to verification and agreement by the Trust’s commissioners.</p> <p>We therefore identified the occurrence and accuracy of activity based contract income and non-contract activity income as a significant risk, which was one of the most significant assessed risks of material misstatement.</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 for compliance with the Department of Health and Social Care (DHSC) Group Accounting Manual 2017/18; gaining an understanding of the Trust’s system for accounting for activity based contract income and non-contract activity income and evaluating the design of the associated controls; agreeing a sample of activity based contract income and non-contract activity income to supporting evidence and testing that it has been accounted for in accordance with the stated accounting policy. <p>The Trust’s accounting policy on income is shown in note 1.4 to the financial statements and related disclosures are included in note 2.</p> <p>The Audit Committee identified recognition of income from patient care activities as a significant issue in its report on page 76 of the Annual Report, where the Audit Committee also described the action that it has taken to address this issue.</p> <p>Key observations</p> <p>We obtained sufficient audit evidence to conclude that:</p> <ul style="list-style-type: none"> the Trust’s accounting policy for recognition of income complies with the DHSC Group Accounting Manual 2017/18 and has been properly applied; and income from patient care activities is not materially misstated.
<p>Risk 3 - Implementation of general ledger upgrade</p> <p>The Trust’s general ledger system is provided by North East Patches (NEP).</p> <p>In December 2017, the Trust became a first wave pilot for the implementation of a significant general ledger upgrade. As a result, there were two general ledger systems in operation during 2017/18. The transactions for the first eight months of 2017/18 were transferred into the updated general ledger system during the year. There is a risk over the completeness and accuracy of the data transfer.</p> <p>We therefore identified the implementation of the general ledger upgrade as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> obtaining an understanding of the IT controls operating over the upgraded general ledger system and testing those controls; and agreeing the transactions and balances from the old general ledger for the first 8 months of 2017/18 to the opening position in the upgraded general ledger. <p>The Audit Committee identified the implementation of the general ledger upgrade as a significant issue in its report on page 77 of the Annual Report, where the Audit Committee also described the action that it has taken to address this issue.</p> <p>Key observations</p> <p>We obtained sufficient audit evidence to conclude that the transactions for the first 8 months of 2017/18 had been completely and accurately transferred into the upgraded general ledger system.</p>

Our application of 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.

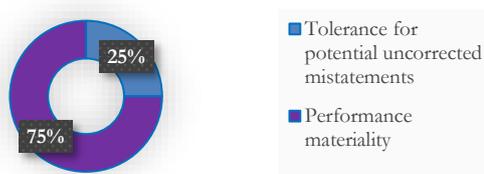
Materiality was determined as follows:

Materiality Measure	Trust
Financial statements as a whole	<p>£6,664,000 which is 2% of the Trust’s gross operating costs in the previous year (consisting of operating expenses and finance expenses). 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.</p> <p>Materiality for the current year is at the same percentage level of gross operating costs as we determined for the prior year as we did not identify any significant changes in the Trust or the environment in which it operates.</p>

Performance materiality used to drive the extent of our testing	75% of financial statement materiality
Specific materiality	Disclosure of senior managers' remuneration in the Remuneration Report £20,000 based on 2% of the total senior managers' remuneration.
Communication of misstatements to the Audit Committee	£300,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality - Trust



An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the Trust's business. It included an evaluation of the Trust's internal controls including relevant IT systems and controls over key financial systems.

Our work involved obtaining evidence about the amounts and disclosures in the financial statements to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. The scope of our audit included:

- undertaking an interim audit visit where we:
 - obtained an understanding of and evaluated the Trust's overall control environment relevant to the preparation of the financial statements, including its IT systems,
 - completed walk through tests of the Trust's controls operating in key financial systems where we consider that there is a risk of material misstatement to the financial statements;
 - performed interim testing, on a sample basis of operating expenses and income.
- performing year-end testing on the Trust's financial statements, which focussed on gaining assurance around the Trust's material income streams and operating expenses, testing the Trust's employee remuneration costs and the notes to the accounts to ensure that they were compliant with the Department of Health and Social Care's Group Accounting Manual for 2017/18.
- We tested, on a sample basis:
 - all of the Trust's material income streams;
 - all of the Trust's operating expenses;
 - 92% of current and non-current assets; and
 - 97% of current and non-current liabilities.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Trust obtained in the course of our work including that gained through work in relation to the Trust's arrangements for securing value for money through economy, efficiency and effectiveness in the use of its resources or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance – the statement given by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy, is materially inconsistent with our knowledge of the Trust obtained in the audit; or
- The Audit Committee reporting in accordance with provision C.3.9 of the NHS Foundation Trust Code of Governance – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

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

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not meet the disclosure requirements set out in the NHS foundation trust annual reporting manual 2017/18. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Our opinion on other matters required by the Code of Audit Practice is unmodified

In our opinion:

- the parts of the Remuneration Report and the 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 2017/18 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we 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.

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

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Accounting Officer's responsibilities, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2017/18, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trust lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the Trust.

The Audit Committee is Those Charged with Governance.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Qualified conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in November 2017, except for the effects of the matters described in the basis for qualified conclusion section of our report, we are satisfied that, in all significant respects, Wirral University Teaching Hospital NHS Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

Basis for qualified conclusion

Our review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources identified the following matters:

- The Trust has set a deficit budget of £25 million for 2018/19. The Trust does not have sufficient cash to meet its commitments without receiving significant external funding from the Department of Health and Social Care. The Trust's reliance on revenue support indicates weaknesses in the Trust's arrangements for setting a sustainable budget with sufficient capacity to absorb emerging cost pressures.
- During the year, an independent review of the Trust's governance arrangements found cultural, behavioural and governance issues at the Trust. These issues led to several resignations from the Trust's Board, which have adversely impacted the Trust's leadership capacity and capability. In March 2018, NHS Improvement invoked an additional license condition on the Trust under section 111 of the Health and Social Care Act 2012 in respect of this matter. This matter identifies weaknesses in the Trust's governance arrangements.

These matters are evidence of weaknesses in the proper arrangements for:

- sustainable resource deployment in planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions; and
- informed decision making by acting in the public interest, through demonstrating and applying the principles and values of sound governance.

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources 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.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, 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 this criterion as that necessary for us to consider under the Code of Audit Practice 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 2018, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - 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 of Audit Practice.

Andrew Smith

Andrew Smith, Director

for and on behalf of Grant Thornton UK LLP

4 Hardman Square

Manchester

M3 3EB

25 May 2018

Wirral University Teaching Hospital NHS Foundation Trust

Annual accounts for the year ended 31 March 2018

FOREWORD TO THE ACCOUNTS

Wirral University Teaching Hospital NHS Foundation Trust

These accounts, for the year ended 31 March 2018, 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

A handwritten signature in blue ink, appearing to read 'D Jago', with a horizontal line drawn through the middle of the signature.

David Jago
Acting Chief Executive

Date **25 May 2018**

Statement of Comprehensive Income

	Note	2017/18 £000	2016/17 £000
Operating income from patient care activities	2	295,373	283,996
Other operating income	3	37,605	40,781
Operating expenditure	4	(350,245)	(332,477)
Operating surplus / (deficit)		(17,267)	(7,700)
Finance income	9	47	97
Finance expenditure	10	(1,124)	(632)
PDC dividends payable		(2,967)	(3,617)
Net finance costs		(4,044)	(4,152)
Other gains / (losses)	6	3,946	(66)
Surplus / (deficit) for the year		(17,366)	(11,918)
Other comprehensive income			
Will not be reclassified to income and expenditure			
Impairments	5	7,868	(16,970)
Revaluations	14	191	127
Other reserve movements		-	1
Total comprehensive income / (expenditure) for the period		(9,307)	(28,761)

The notes on pages 201 to 244 form part of these accounts.

All income and expenditure is derived from continuing operations.

Statement of Financial Position

	Note	31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	11	12,763	12,188
Property, plant and equipment	12	159,754	145,817
Trade and other receivables	17	903	950
Total non-current assets		173,420	158,955
Current assets			
Inventories	16	4,171	3,881
Trade and other receivables	17	18,423	16,389
Cash and cash equivalents	18	7,950	5,390
Total current assets		30,544	25,660
Current liabilities			
Trade and other payables	19	(32,538)	(31,059)
Borrowings	21	(1,074)	(1,015)
Provisions	23	(547)	(668)
Other liabilities	20	(3,225)	(3,341)
Total current liabilities		(37,384)	(36,083)
Total assets less current liabilities		166,580	148,532
Non-current liabilities			
Borrowings	21	(49,258)	(26,708)
Provisions	23	(2,318)	(2,221)
Other liabilities	20	(8,812)	(9,154)
Total non-current liabilities		(60,388)	(38,083)
Total assets employed		106,192	110,449
Financed by			
Public dividend capital		77,575	72,525
Revaluation reserve		40,876	33,349
Income and expenditure reserve		(12,259)	4,575
Total taxpayers' equity		106,192	110,449

The notes on pages 201 to 244 form part of these accounts.

The primary financial statements on pages 197 to 200 and the notes on pages 201 to 244 were approved by the Trust's Board of Directors on 25 May 2018 and signed on its behalf by David Jago, Acting Chief Executive.

Signed



25 May 2018

David Jago
Acting Chief Executive

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	72,525	33,349	4,575	110,449
Surplus / (deficit) for the year	-	-	(17,366)	(17,366)
Other transfers between reserves	-	(415)	415	-
Impairments	-	7,868	-	7,868
Revaluations	-	191	-	191
Transfer to income and expenditure reserve on disposal of assets	-	(117)	117	-
Public dividend capital received	5,050	-	-	5,050
Other reserve movements	-	-	-	-
Taxpayers' equity at 31 March 2018	77,575	40,876	(12,259)	106,192

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

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 and Social Care (DHSC). A charge, reflecting the cost of capital utilised by this trust, is payable to DHSC as the public dividend capital dividend.

In 2017/18, the Trust received additional PDC totalling £4,986k for the *Global Digital Exemplar Programme (GDE)* and £64k for the *Cancer Transformation Programme (£72k for DHSC's Places of Safety (Mental Health) scheme in 2016/17)*.

Wirral University Teaching Hospital NHS Foundation Trust - Annual Accounts 2017/18

Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(17,267)	(7,700)
Non-cash income and expenditure			
Depreciation and amortisation	4.1	6,604	7,265
Net impairments	5	(27)	1,469
Income recognised in respect of capital donations	3	(965)	(239)
Amortisation of PFI deferred credit	20	(342)	(342)
(Increase) / decrease in receivables		(2,281)	(607)
(Increase) / decrease in inventories		(290)	497
Increase / (decrease) in payables and other liabilities		(1,977)	(4,154)
Increase / (decrease) in provisions		(31)	17
Other movements in operating cash flows		-	10
Net cash generated from / (used in) operating activities		(16,576)	(3,784)
Cash flows from investing activities			
Interest received		43	99
Purchase of intangible assets		(585)	(7)
Purchase of property, plant, equipment		(8,662)	(6,583)
Sales of property, plant, equipment		4,350	12
Receipt of cash donations to purchase capital assets		346	205
Net cash generated from / (used in) investing activities		(4,508)	(6,274)
Cash flows from financing activities			
Public dividend capital received		5,050	72
Movement on loans from the Department of Health and Social Care		22,357	16,440
Capital element of finance lease rental payments		(59)	-
Interest paid on finance lease liabilities		(12)	-
Other interest paid		(1,057)	(627)
PDC dividend paid		(2,635)	(3,960)
Net cash generated from / (used in) financing activities		23,644	11,925
Increase / (decrease) in cash and cash equivalents		2,560	1,867
Cash and cash equivalents at 1 April		5,390	3,523
Cash and cash equivalents at 31 March	18.1	7,950	5,390

Note 1 Accounting policies

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 and Social Care Group Accounting Manual (DHSC GAM)*, which shall be agreed with HM Treasury and which meets the requirements of HM Treasury's *Financial Reporting Manual 2017-2018 (FReM)*.

Consequently, the following financial statements and associated notes have been prepared in accordance with the *DHSC GAM 2017-18* issued by the Department of Health and Social Care (DHSC). The accounting policies contained in the manual follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board.

Where the *DHSC GAM* permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust, for the purpose of giving a true and fair view, has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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, and certain financial assets and financial liabilities.

These accounts have been prepared on a going concern basis, as explained under *Critical accounting judgements*, below.

The financial statements are presented in pounds sterling, stated in thousands unless expressly stated otherwise.

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 (SOFP) date. All other assets and liabilities are classified as non-current.

1.2 Joint operations accounting

Joint operations (Note 15) are collaborative arrangements over which the Trust has joint control with one or more other entities, which typically involves the pooling of assets and the sharing of expenditures rather than the establishment of a separate entity. The Trust has the rights to particular assets or a share of certain assets, and obligations for particular liabilities or a share of certain liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement. Where material, the Trust includes within its financial statements its share of each operation's assets, liabilities, income and expenditure.

1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various 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 regularly 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.

1.3.1 Critical accounting judgements

Listed below are areas where management has made judgements, apart from those involving estimates (see 1.3.2), in the process of applying the entity's accounting policies, which are deemed most significant to the amounts recognised in the financial statements.

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.

In forming a view, the directors have considered key finance and income factors captured in the Trust's 2018/19 plan and beyond. 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 factors.

- No major losses of commissioner income are anticipated, and the list of commissioner-requested services remains unchanged. The Trust has a 2 year Payment by Results (PbR) contract with its main commissioner which reflects the activity agreed in the Trust's plan.
- The Trust's 'unapproved' borrowings requirement for 2018/19 is £25.0m. This broadly matches the planned deficit (£25.3m), as the Trust is, and will be, borrowing to operate. The borrowings are 'unapproved' as specific contracts for each planned draw of cash have not yet been signed. Relevant factors considered in relation to these borrowings are listed below.
 - The Trust anticipates implicit approval of the loans through DHSC and NHSI's acceptance of the Trust's plans.
 - The Trust has not identified any risk, within the period of this assessment, 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 directors have identified the reliance on 'unapproved' borrowings in 2018/19 and beyond, due to ongoing operating deficits, as representing a *material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern*, in line with DHSC guidance.

Nevertheless, and notwithstanding the present and forecast sector-wide challenges noted within this Annual Report and Accounts, the directors have noted that the Trust intends to continue to operate for the foreseeable future, and has not been informed by any relevant national body of any intention related to the dissolution of the Trust. For this reason, they continue to adopt the going concern basis in preparing the financial statements and the financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

Segmental reporting

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

As the Trust's CODM, the Trust's Board of Directors does regularly review the performance of the Trust's operational divisions, whilst reviewing the financial position of the Trust as a whole, in its 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 2017/18, 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 15).

Consolidation

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

The Trust has reviewed the value of the Charity's fund balances at 31 March 2018 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 2018.

'Service concession' asset

In 2010, the Trust recognised one 'service concession' asset (as at 31 March 2008). A staff accommodation block, built and operated by Frontis Homes Limited (Your Housing Group Limited) on the Trust's Arrowe Park site, is an infrastructure asset used in the delivery of public services. The Trust controls the residual interest in the asset and the services to be provided. Consequently, the arrangement is accounted for as outlined in 1.10 *Private Finance Initiative (PFI) transactions and service concessions* and Note 20 to the accounts.

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 (SOI) and the SOFP as outlined under 1.14 *Leases*, below. In following the applicable lease standards, an element of judgement is required in deciding whether an arrangement is a lease, and, in particular, determining a lease's classification.

1.3.2 Key source of 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 or 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, Cushman & Wakefield. Valuations are carried out annually and are performed in accordance with the Royal Institute of Chartered Surveyors' *RICS Valuation - Professional Standards* (the 'Red Book'), primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property, as described under 1.8 *Property, plant and equipment*.

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

The Trust's reliance on valuation methods and estimates leads to estimation uncertainty. Additionally, the decision as to whether assets or groups of assets are specialised or non-specialised could be considered to be a critical judgement, such as those listed under 1.3.1 *Critical accounting judgements*.

The total balance of intangible and tangible fixed assets as at 31 March 2018 is £172.5m.

1.3.3 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. This is primarily because the related carrying values are judged to be not individually material.

- Provisions such as those for employer and public liability legal claims.
- Provisions for early retirements that took place before the NHS pension scheme was modified in 1995, incorporating inflation and the relevant discount rate. Inflation is estimated at 2.5%, 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 0.10% (0.24% 2016/17) in real terms.
- Provision for impaired receivables, including 22.84% (22.94% 2016/17) of accrued Injury Cost Recovery (ICR) income to reflect the average value of claims withdrawn as advised to DHSC by the Compensation Recovery Unit (CRU) of the Department for Work and Pensions.
- 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 which are measured by counting stock, and attributing values to that inventory. There is an estimation uncertainty related to the timing of the Trust's stock counts, because they cannot operationally be undertaken simultaneously at close of play on 31 March.

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.

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. Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Government and other grants

Where a grant is conditional and to be used to fund revenue expenditure, it is taken to the SOCI to match that expenditure. Recognition of grant income relating to an asset is addressed in 1.9 *Donated and grant-funded assets*.

Apprenticeship income

The value of the benefit received when accessing training funds related to the Department for Education's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, a corresponding notional expenditure is also recognised at the point of recognition of the training income.

Injury Cost Recovery (ICR) income

The Trust receives income under the NHS ICR Scheme, which is designed to recover the costs to NHS providers of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer in relation to a road traffic accident (RTA). The Trust recognises ICR income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit (CRU) that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts. This provision reflects the average value of claims withdrawn, as advised by CRU to DHSC.

Partially completed spells

At the year end, the Trust recognises income for activity delivered in that year relating to incomplete patient spells. This accrued income is agreed with the commissioner. The income for patients admitted before 31 March but not discharged before midnight 31 March is calculated on the basis of average length of stay for the admitting speciality less 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 the SOCI except where it results in the creation of assets such as inventory or property, plant and equipment.

1.6 Expenditure on employee benefits

1.6.1 Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid.

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 by Trust policy to carry untaken leave forward into the following period.

1.6.2 NHS Pensions

The schemes

Past and present employees are covered by the provisions of two NHS schemes administered by NHS Pensions. Both are unfunded, defined benefit schemes that cover NHS employers, GP practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not administered in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as though 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 <https://www.nhsbsa.nhs.uk/nhs-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 Trust expenditure 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 2018 is based on the valuation data as at 31 March 2017, updated to 31 March 2018 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 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 employees and employers.

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 and Social Care, with the consent of HM Treasury, and consideration of the advice of the scheme actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions which are used to complete the valuation calculations are published by HM Treasury. The final valuation report is to be signed off by the scheme actuary. It 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 changes 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 after consultation with the relevant stakeholders.

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 do not contribute to the NHS pension schemes.

NEST levies a contribution charge and an annual management charge which is paid for from employee contributions. There are no separate employer fees 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.

1.7.1 Recognition

Intangible assets are non-current, non-monetary assets without physical substance which are capable of sale 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 including irrecoverable VAT.

IAS 23 *Borrowing Costs* requires borrowing costs incurred in connection with the acquisition or construction of an intangible asset which is measured at *current value in existing use* to be capitalised and included within the cost of the asset.

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, may be capitalised as a distinct intangible asset.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised, and is recognised in operating expenditure in the period it was incurred.

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 its development.

1.7.2 Measurement

Valuation – carrying amount

Intangible assets are recognised initially at cost, comprising borrowing costs where relevant, and 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*, by reference to an active market (market value in existing use). 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 and disposals are treated in the same manner as for property, plant and equipment.

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 14 years.
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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.

1.8.1 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 at least 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 (e.g. networked IT equipment), their collective cost is at least £5,000, they have broadly simultaneous purchase dates and anticipated disposal dates, are under single managerial control, 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, provided that the refurbishment work would qualify as subsequent expenditure in IAS 16 terms (described below).

IAS 23 *Borrowing Costs* requires borrowing costs incurred in connection with the acquisition or construction of an asset measured at *current value in existing use* to be capitalised and included within the cost of the asset.

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.

1.8.2 Measurement

Valuation – carrying amount

All property, plant and equipment assets are measured initially at cost, comprising borrowing costs where relevant, and all 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 and impairment.

Assets that are held for their service potential and are in use are measured subsequently (revalued) at their *current value in existing use*. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date. Valuation by asset category is detailed below.

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*, and are not depreciated.

Property, plant and equipment assets which are not part of the Trust's estate (neither property nor land assets, e.g. medical equipment, IT equipment, vehicles, furniture and fittings) should be held at *current value in existing use*. However, these equipment assets are not revalued, but are held at depreciated historical cost (DHC), net of impairments. This is because DHC is not considered to be materially different from *current value in existing use*, for short-life low-value assets.

Assets under construction, for service or administrative purposes, are measured at the cost of construction less any impairment loss. The cost of construction includes relevant professional fees, and, where capitalised in accordance with IAS 23 *Borrowing Costs*, 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.

Property, plant and equipment assets comprising the Trust's estate (property and land) are professionally 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).

Professional independent revaluations of property and land assets are performed with sufficient regularity to ensure that carrying amounts are not materially different from *current value in existing use* at the end of the reporting period. They are carried out as mandated by management 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').

Debenham Tie Leung Ltd (DTZ) performed a full revaluation of the Trust's land and buildings as at 31 March 2014. Interim professional 'desktop' revaluations are currently carried out annually, with full revaluations every 5 years, in line with *DHSC GAM*. 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 includes 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') wholly located at the Trust's Clatterbridge site.

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 and charged to expenditure in the SOCI.

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 SOCI in the period in which it is incurred.

Depreciation

Depreciation is charged to write down the costs or valuation of items of property, plant and equipment, less any residual value, over their remaining useful economic lives on a straight-line basis. It is an operating expenditure within the SOCI.

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 under 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.
- Transport equipment 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 / increases 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 credited to expenditure to the extent of the decrease previously charged there.

Revaluation losses / decreases that do not result from a loss of economic value or service potential are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to expenditure.

Gains and losses recognised in the revaluation reserve are reported in the SOCI 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 *DHSC GAM*, impairments that arise from a clear consumption of economic benefits or service potential 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, such as losses due to changes in market price, are treated as revaluation losses. Reversals of these 'other impairments' are treated as revaluation gains, as described above.

1.8.3 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 *current value in existing use*, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. If received to fund the purchase of a specific asset, 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 (for example, a grant is conditional on the future purchase or construction of an asset). When such a condition is imposed, the donation/grant is held as deferred income within liabilities in the SOFP, 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 when they come into use, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment.

There are no annual contract payments ('unitary fees') or service charges payable in relation to the Trust's single 'service concession' asset, as the operator's income derives from charges to users. As outlined in Note 20, a deferred income balance has been created which is released each year as income which offsets, but does not necessarily match, the straight line depreciation charge incurred over the asset's useful economic life.

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

1.13.1 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.

1.13.2 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.

1.13.3 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. Interest on loans and receivables is calculated using the effective interest method and credited to the SOCI.

For current receivables, both fair value and amortised cost usually equate to invoice value.

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. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs.

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.

For current payables, both fair value and amortised cost usually equate to invoice value.

Loans from DHSC 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*.

1.13.4 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 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. such that 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. The loss is recognised directly as operating expenditure in the SOCI, and the carrying amount of the asset is reduced directly.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In particular, at each period end, the Trust individually reviews receivables for recoverability. Following this review, an impairment is recognised in the SOCI 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'. Subsequently, the debt may be permanently written-off, or the impairment may be reversed if the debt is deemed collectable, was credited or paid off. Occasionally, debts may be directly and permanently written-off without use of the allowance account. The term 'impairment' refers both to the permanent write-off of a debt, and the creation of a 'provision for impaired receivables' balance for a debt.

1.14 Leases

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

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

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.

1.14.1 Finance leases – Trust as lessee

At the commencement of the 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, with any

initial direct costs of the lessee added to the amount recognised as an asset only. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

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 SOCI. 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.
- Contingent rents (e.g. variable costs based on usage) are recognised as operating expenditure in the period in which they are incurred.
- Any lease rental expenditure that would otherwise have been charged to expenditure under an operating lease is fully de-recognised.

1.14.2 Finance leases – Trust as lessor

At the commencement of the lease, the 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 SOCI. 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.

1.14.3 Operating leases

Operating leases are any leases which are not classified as finance leases. Operating lease rental expenditure, net of incentives, is charged to operating expenditure on a straight-line basis over the lease term.

Operating lease rental income broadly mirrors the treatment of lease expenditure, and is credited to operating income, in the SOCI, on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expenditure on a straight-line basis over the lease term.

1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation, as a result of a past event, of uncertain timing or amount, for which the following conditions are true.

- It is probable that there will be a future outflow of cash or other resources.
- A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision in the SOFP is the best estimate of the expenditure required to settle the obligation, taking into account risks and uncertainties. Where a provision is measured using the estimated risk-adjusted cash flows required to settle the obligation, and where the effect of the time value of money is significant, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

For post-employment benefits including early retirement provisions and injury benefit provisions, HM Treasury's pension discount rate of 0.10% (0.24% 2016/17) is used.

All other provisions are subject to three separate discount rates according to the expected timing of cash flows from the Statement of Financial Position date.

- The short-term rate is -2.42% (-2.70% 2016/17) for expected cash flows up to and including 5 years.
- The medium-term rate is -1.85% (-1.95% 2016/17) for expected cash flows over 5 years up to and including 10 years.
- The long-term rate is -1.56% (-0.80% 2016/17) for expected cash flows over 10 years.

All percentages are in real terms.

1.15.1 Clinical negligence costs

NHS Resolution (NHSR) operates a risk pooling scheme under which the Trust pays an annual contribution to NHSR, which, in return, settles all clinical negligence claims. This contribution is charged to expenditure. Although NHSR 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 NHSR on behalf of the Trust is disclosed in Note 23.2 but is not recognised in the Trust's accounts.

1.15.2 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 NHSR 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, possible 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 24 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 24, 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 or non-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 (PDC)

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 DHSC in the Trust and its predecessors. At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32 *Financial Instruments: Presentation*.

An annual charge, reflecting the forecast cost of capital utilised by the Trust, is payable to DHSC as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for the following.

- Donated assets (including lottery funded assets)
- 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

- Any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by DHSC, 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. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

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 18.2) in accordance with the requirements of HM Treasury's *FReM*.

1.21 Foreign currencies

The functional and presentational currency of the Trust is pounds sterling. A transaction which is denominated in a foreign currency is translated into sterling 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 that each individual case is handled.

Losses and special payments are charged to several relevant functional headings in expenditure on an accruals basis, with the exception of provisions for future losses, and include 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).

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 2017/18.

1.25 Accounting standards issued but not yet effective or adopted

HM Treasury, via the *FReM*, applies EU-adopted IFRS with adaptations and interpretations. DHSC group bodies must apply IFRS as adopted by HM Treasury in the *FReM*, except where additional departures and interpretations have been agreed by DHSC, as specified in *DHSC GAM*.

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 new standards are not yet adopted by the EU. Therefore, they are still subject to *FReM* (and therefore *DHSC GAM*) adoption. In each case, the financial year in which the change is expected to become effective is disclosed after the standard's name.

IFRS 9 Financial Instruments: [new standard] (2018/19) - this new standard is intended to replace *IAS 39 Financial Instruments: Recognition and Measurement*, which currently sets out the requirements for the recognition and measurement of financial instruments. The standard requires the recognition of expected, rather than incurred, losses, and therefore the Trust's overall level of impairment of financial assets is expected to increase. However, *FReM 2018-19* and *DHSC GAM 2018-19* have specified adaptations to the standard. These adaptations prevent the Trust from recognising most of the 'additional' impairments of receivables, which would have otherwise been required by *IFRS 9*. Specifically, the adaptations relate to a range of government and, in particular, NHS debtors, which comprise the majority of the Trust's debtors. As a result, the Trust expects a non-material impact on the Trust's accounts.

IFRS 14 Regulatory Deferral Accounts: [new standard] – this standard is not applicable to DHSC 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, which in the Trust's case, primarily means contracts with commissioners of healthcare such as Clinical Commissioning Groups (CCGs).

In some cases, the standard will alter how income is measured at a point in time. Income in respect of services provided will be recognised when (or as) 'performance obligations' are satisfied by transferring promised services to the customer, whereas currently, income is recognised to the extent that performance occurs. This broadly means that contract income may in some instances be recognised in a less continuous, even manner, depending on the identification of discrete performance obligations within the contract. The standard also requires additional disclosures to assist users in understanding the nature, amount, timing and uncertainty of income and cash flows arising from contracts with customers.

Although some impact on the timing of the recognition of income is anticipated, this is expected to be mitigated by contract adjustments and local negotiations between the Trust and its commissioners, such that performance obligations relating to the delivery of spells of healthcare are likely to be satisfied over time, and therefore be accrued in a manner similar to the Trust's previous and current policy.

IFRS 16 Leases: [new standard] (2019/20) – 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.

IFRS 17 Insurance Contracts: [new standard] (2021/22) – This standard is not expected to affect the Trust's accounts as it does not issue insurance contracts.

The following interpretations will have no impact on the Trust's accounts.

IFRIC 22 *Foreign Currency Transactions and Advance Consideration*: (2018/19)
IFRIC 23 *Uncertainty over Income Tax Treatments*: (2019/20)

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)

	2017/18 £000	2016/17 £000
Acute services		
Elective income	48,175	50,266
Non elective income	100,856	83,370
First outpatient income	15,962	20,739
Follow-up outpatient income	17,200	14,660
A & E income	12,886	10,835
High cost drugs income from commissioners (excluding pass-through costs)	14,687	16,288
Other NHS clinical income ¹	84,331	86,290
Additional income		
Private patient income	349	627
Other clinical income ²	927	921
Total income from activities	295,373	283,996

¹ Other NHS clinical income includes income received in respect of critical care and neo-natal units, 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)

	2017/18 £000	2016/17 £000
CCGs and NHS England	290,965	278,443
Other NHS providers	1,124	1,596
Local authorities	1,002	168
Other non-NHS		
Private patients	349	627
Overseas patients (chargeable to patient)	27	6
Injury cost recovery (ICR) scheme (also known as RTA income) ¹	927	897
Other ²	980	2,259
Total income from activities	295,373	283,996

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 22.84% (22.94% 2016/17). This percentage is updated by the CRU, and reflects expected rates of collection across the NHS.

² Other - includes services provided to Welsh health bodies.

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Note 2.3 Overseas visitors (patients charged directly by the Trust)

	2017/18	2016/17
	£000	£000
Income recognised this year	27	6
Cash payments received in-year	23	3
Amounts written off in-year	-	31

Note 3 Other operating income

	2017/18	2016/17
	£000	£000
Research and development	530	505
Education and training	10,101	9,819
Receipt of capital grants and donations	965	239
Charitable and other contributions to expenditure	320	458
Non-patient care services to other bodies	9,652	13,933
Sustainability and Transformation Fund (STF) income ¹	3,403	6,909
Rental revenue from operating leases	743	643
Other income ²	11,891	8,275
Total other operating income	37,605	40,781

¹ STF income has been made available to support NHS providers 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 £11.9m (£8.3m 2016/17) includes car parking income, catering income, pharmacy income, staff accommodation rental income and other miscellaneous income recharged to other NHS bodies.

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.

	2017/18	2016/17
	£000	£000
Income from services designated as commissioner requested services	270,955	261,997
Income from services not designated as commissioner requested services	24,418	21,999
Total operating income from patient care activities	295,373	283,996

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Note 4.1 Operating expenditure

	2017/18	2016/17
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	630	711
Purchase of healthcare from non-NHS and non-DHSC bodies	3,203	1,102
Staff costs including executive directors (Note 7)	235,738	224,160
Remuneration of non-executive directors	147	141
Supplies and services - clinical (excluding drugs costs)	34,022	32,311
Supplies and services - general	4,555	5,235
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	24,855	27,593
Inventories written down	11	7
Consultancy costs	107	163
Establishment	1,685	1,604
Premises	13,822	11,107
Transport (including patient travel)	1,061	1,048
Depreciation on property, plant and equipment	5,766	5,131
Amortisation on intangible assets	838	2,134
Net impairments (Note 5)	(27)	1,469
Increase / (decrease) in provision for impairment of receivables	(9)	(293)
Change in provisions discount rate(s)	(3)	-
Audit fees payable to the external auditor ¹		
Audit services - statutory audit	46	46
Other auditor remuneration (external auditor only) (Note 4.2)	7	7
Internal audit and local counter-fraud service costs	96	95
Clinical negligence ²	15,159	13,781
Legal fees	285	138
Insurance	378	435
Research and development	59	29
Education and training	637	403
Rentals under operating leases	1,497	1,635
Losses, ex gratia and special payments	136	213
Other services	288	268
Other expenditure ³	5,256	1,804
Total	350,245	332,477

¹ Audit fees include irrecoverable VAT. Actual sums receivable by the external auditor were £38k for statutory audit, and other remuneration of £6k (£38k and £6k 2016/17).

² Clinical negligence costs relate to the Trust's annual contribution to NHS Resolution (formerly NHS Litigation Authority) under its risk-pooling scheme.

³ Other expenditure of £5.3m (£1.8m 2016/17) includes IT contracts, professional fees and other miscellaneous expenditure.

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Note 4.2 Other auditor remuneration

	2017/18 £000	2016/17 £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., above	-	-
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	7	7

The figures above include irrecoverable VAT. The actual sum receivable by the external auditor was £6k (£6k 2016/17).

Note 4.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (£2m 2016/17).

Note 5 Impairment of assets

	2017/18 £000	2016/17 £000
Net impairments charged to operating deficit by cause		
Loss or damage from normal operations	4	17
Unforeseen obsolescence	258	-
Changes in market price	(289)	1,452
Total net impairments charged to operating deficit	(27)	1,469
Impairments charged / (credited) to the revaluation reserve	(7,868)	16,970
Total net impairments	(7,895)	18,439

The credit to the revaluation reserve (£7.9m) represents the reversal of prior-year impairments, and is due to the desktop revaluation of the Trust's estate as at 31 March 2018. It includes an impairment reversal relating to the main hospital block and neighbouring maternity block at Arrowe Park Hospital which totals £4.9m.

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Note 6 Other gains / (losses)

	2017/18	2016/17
	£000	£000
Gains on disposal of non-current assets	3,946	-
Losses on disposal of non-current assets	-	(66)
Total other gains / (losses)	3,946	(66)

In March 2018, the Trust sold part of its Clatterbridge site to Homes England, releasing land for future housing development. The carrying value of the assets was £0.6m. The receipt of sales proceeds of £4.4m generated a £3.8m gain, within the total gain above. All prior-year losses relate to individual disposals of equipment assets.

Note 7 Employee benefits

	2017/18	2016/17
	£000	£000
Salaries and wages	191,117	181,673
Social security costs	16,938	16,278
Apprenticeship levy	842	-
Employer's contributions to NHS Pensions	20,119	19,092
Employer's contributions to the National Employment Savings Scheme (NEST)	18	19
Temporary staff (including agency)	6,704	7,098
Total staff costs	235,738	224,160

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

Note 7.1 Retirements due to ill-health

During 2017/18 there were 5 early retirements from the Trust agreed on the grounds of ill-health (5 2016/17). The estimated additional pension liabilities of these ill-health retirements is £311k (£292k 2016/17). The cost of these ill-health retirements will be borne by NHS Business Services Authority - Pensions Division.

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Note 8 Operating leases

Note 8.1 Lease income under operating leases where the Trust is the lessor

	2017/18 £000	2016/17 £000
Operating lease income		
Minimum lease receipts	743	643
Total	743	643

	31 March 2018 £000	31 March 2017 £000
Analysis of future minimum lease receipts by due date		
Not later than one year	304	459
Later than one year and not later than five years	276	251
Later than five years	-	-
Total	580	710

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
Postgraduate Medical Centre - underlying land	May 1971	August 2017
Frontis Homes Ltd - underlying land related to staff accommodation blocks	June 2006	June 2046
Ronald McDonald House	December 2009	December 2034

Note 8.2 Lease expenditure and commitments under operating leases where the Trust is the lessee

	2017/18 £000	2016/17 £000
Operating lease expenditure		
Minimum lease payments	1,497	1,635
Total	1,497	1,635

	31 March 2018 £000	31 March 2017 £000
Analysis of future minimum lease payments by due date		
Not later than one year	1,059	1,494
Later than one year and not later than five years	3,384	4,070
Later than five years	5,223	6,092
Total	9,666	11,656

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 9 Finance income

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

	2017/18	2016/17
	£000	£000
Interest on bank accounts	47	35
Finance income due to finance lease	-	62
Total finance income	47	97

Note 10 Finance expenditure

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

	2017/18	2016/17
	£000	£000
Interest expenditure		
Loans from the Department of Health and Social Care	1,105	625
Finance leases	12	-
Interest on late payment of commercial debt (Note 10.1)	-	1
Total interest expenditure	1,117	626
Other finance costs - unwinding of discount on provisions	7	6
Total finance expenditure	1,124	632

Note 10.1 The Late Payment of Commercial Debts (Interest) Act 1998 / Public Contract Regulations 2015

	2017/18	2016/17
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	0	1

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Note 11.1 Intangible assets - 2017/18

	Software licences £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Gross cost at 1 April 2017 - brought forward	21,051	1,089	30	22,170
Additions	38	1,375	-	1,413
Reclassifications	1,089	(1,089)	-	-
Gross cost at 31 March 2018	22,178	1,375	30	23,583
Amortisation at 1 April 2017 - brought forward	9,982	-	-	9,982
Provided during the year	838	-	-	838
Reclassifications	-	-	-	-
Amortisation at 31 March 2018	10,820	-	-	10,820
Net book value at 31 March 2018	11,358	1,375	30	12,763
Net book value at 1 April 2017	11,069	1,089	30	12,188

Note 11.2 Intangible assets - 2016/17

	Software licences £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Gross cost at 1 April 2016 - brought forward	19,805	1,203	30	21,038
Additions	(10)	1,142	-	1,132
Reclassifications	1,256	(1,256)	-	-
Valuation / gross cost at 31 March 2017	21,051	1,089	30	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	1,089	30	12,188
Net book value at 1 April 2016	11,957	1,203	30	13,190

The maximum actual useful economic life of intangible assets as at 31 March 2018 was 14 years.

The balance held as an intangible asset under construction relates to various IT projects undertaken as part of the *Digital Wirral* programme, for which the Trust has received *Global Digital Exemplar* PDC funding. The majority of the costs shown have been incurred developing the Trust's patient care information system.

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Note 12.1 Property, plant and equipment - 2017/18

	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 2017 - brought forward	1,747	113,743	13,295	-	39,079	107	10,854	3,921	182,746
Additions	-	1,985	-	1,215	5,389	6	3,522	94	12,211
Impairments	-	(371)	(257)	-	-	-	-	-	(628)
Reversals of impairments	42	8,454	-	-	-	-	-	-	8,496
Revaluations	258	(2,563)	(188)	-	-	-	-	-	(2,493)
Reclassifications	-	515	-	(515)	-	-	-	-	-
Transfers to <i>Assets held for sale</i>	(550)	(45)	-	-	-	-	-	-	(595)
Disposals / derecognition	-	-	-	-	(1,669)	(17)	(13)	(165)	(1,864)
Gross cost at 31 March 2018	1,497	121,718	12,850	700	42,799	96	14,363	3,850	197,873
Accumulated depreciation at 1 April 2017 - brought forward	-	-	-	-	27,024	95	6,981	2,829	36,929
Provided during the year	-	2,628	188	-	1,809	2	989	150	5,766
Impairments	-	281	-	-	97	1	4	2	385
Reversals of impairments	(256)	(156)	-	-	-	-	-	-	(412)
Revaluations	256	(2,752)	(188)	-	-	-	-	-	(2,684)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to <i>Assets held for sale</i>	-	(1)	-	-	-	-	-	-	(1)
Disposals / derecognition	-	-	-	-	(1,669)	(17)	(13)	(165)	(1,864)
Accumulated depreciation at 31 March 2018	-	-	-	-	27,261	81	7,961	2,816	38,119
Net book value at 31 March 2018	1,497	121,718	12,850	700	15,538	15	6,402	1,034	159,754
Net book value at 1 April 2017	1,747	113,743	13,295	-	12,055	12	3,873	1,092	145,817

Note 12.2 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)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to <i>Assets held for sale</i>	-	-	-	-	-	-	-	-	-
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 - restated	-	-	-	-	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)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to <i>Assets held for sale</i>	-	-	-	-	-	-	-	-	-
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

The transfer to *Assets held for sale* relates to the sale of land at the Trust's Clatterbridge site in March 2018.

The dwellings balance entirely comprises staff accommodation blocks at the Trust's Arrowe 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 12.3 Property, plant and equipment financing - 2017/18

	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 2018									
Owned - purchased	1,497	119,859	-	700	14,313	15	6,082	994	143,460
Finance leased	-	-	-	-	-	-	262	-	262
On-SoFP PFI contracts and other service concession arrangements	-	-	12,850	-	-	-	-	-	12,850
Owned - government granted	-	-	-	-	56	-	29	-	85
Owned - donated	-	1,859	-	-	1,169	-	29	40	3,097
NBV total at 31 March 2018	1,497	121,718	12,850	700	15,538	15	6,402	1,034	159,754

Note 12.4 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 - purchased	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
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - 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

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Note 13 Donations of property, plant and equipment

In 2017/18, the Trust recognised donated asset additions of £1.0m (2016/17 £0.2m). £0.4m related to cash donations (2016/17 £0.2m). The Trust also received assets directly, recognised at £0.6m (2016/17 £nil).

Note 14 Revaluations of property, plant and equipment

The value and remaining useful lives of land and building assets are estimated by the Trust's valuers Cushman & Wakefield. Their independent valuations are carried out in accordance with the Royal Institute of Chartered Surveyors' *RICS Valuation - Professional Standards* (the 'Red Book'), by RICS-qualified valuers. Valuations are carried out primarily on the basis of depreciated replacement cost (modern equivalent asset (MEA) basis) for specialised operational property. The Trust has opted to interpret the MEA valuation basis, which estimates the cost of a modern replacement asset with equivalent productive capacity to the asset being valued, as pertaining to a single combined hospital facility.

Revalued assets are written down to their recoverable amount within the Statement of Financial Position, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for that asset. Thereafter, the loss is charged to operating expenditure - net impairments. Increases in value are credited to the revaluation reserve unless circumstances arise whereby a reversal of an impairment is necessary. In these circumstances this has been credited to operating expenditure - net impairments.

A 'desktop' revaluation of the Trust's estate was undertaken as at the valuation date of 31 March 2018. This resulted in a net revaluation gain recorded in the revaluation reserve (within the Statement of Financial Position) of £8.1m, which is also disclosed as *Other comprehensive income*, and a net gain to income and expenditure from reversal of impairment (within the Statement of Comprehensive Income) of £0.3m (Note 5).

The useful economic lives of equipment assets are estimated on historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. The lives of assets determined at recognition are disclosed within the accounting policies (Note 1). Actual useful economic lives of non-land assets as at 31 March 2018 are as follows.

Buildings excluding dwellings	1 to 72 years.
Dwellings	69 years.
Plant and machinery	0 to 17 years.
Transport equipment	0 to 7 years.
Furniture and fittings	0 to 10 years.
Information technology equipment	0 to 5 years.

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Note 15 Joint operations

The Trust has determined that, in addition to its subsidiary charity, it has interests in two joint operations. Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to assets, and obligations for liabilities relating to the arrangement. The Trust therefore includes within its financial statements, where material, its share of the assets, liabilities, income and expenditure relating to its joint operations.

The Trust does not attribute levels of risk significantly above 'business as usual' with these arrangements, as its joint operator is a partner NHS body, working together with the Trust within the same healthcare operating environment. In practical terms, this translates to a longstanding related party relationship based on contracts and transactions, collaborative working, shared objectives and common policies. In addition, the 'going concern' risk and credit risk associated with other NHS bodies is very low.

The Trust has no material joint operations, but collaborates in two lesser operations, 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 £1.6m. 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 2017/18, the Trust's net expenditure on CWMS services was £2.9m.

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 2017/18, 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 2017/18 is £0.4m.

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Note 16 Inventories

	31 March 2018 £000	31 March 2017 £000
Drugs	1,159	889
Consumables	2,983	2,962
Energy	29	30
Total inventories	<u>4,171</u>	<u>3,881</u>

Inventories recognised in expenditure for the year were £51,469k (£53,188k 2016/17). Write-down of inventories recognised as expenditure for the year was £11k (£7k 2016/17).

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Note 17.1 Trade and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	11,196	6,914
Accrued income	3,633	2,913
Provision for impaired receivables	(269)	(274)
Deposits and advances	132	150
Prepayments including capital prepayments	1,516	2,458
Interest receivable	8	2
Finance lease receivables	-	630
PDC dividend receivable	-	289
VAT receivable	616	1,231
Other receivables	1,591	2,076
Total current trade and other receivables	18,423	16,389
Non-current		
Provision for impaired receivables	(249)	(256)
Prepayments	59	91
Other receivables	1,093	1,115
Total non-current trade and other receivables	903	950
Total receivables from NHS and DHSC group bodies (current)	14,097	8,809

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 17.2 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April	530	886
Increase in provision	14	402
Amounts utilised	(3)	(63)
Unused amounts reversed	(23)	(695)
At 31 March	518	530

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 and staff debtor balances.

Note 17.3 Credit quality of financial assets

	31 March	31 March
	2018	2017
	£000	£000
Ageing of impaired financial assets (Trade and other receivables)		
0 - 30 days	-	-
30 - 60 days	-	-
60 - 90 days	-	-
90 - 180 days	-	7
Over 180 days	48	59
Total	48	66

This note addresses the disclosure requirements of IFRS 7 *Financial Instruments: Disclosures*. In particular, the above table does not include the provision of £471k (£463k 2016/17) against NHS ICR scheme debts, since they are not deemed to be financial instruments.

	31 March	31 March
	2018	2017
	£000	£000
Ageing of non-impaired financial assets past their due date		
0 - 30 days	2,043	1,063
30 - 60 days	787	331
60 - 90 days	390	475
90 - 180 days	1,185	542
Over 180 days	1,592	602
Total	5,997	3,013

The above table does not include non-instrument receivables, 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 26.

In line with NHS terms and conditions, all sales invoices issued by the Trust are payable in full within 30 days.

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Note 18.1 Cash and cash equivalents

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.

	2017/18	2016/17
	£000	£000
At 1 April	5,390	3,523
Net change in year	2,560	1,867
At 31 March	7,950	5,390
Cash at commercial banks and in hand	124	488
Cash with Government Banking Service (GBS)	7,826	4,902
Total cash and cash equivalents	7,950	5,390

Note 18.2 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
	2018	2017
	£000	£000
Monies held on behalf of patients	10	7
Consignment inventories	2,030	2,099
Total third party assets	2,040	2,106

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Note 19.1 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	1,746	4,776
Capital payables	5,461	2,211
Accruals	17,599	15,898
Receipts in advance	61	33
Social security costs	2,423	2,343
Other taxes payable	1,941	1,856
PDC dividend payable	43	-
Accrued interest on loans	59	12
Other payables	3,205	3,930
Total current trade and other payables	32,538	31,059
Total payables from NHS and DHSC group bodies	5,555	5,990

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 Better Payment Practice Code (BPPC) gives NHS organisations a target of paying 95% of undisputed invoices within 30 calendar days of the receipt of either goods or a valid invoice (whichever is later), unless other payment terms have been agreed. Information regarding the Trust's BPPC performance is within the Annual Report's *Directors' report*.

The carrying amounts of trade and other payables approximates to fair value.

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Note 20 Other liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income / grants	2,883	2,999
PFI deferred income	342	342
Total other current liabilities	3,225	3,341
Non-current		
PFI deferred income	8,812	9,154
Total other non-current liabilities	8,812	9,154

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 *PFI deferred income* which represents next year's income release.

Note 21 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Loans from the Department of Health and Social Care	1,015	1,015
Obligations under finance leases	59	-
Total current borrowings	1,074	1,015
Non-current		
Loans from the Department of Health and Social Care	49,066	26,708
Obligations under finance leases	192	-
Total non-current borrowings	49,258	26,708

Note 26 contains further details relating to the Trust's loans.

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Note 22 Finance leases

Future lease receipts due under finance leases where the Trust is the lessor

	31 March 2018 £000	31 March 2017 £000
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	-	-
Later than five years	-	-
Lease receivables	-	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, and the lease was cancelled in 2017/18.

Obligations under finance leases where the Trust is the lessee

	31 March 2018 £000	31 March 2017 £000
Gross lease liabilities	275	-
Analysis of gross minimum lease payments by due date		
Not later than one year	69	-
Later than one year and not later than five years	206	-
Later than five years	-	-
Finance charges allocated to future periods	(24)	-
Net lease liabilities	251	-
Analysis of net minimum lease payments by due date		
Not later than one year	59	-
Later than one year and not later than five years	192	-
Later than five years	-	-
Net lease liabilities per Note 21 - Borrowings	251	-

As lessee, the Trust held a single five year finance lease as at 31 March 2018 for digital data storage. The Trust has the option to purchase the equipment for a nominal amount at the end of the lease term.

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Note 23.1 Provisions for liabilities and charges

	Pensions - early departure costs	Legal claims	Total
	£000	£000	£000
At 1 April 2017	2,486	403	2,889
Change in the discount rate	(3)	-	(3)
Arising during the year	392	169	561
Utilised during the year	(286)	(143)	(429)
Reversed unused	(7)	(153)	(160)
Unwinding of discount	7	-	7
At 31 March 2018	2,589	276	2,865
Expected timing of cash flows			
Not later than one year	271	276	547
Later than one year and not later than five years	1,152	-	1,152
Later than five years	1,166	-	1,166
Total provisions	2,589	276	2,865

Legal claims totalling £0.3m (£0.4m 2016/17) are made up of employer's liability and public liability claims for which there is also a corresponding contingent liability of £0.2m (£0.1m 2016/17) disclosed in Note 24. Pensions - early departure costs (£2.6m) relates to the cost of permanent injury retirements (£2.5m 2016/17).

The amount provided for employer's / public liability claims is based on actuarial assessments received from NHS Resolution (NHSR) as to their value and anticipated payment date.

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Note 23.2 Clinical negligence liabilities

At 31 March 2018, £230,234k was included in the provisions of NHS Resolution in respect of the clinical negligence liabilities of Wirral University Teaching Hospital NHS Foundation Trust (£168,511k at 31 March 2017).

Note 24 Contingent assets and liabilities

The Trust is currently engaged in a number of legal proceedings with significant uncertainty regarding outcomes such that any potential liability to the Trust cannot be quantified. In addition, a quantifiable contingent liability of £154k exists at 31 March 2018 for potential third party claims in respect of employer's liability and public liability claims (£99k at 31 March 2017). A provision for the expected value of probable cases is shown in Note 23.1.

Note 25 Contractual capital commitments

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	651	-
Intangible assets	568	223
Total capital commitments	1,219	223

Contractual capital commitments relate to schemes underway to improve the Trust's estate and IT data centres, in addition to the ongoing *Digital Wirral* programme, which receives *Global Digital Exemplar* PDC funding.

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Note 26 Financial instruments

Note 26.1 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.

The Trust borrows from the Department of Health and Social Care (DHSC) to continue operating, and actively mitigates liquidity risk by daily cash management procedures incorporating the timely initiation of loans, keeping all cash balances in an appropriately liquid form. Liquidity is monitored by the 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. Fixed interest rate loan facilities are in place with DHSC for revenue support, as follows.

- Working capital facility loan of £23.3m at 3.5%, drawn down in 2016/17 and 2017/18.
- 'Uncommitted loans' of £17.5m at 1.5%, drawn down in 2017/18.

The Trust also holds two fixed interest rate loans with DHSC which have funded past capital developments, as follows.

- 25 year loan of £6.5m at 4.32%, drawn down in 2009/10.
- 10 year loan of £7.5m at 1.96%, drawn down in 2014/15.

Repayments on the capital loans have commenced, and are paid according to a set schedule over the period of the loans. To date, £4.7m has been repaid. The working capital facility loan matures in 2021/22, and 'uncommitted loans' mature in 2020/21, with no repayment schedule in place for any of these loans. There is therefore no significant imminent risk that a number of significant borrowings could become repayable at one time, and cause unplanned cash pressures, although the Trust will need to consider arrangements from 2020/21 onwards.

The loan repayment schedule is contained within the maturity of financial liabilities table in Note 26.4.

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 £15.5m (£11.5m 2016/17), being the total of the carrying amount of financial assets excluding cash (Note 26.2).

There are no amounts held as collateral against these balances.

An analysis of aged and impaired receivables is disclosed in Note 17.3.

The movement in the provision for impaired receivables during the year is disclosed in Note 17.2. From the total balance of assets which require a provision for their impairment, £0.05m (£0.07m 2016/17) are impaired financial assets.

Terms have been renegotiated for financial assets totalling £43k (£37k 2016/17), 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 26.2 Financial assets

	31 March 2018 £000	31 March 2017 £000
Loans and receivables per Statement of Financial Position		
Trade and other receivables excluding non financial assets	15,488	11,500
Cash and cash equivalents at bank and in hand	7,950	5,390
Total	23,438	16,890

Note 26.3 Financial liabilities

	31 March 2018 £000	31 March 2017 £000
Other financial liabilities per Statement of Financial Position		
Borrowings excluding finance lease liabilities	50,081	27,723
Borrowings - obligations under finance leases	251	-
Trade and other payables excluding non financial liabilities	25,093	23,295
Total	75,425	51,018

Non financial assets and non financial liabilities are excluded from the above Notes. Therefore, the receivables and payables figures are lower than their respective balances within the Statement of Financial Position.

Note 26.4 Maturity of financial liabilities

	31 March 2018 £000	31 March 2017 £000
One year or less	26,167	24,309
More than one year but not more than two years	1,074	1,015
More than two years but not more than five years	44,007	3,046
More than five years	4,177	22,648
Total	75,425	51,018

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Note 26.5 Fair values of financial instruments at 31 March 2018

The Trust has two capital loans and a number of revenue support loans with the Department of Health and Social Care. The carrying value of the borrowings liability is considered to approximate to fair value, the interest rate not being significantly different from market rate. All other financial assets and liabilities have carrying values which are not significantly different from their fair values.

Note 27 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise.

The Trust made the following losses and special payments, on an accruals basis (with the exception of provisions for future losses), during the financial year.

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	4	1	11	1
Bad debts and claims abandoned	6	1	27	74
Stores losses and damage to property	4	11	3	7
Total losses	14	13	41	82
Special payments				
Compensation under court order or legally binding arbitration award	1	8	1	7
Ex-gratia payments	55	253	79	200
Total special payments	56	261	80	207
Total losses and special payments	70	274	121	289

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Note 28 Related parties

Whole of Government Accounts (WGA) and consolidation

Wirral University Teaching Hospital NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. Monitor (operating as NHS Improvement) does not prepare group accounts, but rather, it prepares *NHS foundation trusts: consolidated accounts*, for further consolidation into the Department of Health and Social Care's accounts, and, ultimately, the Whole of Government Accounts. Monitor (operating as NHS Improvement) has powers to control NHS foundation trusts, but its financial results are not incorporated within the consolidated accounts, and it cannot be considered to be the parent undertaking for foundation trusts. The Department of Health and Social Care (DHSC) is the parent department of the foundation trust sector. Although there are a number of consolidation steps between the Trust's accounts and Whole of Government Accounts, the Trust's ultimate parent is HM Government.

WGA bodies

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 Professionals
Countess of Chester Hospital NHS Foundation Trust	NHS West Cheshire CCG
Health Education England	NHS Wirral CCG
HM Revenue & Customs	The Clatterbridge Cancer Centre NHS Foundation Trust
NHS England (including sub-entities)	Wirral Community NHS Foundation Trust
NHS Resolution (formerly NHS Litigation Authority)	Wirral Metropolitan Borough Council
NHS Pension Scheme	

As disclosed in Note 6, the Trust sold part of its Clatterbridge site to Homes England in 2018.

Public dividend capital (PDC) transactions with DHSC

The Trust made PDC dividend payments to DHSC totalling £2.64m (£3.96m 2016/17), received additional PDC of £5.05m (£0.07m 2016/17), and is reporting a year-end creditor totalling £0.04m for PDC dividend payable (£0.29m receivable in 2016/17).

Provision for impairment of receivables - related parties

No related party debts have been written off by the Trust in 2017/18 (none in 2016/17). The Trust's provision for impairment of receivables includes no balance in relation to its related parties (nil 2016/17).

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 capital and revenue items for the benefit of the Trust's patients.

The Charity's reserves balance as at 31 March 2018 was £0.6m (£1.5m 2016/17) with net expenditure of £0.9m (£0.1m 2016/17). During the year the Charity incurred expenditure of £1.0m (£0.4m 2016/17) 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.

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Note 29 Events after the reporting date

There are no events after the reporting date which require disclosure.

