Wirral University Teaching Hospital
NHS Foundation Trust

2022 / 2023

Annual Report and Accounts

Wirral University Teaching Hospital NHS Foundation Trust
Annual Report and Accounts 2022/23

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

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Introduction

Message from the Chairman and Chief Executive

We are pleased to introduce this year's annual report and accounts, and our three hospitals – Arrowe Park, Clatterbridge and The Wirral Women and Children's Hospitals, continued to provide outstanding care to the people of the Wirral, as we make progress with delivering our ambitious 5-year strategy.

During this year, we marked the 40th year since the opening of Arrowe Park Hospital, a significant milestone and an occasion for staff and community engagement to celebrate the past, present and future of Wirral University Teaching Hospital NHS Foundation Trust (WUTH). We are also proud to introduce our annual report with heartfelt thanks to our staff, patients and families, volunteers, our partners in the Wirral healthcare system and the communities of Wirral, who have supported our hospitals throughout the year.

It was a challenging and rewarding year for the Trust as we emerged from the COVID-19 pandemic and began to see the fruits of our investments in new buildings, diagnostics capability, new ward environments and dedicated elective surgery capacity. These services are much needed as we address catching up on elective surgery post-pandemic, as we focus on reducing our waiting times and we continue to provide much needed treatment for serious conditions like cancer and heart disease.

Improvement is a journey, not a destination. This year, though, we look back on huge progress and our achievements provide a solid foundation to point to strong delivery of our goals. Whether it's the completion of our Cheshire and Merseyside Surgical Centre at Clatterbridge, with its modular construction allowing for rapid assembly and commissioning – and then the approval of an adjacent build of a further two new theatres at a total cost of over £30m, or the creation of a new diagnostics centre, in conjunction with Clatterbridge Cancer Centre NHS Trust, which has delivered an additional 50,000 scans and tests to date.

WUTH has demonstrated its ability to plan and deliver major capital projects, which in turn has attracted more investment in our proven ability to deliver new schemes. These facilities are benefiting the people of Wirral through enabling access to treatments and testing. Our elective surgery performance is high and with the additional elective surgery theatres at Clatterbridge, we are able to sustain and preserve planned care capacity away from our acute hospital site. Up to the end of this financial year, we have performed 1197 operations at the centre. The Cheshire and Merseyside Surgical Centre is rightly earning a great reputation as a WUTH and regional resource that is great for patients and for staff.

On a smaller, but no less important scale, we commissioned a new Dialysis Unit (£2.8m investment) at Arrowe Park and we opened an innovative adult sensory suite in our Surgical Elective Admissions Lounge (SEAL), also at Arrowe Park, designed to create a calming environment for patients with special needs, prior to surgery. We invested in staff wellbeing and welfare, with the opening of new changing rooms for our Estates and Facilities staff and opened our staff restaurant, The Retreat.
Plans were formally approved, and construction began in earnest for a new £30 million plus major capital project for an urgent and emergency care facility to be built at Arrowe Park Hospital. This is the largest single investment in the site's 40-year history and will transform urgent and emergency

care on Wirral. It includes a complete redevelopment of the current emergency department at Arrowe Park Hospital and the co-located urgent treatment centre, run by Wirral Community Health and Care Trust (WCHC). Extensive planning and clinical involvement in developing the specification for the new facility will see state of the art facilities opening in the next couple of years.

As a teaching and research hospital, we are also building our reputation for research and training. In the year, we launched our Research Strategy and appointed Professor Simon Rogers as our lead for Clinical Research.

Our staffing was enhanced via 280 international nurses who joined the Trust from across the world and who are adding their skills and expertise to our workforce. Working across the health and social care system locally, we have promoted opportunities for Healthcare and Clinical Support Workers, and we now have the lowest vacancy rates in the region for nursing and healthcare support staff, which is a massive achievement, when workforce shortages are significant elsewhere.

We also continued to progress our Green Plan, which sets out how we will deliver improvements in reducing our environmental impact and managing our carbon footprint in line with the NHS net zero ambitions. Projects like the Cheshire and Merseyside Surgical Centre were hailed as 'greener by design' because the modular off-site construction of the theatre structure components reduced construction traffic with fewer road journeys needed, and the theatres also incorporate features like the use of medical gasses with lower environmental impact.

Staff health and wellbeing remained high on our agenda as once again our staff responded with incredible resilience to the sustained impacts of the pressures on our hospitals. We saw one of the busiest winter periods ever as we dealt with the impact of winter pressures, increased elective activity and national industrial action.

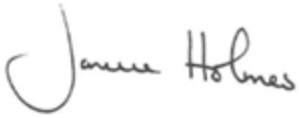
Our accreditation for Safe, Effective, Quality and Occupational Health Services (SEQOHS) was assessed against this very exacting standard and renewed for five years. We were also reassessed and awarded the Navajo Merseyside & Cheshire LGBT Charter Mark. This is an equality mark, supported by LGBTQIA+ community networks across Merseyside and signifies good practice, commitment and knowledge of the specific needs, issues and barriers facing LGBTQIA+ people.

We invested in our staff and launched our People Strategy during the year. We invested in our leaders and managers with a unique and innovative programme 'Leadership for All' celebrating the leader in everyone. This was launched at our leadership conference in summer 2022, an occasion where we looked forward to delivering our strategic goals and celebrated our progress. There were further celebrations in the autumn when our staff awards returned as a face-to-face event for the first time in two years and we highlighted the amazing work of our staff, their care and compassion for our patients. Our Patient Experience Strategy is also progressing very well and is becoming more embedded in our wards and clinics. It features co-produced programmes of work with patients, families and carers and has at its heart the contributions of our patients and stakeholders, so that services and patient experiences are designed and measured around the needs of the people of Wirral.

We also received important external markers of quality and patient experience too, with, for example, the MacMillan Quality Environment Mark (MQEM) for cancer care and positive patient experiences reported through the comprehensive NHS England National Cancer Patient Experience

Survey in July 2022. The patients who took part in the survey gave an average rating of 9 out of 10 for the care they received at WUTH.

Thank you to all our staff, patients, stakeholders and partners who have helped the Trust make significant progress this year, providing new facilities and treatments – and, most importantly, exceptional patient care to the people of the Wirral.



Sir David Henshaw
Chair

Janelle Holmes
Chief Executive Officer

Overview of Performance – 2022/23

This section provides an overview of the Trust. It sets out the purpose and key activities of the Trust. We also use this opportunity to highlight some key achievements and recognition over the past year including a summary of the Trust's key performance figures and what we delivered in 2022/23.

The purpose of the Trust and its key activities

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

The status of foundation trust (FT) enables us to:

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

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

The Trust operates from two main sites:

- Arrowe Park Hospital, Upton – delivering a full range of emergency (adults and children) and acute services for adults in the main hospital building. The Wirral Women's and Children's Hospital provides maternity, neonatal, gynaecology, children's inpatient, day case and outpatient units.
- Clatterbridge Hospital, Bebington – undertaking planned surgical services, dermatology services, breast care and specialist stroke and neuro rehabilitation services.

Outpatient services are provided from community locations including:

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

Our full range of services include:

- accident & emergency services for adults and children
- a diverse range of acute and non-acute specialties
- outpatient services
- day surgery services
- maternity including a midwifery led unit
- diagnostic and clinical support services
- specialist services including:

- renal medicine
- dermatology
- orthopaedics (hip & knee revisions)
- ophthalmology (retinal)
- urology (cancer centre)
- stroke (hyper-acute unit)
- gynaecology (advanced laparoscopic endometriosis centre)
- neonatal level 3 unit and
- Ronald McDonald House: charity home providing accommodation for parents of sick children and premature babies.

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

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

In 2022/23 the Trust undertook the following activity:

	22/23
Total Births	**2,924**
New Outpatient Attendances	**140,629**
F/Up Outpatient Attendances	**387,483**
Diagnostic Orders	**389,992**
Diagnostic examinations performed	**341,191**
A&E Attendances	**93,894**
Emergency Admissions*	**49,529**
Elective Day Case Admissions**	**45,893**
Elective Planned Admissions	**7,380**

*Including maternity emergencies but excluding births.
**Excluding Nephrology

2022-3 Achievements and Highlights

During the year, the Trust made significant progress towards its strategic objectives and received external recognition for its people and services.

In 2022, May 4th marked 40 years since the opening of Arrowe Park Hospital by the late Queen, Her Majesty Queen Elizabeth II. The Queen sent her heartfelt congratulations and thanks to staff at the Trust on the 40th anniversary. Staff, patients and the local community joined in the 40th anniversary celebrations with reminiscences, special publications and a host of commemorative activities.

The year also marked one of the most significant capital developments since the founding of the hospital, as the ground work laid in developing deliverable capital projects bore fruit. Work began in earnest on the new Urgent and Emergency Care Upgrade programme, which represents over £30m of investment. Phase 1 of the new operating theatres at Clatterbridge Hospital were constructed using modular modern construction methods at a cost of £10.6m and a further investment of £14.9m was quickly secured to develop more theatre capacity at the Cheshire and Merseyside Surgical Centre at Clatterbridge.

Both of the Phase 1 new state-of-the-art theatres have advanced technology. One of the key features is the clean air skirt-less canopy, which enables a range of surgery to take place without risk of infection. The project is 'greener by design' with a number of environmental measures to support the Trust's 'Green Plan'. The publication of the Trust's first 'Green Plan' in 2022 was also a major milestone, demonstrating our commitment to the NHS' net zero targets.

Achievements in the first 100 days for the Cheshire and Merseyside Surgical Centre included performing over 350 Orthopaedic procedures, 650 Urology procedures and 150 General, Breast and Gynaecology operations. Following completion of both phases, the centre will treat around 6,000 patients each year across Cheshire and Merseyside. The project aligns with national and regional NHS strategy to have robust plans in place to ensure elective surgery is not affected by hospital pressures.

The theatres are away from the Trust's main busy acute hospital at Arrowe Park. This provides enhanced infection prevention and control by being separate from patients who require admission for respiratory viruses such as COVID-19 or flu. It is aimed at reducing cancellations of surgery on the day resulting from pressures on hospital capacity and will therefore significantly improve patient and staff experience.

We also opened one of the NHS new diagnostics hubs, Clatterbridge Diagnostics, in partnership with Clatterbridge Cancer Centre, which enables patients to have all their diagnostic tests done in one location and ideally at the same time. Some 50,000 tests and scans have taken place at the new centre.

Elsewhere at our hospital sites we opened a £2.8m refurbishment of the Dialysis Unit at Arrowe Park Hospital. We also invested £413k in staff wellbeing and welfare with our new restaurant, The Retreat, which was opened in 2022 and represented a significant project for charitable funds, benefiting all our staff. WUTH's catering department also retained its 5-star rating for food quality and hygiene. And in addition, we commissioned new staff changing and rest facilities for our Estates and Facilities colleagues.

With so much excellent work to celebrate, the Estates, Facilities, and Capital team at Wirral University Teaching Hospital (WUTH) were also shortlisted for two awards at the Healthcare Estates IHEEM Awards 2022. WUTH was recognised for its investment in its infrastructure to support staff health and wellbeing, coupled with recognition of the work and improvements made across Estates and Facilities.

Excellence in Care

Other external accreditations for our staff and facilities include the award to Ward 30 at Arrowe Park Hospital for gaining Level 4 on their first ever Macmillan Quality Environment Mark (MQEM) Assessment. The MQEM award recognises cancer environments that go above and beyond to create welcoming and friendly spaces for patients. MQEM is the first award of its kind in the UK and has been designed in collaboration with people living with cancer.

In the NHS England national cancer survey, patients reported positive experiences at Arrowe Park, Clatterbridge and the Wirral Women and Children's Hospitals. The patients who took part in the survey gave an average rating of 9 out of 10 for the care they received at WUTH within their pathway.

The survey, commissioned by NHS England and carried out by patient experience insight survey experts Picker, included people aged 16 years and over, with a confirmed primary diagnosis of cancer, who had been treated in hospital between April and June 2021. The questions covered the patient's journey from their GP referral, through diagnostic tests, diagnosis, treatment and care in hospital, care at home; and living with and beyond cancer.

The 2021 survey involved 134 NHS Trusts and WUTH's results showed scores above the expected range for questions in the sections on 'Finding out you have cancer', 'Hospital care' and 'Immediate and long-term side effects'. The Trust's patients' responses for all questions were within the expected range, reflecting good experiences of care across the board. The survey is an important part of the national NHS Cancer Programme, which places patient experience on a par with clinical effectiveness and safety as a key strategic priority.

Pastoral Care Quality Award

The Trust received an NHS Pastoral Care Quality Award certificate in recognition of our work in international recruitment and our commitment to providing high-quality pastoral care to our internationally educated nurses, during their recruitment and employment.

WUTH began a recruitment drive in February 2021 and has now completed the project, with a total of 280 nurses arriving on the Wirral to join the Trust. All but 2 of the nurses are still working at the Trust, which is testament to the commitment to pastoral care and a 'Wirral Welcome' for our new colleagues. The international recruitment is also contributing to a much-reduced nursing vacancy rate for the Trust, which is out performing regional peers.

Maternity Services Recognition

Assurance visits in the year from senior NHS neonatal and midwifery experts, plus an ongoing thriving partnership with the Wirral Maternity Voices Partnership, provided insights and feedback, which demonstrated a much improving picture at WUTH and evidence of a well-led and effective service.

The Trust works collaboratively with its local Maternity Voices Partnership and also hosted assurance visits from the NHS National Midwifery Team and he Regional Midwifery team from NHS England.

Professor Jacqueline Dunkley-Bent, England's former Chief Midwifery Officer visited the Trust on 9th June 2022 as the national team were visiting all Midwifery Services across England. They found that there was a strong focus on maternity services at WUTH and positive celebration of the Trust's success in delivering high standards of quality maternity care. The visiting team felt this was evidenced by the strengthened clinical governance, leadership structure and investment innovation, a positive psychological safety culture and strong board oversight. At the visit and just prior to her retirement, Debbie Edwards, WUTH's Divisional Director of Nursing and Midwifery was recognised for her outstanding contribution, with a special silver award from NHS national Chief Nurse, Dame Ruth May and Chief Midwifery Officer, Professor Dunkley-Bent. After her visit, Professor Dunkley-Bent commented that it was a privilege to share and learn with the WUTH team and thanked them for supporting safe and personal maternity care.

National Recognition

Named Midwife for Safeguarding, Michelle Beales-Shaw also received national recognition when she was awarded the NHS Safeguarding Star Award, which recognises outstanding midwifery safeguarding leadership The award was for her work creating boxes for women who are at risk of being separated from their baby at birth. Michelle has been instrumental in the implementation of the Maternity HOPE (Hold On Pain Eases) Box Pilot at WUTH which aims to minimise the trauma parents experience when they are separated from their baby at birth, due to a court decision.

Michelle was integral in the setting up of the Maternity HOPE Box pilot after linking with the NHS Named Midwife Network in 2020 to share a concept of 'Beth's Always and Forever Boxes' she had developed in WUTH after her own personal experiences with the loss of her daughter had given her inspiration to help others. The pilot project has been introduced on the back of research led by Lancaster University as part of the Nuffield Family Justice Observatory 'Born into Care' series, which has demonstrated that women who experience separation from their babies at birth are at acute risk of a mental health crisis. Women highlighted how even small changes that promote sensitive interactions and improve their sense of control and choice, may help them to cope at a difficult time.

Research Excellence

During the year, we launched our Research and Innovation Strategy and delivered significant milestones in research progress. Some 479 participants were recruited to research studies at the Trust and 72 research studies were open to recruitment across all Divisions. There were 68 Principal Investigators (PIs) in the Trust with studies open to recruitment or in follow-up. The STOP RSV (Paediatrics study) was our highest recruiting study with 132 participants, exceeding our aim of 70. In the GenOMICC (ITU study) WUTH has continuously been in the top 5 recruiting sites nationally and for the ROSSINI (Surgery study) the Trust was the highest recruiting site nationally in the latter part of 2022. WUTH successfully worked in collaboration with Wirral's Marine Lake Medical Centre for the HARMONIE RSV Vaccine study, by providing Pharmacy, Clinic space and Research Nurse support, whilst also acting as a Participant Identification Centre.

Consultant Midwife Dr Angela Kerrigan was awarded the National Institute for Healthcare Research (NIHR) Senior Research Leader role to support the development of midwifery and Multi-Disciplinary

Team research within maternity over the next 3 years. The primary focus of the Senior Research Leader role is to provide research leadership and Angela will support and enable the research activities of midwives and nurses to achieve best research practice, help to embed a research active culture and empower midwives to support, lead and deliver research.

WUTH Charity

Staff engagement and wellbeing were a vital part of the Charity's contribution to the Trust's work during the pandemic and 2022-3 marked a year of returning to more normal fundraising activities, albeit still with some restrictions in the early part of the year. The charity has continued to receive support from staff, corporate donors and volunteers, who have contributed to another successful year.

The Wirral Winter Ball raised £40,000 for the Trust's Tiny Stars Neonatal Appeal and the Trust hosted a visit from the Wirral Mayor and Mayoress whose nominated charities will benefit the neonatal unit.

Our flagship staff wellbeing project, The Retreat restaurant and wellbeing space at Arrowe Park Hospital – a modern and contemporary space to benefit staff - was completed using charitable funds and is an enduring legacy of public support.

Staff Support

The Trust's staff awards returned in 2022 with 237 nominees and a magnificent awards ceremony celebrating clinical excellence, our volunteers, quality patient care and outstanding commitment from our staff.

We continued to focus on staff wellbeing with all staff benefitting from a dedicated 'Wellbeing Day' and Wellbeing Conversations with their line managers.

We invested in our leaders with a new Leadership Qualities Framework, a Leadership for All Conference, Leadership Masterclasses and a structured programme of training and development to develop the leader in all our staff.

Summary of principal risks

Key risks to the delivery of the Trust's objectives and the associated controls are set out in our board assurance framework (BAF). All risks entered onto the BAF are subject to a robust process of review and scrutiny. The principal risks that have been assigned to the Trust's strategic objectives for 2021/26 were approved by the Board of Directors in September 2021. A refresh of the BAF was completed in 2022, and the document, including all risks, approved by the Board in April 2023. The risks in the BAF are summarised below as Failure to:

- Effectively manage demand, both unscheduled and scheduled, and meet constitutional standards which will adversely impact quality of care and patient experience.

- Recruit and retain staff which when considered alongside high sickness level will impact on quality of care and staff wellbeing.
- Deliver financial plan due to uncertainty re financial regime and ability to deliver sustainable cost improvements and productivity gains due to inability to embed service transformation.
- Deliver seamless care with our partners due to ongoing uncertainty re the infrastructure of system working resulting in change in strategic direction and uncertainty re Trust role in place governance.
- Deliver our digital ambition due to unsuccessful implementation of our electronic patient records and potential loss of clinical systems due to cyber-attack.
- Improve our infrastructure due to availability of capital funding with risk to business continuity and provision of clinical services due to critical infrastructure failure.

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

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

Strategy

2021 / 2026 Our Strategy describes our six strategic objectives and priorities which demonstrate our intention to provide outstanding care across the Wirral as a lead provider within the Wirral system**.**

Following the successful launch of Our 2021-2026 Strategy, the delivery of this overall strategy is observed through our eight enabling strategies. Our Strategy, along with our Clinical Service Strategy which launched in 2021, forms the basis for our strategic priorities over the next five years. In November 2022, we delivered our third Strategy Event, a bi-annual away day to facilitate working with our clinical and non-clinical divisions and corporate services to monitor and celebrate progress of the delivery of priorities against our strategic objectives and ensure enabling strategies are delivered across the organisation.

Our Strategic Framework has culminated in the completion of our Financial Strategy, the final piece in our suite of enabling strategies. The progress in the delivery of our eight enabling strategies will be monitored and reviewed at our bi-annual Strategy Events. The strategy content available on both our staff intranet and public website has been reviewed and the complete suite of strategies is now

available with the launch of our Financial Strategy for the new 2023-24 financial year. The four final enabling Strategies have been launched during 2022-23, as described below.

Research and Innovation Strategy

Our Research & Innovation Strategy officially launched in Q1 2022-23, on International Clinical Trials Day, 20th May. This Strategy has been developed following engagement with over 210 staff, 65 patients and 11 external partner organisations. The Research and Innovation Strategy vision: *"Tomorrow's Outstanding Care is Built on Today's Best Research"* represents our commitment to transform research and innovation activity across the trust and is aligned to our Continuous Improvement and Our Partners strategic objectives. The strategy outlines priorities for research and innovation over the next five years across four components: Culture, Partners and Place, Capacity and Capability, and Patient Experience. The 16 priorities from this strategy for the next five years include integrating research and innovation into all roles and everyday activities, raising awareness and celebrating successes, building on partnerships, prioritising research at place, enhancing our research reputation, establishing clear leadership and governance, supporting research active staff, developing research career pathways, investing in the research department infrastructure, ensuring equal access for patients, empowering patients to participate in and be involved in the planning of research and innovation at WUTH.

People Strategy

The People Strategy launched in Q1 2022-23. Our People Strategy is aligned to our Compassionate Workforce strategic objective and is based around the four principles of the NHS People Plan. Each principle encompasses its own vision: Looking after Ourselves and Each Other – "*We will develop a wellbeing culture where supporting and enabling the holistic wellbeing of our people becomes the norm",* Belonging at WUTH – *"We will develop an inclusive culture where everyone's voice is represented",* Transforming Ways of Working – "*We will embrace new ways of working and create opportunities to enable our people to achieve their potential*" and Shaping our Future – *"We will improve outcomes across Wirral for health, employment and wellbeing by working with our partners to be the best place to work".* In addition to the visions, each principle has a set of priorities, outcomes and key actions to be achieved. In addition to building on the themes found in our staff survey, over 100 staff members across the organisation participated in the development of this strategy over a series of eight workshops.

Quality & Safety Strategy

Our Quality & Safety Strategy was launched in Q3 2022-23. This strategy has been split from and is complementary to our Patient Experience Vision, to ensure effective delivery of both strategies. Our Quality and Safety Strategy is broken down into three pillars designed to provide a holistic view of quality and safety at WUTH, aligned to the national Patient Safety Strategy, and the Trust Continuous Improvement and Outstanding Care strategic objectives and underpinning priorities: Insight, Involvement, and Improvement.

Our Quality & Safety Strategy details the process of engagement undertaken during development, including workshops with staff and external stakeholders. Workshops with external partners focused on opportunities for collaboration. A questionnaire and an interactive vote at The Retreat was designed to reach the wider staff audience. An extensive review of patient feedback via the Patient Experience Vision Promise Groups and other platforms was reviewed and a thematic analysis was produced to inform each pillar of the strategy. Feedback from the engagement was then used to formulate our four-year priorities for each of the Quality and Safety Strategy Pillars.

Staff across the organisation will incorporate quality and safety strategic priorities into their annual operational and strategic priorities, supported by the Governance Support Unit, Corporate Nursing, and Organisational Development teams. Progress in delivering this strategy across the organisation will be monitored through Patient Safety and Quality Board.

Financial Strategy

Our strategic development journey culminates with the launch of the Financial Strategy, as the final of eight enabling strategies. The Financial Strategy was developed to launch at the start of the 2023-24 financial year. This strategy underpins and supports the delivery of all previous strategies developed over the last three years. The three-year time scale to deliver our Financial Strategy allows a focused and driven approach, aligning to the final stages of delivery of *Our 2021-2026 Strategy.* Furthermore, this approach has also enabled us to develop our Financial Strategy with the benefit of post-

pandemic knowledge and in-line with the changing landscape of NHS funding streams nationally with the introduction of Integrated Care Systems (ICSs).

Our Financial Strategy comprises Four Elements, aligned to our Continuous Improvement strategic objective: Processes, Culture and Innovation, Zero-based Budgeting, Productivity-based Budgeting, and Prioritisation & Collaboration. Our Financial Strategy has been developed through engagement with the finance team and wider workforce across our five clinical divisions, and corporate teams.

Integrated Care Systems and partnership working

Throughout 2022/23, the Trust has continued to work with our partners through the Healthy Wirral Programme to support the vision of a healthier Wirral and have continued to support the five key workstreams: planned care, unplanned care; out of hospital; clinical and cost effectiveness of medicine and back-office functions.

In July 2021, the government published the Health and Care Bill to make provision for health and social care. The Department of Health and Social Care has sought to develop the legislative proposals with the whole health and care system, with a key ambition of reducing inequalities and supporting people to live longer, healthier, and more independent lives. The purpose of the legislation is to create an enabling framework for local partners to build upon existing partnerships at place and system levels, and to align services and decision making in the interests of local people.

April 2022 saw the creation of 42 ICSs across England, which replaced Sustainability and Transformation Partnerships. From July 2022 the ICSs were placed on a statutory footing.

The ICS is led by an Integrated Care Board (ICB), with responsibility for NHS strategic planning and allocation decisions, with an Integrated Care Partnership (ICP) bringing together all system partners to produce a health and care strategy. In addition, the ICS consists of provider collaboratives that agree specific objectives between providers and place-based partnerships that will enable functions to be exercised and decisions to be made at 'place'.

The Cheshire and Merseyside ICS is made up of nine 'places', Wirral being one of them. A requirement for each place is to develop a place-based partnership congruent with the ICS design framework guidance and the Health and Care Bill. During 2022/23, the Trust has led the development of a target operating model, including a local provider collaborative that further strengthens and builds upon our existing partnerships.

The Trust has taken proactive approach for its involvement at system and place and has supported the ICB in the development of its strategy and local governance arrangements. We have worked closely with colleagues in relation to funding decisions, reporting requirements and planning. The Trust has also taken a lead role in the development of Place Provider Collaboration and at System level through CMAST.

The Cheshire and Merseyside ICS are in the process of developing future strategy, and along with that, a joint forward plan for NHS providers. Detail on this is expected in 2023/24.

Urgent and emergency care upgrade programme (UECUP)

The UECUP was established by the Trust in July 2020, in partnership with Wirral Community Health and Care NHS Foundation Trust (WCHC) and the local health economy, to transform the provision and delivery of urgent and emergency care (UEC) services at Arrowe Park Hospital.

In August 2019, capital funding was allocated to WUTH for the transformation of Arrowe Park Hospital's Urgent Treatment Centre (UTC) and Emergency Department (ED), with the aim of creating 'one-single front door' for both services.

Significant engagement has taken place across the health economy with clinicians, functional stakeholders and external partners to develop a new clinical model and business case which will implement a best-in-class UEC service. This comprehensive clinical engagement, in addition to detailed analysis of clinical data, has led to the formulation of this clinical model that has focused on addressing Arrowe Park's UEC core challenges.

In 2021/22 the final designs were approved allowing funds to be secured and the commencement of planning permission and the physical build.

During 2022/2023 significant progress has been made with full business case approval concluded, appointment of our Preferred Supply Chain Partner and all enablement works concluded. During this period, we have seen the commencement of building works (phase 2) which is the extension of the new build to the front facia of Arrow Park Hospital. The steal framework is in place showcasing the physical progress of the build. As we move into the next phases planned in 2023/2024 we will see the completion of the new build extension and the project moving into phase 3 internal works, whilst maintaining a working environment for staff, patients and visitors managed by detailed phasing plans approved by the Trust's senior management teams.

Financial overview 2022/23

The 2022/23 was a challenging year for the NHS and this is reflected in the Trust's financial position. Although COVID-19 infections reduced, the long-term impact of the pandemic is still being felt in many ways, including treating the increased number of patients on waiting lists and returning productivity levels back up to pre-pandemic levels. The Trust saw record occupancy levels, with on average over 200 beds occupied by patients who did not meet the criteria to reside. This meant maintaining escalation capacity and the associated cost across the whole year whereas ordinarily this would only be in the winter months.

As a result of these challenges, the Trust reported an operational deficit of £6.795m but maintained a positive cash balance of £24.3m. (The operational deficit above is that which is reported to NHS England. This differs from the £10.373m deficit figure reported in the Statement of Comprehensive Income, which includes additional expenditure relating to the impairment of assets.)

Performance Analysis

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

National targets and regulatory requirements	Target	Q1	Q2	Q3	Q4
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	Minimum 93%	92.48%	88.36%	89.49%	81.29%
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Minimum 96%	94.92%	95.6%	96.64%	94.85%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (surgery)	Minimum 94%	82.98%	88.89%	90.35%	88.07%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (drugs)	Minimum 98%	100%	100%	100%	100%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Minimum 85%	78.21%	78.2%	73.8%	69.17%
Maximum waiting time of 62 days from screening referral to treatment for all cancers	Minimum 90%	84.71%	85.86	92.42%	81.54%
Referral to treatment time – incomplete pathways < 18 weeks	Minimum 92%	65.46%	62.40%	57.75%	59.09%
Referral to treatment time – incomplete pathways: total waiting	Maximum 31,607 by March 2023	33,306	37,030	37,460	41,046
Referral to treatment time – incomplete pathways: >= 52 weeks	Maximum 495 by March 2023	1,028	1,245	1,321	1,308
Referral to treatment time – incomplete pathways: >= 78 weeks	Reduce to zero by March 2023	82	60	71	15
Referral to treatment time – incomplete pathways: >= 104 weeks	Reduce to zero by June 2022	0	0	0	0

Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	Minimum 95%	63.67%	64.09%	63.53%	65.19%

Urgent and emergency care

The pandemic significantly impacted the provision of NHS secondary care services, across both unplanned (emergency) and planned (elective) care. The Trust continues to see an increase in urgent and emergency demand above pre-pandemic levels. Urgent care demand is now on average 6% above the demand seen in 2019/20. The Trust remained significantly challenged with accessing beds for patients who no longer require acute hospital care. The latter, together with increased demand in the emergency department, has put unprecedented pressure on the operational running of the hospital throughout the year.

In line with the complex operational situation mentioned above, meeting the maximum waiting time of 4 hours continued to be a challenge. The clinical and operational teams have focused on trialling and embedding improvements in emergency pathways, with an emphasis on avoiding admissions where appropriate, ensuring safe and rapid handover from the ambulance service and the delivery of the 2023/24, NHS England plan for recovering urgent and emergency care services.

During the recovery period post pandemic the Trust implemented robust plans to increase activity levels across all points of delivery for outpatients, inpatient elective care and diagnostic tests. This has resulted in waiting times reducing to less than 78 weeks (excluding patient choice and complex patients) from March 2023, with plans in place that no patient will wait longer than 65 weeks by March 2024.

Monitoring quality and performance and the impact of the changes on service areas is summarised below.

Access to elective care

The recovery of elective services has continued since the re-start in July 2020. Regular reports to the Board of Directors covering all aspects of elective care continue and there is full visibility of the volume of patients waiting at every point of care. There was focus on increasing activity levels during 2022/23 and this remains a priority into 2023/24 to further reduce backlogs and waiting times to pre-pandemic levels. With this, the Trust has set ambitious activity plans for 2023/24 to increase the number of patients treated across all elective pathways and this includes full utilisation of the newly created Cheshire and Merseyside Surgical Hub at Clatterbridge, developed with national monies to improve access to elective care. Patients are prioritised in line with the nationally mandated clinical prioritisation of patients, with a focus on those prioritised as clinically urgent and very long waiters irrespective of their priority status. The Trust has proactively provided mutual aid to hospitals across

Cheshire and Merseyside transferring patients to the new Surgical Centre where waiting times are shorter.

To deliver this the Trust has:

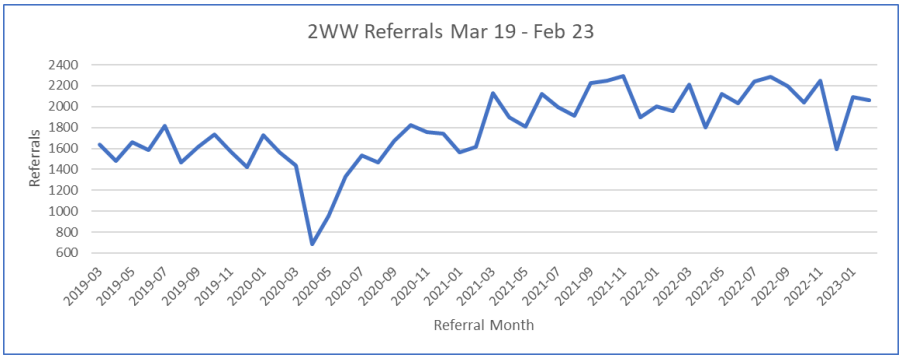
- Introduced the “Think Big” Theatre Workstream to maximise efficiency and utilisation across theatres.
- Developed an Outpatient Transformation Programme to review and transform how the Trust delivers outpatient care to patients.
- initiated plans to grow its workforce and work differently.
- adapted new models of care using digital developments.
- used additional regional and national funding to increase capacity and invest in our buildings and equipment particularly for elective capacity on the Clatterbridge site.

Whilst referral to treatment standards remain, the National Elective Plan outlines two key milestones; to have no patients waiting 78 weeks by March 2023 and to ensure no patients are waiting more than 65 weeks by March 2024.

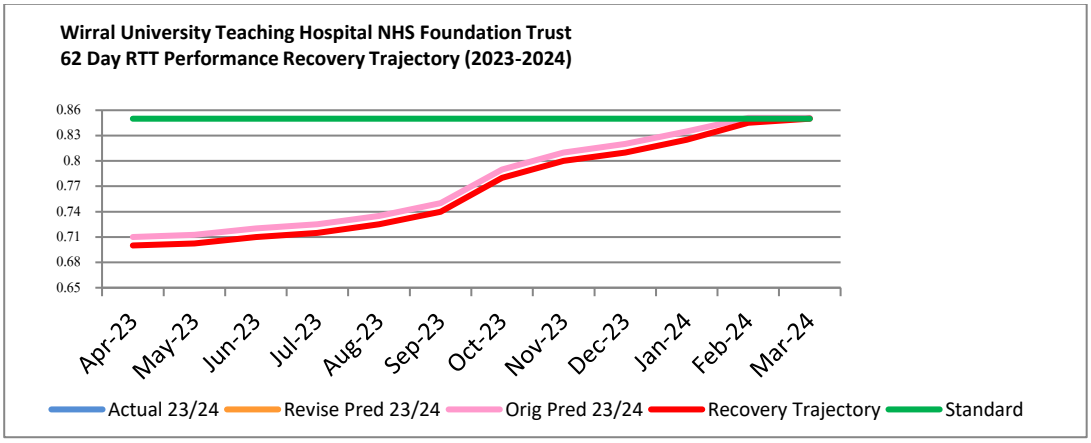
Access to cancer care

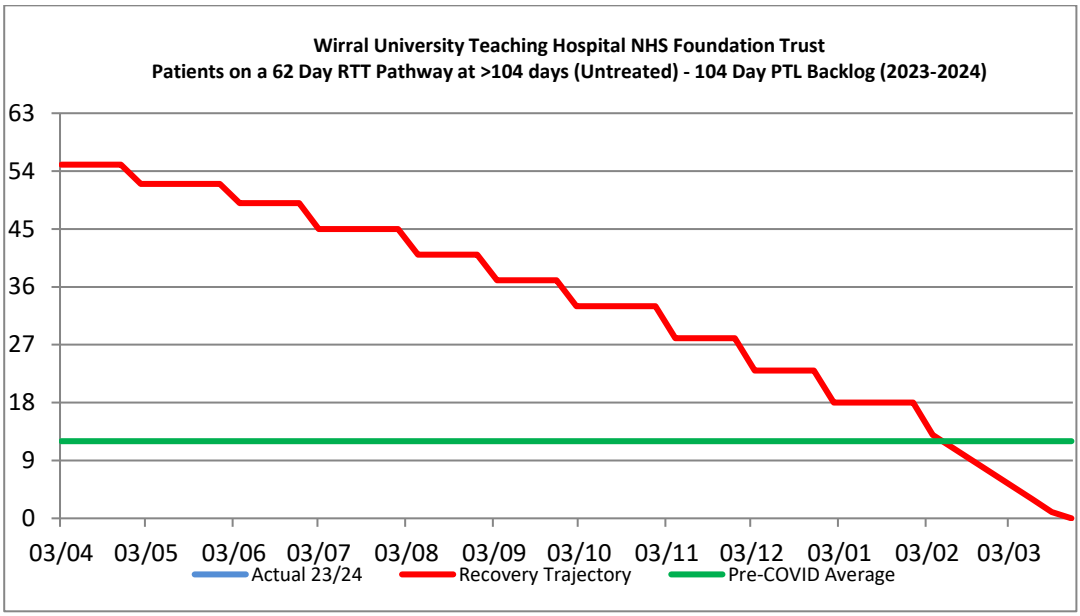
Focus on the pre-pandemic landscape for cancer has returned, namely; early diagnosis with the introduction of reporting on the FDS 75% standard (Faster Diagnosis Standard), optimal pathways and risk stratified pathways promoting self-supportive management.

At the outset of the pandemic, the number of suspected cancers reduced, with patients having difficulty accessing referral routes with limited face-to-face consultations and individuals with symptoms delayed contacting their GP, however over the last 12 months, cancer two week referrals have increased by 33% pre-pandemic volumes.



Reduction of 62 and 104 day cancer waits is a priority and the Trust has set ambitious targets to reduce these across all tumour sites during 2023/24.





Financial overview 2022/23

The 2022/23 was a challenging year for the NHS and this is reflected in the Trust's financial position. Although COVID-19 infections reduced, the long-term impact of the pandemic is still being felt in many ways, including treating the increased number of patients on waiting lists and returning productivity levels back up to pre-pandemic levels. The Trust saw record occupancy levels, with on average over 200 beds occupied by patients who did not meet the criteria to reside. This meant maintaining escalation capacity and the associated cost across the whole year whereas ordinarily this would only be in the winter months.

As a result of these challenges, the Trust reported an operational deficit of £6.795m but maintained a positive cash balance of £24.3m. (The operational deficit above is that which is reported to NHS England. This differs from the £10.373m deficit figure reported in the Statement of Comprehensive Income, which includes additional expenditure relating to the impairment of assets.)

The Report of the Chief Finance Officer below provides more detail on the Trust's key financial results, which are formally reported in the Trust's annual accounts.

Report of the Chief Finance Officer

As stated previously, 2022/23 was a challenging year, including for financial performance. However despite an operational deficit of £6.795m, the narrative below confirms that the Trust has continued to deliver efficiency savings, invest in equipment and infrastructure, maintain a positive cash balance and pay suppliers in a timely manner.

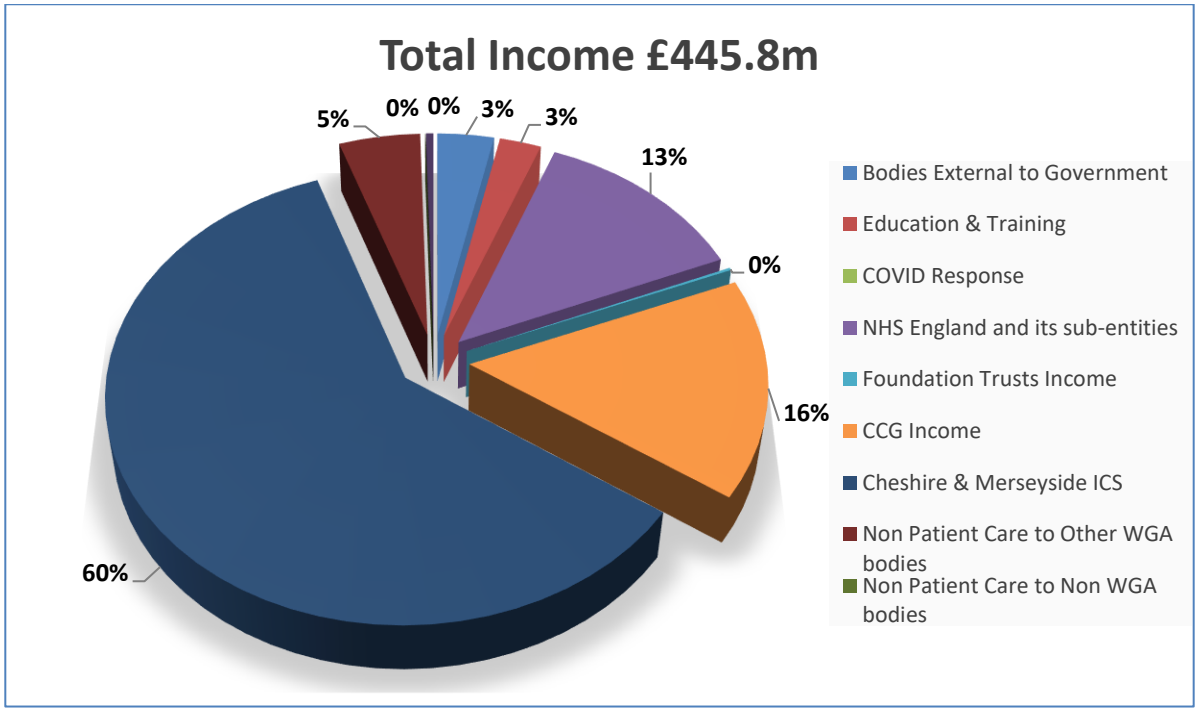
Income

The Trust has generated operating income and gains of £489.6m in the year.

NHS income in respect of patient care, at £445.8m, was the largest aspect of income in 2022/23. On 1 July 2022 Integrated Care Boards (ICBs) were legally established as the successor organisations to Clinical Commissioning Groups (CCGs), through the Health and Care Act 2022. The Trust received income of £369.8m from the Cheshire & Merseyside ICB. Remaining income includes £10.7m of Elective Recovery Fund and £11.3m in respect of central funding for pay awards.

Other income includes £12.1m in respect of education and training, £17.7m in respect of charges to other bodies and £2.5m in respect of staff recharges.

The chart below depicts the Trust's total income and gains for 2022/23, split by customer or commissioner type:



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

provide additional funding for the Trust. It is directly reinvested in the delivery of high-quality NHS services.

Expenditure

Total expenditure incurred by the Trust during 2022/23 was £499.7m (£462.8m 2021/22), which is an increase of £36.8m or 8% from the previous year.

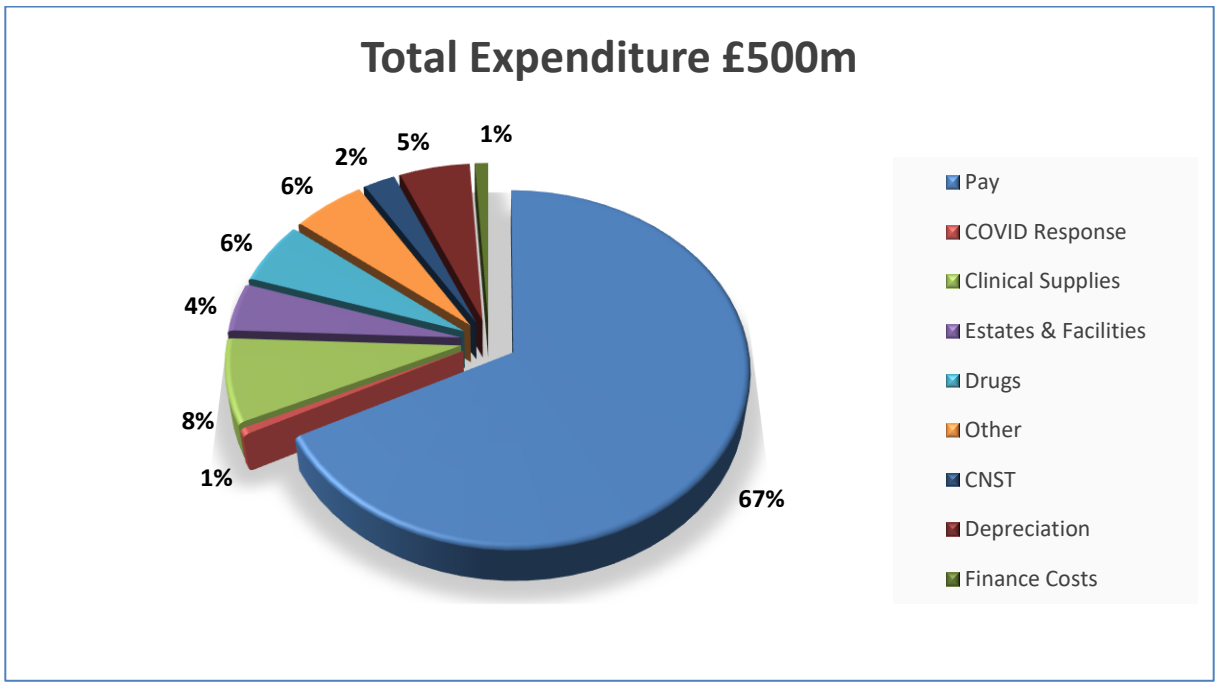
Pay is the largest expenditure category at £345.9m which is 69.9% of the Trust's total expenditure. Within this pay figure, the amount spent on substantive staff was £295.9m, with £26.3m on bank staff and a further £9.9m on agency staff. Excluding bank and agency staff, Trust expenditure was £74.8m on medical staff and £83.6m on qualified nurses.

Non-pay and financing costs (£153.8m) represent 30.7% of the Trust's expenditure. Some notable expenditure items in 2022/23 are as follows.

- £38.6m on clinical supplies
- £28.9m on drugs
- £21.8m on premises
- £12.2 for the Trust's clinical negligence insurance (CNST) premium
- £4.8m on finance costs, including PDC (Public Dividend Capital) dividend to DHSC.

Depreciation and amortisation of £13.4m 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 2022/23 and previous years.

The Chart below depicts the main categories within total reported expenditure for 2022/23, "Other" includes premises, training, leasing and IT-related costs.



Capital investment

Capital expenditure for the year totalled £43.8m which included £31.4m of Public Dividend Capital (PDC) funded assets. This funding included monies for the Trust to develop phase two of the modular theatres on the Clatterbridge site. All of this expenditure underpins safety management, patient experience, service delivery and the achievement of efficiencies.

The Trust's capital schemes for 2022/23 were as follows:

- £33.1m Improvements to the Trust's estate
- £4.9m Medical equipment
- £3.1m Information technology improvement schemes
- £2.7m Ward refurbishment

Cash & Better Payment Practice Code (BPPC)

The cash balance held at 31 March 2023 was £24.3m. This was higher than planned as the Trust received significant PDC monies in the last month of the financial year.

The Trust paid 95.4% (by number) and 95.6% (by value) of invoices received against a national standard of 95.0%. A more detailed analysis between NHS and Non-NHS organisations is shown within the Directors' report.

Cost improvement plans (CIPs)

The CIP requirement is a national requirement of all NHS organisations to seek to improve productivity whilst maintaining high quality standards. The Trust target of £20.8m was delivered through £5.7m of recurrent efficiencies and £15.1m of non-recurrent.

There were notable successes in the period in respect of Renal Services tender (£0.476m), Lab Services tender (£0.152m), renegotiation of our mobile phone contract (£0.151m) and restructure of the Finance team (£0.118m).

Future outlook

The major focus of 2023/24 will be the continued recovery of the Trust's elective programme and delivery of activity levels which maximise our capacity and support partners in reducing waiting lists across Cheshire and Merseyside. The mobilisation of the Cheshire and Merseyside Surgical Centre at Clatterbridge is key to this and to our objective of being a surgical centre of excellence for the region.

Under the leadership of the Chief Operating Officer, the activity plan is compliant with operational guidance and was submitted in line with national timescales. The financial plan, developed in parallel to activity plans, has been subject to significant internal scrutiny and external review through

Cheshire and Merseyside ICS and NHS England. The Trust is planning for a £18.6m deficit but work continues to reduce costs and maximise income.

The plan includes a CIP target of 5%, all of which is planned to be delivered recurrently. This target of £26.2m target represents the highest risk to delivery of our financial plan. However, we have started positively with £24.0m of recurrent schemes already identified of which £12m is already delivered.

Going concern disclosure

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

After making enquiries, the directors have a reasonable expectation that the services provided by the Wirral University Hospital NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Quality of service

The following sections provide an overview of delivery against key quality indicators and quality improvement priorities for 2022/23. A Quality Account will be prepared, as required by the Health Act 2009, and published on 30 June 2023.

Care Quality Commission

The Trust's last CQC inspection took place in October 2021 and focused on Urgent and Emergency Care and Medical Services. As this inspection was a targeted inspection the overall ratings for the trust have not changed since 2020.

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

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

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

Health Inequalities

The Trust continues to address health inequalities by working with system partners at the Core 20 Plus 5 Action Group, providing focus for patients in high-risk communities with key comorbidities. All deaths in patients with a learning disability undergo a detailed mortality review with scrutiny at the Trust Mortality Review Group.

The Trust also has considered the guidance on health inequalities as published by NHS England, which includes the 5 priorities listed in the *2021/22 priorities and operational planning guidance,* and *Tackling inequalities in healthcare access, experience, and outcomes* document.

In addition, the Trust has recently submitted actions in relation to its adoption of the Prevention Pledge and is working closely with Place partners to enhance its role in relation to Health Inequality.

Infection prevention and control

The Government published '*Living with COVID*' in February 2022 which outlined the Government's plan for removing the remaining legal restrictions while protecting people most vulnerable to COVID-19 and maintaining resilience. As restrictions were lifted IPC continued to remain a high priority in the Trust balancing the challenges of the risk of infection with increasing operational pressures, as a result it was not always possible to restrict admissions to outbreak wards, or COVID-19 exposed bays; admissions to these areas were made on a balance of risk. In 2022 / 2023 there has been a gradual reduction in the number reported cases and new COVID outbreaks.

There were 2 healthcare associated MRSA bacteraemia reported during the year, the same as the previous 2 years. Post infection reviews have been completed, resulting in the identification of learning outcomes and areas for improvement with teams and trust wide.

Of the local targets aligned to gram negative blood stream infections the Trust achieved the local objective for *Pseudomonas aeruginosa*. We will continue to investigate all incidents and work closely with our community partners to implement learning to promote improvements for 2023/24.

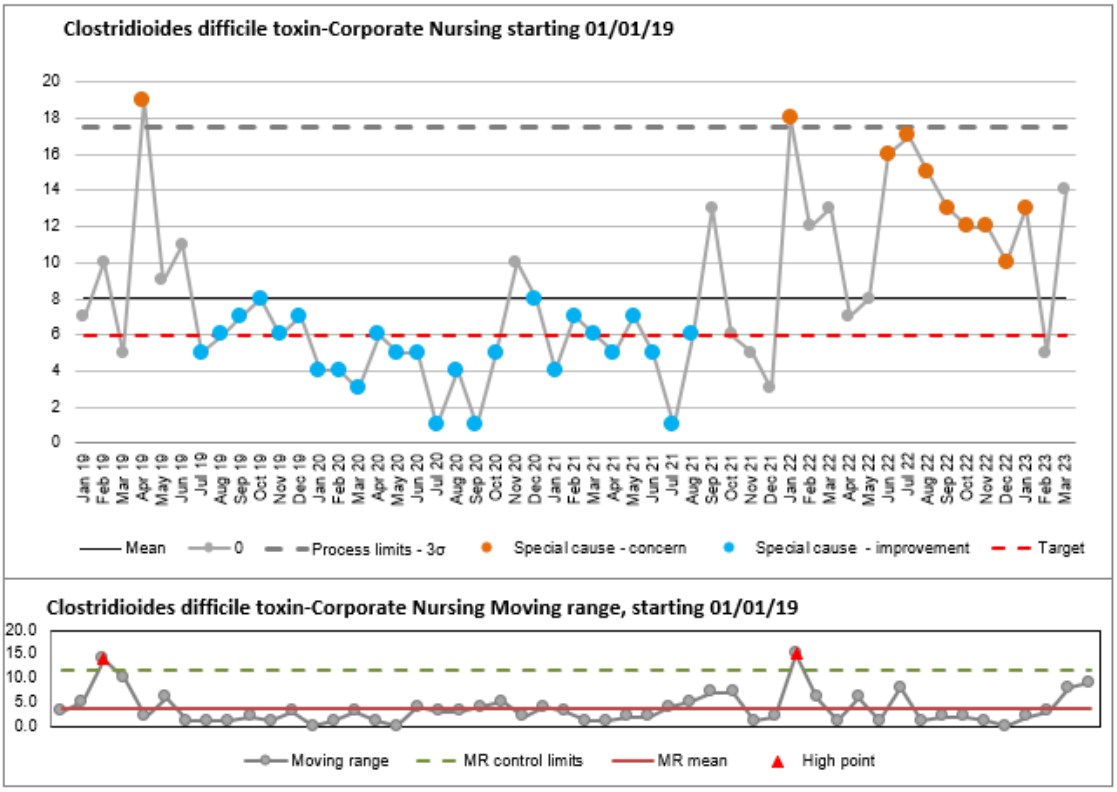
***Clostridioides difficile* (C. diff)**

The 2022/23 national target for C. diff for the Trust was no more than 72 cases. The C. diff annual objective has not been achieved, however there is not a statistically significant variance from other providers in the Northwest.

Following a rise in CDI, a C.diff Trust wide improvement plan was developed with robust governance structures in place, with Trust Board oversight, to monitor progress. The focus on the initiatives within the improvement plan has had a beneficial impact on patient safety, which is reflected in the downward trend in the number of infections since June 2022. System level collaborative working practices are in place to identify and address wider areas for improvement.

The trust thresholds include all healthcare-associated cases with 2 category definitions:

- **hospital onset healthcare associated:** cases detected in the hospital two or more days after admission (day of admission being day 0)
- **community onset healthcare associated:** cases detected that occur in the community or within two days of admission and the patients was admitted to the trusts in the previous 28 days.



Good antimicrobial stewardship practices are a vital part of reducing the spread of multi drug resistance organisms (antimicrobial resistance (AMR)). A review of antibiotic guidelines has been completed to ensure that antibiotics with higher-risk for C. diff are not recommended first-line unless there are specific reasons. Effective antimicrobial stewardship is a local system priority.

Eligible patients receiving venous thromboembolism (VTE) risk assessments

The Department of Health requires quarterly reports regarding eligible adult patients receiving VTE risk assessments during their hospital stay. The compliance target for this measure is +95%. The Trust achieved this target with an outturn position for 2022/23 performance of 97.2% compliance.

Indicator	Objective	Director	Threshold	Set by	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	2022/23
Percentage of adult patients admitted who were assessed for risk of VTE on admission to hospital (all patients)	Safe, high quality care	MD	≥95%	SOF	96.4%	96.8%	96.9%	96.6%	96.5%	96.3%	96.5%	96.8%	97.1%	98.3%	98.1%	98.6%	98.2%	97.2%

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

CQC national patient experience surveys

Three of the five CQC national patient experience surveys were undertaken and reported within 2022/ 23 with results reported for these surveys as below:

Adult inpatient

WUTH was highlighted in the Top 5 hospitals within the region for the sections relating to: “The Hospital & Ward” and “Nurses”. CQC assessed WUTH as “Better” than other organisations across the NHS for the section relating to “Operations & Procedures”. CQC also banded WUTHs results for 6 individual questions as “Better” than other organisations across the NHS. There were no sections or questions banded as “Worse” nor were WUTH highlighted as scoring within the lowest 5 regional hospitals.

Maternity services

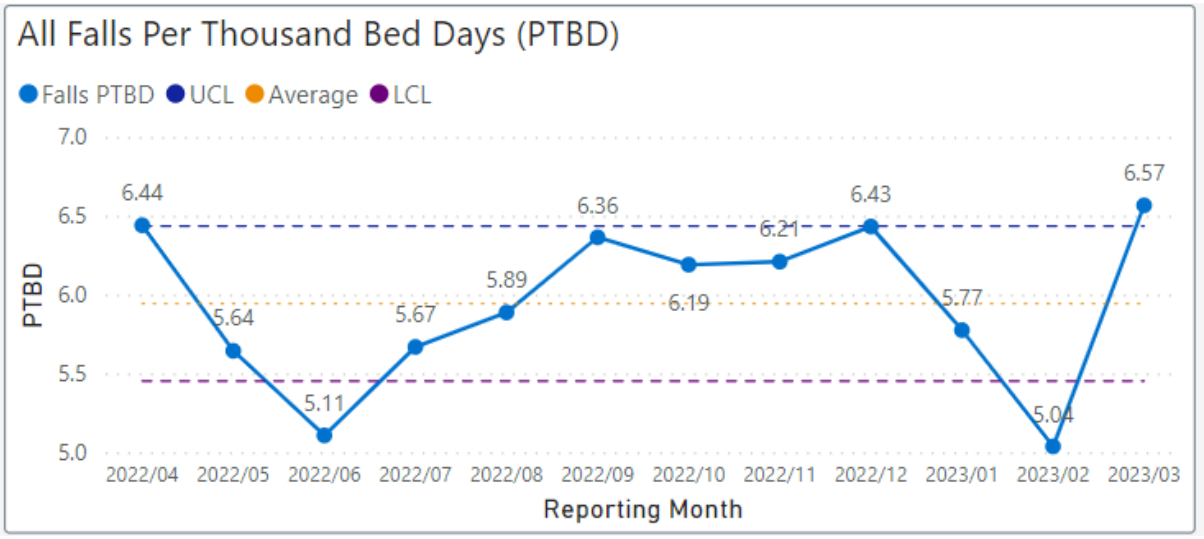
WUTH were banded as “Better” than other organisations by CQC for sections relating to “Care in hospital after your birth” and “Feeding your baby”. WUTH were also banded as “Better” for two indicators. CQC also use a banding of “Worse” which WUTH were banded as for the section relating to “Antenatal check ups” it is acknowledged that this part of the survey for the majority of respondents would have been aligned to a time period when the service was still under significant restrictions due to the Covid 19 pandemic and as such service users reported a less positive experience. This is also aligned to 3 indictors banded as “Worse”.

Cancer Services

The fieldwork for the survey was undertaken between October 2021 and February 2022 with results published in July 2022. WUTH scored above the expected range in 6 indicators with none of the indictors scoring in the below the expected range.

Falls

Falls prevalence has remained within the upper control limit for of 6.43 for 10 of the 12 months in 2022/23 with a prevalence of 6.44 in April 2022 and 6.57 in March 2023.



On review of the incidents, non falls are being captured as falls where patients have experienced a clinical episode such as faint or fit. Falls classifications have been amended within the incident reporting system to support improvement work in relation to the accuracy of incident reporting in 2023/24.

Falls with moderate harm and above have remained below the Trust target of 0.24 per 1000 patient bed days for 11 months during 2022/ 23; in July 2022 a slight rise was evidence with a prevalence of 0.33 per 1000 patient bed days as displayed in the table below.

Indicator	Objective	Director	Threshold	Set by	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Falls resulting in moderate/severe harm per 1000 occupied bed days reported on Ulysses	Safe, high quality care	CN	≤0.24 per 1000 Bed Days	WUTH	0.04	0.22	0.09	0.09	0.33	0.17	0.13	0.04	0.09	0.12	0.16	0.05	0.16

Malnutrition universal screening tool (MUST) compliance

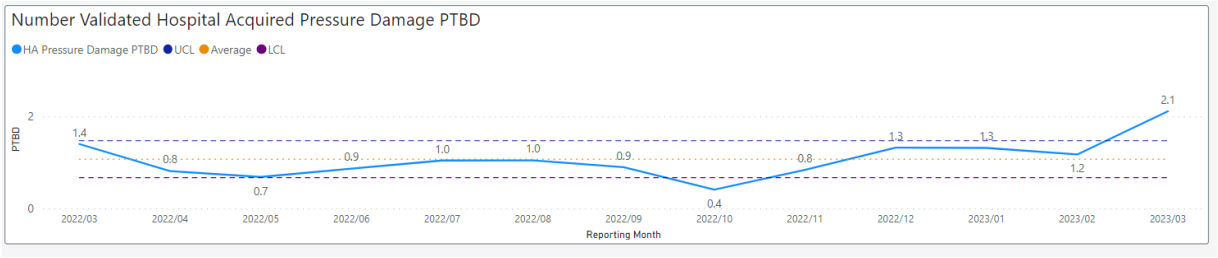
The Trust target of 95% compliance for malnutrition screening within 24 hours of admission has been achieved throughout 2022/23. MUST 7-day screening compliance of 95% has been exceeded on 9 of the 12 months; with a less than 1% reduction in compliance for April 2022 (94.59%), September 2022 (94.83%) and December 2022 (94.33%).

Nutrition & Hydration Measure	2022/04	2022/05	2022/06	2022/07	2022/08	2022/09	2022/10	2022/11	2022/12	2023/01	2023/02	2023/03
7-Day MUST Compliance	94.59%	97.10%	97.90%	95.71%	96.45%	94.83%	95.59%	95.20%	94.33%	97.80%	97.05%	98.23%
24-Hour MUST Compliance - Ward Level Opportunities	97.69%	98.18%	98.89%	98.54%	98.10%	97.65%	96.98%	98.73%	96.96%	98.22%	98.28%	98.17%

Monitoring the quality of MUST compliance continues; a daily push report identifying when an estimated weight has been used to calculate a MUST is in place, with a request that an accurate weight needs to be taken as soon as possible.

Hospital acquired pressure ulcers and deep tissue injuries

A reduced prevalence of hospital acquired pressure ulcers has been achieved throughout 2022/23: 11 months in 2022/23 have been below the new upper control limit of 1.5 per 1000 patient bed days. In March 2023 the prevalence exceeded the upper control at 2.1 per 1000 patient bed days. It is important to note that for 8 of the 12 months the prevalence was within 1.0 per 1000 patient bed days, which is a significant achievement.



There has been a total of 7 hospital acquired category 3 and above pressure ulcers during 2022/23. All hospital acquired category 3 and above pressures ulcer are reviewed against required standards of care to identify lapses and learning outcomes. 5 of the 7 were deemed by a formal review to have no lapses in care. 5 of the 7 were located on the sacral area which remains the highest prevalence body location for HAPU and will be the focus for improvements during 2023/24.

Indicator	Objective	Director	Threshold	Set by	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Pressure Ulcers - Hospital Acquired Category 3 and above	Safe, high quality care	CN	0	WUTH	4	0	0	1	0	0	0	0	0	1	1	0

Management of serious incidents / duty of candour

During 2022/23 the Trust continued to support an open and transparent culture of incident management. The evidence of this can be seen in high levels of reporting and timely management of reviews and investigation. In line with the duty of candour we ensure we are open and honest with our patients and families if there has been an error or omission resulting in harm.

During preparation for Patient Safety Incident Response Framework (PSIRF) the Trust has identified the need for additional clarification of and support for the Engagement Lead role. The review of the Duty of Candour / Being Open Policy has sought to strengthen the clarity of this role and the support that will be provided to ensure consistently high support to those effected by patient safety incidents.

The timely management of Serious Incidents has remained a priority for the Trust and there has been significant in year recovery to manage Serious Incidents in line with the national 60-day deadline, following this expectation being relaxed during the national pandemic. Learning is identified alongside learning from mortality reviews, complaints and other sources of patient safety and quality intelligence. This helps us to continue to improve the safe and quality of care we provide across all our services.

The Trust has declared two never events during 2022/23. Both incidents were subject to a full investigation using root cause analysis methodology and the Trust took immediate improvement actions to reduce the risk of reoccurrence of similar incidents. Duty of candour was complied with.

Reviews of harm

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

Complaints

The Trust registered 235 new formal complaints during 2022/23, which was an 10% increase upon the previous year. There was also a 4% increase in informal level 1 concerns (PALS).

Of the complaints registered, 95% were acknowledged within the national target of three-working days, with an average acknowledgement time of two working days. The majority (80%) was acknowledged within one working day.

Despite the rise in formal complaints, as noted in the 2021/22 annual complaints report, there has been a post-pandemic national fall in complaint numbers, which have then been gradually moving back towards pre-pandemic levels. Thus in 2018/19, WUTH averaged around 23 new complaints per month; this fell significantly to 15 in 2020/21, 18 in 2021/22, and 20 in 2022/23.

Alongside the increase in new complaints, there was a 9% decrease in the number of complainants receiving their investigation responses within WUTH's target timeframe of 40 working days. While the number of in-time responses was essentially unchanged from 2021/22, it was smaller as a proportion of the increased number of completed investigations. There was also a 21% increase inf the average number of working days to completion (from 58 to 70).

Analysis of the end-to-end process has been undertaken, and complaint training has been provided by the central Patient Experience Team. There is also a weekly complaint monitoring meeting at which the progress of open complaints is discussed. WUTH also endeavours to keep complainants updated on any delays in the handling of their complaint.

There was a 30% increase in the number of complaints opened with the Public Health Service Ombudsman (PHSO) for consideration of independent investigation. However, following the PHSO's consideration of the documentation provided by WUTH, not all complaints for which details are requested proceed to investigation; and, during the year, nine such opened cases were

closed. This suggests that, despite WUTH's increased response times, it is generally providing comprehensive and fair responses to its formal complaints.

Of the five PHSO cases that were closed following a formal investigation, two were not upheld and three were partially upheld.

Comparative performance summary	2021/22	2022/23
Formal complaints registered	214	235
Informal concerns registered	2230	2323
Formal complaints acknowledged in three working days	96%	95%
Formal complaint responses sent within agreed timescale	35% (66/187 responses)	26% (67/262 responses)
Avg. response time to formal complaints	58 working days	70 working days
PHSO cases opened	10	13
PHSO completed investigations upheld or partially upheld	3 (40% of closed investigations)	3 (21% of closed cases and 60% of investigated cases)

Ward accreditation

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

The tables below demonstrate the progression of ward accreditation attainments comparing levels of assessment at implementation in 2019 to levels achieved in 2022/23.

	1st Audit Cycle - 2019	
Levels		
Level 1	10	37%
Level 2	16	59.3%
Level 3	1	3.7%
Total Areas	27	

	Current status - 2023	
Levels		
Level 1	1	3.1%
Level 2	14	43.8%
Level 3	17	53.1%
Total Areas	32	

In addition to this improvement journey for inpatient ward areas the accreditation process has matured into specialist areas evidenced by the number of areas being monitored, which has increased from 27 to 32. The level 1 in 2022/23 is an area new to the accreditation process having undergone their first WISE assessment process; the results will support focused improvements.

Tendable – formerly Perfect Ward™

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

During 2022/23 the use of Tendable across the Trust has continued to expand with an extended range of audits and increased areas being included: 40,250 audit inspections were completed using 87 different audit types across 83 areas. In addition to clinical areas, support services have implemented the use of Tendable inspections such as Facilities management to monitor cleaning standards. Similarly, the range of Tendable inspections has expanded for example peri operative services incorporating the WHO safer surgery checklist.

Environment

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

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

wuth-green-plan-final-v10.pdf

Performance review of the action plan is conducted by the Sustainable Development Group (SDG), chaired by the Head of Sustainability and Net Zero Carbon management. Practical implementation is delivered by the areas of focus leads (all members of SDG).

Green Plan Actions 2022/23	
Not Started or Limited Progress	51
Underway and/or Partially Completed	61
Complete or ongoing/BAU	16

People Strategy

In 2022, the Trust launched its new People Strategy, one of the key enabling strategies supporting the delivery of the Trust's strategic aims and objectives. This continues to recognise that our workforce is central to the delivery of our vision to deliver the best quality and safest care to the communities we serve, and we continue to put our workforce at the heart of everything we do.

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

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

At the start of 2022/23 we set ourselves some ambitious challenges for Year One of our People Strategy delivery plan. This was designed to deliver a programme of work which realises the visions described above and delivers a positive impact for our staff. Some of the key achievements delivered throughout the year are:

- Offered Health and Wellbeing Day to all our staff
- Deliver a programme of Wellbeing surgeries
- Implemented Health and Wellbeing Conversations
- Enhance support for and approach to Freedom to Speak Up
- Offered a programme of holistic health checks to staff
- Delivered a range of celebration events to acknowledge and support inclusion
- Developed and supported the development of our staff networks
- Increased the number and diversity of our volunteer workforce
- Relaunched our programme of Widening Participation
- Introduce Leadership Qualities Framework and launched development programmes for all level of leaders across the organisation
- Established a Trust wide approach to coaching and mentoring
- Launched a programme of work to improve retention and flexible working

Throughout 2022/23, we have continued to strive towards being the best place to work, and to support our staff through the continuing recovery from the Covid-19 pandemic, the challenges we have faced in relation to operational pressures and the on-going Industrial Action.

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

Equality and Diversity

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

The Trust is fully committed to the requirements of the Equality Act 2010 and public sector equality duty and achievement of its diversity and inclusion strategy and objectives (2018-2022). The strategy was successfully delivered in September 2022, in which implementation and impact was reviewed by the Trusts Equality, Diversity & Inclusion steering group and approved by Workforce Steering Board & People Committee. Amendments to the policy reflect changes in legislation and language to ensure the Trust remain aligned and supportive of the agenda.

A copy of the Trust's diversity and inclusion report can be found here.
Current Documents (including Trust Objectives) | Wirral University Hospital NHS Foundation Trust (wuth.nhs.uk)

On successful delivery of the EDI 2018-2022 Strategy, the Trust has now launched its EDI Strategic Commitment on the principle that EDI forms a central part of the Trust People Strategy 2022-2026. The EDI agenda will no longer be separate, but instead will be fully integrated into the delivery of the People Strategy. The strategic commitment ensures all annual strategic objectives are aligned to the four pillars of the People Strategy and reflect the EDI Strategic Commitment.

The Trust has undertaken a self-assessment of the new Equality Delivery System 2022 (EDS 2022). The self-assessment engaged a wide range of stakeholders including an independent stakeholder – Wirral Health Watch. The Trust's current ratings under the equality delivery system (EDS 2022) are detailed below. The self-assessment was submitted on 28th February 2023 and published on the Trust website. The outcome of the self-assessment will form part of 2023/24 People Strategy plans.

Outcome	Rating
Domain 1: Commissioned or Provided Services – Core 20 Plus 5: Maternity Services	
1A: Patients (Service Users) have required levels of access to the service	Achieving Activity
1B: Individual patients (service users) health needs are met	Achieving Activity
1C: When patients (service users) use the service, they are free from harm	Achieving Activity
1D: Patients (service users) report positive experiences of the service	Achieving Activity
Domain 2: Workforce Health & Wellbeing	
2A: When at work staff are provided with support to manage obesity, diabetes, asthma, COPD & mental health conditions	Achieving Activity
2B: When at work, staff are free from abuse, harassment, bullying & physical violence from any source	Achieving Activity
2C: Staff have access to independent support and advice when suffering from stress, abuse, bullying, harassment and physical violence from any source	Achieving Activity
2D: Staff recommend the organisation as a place to work and receive treatment	Developing activity
Domain 3: Inclusive Leadership	
3A: Board members, system leaders (Band 9 & VSM) and those with line management responsibilities routinely demonstrate their understanding of, & commitment to, equality & health inequalities	Developing activity
3B: Board/Committee papers (including minutes) identify equality & health inequalities related impacts & risks & how they will be mitigated & managed	Achieving Activity
3C: Board members, system & senior leaders (Band 9 & Very Senior Managers) ensure levers are in place to manage performance & monitor progress with staff & patients	Developing activity

The Trust have introduced an additional two staff networks as part of its commitment to supporting equality, diversity and inclusion at the Trusts. The Menopause and Veteran & Armed Forces staff networks were launch in Quarter 3. Each staff network is supported by an executive partner; offering

support opportunities and direct links to Trust decision making processes. The Trust now has the following staff networks in place and embedded:

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

The Trust is proud to continue to hold the Merseyside In Touch LGBTQ+ Navajo accreditation, in recognising the Trust's commitment to promoting and supporting LGBTQ+ people. The Trust were successfully reaccredited with the award this year. Assessors highlighted the Trust as 'exemplary' in the access and support of patients, services users and staff of the LGBTQ+ community. A key aspect of this work is promotion of the NHS rainbow pin badge initiative, to ensure greater awareness and understanding of the challenges faced by our LGBTQ+ patients, service users and staff and offering a symbol of support for those in need.

We also continue to progress the Disability Inclusion agenda at the Trust and progress remains consistent in the delivery of the government's Disability Confident scheme; the Trust is proud to be a Disability Confident employer.

The Trust signed the Government's Armed Forces Covenant in November 2021, declaring our commitment to enhancing support for those who serve, have served and their families to ensure they are treated fairly. Work has continued during 2022/23 in support of the covenant. The Trust achieved the Bronze Award for the Defence Employer Recognition Scheme in June 2022 and are currently working towards achievement of the Silver Award.

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

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

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

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

During 2023/24 we want to further build on the excellent progress we have made with to ensure that equality, diversity and inclusivity are integral within our future patient experience and people strategies.

Equality, Diversity and Inclusion and Patient Experience

The Trust launched its Patient Experience Strategy April 2022, the strategy was developed in partnership with patients, voluntary charity faith networks, carers, Healthwatch and hospital staff. The strategy has five underpinning promise groups with equality, diversity, and inclusivity being paramount to each of them. Each of the five promises has a structure where feedback from service users determines the focus of task and finish groups to drive improvements. The "Inclusive" promise group within the strategy has chosen two task and finish groups "Deaf and Hearing Impairment" and "Trans and Non-Binary Awareness". With a key focus on engagement and co-production the Patient Experience Strategy work actively seeks feedback from people with protected characteristics. Many of the identified workstreams positively impacts on people from social inclusion groups with protected characteristics. For example the "Safe" promise group's focus is on raising awareness regarding the use of health passports for patients with a learning disability and carers passports; and the "Care" promise group have identified a need to raise awareness and support young carers when accessing our services either as a patient of as a young carer. A series of engagement events throughout the year have been undertaken and include specific ones with Mencap, Barnardo, Girl Guides / Rangers.

To promote feedback from all people accessing our services, friends and family test (FFT) feedback forms have been designed and co-produced for different groups. These include a co-produced children's and young person's exit card and a co-produced easy read exit card. In addition, FFT responses can be provided via QR codes, online survey, via the Trust website, through volunteers, on touch screens and via text messages (SMS) and automated voice calls (IVM).

Throughout the Trust we continue to promote and celebrate a range of national and international awareness days, spiritual and religious festivals, using new and innovative ways to offer support and raise awareness of the lived experiences of others and where possible linking these back into the patient experience strategy.

As part of the Equality Delivery System (EDS) 2022 domain one, which centres on patients, their experiences, access and outcomes, this year we have chosen Maternity services for the core 20 plus

five review. The Trust achieved an externally validated rating of achieving within this domain with evidence provided from Wirral Maternity Voices and Healthwatch.

Leadership and culture

The Trust launched its Leadership Qualities Framework (LQF) at the WUTH Leadership Conference in June 2022. The LQF is based upon the principle of Leadership for All (anyone regardless of role or grade can display the qualities of a leader), will underpin the Leadership development offer at the Trust. The new framework will develop leadership capability and support our leaders to develop and enhance key qualities (competencies and behaviours) including:

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

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

- self
- teams
- services
- divisions
- organisations/across the wider system

2022/23 saw the design and launch of a number of development programmes to develop leadership capability at the Trust. This included the refresh and relaunch of Manager Essentials, and piloting of a Mini-manager Essentials to equip individuals in management positions with the necessary knowledge and skills to full this aspect of their role. Furthermore, the Trust continued to provide their 'leadership for all' masterclasses which are available to all staff and ensure ongoing access to development in bitesize chunks, with a clear focus on key priorities such as wellbeing and compassion.

As well as the above programmes, a number of new programmes underpinned by the LQF have been designed and launched, these include:

- Leading Self
- Leading Teams
- Leading Division

NOTE: Leading Service is currently in development

We continue to support the future pipeline of talent by supporting divisions and departments in applying for and facilitating placements for future NHS leaders through the NHS Graduate

Management Training Scheme, and co-ordinating senior leader access to the North-West Talent Pool.

The Trust continues its journey to embed a just and learning culture. Following successful delivery of the 2022/23 plan, further engagement with staff and staff side to build understanding and inform the priorities for the 2023/24 are underway.

Education

During 2022/23 education provision within WUTH for all clinical roles have been identified following a robust training needs analysis process. Undergraduate and postgraduate programmes are embedded to ensure we have a workforce of the future with the knowledge and skills to deliver safe and effective patient care. There has been an introduction of virtual placements which supports a wider group of learners gaining clinic experience. There has been a significant investment with the support from Health Education England to update and invest in new training kit enabling the Trust to enhance the education delivery for 23/24.

Temporary changes were put in place for 2022 relating to the annual review of Advanced Clinical /Nurse Practitioners. These practitioners were required to go through the annual review of competency progression (ARCP) process; moving forward in 2023 will follow the non-medical requirements.

A successful delivery of clinical skills/simulation/human factors has continued throughout 2022/23. seeing multi-professional learning which is designed to meet the needs of the changing healthcare environment. The simulations suite enables the Trust to undertake a dynamic approach to learning. There has been a significant financial investment with the support from Health Education England to refurbish the simulations suite to enhance the immersive learning experience.

Mandatory training and appraisals

Mandatory training compliance at 31 March 2022 was above the 90% target at 91.95% and appraisal compliance was above target at 89.14%. Despite ongoing operational pressures the Trust have remained focused upon achievement of these target's. Whilst Appraisal has been more of a challenge to sustain, mandatory training was achieved and sustained at target from June 2022. This is of particular note given the winter pressures and industrial action the Trust has experienced.

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

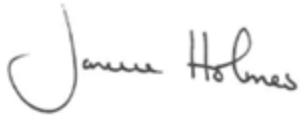
A review of current mandatory training has taken place in which subject matter experts have reviewed the learning outcomes of their training against the National Core Skills and Training Framework (NCSTF). This benchmarking exercise will not only ensure the Trust remains aligned to delivery of quality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

Following a review of appraisal, the Trust have transformed their approach to appraisal and management supervision at WUTH. The new approach focuses upon staff and their line manager having regular quality conversations focussing on an individual's 'contribution, wellbeing and development'. This new person-centred approach was developed by staff as part of a codesign event in December 2022, and was successfully piloted in January-February 2023. The new approach addresses staff feedback from the 2022 Staff Survey and will be launched in April 2023 across the Trust.

Library and knowledge service (LKS)

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

During 2022/23 work to deliver the LKS delivery plan and implement improvements from the first (2021/22) assessment of Health Education England's Quality and Improvement Outcomes Framework (QIOF) has successfully been undertaken. Further investment has been made to LKS facilities during 2022/23 following a successful bid to Health Education England for additional funds to support library infrastructure and resources.



Janelle Holmes
Chief Executive **Date: 14th June 2023**

Board of Directors - role and composition

As an NHS Foundation Trust, we are required to comply with the arrangements set out by our independent regulator, NHS England, in the NHS Foundation Trust Code of Governance (2010, revised 2014). The Code of Governance requires us to have a comprehensive framework in place to ensure we are managed and governed properly.

A refreshed Code of Governance was published in 2022 for adoption from April 2023. Whilst compliance with the 2014 code is therefore reported here, work is ongoing to achieve and maintain compliance with the new Code of Governance for reporting in the 2023/24 annual report.

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

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

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

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

In 2022/23, the Board comprised a non-executive chair, six independent non-executive directors and four executive directors. There are three non-voting executive directors who regularly attend the Board to bring additional capacity and capability. Non-executive directors are generally appointed to a three-year term of office, with appointments phased where possible to provide stability and reduce unnecessary disruption.

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

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

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

Non-executive directors

Sir David Henshaw, Chair

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

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

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

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

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

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

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

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

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

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

Sue Lorimer, Chair of Finance Business Performance Committee

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

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

Sue's current term of office runs from 30 June 2020 to 30 June 2023.

Chris Clarkson

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

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

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

Chris' current term of office runs from 30 June 2021 to 30 June 2024.

Steve Ryan, Chair of Quality and Safety Committee

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

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

Steve's current term of office runs from 18 January 2021 to 17 January 2024.

Lesley Davies, CBE, FCFE, Chair of People Committee – from 18th May 2022

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

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

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

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

Professor Rajan Madhok – from 1st July 2022

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

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

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

John Sullivan, Vice Chair and Chair of Workforce Assurance Committee – to 30th June 2022.

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. From 2013 to 2019 he provided 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.

John's second term of office, which ended on 30 June 2021, was extended by a year to 30 June 2022, at which point he stepped down from the Board.

Executive directors

Janelle Holmes, Chief Executive

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

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

Dr Nikki Stevenson, Medical Director

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

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

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

Tracy Fennell, Chief Nurse

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

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

Mark Chidgey, Chief Finance Officer (from June 2022)

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

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

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

Hayley Kendall - Chief Operating Officer (non-voting)

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

Matthew Swanborough, Chief Strategy Officer (non-voting)

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

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

Deborah Smith, Chief People Officer (non-voting)

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

David McGovern DL, Director of Corporate Affairs

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

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

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

Robbie Chapman, Acting Chief Finance Officer (from March 2022 – June 2022)

Robbie joined the Trust as deputy chief financial officer in October 2020. He has worked in a number of sectors including housing and higher education. Robbie is non-executive director for the Russet Learning Trust.

Robbie is a member of Chartered Institute of Public Finance and Accountancy.

Board meetings and attendance

The Board of Directors met on 11 occasions in 2022/23. Each meeting was quorate. Board member attendance at the meetings was as follows:

Director	Meeting Attendance Actual/ Possible
Sir David Henshaw (Chair)	10/11
Steve Igoe (Senior Independent Director)	10/11

Sue Lorimer (Non-Executive Director)	9/11
Chris Clarkson (Non-Executive Director)	10/11
Steve Ryan (Non-Executive Director)	11/11
Lesley Davies (Non-Executive Director)	6/9
Rajan Madhok (Non-Executive Director)	6/7
John Sullivan (Non-Executive Director) (to June 2022)	4/4
Janelle Holmes (Chief Executive)	11/11
Dr Nicola Stevenson (Medical Director)	11/11
Tracy Fennell (Chief Nurse)	10/11
Mark Chidgey (Chief Finance Officer)	7/9
Matthew Swanborough (Chief Strategy Officer)	9/11
Deborah Smith (Chief People Officer)	10/11
Hayley Kendall Chief Operating Officer)	11/11
Robbie Chapman (Acting Chief Finance Officer)	4/4

Directors' interests

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

In 2022/23 the chair had no significant commitments outside of the Trust that conflicted or impacted upon his ability to meet his responsibility as chair.

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

Balance, completeness and appropriateness

In accordance with the requirements of the NHS Foundation Trust Code of Governance, the Board considers each of the non-executive directors, including the chair, to be independent in character and judgement and has identified no relationships or circumstances that are likely to affect, or appear to affect, their judgement. The criteria considered by the Board in determining the independence of the non-executive directors were, whether the individual:

- had been an employee of the Trust within the last five years.
- has, or has had within the last three years, a material business relationship with the Trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Trust.
- has received, or receives, remuneration from the Trust in addition to a director's fee, participates in a performance-related pay scheme or is a member of the Trust's pension scheme.
- has close family ties with any of the Trust's advisers, directors or senior employees.

- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies.
- has served on the Board of the Trust for more than six years from the date of their first appointment.
- is an appointed representative of the Trust's university, medical or dental school.

Performance evaluation of the Board, its committees and individual directors is undertaken in a number of ways including the annual appraisal of directors, reviews of terms of reference, and year end evaluations of Committees. This year, the Board had an external evaluation undertaken by the Good Governance Institute, which resulted in an observation report with a number of areas of good practice identified. The Good Governance Institute also observed and reported on the operation of the Audit Committee.

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

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

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

Board of Directors' committees

The Board of Directors undertakes regular reviews to ensure that the Trust maintains a robust committee structure which enables it to fulfil its purpose, and one such review was carried out during the summer of 2022 This resulted in the name change of several Committees to more accurately describe their function, the standing down of the Safety Management Assurance Committee, and amendment of membership. A Research and Innovation Committee was also constituted in October 2022 and delegated authority to monitor the development of research within WUTH.

The Board delegates specific functions to its committees as outlined within their terms of reference and the scheme of reservation and delegation. Committee terms of reference were reviewed between August and November 2022 to align with the review of structure.

During 2022/23 the following committees took place:

- Audit and Risk (previously Audit) Committee (five meetings)
- Finance Business Performance (Previously Finance Business Performance Assurance) Committee (seven meetings)
- Quality (Previously Quality and Safety) Committee (six meetings)
- People (Previously Workforce Assurance) Committee (six meetings)
- Charitable Funds Committee (three meetings)
- Estates and Capital (Previously Capital) Committee (three meetings)
- Remuneration Committee (one meeting)
- Research and Innovation Committee (two meetings).

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

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

Audit and Risk Committee

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

The Audit and Risk Committee met 5 times during 2022/23. All meetings were quorate and a Chair's report was submitted to the Board of Directors following each meeting to outline the key areas of discussion and actions to be undertaken to address any issues identified.

Attendance at the Committee meetings was as follows:

Committee Member	Meeting attendance Actual / possible
Steve Igoe, Chair	5/5
John Sullivan (to June 2022)	2/2
Rajan Madhok (From August 2022)	3/3
Chris Clarkson (From August 2022)	3/3

Audit and Risk Committee members have met in private with both internal and external auditors and are committed to continuing with this practice.

The principal areas of review and significant issues considered by the Audit and Risk Committee during 2022/23 reflecting key objectives of the committee are summarised below:

- internal control and risk management arrangements;

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

Financial assurance - significant issues considered by the Audit Committee during 2022/23.

The Committee reviewed a number of accounting issues for the year ended 31 March 2023. These included the following matters:

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

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

Going concern was discussed at the meeting in February 2023 and guidance from HM Treasury, NHSE, and DHSC was considered. Guidance confirmed that while all NHS bodies are required to document their basis for adopting the going concern basis, the assessment should solely be based on the anticipated future provision of services in the public sector, meaning that it would be highly unlikely that NHS organisations would have any material uncertainties over going concern to disclose, although this would still be subject to sufficient and appropriate audit procedures by external audit.

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

Internal audit

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

Compliance

On an annual basis the Board considers an assessment of compliance with the Trust's licence and identifies any areas of risk for the forthcoming financial year. This includes compliance with condition 4 – Foundation Trust Governance. These conditions are detailed within the corporate governance statement, the validity of which was assured by the Audit Committee in June 2022.

Internal Audit Services

Internal audit was provided by Mersey Internal Audit Agency (MIAA) during 2022/23. The main purpose of the internal audit is:

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

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

The 2022/23 internal audit plan was delivered in accordance with the schedule agreed with the Audit Committee at the start of the financial year, with the exception of the IT Medical Devices, E-Rostering, and Data Security and Protection Toolkit (2022/23) reviews which have yet to be finalised.

The total cost for the service during 2022/23 was £113k.

Anti-fraud and corruption

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

The anti-fraud services annual report for 2022/23 was considered by the Audit Committee in April 2023. The Audit and Risk Committee noted the assurance provided by the outcomes of the self-assessment against the Government Functional Standard for Counter Fraud with 12 of the 13 standards rated green and one amber, providing an overall rating of green. This is an improvement on last year, where 10 of the 13 standards were green.

The standard rated as amber relate to the following:

- 11 – whilst fraud awareness training is provided as part of the induction programme and supported by fraud awareness materials there is no formal fraud awareness training nor evaluation.

It is expected that this final standard will be rated green by mid-2023 given the work that is ongoing.

External audit

Azets Audit Services were appointed by the Council of Governors for three years from 2020/21 with the option to extend for a further two-year period. The total fees for the 2022/23 annual audit were £120k net of VAT and £1k of expenses.

No non-audit work was undertaken during the 2022/23 reporting period.

Quality governance

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

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

Further assurance of our quality systems and processes has been gained from internal assessments and external reviews. The Trust will produce a Quality Account which includes quality objectives set to improve patient safety, experience and outcomes. This will be published on 30 June 2023.

The well-led framework

The NHSE well-led framework provides a structure for trusts to assess their arrangements for effective leadership and governance. The Trust commissioned an independent developmental review of its leadership and governance arrangements in 2021/22, with all actions recognised as complete in March 2023. Further information can be found in the annual governance statement.

Council of Governors

Role and composition

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

The Council of Governors comprises:

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

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

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

Governor elections

Civica Election Services manages the elections on behalf of the Trust. One round of elections took place in 2022/23 in accordance with the model election rules. Elections took place in one public constituency (one unopposed) and one staff constituency (no nominations received). We were delighted to welcome a new governor, but due to ill health, the individual elected had to stand down. We currently have vacancies in one public constituency and two staff constituencies which we will run elections for in 2023.

Governor attendance at Council of Governor meetings 2022/23

The following tables list the governors who have served as a governor during 2022/23, their term of office and attendance at Council of Governors meetings. Four meetings of the Council of Governors were held in 2022/23.

Public Governor (Elected)	First Elected	Current Term Expires	Meeting Attendance 2022/23
Bidston & Claughton			
Alan Morris	October 2021	October 2024	4/4
Birkenhead, Tranmere & Rock Ferry			
Sarah Evans	October 2021	October 2024	3/4
Bromborough & Eastham			
Steve Evans	September 2014	September 2023	4/4
Bebington and Clatterbridge			
Tony Cragg	October 2021	October 2024	3/4
Greasby, Frankby, Irby, Upton & Woodchurch			
Eileen Hume	September 2015	September 2024	4/4
Heswall, Pensby & Thingwall			
Robert Thompson	December 2020	September 2023	3/4
Leasowe, Moreton, & Saughall Massie			

Public Governor (Elected)	First Elected	Current Term Expires	Meeting Attendance 2022/23
Paul Ivan	October 2021	October 2024	4/4
Liscard & Seacombe			
Christine House	October 2021	October 2024	0/4
Neston, Little Neston, Parkgate, Riverside, Burton, Ness, Willaston & Thornton			
Heather White	September 2022	N/A - stood down September 2022	N/A
New Brighton & Wallasey			
Sheila Hillhouse (lead governor from October 2021)	September 2017	September 2023	4/4
North West & North Wales			
Peter Israel Peters	October 2021	October 2024	3/4
Oxton & Prenton			
Paul Dixon	September 2018	September 2024	4/4
West Wirral			
Andrew Tallents	October 2021	October 2024	1/4

Staff Governor (Elected)	First Elected	Current Term Expires	Meeting Attendance 2022/23
Medical Practitioners & Dentists			
Anand Kamalanathan	October 2021	October 2024	4/4
Nurses & Midwives			
Ann Taylor	September 2018	September 2024	1/2
Diana Tyson	October 2021	October 2024 (stood down July 2022)	0/2
Other Trust Staff			
Philippa Boston	December 2020	September 2023	2/4

Stakeholder Governor (appointed)	First Appointed	Current Term Expires	Organisation	Meeting Attendance 2022/23
Mike Collins	May 2019	May 2023	Wirral Metropolitan Borough Council	0/4
Irene Williams – did not stand for election in May 2022	May 2019	May 2022	Wirral Metropolitan Borough Council	N/A
Chris Davies	May 2022	May 2023	Wirral Metropolitan Borough Council	1/2

Board member attendance at Council of Governor meetings 2022/23

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

Strengthening the links between the Governors and the Board

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

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

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

Strengthening excellent relationships with governors and members

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

Development opportunities for governors include corporate induction, attendance on externally facilitated training and internal development. The induction session incorporated an overview of the statutory role of governors and how the Trust works with governors to fulfil their statutory role, and a formal induction pack has been produced to support new governors.

The Trust will continue to work with the governors during 2023/24 to review and enhance the induction programme and to support them in their role including their key role in membership and engagement.

Members of the Trust

Our members play a vital role in influencing the way we serve our local communities, and we are committed to ensuring that our membership is representative of the population we serve. We currently have 8,178 public members and 6,753 staff members.

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

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

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

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

Constituency - Public members	**8,178**
Bebington and Clatterbridge	618
Bidston & Claughton	701
Birkenhead, Tranmere & Rock Ferry	632
Bromborough and Eastham	505
Greasby, Frankby, Irby, Upton & Woodchurch	980
Heswall, Pensby & Thingwall	517
Leasowe, Moreton & Saughall Massie	666
Liscard & Seacombe	694
Neston & Burton	439
New Brighton & Wallasey	671
North West and North Wales	412
Oxton & Prenton	636
West Wirral	706

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

The classes within the staff constituency are as follows:

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

Our Annual Members' Meeting took place on 14th November 2022, and the Trust was pleased to hold this session in person following the last few meetings being virtual. The event included a marketplace with a number of exhibitions from internal services and external partners, and was well attended. The presentations are available on the Trust website.

Membership strategy

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

The Trust continues to develop its membership scheme as an integral part of its vision to be a leading provider of outstanding care. The Council of Governors approved the Membership Strategy in October 2022 and has begun initiatives to develop a representative membership scheme with effective mechanisms for supporting engagement with governors and members. This work will continue to be progressed in 2023/24.

Membership profile

Membership size and movements		
Public constituency	**2021/22**	**2022/23**
At year start (1st April)	8,498	8,339
New members	7	31
Members leaving	166	192
At year end (31st March)	8,339	8,178

Staff constituency	2021/22	2022/23
At year start (1st April)	6,474	6,643
New members	1,051	1115
Members leaving	882	1005
At year end (31st March)	6,643	6753

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

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

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

HM Treasury cost allocation and charging guidance

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

Policy on the payment of suppliers

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

BPPC performance is shown below.

	2022/23		2021/22	
	Number	£000	Number	£000
Non-NHS				
Trade invoices paid in the period	86,495	303,169	81,790	260,090
Trade invoices paid within target	82,705	290,298	77,378	249,794
Percentage of trade invoices paid within target	95.6%	95.8%	94.6%	96.0%
NHS				
Trade invoices paid in the period	3,736	50,314	3,135	44,904
Trade invoices paid within target	3,350	47,582	2,794	42,670
Percentage of trade invoices paid within target	89.7%	94.6%	89.1%	95.0%
Total				
Total invoices paid in the period	90,231	353,483	3,135	44,904
Total invoices paid within target	86,055	337,880	2,794	42,670
Percentage of invoices paid within target	95.4%	95.6%	89.1%	95.0%

There were no payments of interest in 2022/23 or 2021/22 under the Late Payment of Commercial Debts (Interest) Act 1998.

Political donations

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

Fees and charges (income generation)

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

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

	2022/23 £000	2021/22 £000
Income	2,191	1,370
Full Cost	(2,227)	(1,923)
Surplus/(Deficit)	(36)	(553)

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

Income for the purposes of the health service in England

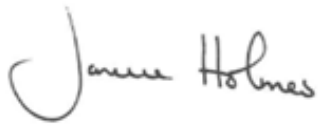
Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England (principal) must be greater than its income from the provision of goods and services for any

other purposes (non-principal). The Trust has met this statutory requirement. Non-principal income is used to provide additional funding for the Trust. It is directly reinvested in the delivery of high-quality NHS services.

Statement of disclosure to auditors

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

- 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.



Janelle Holmes
Chief Executive **Date: 14th June 2023**

Remuneration Report

This report to stakeholders:

- sets out the Trust's remuneration policy
- explains the policy under which the chair, executive directors and non-executive directors were remunerated for the period 1 April 2022 to 31 March 2023.
- sets out tables of information showing details of the salary and pension interest of all directors for the financial period 1 April 2022 to 31 March 2023.

Annual statement on remuneration

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

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

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

- consider the outcomes of the executive directors' annual appraisals and to discuss their performance in post;
- agree that very senior managers (VSMs) would receive the 3% annual VSM pay award, in line with recommendations from ministers (found in the *Annual pay increase recommendation for very senior managers (VSMs)* letter, issued by NHS England) ;
- agree that the 0.5% discretionary pay award would not be awarded to very senior managers due to the criteria for that award not being met; and
- approve their refreshed terms of reference.

The Chair of the Committee confirms that the agreement of the 3% annual pay award was the only major decision and/or substantial change to senior manager remuneration in year. This award was in line with the recommendations of the *Annual pay increase recommendation for very senior managers (VSMs)* letter, issued by NHS England.

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

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

Attendance at Remuneration and Appointments Committee in 2022/23.

	Meeting Attendance Actual / Possible
Sir David Henshaw, Chair	1/1
Sue Lorimer	1/1
Chris Clarkson	1/1
Steve Igoe	1/1
Steve Ryan	1/1
Lesley Davies	0/1
Rajan Madhok	0/1

Senior managers' remuneration policy

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

Service contract obligations

Appointments to executive director positions are made in open competition and can only be terminated by resolution of the Board other than in cases of normal resignation. Directors hold permanent contracts with a standard six-month period of notice. Non-executive directors are appointed for a period of three years and can only be removed in accordance with NHS England's Code of Governance and the provisions of the Trust's constitution.

Loss of office

All contracts for executive directors are substantive NHS contracts and are subject to the giving of six months' notice by either party. The Trust's normal disciplinary policies apply to executive directors, including the sanction of summary dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff. In the eventuality of a senior manager's

loss of office, any individual payment that is deemed appropriate must be approved by the Remuneration and Appointments Committee. There were no loss of office payments in the current year.

Council of Governors' Nomination Committee

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

The Committee met twice during the year. The first meeting ratified an electronic resolution appointing Steve Igoe as Deputy Chair. The second meeting received and considered the appraisal forms of the NEDs, as carried out by the Chair, and the appraisal of the Chair, as carried out by the SID. The Chair was not present for the discussion of his appraisal.

Nomination Committee membership and attendance 2022/23

Name	Role	Meeting attendance actual/possible
Sir David Henshaw	Chair	2/2
Steve Igoe	Senior Independent Director	2/2
Steve Evans	Public governor	2/2
Eileen Hume	Deputy Lead Governor (Public)	2/2
Andrew Tallents	Public Governor	2/2
Anand Kamalanathan	Staff Governor	2/2

Annual report on remuneration

Directors' and governors' expenses

Expenses paid to directors and governors include all business expenses arising from the normal course of business of the Trust and are paid in accordance with Trust policy. The total amount of expenses reimbursed to three directors during the year was £2,167 (one director reimbursed £51 in 21/22). In 2022/23 16 directors and non-executive directors held office (18 in 2021/22).

£104 expenses were reimbursed to governors during the year (no governors were reimbursed 2021/22). 20 governors held office in 2022/23 (26 in 2021/22).

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	2022/23				2021/22			
	Salary & fees (in bands of £5,000)	**Taxable benefits** (to the nearest £100)	**Pension-related benefits** (in bands of £2,500)	**Total** (in bands of £5,000)	**Salary & fees** (in bands of £5,000)	**Taxable benefits** (to the nearest £100)	**Pension-related benefits** (in bands of £2,500)	**Total** (in bands of £5,000)
Janelle Holmes Chief Executive	180 - 185	5,500	105 - 107.5	290 - 295	175 - 180	5,500	42.5 - 45	225 - 230
Dr Nicola Stevenson 1 Medical Director	210 - 215	0	130 - 132.5	345 - 350	210 - 215	0	57.5 - 60	270 - 275
Tracy Fennell Chief Nurse (from October 2021)	115 -120	0	102.5 - 105	220 - 225	45 - 50	0	42.5 - 45	90 - 95
Hazel Richards 2 Chief Nurse	n/a	n/a	n/a	n/a	50 - 55	1,700	0	55 - 60
Mark Chidgey Chief Finance Officer (from June 2022)	105 - 110	0	135 - 137.5	245 - 250	n/a	n/a	n/a	n/a
Robbie Chapman Interim Chief Finance Officer (from March 2022 to May 2022)	15 - 20	0	2.5 - 5	15 - 20	5 - 10	0	0 - 2.5	10 - 15
Claire Wilson 3 Chief Finance Officer	n/a	n/a	n/a	n/a	135 - 140	4,000	0	140 - 145
Hayley Kendall Chief Operating Officer (from January 2022)	115 - 120	4,000	32.5 - 35	155 - 160	30 - 35	1,000	0	30 - 35
Anthony Middleton 4 Chief Operating Officer	n/a	n/a	n/a	n/a	30 - 35	1,000	5 - 7.5	40 - 45
Margaret Barnaby 5 Interim Chief Operating Officer	n/a	n/a	n/a	n/a	55 - 60	0	7.5 - 10	65 - 70
Debs Smith Chief People Officer (from December 2021)	110 - 115	4,000	60 - 62.5	175 - 180	35 - 40	1,300	10 - 12.5	45 - 50
Jacqui Grice 6 Executive Director of Workforce (to August 2021)	n/a	n/a	n/a	n/a	50 - 55	0	0	50 - 55
Matthew Swanborough Director of Strategy and Partnership	125 - 130	4,000	32.5 - 35	165 - 170	120 - 125	4,000	32.5 - 35	155 - 160
Sir David Henshaw Chairman	50 - 55	0	n/a	50 - 55	45 - 50	0	n/a	45 - 50
Christopher Clarkson Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
Steve Igoe Non-Executive Director	15 - 20	0	n/a	15 - 20	15 - 20	0	n/a	15 - 20
Susan Lorimer Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
John Sullivan Non-Executive Director (to June 2022)	0 - 5	0	n/a	0 - 5	15 - 20	0	n/a	15 - 20
Steve Ryan Non-Executive Director	10 - 15	0	n/a	10 - 15	10 - 15	0	n/a	10 - 15
Lesley Davies Non-Executive Director (from May 2022)	10 - 15	0	n/a	10 - 15	n/a	n/a	n/a	n/a
Rajan Madhok Non-Executive Director (from July 2022)	10 - 15	0	n/a	10 - 15	n/a	n/a	n/a	n/a

1 The element of the Medical Director's remuneration above includes both remuneration for their management role as Medical Director, and remuneration for their clinical role as a Consultant Respiratory Physician. The element included which relates to their clinical role is in the range £105k - £110k

2 Prior year figures only, this officer is no longer employed by the Trust

3 Prior year figures only, this officer is no longer employed by the Trust

4 Prior year figures only, this officer is no longer employed by the Trust

5 Prior year figures only, this officer is no longer employed by the Trust

6 Prior year figures only, this officer is no longer employed by the Trust

Unless otherwise indicated, all of the listed senior managers were in post for the twelve-month period to 31 March 2023. The tables include remuneration only for the period during which each individual was deemed to be a senior manager and includes remuneration for duties that are not specifically part of the senior management role.

The element of the Medical Director's remuneration above includes both remuneration for their management role as Medical Director, and remuneration for their clinical role as a Consultant Respiratory Physician. The element included which relates to their clinical role is in the range £105k - £110k.

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

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

Pension benefits of senior managers

	2022/23							2021/22						
	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2023 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5,000)	Cash equivalent transfer value (CETV) at 1 April 2022 (to the nearest £1,000)	Real increase in CETV (to the nearest £1,000)	CETV at 31 March 2023 (to the nearest £1,000)	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2022 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2022 (bands of £5,000)	Cash equivalent transfer value (CETV) at 1 April 2021 (to the nearest £1,000)	Real increase in CETV (to the nearest £1,000)	CETV at 31 March 2022 (to the nearest £1,000)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Janelle Holmes Chief Executive	5 - 7.5	7.5 - 10	65 - 70	165 - 170	1,223	110	1,396	2.5 - 5	0 - 2.5	55 - 60	155 - 160	1,144	47	1,223
Dr Nicola Stevenson Medical Director	7.5 - 10	10 - 12.5	75 - 80	160 - 165	1,255	124	1,454	2.5-5	0 - 2.5	65 - 70	140 - 145	1,158	53	1,225
Hazel Richards 1 Chief Nurse	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	40 - 45	90 - 95	953	0	183
Tracy Fennell Chief Nurse (from October 21)	5 - 7.5	7.5 - 10	35 - 40	75 - 80	565	92	691	0 - 2.5	2.5 - 5	30 - 35	60 - 65	469	38	565
Mark Chidgey Chief Finance Officer (from June 2022)	5 - 7.5	12.5 - 15	50 - 55	105 - 110	813	131	1,014	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Robbie Chapman Interim Chief Finance Officer (March 2022 to May 2022)	0 - 2.5	0	0 - 5	0	25	1	42	0 - 2.5	0	0 - 5	0	7	0	25
Claire Wilson 2 Chief Finance Officer	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
Anthony Middleton 3 Chief Operating Officer	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0 - 2.5	0	60 - 65	130 - 135	1,049	8	1,107
Margaret Barnaby 4 Interim Chief Operating Officer	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0 - 2.5	0	30 - 35	80 - 85	749	0	98
Hayley Kendall Chief Operating Officer (from January 2022)	0 - 2.5	0	0 - 5	0	6	8	30	0 - 2.5	0	0 - 5	0 - 5	0	0	6
Jacqui Grice 5 Executive Director of Workforce	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0 - 2.5	0	25 - 30	65 - 70	549	2	579
Debs Smith Chief People Officer (from December 2021)	2.5 - 5	0	15 - 20	0	134	24	178	0 - 2.5	0	10 - 15	0	108	3	134
Matthew Swanborough Director of Strategy and Partnerships	2.5 - 5	0	15 - 20	0	140	11	173	2.5 - 5	0	10 - 15	0	112	9	140

1 Prior year figures only, officer is no longer employed by the Trust
2 Prior year figures only, officer is no longer employed by the Trust
3 Prior year figures only, officer is no longer employed by the Trust
4 Prior year figures only, officer is no longer employed by the Trust
5 Prior year figures only, officer is no longer employed by the Trust

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

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

Cash equivalent transfer values

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

Real increase in CETV

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

Hutton review of fair pay

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. In line with the 2021/22 disclosure, the amounts disclosed in the current year include March 2023 average annualised amounts for bank and agency staff as at March.

The banded remuneration of the highest-paid director (Medical Director) in the organisation in the financial year 2022/23 was £210k-£215K (2021/2022, £210k to £215k).

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

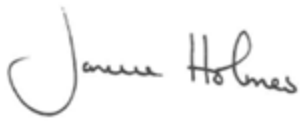
For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £0 to £358k (2021/2022 £0k to £493k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees)

between years is 9.5%. The salary of £0k reflects those staff on extended unpaid leave and also those in receipt of prior month adjustments, reducing their salary to this amount.

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

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

2021/22	**25th Percentile £000**	**Median £000**	**75th Percentile £000**
Salary component of pay			
Total Pay and benefits excluding Pension Benefits	21.8	29.5	40.7
Pay & Benefits, excluding pension for highest paid director	210 - 215		
Pay ratio for highest paid director	9.7	7.2	5.2



Janelle Holmes
Chief Executive **Date: 14th June 2023**

Staff Report

The Trust's employees

The number of whole-time equivalents (WTE) employed by the Trust as at March 2023 was 5,664.98 WTE and the total number of employees (headcount) were 6,753. The following table provides a more detailed breakdown of our employees by WTE and headcount for 2022/23 (as at March 2023). This is broken down by the number of male and female employees and by staffing groups.

	Female		Male		Total WTE	Total Headcount
Staff Group	WTE	Headcount	WTE	Headcount		
Add Prof Scientific and Technic	144.76	166	28.49	31	173.25	197
Additional Clinical Services	920.76	1120	181.96	195	1102.72	1315
Administrative and Clerical	806.50	934	259.05	269	1065.55	1203
Allied Health Professionals	284.19	350	91.94	100	376.13	450
Estates and Ancillary	379.20	681	267.44	325	646.64	1006
Healthcare Scientists	91.81	105	40.00	41	131.81	146
Medical and Dental	220.82	250	258.63	278	479.45	528
Nursing and Midwifery Registered	1521.74	1730	167.69	178	1689.43	1908
Grand Total	**4369.79**	**5336**	**1295.19**	**1417**	**5664.98**	**6753**

	Female	Male	Total
Board of Directors	7	7	14
Other Senior Managers	264	101	365
Consultants	114	180	294
Other Staff	4951	1129	6080

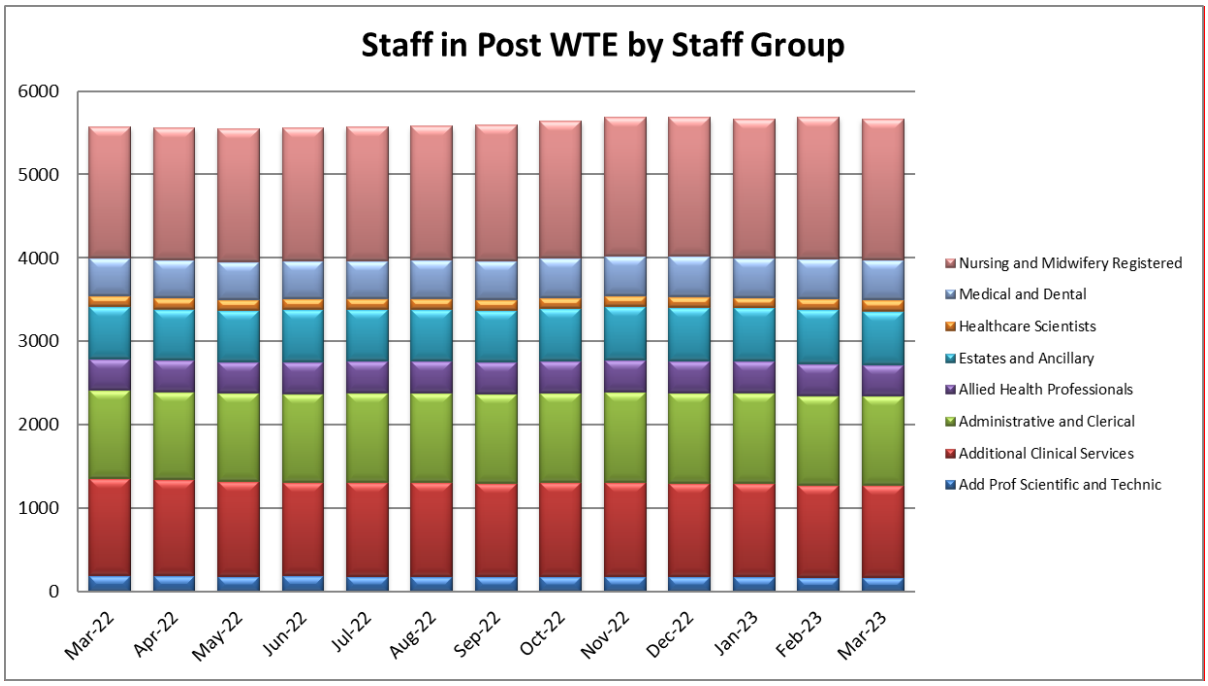
2022/23 Table

Employee category	Permanently employed	Other	2022/23 Total	Permanently employed	Other	2021/22 Total
Medical and dental	690	52	742	674	41	715
Administration & estates	978	21	999	927	33	960
Healthcare assistants and other support staff	1,837	192	2,029	1,861	166	2,027
Nursing, midwifery and health visiting staff	1,632	150	1,782	1,544	130	1,674
Scientific, therapeutic and technical staff	567	18	585	569	14	583
Healthcare science staff	130	2	132	132	6	138
Other	7	-	7	8	-	8
Total average staff numbers	5,841	435	6,276	5,715	390	6,105
of which						
Number of employees engaged on capital projects	7	-		7	-	7

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

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

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



The Trust has a total vacancy rate of 5.78%. For our nursing staff it is 1.31% and for our medical and dental workforce 1.40% (excluding junior doctors). However, for consultant medical staff we have a vacancy rate of 3.81%. The Trust is committed to reducing vacancy rates with a focus on recruitment and retention initiatives.

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

	Permanently employed	Other	2022/23 Total	Permanently employed	Other	2021/22 Total
Salaries and wages	229,391	13,594	242,985	208,636	12,881	221,517
Social security costs	25,575	-	25,575	21,300	-	21,300
Apprenticeship levy	1,278	-	1,278	1,107	-	1,107
Employer's contributions to the NHS Pension Scheme	39,062	-	39,062	35,735	-	35,735
Employer's contributions to the National Employment Savings Scheme (NEST)	684	-	684	604	-	604
Bank and agency staff	-	36,200	36,200	-	32,421	32,421
Total pay costs	295,990	49,794	345,784	267,382	45,302	312,684

Staff policies and actions applied during the financial year

The Trust's Workforce Policies and Procedures continue to be subject to regular review and update as per the review cycle as defined by the Trust's agreed governance procedures. During the previous financial year, a significantly improved position has been achieved in terms of the numbers of outstanding Workforce policies in need of review. This is due to a refined governance approval process and a designated HR resource for oversight of progress. All policies are subject to a robust equality impact assessment against all protected characteristics, with final ratification achieved through Workforce Steering Board prior to any policies becoming operational and accessible through the Trust's intranet site. The 2022 National Staff Survey has highlighted that the experience of our disabled workforce needs to be improved, and going forward, the Trust is committed to ensure that this is a priority and the needs of disabled staff will be given additional consideration in the development of any policies.

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

The main highlights during the last financial year are the introduction of the Emergency Cover Arrangements for Resident/Non-Resident On-Call Duties by Consultants and SAS Doctors for Absent Junior Doctors ("Acting Down" Arrangements) policy which sets out the arrangements for when senior medics are required to cover for junior colleagues at short notice. The Trust's Organisational Change policy has also been brought up to date and will support managers in the current climate of 'Think Big' initiatives and cost improvement schemes. There has also been significant work undertaken to update the Procedure for Handling Concerns about the Conduct, Performance and Health of Medical Dental staff (MHPS), the Fairness at Work policy (formerly the Grievance Procedure) and the Bullying and Harassment policy now known as Respect at Work. All policies have been developed in line with the principles of a Just and Learning culture with added emphasis on informal approaches, regular discussion, and mutual respect. The Fairness at Work and Respect at Work policies will be subject to further external review with Employment Law specialists.

As outlined in the last annual report, there have been recent changes to Agenda for Change terms and conditions with respect of contractual rights of flexible working. This has led to significant changes to the Trust's Flexible Working Policy and work continues in this area. The Policy has progressed through the governance route and has been ratified. The Policy launch is being supplemented with additional communications and promotion.

As an employer the Trust is required to make reasonable adjustments. Therefore, polices are in place to make sure that, as far as is reasonable, disabled workers are not disadvantaged in the workplace. Specifically, the Redeployment guidelines outline the practical steps to be taken to ensure all staff are treated fairly and equitably. Staff network groups are also involved in the

development of Trust policies, such as the Equality, Diversity, Inclusion and Human Rights Policy which was refreshed and relaunched in October 2022. Further information on the Trust's EDI work can be found in the Performance Report and the Annual Governance Statement.

HR and staff side continue to have a positive working relationship and meet regularly through partnership forums creating opportunity for trade union representatives to negotiate on behalf of their members through collective bargaining. Divisional staff side meetings are also embedded to informally address local matters. There are also monthly HR and staff side partnership meetings and bi-monthly HR Policy Pay Terms and Conditions meetings. More formal / strategic matters are collectively considered by the Partnership Steering Group, which is chaired on a rotational basis between the Chief People Officer and staff side Chair. These are designed to develop a culture of conversation and engagement to enable staff side to openly raise concerns and encourage early resolution to issues before escalation in line with our formal policies and procedures. The Partnership forums are well attended with healthy engagement. No formal local disputes have been raised.

Policies and procedures are in place in respect of countering fraud and corruption and where appropriate a counter fraud statement is included in policy documents. An overtime audit was undertaken in accordance with the requirements of the Overtime policy, bringing assurances that the approval of overtime is effectively managed through electronic rostering and there is less of a reliance on manual processes.

Members of the HR team have attended an Anti-Fraud Awareness session delivered by Mersey Internal Audit Agency (MIAA).

Freedom to speak up (FTSU)

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

The Trust has seen an increase in the number of people speaking up this year with 163 people speaking up in 2022/23 as opposed to 128 people in 2021/22. This increase is seen as positive as the figure brings us to be more aligned to regional and national figures and is attributed to increased promotion of the FTSU Guardian role.

Our 2022/23 data shows that people are accessing the speak up service from across all divisions and a range of occupational groups. Whilst the number of staff speaking up has increased, the Trust continues to see a reduction in the number of anonymous reports it has received, with only two anonymous concerns received this year. This demonstrates that staff feel safe to raise concerns within the organisation. The network of FTSU champions continues to grow, with 23 now in place.

The FTSU champions promote the importance of speaking up locally, signposting people to key contacts and support, including FTSU guardians. The Trust will continue to grow and develop this network.

The Trust recognises the need to link with the diversity and inclusion agenda and to further encourage staff who share protected characteristics to speak up. We are therefore proud to have four FTSU champions from our multicultural staff network, two staff from our disabilities staff network and one from our Rainbow Alliance. We will continue to grow these links within 2023/24.

The Trust continues to record and monitor data on the number of people who have spoken up to FTSU guardians and the themes of their concerns. Regular reports are considered through the workforce governance structure and up to the Board of Directors. The Trust continues to be proactive with the development and delivery of training to support staff raising concerns. The Trust has successfully rolled out the National Guardian's Office (NGO) e-learning programme with levels 1 and 2; with 83.61% of staff having completed level 1 and 80.36% level 2. A level 3 programme has now been released nationally and work will be undertaken to ensure effective implementation across the Trust over the next year.

The 2022 National Staff Survey results highlight an improvement in the number of staff who would feel secure raising concerns. The number of staff who feel confident that the organisation would address their concern has increased from 46% to 47% of staff. Both results are the highest they have been in the 5-year comparative reporting period and given the investment in the new role we are looking forward to seeing a further increase in staff feeling able to speak up in the 2023 results. The Trust continues to link with regional and national FTSU Guardians and NGO representatives to ensure consistency, best practice, and support for FTSU guardians is in place.

Staff turnover

The Trust has a target of ensuring turnover of staff is no more than 10%. This equates to a maximum rate of 0.83% monthly. We are currently not meeting this target and are working hard to improve retention and recruitment practices, strategically and operationally.

As per the Trust's People Strategy 2022-25 under the principle 'Shaping our future' there is a multi-year programme of work in place to improve retention across the workforce.

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

- A CSW staff satisfaction survey
- Review of a new buddy system to support new HCSWs
- Compliance with Exit Interviews

- Delivery of the Trust Long Service Award (first face to face held since 2019 celebrating staff that have given 25-40 years' service)
- Retention Self-Assessment Tool initially completed by N&M and HCSW staff Groups now extended to AHPs and Corporate Staff
- Development of Internal Transfer process to support Development & Career progression initially for Band 5 Nurses and HCSW's
- Stay Conversations underway for N&M, HCSW and Corporate Staff now extended to AHP staff.
- HCSW celebration event upon successful completion of Care Certificate
- Use of apprenticeship for HCSW posts

The Strategic Trust Wide Retention Group has adopted a partnership working approach and includes representation from staff side colleagues and engagement with our staff networks. This strategic workstream also complements the NHS People Promise ensuring that the Trust is an employer of choice, working together to improve the experience for everyone.

There are also other key programmes of activity within the People Strategy Delivery Plan that will also help minimise turnover these include delivery of the year 2 programme of work to improve the Trust's flexible working offer, implementation the Perfect Start, developing our Engagement Framework and the workforce planning and controls programme.

Turnover is also a Key Performance Indicator (KPI) for the Trust and is monitored and actioned at a divisional level via Divisional Performance Reviews with specific actions in place according to the local feedback and at a Trust wide level via the workforce governance structure.

The HR Business Partners are currently working with the OD Team and co-facilitating divisional events that will engage staff and managers to understand how the staff survey results (which averaged 48% participation) reflect the culture of the organisation and ensure that we that we align this with our plans for 2023/24 to ensure this has a positive impact on turnover.

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

The Trust remains committed to continuing to embed the Leadership Qualities framework and subsequent development offer, and coaching and mentoring training continues to be rolled out across the organisation.

Following the Trust meeting its target of recruiting 100 Internationally educated nurses, the international recruitment (IR) for 2021/22 is now complete with all nurses obtaining UK NMC registration and are now in clinical practice across WUTH. The IR team continue to provide pastoral support and career advice for this cohort of staff and we have achieved a high retention of nurses

recruited from overseas. This has been sustained and the success of the programme continues to have a positive impact on the safe care of patients.

The Trust was successful in an application for the NHS Pastoral Care Quality Award, this scheme supports Trusts to provide high quality pastoral care to our IR nurses.

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

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

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

NHS workforce statistics - NHS Digital

Staff experience and engagement

The NHS Staff Survey, undertaken by independent external organisation, Picker Europe, took place between October and November 2022. The Trust applied a mixed mode of paper based and electronic (via email) surveys in order to maximise access and completion of survey.

This year was the largest return rate in the last 6 years with a 2% increase on 2021 survey, with 3,135 responses, totalling 48% (47.86% actual) response rate. Trust results were aligned to the Acute and Community & Acute sector for which 124 Trusts results were compared. The survey results were categorised against the national NHS People Promise.

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

Overview of People Promise theme results and comparisons to sector average:

People Promise Elements	Trust 2022 Scores	Picker 2022 Comparator Average
We are compassionate and inclusive	7.2	7.2
We are recognised and rewarded	5.7	5.8
We each have a voice that counts	6.6	6.7
We are safe and healthy	5.9	5.9
We are always learning	5.3	5.4
We work flexibly	5.8	6.0
We are a team	6.5	6.6

The Trust scores 'on average' or slightly below average, but not statistically significantly so, when benchmarked with comparators across all the people promise domains. Below, are the scores for the two themes outside of the NHS People Promise that remain a key benchmark for the National NHS Survey, 'Engagement' and 'Morale'. NOTE: there has been no change in these scores since the 2021 survey.

Theme	Trust 2022 Score	Picker Comparator Average
Engagement	6.7	6.8
Morale	5.7	5.7

Areas of focus for the forthcoming year are aligned to the NHS People Promise and the Engagement and Morale themes of the National Staff Survey are:

NHS People Promise Theme	**Trust Area of Focus**
Compassionate & Inclusive	Develop our understanding of staff's feedback pertaining to compassion
Recognised & Rewarded	Continue to build on the Engagement agenda
Voice that Counts	Develop Local autonomy and control
Safe & Healthy	Continuing to embed a health and wellbeing culture Addressing staff burnout Addressing physical violence from patients
Always Learning	Embed a new approach to Appraisal and Supervision Embed the WUTH Leadership Qualities Framework and subsequent leadership development offer
Working Flexibly	Implementation of new Flexible Working policy Focus on changing perceptions, behaviours and culture around flexible working
We are a Team	Continue to build line manager capability
Engagement	Increase opportunities for involvement, codesign to shape Trust plans Focus upon advocacy (Staff FFT) for both treatment and as a place to work
Morale	Develop a better understand and address reasons for staff thinking about leaving

The 2022 staff survey results will be used as one of a number of engagement diagnostics that enable '*we each have a voice that counts'* in line with NHS People Promise. The Trust will continue

to gather staff experience data throughout the year via a Quarterly Pulse Survey, which will further inform plans and people activities.

The results of this year's survey will be used to shape the priorities for 2023/24 Trust wide plans including People Strategy delivery plan. Further to this, survey results will also inform 2023/24 divisional delivery plans. A programme of cascade has been implemented throughout March and April, drawing upon technological solutions and established staff networks in order to ensure staff have opportunity to not only gain access to the results, but to also contribute their ideas and shape plans.

Trade union facility time disclosure

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

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

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

Number of employees who were recognised union officials during the financial year 2022-23	31
Number of recognised union officials in receipt of paid facility time during the financial year 2022-23	9
Whole Time Equivalent number of union officials providing facility time	4.33 wte
Percentage of full-time (i.e., 37.5 hrs per week spent on Union Duties: 100% 51-99% 1-50% 0%	 2 2 5 0
Total cost of facility time at WUTH	£142,832.80
Percentage of total substantive pay bill spent on union facility time	0.048%

Sickness absence

During the financial year 2022/2023, the average attendance rate was 93.51%, a sickness absence rate of 6.49%. At the end of the financial year, the Trust reported in month sickness absence of 5.73% which was an improved position from the start of the financial year which reported 6.84%. The Trust has continued to manage attendance in line with the Attendance Management Policy ensuring this is monitored at departmental level and reported through to the People Committee and the Board. The rolling position at the end of March 2023 was as follows:

	Absence FTE	Available FTE	Absence FTE % Rolling	Number of Absence Occurrences	Absence Estimated Cost
Acute Care Div	11,337.43	145,286.20	7.80%	1,234	1,112,150.13
Clinical Support Div	22,665.28	397,234.36	5.71%	2,453	2,357,104.13
Corporate Support Div	13,661.01	250,931.97	5.44%	1,131	1,253,074.04
Estates, Facilities & Capital Div	19,748.10	221,767.38	8.90%	2,007	1,310,719.19
Medicine Div	23,770.72	399,884.11	5.94%	2,931	2,087,031.80
Surgery Div	30,160.27	435,933.24	6.92%	3,089	2,863,852.50
Women and Children's Div	12,514.51	210,970.01	5.93%	1,382	1,318,628.93
Grand Total	133,886.33	2,064,347.26	6.49%	14,207	12,305,780.13

Figures Converted by DH to Best Estimates of Required Data Items			Statistics Published by NHS Digital from ESR Data Warehouse	
Average FTE for 2022	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days recorded Sickness Absence
5,627	86,981	15.5	2,053,949	141,103

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse January to December 2022. National sickness absence data is published through NHS Digital and is available through the link provided below: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Auditing of the management of attendance Trust wide has continued both internally and externally throughout the year. An external audit carried out by MIAA in February 2023 highlighted that there was an adequate system of internal control however detailed some key themes and recommendations. Four recommendations were made, none of which were deemed critical, one deemed high and the remaining three deemed moderate. As part of these recommendations the

Trust has focused on communication to remind managers of the need to adhere to the processes described within the policy when administering the process locally.

Within the year there has been additional support implemented to improve employee wellbeing across the Trust in line with the NHS People Plan. The NHS People Plan sets out the ambition that every member of the NHS should have a health and wellbeing conversation with their line manager. The Trust wide introduction of 'Wellbeing Conversations' between line managers and their employees, followed by a 'Wellbeing Day', was a key focus for this financial year. Managers were encouraged to use the wellbeing conversation to discuss overall health and wellbeing with their employees, specifically any barriers to improving their wellbeing. After participating in the Wellbeing Conversation, employees were offered the opportunity to take one day paid leave to focus on improving their wellbeing. At the end of March 2023, the Trust reported that over 51% of employees had wellbeing conversation recorded in ESR. The Trust are aware that some managers experienced difficulties in recording this information correctly within the ESR system and therefore the detail of some conversations may not have been fully recorded. Going forward, wellbeing conversations will be embedded into the new appraisal process.

Additional supportive conversations were held across the year based on seasonal trends of employees who have particularly struggled to maintain attendance at specific times of year. These involved employees being identified through a seasonal workforce trend analysis. Those in scope were those who recorded having at least 3 sickness episodes in the last 5 years at a specific time of year, for example Christmas. Managers were asked to discuss with these employees the difficulties they face during the particular time of year and ensure this was followed up in writing detailing support available. These conversations supported the management of patterns of sickness absence in line with the policy.

Within the financial year, the change in structure of the HR Services team has seen the addition of HR Advisor positions on a permanent basis. The addition of three HR Advisors has allowed for additional support to managers with general advice and guidance on how to best support our employees whilst implementing a fair and consistent approach in line with the policy. This has also allowed for bespoke departmental training sessions tailored to the specific needs in addition to the existing training provided through managers essentials.

A full review of the Attendance Management Policy has taken place following a review of NHS England good practice guidelines. The review has included an amendment to the triggers and absence management procedure, this includes the addition of an informal stage and three formal stages. Although the review has been completed, the policy remains within the ratification stages and therefore has not yet been launched. The launch of the new policy and its implementation will hopefully drive a continued improvement in attendance over the next financial year.

Occupational Health and Workforce Wellbeing

The Occupational Health and Wellbeing service has continued to focus on core OH activities, principally supporting attendance management, pre-employment medical screening, vaccinations and immunisations and workforce wellbeing support.

The department has been instrumental in the implementation of support provisions and improvements in the areas of Physical Health, Mental Health, Morale boosters and Enabling Resilience. They have and continue to offer Wellbeing Surgeries every three months with each focusing on a particular theme chosen by staff or determined to benefit our staff. The latest wellbeing surgery focused on supporting staff with disabilities and long-term conditions. A variety of services were arranged to offer support and information both on site and via virtual sessions. Stall and drop-ins included Health Assured (the Trust's Employee Assistance Programme), Cheshire & Merseyside Resilience Hub, Citizens Advice, Job Centre Plus, MacMillian, Sunflower Network etc. Staff also had the opportunity to join a mini manager's online essentials session on supporting staff with disabilities and long-term conditions and the Menopause Staff Network. This theme was chosen to improve engagement with and support for staff with disabilities and long-term conditions in response to the 2022 National Staff Survey results.

Other initiatives included a highly successful 4-week Health & Wellbeing Kiosks initiative offering individual health checks for staff at both Arrowe Park and Clatterbridge sites. For staff unable to use a kiosk, adjustments were made and they were offered the opportunity of a face-to-face wellbeing check. The utilisation rates were pleasingly high (1,885) and staff feedback was extremely positive.

The department co-ordinated the delivery of the Trust's Flu programme and achieved above the Northwest average and second highest against the Cheshire and Merseyside Comparison.

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

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

Expenditure on consultancy

Total expenditure on consultancy during 2022/23 was £0.5m (£0.6m 2021/22).

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 2023, for more than £245 per day and that last for longer than six months.

Number of existing engagements as at 31 March 2023	73
Of which	
Number that have existed for less than one year at time of reporting	54
Number that have existed for between one year and two years at time of reporting	9
Number that have existed for between two years and three years at time of reporting	5
Number that have existed for between three years and four years at time of reporting	2
Number that have existed for between four or more years at time of reporting	3

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 2022 and 31 March 2023, 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 2022 and 31 March 2023	3
Of which	
Number assessed as within the scope of IR35	3
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payment engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023.

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

Exit packages

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

Exit package cost band (including any special payment element)	2022/23 Number of complulsory redundancies Number	2022/23 Number of other departures agreed Number	2022/23 Total number of exit packages by cost band Number	2021/22 Number of complulsory redundancies Number	2021/22 Number of other departures agreed Number	2021/22 Total number of exit packages by cost band Number
< £10,000	-	47	**47**	-	23	**23**
£10,001 - £25,000	1	2	**3**	1	2	**3**
£25,001 - £50,000	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-
Total number of exit packages	**1**	**49**	**50**	**1**	**25**	**26**
Total resource cost (£000)	**16**	**152**	**168**	**11**	**81**	**92**

There was one compulsory redundancy in both 2022/23 and 2021/22. In 2022/23, 35 of the departures were as a result of dismissal (13 cases 2021/22), and a further 5 were voluntary resignation (5 cases 2021/22). A further 9 cases comprised pay in lieu of notice relating to ill-health (6 cases 2021/22). 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.

	2022/23 Agreements Number	2022/23 Total value of agreements £000	2021/22 Agreements Number	2021/22 Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Contractual payments in lieu of notice	47	145	24	68
Exit payments following employment tribunals or court orders	3	7	1	13
Non-contractual payments requiring HMT approval	-	-	-	-
Total average staff numbers	**50**	**152**	**25**	**81**

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

Non-contractual exit packages require HM Treasury pre-approval. No such payments were made in 2022/23.

Gender pay gap

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

Data as at 31 March 2022 identifies, that whilst the Trust's overall mean gender pay gap has been positively reducing over the last few years. There has been a 0.1% increase this year to 21.2% in favour of male colleagues. The median gender pay gap however has reduced from 8.8% to 7.3% in favour of males.

The median bonus pay gap at the Trust had significantly reduced over the last few years however remained the same this year at 5.6%. Reductions in the mean bonus pay gap were also seen this year reducing from 19.2% to 16.4%.

The Trust continues to have higher proportion of female colleagues (79.6% female and 20.4% male employees) across all pay quartiles. However, the lowest ratio of female colleagues is in the highest pay quartile.

The proportionality of females accessing bonus payments continues to be lower than that of males, with only 0.5% of female colleagues receiving, compared to 5.6% of male colleagues. This gap has however reduced by 0.2% this year.

2019 Government recommendations identify key areas that seek to reduce the gender pay gap and women's progression in the workplace. The Trust has developed a new equality, diversity and inclusion strategic commitment (2022 – 2026) which seeks to underpin the Trust's People Strategy 2022 – 2026 and "create an inclusive and welcoming environment, where everyone feels a sense of belonging and the diversity of our staff is valued, supported and celebrated" and in turn, continue to improve our gender pay gap.

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

NHS Foundation Trust Code of Governance Disclosures

NHS foundation trusts are required to provide a specific set of disclosures in their annual report to meet the requirements of the Code of Governance. Schedule A to the Code of Governance specifies everything that is required within these disclosures. Schedule A is divided into six categories:

1) statutory requirements of the Code of Governance but do not require disclosures
2) provisions which require a supporting explanation, even where the NHS foundation trust is compliant with the provision*
3) provisions which require supporting information to be made publicly available, even where the NHS foundation trust is compliant with the provision
4) provisions which require supporting information to be made to governors, even where the NHS foundation trust is compliant with the provision
5) provisions which require supporting information to be made to members, even where the NHS foundation trust is compliant with the provision and
6) other provisions where there are no special requirements as per 1-5 above and there is a "comply or explain" requirement. The disclosure should therefore contain an explanation in each case where the trust has departed from the Code of Governance, explaining the reasons for the departure and how the alternative arrangements continue to reflect the main principles of the Code of Governance (see pages 13-16 of that document).

* Where the information is already contained within the annual report, a reference to its location is sufficient to avoid unnecessary duplication.

The information in the paragraph and table below only covers items falling into category 2 and category 6 above.

The requirements of parts 2 and 6 of schedule A to the Code of Governance are listed below. This table also includes requirements that are not part of the Code of Governance but are required by the FT ARM.

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 table below sets out the sections of the Code of Governance where the Trust is required to provide specific disclosures.

It should be noted that NHSE revised the Code of Governance and issued a new code in October 2022 for adoption from April 2023. Therefore, the disclosures in this document relate to the 2014 code, and a plan is in place to ensure the Trust is compliant with the 2022 code, the disclosures for which will be included in next year's annual report.

Part of schedule A (see above)	Code of Governance reference	Summary of requirement	Trust Response
2: Disclose	A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	The Trust has a schedule of matters reserved for the Board which is contained within the scheme of reservation and delegation. The Trust also has an approved constitution which details the roles and responsibilities of the CoG and codes of conduct for Board members and the Council of Governors. The Trust's constitution contains a general statement regarding handling of disputes between the CoG and the Board. A statement on the operations of the Board and Governors is found in the Directors report.
2: Disclose	A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration[1] committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	This information is provided in the following sections: • Directors' report • Audit Committee report • Remuneration report
2: Disclose	A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the	Full details of governors and their terms of appointment are included in the accountability report within the Council of Governors section.

1 This requirement is also contained in paragraph 2.41 as part of the remuneration report requirements. The disclosure relating to the remuneration committee should only be made once.

		duration of their appointments. The annual report should also identify the nominated lead governor.	
Additional requirement of FT ARM	n/a	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	Details are included in the Council Governors section.
2: Disclose	B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Details are included in the directors' report.
2: Disclose	B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Details are included in the directors' report.
Additional requirement of FT ARM	n/a	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	Details are included in the directors' report.
2: Disclose	B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	Details are included in the directors' report and within remuneration report.
Additional requirement of FT ARM	n/a	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	N/a

2: Disclose	B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise and included in the next annual report.	The chair's commitments are detailed in the directors' report.
2: Disclose	B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Governors have approved a revised Membership strategy and recommenced engagement with members in year. This work will continue to be enhanced as operational pressures lessen. Detail found in the Directors' report.
Additional requirement of FT ARM	n/a	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance).	N/A

		** As inserted by section 151 (6) of the Health and Social Care Act 2012)	
2: Disclose	B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Details of evaluation included in directors' report.
2: Disclose	B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	The Trust commissioned an evaluation of the Board's maturity with the Good Governance Institute (GGI). There is no other connection between GGI and the Trust.
2: Disclose	C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph 2.95.	Included in annual report in following sections: • directors' report • auditor's report • annual governance statement
2: Disclose	C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	The Trust's annual report contains a statement that the review of the effectiveness of its system of internal control has been undertaken. Contained in annual governance statement

2: Disclose	C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Trust's annual report discloses that the Trust has an internal audit function, its structure and its role. Contained in Audit Committee section.
2: Disclose	C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	N/a – the Council of Governors accepted the recommendation to extend the appointment of the external auditors in line with the terms of their contract.
2: Disclose	C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed. • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm	The annual report contains a separate section on the role of the Audit Committee

		and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	
2: Disclose	D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	N/A.
2: Disclose	E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	Details are included in the annual report in the Council of Governors' section
2: Disclose	E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Details of the Trust membership profile is contained in the annual report in the membership section. The Trust approved a membership strategy in 2022/23 and restarted engagement with members on the back of this approval.
2: Disclose	E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	The website and the Trust's annual report contains contact procedure for anyone who wishes to contact the Trust's Governors. Included within annual report within the Council of Governors section

Additional requirement of FT ARM	n/a	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership. • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	Included within annual report within the Council of Governors' section
Additional requirement of FT ARM (based on FReM requirement)	n/a	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. See also ARM paragraph 2.22 as directors' report requirement.	This information is provided within the annual report with a link to the Trust website.
6: Comply or explain	A.1.4	The board should ensure that adequate systems and processes are maintained to measure and monitor	Performance, quality and finance management systems in place to measure and monitor the Trust's

		the NHS foundation trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery	effectiveness, efficiency and economy and quality of its healthcare delivery and safeguard patient safety The Board reviews the Trust's performance at each of its meetings via the monthly quality and performance and finance reports. The Trust's resources are managed within the governance framework which includes the scheme of delegation and standing financial instructions. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources. The Trust has an established system for identifying and managing risk. Details are included in the annual governance statement.
6: Comply or explain	A.1.5	The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance	The Board receives and reviews the Trust's Integrated performance report on a monthly basis. This contains relevant metrics, measures, milestones and accountabilities to understand and assess progress and delivery of performance. This was reviewed in August 2022 to incorporate SPC charts, and the format of the this information was reviewed in May 2023 to ensure this remains clear, useful, and otherwise fit for purpose.
6: Comply or explain	A.1.6	The board should report on its approach to clinical governance.	The Board is committed to quality governance and ensures that the combination of structures and processes at Board level and below supports quality performance throughout the Trust. Included in the annual report.

6: Comply or explain	A.1.7	The chief executive as the accounting officer should follow the procedure set out by NHS Improvement (Monitor) for advising the board and the council and for recording and submitting objections to decisions.	The CEO follows all relevant procedures.
6: Comply or explain	A.1.8	The board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life	The Trust has an approved constitution and has a managing conflicts of interest policy which references the model policy and Nolan Principles. The Trust has established vision and values and expected underpinning behaviours following consultation with staff and range of stakeholders (on website).
6: Comply or explain	A.1.9	The board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility.	The Board of Directors has a code of conduct which is based on the Nolan Principles. It will be reviewed in 2023.
6: Comply or explain	A.1.10	The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.	The necessary insurance cover is provided by the Trust's subscription to NHS Resolution. Additional directors' and officers' insurance has been commissioned from a commercial insurance provider.
6: Comply or explain	A.3.1	The chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chairperson of the same NHS foundation trust.	Confirmed. Included in the Directors' report.
6: Comply or explain	A.4.1	In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director.	The Trust has a senior independent director.
6: Comply or explain	A.4.2	The chairperson should hold meetings with the non-executive	The chair holds informal meetings with the NEDs without executive directors present.

		directors without the executives present.	
6: Comply or explain	A.4.3	Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.	Concerns would be recorded in Board minutes. None have yet been raised.
6: Comply or explain	A.5.1	The council of governors should meet sufficiently regularly to discharge its duties.	The council met four times in 2022/23 and held the Annual Members' Meeting.
6: Comply or explain	A.5.2	The council of governors should not be so large as to be unwieldy.	The CoG has 22 constituencies, which is comparable to other similar trusts. 5 of these were vacant at year end.
6: Comply or explain	A.5.4	The roles and responsibilities of the council of governors should be set out in a written document.	This information is contained in the Trust's constitution. Governors receive an induction pack providing information about their role and an induction session.
6: Comply or explain	A.5.5	The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate.	Details of board member attendance included in Council of Governors' section.
6: Comply or explain	A.5.6	The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns.	The policy is that the CoG would take their concerns to the senior independent director.
6: Comply or explain	A.5.7	The council should ensure its interaction and relationship with the board of directors is appropriate and effective.	Board members regularly attend Council of Governors' meetings. The director of corporate affairs acts as a conduit for the bi-directional flow of clear and unambiguous information.

6: Comply or explain	A.5.8	The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board.	N/A
6: Comply or explain	A.5.9	The council should receive and consider other appropriate information required to enable it to discharge its duties.	The Council of Governors receive reports summarising the work of the Board and its committees with Board members attending to present information and answer questions.
6: Comply or explain	B.1.2	At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.	Details of Board members included in the annual report.
6: Comply or explain	B.1.3	No individual should hold, at the same time, positions of director and governor of any NHS foundation trust.	No individuals are both a director and a governor of the NHS foundation trust.
6: Comply or explain	B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors.	The Governors' Nominations Committee and the NEDs Remuneration & Appointment Committee give consideration to succession planning, taking into account the future challenges, risks and opportunities facing the Trust and the skills and expertise required within the board of directors to meet them.
6: Comply or explain	B.2.2	Directors on the board of directors and governors on the council should meet the "fit and proper" persons test described in the provider licence.	All Board members undertake an annual fit and proper person self-certification in order to confirm their compliance with the regulations, and Governors meet the test laid out in the licence.
6: Comply or explain	B.2.3	The nominations committee(s) should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate.	The Nominations Committee considers succession planning, taking into account the future challenges, risks and opportunities facing the Trust and the skills and expertise

			required within the board of directors to meet them.
6: Comply or explain	B.2.4	The chairperson or an independent non-executive director should chair the nominations committee(s).	The Trust's chair is chair of the nomination committee.
6: Comply or explain	B.2.5	The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and nonexecutive directors.	The Nominations Committee and CoG have an agreed process for the nomination of a new chair and other NEDs. Recommendations made by the Nominations Committee are considered for approval by the CoG.
6: Comply or explain	B.5.2	The board, and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.	The Board of Directors is at liberty and encouraged to challenge assurances received from the executive management and may request and are provided with any additional relevant information or the assistance of external assurance.
6: Comply or explain	B.5.3	The board should ensure that directors, especially nonexecutive directors, have access to the independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.	All directors are aware that professional advice can be procured to support the delivery of their role. This is referenced in the terms of reference for the Board's committees.
6: Comply or explain	B.5.4	Committees should be provided with sufficient resources to undertake their duties.	Committees are structured and have annual work plans that are resourced. The Board of Directors and Council of Governors supported by the director of corporate affairs, trust secretary and PA team.

6: Comply or explain	B.6.3	The senior independent director should lead the performance evaluation of the chairperson.	The SID leads the performance evaluation of the chair in accordance with framework for conducting annual appraisals of NHS provider chairs issued by NHSE. A Board evaluation policy was approved by the Board, Nominations Committee, and Council of Governors in March – April 2023, which will further support the appraisal process.
6: Comply or explain	B.6.4	The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.	The chair uses the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members. The Board has a collective development programme which is reviewed annually.
6: Comply or explain	B.6.5	Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	The Council periodically assesses its collective performance. This has not been undertaken in 2022/23 but will be progressed including work to strengthen communication and engagement with members during 2023/24.
6: Comply or explain	B.6.6	There should be a clear policy and a fair process, agreed and adopted by the council, for the 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.	The constitution sets out the arrangements for the removal of a Governor from the Council. (Annex 5)
6: Comply or explain	B.8.1	The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material	No Executive Directors left in year.

		reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.	
6: Comply or explain	C.1.2	The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary. See also ARM paragraph 2.12.	Included in annual report. The statement of going concern is approved annually by the Audit Committee
6: Comply or explain	C.1.3	At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.	Included in the annual report and the annual operational plan required by NHS England.
6: Comply or explain	C.1.4	a) The board of directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust. b) The board of directors must notify NHS Improvement and the council of governors without delay	Compliant. There has been nothing to report.

		and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in: • the NHS foundation trust's financial condition. • the performance of its business; and/or • the NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust.	
6: Comply or explain	C.3.1	The board should establish an audit committee composed of at least three members who are all independent non-executive directors.	The Trust has an appropriately constituted audit committee.
6: Comply or explain	C.3.3	The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.	The Council of Governors approved the appointment of external auditors from 2020/21 for a period of three years. The option to extend the contract for a further two years was approved by the Council of Governors in February 2023.
6: Comply or explain	C.3.6	The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust.	Azets Audit Services appointed for a period of 3 years with an option to extend for a further two years. This extension for a further year was approved by the Council of Governors in February 2023.
6: Comply or explain	C.3.7	When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to NHS Improvement	N/A

		informing it of the reasons behind the decision.	
6: Comply or explain	C.3.8	The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.	The Trust has robust policies and procedure in place which informs staff how to raise a concern, how their concern would be dealt with and how they would be protected and supported. This includes the freedom to speak up policy and counter fraud arrangements. Regular updates are provided by the freedom to speak up guardian to the Board of Directors.
6: Comply or explain	D.1.1	Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels.	The Trust does not have a performance related payment policy for its executive directors.
6: Comply or explain	D.1.2	Levels of remuneration for the chairperson and other nonexecutive directors should reflect the time commitment and responsibilities of their roles.	Levels of remuneration for the chairperson and other non-executive directors reflect the time commitment and responsibilities of their roles and are accordance with NHSEI framework for NHS provider chairs and non-executive directors.
6: Comply or explain	D.1.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.	The Remuneration Committee decides, and keeps under review, the terms and conditions of office of the Trust's executive and corporate directors including pensions and compensation payments.
6: Comply or explain	D.2.2	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.	The Remuneration Committee has delegated responsibility for deciding and keep under review the terms and conditions of office of the Trust's executive directors.

6: Comply or explain	D.2.3	The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	Remuneration of the Chair and other NEDs was aligned with the national framework for NHS provider chairs and non-executive directors. Further review of this will take place if that framework changes.
6: Comply or explain	E.1.2	The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	This is laid out in the patient experience strategy as approved by the Board, and in the membership strategy as approved by the Council of Govenors.
6: Comply or explain	E.1.3	The chairperson should ensure that the views of governors and members are communicated to the board as a whole.	The chair of the board is also the chair of the CoG and ensures that the views of Governors and members are communicated to the Board via a Chair's update.
6: Comply or explain	E.2.1	The board should be clear as to the specific third-party bodies in relation to which the NHS foundation trust has a duty to cooperate.	The Board is clear as to the specific third-party bodies in relation to which the Trust has a duty to co-operate and is also clear of the form and scope of the co-operation required with each of these third-party bodies. The Board is committed to working effectively with partners and stakeholders and this is reflected in the Trust's strategic aims.
6: Comply or explain	E.2.2	The board should ensure that effective mechanisms are in place to co-operate with relevant third-party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	The Board has ensured that effective mechanisms are in place to co-operate with relevant third-party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.

NHS System Oversight Framework

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

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

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

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

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

Segmentation

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

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

This segmentation information is the Trust's position as at 31st March 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/.

Finance and Use of Resources

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

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

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

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

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

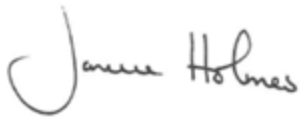
- observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS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

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

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

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

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



Janelle Holmes
Chief Executive **Date: 14th June 2023**

1. Scope of responsibility

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

2. The purpose of the system of internal control

2.1 The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Wirral University Teaching Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wirral University Teaching Hospital NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

3.1 The Board of Directors is responsible for the governance of the Trust. The Board of Directors is supported in the discharge of its role by a number of assurance committees that scrutinise and review assurances on internal control.

3.2 Responsibility and leadership are delegated through directors in accordance with the Trust's Scheme of Reservation and Delegation. This covers all aspects of governance relating to our service delivery including quality governance, clinical care, CQC and other regulatory and statutory requirements, finance and health and safety. The medical director has delegated responsibility from the chief executive for the executive leadership of risk in the Trust and is responsible for devising, implementing and embedding all risk processes throughout the organisation.

Risk management training

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

4. The risk and control framework

Risk management strategy

4.1 The Board of Directors recognises its responsibility to promote organisational success and to always keep risk under appropriate control. To achieve this, it is essential that we are systematic in our reporting, reviewing and learning from risk ensuring a culture of improvement. Central to this is the Trust's governance framework which describes the Trust's risk management arrangements to deliver continuous improvement in safety and quality.

4.2 The risk management framework provides a structure for the identification of risk and the co-ordination of the Trust's response. The Board approved the risk management strategy 2021-2024 in October 2021, with a subsequent review and approval in December 2022. The risk management strategy defines the risk framework and processes together with key responsibilities of the Board, its committees, individual executives and other staff. The risk management strategy is supported by the risk management policy. The policy is underpinned by several risk related policies and procedures which provide further information and guidance to staff on the management of risk.

4.3 The Trust also updated its Risk Management Strategy to include a revised risk scoring tool. The policy describes the process for managing risk and the roles and responsibilities of staff.

4.4 The Trust has an executive-led Risk Management Committee, chaired by the Medical Director, with membership including all executive directors and senior managers. The Risk Management Committee oversees the Trust's risk management arrangements to ensure:

- the correct strategy is adopted for managing risk
- controls are present and effective and
- action plans are robust for those risks that remain intolerant.

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

4.5 Risks are identified from many sources including risk assessments, incident reporting, audit data, complaints, legal claims, feedback from patients and external reports.

4.6 All new significant risks are escalated to me as chief executive and are subject to validation by the relevant executive director. The movement of risk is currently governed by the residual risk score (i.e., the net risk remaining after recognising the benefits of any mitigating controls).

4.7 The BAF provides assurance in relation to the delivery of the Trust's strategic objectives and mitigation of the principal risks. The BAF was reviewed during the last quarter of 2022, and a revised format was approved by the Board in April 2023.

4.8 The BAF is considered at a number of forums including the Risk Management Committee prior to consideration by the Board's assurance Committees and through to the Board of Directors.

4.9 The BAF reflects: (i) the risk scenarios identified by the Board; (ii) risk controls (iii) risk tolerance; (iv) gaps in controls (v) assurance on controls and any gaps and (vi) action plans to deliver.

4.10 The risk management process follows six steps:

(i) Determine priorities.
(ii) Risk identification.
(iii) Risk assessment.
(iv) Risk response (risk treatment).
(v) Risk reporting.
(vi) Risk review.

4.11 Operational risks are overseen within the divisional management structures and escalated in accordance with the risk management policy. Those responsible for managing risk regularly review the output from the risk register to ensure it remains valid, reflects changes and supports decision making. Risk profiles for the divisions have been subject to scrutiny as part of a rolling programme by the Risk Management Committee. The purpose of the review is to track how the risk profile is changing over time; evaluate the progress of actions to treat material risk; ensure controls are aligned to the risk; resources are reprioritised where necessary; and risk is escalated appropriately.

4.12 Detailed risk registers are in place. These set out the risk, risk treatment and further mitigating actions planned.

Quality governance framework

4.13 The key elements of the governance framework include:

- a devolved quality governance structure providing oversight.

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

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

Care Quality Commission

4.15 The Trust is fully compliant with the registration requirements of the CQC. The Trust reviewed and refreshed its Statement of Purpose during 2021/22 as part of the Trust's CQC registration process. Compliance data with the provisions of the Health & Social Care Act 2008 (Registration Regulations 2010) is co-ordinated by the deputy director of quality governance who oversees compliance by:

- reporting and keeping under review matters highlighted within the CQC Insight Tool and inspections.
- liaising with the CQC and local services to address specific concerns.
- engaging with the CQC on the inspection process, co-ordinating the Trust's response to inspections and recommendations/actions.
- analysing trends from incident reporting, complaints, and patient and staff surveys to detect potential non-compliance or concerns in services.
- reviewing assurances on the effective operation of controls.

4.16 Following a comprehensive inspection of services in 2019/20 the Trust demonstrated that progress has been made to achieve better compliance. The Trust remains at 'Requires Improvement' overall but improved in the well-led and safe domains.

4.17 The CQC undertook an unannounced inspection of urgent and emergency care and medical services in October 2021. Due to the inspection being limited to two services it did not

change the overall CQC rating for the Trust. The report confirmed improvements in many areas since the last inspection in 2019. The overall rating for medical services improved from requires improvement to good. The overall rating for urgent and emergency care services was maintained at requires improvement. A composite CQC action plan is in place incorporating the actions identified from the unannounced inspection of urgent and emergency care and medical services with outstanding actions from the inspection in 2019/20.

Data security

4.18 The Trust has identified and evaluated the risks associated with data security and has taken steps to enhance control and resilience following the standards required within the Data Security and Protection Toolkit. The Trust has well established Information Governance and Information Security policies and procedures to protect confidential information including a process to undertake Data Protection Impact Assessments to assess any risk to the processing of Personal Data. The Trust has in place a data quality strategy underpinned by a milestone plan. The objective of the data quality strategy is to build a data quality culture at the point that data is collected and recorded, with the goal of improving the quality of the information used to support clinical care and business processes. The strategy outlines a cultural change in relation to data quality with a focus on ensuring that all Trust staff are responsible and accountable for ensuring a high standard of data quality.

Major risks

4.19 Major risks to the delivery of the Trust's strategic objectives include failure to:

- Effectively manage demand, both unscheduled and scheduled, and meet constitutional standards which will adversely impact quality of care and patient experience.
- Recruit and retain staff which when considered alongside high sickness level will impact on quality of care and staff wellbeing.
- Deliver financial plan due to uncertainty re financial regime and ability to deliver sustainable cost improvements and productivity gains due to inability to embed service transformation.
- Deliver seamless care with our partners due to ongoing uncertainty re the infrastructure of system working resulting in change in strategic direction and uncertainty re Trust role in place governance.
- Deliver our digital ambition due to unsuccessful implementation of our electronic patient records and potential loss of clinical systems due to cyber-attack.
- Improve our infrastructure due to availability of capital funding with risk to business continuity and provision of clinical services due to critical infrastructure failure.

4.20 Controls and assurances which describe how the Trust manages and mitigates the risks to achievement of its strategic objectives are reported in the BAF which is monitored by the Board and its committees.

4.21 The Board has agreed a risk appetite statement, and reconfirmed that it remains fit for purpose in April 2023, which is contained within the risk management strategy 2021- 24.

4.22 The most significant clinical risks are caused by failure to treat patients in a timely manner due to demand exceeding available resources together with ability to recruit and retain skilled and experienced staff. The number of patients waiting for treatment has significantly increased as a direct result of the pandemic. We are continuing to prioritise the reduction in waiting lists whilst also ensuring health and wellbeing support for staff. The Trust's plan is in accordance with the NHS England Delivery Plan for Tackling the COVID-19 Backlog of Elective Care.

4.23 Embedding high standards of infection prevention and control has continued to be a priority in response to the government's plan COVID 19 response: Living with COVID 19 (May 2022). The Trust has consistently followed outbreak guidelines and incidents of nosocomial transmission have been reported, mitigations to manage the risk alongside the operational priorities have been enacted.

4.24 Areas of good practice, highlighted within the CQC infection, prevention and control focused inspection in February 2021, have continued to be built upon throughout this year; including an open culture, effective governance processes, use of reliable data and a clear understanding of the challenges and priorities for the Trust in relation to infection prevention and control. Consistent with the national and regional position the Trust has had a significant rise in reported *Clostridium difficile* infections (CDI). Taking a proactive approach and working collaboratively with system partners sustained improvement in the reduction of CDI has been achieved.

4.25 The Trust commissioned an independent developmental review of its leadership and governance arrangements using the well-led framework in December 2021 in accordance with NHS England and NHS Improvement's well-led framework, which is published at https://www.england.nhs.uk/well-led-framework. The final report was considered by the Board in March 2022. Work continued on the plan throughout the year, and all actions were marked as completed in March 2023.

Corporate governance

4.26 The Board maintains continuous oversight of the Trust's risk management arrangements and system of internal control through reporting to the Board, the Audit Committee, the Board's committees and the Trust Management Board.

4.27 An assessment of compliance with the NHS provider licence condition 4 has been completed confirming that no material risks have been identified. The conditions are detailed within the corporate governance statement, the validity of which has been assured by the Audit Committee in June 2023.

4.28 Enforcement undertakings under S106 Health & Social Care Act 2012 were originally applied to the Trust in August 2015. An additional licence condition under S111 Health & Social Care Act 2012 in relation to senior management and board leadership and capability was also imposed in August 2015. Both the undertakings and the additional licence condition related to the need to:

- secure delivery of services on a financially sustainable basis (FT4 (5)(a), (d) and (f) and CoS3(1)); and
- ensure compliance with the A&E four-hour target on a sustainable basis condition FT4 (5)(c).

4.29 Revised enforcement undertakings were issued by NHS Improvement in March 2018 and again in July 2020. The undertakings continue to relate to financial sustainability and sustainable performance against the A&E four-hour target. The Board of Directors formally endorsed the revised undertakings at the Board in August 2020. The Trust reports progress with the undertakings to NHSEI as required.

Workforce

4.30 The Trust is committed to ensuring that our patients receive the highest quality of care through ensuring that our staffing processes are safe, sustainable and effective. Systems and processes are in place to monitor staffing levels including responding to day-to-day issues with an escalation process in place to address issues which occur. A safe staffing report is discussed at each People Committee (formerly named the Workforce Assurance Committee). The report includes a dashboard providing a month-by-month review of a range of patient outcome measures, workforce data including progress with international recruitment, care hours per patient day (CHPPD) data, 'red flags' and patient experience metrics. Any known risk is highlighted along with mitigations and plans to enhance staffing assurances moving forward.

4.31 An integrated performance report is discussed at each Board of Directors' meeting held in public. The report contains a range of performance indicators in each CQC domain supported by exception reporting and SPC charts. In addition, an assurance report is provided to the Board by the chair of the People Committee. The Trust has experienced challenges in relation to staff retention and sickness absence, alongside the on-going challenge of Industrial Action.

4.32 The Trust has robust processes to determine and monitor nurse staffing levels. Establishment reviews have taken place bi-annually using approved Shelford acuity and dependency-based tool where available to determine nurse staffing levels. The process

enables staffing data to be triangulated against a range of data including quality KPIs, patient experience, incidents / serious incidents, operational requirements, environmental factors, and skill mix. Any changes to the nursing establishment are approved by the Chief Nurse / Executive Director for Midwifery and the Medical Director.

4.33 Workforce governance systems are continually reviewed and strengthened to ensure the Trust's compliance with legislative requirements and to enable oversight of the Trust's short, medium and long-term workforce strategies.

Register of Interests

4.34 The Trust has in place a Managing Conflicts of Interests policy, the content of which is consistent with national guidance on conflict of interests published by NHS England. This was reviewed and re-approved by the Board in October 2022. The Trust has an electronic process for recording declarations of interest, including gifts and hospitality, for senior decision-making staff. The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS guidance.

Pensions

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

Equality, diversity and human rights

4.36 Control measures are in place to ensure that all the Trust's obligations under equality, diversity and human rights legislation are complied with. Diversity and inclusion training is mandatory for all staff. Additional steps have been taken to ensure focus on specific areas of the public sector equality duty; with particular attention on fostering good relations and advancing equality of opportunity between people who share a protected characteristic and those who do not. Further detail can be found in the performance and staff sections of the report.

4.37 The Trust diversity and inclusion strategy 2018-2022 was successfully delivered and signed off in September 2022. All further strategic objectives pertaining to Equality, Diversity &

Inclusion (EDI) are incorporated into the Trust's People Strategy. Further to this an Equality, Diversity & Inclusion strategic commitment was developed in collaboration with staff networks and the Trust EDI Steering group that sets out how the People Strategy will ensure the EDI agenda is embedded throughout all our people practices. The EDI Strategic Commitment was approved by Trust Board in December 2022 and has been used to develop the People Strategy Delivery Plan for 2023/24.

4.38 The Trust has integrated inclusivity as a core component of the People Strategy in line with the NHS People Plan. This includes working with staff and community stakeholders to review performance and identify further areas of improvement. The Trust undertook a self-assessment against the Equality Delivery Systems 2022 and submitted its assessment and plans on 28th February 2023. The Trust remains compliant with all regulatory requirements for Equality, Diversity & Inclusion.

Carbon reduction

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

4.40 In 2022/23, the trust established a Sustainability team and recruited the Head of Sustainability and Net Zero Carbon Management to a permanent post. This role is responsible for the delivery of the Green Plan and to facilitate a route to net-zero carbon emissions.

4.41 Governance of the delivery of the Green Plan is conducted through the Trust's Sustainable Development Group, with the Green Plan actions used as a tool for performance measurement. Practical delivery of the action plan is managed by 'Area of Focus' leads, supported by the Head of Sustainability, with practical implementation and emphasis of holistic ownership throughout the organisation and at all levels through the Green Champions Network.

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

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

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

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

6. Information governance

6.1 The table below shows data breaches that were reported to the Information Commissioner's Office (ICO) and NHS England (previously to NHS Digital) via the DSP Toolkit during 2022/23.

ICO Number	Date	Incident Details
IC-171328-D8G0	May 2022	Confidentiality breach by an NHSP worker who disclosed sensitive medical information to the partner of a patient via social media messenger. **Status:** No further action.
IC-174069-T0Q9	June 2022	A staff member looked up the care home address of an estranged relative and passed it on to her son. Allegations that the son has possibly stolen money from the relative in the past. **Status:** No further action.
IC-180898-Z4B8	July 2022	A copy of a deceased patient's casenotes were sent to the incorrect applicant. The Data Protection Act does not apply to deceased individuals however for full transparency the decision was taken to report. **Status:** No further action.
IC-215176-P5F5	February 2023	A Patient letter was sent in error to a previous temporary address due to a national IT system issue. **Status:** No further action.

6.2 The Trust has access controls, Firewalls, antivirus software, and a host of other systems in place to minimise the risk of cyber-attack, as well as a robust staff awareness programme

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

6.3 The Trust has a data protection officer overseeing data protection Impact assessments and giving lawful advice and guidance on issues associated with the eight rights of access. We have continued to embed the legal requirement for data protection impact assessments into the Trust's information sharing and information risk processes and strengthening data security awareness through continued education and awareness.

7. **Data quality and governance**

7.1 Internal controls are in place to ensure the accuracy of data and the collection and reporting of the measures of performance.

7.2 Mandatory training is provided to raise awareness of Information Governance and control with employees.

7.3 Regular internal reports are provided to the Data Quality Group on errors and corrections to patient records logged by the data quality team. Frequency of errors and trends over time are tracked, with direct feedback to departmental managers in relation to repeated errors or concerns

7.4 The quality and accuracy of elective waiting time data is subject to validation at patient level. A live tracking system on referral to treatment and cancer is in place that is overseen by the business improvement team after every clinical episode, to ensure scrutiny is equally applied all patients waiting for treatment and adherence to the national waiting time standards. Once validation is completed Trust level performance is signed off by the executive.

7.5 A rolling monthly audit on referral to treatment and cancer 62-day patients that are treated within the national waiting time standards is undertaken by the data quality team, to ensure scrutiny is equally applied to non-breaching patients and their waiting times.

8. Review of effectiveness

8.1 As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditor in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit and Risk Committee, Quality Committee and Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

8.2 The governance structure aligns the Trust's quality, risk and performance management arrangements. Committees, sub committees, groups and individuals have defined responsibilities to ensure delivery of the Trust's objectives through compliance with performance and quality indicators and monitoring of associated risks. The Board of Directors receives assurance from its committees and the Trust Management Board.

8.3 The Board of Directors has set out the governance arrangements including the committee structure within the scheme of reservation and delegation. The Board is supported by seven committees:

- Audit and Risk
- Finance Business and Performance
- Quality
- People
- Research and Innovation
- Remuneration & Appointment
- Estates and Capital

8.4 In addition, the Chairs of the Board's committees report to the Board of Directors at the first available meeting after each committee meeting. Urgent matters are escalated by the committee chair to the Board of Directors as deemed appropriate.

8.5 The Trust reviewed its governance arrangements during the year to ensure that they were fit for purpose and enable appropriate oversight and control whilst reflecting the unprecedented demand on the Trust. This resulted in the re-naming of some Committees, a review of membership and delegated responsibilities, and the establishment of a Research and Innovation Committee.

8.6 Recovery from the pandemic and the unprecedented demands on the NHS have put strain on the organisation. The Board of Directors has continued to discharge it responsibilities and progress continues to be made to strengthen the Board, improve CQC compliance and build more productive stakeholder relationships. The Board of Directors understands the challenges relating to financial sustainability and managing demand more effectively. These challenges are now more acute with the impact of the pandemic with prolonged waits for treatment and inequalities in health and social care. These priorities are embedded in our organisational objectives for the year ahead.

8.7 The Trust's system of control is designed to identify principal risks to the achievement of policies, aims and objectives. This has been further strengthened this year by a revised approach for the BAF and strengthened risk management framework. As with all internal control systems they are designed to manage rather than eliminate the risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness against material mis-statement or loss.

8.8 In 21/22 The Committee was made aware of issues relating to estates and compliance with statutory responsibilities which directly stemmed from a failure of the control environment. An external assurance review was commissioned which identified a number of risks. Immediate steps were taken to address high risk recommendations, including identification of statutory compliance roles and a risk register review to provide assurance in relation to HTM guidance and compliance with Health and Safety standards. A review of progress with the improvement plan was undertaken by internal audit with progress reported to the Audit Committee. Since the publishing of last year's report the actions and improvements have been addressed and closed in accordance with Trust Governance. Improvements to reporting have been implemented to demonstrate the levels of compliance across Estates.

8.9 The Audit Committee is not aware of any other material issues regarding fundamental failures which directly stem from a failure of the control environment or internal controls which comprise that environment.

8.10 The Board of Directors met 10 times between 1 April 2022 and 31 March 2023. Details about Board Members and changes to Board membership during the year can be found in the Directors' Report and the Remuneration Report.

8.11 The responsibilities of Directors are reviewed through individual performance review process.

8.12 The responsibilities of the Board of Directors' assurance committees and the executive led management meetings are defined in the terms of reference which are subject to review.

8.13 The Trust undertakes an annual assessment of all directors to ensure that they continue to meet the requirement of the fit and proper persons regulation. This is in addition to checks undertaken during the appointment process.

8.14 In 2022/23 the head of internal audit opinion provided substantial assurance that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

8.15 The internal audit plan focused on the Trust's assurance framework, core and mandated reviews including follow up and a range of individual risk-based assurance reviews.

8.16 The assurance framework was externally validated by the Trust's internal auditors in 2022/23. The head of internal audit opinion provided assurance that the assurance framework is structured to meet the NHS requirements, that there could be greater visibility of the use of the assurance framework by the Board and that it clearly reflects the risks discussed by the Board.

8.17 During 2022/23, 14 internal audits were undertaken. 7 received 'substantial assurance', and five 'moderate assurance' opinions were received. There were no 'high', 'limited', or 'no assurance' opinions. 2 advisory reviews were undertaken and therefore did not receive an assurance rating.

High assurance	None
Substantial assurance	Data Quality review Recruitment Waiting List Management WISE Ward Accreditation Risk Management Review (2021/22) Risk Management – Core Controls Data Security and Protection Toolkit (2021/22) - Assessment of Self-Assessment
Moderate Assurance	ESR/HR Payroll Controls Sickness Absence Review Waiting List Initiatives Data Quality – Tissue Viability (2021/22) Data Security and Protection Toolkit (2021/22) - Assessment against national data guarding standards
Limited Assurance	None
No Assurance	None
Review without an assurance rating	HfMA Improving NHS Financial Sustainability review Assurance Framework

8.18 On each occasion when an internal audit is drafted, recommendations or actions are proposed by the internal auditors to management. These are formalised and captured. Progress with implementation of the audit recommendations is reported to the Audit Committee ensuring Executive input, scrutiny of findings and oversight of the management response. During the year follow up reviews have been undertaken. It is noted that good progress has been with regard to the implementation of recommendations and this will continue to be a priority as we move into 2023/24.

8.19 Reported incidents, complaints, claims and patient feedback are routinely analysed to identify risks, learning and improvement to support robust internal control. Lessons learnt are disseminated to staff using a variety of methods including safety huddles and safety bulletins. The Trust continues to evolve the mechanisms used for triangulation of feedback, safety data and intelligence to support continuous improvement.

8.20 There were 48 incidents that crossed the seriousness threshold and were declared a serious incident in accordance with NHS England's Serious Incident Framework. The Trust continues to be open and transparent in relation to all known incidents including those that result in significant harm. The Trust has a well-established serious incident panel with strong clinical engagement. Each serious incident has been thoroughly investigated and reported to local commissioners. Detailed action plans were developed and implemented or are being implemented.

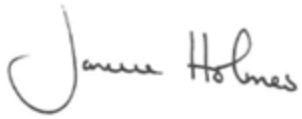
8.21 Two incidents qualified for reporting as a never events during 2022/23.

8.22 There were a total of 24 incidents in 2022-23 (19 in 2021-22) that met the criteria for reporting to the Health & Safety Executive under the provisions of the Reporting of Injuries, Diseases or Dangerous Occurrences (RIDDOR) Regulations. The health and safety management systems within the Trust continue to be strengthened supported by the transfer of the Trust Health and Safety Team to the Estates, Facilities and Capital Division in December 2022. The H&S Team priorities moving forward into 2023-24 are to continue to improve H&S compliance and understanding throughout the Trust by ensuring appropriate policies and processes are in place, ongoing support to staff through the delivery of the ongoing programme of training and audit programme including a Trust wide Health and Safety Awareness week, focused Health and Safety Champions training and improved sharing of learning across the Trust.

9. Conclusion

9.1 My review confirms that Wirral University Teaching Hospital NHS Foundation Trust has generally sound systems of internal control that support the achievement of its objectives and the head of internal audit opinion has provided significant assurance that there is a good system of internal control. However, there are some areas, as referenced at para 4.19 of this statement, which put the achievement of some of the Trust's objectives at risk. Action plans have been prepared to address these issues and the Board is confident that there is a robust system in place to oversee the implementation of these actions.

9.2 No significant internal control issues have been identified during the year ending 31 March 2023 and up to the date of approval of the annual report and accounts.



Janelle Holmes
Chief Executive **Date: 14th June 2023**

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

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Wirral University Teaching Hospital NHS Foundation Trust (the 'Trust') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom', as required by the Code of Audit Practice ("the Code of Audit Practice") approved by the Comptroller and Auditor General Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- The parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with the requirements set out in the NHS foundation trust annual reporting manual 2022/23; and
- Based on the work undertaken in the course of the audit of the financial statements, the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Under the Code of Audit Practice, we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2022/23 or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

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

Responsibilities of the Accounting Officer

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services and functions to another public sector entity. The Accounting Officer is required to comply with the requirements set out in the Department of Health and Social Care Group Accounting Manual 2022-23.

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. his description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

We obtain and update our understanding of the Trust, its activities, control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Trust is complying with that framework. We determined that the most significant legal and regulatory frameworks that are applicable to the Trust, which are directly linked to specific assertions in the financial statements, are those related to the financial reporting frameworks. These include the National Health Service Act 2006 and international accounting standards, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Trust that were contrary to applicable laws and regulations, including fraud.

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

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

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

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

Report on other legal and regulatory matters

Reports in the public interest or to the regulator

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006, because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

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

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in this respect.

Responsibilities of the Accounting Officer

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

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

We are required under 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 . We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

Certificate of completion of the audit

We certify that we have completed the audit of Wirral University Teaching Hospital NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Brown

Digitally signed by Chris Brown
DN: cn=Chris Brown, c=GB, o=Azets, email=chris.brown@azets.co.uk
Reason: I agree to the terms defined by the placement of my signature on this document
Date: 2023.06.23 15:47:36 +01'00'

Chris Brown, Key Audit Partner

for and on behalf of Azets Audit Services, Local Auditor
Edinburgh

23 June 2023

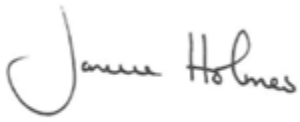
Wirral University Teaching Hospital NHS Foundation Trust

Annual accounts for the year ended 31 March 2023

Foreword to the accounts

These accounts, for the year ended 31 March 2023, have been prepared by Wirral University Teaching Hospital NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed



Name: Janelle Holmes
Job Title: Chief Executive Officer
Date: 14th June 2023

Statement of Comprehensive Income

	Note	2022/23 £000	2021/22 £000
Other income from patient care activities	2	445,814	421,460
Other operating income	3	43,735	41,651
Operating expenses	6	(494,859)	(458,044)
Operating surplus/(deficit) from continuing operations		**(5,310)**	**5,067**
Finance income	9	515	36
Finance expenses	10	(226)	(352)
PDC dividends payable		(5,144)	(4,471)
Net finance costs		**(4,855)**	**(4,787)**
Other gains / (losses)	11	(208)	(244)
Surplus/(deficit) for the year		**(10,373)**	**36**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(2,241)	7,783
Revaluations		-	128
Total comprehensive income / (expense) for the period		**(12,614)**	**7,947**

The notes on pages 7 to 42 form part of these accounts.

All income and expenditure is derived from continuing operations.

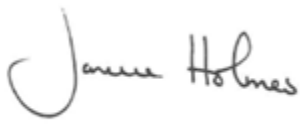
Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	12	14,851	14,872
Property, plant, and equipment	13	212,734	187,351
Right of use assets	14	6,742	-
Receivables	19	1,894	2,354
Total non-current assets		**236,221**	**204,577**
Current assets			
Inventories	18	4,888	4,924
Receivables	19	30,991	19,902
Cash and cash equivalents	20	24,338	36,436
Total current assets		**60,217**	**61,262**
Current liabilities			
Trade and other payables	21	(73,263)	(60,592)
Borrowings	23	(1,949)	(1,022)
Provisions	24	(2,907)	(6,984)
Other liabilities	22	(9,710)	(10,702)
Total current liabilities		**(87,829)**	**(79,300)**
Total assets less current liabilities		**208,609**	**186,539**
Non-current liabilities			
Borrowings	23	(8,990)	(4,177)
Provisions	24	(7,152)	(8,577)
Other liabilities	22	(2,262)	(2,371)
		(18,404)	**(15,125)**
Total Assets Employed		**190,205**	**171,414**
Financed by			
Public dividend capital		217,851	186,446
Revaluation reserve		46,223	48,465
Income and expenditure reserve		(73,869)	(63,497)
Total taxpayers' equity		**190,205**	**171,414**

The notes on pages 7 to 42 form part of these accounts.

The primary financial statements on pages 3 to 6 and the notes on pages 7 to 42 were approved by the Trust's Board of Directors on 14th June 2023 and signed on its behalf by Janelle Holmes, Chief Executive Officer.

Signed



Janelle Holmes
Chief Executive Officer

14th June 2023

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

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**186,446**	**48,464**	**(63,496)**	**171,414**
Surplus/(deficit) for the year	-	-	(10,373)	(10,373)
Net impairments	-	(2,241)	-	2,241
Public dividend capital received	31,405	-	-	31,405
Taxpayers' and others' equity at 31 March 2023	**217,851**	**46,223**	**(73,869)**	**190,205**

Statement of Changes in Equity for the year ended 31 March 2022

Taxpayers' and others' equity at 1 April 2021 - brought forward	**171,122**	**41,241**	**(64,220)**	**148,143**
Surplus/(deficit) for the year	-	-	36	36
Transfers between reserves	-	(687)	687	-
Impairments	-	7,783	-	7,783
Revaluations	-	128	-	128
Transfers to retained earnings on disposal of assets		(1)	1	
Public dividend capital received	15,324	-	-	15,324
Taxpayers' and others' equity at 31 March 2022	**186,446**	**48,464**	**(63,496)**	**171,414**

Information on reserves

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

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

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

Statement of Cash Flows

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(5,310)	5,067
Non-cash income and expense:			
Depreciation and amortisation	6.1	13,368	11,226
Net impairments	7	3,593	(387)
Income recognised in respect of capital donations	3.1	(445)	(492)
Amortisation of PFI deferred income/credit		(109)	(109)
(Increase) / decrease in receivables and other assets		(10,599)	(4,482)
(Increase) / decrease in inventories		36	(136)
Increase / (decrease) in payables and other liabilities		6,092	12,472
Increase / (decrease) in provisions		(5,540)	838
Other movements in operating cash flows		-	(2)
Net cash flows from / (used in) operating activities		**1,086**	**23,995**
Cash flows from investing activities			
Interest received		535	16
Purchase of intangible assets		(1,764)	(3,258)
Purchase of PPE and investment property		(36,196)	(16,355)
Proceeds from sale of property, plant and equipment		-	59
Receipt of cash donations to purchase assets		445	492
Net cash flows from / (used in) investing activities		**(36,980)**	**(19,046)**
Cash flows from financing activities			
Public dividend capital received		31,405	15,324
Movement on loans from DHSC		(1,015)	(1,015)
Capital element of lease liability repayments		(958)	(66)
Interest on loans		(188)	(200)
Interest element of lease liability repayment		-	(3)
PDC dividend (paid) / refunded		(5,448)	(3,846)
Net cash flows from / (used in) financing activities		**23,796**	**10,194**
Increase / (decrease) in cash and cash equivalents		**(12,098)**	**15,143**
Cash and cash equivalents at 1 April - brought forward		**36,436**	**21,293**
Cash and cash equivalents at 31 March	20.1	**24,338**	**36,436**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

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

After making enquiries, the directors have a reasonable expectation that the services provided by the Wirral University Hospital NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Note 1.3 Consolidation

NHS Charitable Fund

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

The charitable fund's statutory accounts are prepared to 31 March 2023 in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102, and does not consider these to be material to the Trust. Consequently, consolidated financial statements, incorporating the accounts of both the Trust and the Charity ('group accounts') have not been prepared for the year ended 31 March 2023.

Joint Operations

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

Note 1.4 Revenue from contracts with customers

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

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead, they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Sale of Assets

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.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

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. 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.

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost

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

Measurement

Valuation

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

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

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

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

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

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

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

Depreciation

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

Property, plant, and equipment which have been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

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

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

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

Impairments

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

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

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

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

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

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

Donated and grant funded assets

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

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

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

Private Finance Initiative (PFI) transactions

Certain PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

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 22, a deferred income balance has been created which is released each year as income which offsets, but does not necessarily match, the straight-line depreciation charge incurred over the asset's useful economic life.

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	1	80
Dwellings	1	41
Plant & machinery	1	28
Transport equipment	1	10
Information technology	1	21
Furniture & fittings	1	13

Note 1.9 Intangible assets

Recognition

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

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

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

Software

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

Measurement

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

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Intangible assets - internally generated		
Information technology	2	3
Intangible assets - purchased		
Software	2	21
Other	2	21

Note 1.10 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.

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

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

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

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

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

The term 'impairment' refers both to the permanent 'write-off' of a debt, and the creation of a 'loss allowance' balance for a debt or group of debts. Other than ICR receivables (Injury Cost Recovery (ICR) income), the only financial assets impaired by the Trust, in this and the previous year, have been trade receivables.

The ICR allowance is calculated at a rate of 23.76% (23.76% 2021/22), and this percentage reflects the average value of claims withdrawn as advised to DHSC by the Compensation Recovery Unit (CRU) of the Department for Work and Pensions. This percentage is updated by the CRU and reflects expected rates of collection across the NHS.

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

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

De-recognition

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

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

Note 1.13 Leases

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

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

The Trust as lessee

Initial recognition and measurement

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

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

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

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

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

Subsequent measurement

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

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

The Trust as lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

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

Finance leases

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

Operating leases

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

Initial application of IFRS 16

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

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

The Trust as lessee

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

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

The Trust as lessor

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

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight-line basis.

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2023:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
Very long-term	Exceeding 40 years	3.00%	0.66%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2023:

	Inflation rate	Prior year rate
Year 1	7.40%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 25 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets but are disclosed in note 25 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 25, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.16 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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

Note 1.17 Value added tax

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

Note 1.18 Climate change levy

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

Note 1.19 Foreign exchange

The functional and presentational currency of the Trust is sterling.

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

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

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

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

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

Note 1.20 Third party assets

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

Note 1.21 Losses and special payments

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

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

Note 1.22 Gifts

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

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

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

- IFRS17 Insurance Contracts – Application required for accounting periods beginning of or after 1 January 2023. The Standard is not yet adopted by the FReM which is expected to be from April 2025. Early adoption is not permitted.

Note 1.24 Critical judgements in applying accounting policies

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

Segmental reporting

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

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

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

Interests in other entities and joint arrangements

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

The Trust has assessed its existing contracts and collaborative arrangements for 2022/23 and has determined that the only arrangements which would fall within the scope of IFRS 10, IFRS 11 Joint Arrangements or IFRS 12 Disclosure of Interests in Other Entities, are the Trust's subsidiary charity and its joint operations (Note 17).

Consolidation

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

The Trust has reviewed the value of the Charity's fund balances at 31 March 2023 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 2023.

'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 1.7 Private Finance Initiative (PFI) transactions and service concessions and Note 21 to the accounts.

Note 1.25 Sources of estimation uncertainty

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

Asset valuation, lives and depreciation

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

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

Additionally, the valuation of buildings requires decisions as to whether assets or groups of assets are specialised or non-specialised, which can lead to significantly different valuations, as described under 1.8 Property, plant and equipment.

Asset valuation and lives

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

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

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

The total balance of intangible and tangible fixed assets as at 31 March 2023 is £234m (31 March 2022 £202m), of which £153m relates to estate assets. The Arrowe Park Hospital site is valued at £114m and whilst operationally inseparable the remaining lives of significant elements of the site have been assessed in the range of 22 to 41 years. The Clatterbridge Hospital site is valued at £38m and whilst operationally inseparable the remaining lives of significant elements of the site have been assessed in the range of 8 to 50 years.

Provisions

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

Inventory balances

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

Note 2 Operating income from patient care activities

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

Note 2.1 Income from patient care activities (by nature)

	2022/23 £000	2021/22 £000
Aligned payment & incentive (API)/system block income	369,855	357,354
High-cost drugs income from commissioners	19,626	19,033
Other NHS clinical income	19,166	11,417
Private patient income	179	289
Elective Recovery Fund	10,794	17,668
Agenda for change pay offer central funding*	11,364	-
Additional pension contribution central funding**	12,109	11,192
Other clinical income	2,721	4,507
	445,814	**421,460**

*****In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20 and continuing throughout 2022/23, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 2.2 Income from patient care activities (by source)

	2022/23 £000	2021/22 £000
NHS England	63,139	46,845
Clinical Commissioning Groups*	92,327	368,823
Integrated Care Boards	286,465	-
NHS Foundation Trusts	880	996
Local Authorities	649	1,058
Department of Health and Social Care	22	1
Non-NHS Private Patients	179	220
Non-NHS: Overseas patients (chargeable to patient)	10	15
Injury cost recovery scheme	882	562
Non-NHS: Other	1,261	2,940
	445,814	**421,460**
Of which relates to continuing operations	**445,814**	**421,460**

*Clinical commissioning groups were established as part of the Health and Social Care Act in 2012 and replaced primary care trusts on 1 April 2013. On 1 July 2022, integrated care systems (ICSs) became legally established through the Health and Care Act 2022, and CCGs were closed down.

Note 2.3 Income from activities arising from commissioner requested services

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

	2022/23 £000	2021/22 £000
Income from services designated as commissioner requested services	361,634	336,191
Income from services not designated as commissioner requested services	84,180	85,269
	445,814	**421,460**

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

	2022/23 £000	2021/22 £000
Income recognised in year	10	15
Cash payments received in year (relating to invoices raised in current and previous years)	6	7
Amounts written off in year (relating to invoices in current and previous years)	8	-

Note 3.1 Other operating income

	2022/23 £000	2021/22 £000
Recognised in accordance with IFRS15:		
Research and development	506	552
Education and training	12,113	11,751
Non-patient care activities to other bodies	17,753	13,563
Reimbursement and top-up funding	1,629	4,336
Income in respect of employee benefits accounted on a gross basis	2,536	3,503
Other	7,016	5,011
Recognised in accordance with other standards:		
Education and training	514	660
Donated equipment from DHSC for COVID response (non-cash)	-	84
Cash donations for the purchase of capital assets	445	95
Charitable and other contributions to expenditure – received from NHS Charities	166	14
Cash grants for the purchase of capital assets – received from other bodies	-	299
Charitable and other contributions received from other bodies	-	222
Contributions to expenditure – consumables (inventory) donated from DHSC group bodies for COVID response	800	1,304
Rental revenue from operating leases	148	148
Amortisation of PFI deferred income / credits	109	109
Total other operating income	**43,735**	**41,651**

Note 3.2 Analysis of other income

	2022/23 £000	2021/22 £000
Car parking income*	834	431
Catering	1,357	939
Pharmacy sales	2,643	1,701
Staff accommodation rental	136	144
Other income not already covered (recognised under IFRS15)	2,046	1,796
Total other income	**7,016**	**5,011**

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

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

	2022/23 £000	2021/22 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous year end	4,060	1,238

Note 5 Fees and charges

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

	2022/23 £000	2021/22 £000
Income	2,191	1,370
Full cost	(2,227)	(1,923)
Surplus/deficit	**(36)**	**(553)**

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

Note 6.1 Operating expenditure

	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS and DHSC bodies	9,778	11,732
Purchase of healthcare from non-NHS and non-DHSC bodies	6,261	2,900
Staff and executive directors' costs	345,784	312,684
Remuneration of non-executive directors	142	139
Supplies and services - clinical (excluding drugs costs)	38,644	39,505
Supplies and services - clinical: utilisation of consumables donated from DHSC group bodies for COVID response	828	1,634
Supplies and services - general	5,956	4,598
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	28,919	27,777
Inventories written down	328	202
Consultancy costs	513	605
Establishment	2,892	3,282
Premises [1]	21,884	18,241
Transport (including patient travel)	1,202	1,111
Depreciation on property, plant and equipment	11,583	9,969
Amortisation of intangible assets	1,785	1,257
Net impairments	3,593	(387)
Movement in credit loss allowance: contract receivables / contract assets	56	(83)
Provisions arising/released in year	(2,909)	1,953
Change in provisions discount rate	(116)	183
Audit fees payable to the external auditor:		
audit services- statutory audit [2]	145	148
Internal audit costs	113	123
Clinical negligence [3]	12,214	13,467
Legal fees	387	610
Insurance	573	504
Research and development	-	17
Education and training	1,480	1,446
Operating lease expenditure	570	1,621
Other [4]	2,254	2,806
Total	**494,859**	**458,044**

Note 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2021/22: £1m).

[1] Premises costs in 2022/23 included £1.4m relating to recognition of future contractual obligations from the operation of two accommodation blocks on the Arrowe Park hospital site.

[2] External audit fees in both 21/22 and 22/23 includes VAT.

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

[4] Other expenditure of £2.254m (£2.8m 2021/22) includes IT contracts, professional fees and other miscellaneous expenditure.

Note 7 Impairment of assets

	2022/23 £000	2021/22 £000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Changes in market price	3,593	(387)
Total net impairments charged to operating surplus/deficit	**3,593**	**(387)**
Impairments/(reversals) charged to the revaluation reserve	2,241	(7,783)
Total net impairments	**5,834**	**(8,170)**

In 2022/23 the impact on the revaluation reserve (£2.241m) represents the decrease in valuation due to the desktop revaluation of the Trust's estate as at 31 March 2023.

Note 8.1 Employee benefits

	2022/23 £000	2021/22 £000
Salaries and wages*	242,985	221,466
Social security costs*	25,575	21,300
Apprenticeship levy*	1,278	1,107
Employer's contributions to NHS pension scheme	39,062	36,339
Pension cost - other	684	604
Temporary staff (including bank and agency)	36,200	31,868
Total employee benefits shown in the analysis of operating expenditure	**345,784**	**312,684**

*Salaries and wages, social security costs and the apprenticeship levy include the agenda for change pay offer funded centrally.

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

Note 8.2 Retirements due to ill-health

During 2022/23 there were four early retirements from the Trust agreed on the grounds of ill-health (NIL in the year ended 31 March 2022). There were £128k in costs for the pension liability of these ill-health retirements (NIL in 2021/22).

Note 9 Finance income

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

	2022/23 £000	2021/22 £000
Interest on bank accounts	515	20
Other	-	16
Total finance income	**515**	**36**

Other finance income in 2021/22 relates to late payment interest on legal cases.

Note 10.1 Finance expenditure

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

	2022/23 £000	2021/22 £000
Loans from the Department of Health and Social Care	188	199
Lease obligations	-	3
Total interest expense	**188**	**202**
Other finance costs	38	150
Total finance costs	**226**	**352**

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

	2022/23 £000	2021/22 £000
Amounts included within interest payable arising from claims under legislation	-	-

Note 10.3 Other gains and losses

	2022/23 £000	2021/22 £000
Gains on disposal of property, plant and equipment	-	7
Losses on disposal of property, plant and equipment	(208)	(117)
Losses recognised on return of donated COVID assets to DHSC	-	(134)
Total gains/(losses) on disposal of assets	**(208)**	**(244)**

Gains and losses in both 2022/23 and 2021/22 result from individual disposals of equipment assets.

Note 11 Operating leases

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

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

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

	2022/23 £000	2021/22 £000
Operating lease revenue		
Minimum lease receipts	148	148
	148	**148**

	2022/23 £000	2021/22 £000
Future minimum lease receipts due:		
- not later than one year;	148	-
- later than one year and not later than five years;	592	-
- later than five years.	296	-
Total	1,036	-

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

Frontis Homes Ltd – underlying land related to staff accommodation blocks	June 2006	June 2046
Ronald McDonald House	December 2009	December 2034
Cheshire and Wirral Partnership NHS Foundation Trust – Springview building	April 2015	March 2114
Ottobock – Wirral Limb Centre	July 2022	June 2024

Note 11.2 Wirral University Teaching Hospital NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Wirral University Teaching Hospital NHS Foundation trust is the lessee.

	2022/23 £000	2021/22 £000
Operating lease expense		
Minimum lease payments	570	1,621
	570	1,621

	2022/23 £000	2021/22 £000
Future minimum lease payments due		
- not later than one year;	507	991
- later than one year and not later than five years;	432	2,797
- later than five years.	-	3,029
Total	**939**	**6,817**

Note 12.1 Intangible assets – 2022/23

	Software licences	IT (internally generated and 3rd party)	Intangible assets under construction	Other (purchased)	Total
	£000		£000	£000	£000
Gross cost at 1 April 2022 – brought forward	1,923	26,184	975	30	29,111
Additions	34	1,730	-	-	1,764
Reclassifications	-	975	(975)	-	-
Disposals/Derecognition	-	-	-	-	-
Gross cost at 31 March 2023	**1,957**	**28,888**	**-**	**30**	**30,875**
Amortisation at 1 April 2022 – brought forward	**708**	**13,531**	**-**	**-**	**14,239**
Provided during the year	108	1,677	-	-	**1,785**
Disposals/derecognition	-	-	-	-	-
Accumulated amortisation at 31 March 2023	**816**	**15,208**	**-**	**-**	**16,024**
Net book value at 31 March 2023	**1,141**	**13,680**	**-**	**30**	**14,851**

Note 12.2 Intangible assets – 2021/22

	Software licences	Intangible assets under construction	Other (purchased)	Total
	£000	£000	£000	£000
Gross cost at 1 April 2021 – brought forward	26,078	1,004	30	27,112
Additions	3,149	116	-	3,265
Reclassifications	145	(145)	-	-
Disposals/derecognition	(1,266)	-	-	(1,266)
Gross cost at 31 March 2022	**28,106**	**975**	**30**	**29,111**
Amortisation at 1 April 2021 – brought forward	14,248	-	-	14,248
Provided during the year	1,257	-	-	1,257
Disposals/derecognition	(1,266)	-		(1,266)
Accumulated amortisation at 31 March 2022	**14,239**	**-**	**-**	**14,239**
Net book value at 31 March 2022	**13,867**	**975**	**30**	**14,872**

The useful economic lives of software licence assets at 31 March 2023 ranges from 2 years to 21 years. Other purchased assets comprise perpetual operating licences.

Note 13.1 Property Plant & Equipment 2022/23	Land	Buildings Excl dwellings	Dwellings	Assets under Construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuations/gross cost at 1 April 2022 – brought forward	**1,650**	**139,570**	**4,214**	**13,402**	**48,467**	**81**	**21,759**	**1,464**	**230,607**
Additions	-	1,020	-	34,224	4,835	-	781	732	41,592
Additions – purchased from cash donations	-	445	-	-	-	-	-	-	445
Impairments	-	(6,344)	-	-	-	-	-	-	(6,344)
Revaluations	-	(4,575)	164	-	-	-	-	-	(4,411)
Reclassifications	-	17,818	-	(17,818)	-	-	-	-	-
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(1,507)	-	-	-	(1,507)
Valuation gross at 31 March 2023	**1,650**	**147,934**	**4,378**	**29,808**	**51,795**	**81**	**22,540**	**2,196**	**260,382**
Accumulated depreciation at 1 April 2022 brought forward	**-**	**-**	**-**	**-**	**27,424**	**58**	**14,654**	**1,121**	**43,256**
Provided during the year	-	4,822	99	-	3,554	7	2,050	80	10,612
Reversals of Impairments	-	(247)	(263)	-	-	-	-	-	(510)
Revaluations	-	(4,575)	164	-	-	-	-	-	(4,411)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(1,299)	-	-	-	(1,299)
Accumulated depreciation at 31 March 2023	**-**	**-**	**-**	**-**	**29,679**	**65**	**16,704**	**1,201**	**47,648**
Net Book Value at 31 March 2023	**1,650**	**147,934**	**4,378**	**29,808**	**22,116**	**16**	**5,836**	**995**	**212,734**
Net Book Value at 31 March 2022	**1,650**	**139,570**	**4,214**	**13,402**	**21,043**	**23**	**7,105**	**343**	**187,350**

During the year £17.8m of assets previously classified as assets under construction were commissioned. The most significant item within this was £10m relating to Theatres Phase One. Of the £29.8m classified as assets under construction at 31 March 23 the most significant items are £10m for the Urgent and Emergency Upgrade Programme, £11.4m for Theatres Phase Two and Clinical Diagnostics Centre £4m.

Note 13.2 Property Plant & Equipment 2021/22	Land	Buildings excl dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuations/gross cost at 1 April 2021 – brought forward	1,497	128,980	3,993	2,307	44,942	122	19,525	1,379	202,745
Additions	-	1,771	-	17,478	3,889	-	2,542	85	25,765
Impairments	-	(1,158)	-	-	-	-	-	-	(1,158)
Reversals of Impairments	56	8,885	-	-	-	-	-	-	8,941
Revaluations	97	(4,236)	221	-	-	-	-	-	(3,918)
Reclassifications	-	5,328	-	(6,383)	1,055	-	-	-	-
Transfers to/from assets held for sale									
Disposals/derecognition	-	-	-	-	(1,419)	(41)	(308)	-	(1,768)
Valuation gross at 31 March 2022	**1,650**	**139,570**	**4,214**	**13,402**	**48,467**	**81**	**21,759**	**1,464**	**230,607**
Accumulated depreciation at 1 April 2021 brought forward	-	-	-	-	25,158	91	12,884	1,053	39,186
Provided during the year	-	4,341	92	-	3,382	8	2,078	68	9,968
Impairments	-	604	-	-	-	-	-	-	604
Reversals of Impairments	(96)	(581)	(314)	-	-	-	-	-	(991)
Revaluations	96	(4,364)	222	-	-	-	-	-	(4,046)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(1,116)	(41)	(308)	-	(1,465)
Accumulated depreciation at 31 March 2022	-	-	-	-	27,424	58	14,654	1,121	43,256
Net Book Value at 31 March 2022	**1,650**	**139,570**	**4,214**	**13,402**	**21,044**	**23**	**7,105**	**343**	**187,351**
Net Book Value at 31 March 2021	**1,497**	**128,980**	**3,993**	**2,307**	**19,784**	**32**	**6,642**	**326**	**163,560**

Note 13.3 Property, plant and equipment financing – 2022/23

Net book value at 31 March 2023	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	1,650	146,392	-	29,808	20,559	17	5,836	984	205,245
On-SoFP PFI contracts and other service	-	-	4,378	-	-	-	-	-	4,378
Owned – donated/granted	-	1,542	-	-	1,016	-	-	11	2,569
Owned – equipment donated from DHSC and NHSE for COVID response	-	-	-	-	541	-	-	-	541
NBV total at 31 March 2023	**1,650**	**147,934**	**4,378**	**29,808**	**22,116**	**17**	**5,836**	**995**	**212,733**

Net book value at 31 March 2022	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	1,650	138,178	-	13,402	19,130	24	7,100	329	179,813
Finance Leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service	-	-	4,214	-	-	-	-	-	4,214
Owned – donated/granted	-	1,391	-	-	1,305	-	6	14	2,716
Owned – equipment donated from DHSC and NHSE for COVID response	-		-	-	608	-	-	-	608
NBV total at 31 March 2022	**1,650**	**139,569**	**4,214**	**13,402**	**21,043**	**24**	**7,106**	**343**	**187,351**

Note 14.1 Right of use assets - 2022/23

	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	2,551	5,162	**7,713**	92
Transfers by absorption	-	-	**-**	-
Additions	-	-	**-**	-
Remeasurements of the lease liability	-	-	**-**	-
Movements in provisions for restoration / removal costs	-	-	**-**	-
Impairments	-	-	**-**	-
Reversal of impairments	-	-	**-**	-
Revaluations	-	-	**-**	-
Reclassifications	-	-	**-**	-
Disposals / derecognition	-	-	**-**	-
Valuation/gross cost at 31 March 2023	**2,551**	**5,162**	**7,713**	**92**
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	-	**-**	-
IFRS 16 implementation - adjustments for existing subleases	-	-	**-**	-
Transfers by absorption	-	-	**-**	-
Provided during the year	201	770	**971**	38
Impairments	-	-	**-**	-
Reversal of impairments	-	-	**-**	-
Revaluations	-	-	**-**	-
Reclassifications	-	-	**-**	-
Disposals / derecognition	-	-	**-**	-
Accumulated depreciation at 31 March 2023	**201**	**770**	**971**	**38**
Net book value at 31 March 2023	**2,350**	**4,392**	**6,742**	
Net book value of right of use assets leased from other NHS providers				54
Net book value of right of use assets leased from other DHSC group bodies				-

Note 14.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 23.1.

	2022/23
	£000
Carrying value at 31 March 2022	**-**
IFRS 16 implementation - adjustments for existing operating leases	7,713
Transfers by absorption	-
Lease additions	-
Lease liability remeasurements	-
Interest charge arising in year	-
Early terminations	-
Lease payments (cash outflows)	(958)
Other changes	-
Carrying value at 31 March 2023	**6,755**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure. These payments are disclosed in note 6.1.

Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 14.3 Maturity analysis of future lease payments at 31 March 2023

	Total	Of which leased from DHSC group bodies:
	31 March 2023	31 March 2023
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	927	31
- later than one year and not later than five years;	3,227	30
- later than five years.	2,601	-
Total gross future lease payments	**6,755**	**61**
Finance charges allocated to future periods	-	-
Net lease liabilities at 31 March 2023	**6,755**	**61**
Of which:		
Leased from other NHS providers	61	61
Leased from other DHSC group bodies	-	-

Note 14.4 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

At 31 March 2022 the Trust did not have any obligations under leases previously determined to be finance leases under IAS 17.

Note 14.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This Trust did not have commitments for leases previously determined to be operating leases under IAS 17.

Note 15 Donations of property, plant and equipment

In 2022/23 the Trust recognised donated asset additions of £0.445m (£0.492m 2021/22).

Note 16 Revaluations of property, plant and equipment

The value and remaining useful lives of land and building assets are estimated by the Trust's valuers Cushman & Wakefield. Their independent valuations are carried out in accordance with the Royal Institute of Chartered Surveyors' *RICS Valuation - Global Standards* (the 'Red Book'), and other relevant RICS guidance notes, by RICS-qualified valuers. Valuations are carried out primarily on the basis of depreciated replacement cost (modern equivalent asset (MEA) basis) for specialised operational property. The Trust has opted to interpret the MEA valuation basis, which estimates the cost of a modern replacement asset with equivalent productive capacity to the asset being valued, as pertaining to a single combined hospital facility.

Revalued assets are written down to their recoverable amount within the Statement of Financial Position, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for that asset. Thereafter, the loss is charged to operating expenditure - net impairments. Increases in value are credited to the revaluation reserve unless circumstances arise whereby a reversal of impairment is necessary. In these circumstances this has been credited to operating expenditure - net impairments.

A desktop revaluation of the Trust's estate was undertaken as at the valuation date of 31 March 2023. The last full revaluation of the Trust's estate was undertaken as at 31 March 2019. This resulted in a net revaluation gain recorded in the revaluation reserve (within the Statement of Financial Position) of £8m and 13.8m net impairment charged to income and expenditure (within the Statement of Comprehensive Income).

The Trust continues to place reliance on the valuation which has been produced to the same professional standards and regulations as in prior years. It will further mitigate the risk of material misstatement of asset values by maintaining the existing annual revaluation cycle of Trust properties. The useful economic lives of equipment assets are estimated on historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. The lives of assets determined at recognition are disclosed within the accounting policies. The remaining useful economic lives of non-land property assets as at 31 March 2023 are as follows:

Buildings excluding dwellings	32 to 80 years.
Dwellings	55 years.

Note 17 Joint operations

The Trust has determined that, in addition to its subsidiary charity, it has interests in two joint operations. Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to assets, and obligations for liabilities relating to the arrangement. The Trust therefore includes within its financial statements, where material, its share of the assets, liabilities, income and expenditure relating to its joint operations.

The Trust does not attribute levels of risk significantly above 'business as usual' with these arrangements, as its joint operator is a partner NHS body, working together with the Trust within the same healthcare operating environment. In practical terms, this translates to a longstanding related party relationship based on contracts and transactions, collaborative working, shared objectives and common policies. In addition, the 'going concern' risk and credit risk associated with other NHS bodies is very low.

The Trust has no material joint operations, but collaborates in two lesser operations:

Cheshire and Wirral Microbiology Service (CWMS)

The Trust works collaboratively with Countess of Chester Hospital NHS Foundation Trust to provide microbiology laboratory services to both trusts. CWMS was established in 2012, and the intention of the arrangement is to reduce running costs through joint use of a modern site and laboratory facilities, to provide resilience in each trust's microbiology service, and to enable both trusts to respond to future market opportunities.

The majority of CWMS activity is carried out in the main combined laboratory in Bromborough, which is jointly and equally owned by the two trusts. The carrying value of the Trust's half of this asset in its Statement of Financial Position is £0.7m. Additionally, there are small satellite laboratories at each hospital site for urgent out-of-hours specimens.

The Trust retains the rights to assets contributed at the start of the arrangement. The Trust is responsible for the administration of CWMS payroll costs, and wholly recharges these costs to Countess of Chester Hospital NHS Foundation Trust.

As the financial 'host' partner, Countess of Chester Hospital NHS Foundation Trust retains the obligation to pay other suppliers' invoices, and offsets all direct and recharged costs against the income generated by CWMS for tests performed for both the trusts and new customers, using a tariff of prices. In 2022/23, the Trust's net expenditure on CWMS services was £0.12m (2021/22 £0.12m net income).

HR and Wellbeing Business Services (HRWBS)

This arrangement was created in 2011 and is jointly operated by the Trust and Countess of Chester Hospital NHS Foundation Trust (the 'host' operator). 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 2022/23, HRWBS has additionally sold services to Cheshire and Wirral Partnership NHS Foundation Trust, Wirral Clinical Commissioning Group, East Cheshire Foundation Trust 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 2022/23 is £0.3m (2021/22 £0.3m)

Note 18 Inventories

	2022/23 £000	2021/22 £000
Drugs	1,260	1,276
Consumables	3,446	3,391
Consumables donated from DHSC group bodies (PPE)	145	231
Energy	37	26
Total stock held at net realisable value	**4,888**	**4,924**

Inventories recognised in expenditure for the year totalled £56.6m (£57.1m 2021/22). In both years this expenditure includes the centrally procured PPE consumables.

Write-down of inventories recognised as expenditure for the year totalled £0.328m (£0.202m 2021/22).

Note 19.1 Receivables

	2022/23 £000	2021/22 £000
Current:		
Contract receivables*	26,364	18,023
Capital Receivables	169	169
Allowance for impaired contract receivables / assets	(751)	(1,551)
Deposits and advances	48	75
Prepayments (non-PFI)	2,967	1,885
Interest receivable	-	20
PDC dividend receivable	50	-
VAT receivable	1,553	1,264
Other receivables	591	17
Total current receivables	**30,991**	**19,902**
Non-current:		
Contract receivables	2,129	1,974
Allowance for impaired contract receivables / assets	(640)	-
Other receivables	405	380
Total non-current receivables	**1,894**	**2,354**
Of which is receivable from NHS and DHSC group bodies:		
Current	22,220	13,874
Non-current	405	380

*Included in contract receivables is the central funding in relation to the agenda for change pay offer.

Note 19.2 Allowances for credit losses

	2022/23 £000	2021/22 £000
Allowances as at 1 April - brought forward	1,551	1,634
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018		
New allowances arising	236	(83)
Reversals of allowances	(180)	-
Utilisation of allowances (write offs)	(216)	-
Allowances at 31 March	**1,391**	**1,551**

Note 20.1 Cash and cash equivalents movements

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

	2022/23 £000	2021/22 £000
At 1 April 2022	36,436	21,293
Net change in year	(12,098)	15,143
At 31 March 2023	**24,338**	**36,436**
Broken down into:		
Cash with the Government Banking Service	24,338	36,436

Note 20.2 Third party assets held by the Trust

During the year the Trust held cash relating to monies held on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	2022/23 £000	2021/22 £000
Bank balances	6	6
Total third-party assets	**6**	**6**

Note 21 Trade and other payables

	2022/23 £000	2021/22 £000
Current:		
Trade payables	2,862	2,319
Capital payables	19,539	13,698
Accruals*	34,896	28,858
Annual leave accrual	3,905	5,081
Social security costs*	4,545	3,292
Other taxes payable**	3,003	3,068
PDC dividend payable	-	254
Pension contributions payable	3,722	3,589
Other payables	791	433
Total current trade and other payables	**73,263**	**60,592**
Of which payable to NHS and DHSC group bodies:		
Current	5,486	5,350

*Included in accruals and social security costs is the payment in relation to the agenda for change pay offer.

**Other taxes payables include amounts owed to HMRC which relates to both employee salary deductions and employer contributions.

The Better Payment Practice Code (BPPC) gives NHS organisations a target of paying 95% of undisputed invoices within 30 calendar days of the receipt of either goods or a valid invoice (whichever is later), unless other payment terms have been agreed. Information regarding the Trust's BPPC performance is within the Annual Report's Directors' report.

Note 22 Other liabilities

	2022/23 £000	2021/22 £000
Current:		
Deferred income: contract liabilities	9,601	10,593
Deferred PFI income	109	109
Total other current liabilities	**9,710**	**10,702**
Non-current:		
Deferred PFI income	2,262	2,371
Total other non-current liabilities	**2,262**	**2,371**

The non-current deferred income balance above is wholly attributable to the staff accommodation blocks which are owned and operated by Frontis Homes Limited, and which are accounted for as ‘on-Statement of Financial Position’ in accordance with IFRIC 12. The deferred income balance represents the benefit to the Trust of the arrangement's future 'service potential' and is released to the Statement of Comprehensive Income (SOCI) over the period of the concession. Therefore, there is a corresponding balance in current PFI deferred income which represents next year's income release.

Note 23.1 Borrowings

	2022/23 £000	2021/22 £000
Current:		
Loans from the Department of Health and Social Care	1,022	1,022
Leases*	927	-
Total current borrowings	**1,949**	**1,022**
Non-current:		
Loans from the Department of Health and Social Care	3,162	4,177
Leases*	5,828	-
Total other non-current liabilities	**8,990**	**4,177**

*The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 1.14.

Note 23.2 Reconciliation of liabilities arising from financing activities – 2022/23

	Loans from DHSC £000	Lease Liability £000	Total £000
Carrying value at 1 April 2022	5,199	-	5,199
Cash movements:			
Financing cash flows – payments and receipts of principal	(1,015)	(958)	(1,973)
Financing cash flows – payment of interest	(188)	-	(188)
Non-cash movements:			
Impact of implementing IFRS16 on 1 April 2022	-	7,713	7,713
Application of effective interest rate	188	-	188
Carry value at 31 March 2023	**4,184**	**6,755**	**10,939**

Note 23.3 Reconciliation of liabilities arising from financing activities – 2021/22

	Loans from DHSC £000	Finance leases £000	Total £000
Carrying value at 1 April 2021	6,217	66	6,283
Cash movements:			
Financing cash flows – payments and receipts of principal	(1,015)	(66)	(1,081)
Financing cash flows – payment of interest	(200)	(3)	(203)
Non-cash movements:			
Application of effective interest rate	197	3	200
Carry value at 31 March 2022	**5,199**	**0**	**5,199**

Note 24.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
Opening balance	1,620	1,703	1,571	10,667	15,561
Change in the discount rate	(57)	(59)	-	(366)	(482)
Arising during the year	-	-	6	380	386
Utilised during the year	(160)	(99)	(296)	(1,982)	(2,537)
Reversed unused	-	-	(27)	(2,888)	(2,915)
Unwinding of discounts	-	-	-	46	46
Total	**1,403**	**1,545**	**1,254**	**5,857**	**10,059**
Expected timing of cash flows:					
Not later than one year	165	98	1,254	1390	2,907
Later than one year but not later than five years	701	418	-	3,775	4,894
Later than five years	537	1,029	-	692	2,258
Total	**1,403**	**1,545**	**1,254**	**5,857**	**10,059**

Legal claims are primarily made up of employee tribunal and employer liability claims.

The amount provided for employer's / public liability claims is based on assessments received from NHS Resolution (NHSR) as to their value and anticipated payment date, plus local assessments on a small number of other employee related legal cases.

Other provisions largely comprise of contractual obligations (£3.2m) to compensate the operator for foregone rental income, resulting from ongoing under-occupancy of the staff accommodation blocks at the Trust's Arrowe Park site which are owned and operated by Frontis Homes Limited (within Your Housing Group). The remaining balance comprises provisions from previous years which are carried forward with no material change.

Note 24.2 Clinical negligence liabilities

At 31 March 2023 £242,576,675 was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Wirral University Teaching Hospital NHS Foundation Trust (31 March 2022 £404,421,922).

Note 25 Contingent assets and liabilities

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities		
NHS Resolution legal claims	(45)	(105)
Employer tribunal and other employer related litigation		
Other	-	(380)
Gross value of contingent liabilities		**(485)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(45)**	**(485)**

The Trust has been informed of its contingent liability in respect of NHS Resolution legal claims, £45k 2022/23 (£105k 2021/22).

Note 26 Contractual capital commitments

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	31,559	4,300
Intangible assets	-	265
Total	**31,559**	**4,565**

Capital commitments at 31 March 2023 relate to infrastructure and upgrade projects including Phase Two of the Cheshire and Merseyside Surgical Hub, the Urgent and Emergency Centre Upgrade Programme and the Clatterbridge Diagnostic Centre.

Note 27 Financial instruments

Note 27.1 Financial risk management

Liquidity risk

The Trust's net operating costs are incurred in delivering healthcare under annual contracts with Clinical Commissioning Groups (CCGs), which are ultimately funded from resources voted annually by Parliament. The Trust usually receives this CCG income through 'block' (fixed) payments. Monthly payments are received from CCGs based on annual service contracts, and this national framework reduces the Trust's exposure to liquidity risk.

The Trust borrows from the Department of Health and Social Care (DHSC) for operating purposes, and actively mitigates liquidity risk by daily cash management procedures incorporating the timely initiation of loans, keeping all cash balances in an appropriately liquid form. Liquidity is monitored by the Trust's Board on a monthly basis through monthly reports on movements, variances and trends in cash-flows.

The Trust may borrow from commercial organisations to support liquidity, but currently has no commercial borrowings. The Trust also holds two fixed interest rate loans with DHSC which have funded past capital developments, as follows:

25-year loan of £6.5m at 4.32%, drawn down in 2009/10.
10-year loan of £7.5m at 1.96%, drawn down in 2014/15.

Repayments on the capital loans have commenced and are paid according to a set schedule over the period of the loans. To date, £9.8m has been repaid.

The loan repayment schedule is contained within the maturity of financial liabilities table in Note 27.4.

Credit risk

The Trust minimises its exposure to credit risk arising from deposits with banks and financial institutions through implementing its Treasury Management procedures. Cash required for day to day operational purposes is held within the Trust's Government Banking Services (GBS) account. GBS balances are swept into the Bank of England overnight, with the specific aim of reducing credit risk exposure for bodies within government.

The Trust regularly reviews debtor balances and has a comprehensive system in place for pursuing past-due debt. Aged debts are regularly assessed, and proactive credit control is in place, including referral to debt recovery agents when internal efforts are exhausted, and it is deemed potentially cost-effective to pursue. Every quarter, aged debts are individually presented to the Trust's Audit Committee for further scrutiny.

The main source of income for the Trust is from ICBs in respect of healthcare services provided under contractual agreements. The credit risk associated with such customers is minimal. Non-NHS customers (for example, private patients and prescription charges) typically have a higher rate of write-off but represent a small proportion of income. Therefore, the Trust is not exposed to significant credit risk from its customers.

The movement in the Allowance for credit losses during the year is disclosed in Note 19.2. The Trust's approach to the impairment of financial assets is detailed in Note 1 Accounting Policies.

The carrying amount of financial assets represents the Trust's maximum level of credit exposure. Therefore, the maximum exposure to credit risk at the Statement of Financial Position date was £28.09m (£18.78m 2021/22), being the total of the carrying amount of financial assets excluding cash (Note 27.2). There are no amounts held as collateral against these balances.

Market risk

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

The Trust does not invest for capital appreciation. All of the Trust's financial assets and financial liabilities carry nil or fixed rates of interest other than the Trust's bank accounts which earn interest at a floating rate; the Trust is not exposed to significant interest rate risk.

Note 27.2 Carrying values of financial assets

In the following notes, non-financial assets and non-financial liabilities are excluded. Therefore, the receivables and payables figures are lower than their respective balances within the Statement of Financial Position (SOFP).

	Held at amortised cost £000
Carrying values of financial assets at 31 March 2023	
Trade and other receivables excluding non-financial assets	28,098
Cash and cash equivalents	24,338
Total at 31 March 2023	**52,436**
Carrying values of financial assets at 31 March 2022	
Trade and other receivables excluding non-financial assets	18,781
Cash and cash equivalents	36,436
Total at 31 March 2022	**55,217**

Note 27.3 Carrying values of financial liabilities

	Held at amortised cost £000
Carrying values of financial liabilities at 31 March 2023	
Loans from the Department of Health and Social Care	4,184
Obligations under leases	6,755
Trade and other payables excluding non-financial liabilities	65,715
Provisions under contract	5,415
Total at 31 March 2023	**82,069**

	£000
Carrying values of financial liabilities at 31 March 2022	
Loans from the Department of Health and Social Care	5,199
Trade and other payables excluding non-financial liabilities	47,118
Provisions under contract	8,524
Total at 31 March 2022	**60,841**

Note 27.4 Maturity of financial liabilities

	31 March 2023 £000	31 March 2022 £000
In one year or less	68,404	51,743
In more than one year but not more than five years	10,344	6,881
In more than five years	4,459	3,191
Total	**83,207**	**61,815**

Note 27.5 Fair values of financial assets and liabilities

The Trust has two capital loans and a number of revenue support loans with the Department of Health and Social Care. The carrying value of the borrowings liability is considered to approximate to fair value, the interest rate not being significantly different from market rate. All other financial assets and liabilities have carrying values which are not significantly different from their fair values.

Note 28 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise.
The Trust made the following losses and special payments, on an accruals basis (with the exception of provisions for future losses), during the financial year.

	2022/23		2021/22	
	Total number of cases No.	Total value of cases £000	Total number of cases No.	Total value of cases £000
Losses				
Cash losses	14	6	16	12
Bad debts and claims abandoned	10	13	10	20
Stores losses and damage to property	4	328	5	202
	28	**347**	**31**	**234**
Special payments				
Compensation under court order or legally binding arbitration award	3	7	1	13
Ex-gratia payments	50	396	36	1,244
Total	**53**	**403**	**37**	**1,257**
Total losses and special payments	**81**	**750**	**68**	**1,491**

Note 29 Related parties

Whole of Government Accounts (WGA) and consolidation

Wirral University Teaching Hospital NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. Monitor (operating as NHS Improvement) does not prepare group accounts, but rather, it prepares *NHS foundation trusts: consolidated accounts* for further consolidation into the Department of Health and Social Care's accounts, and, ultimately, the Whole of Government Accounts. Monitor (operating as NHS Improvement) has powers to control NHS foundation trusts, but its financial results are not incorporated within the consolidated accounts, and it cannot be considered to be the parent undertaking for foundation trusts. The Department of Health and Social Care (DHSC) is the parent department of the foundation trust sector. Although there are a number of consolidation steps between the Trust's accounts and Whole of Government Accounts, the Trust's ultimate parent is HM Government.

WGA bodies

The Department of Health and Social Care is the parent department of Wirral University Hospital NHS Foundation Trust. The main entities within the public sector with which the body has had dealings are NHS England, ICBs, CCGs (superseded by ICBs), Foundation Trusts, NHS Trusts, NHS Resolution and Health Education England. 'Other bodies' with the WGA boundary include Local Authorities, HM Revenue & Customs and NHS Pension Agency.

During the year, the Trust has had a number of transactions with WGA bodies. Listed below are those entities other than DHSC for which the total transactions or total balances with the Trust have been collectively significant or potentially material to the other body.

Betsi Cadwaladr University Local Health Board	NHS Pensions Agency
Countess of Chester Hospital NHS Foundation Trust	NHS Professionals
Health Education England	NHS Resolution
NHS Cheshire CCG	NHS Wirral CCG
NHS Cheshire and Merseyside Integrated Care Board	St Helens and Knowsley NHS Trust
NHS England (including sub-entities)	The Clatterbridge Cancer Centre
NHS Liverpool CCG	Wirral Community NHS Foundation Trust

Public dividend capital (PDC) transactions with DHSC

The Trust made PDC dividend payments to DHSC totalling £5.4m (£4.5m 2021/22). There is a nil year-end payable of PDC dividend (£0.2m 2021/22). There is a £0.05m year-end receivable for PDC dividend (nil 2021/22).

Allowance for credit losses - related parties

No related party debts have been written off by the Trust in 2022/23 (none in 2021/22). The Trust's *Allowance for credit losses* is calculated such that it includes no balance in relation to its related parties.

Charitable related parties - WUTH Charity

Wirral University Teaching Hospital NHS Foundation Trust Charitable Fund (registered charity number 1050469, known as 'WUTH Charity') is a subsidiary of the Trust and therefore a related party. The Trust is the Charity's corporate trustee, which means that the Trust's Board of Directors is charged with the governance of the Charity. The Charity's sole activity is the funding of capital and revenue items for the benefit of the Trust's patients. Further details can be found at https://www.wuthcharity.org/.

The Charity's total funds balance as at 31 March 2023 was £0.95m (£1.3m 2021/22) with net income of -£0.05m (£0.2m net income 2021/22). During the year the Charity incurred expenditure of £0.66m (£0.3m 2021/22) in respect of goods and services for which the Trust was the main beneficiary.

Other related parties

Aside from the Trust's Charity, the Trust has no subsidiaries or associates.

Key management personnel

Key management personnel are *related parties* to the Trust and are defined in IAS 24 *Related Party Disclosures* as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.' They are identified by the Trust as being

the same individuals as the 'senior managers' which are disclosed in the remuneration section of the Annual Report, which contains details of their remuneration and other benefits.

In 2022/23, the Trust had expenditure as follows:

- £11.3k with Edge Hill University where Stephen Igoe is Deputy Vice-Chancellor
- £1.8k with Kaplan where Lesley Davies is a remunerated Board Member
- £8.7k with the University of Manchester where Mark Chidgey undertakes ad-hoc/occasional paid lecturing and education duties
- £24,016k with NHS Professionals where Tracy Fennell's Partner is NHSP registered, and books shifts via NHSP

These expenditures are not believed to be in any way material to either party as all dealings were undertaken on an arms-length basis.

During the financial year under review, no other member of key management personnel, and no other party closely related to these individuals outside of the NHS, has undertaken transactions with Wirral University Teaching Hospital NHS Foundation Trust.

Note 30 Events after the reporting date

The Trust has not identified any events that occurred after the reporting year that would require disclosure as non-adjusting events in accordance with IAS10.