Wirral University Teaching Hospital **NHS**
NHS Foundation Trust

# Annual Report and Accounts 2014/15

**Wirral University Teaching Hospital NHS Foundation Trust**
**Annual Report and Accounts – 2014/15**

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

**Wirral University Teaching Hospital** **NHS**

NHS Foundation Trust

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## Message from the Chairman and Chief Executive

Welcome to our review of 2014/15, and what has been a year of challenges and successes. Our hospitals have felt the impact of the changes that are taking place across the NHS, whilst the healthcare needs of the population we serve have continued to grow both in quantity and complexity, resulting in very significant operational and financial pressures.

We can look back on a number of notable achievements. We might highlight for example the redesign and refurbishment of our Emergency Department which was completed with a state of the art Resuscitation facility; the £1.7m investment in Endoscopy which has resulted in a first class nationally recognised facility providing a vastly improved patient and staff experience; the opening of our Memories Café, which has provided a bespoke environment for dementia patients and their families and carers; the prestigious Health Service Journal award for our staff engagement; and the implementation of the latest phase of Wirral Cerner Millennium, which has taken us a huge step forward in becoming the first acute hospital trust in the UK to be truly digital.

More recently we learnt that with Health Partners across the Wirral we will be leading one of the vanguard sites across the country selected to develop a new healthcare model bringing GPs, Community Services, Mental Health and Hospital Services closer together to re-shape our NHS so that it is fit for purpose going forward. The whole of the NHS is having to change to adapt to the way it is now managed and to respond to the changes that patients and their families expect from us. This can be quite a daunting prospect but we feel that the whole organisation is embracing this changing environment and that good progress is being made.

Healthcare, and in particular A&E services, were very much in the media spotlight during the winter. An unprecedented surge in demand put an enormous strain on Emergency Departments across the country. Despite this our Emergency Department achieved consistently high Friends and Family Test results (at one point, the best in England). More generally we have worked hard to further improve patient outcomes, and testament to this is our mortality rate which is significantly better than the average rate across England. This is an important indication of the quality of care we are delivering and the impact this care is having on the lives of the people of Wirral and beyond.
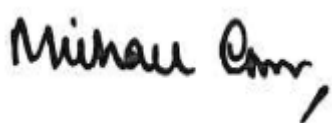
Of course there were also some low points:, the challenging financial position and the consequent investigation by Monitor, the under achievement of the A & E 4 hour standard and the recent Care Quality Commission report which highlighted some improvements needed in the quality of care we deliver. We are proud of the way – as a whole organisation – we faced up to these challenges and worked hard with our partners across the Wirral Health Economy to turn these situations around.

As well as being a major provider of healthcare in our community, we have also recognised our responsibility as the largest employer in Wirral. We are pleased to report recognition of our commitment in this regard as winners of the Macro Employer of the Year in the North West Division of the National Apprenticeship Awards and our ranking in the Top 100 organisations in the UK for apprenticeships. We also launched a Supported Internship initiative whereby young people with learning disabilities can complete a year-long work experience programme in our Trust.

In the period covered by this report we re-launched PROUD (**P**atient, **R**espect, **O**wnership, **U**nity, **D**edication) – an acronym that summarises our organisational values and behaviours. PROUD now features prominently in our physical environments, on our website and in our communications with both colleagues and the public, to demonstrate that our PROUD values are at the heart of everything we do, in the care we provide for our patients and their families.

We are enormously proud of the healthcare this Trust provides but of course none of what we have achieved would be possible without the hard work, commitment and dedication of our Trust colleagues, our Board, our Directors, our Council of Governors, our Members and the support and contribution of our external stakeholders and many other members and supporters. Our sincere thanks go to them all.

Looking ahead, we have no doubt that 2015/16 will bring more challenges and more change but we have real confidence in our strengths as an organisation and in achieving our future goals.


**Michael Carr**
**Chairman**

**David Allison**
**Chief Executive**

**Strategic Report**

**About us: Trust Overview**

Wirral University Hospital NHS Foundation Trust (WUTH) is one of the largest and busiest acute trusts in the North West of England.

The Trust 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) and received its Terms of Authorisation from Monitor, the independent regulator of NHS Foundation Trusts, on 1st July 2007.

Our Foundation Trust (FT) status enables us to:

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

We have a key accountability to our local community through our public members and governors. We are also accountable to our commissioners (through contracts), Parliament and Monitor.

Providing a comprehensive range of high quality acute care services, our 5,785 strong workforce serves a population of approximately 400,000 people across Wirral, Ellesmere Port, Neston, North Wales and the wider North West footprint. Our principal activities during 2014/15 centred on contracts placed by primary care organisations and specialist commissioning bodies.

We operate from two main sites:

- **Arrowe Park Hospital,** Upton – delivering a full range of emergency (adults and children) and acute services for adults in the main hospital building. The Wirral Women's and Children's Hospital provides Maternity, Neonatal, Gynaecology, Children's inpatient, day case and outpatient units.

- **Clatterbridge Hospital,** Bebington – undertaking planned surgical services, dermatology services, breast care and specialist stroke and neuro-rehabilitation services

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

- **St Catherine's Health Centre**, Birkenhead – providing x-ray, community paediatric services, paediatric audiology and a range of outpatient clinics

- **Victoria Central Health Centre**, Wallasey – providing X ray, some outpatient services and antenatal clinic

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

The full range of our services includes:

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

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

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

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

As the largest employers on the Wirral, we've had significant recognition from external organisations for our support for staff through effective policies, initiatives and partnership working approach. We've continued our commitment to developing the talents of young people in Wirral by being named the national Macro Employer of the Year for Apprenticeships and were proud to be recognised by the Health Service Journal for our work in empowering and involving our teams, with the HSJ Staff Engagement award.

Our position as a leader in the development and use of clinical information technology (IT) has been strengthened by the on-going implementation of the Wirral Millennium system, in partnership with providers Cerner Ltd, and its increased usage across the hospital. Wirral Millennium is now established as our core clinical system and in November 2014 phase 2b of the system went live enabling the vast majority of the Trust's electronic patient record including virtually all nursing, Allied Health Professional and medical documentation outside theatres and ICU. As a teaching hospital of the University of Liverpool, we are also renowned as a leader in the region for high quality education and training for a wide range of staff including doctors, nurses and other clinicians.

In 2014-15 the Trust provided the following:

|  | **2014-15** |
|---|---|
| Total Births | 3,382 |
| A&E Attendances | 89,277 |
| Emergency Admissions * | 54,737 |
| New outpatient Attendances | 111,874 |
| Diagnostic examinations performed | 338,834 |
| Elective Day Case Admissions** | 41,693 |
| Elective Inpatient Admissions | 8,077 |

*Including maternity emergencies but excluding births

**Excludes Nephrology

**Our Strategy**

In January 2014, the Board approved the Trust's five year strategy "Locally focused; Regionally significant", which was based upon a clear vision to be

*"the first choice healthcare partner to the communities we serve, supporting patients' needs from the home through to the provision of regional specialist services."*

The strategic option of a service configuration, capacity and workforce model which includes a 24 hour Emergency Department and the ongoing delivery of acute surgery on site, supported by the range of surgical and diagnostic specialties needed to support this model were endorsed by the Board. The model needed to deliver this sustainably would include a network of partnerships across community and neighbouring provider organisations in Chester and Liverpool. It was agreed that the Trust should strive to continue to provide high quality teaching and education. The service configuration model would be supported by world class IM&T as supported through Cerner implementation, offering opportunities for further improvements in quality, efficiency and patient safety. Whilst this model was accepted it was agreed it should be delivered using capacity to a more efficient level, delivering improvements in both operational efficiency and partnerships with community providers to ensure only patients who need acute care are treated in hospital. In 2014/15 the genesis of this strategy has been confirmed by health and social care economy support for a New Models of Care application, aimed at driving further our integration agenda, supported by better use of technology and information. The Board is clear that without such radical approaches to the reform of care delivery, the Trust remains unsustainable in its current form.

**Business performance**

**Performance against Risk Assessment Framework Targets**

The primary process for foundation trusts to assure themselves on governance and performance is Monitor's Risk Assessment Framework. Performance against the key Framework metrics is detailed below.

| National targets and regulatory requirements | Target | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals | Minimum 93% | 96.8% | 96.1% | 94.1% | 93.4% |

| | | | | | |
|---|---|---|---|---|---|
| Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all breast symptom referrals | Minimum 93% | 94.7% | 96.1% | 95.6% | 97.5% |
| Maximum waiting time of 31 days from diagnosis to treatment for all cancers | Minimum 96% | 97.0% | 97.8% | 96.9% | 96.9% |
| Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (surgery) | Minimum 94% | 97.1% | 94.5% | 94.1% | 97.1% |
| Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (drugs) | Minimum 98% | 100% | 100% | 100% | 100% |
| Maximum waiting time of 62 days from urgent referral to treatment for all cancers | Minimum 85% | 86.2% | 85.3% | 85.1% | 85.0% |
| Maximum waiting time of 62 days from screening referral to treatment for all cancers | Minimum 90% | 93.8% | 96.0% | 100% | 100% |
| Referral to treatment time – admitted patients < 18 weeks | Minimum 90% | 92.8% | 88.8% | 89.1% | 91.4% |
| Referral to treatment time – non-admitted patients < 18 weeks | Minimum 95% | 97.3% | 94.5% | 95.4% | 95.7% |
| Referral to treatment time – incomplete pathways < 18 weeks | Minimum 92% | 94.7% | 93.9% | 94.8% | 93.6% |
| Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge | Minimum 95% | 91.2% | 94.0% | 92.2% | 84.5% |

The above table lists the Trust's performance on these key targets during 2014/15. The following commentary on these performances provides further information.

**Access to cancer care**

The Trust again consistently achieved the Cancer access targets for all quarters and for all metrics across the whole of 2014/15. The continued dedication of staff across many disciplines and departments in ensuring these most vulnerable patients experience as few delays as possible in accessing high quality treatment at every step of their clinical pathways is to be commended.

**Access to Elective Care**

Another important measure of patient experience is in the standard that all patients should commence treatment within 18 weeks of referral into a hospital service. All the standards relating to Referral to Treatment (RTT) within 18 weeks were met in quarter one by the Trust. From quarter two onwards there was an initiative across the NHS supported by NHS England to commission additional RTT activity, focusing on those patients that had waited the longest. The Trust committed to a share of this additional long waiter activity, with the expected and deliberate result that the RTT standards for treated patients were not achieved in quarters two and three for admitted patients, and quarter two for non-admitted patients. This initiative was supported by local Commissioners and reflected in performance assessment by the external regulators (Monitor). The standard for patients still awaiting treatment was achieved in all quarters across the year. This performance was reflected at individual specialty level though the year, with those specialities not achieving largely through deliberate additional long-waiting activity.

There is a continuing commitment at the Trust to ensure waiting times for all patients are as low as possible and so minimise delays in accessing services.  There is a an ongoing dialogue with local GPs and Commissioners on the Trust's performance and any pressure on waiting times, with joint work to avoid excessive waiting times for all our patients.

**Access for Emergency Patients**

The key measure in this area focuses on admitting, transferring or discharging patients attending our Accident and Emergency department within four hours. The 95% standard is measured including patients that attend the Walk-in Centre at the Arrowe Park site. The standard was not achieved for any quarter in 2014/15.
Increased pressure on emergency services was experienced at the Arrowe Park site across the year, reaching a peak in the Winter months. An economy wide recovery plan is in place with commitments from all health and social care organisations in Wirral to work together and return to achieving this important standard.
The Trust is a key member of Wirral's System Resilience Group and with support from the national Emergency and Urgent Care Intensive Support Team (ECIST) is working on ensuring progress against a range of urgent care work streams to improve patient flow across partner organisations. A key component for the Trust will be an internal review of processes.

**Performance against strategic objectives 2014-15**

Our strategy is underpinned by a set of strategic objectives which have been used to inform the development of divisional and corporate department plans and feed into the Trust's appraisal process to ensure that the delivery of these objectives is tied

into all department, team and individual objectives. The annual objectives for 2014-15 and the Trust's performance against them are outlined in figure 1.

*Figure 1*

| Strategic Objective | Annual Objectives for 2014/15 | Position | Action to support achievement of objective in year |
|---|---|---|---|
| To be the top NHS Hospital Trust in the north west for patient, customer and staff satisfaction | Improve our patient experience to deliver a Friends and Family Net promoter score of 65 or better. The measure for F&F changed in October 2014 to two indicators (recommend and not recommend) Inpatient target > 95% recommend and < 2% not recommend. | 93% and 3% (month 12) | Remedial actions are progressing to improve the inpatient recommend rate as detractors are principally centred on areas that have known quality issues including wards opened for additional capacity. |
| | Create a strong culture of empowered employees, delivering a Staff Engagement score of 3.59 or better, through implementation of our Nursing, Midwifery and a Customer service strategy | Staff engagement score of 3.48 (national survey 2014) | Workforce and OD Strategy agreed at Board (February 2015) including comprehensive Staff engagement and communications plan. |
| Leading on integrated shared pathways of care with primary, community and social care | Work with partners in Wirral to reduce delayed transfers of care to no more than 4 per month | 3.8 | |
| | Reduce readmissions to 8.2% (the target has been amended to reflect the Quality Account reduction of 1% from 2013/14 ) of total admissions, by developing a range of plans to deliver care closer to home | 9.4% (Month 11) | The target reduction for 2014-15 is now unachievable. In December 2014 our readmission rate was over 11%, reducing to 8% in February 2015, reflecting the difficult winter experienced nationally. We will |

15

| | | | continue to work with health and social care partners to deliver individualized care outside hospital, as well as ensuring safe discharges for patients. A number of these services have started in the last 12 months and the evidence of impact to date is a joint audit with Primary care showing a 6% reduction in inappropriate admissions compared to 2013-14. |
|---|---|---|---|
| Delivering consistently high quality secondary care services, enhanced through the provision of regional spec services | Implementation of our quality improvement strategy to reduce mortality to 85 (HSMR) Ensure that our harm free care score is no lower than 93% and no lower than 95% for 3 months | HSMR 87.4 (Month 9) Achieved | On trajectory to meet target. |
| Ensuring our people are aligned with our vision | Relaunch our values and behaviours strategy and improve attendance rates to 96% and appraisal rates to 88% | Attendance rates 95.4% (Month 12) Appraisal rates 88.13% (Month 12) | Comprehensive action plan in place to support delivery of objective. |
| Maximising innovation and enabling technologies | Implement the next stage of our Cerner IT systems and deliver full electronic nursing documentation, pilot paper free outpatients and the ability to share documents with primary care (HIMMS level 5) Proportion of all studies achieving NHS | HIMMs Level 5 achieved September 2014 67% (number of studies 3, Trust achieved 2) | HIMMs level 7 will be achieved in 2015-16. Where studies have very low recruitment aims e.g. 2 patients per year it is highly |

| | | | |
|---|---|---|---|
| | permission to first patient, first visit within 30 days (Target 70%) | | unlikely we will recruit a patient within 30 days of approval. Research nurses are aware of the target and continue to raise awareness with principal researchers. |
| | To participate in research to ensure the agreed recruitment goal is met for the Trust (400 patients) | 230% achieved against target of 400 patients- September 2014 | |
| Building on partnering for value | Deliver an increased market share to 77% of Wirral CCG referrals, through engagement with local GPs | 83.7% (Month 9) | |
| | Develop a range of partnerships with NHS and non NHS providers to secure clinical sustainability, particularly in relation to our regionally significant services | Partnerships have been developed with a broad range of local partners and with organisations in West Cheshire, North Wales and Liverpool. | |
| Supported by financial, commercial and operational excellence | Full Compliance with our registration with the Care Quality Commission Registration | No | Responsive inspection September 2014 highlighted 5 areas of non-compliance of a minor and moderate nature. Full action plan developed and approved. Impact of action plan to be undertaken at the end of the financial year. |
| | Delivery of our financial plans, including achievement of cost improvement programmes | COS level 3 | On trajectory to meet target. |
| | A Monitor Green governance rating, meaning we have met all our performance targets, including A&E, 18 weeks and cancer. | Narrative rating under review. 4 hour target Q4 84.5% 2014-15 90.4% | Monitor requesting further information. |

Whilst the Trust has had an historic track record of financial achievement, the challenges in delivering its operational and associated financial plan experienced in 2013/14 have continued throughout 2014/15. Recognising the significant operational and financial challenges – and equally the economic outlook for the forward plan, the Trust has secured additional capacity and expertise during the year by way of a specialist turnaround adviser (and team), to augment the Programme Management Office (PMO) in the development of financial turnaround plans and the identification of more expansive cost improvements.

In our five year strategy; "Locally focused; Regionally significant", the Trust identified and prioritised a group of initiatives to deliver sustainability from a financial, clinical and operational perspective over the lifetime of the plan. The Trust categorised the initiatives into immediate, 2-3 year priorities and > 3 year priorities. Figure 2 summarises the progress against the delivery of immediate priority initiatives in 2014-15.

*Figure 2*

| Immediate priority initiative | Outcome 2014-15 |
|---|---|
| Enhanced CIP to deliver upper quartile levels of efficiency | Challenges in delivering the Trust's operational and associated financial plan have continued throughout 2014/15 – although the Trust will end the year largely on plan.<br>External assistance has provided capacity to examine levels of efficiency and establish tangible plans to achieve breakeven position, before progressing to upper quartile levels of efficiency. |
| Address service line loss making by 0 based approach to cost and income review | The development of Service Line Reporting (SLR) has continued, and been reinvigorated during the year, and plans are in place for the ongoing development with clinical engagement at the heart of the process, although there is a recognition that there is more work to do in this area.<br>Targeted work is being undertaken within specified work streams to ensure complete and accurate coding of income, to ensure that the Trust is appropriately reimbursed for work undertaken. |
| Maximise market share opportunities particularly on Wirral | Baseline position (Wirral) established and areas of opportunity identified.<br>Primary Care Engagement strategy implemented.<br>Impact upon market share monitored.<br>Opportunities to expand Market share into North Wales explored. |
| Driving through the delivery of benefits associated with Cerner | Phase 2b implemented November 2014 enabling the majority of the Trust's electronic patient record (nursing, AHP and medical). |

| | |
|---|---|
| | 2b bought advanced nurse task and acuity management tools and the functionality to support clinical care pathways and real time analytics. |
| Direct provision of Community services | Submission of joint bid with Community Trust for Community midwifery service.<br>Collaboration commenced with Community Trust to review therapy services to ensure seamless patient care and efficient use of resource.<br>Review of provision of Community Geriatrician service.<br>Early Supported Discharge (ESD) implemented.<br>Established Gynaecology outpatient clinics in Primary care in Neston and Wallasey.<br>Expansion of Paediatric Hospital at Home services to further reduce admission/length of stay (LOS) of children presenting at hospital. |
| Consolidation of hyper acute NHS activity | Service line reviews completed to identify areas of hyper acute provision where it may be beneficial to work in partnership with neighbouring Trusts to consolidate delivery of service.<br>Review of Urology and Haematology services carried out. |
| Host/provide community/mental health services | Provision of Specialist dementia nurses (employed by Cheshire Wirral Partnership ( CWP) to in-reach to Department of Medicine for the Elderly wards.<br>Admissions avoidance service (Community Trust), Cheshire Social worker, Early Supported Discharge Team, Palliative Care Team have all co-located with Integrated Discharge Team (IDT)<br>Age Concern has a "hot desk" with IDT. |
| Service line by service line review of collaboration opportunities | Service line reviews completed and collaboration opportunities with partner organisations identified and actioned. Partners include Countess of Chester Hospital (CoCH, Liverpool Heart and Chest Hospital (LHCH) and Wirral Community Trust. |

**Development of the Trust during 2014-15**

2014-15 has been a challenging year for the Trust, as it has been across the broader base of the acute sector. Against this backdrop the Trust has continued to drive forward the delivery of its strategic objectives and a range of developments have been implemented.

During 2014-15, as part of the Trust's ongoing commitment to Vision 2018-the Wirral Health and Social care strategy *"to ensure the residents of Wirral enjoy the best quality of life possible, being supported to make informed decisions about their own care and being assured of the highest quality services",* we have worked with partner organisations to establish early supported discharge (ESD) initiatives which have enabled patients to return earlier to the community for their care following acute

hospital admission. Together with the local Council and Community Trust we have established an ESD integrated therapy at home service which has enabled patients to be discharged earlier and continue their rehabilitation at home. The ESD service provides an integrated approach between health therapists and social care re-ablement and assessment services.

We have also developed an early supported discharge service for patients who have fractured neck of femur. The service combines the use of therapy at home as well as leveraging the use of technology to support 'virtual' clinics between the hospital staff (surgeon and hip fracture nurse) and the patient in their own homes. The pilot has been running since September 2014 and has resulted in patients being returned home with a significant reduction in their hospital length of stay.

From January 2015, with support from Wirral Clinical Commissioning Group (CCG) and working with partner organisations, the Trust established an Outpatient Parenteral Antibiotic Therapy Service (OPAT) meaning that patients who would previously have been admitted or kept in hospital for IV antibiotics, but are otherwise medically well, are now treated at home.

As part of the planned care work stream of Vision 2018, the Trust has successfully introduced the One Stop Hernia service. Patient feedback has indicated great satisfaction with the convenience of the service - no outpatient appointments, no hospital pre-operative assessment and ease of day case surgery. Furthermore there has been a focus upon the elective care pathway for patients with hip and knee pain including a Value Stream analysis workshop in February 2015 attended by clinicians and managers from organisations across Wirral which has identified opportunities to redesign pathways to improve the quality and effectiveness of the service.

The Trust has made significant progress in most areas of its quality performance in 2014-15. Our Hospital Standardised Mortality Rate was 85 at the end of 2013/14 and has remained below expected; showing our rate of reduction is greater than expected compared to other Trusts.

We have actively developed our partnership with our acute hospital neighbour, the Countess of Chester Hospital to enable both organisations to deliver care in a more sustainable manner; clinically, operationally and financially. Joint service reviews have been undertaken in Orthopaedics, Urology and Haematology to identify the potential strategic and operational benefits of collaborative working and a joint Breast Screening service, led by the Trust has been developed and processes for go live commenced on 1st April 2015. Collaboration opportunities have also been explored with Betsi Cadwaladr University Health Board to enable the Trust to provide additional specialist services e.g. Urology cancer to North Wales residents, whilst a joint consultant cardiologist appointment was made with Liverpool Heart and Chest Hospital.

As a Trust we believe that there is clear evidence to show that engaged staff provide better services for patients. The Trust has made progress in developing a strong ethos of engagement through 'Listening into Action' (LiA), producing some

successful results which have impacted directly on the quality and safety of patient care. The LiA model has been in place for just over 2 years as part of the National Pioneer Programme and has seen Wirral University Teaching Hospital achieve national recognition as a winner of the 2014 Health Service Journal Award for Staff Engagement.

The Trust is pleased to have been rated in the Top 100 organisations in the UK for apprenticeships. It won Macro Employer of the Year in the North West Division of the National Apprenticeship Awards and was named 'Best Macro Employer' in the North West Apprenticeship Awards

The Trust's education service has received the Mersey Deanery report on feedback from trainee medical staff who noted our Education Team provided an excellent service and all trainees would recommend the Trust as a place to learn. The Library & Knowledge Service achieved an impressive score of 94% compliance in their annual assessment against the NHS Library Quality Assurance Framework (LQAF).

A significant achievement against the Trust's objectives in 2014-15 was the implementation of phase 2b of the Cerner IT system which went live in November and was a key milestone for the organisation. It provides the functionality to enable the vast majority of the Trust's patient records to be held electronically, including virtually all nursing, allied health professionals (AHPs) and medical documentation outside theatres and ICU. In addition, this phase brought advanced nurse task and acuity management tools as well as the functionality to support clinical care pathways and real time analytics to support improvements in sepsis management and readmission avoidance.

Other significant capital improvements in 2014-15 included the Endoscopy Unit which completed a £2.3m upgrade to increase its capacity to see patients in an environment that meets best practice standards for patient flow, quality of patient experience and patient safety. The new unit which is fully equipped with the latest technology, offers patients a timely appointment in line with Department of Health (DOH) and Joint Advisory Group (JAG) targets, a completely single sex journey throughout endoscopy and from early spring 2015 the opportunity for patients to participate in the Bowel Scope Screening Programme at Arrowe Park Hospital.

In December 2014 we opened a new, state-of-the-art Resuscitation Unit in the Emergency Department (ED) to assist with the increase in older, sicker people with increasingly complex needs that are in need of very urgent care. The new unit is twice the size of the previous unit, with eight bays including specialist bays for trauma, emergency paediatrics, and infection isolation, and a new dedicated bereavement room.

In May 2014, as part of Dementia Awareness week the Trust opened the 'Memories Café' at Arrowe Park. The café gives patients, their families and their carers the chance to share experiences in a relaxed and informal setting surrounded by sights and sounds from days gone by.

The Trust has received local and national recognition for the quality of a number of its services during 2014-15. The CQC Maternity survey named the Trust's maternity service 7th out of 137 maternity units nationally which made it the best performing Maternity unit in the North West. The Wirral Women and Children's Hospital, received international recognition with the award of a prestigious Baby Friendly Accreditation - global accreditation programme from UNICEF. The initiative works with public services to protect, promote, and support breastfeeding and to strengthen mother-baby and family relationships and is only awarded after a strict assessment takes place by a UNICEF team to show that best practice standards are in place.

Colleagues from the Ophthalmology department were amongst the first in the country to achieve the Professional Certificate in Medical Retina, awarded by the College of Optometrists. This award through the University of Ulster, underpins the knowledge and skills required in the extended roles Optometrists play in delivering the Age Related Macular Degeneration service to patients. Furthermore, the Trust's Stroke Services have been recognised as Best in the North West by the Royal College of Physicians.

## Social, Community and Human Rights Issues

The Trust is committed to encourage both knowledge and implementation of human rights approaches in health. The Trust is committed to ensuring that equality and diversity is at the heart of all we do. This means ensuring that equality and fairness is embedded in the delivery of services to our service users and local community. It also means ensuring our employment practices are fair, flexible and enabling so that each member of staff can reach their full potential.

The Trust enjoys well established working relationships with a range of local stakeholder groups and organisations including the Older People's Parliament, the Carers Association and Wirral Multicultural Organisation. The Trust works with Healthwatch to ensure we are informed of the local public's views on health care issues and can take appropriate action.

Many stakeholder groups are standing members of the Trust's patient and family experience group which is integral to the organisations governance structure. We are able to send information to local 3rd sector organisations through Voluntary and Community Action Wirral (VCAW) who act as a network lead. The Trust also has representation on a number of Wirral wide boards, e.g. Carers partnership.

The Dementia steering group, which is chaired by the Trust, has representation from third sector organisations that are consulted in regard to delivery of care for dementia patients using the Trust's services.

The Trust is represented on the Maternity Services Liaison Group (MSLG), a statutory group which includes service providers, commissioners and local service users. Via the MSLG, local service users are consulted on the development of local maternity services and are able to comment on guidelines and policies being developed for the Trust's maternity service.

As we go forward, the Trust aspires to consult more comprehensively on our service with partners and stakeholders, and where it is more appropriate we will undertake consultation jointly with other health and Social care organisations, for example the development of the New Models of Care Programme.

The Trust is also represented at local Public Service Boards where partner organisations, including Wirral Council, Health organisations, Police and Fire services proactively work together to identify opportunities for joint working that will benefit local communities.

The Trust ensures that equality, diversity and human rights are embedded into its policies and practices. Processes exist to ensure that the Trust complies with its public sector equality duty; this includes an analysis of all policies, especially those relating to vulnerable patients. The Trust also has comprehensive engagement activity with groups who represent patients with protected characteristics including the Older People's Parliament Carers Association, Wirral Multicultural Organisation and the Alzheimers Society. Representatives from some of these groups are standing members of the Patient & Family Experience Group.

**Principle risks and uncertainties and factors likely to affect the Trust's future development, performance and position**

- **Financial sustainability and delivery of Cost Improvement Programme**

Achievement of financial sustainability and delivery of the cost improvement programme has been challenging for the Trust during 2014-15 and the Trust's financial plans recognise the pressures likely to be faced in the coming two financial years. The future financial outlook is described in the section **Future outlook** on page 33 of this report.

- **Compliance with the A & E 4 hour standard**

A risk highlighted in the 2014/15 Annual Plan submission was delivery of the standard of a minimum 95% of patients to be admitted, transferred or discharged from the Emergency Department within four hours. This standard was not achieved in any quarter of 2014-15 despite a reduction in attendances by 3% (April 2014-January 2015 against the same period last year). Like in many health economies across the country, there has been a significant increase in the non-elective pressures felt by the Trust; this peaked in January 2015, with the highest number of non-elective medical admissions ever. GP admissions increased by 25% April-

December 2014 against the same period in 2013. The acuity of patients presenting to the Emergency Department and conveyed by ambulance has similarly risen. The schemes the economy has put in place have assisted in mitigating the impact of these significant spikes in admission and acuity, however joint work continues with the support and focus of the System Resilience Group which includes all members of the health and social care economy to return to compliance against this important measure of health care and access to services.

- **Quality and Safety**

During 2014/15 the Trust faced a challenging trajectory of reporting no more than 24 cases of C Difficile clostridium across the year. The Trust reported 28 cases during the year. A number of actions were taken to improve performance including review and recommitment to our HPV deep cleaning programme and the establishment of a dedicated isolation facility, which will be made permanent with funding available in 2015/16.

In September 2014 the Trust was inspected by the Care Quality Commission. It visited: Emergency Department (ED); wards 1 (surgical day case); 20 (urology); 21 and 22 (care of the elderly); and 33 (Heart Assessment Centre, cardiology and renal). The CQC reviewed these areas against five standards: care and welfare of patients; records; assessing and monitoring the quality of services; respecting and involving people who use services; and staffing. We were judged to need improvements in all five standards. The first two – records, and care and welfare, were scored as moderate concerns (amber), and the remainder were scored as minor concerns (yellow). Full details of the Inspection is available on the Care Quality Commission website and the Trust website.

In response to the inspection the Trust has developed an action plan, which has been shared with the CQC, CCG, NHS England and Monitor. Many of the actions were immediate corrective solutions specific to the areas that CQC visited, but others were wider in scope and had more medium-term timescales. For example, we are aiming to raise the profile of nursing leadership and to introduce a new performance management framework for Ward Sisters and Charge Nurses. Most of the actions have already been completed and the remaining actions are due for completion by summer 2015. The full action plan was subject to a health and social care Quality Surveillance Summit in February 2015, attended by all key partners and both Monitor and the CQC.

During the period April 2014 - March 2015, the Trust reported 5 Never Events. A range of specific and strategic actions have been taken in response to each event. The "human factors" of these events were also considered and in response specific actions, including a Board development session regarding "human factors", has been implemented. The Trust commissioned the services of Professor Jane Reid to

undertake a review of theatres early in 2015 in order to identify areas for improvement with a view to minimising these in the future.

The Trust has joined the national "Sign up to Safety" initiative and has developed a communications plan to ensure there is strong engagement and dissemination of key quality and safety issues, particularly related to learning from both our CQC inspection undertaken in September 2014 and Never Events which occurred in the same year.

- **Staff engagement and satisfaction**

As a Trust we believe that there is clear evidence to show that engaged staff provide better services for patients. The Trust has made some progress in developing a strong ethos of engagement through 'Listening into Action', producing some successful results which have impacted directly on the quality and safety of patient care. The LiA model has been in place for just over 2 years as part of the National Pioneer Programme and has seen Wirral University Teaching Hospital achieve national recognition as a winner of the 2014 Health Service Journal Award for Staff Engagement. We want to continue with this success and embed LiA as a way of working at WUTH, enabling and empowering teams to address the local issues and priorities as well as Trust wide strategic priorities. In this context the NHS Staff Survey 2014 were disappointing (as detailed below) and a Culture and Engagement Plan has been produced which describes the steps we will take to ensure we achieve the objectives noted above over the next 3 years.

**OVERALL STAFF ENGAGEMENT**

*(the higher the score the better)*       Scale summary score

| | |
|---|---|
| Trust score 2014 | 3.48 |
| Trust score 2013 | 3.64 |
| National 2014 average for acute trusts | 3.74 |

1    2    3    4    5

*Poorly engaged staff*          *Highly engaged staff*
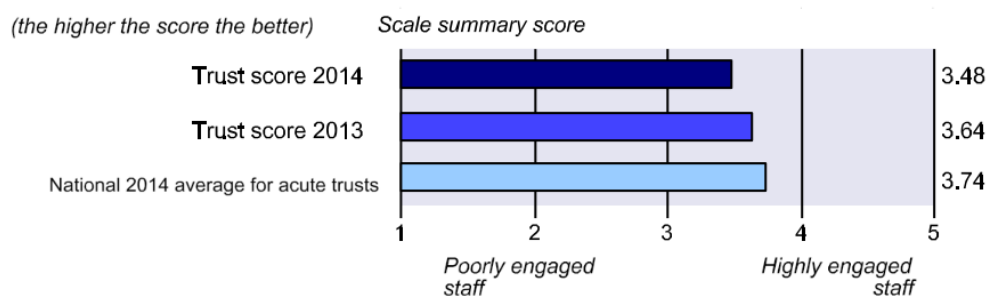
**TOP FIVE RANKING SCORES**

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

✓  **KF28. Percentage of staff experiencing discrimination at work in last 12 months**

*(the lower the score the better)*       Percentage score

| | |
|---|---|
| Trust score 2014 | 8% |
| National 2014 average for acute trusts | 11% |

0    25    50    75    100

![Wirral University Teaching Hospital NHS Foundation Trust]
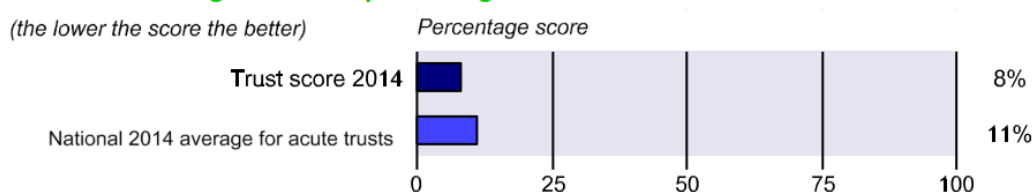
### ✓ KF5. Percentage of staff working extra hours

*(the lower the score the better)* — Percentage score

| | |
|---|---|
| Trust score 2014 | 67% |
| National 2014 average for acute trusts | 71% |
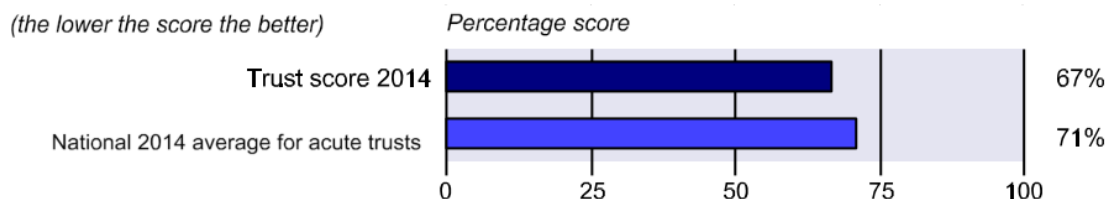
### ✓ KF18. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months
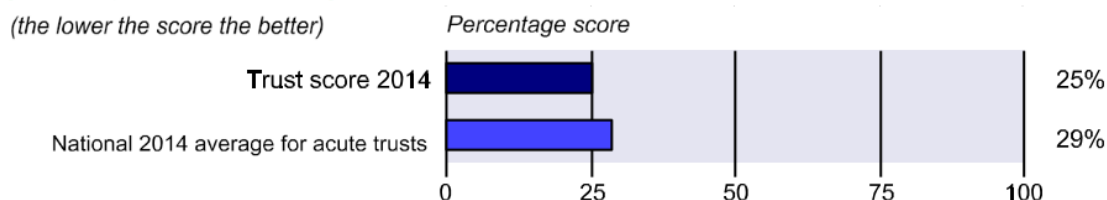
*(the lower the score the better)* — Percentage score

| | |
|---|---|
| Trust score 2014 | 25% |
| National 2014 average for acute trusts | 29% |

### ✓ KF16. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months

*(the lower the score the better)* — Percentage score

| | |
|---|---|
| Trust score 2014 | 13% |
| National 2014 average for acute trusts | 14% |
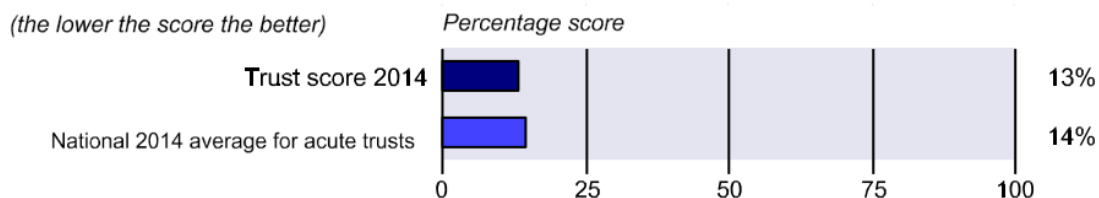
### ✓ KF19. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months

*(the lower the score the better)* — Percentage score

| | |
|---|---|
| Trust score 2014 | 23% |
| National 2014 average for acute trusts | 23% |
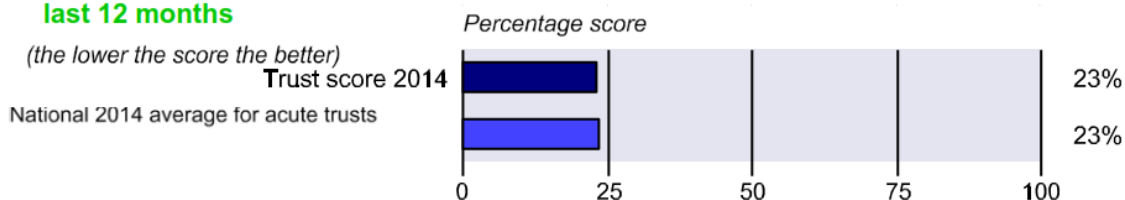
## BOTTOM FIVE RANKING SCORES

This section highlights the five Key Findings for which Wirral University Teaching Hospital NHS Foundation Trust compares least favourably with other acute trusts in England. It is suggested that these areas might be seen as a starting point for local action to improve as an employer.

### ! KF4. Effective team working

*(the higher the score the better)* — Scale summary score
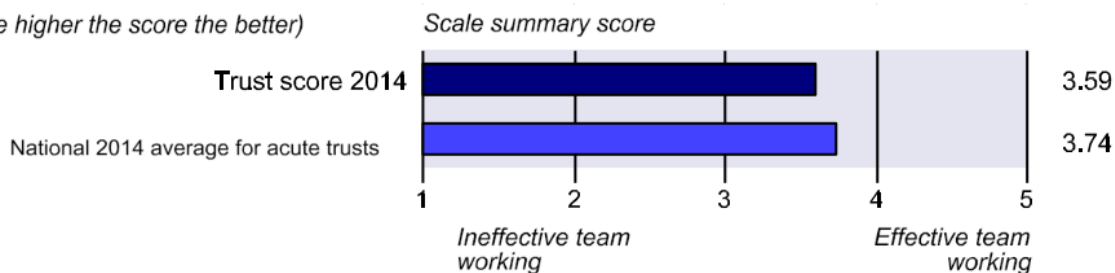
| | |
|---|---|
| Trust score 2014 | 3.59 |
| National 2014 average for acute trusts | 3.74 |

*Ineffective team working* — *Effective team working*

26

## ! KF10. Percentage of staff receiving health and safety training in last 12 months

*(the higher the score the better)*    Percentage score

| | | |
|---|---|---|
| Trust score 2014 | | 59% |
| National 2014 average for acute trusts | | 77% |

0    25    50    75    100
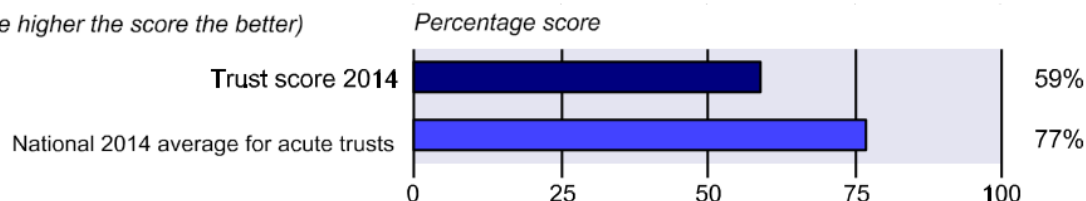
## ! KF2. Percentage of staff agreeing that their role makes a difference to patients

*(the higher the score the better)*    Percentage score

| | | |
|---|---|---|
| Trust score 2014 | | 86% |
| National 2014 average for acute trusts | | 91% |

0    25    50    75    100
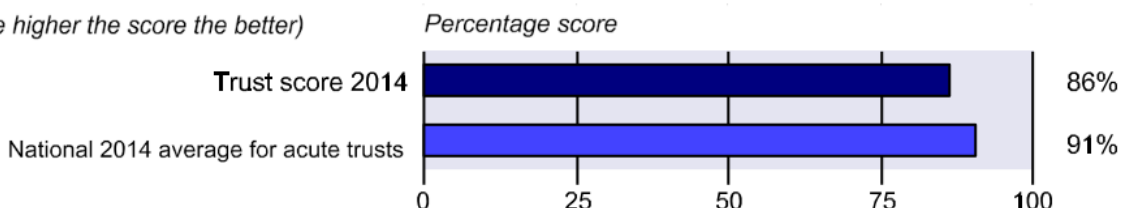
## ! KF22. Percentage of staff able to contribute towards improvements at work

*(the higher the score the better)*    Percentage score

| | | |
|---|---|---|
| Trust score 2014 | | 59% |
| National 2014 average for acute trusts | | 68% |

0    25    50    75    100
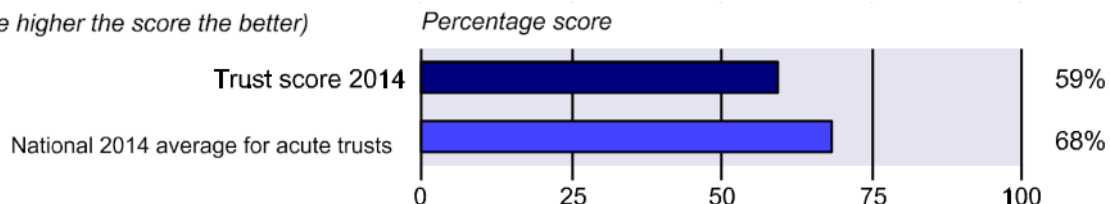
## ! KF14. Fairness and effectiveness of incident reporting procedures

*(the higher the score the better)*    Scale summary score

| | | |
|---|---|---|
| Trust score 2014 | | 3.38 |
| National 2014 average for acute trusts | | 3.54 |

1    2    3    4    5

*Ineffective / unfair procedures*    *Effective / fair procedures*
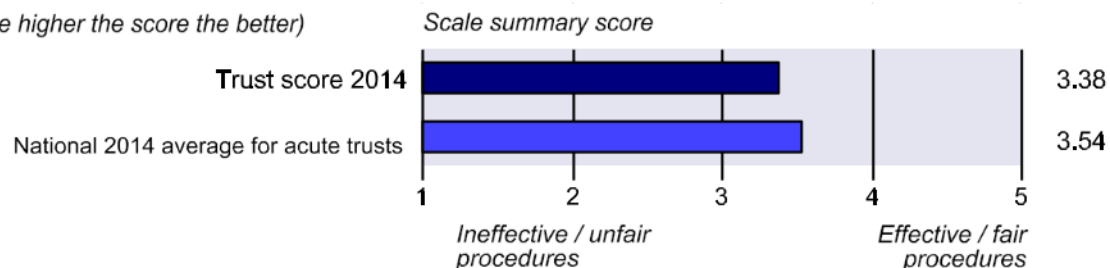
## Largest Local Changes since the 2013 Survey

This section highlights the Key Finding that has improved and deteriorated at Wirral University Teaching Hospital NHS Foundation Trust since the 2013 survey.

### WHERE STAFF EXPERIENCE HAS IMPROVED

### KF16. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months

*(the lower the score the better)*    Percentage score

| | | |
|---|---|---|
| Trust score 2014 | | 13% |
| Trust score 2013 | | 16% |

0    25    50    75    100
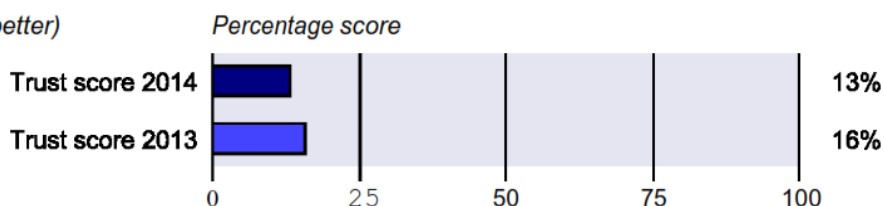
## WHERE STAFF EXPERIENCE HAS DETERIORATED

### ! KF9. Support from immediate managers

*(the higher the score the better)*
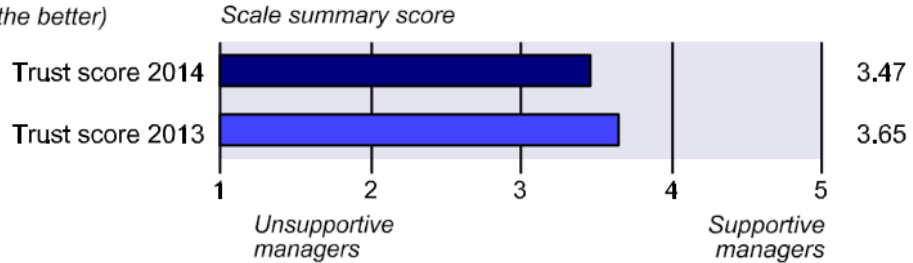
Scale summary score

| | |
|---|---|
| Trust score 2014 | 3.47 |
| Trust score 2013 | 3.65 |

1　　2　　3　　4　　5

Unsupportive managers　　　　Supportive managers

### ! KF10. Percentage of staff receiving health and safety training in last 12 months

*(the higher the score the better)*

Percentage score

| | |
|---|---|
| Trust score 2014 | 59% |
| Trust score 2013 | 72% |

0　　25　　50　　75　　100
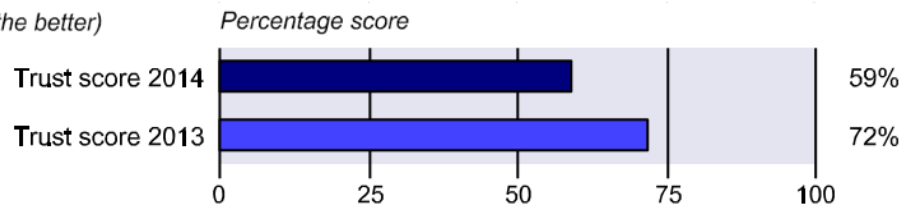
### ! KF23. Staff job satisfaction

*(the higher the score the better)*

Scale summary score

| | |
|---|---|
| Trust score 2014 | 3.45 |
| Trust score 2013 | 3.58 |

1　　2　　3　　4　　5

Dissatisfied staff　　　　Satisfied staff
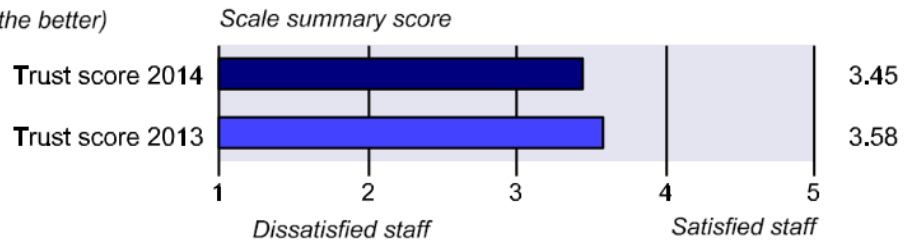
### ! KF3. Work pressure felt by staff

*(the lower the score the better)*

Scale summary score

| | |
|---|---|
| Trust score 2014 | 3.26 |
| Trust score 2013 | 3.12 |

1　　2　　3　　4　　5

Low work pressure　　　　High work pressure
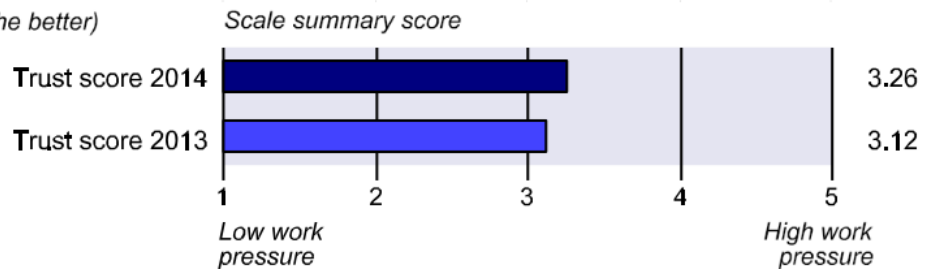
### ! KF8. Percentage of staff having well structured appraisals in last 12 months

*(the higher the score the better)*

Percentage score

| | |
|---|---|
| Trust score 2014 | 30% |
| Trust score 2013 | 38% |

0　　25　　50　　75　　100
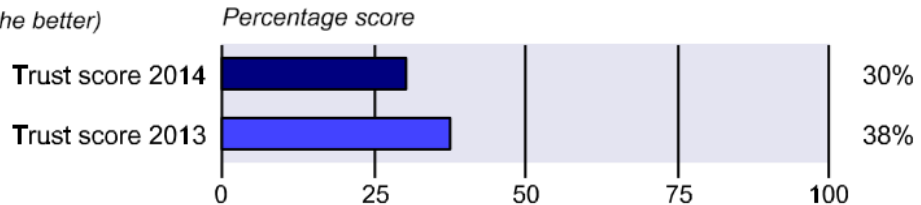
**Financial commentary 2014/15**

2014/15 has been a challenging year for the Trust, as it has been across the broader base of the acute hospital sector. Against this backdrop the Trust has delivered a deficit of £4.7m against its planned deficit of £4.2m. Within this outturn is a £0.8m gain on the planned disposal of one of the Trust's facilities, Springview, to the localities mental health services provider which has been a long term tenant of the facility. The Continuity of Service rating for the year is 3, which is higher than planned due in part to the liquidity generated through borrowing to support the capital programme.

The deficit position in- year is largely driven by a combination of;

- Excess costs of additional capacity to ensure that patients receive the timeliest care possible specifically with regards to urgent care;
- Excess costs associated with the management of both existing but critically emerging infections specifically those of VRE and CPE
- The continued challenge of improving efficiency to reduce costs, with the Trust achieving savings of £9.6m against an in year target of £13m

Whilst some additional winter pressures monies were secured to mitigate the costs of providing additional capacity for unplanned care, these were quite insufficient to cover the total costs. The Trust is actively engaged with health economy partners in ensuring that realistic planning and appropriate capacity is put in place to manage activity levels in the future so that the Trust can continue to provide the highest quality of care without incurring costs in an unplanned way.

Within the context of the Trust's Income & Expenditure position, the Trust has seen some notable successes specifically in both in-year and underlying improvements to its cash position with a year-end cash balance of £22.9m, being c£17.3m above plan. The Trust has achieved an underlying average improvement to its cash position of c£4m although not all of this is apparent at the fixed point of year end. Further cash improvements are due to the Independent Trust Financing Facility (ITFF) loan of £7.5m which was secured to support the capital programme. Cash improvements provide the Trust with greater resilience and flexibility in managing its position going forwards in the near term, although this will not be sustainable in a recurrent deficit position and further external cash support may be sought through 2015/16.

A core element of the Trust's financial plan was the requirement to deliver efficiency savings totalling £13m on a recurrent basis. The Trust achieved £9.6m in year with a full year effect of £13m and applied reserves of £4.8m on a non-recurrent basis to bridge the in-year shortfall on CIP schemes and to offset excess expenditure associated with maintaining additional capacity for urgent care pressures and the management of infection as noted above. Moving forwards the Trust anticipates that an ongoing efficiency requirement of a minimum of 5% is likely to be required to

address the Trust's underlying financial pressures and future pressures facing all acute providers and this will pose a significant challenge to the provision of financially sustainable services into the future. To help to meet this challenge the organisation is engaging constructively with external partners to ensure that it has detailed plans in place to tackle these issues on an on-going basis. The Trust has a savings requirement for 15/16 of c£13m and already has plans in place, to achieve c£11m of this in year and £16.4m recurrently. Maintaining a balanced financial position in an environment of decreasing resources is likely to demand that the Trust plans and delivers services differently into the future compared to its current service models. Recognising the in-year and future pressures to be faced across the Trust's operational, clinical and financial delivery models, the Trust has secured additional turnaround capacity and expertise during the year to augment the Programme Management Office (PMO) in the development of financial turnaround plans and the identification of more extensive cost improvements. The basis of this work is to test the Trust's current performance measures against the best in class, and to develop detailed plans which move our Trust towards these higher levels of efficient and effective performance, release resources and support improved patient care, experience safety and outcomes.

Monitor – the sector regulator of health care services – has announced the opening of an investigation into the pace of progress of the Trust's plans to achieve required costs savings and attain sustainable financial stability. This investigation is an automatic requirement of its role in respect of any NHS Foundation Trust which has a COS rating of 2 and is performing below plan.  A previous investigation by Monitor, which concluded in March 2014, satisfied the regulator that the Trust was taking steps to improve our financial position.  As the financial position has not improved as swiftly as projected and the planning for 15/16 indicates a continued and growing financial pressures, Monitor now seeks to understand why this is the case and the measures the Trust has in place for continued improvement and a return to the required financial performance levels.

In announcing their investigation, the regulator acknowledged that progress has been made by the Trust in moving towards achieving its financial plan. The Trust has provided full information to Monitor to support its review and is meeting with them in June to discuss their conclusions.

Whilst the Trust's revenue position was challenging, in-year the Trust maintained a level of investment in development and improvements to its facilities and equipment. These are essential investments, not only for the current period, but also for the future delivery of care.  Significant capital investments in year included the further redevelopment of the Accident and Emergency department, continued maintenance of the Trust's estate and the development of the Trust's Endoscopy facilities. Additionally, the Trust continued its investment in its leading edge IT system Cerner maintaining its position as a leading Trust in the UK and Europe for its application of IT solutions in the provision of health care.  In addition to investment of the Trust's own resource, central support for the Trust's strategic direction was also recognised

by the Trust securing a further £3.5m of investment in its IT capacity and capability through a supported bid to the national "Safer Hospitals, Safer Wards" funding.

In summary, while the Trust has delivered a £4.7m deficit (which is within £0.5m of the plan), this is within the context of another extremely challenging year, with a continuation of operational pressures and challenging efficiency requirements.  The Trust is determined to move towards a more financially sustainable position over the coming financial period, and is in the process of developing detailed plans in order to achieve this with expert support and additional capacity sourced from teams with a track record in delivering turnaround processes. In addition to the Income and Expenditure position the Trust maintained a level of investment in its estate and infrastructure as well as leading edge technologies. The Trusts cash processes were reviewed and enhanced and improvements embedded into internal systems such that, despite the deficit, the Trust cash position improved.

**Regulatory ratings**

The Trust is regulated by Monitor, which reviews the Trust's performance through a series of risk rating called the Risk Assessment Framework ratings. Within this framework financial sustainability is measured through the Continuity of Service (COS) rating. A COS rating of 3 or higher is deemed to be acceptable by Monitor.  A rating of 2 is viewed by Monitor as indicative of material financial risk and hence the Trust has been under monthly financial reporting with its regulator throughout the year.

For the Governance ratings, under the Risk Assessment Framework, a rating of Green indicates there are no evident concerns, whilst a Red rating indicates enforcement action is being taken.  If a Trust is in between Green and Red it is unrated with a description of "Issues Identified" and the actions being taken.

The ratings for the year are shown below:

**2014/15 ratings:**

|  | **Annual Plan 2014/15** | **Q1 2014/15 Actual** | **Q2 2014/15 Actual** | **Q3 2014/15 Actual** | **Q4 2014/16 Actual** |
|---|---|---|---|---|---|
| Continuity of Service (COS) rating | 2 | 2 | 2 | 2 | 3 |
| Governance risk rating | Issues identified | Issues identified | Green | Issues identified | Issues Identified |

The Trust's financial performance in 2014/15 led to a fall in its financial risk ratings, both against the plan and against the previous year's performance. However at the end of the year the Trust achieved a Continuity of Service rating of 3 compared to

the planned level of 2. This was due to the liquidity gain from the drawdown of a loan to support the capital programme

The governance risk rating issues raised in the Annual Plan for 2014/15 related to the A&E 4-hour standard and remaining within the Clostridium Difficile (C Diff) maximum trajectory. The C Diff standard was achieved across 2014-15 as a whole. However the A&E 4-hour standard was not achieved in any quarter of 2014-15. For 2015-16 work is continuing with partners across the Health and Social care economy to deliver the agreed Urgent Care Recovery plan. The Trust is also working with ECIST and partner organisations to plan a perfect week in line with the national Breaking the Cycle initiative to highlight blockages and implement the SAFER patient care bundle to support improved flow across the patient pathway. This is planned for April 2015.

**Pension Liability**

In 2014/15, there were 4 (2013/14:6) early retirements from the Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £221,893 (2013/14: £275,164). The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.

**Accounting Policies for Pensions & Senior Employees Remuneration**

Accounting policies for pensions and other retirement benefits are set out in note 1.9 to the accounts and details of senior employees' remuneration can be found in page 165 of the remuneration report.

**Going Concern Basis**

After making enquiries, the Trust's Board of Directors had a reasonable expectation that the Foundation Trust had adequate resources to continue in operational existence for the foreseeable future. For this reason, they continued to adopt the 'going concern' basis in preparing the accounts.

In considering the above position the Board of Directors has specifically noted the Trusts requirement, based upon its annual plan submission, for external financial support of £4.8m which it has assumed will be available through the national approach to distressed financial support.

The Board of Directors have also considered the development of the Trusts recovery plan in framing its view on going concern and the additional external support the Trust has secured to support the development, execution and delivery of the recovery plan.

The final material consideration the Board of Directors have reflected upon, is the overall health economy position and within that the Trusts contract for the current year. Whilst a variance between the Trust and CCG on the contractual position exists the Trust has a largely Payment by Results contract to ensure it is reimbursed for the activities volumes it delivers, has explicitly shared its assumptions with the CCG and will continue the contractual dialogue through the financial year with the CCG.

**HM Treasury and Office of Public Sector Information guidance**

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

**Income for the Purposes of the Health Service**

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 must be greater than its income from the provision of goods and services for any other purposes. The Wirral University Teaching Hospital NHS Foundation Trust can confirm that it has met this requirement for the 2014/15 financial year and is confident that it will continue to meet this requirement in future years.

Other income received is used to provide additional support and stability to the underlying financial position of the Foundation Trust. This ensures the Foundation Trust can continue to afford to deliver a high standard of provision of goods and services for the purposes of the health service in England.

**Financial instruments**

An indication of the exposure of the entity to liquidity risk and interest rate risk is set out at Note 27.3 of the Trust's Accounts.

The Trust's investment policy is to hold funds in bank deposits and money funds, which are less vulnerable to market variations. Balances are held with the Government Banking Service and highly rated banks.

**Statement of disclosure to Auditors**

Each of the above 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 he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

**Future Outlook**

The financial position of the acute sector and therefore the Trust appears significantly challenging in the short and medium term. Significant service delivery changes across all economy partners from both a health and social care perspective are therefore required. Patients' expectations are rightly increasing, there are increases in demand for services as a consequence of an ageing and increasingly obese population, and alternatives to hospitalisation are taking time to realise.

Demand pressures coupled with national efficiency requirements and specific as well as general inflationary pressures, together with the availability of the necessary clinical workforce are all placing unprecedented service and financial pressures on medium to large sized acute providers.

Against this backdrop, the Trust, in its planning for the coming year, has actively scanned the local, regional and national environment and developed its forward look upon a series of balanced assumptions to accommodate known and forecast opportunities and threats within its financial base. Positively, the Trust broadly delivered against its 2014/15 in-year plan.   However the financial plan for the next year is predicated upon a series of  key variables and  assumptions which will need to be realised early in the financial year to ensure that risk in the underlying financial plan does not increase through the delivery period. .

Critical assumptions in the forward look plan include;

- Reaching a satisfactory conclusion to the 2015/16 contractual discussions with commissioning CCG's, particularly with regards to payment for urgent care over performance, the use of Better care Funding, the use of Strategic Resilience Resources and the application of contractual penalties, in an environment where the Trust will focus on being appropriately remunerated for all activities undertaken;
- An overall contractual approach based largely on a PbR framework adjusted ass nationally notified and in line with the Trust's choice to apply the "Enhanced Tariff Offer" (ETO);
- Development and delivery of detailed turnaround plans which achieve an in year savings effect of £13m and which lay the foundations for further savings into 16/17 and beyond;
- Agreed contract volumes  are delivered within agreed base budgets without the need for additional resource;
- Costs increasing to accommodate inflationary pay and non-pay pressures, agreed business cases, high cost drugs costs and an agreed range of cost pressures;
- The management of the nationally imposed cost increase for CNST, which has seen a £4m, 53% increase in the Trust's premiums in 2015/16
- That additional resource will be available, in the winter of 2015 as it has been in preceding years to supplement and support the opening of additional capacity in a planned way to manage the delivery of services through the winter period;
- That financial risk as a function of operational delivery, external turnaround support, or external assessment through either Public Health England of the Care Quality Commission does not exceed the costs contained within the plan;

- Access to external financial support no later than quarter three of the planning period;
- Divisional teams deliver against expenditure budgets as agreed and which have been adjusted to reflect a run-rate approach rather than a traditional budgetary approach;
- Base operational plans for volumes of care are delivered inclusive of any growth identified at budget setting or as part of the cost improvement process where income schemes support margin improvement and
- Financial pressures across other economy partners within either health or social care do not detrimentally or consequentially impact upon the Trusts planned position and delivery;
- Delivery of £13m in-year savings supported by an in-year mitigation reserve of £1.5m and enabling costs associated with CIP delivery of £1.8m;
- That investments and additional expenditure will not be committed, in-year, without additional resource being available to support the investment.

In framing the financial plan for 2015/16 and the broader based turnaround for 2016/17 and beyond it is essential that the Trust both stabilises its recurrent run rate deficit and also makes inroads into eliminating the underlying structural deficit so as to return to a balanced position in the coming financial periods.

Given the significant challenges and presupposing the delivery of a £13m CIP, the plan assumes a significant deficit position in 2015/16 – rather than a breakeven or surplus, although the Trust would hope to minimise any deficit where possible. Planning for a deficit does impact on the availability of cash to resource the capital programme, and also on the liquidity position of the Trust, and so the resource available to support the capital programme in 2015/16 will be limited to that resource internally generated through depreciation. This in turn constrains the ability of the Trust to maintain its estate and other capital assets.

Based upon the agreed and tested planning assumptions the outputs of the financial modelling indicate at a headline level

| Detail | £m |
|---|---:|
| Underlying run rate through 2015/16 (Dec 2014) | 28 |
| Financial deficit | 13.5 |
| Assumed in year CIP achievement | 13.0 |
| Interim distressed trust cash support | 4.8 |
| Capital programme | 9.8 |
| Opening Cash | 22.9 |
| Closing Cash | 1.6 |
| Year End Cos | 1 |

With the quarterly Continuity of Service rating being reflected within the table below

**Planned Continuity of Service (COS) Ratings 2015/16:**

| | Annual Plan 2015/16 | Q1 2015/16 Plan | Q2 2015/16 Plan | Q3 2015/16 Plan | Q4 2015/16 Plan |
|---|---|---|---|---|---|
| Continuity of Service (COS) rating | 1 | 2 | 2 | 2 | 1 |

Clearly the planned position for 2015/16 is ultimately not sustainable into the future and the Trust is working closely with internal and external partners to expedite the necessary granular plans to ensure that a return to an improved financial footing, within the current operating context, is achieved at the earliest opportunity. However it must be noted that the scale of change required will extend beyond a single planning period and this is particularly relevant to the changes required across the economy and which are being progressed as part of the national programme of Vanguard sites within the context of the economies PACs model offering.

**Trends and factors likely to affect future developments, performance and position of the Trust**

There are a number of factors that may affect future developments, performance and position of the Trust. Wirral University Teaching Hospital is already in the process of establishing plans to manage or mitigate these factors:

Consistent with the national trend, the Wirral health and social care system continues to face the dual challenge of striving to improve levels of quality, safety and patient experience, combined with a challenging financial climate.

Wirral Partner organisations have strong and improving working relationships which have been solidified in recent years through the Vision 2018 Programme. The programme's guiding principles are to improve health and well-being outcomes of the local population, to improve patients' experience and reduce the cost of health and social care. In 2014-15 the Vision 2018 model has developed four integrated care co-ordination teams; as well as a hospital based integrated discharge team. These provide coterminous and co-located health and social care services across the full spectrum of NHS primary, community, mental health, acute care and social care. These teams are expediting discharge of admitted patients into community settings, delivered on a locality model and providing a local response to patients with complex needs.

Furthermore, the Trust has worked in partnership with Health and Social care commissioners to develop a Better Care Fund (BCF) Plan. This contains a selection of workstreams which support early intervention to prevent hospital admission and step up/step down services which enable people to receive ongoing care/support to empower them to live safely and independently in the community following hospital attendance/admission.

In February 2015, Wirral Partners (Health and Social care organisations) submitted a successful expression of interest to be a Vanguard site for the National New Models of Care initiative. The Wirral approach will catalyse a new model of integrated care in Wirral, building upon the Vision 2018 programme and will be supported by a technology enabled population health model. It will have the dual focus of reducing health inequalities whilst achieving cost savings through reduced inefficiency and duplication.

The Trust's approach to its CIP programme has seen a step change in year to how the Trust has previously delivered savings. Historically, the Trust has achieved savings through largely transactional opportunities but has moved towards mix of more 'transformational' change to the way care is currently provided; and will include improvements in patient pathways; closer and more collaborative working with local community health and social care partners; and realising the benefits of the Trust's

information technology agenda. The Trust has put in place enablers to ensure that the quality of care continues to be maintained, including Quality impact assessments for each CIP scheme, which are overseen by the Medical Director and Director of Nursing and Midwifery to ensure that any untoward impacts of efficiency schemes are pre-empted and mitigated.

**Local health economy demographic context**

Wirral is home to a growing population of over 320,000 people. There is a strong contrast between the East and West of the borough. Wirral's neighbourhoods range from some of the most deprived in the country, around St James Church in Bidston, to one of the most affluent, or least deprived, in South West Heswall less than six miles away.

23 areas in Wirral fall into the highest 3% in England in terms of levels of child poverty, with a total of 57 areas in the highest 20%. This results in serious quality of life issues and health inequalities, including a completely unacceptable difference in life expectancy of up to 10 years for females and 12.4 years for males depending on where a person lives in Wirral.  Life expectancy for men at birth is 77.8 years, and for women it is 82.3 years.  However, healthy life expectancy at birth is 60.8 years for men, and 62.7 years for women, highlighting an overall18.3 years of unhealthy life expectancy.

Population projections have identified that Wirral's demographic will alter considerably by 2033, with those aged 65 and above expected to increase by 24,600 people, to almost a third of the local population. The rise in the number of older people over the next two decades will force Wirral to adapt to new challenges.

The Trust takes into account these factors as it plans and delivers its services and is working with its patients, carers and partner agencies to mitigate the impact they may have.

**Reduction in commissioned activity from the CCG and transfer of care from acute care to Primary and community care settings**

The Vision 2018 programme workstreams covering Planned Care, Unplanned Care and Long Term Conditions/Complex needs have all included representation from the Trust as they have developed a range of short term and longer term projects to redesign care pathways. Where the pathways were likely to result in a loss of income to the Trust, transitional arrangements have been sought and arrangements to support these have formed part of contract discussions.
All Clinical Divisions have conducted a thorough review of clinical activity in 2014-15 to ensure capacity is fully utilised or cost removed.
The Better Care Fund presented to Wirral Health and Wellbeing Board in March 2014, described an overall targeted reduction of 15% non-elective admissions in 2014-15, and a 20% reduction in planned care demand over the next 5 years.

However, this was not reflected in actual activity. In 2014-15 the Trust recorded 28% increase in GP referred non elective admissions and an 8.6% increase in GP referred outpatient appointments. The successful application to be a vanguard site to deliver New models of care is a helpful first step in delivering a reformed model supported by modernised contracting structures.

**Reconfiguration of specialist services**

NHS England has stated that specialist services must change, with fewer centres offering improved quality and sustainability more closely linked to research and innovation. The Trust is committed to working in partnership with NHS England: Cheshire, Warrington and Wirral Area Team as it develops the North West five year strategic plan for Specialist Services Commissioning. The Trust's five year strategy-Locally Focused Regionally Significant - demonstrates our intention to provide regional specialist services where we have the clinical capability and expertise to do so.

## Environmental Matters

During 2014/15 the Trust continued reducing its environmental impact and is PROUD of the achievements made including:

- The Carbon Saver Gold Standard Award for reducing carbon emissions
- Improvement in building energy performance as reflected in the Display Energy Certification
- In February 2015 the 'Go Live' of a 15-year partnership with Ener-G Combined Power Ltd
- The energy infrastructure of both hospital sites has been upgraded, which has already delivered a significant reduction in the Trust's carbon consumption and supports an expected yearly reduction of 6,200 tonnes together with an annual saving on utility bills in excess of £200,000
- The Trust has new combined heat and power (CHP) units,
- Energy-efficient lighting, pumps, chillers and water-saving measures installed throughout both sites.

Other capital schemes undertaken during the year have also contributed to reduced energy consumption, including:

- improved insulation on heating pipework and flat roofs
- Introduction of LED lighting around the hospital as part of a first impressions improvement project
- Theatres summer chiller
- demolition of C Block building at the Arrowe Park site.

All Trust planned capital projects are routinely reviewed for inclusion of energy-saving measures, whether new build or refurbishment.

The Trust has a Travel Plan which is reviewed and updated bi-annually. It includes carrying out staff and visitor travel surveys and setting targets for increasing sustainable modes of travel to our hospitals in order to reduce dependence on the car. Our Travel Plan is supported by a transport strategy group, involving Trust staff and governors together with colleagues from Wirral Borough Council and Merseytravel, the local transport authority serving the Wirral.

Work with Merseytravel during 2014/15 has resulted in plans being implemented for major improvements to the bus interchange at the Arrowe Park site to improve the service for staff and visitors. The scheme includes new bus shelters and real-time information screens and is expected to support increased services encouraging greater usage of public transport. It is due for completion in May 2015.

The Trust have continued to operate a salary sacrifice scheme for cycle purchase: 22 members of staff took advantage of the scheme during the year. In partnership with Wirral Borough Council the Trust ran two 'Cycling to Work' promotional events which included free bicycle maintenance.

## The Trust's Employees

The number of whole time equivalents (WTE) employed by the Trust during 2014/15 (as at February, 2015) was 4597.83 WTE and the total number of employees was 5530 (Head Count).

The following table provides a more detailed breakdown of our employees by WTE and Headcount for 2014/15 (as at February, 2015). This is broken down by staffing groups and by the number of male and female employees.

| Staff Group | WTE | Headcount |
|---|---|---|
| Add Prof Scientific and Technic | 160.34 | 179 |
| Additional Clinical Services | 852.57 | 1016 |
| Administrative and Clerical | 886.41 | 1010 |
| Allied Health Professionals | 249.72 | 307 |
| Estates and Ancillary | 575.07 | 897 |
| Healthcare Scientists | 124.92 | 140 |
| Medical and Dental | 384.65 | 407 |
| Nursing and Midwifery Registered | 1363.39 | 1573 |
| Students | 0.77 | 1 |
| Grand Total | 4597.83 | 5530 |

| Gender | WTE | Headcount |
|---|---|---|
| Female | 3525.44 | 4362 |
| Male | 1072.39 | 1168 |
| Grand Total | 4597.83 | 5530 |

**Male and Female Board Directors at year-end**

|  | Female | Male |
|---|---|---|
| Chairman |  | 1 |
| Chief Executive |  | 1 |
| Director | 2 | 3 |
| Non-Executive Director | 4 | 2 |
| Grand Total | 6 | 7 |

**Male and Female Senior Managers**

|  | Female | | Male | | Total Headcount | Total WTE |
|---|---|---|---|---|---|---|
| Payscale Description | Headcount | WTE | Headcount | WTE | | |
| Band 8 - Range A | 74 | 74.00 | 31 | 31.00 | 105 | 105.00 |
| Band 8 - Range B | 24 | 24.00 | 12 | 12.00 | 36 | 36.00 |
| Band 8 - Range C | 15 | 15.00 | 9 | 9.00 | 24 | 24.00 |
| Band 8 - Range D | 3 | 3.00 | 1 | 1.00 | 4 | 4.00 |
| Band 9 | 1 | 1.00 | | | 1 | 1.00 |
| Senior Manager | 5 | 5.00 | 4 | 4.00 | 9 | 9.00 |
| Grand Total | 122 | 122.00 | 57 | 57.00 | 179 | 179.00 |

**Workforce narrative**

The Trust is visibly committed to the supporting infrastructure that enables the Trust to develop, grow and remain healthy whilst executing its strategy. The vision for our workforce is to have a healthy organisational culture, a sustainable and capable workforce, working in an integrated manner with partners and where the leadership and management of our people is effective and conducted in a manner that improves staff experience and lets us demonstrate that we have put our values into action.

Our focus on front line services has increased the nursing establishment (with further investment planned for 2015/16) and consultant workforce has increase slightly. A robust development plan for Advanced Nurse Practitioners continues to be rolled out. The Trust has continued to undertake regular skill mix and grading reviews, the purpose of this being to ensure staffing levels remain safe and appropriate.

Optimising the contribution of all staff irrespective of role or seniority has been paramount and having the systems in place to do so has been a key priority. The Trust has already made significant progress in aligning our clinical workforce to the delivery of care, based on both demand/flow and demographics/acuity. Optimising leadership skills and potential is essential and as such we will be implementing a number of measures to ensure we are fit for purpose going forward e.g. Consultants development programme, Leadership plan. Clearly, this needs to be set within a context of financial challenge and the need to invest in the right things and drive out efficiencies in appropriate areas.

**To ensure: Our people are aligned with our vision**

An engaged and motivated workforce is essential for delivering high quality services to patients. The following simple workforce metrics are used in conjunction with other measures against this objective.

The chart below illustrates the attendance absence rate across 2014/15. As the graph will demonstrate the rate has fluctuated across the year.

**Trust - In Month & Rolling**

| | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In Month % | 4.75 | 4.69 | 5.05 | 4.90 | 4.41 | 4.41 | 4.90 | 4.95 | 5.33 | 5.29 | 4.83 | 4.59 | 4.17 |
| Rolling % | 4.73 | 4.75 | 4.82 | 4.86 | 4.85 | 4.85 | 4.86 | 4.85 | 4.90 | 4.90 | 4.91 | 4.93 | 4.87 |
| Target | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
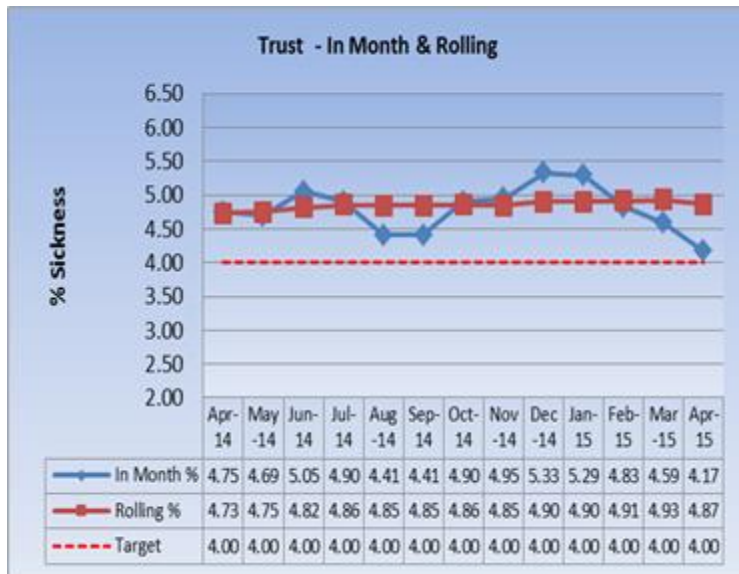
The charts below illustrate the appraisal and mandatory trainings rate across 2014/15.  NB  the Trust undertakes Health and Safety Training on a tri-annual basis which accounts for the misalignment in the results from the NHS staff survey on page 28 and the overall training results.

**Trust - Mandatory Training**

| | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MT (A) % | 92.95 | 93.59 | 93.76 | 97.59 | 97.89 | 98.09 | 97.66 | 97.70 | 97.37 | 97.70 | 97.71 | 97.48 | 97.30 |
| MT (B) % | | | | | | | | | 69.13 | 69.88 | 71.93 | 72.28 | 74.09 |
| Target | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 | 95.00 |

**Trust - Appraisal**

| | Apr-14 | May-14 | Jun-14 | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IR % | 87.4 | 85.8 | 83.3 | 83.2 | 83.8 | 82.2 | 80.6 | 82.6 | 82.9 | 83.4 | 84.4 | 88.1 | 87.6 |
| Target | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 |

**Risks and Uncertainties Facing the Trust**

The risks identified in 2015/16 around performance relate to a number of areas –

- Quality - Infection prevention, readmissions, CQC report and Never events
- Emergency Care – demand and capacity
   Staff satisfaction and engagement
   Productivity, efficiency and CIP

i)    **Quality issues – Infection prevention, readmissions, CQC report, Never Events**

The Trust will continue to build on learning to date by  investing in its' isolation facilities, further improving environmental cleanliness, and develop relationships with the Community Trust, Public Health and Primary Care to minimise the impact on patients and services.   Supplementing this in 2015/16 will be a new and reinvigorated communications and training programme related to infection prevention and control – including strong emphasis on hand washing compliance. The Trust is continuing to implement its Readmissions action plan to ensure it meets its target to reduce readmissions by 8.2% in 2014-15 and 7% from 2015-16. At month 11 the Trust was reporting a 9.4% readmission rate. Following a "Listening into Action" event an action plan was developed and includes a range of workstreams including a readmission alert flag on the Cerner record, monthly notification of all readmitted patients to the community based Integrated Care Co-ordination Teams, implementation of the "Ticket Home" initiative and the recruitment to emergency surgeon posts coupled with redesign of non-elective surgical pathways. The Trust believes that investment of £1.2m into the nursing workforce in 2015-16 will also have a direct impact upon the quality of care provided to patients.

In response to the CQC responsive inspection report in Q3, an action plan is in place which is monitored internally by the Quality and Safety Committee and externally by

the Clinical Commissioning Group. During the period April 2014 - March 2015, the Trust reported 5 Never Events. A range of specific and strategic actions have been taken in response to each event. The "human factors" of these events were also considered and in response specific actions, including a Board development session regarding "human factors", have been implemented.

### ii) Emergency care – demand and capacity

The Trust is focussed on resolving areas of poor performance which would impact upon the delivery of its 5 year strategy. It has been recognised across the Local Health Economy that achievement of the 4 hour access target is a shared responsibility. The standard was not achieved in any quarter of 2014-15 and a Health and Social Care Economy recovery plan is already in place, which has been developed with the support of the Greater Manchester Intensive Support Team.

In 2014/15 the Trust, alongside many others in the UK, experienced particular pressures around the Christmas/New Year period, largely related to unplanned and unpredicted increases in emergency demand – particularly from primary care. The Trust and health community are reviewing lessons from this period to ensure that – where possible – capacity and demand profiles can be more accurately aligned for 2015/16.

Capacity issues are also addressed through the health and social care community recover plan referenced above. This recovery plan details the 4 work streams that are required to support achievement of the 95% target. Each of the work streams has designated executive sponsors, management leads and clinical leads that have been selected from across the Wirral Health and Social economy, depending on their area of influence, to work in partnership to support achievement of the standard.

- **Admission avoidance** aims to prevent admission by focusing on areas of high attendance such as drug and alcohol misuse as well as specific pathway work for continence, falls, frequent attenders and admission to hospital for intravenous antibiotics
- **ED Processes** – This work stream has been developed to ensure that the Emergency Department is optimising the use of its clinical ability, by ensuring that patients receive senior review at the earliest stage possible following presentation
- **Inpatient care** - With the focus on care of inpatients, this work stream has been developed to ensure that once admitted, patients receive the right care at the right time with the aim of reducing waste within the patient journey
- **Patient discharge** – The key action within this work stream is, improvement of the discharge pathway out of hospital for patients requiring ongoing support/care, including patients from Cheshire.

The local economy 'Better Care Fund' plan which was developed by commissioners through collaboration with the Trust has also identified a range of schemes which will

divert people away from the Emergency Department, for example provision of overnight care packages in peoples' homes. Although prioritisation was given to schemes that would have the greatest impact on non-elective admissions to the Trust, funding was not sufficient to support all schemes identified by the Trust. These opportunities will be revised for inclusion in 2016-17 Better Care Fund plans.

### iii) Colleague engagement

The Trust recognises that staff engagement is fundamental to the achievement of our Strategic Vision and was therefore disappointed that our staff engagement score fell below the target we had aspired to. Over the next three years, the Workforce / OD Strategy which has been agreed at the Board will provide a platform from which to attract, retain, support and reward our people to meet our priorities. Our vision is to have a healthy organisational culture, a sustainable and capable workforce, working in an integrated manner with partners and where leadership and management of our people is effective and conducted in a manner that improves staff experience  and lets us demonstrate that we have put our values into action. Particularly important here will be the continued implementation of our award winning Listening into Action programme, which has engaged over 2000 staff directly in leading and implementing improvements in efficiency and effectiveness.  In 2015/16 we will more directly link this to our overall financial recovery programme, to ensure that we continue to empower our colleagues to make changes to operational delivery.

### iv) Productivity, efficiency and CIP programmes

The Trust has a significant financial challenge over the next 2 years; and recognises the need to strengthen efforts and increase its focus to achieve both financial and operational sustainability.  A detailed programme of work has commenced to identify productivity and efficiency opportunities available to the Trust based on two phases. The first phase consisted of benchmarking the Trust's current performance to peer Trusts or top quartile national performance to understand the size of the potential opportunity the Trust could pursue. The second phase converted this benchmarked opportunity to a defined opportunity through a bottom-up analysis led by internal operational and clinical staff.

The approach to this year's CIP programme represents a step change to how the Trust has previously delivered savings. Historically, the Trust has achieved savings through largely transactional opportunities.  This year, the planned savings will be delivered through a mix of more 'transformational' change to the way care is currently provided; and will include improvements in patient pathways; closer and more collaborative working with local community health and social care partners; and realising the benefits of the Trust's information technology agenda.  The focus on transformational savings reflects the Trust's view that medium and long-term sustainability is strategically linked to the financial viability of the whole health economy.  Particularly important in this regard will be the implementation of the New Models of Care programme. The table below lists the range of workstreams identified to achieve productivity and efficiency gains

| Coding | Facilities |
|---|---|
| Patient flow | Medical workforce including junior doctor productivity |
| Theatres | Nursing Bank and Agency |
| Outpatients | Medical Bank and Agency |
| Estates | Workforce Redesign |
| Therapies | Procurement |
| Pharmacy | Ward based nursing |
| Radiology | Non Ward based nursing |
| Variations in clinical care | Service repatriation |
| IT enabled schemes | Pathology |

The Trust has put in place enablers to support delivery of this programme; and to ensure that quality and care continue to be maintained:

- Increased leadership through the appointment of a Turnaround Director to drive delivery supported by the appointment of dedicated work stream leads responsible for ensuring the transformational changes take place and are sustained in new practices – supported by clinical leaders.
- Strengthened programme management office with clear responsibility for monitoring and reporting progress against plan through standardised reporting processes to assure delivery.
- Quality impact assessments continue to be developed for each scheme, overseen by the Medical Director and Director of Nursing to ensure that any untoward impacts of efficiency schemes are pre-empted and mitigated.
- A Transformation Steering Group is in place and meets weekly, chaired by the Chief Executive.  Supported by the Turnaround Director and his team, this meeting includes all Executive Directors.  Progress on the Turnaround Programme is reported through the Finance and Business Performance Committee to the Trust Board, which receives monthly reports on progress, risks and mitigation.

David Allison

Chief Executive

27th May 2015

# Directors' Report

## Board of Directors

## Role and Composition

The Board of Directors has collective responsibility for all aspects of the Trust's performance. The specific responsibilities of the Board include:

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

The Board has established a governance structure setting out how assurance and performance management is organised, which is supported by the standing orders, standing financial instructions and a scheme of delegation. Together they define the governance arrangements and decisions reserved for the Board, its committees and those further delegated to management throughout the Trust.

In 2014/15, the Board comprised of a non-executive chairman, six independent non-executive directors and six executive directors.

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

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

There is a clear division of responsibilities between the chairman and the chief executive. The chairman is responsible for the leadership and effectiveness of the Board of Directors and the Council of Governors, ensuring that members of both bodies receive information that is timely, accurate and appropriate for their respective duties. It is the chairman's role to facilitate the effective contribution of all directors, and for ensuring that constructive relationships exist between the Board and the Council. 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.

In addition to a bespoke Executive development programme it has been essential for the whole Board, as a unitary group to redefine, solidify and develop itself. To that end the Board has undertaken the AQUA Advanced 2 day training for Boards on safety and quality during October 2014 and an action plan was developed as a result. The Director or Nursing and Midwifery and the Medical Director also took part in AQUA training specifically aimed at clinical leaders.

The outcomes from the AQUA training identified a need for further Board Development as a whole. The Trust commissioned the service of an independent provider to undertake development with the Board on Team Management Profiles which commenced in 2015, the outcomes of which are being progressed.

The Board undertook a full review of its governance and performance framework in July 2014 which involved a full review of the structure for governance, assurance and performance reporting as well as a review of the Board Assurance Framework. The Board recognised that continued evaluation of the new processes established from 1st August 2014 was required to ensure that the beneficial impact of all decision making processes is realised. The Associate Director of Governance undertook a further review in January 2015 to evaluate the success of the new structure and made a series of further recommendations as a result. A further evaluation is due to take place in June 2015.

## Next Steps

## Non Executive Directors

**Michael Carr,**

**Chairman**



Michael Carr was appointed chairman of Wirral University Teaching Hospital NHS Foundation Trust in July 2010, having previously been a non-executive director of the Trust from July 2008. Michael was appointed for a second term as chair during 2012/13 up until 30th June 2016. From 2004 to 2007, Michael was the inaugural executive director of the Russell Group of Universities, the primary association for the UK's leading research universities. He was registrar of the University of Liverpool from 1988 to 2007. He is a trustee of the Alliance House Foundation and chairman of the Institute of Alcohol Studies, and from 1998 to 2007 was a non-executive director of MIDAS Capital Partners Ltd. Michael was a non-executive director and vice chairman of the Royal Liverpool and

Broadgreen University NHS Trust for 10 years until 2006, where he also served as chairman of its Audit Committee.

**Cathy Bond,**

**Non-Executive Director**

**Chair of Audit Committee**



Cathy Bond was appointed as a non-executive director in July 2011 having taken early retirement in February 2010 from the position of director of finance at the Royal Liverpool and Broadgreen University Hospitals NHS Trust, a position she gained in 1992. Cathy was re-appointed in June 2014 for another three year term. As the financial director, Cathy was responsible for commissioning and contracts with other Trusts. Cathy has a BSc (Hons) and full CIPFA membership.

**Dr Jean Quinn**

**Non-Executive Director**

**Chair of Quality & Safety Committee**



Dr Jean Quinn was appointed as a non-executive director in January 2011, having previously been a Stakeholder Governor; she was re-appointed in December 2013 for another three year term. She is a former GP, university lecturer at the University of Liverpool Medical School and local councillor with Wirral Borough Council, where she was the cabinet member for Streetscene and Transport and spokesperson for the Social Care and Health Overview and Scrutiny Committee. She qualified MBChB in 1970 at Liverpool Medical School and is a Fellow of the Royal College of General Practitioners.

**Graham Hollick,**

**Non-Executive Director**

**Chair of Finance Business Performance and Assurance Committee**



Graham began his career in 1964 when he joined the Central Africa Building Society, where he ultimately rose to chief executive and, in 1998, was appointed group chief executive at Old Mutual Central Africa. Graham retired in 2004 and moved to the United Kingdom. He lectured in Management Science Methods and tutored in Quantitative Techniques and Operations Management at Aston University until 2012. He has been an executive and non-executive on numerous quoted and unquoted companies' boards. In 2005 he was appointed to the Board of Royal Liverpool and Broadgreen University Teaching Hospitals NHS Trust where he was deputy chair and chair of the Finance and Performance Committee.

Graham was appointed as a non-executive director on 1st July 2013.

**Jeff Kozer,**

**Non-Executive Director**

**Deputy Chair and Senior Independent Director**



Jeff was appointed to the Board in July 2009 and re-appointed in June 2013 for a second three year term up until 30th June 2015 and was appointed deputy chair and senior independent director on 1st January 2014. He brings a wealth of commercial expertise to his role, having spent eight years at United Utilities in roles including operations director, general manager and commercial manager/director, improving the subsidiaries by changing organisational management, performance management and commercial expertise. Six years ago, Jeff started his own consultancy, using his strategic skills to help start up and improve small and medium sized companies. Jeff chaired the Audit Committee up until October 2012.

**Catherine Maddaford,**

**Non-Executive Director**



Cathy qualified with the Wirral Health Authority as a Registered General Nurse in 1972 and as a Midwife in 1974. She retired in 2013 as director of nursing, performance and quality at NHS Cheshire, Warrington and Wirral. During her career within the NHS, she has held, among other posts, ward sister, clinical nurse teacher and nurse tutor, executive director of primary care services, director of nursing and quality, director of strategic partnerships and director of patient safety and governance and executive nurse for NHS Western Cheshire. She also holds a BEd (Hons) and an MA in Health Service Management from the University of Manchester and an MA in Health Law from the University of Salford. Cathy has served as clinical reviewer for the Commission for Health Improvement and independent complaints reviewer for the Healthcare Commission.

Cathy was appointed as a non-executive director on 1st July 2013.

**Andrea Hodgson**

**Non-Executive Director**



Andrea is a qualified finance professional with extensive business experience gained across the financial services industry focussing on delivering changes to processes, procedures and culture change programmes in a complex and highly regulated environment.
She has held a variety of senior national positions throughout her career at KPMG, National Group and Lloyd's Banking including those of Finance Director and Change Director.

Andrea was appointed as a non-executive director on 1st July 2014.

**Richard Dutton**

**Non-Executive Director**

**Chair of Finance, Performance and Business Development Committee**



Richard was a non-executive director from July 2007 until 30 June 2014. He undertook roles of deputy chair and senior independent director from 1st June 2012 until 31st December 2013. During 2012/13 his term of office was extended for a further 12 month period, to 30th June 2014. Richard is currently head of strategy and partnerships at Charities Trust, the second largest payroll giving and appeal management agency in the UK. Richard is also non-executive chairman of Wirral based connectivity and business communications specialist, Integrated Digital Services Ltd (iDS). He was previously chief executive of Livesmart from 2002 until 2008. Richard has extensive commercial experience, having worked for international blue chip companies such as Wellcome and Reebok International over the past 25 years in the UK, USA and Middle East.  Richard has a law degree and is a Fellow of the Institute of Direct Marketing.

**Lyn Meadows,**

**Non-Executive Director**



Lyn was a non-executive direct from July 2008 until 30 June 2014.  She is employed as Director of Human Resources at Bangor University, having been appointed in March 2008. Lyn has extensive experience in the public sector specifically managing change and fostering good employment relations. Lyn has a Master of Business Administration, a law degree and is a Fellow of the Institute of Personnel and Development.

**Executive Directors**

**David Allison**

**Chief Executive**



David Allison joined the Trust as Chief Executive in April 2012 having formerly worked as chief operating officer for Newcastle Hospitals NHS Foundation Trust. As an experienced leader, he has a record of delivering enhanced performance and introducing significant developments within an acute hospital setting. He has a degree in Physics, is qualified as a chartered engineer and chartered director and has over 25 years' experience in both the public and private sectors. David recognises the commitment, skills and expertise that exist within the hospital and since joining the Trust has been building on the excellent foundations already in place to deliver the quality of healthcare that the communities we serve have a right to expect. On 23 October 2013, David also joined the NHS North West Leadership Academy Board as a representative member for chief executives in Cheshire and Merseyside.

**Evan Moore,**

**Medical Director**



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

**Jill Galvani,**

**Director of Nursing and Midwifery**

Jill was appointed as director of nursing and midwifery in March 2013. She joined the Trust from North Wales where she gained extensive experience as a director of nursing and midwifery in an integrated organisation which included acute and community services. She sees her role as putting nurses and midwives in the best position to deliver competent, professional and compassionate care for patients and their carers. She is particularly interested in the role of the ward sister and matron in leading modern nursing based on traditional values.

**Alistair Mulvey,**

**Director of Finance**

Alistair was appointed as director of finance on 1$^{st}$ April 2013 having been working with the Trust as the interim director of finance since December 2012. Alistair has joined the Trust from North Cumbria University Hospitals Trust where he was the director of finance/deputy chief executive for three years. Prior to that Alistair was the director of finance/deputy chief executive at St Helens and Knowsley Hospitals NHS Trust and has extensive knowledge of the Cheshire and Merseyside economy. Alistair has 20 years NHS experience and comes with a track record of achievement and a reputation for a balanced approach in delivery of financial and non-financial goals and targets for the organisations he has worked within.

**Sharon Gilligan,**

**Director of Operations**



Sharon was appointed as director of operations in July 2013 having previously held the position of deputy chief operating officer. Prior to joining the Trust Sharon worked for Newcastle upon Tyne Hospitals NHS Foundation Trust in a number of key operational roles including assistant director of operations and assistant director of service improvement. Sharon has also managed a number of complex services including the Regional Neurosciences Centre and Trauma and Orthopaedics. Sharon's 20 years of operational experience is supplemented by an MBA. Sharon has a strong track record of engaging with staff at all levels to ensure the delivery of high quality, cost effective care whilst achieving performance targets and enhancing patient experience.

**Anthony Hassall,**

**Director of Strategic and Organisational Development**



Anthony Hassall was appointed to the role of director of Strategic and Organisational Development in September 2013. Prior to this role, he was director of business development at University Hospital of South Manchester NHS Foundation Trust, where he led a programme of transformational change over three years and was instrumental in securing a number of commercial sector partnerships. Prior to this, Anthony has held a number of senior roles in hospitals, primary care, the Department of Health, Cheshire and Merseyside Strategic Health Authority and a secondment to a mental health organisation in Massachusetts, USA. Anthony has a strong record of establishing partnership arrangements across the public and private sector, together with a passionate belief in the power of employee engagement in delivering sustainable change.

Attendance at Board of Director Meetings in 2014/15

| Director | Details of Appointment / Service  on Board in 2014/15 | Meeting Attendance Actual/ Possible 2014/15 |
|---|---|---|
| **Non-Executive Directors** | | |
| Michael Carr Chairman | Appointed as non-executive director 1.11.08 (Designate from 1.7.08) Appointed as chairman 1.7.10 (3 year term). Re-appointed for second term as chairman in 2012/13 until 30.6.16. | 10/10   100% |
| Jeff Kozer | Appointed 1.7.09 (3 year term) Re-appointed for a second 3 year term until 30.6.15. Senior independent director from 1.1.14 | 7/10    70% |
| Cathy Bond | Appointed 1.7.11 (3 year term) Chair of Audit Committee from 1.10.12 | 10/10  100% |
| Cathy Maddaford | Appointed 1.7.13 (3 year term) | 10/10   100% |
| Graham Hollick | Appointed 1.7. 13 ( 3 year term) | 9/10   90% |
| Dr Jean Quinn | Appointed 1.1.11 (3 year term) Re- appointed for a second 3 year term until 30.12.16 | 10/10  100% |
| Andrea Hodgson | Appointed 01.07.14 (3 year term) | 6/7   85.7% |
| Lyn Meadows | Appointed 1.7.08 (3 year term) Re-appointed for a second 3 year | 3/3   100% |

| | term until 30.6.14. | |
|---|---|---|
| Richard Dutton | Appointed 1.7.07 (3 year term ) | 3/3 100% |
| | Re-appointed for second 3 year term until 30.6.13 | |
| | Term of office extended in 2012/13 for a further 12 month period until 30.6.14 | |
| | Deputy chair and senior independent director from 1.6.12 until 31.12.13 | |
| **Executive Directors** | | |
| David Allison<br><br>Chief Executive | Appointed 1.4.12 | 10/10   100% |
| Sharon Gilligan<br><br>Director of Operations | Acting director of operations 1.4.13<br><br>Director of operations 1.7.13 | 9/10   90% |
| Evan Moore<br><br>Medical Director | Acting medical director 1.7.12<br><br>Medical director 1.10.12 | 10/10   100% |
| Jill Galvani<br><br>Director of Nursing and Midwifery | Appointed 4.3.13 | 8/10   80% |
| Alistair Mulvey<br><br>Director of Finance | Interim director of finance 12.1.13<br><br>Director of finance 1.3.13 | 10/10   100% |
| Anthony Hassall<br><br>Director of Strategy and Partnerships | Appointed   16.9.13 | 10/10   100% |

### Board Committees

The Board has the following Committees:

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

### Audit Committee

The Audit Committee comprises three independent non-executive directors. Cathy Bond has been chair of the Audit Committee since November 2012.

The key responsibility of the Audit Committee is to assure the Board of Directors that there are effective systems of internal control (clinical, organisational and financial) across the organisation so as to ensure good governance in the delivery of the organisation's objectives. In order to do this the Audit Committee has scrutinised assurances provided by internal audit, external audit, the local counter fraud officer, Trust managers, finance staff and the quality and safety team along with reports and reviews from other external bodies.

The Audit Committee reports to the Board of Directors through a regular chair's report and Board members are provided with the minutes of each meeting.

The Audit Committee members met in private with the Internal and External Auditor prior to the Audit Committee meeting in April.

The Chair of Audit Committee reports to the Council of Governors after every Audit Committee as well as making a presentation each year on the duties of the audit Committee. In addition, given the specific duties of the Governors in respect of the Appointment of External Audit the chair of Audit Committee refers to the council of Governors any matter relating to the External Audit.

The Director of Finance, Head of Corporate Financial Services, Deputy Director of Finance, Associate Director of Governance, Representatives from Internal and External Audit and the Local Counter Fraud Specialist have been in regular attendance

Executive Directors, Corporate Directors and other colleagues are invited to attend as required.

### Audit Provision

Internal Audit has been provided by Mersey Internal Audit Agency

External Audit has been provided by KPMG. The tenure of KPMG is due to expire in 2015 and to that end the Audit Committee reviewed the timetable and project plan for the tender for future external audit services in February 2015. This was subsequently reviewed and approved by the Council of Governors in March 2015. The tender process for these services is due to be completed by the Autumn of 2015.

**Assurance**

The Audit agenda is constructed in order to provide assurance to the Board of Directors across a range of activities including corporate, clinical, financial and risk governance and management.

The Audit Committee's Work Programme for 2014/15 covered the following:

- Review of the Board Assurance Framework
- Review of the Risk Management System
- Review of the work of Quality and Safety Committee and Finance Business Performance and Assurance Committee
- Review and recommendation of the Annual Governance Statement, Annual Report and Account Accounts to the Board
- Review of Whistleblowing Arrangements
- Review of Standing Financial Instructions and Scheme of Delegation
- Review of Compliance against the Trust's Provider Licence
- Review of risks and controls around financial management including losses' special payments and financial assurance
- Review of changes to accounting policies
- External Audit reports
- Internal Audit Report
- Counter Fraud Reports
- Review of Clinical Audit

**Review of the Work and Performance of the Committee during 2014/15**

Work Programme 2014/15

The Audit Committee has adhered to the Work Programme which was reviewed and updated in September 2014 to include a review of whistleblowing arrangements and clinical audit.

External Audit

The 2014/15 accounts were audited by KPMG and the findings presented to the Audit Committee in May 2015 and recommended to the Board of Directors later in May 2014. An unqualified opinion on the accounts was given.

Having reviewed the financial statements, operations and compliance the Committee focussed on the following issues as highlighted in the External Audit Plan:

- The Valuation of Property Plant and Equipment – the committee took assurance from the interim "desk top" revaluation of all the Trust's land and buildings undertaken during 2014/15 particularly in view of the competence, capability, objectivity and independence of the Trust's external valuer. In addition the Committee approved the recommendation to redraft the impairment policy to include the rational or interim assessments
- Recognition of NHS and non NHS income and associated fraud risk - The Committee  The Committee took assurance from the effectiveness of the agreement of balances process and the month 9 exercise
- Management override of controls – The Committee took comfort on this risk through the Internal Audit Reports received in year and some of the detail on internal control discussed within the AGS

The Committee also considered other areas of risk in the year as follows:

- Segmental Reporting – the Committee reviewed the options as outlined in the paper reported to the Committee in February 2015 and concluded that as in previous years that this was not appropriate for 2014/15
- Charitable Funds Non-Consolidation – The committee reviewed the option available to the Trust at its meeting in February 2015 and concluded that it was not appropriate to consolidate based on the immaterial value of the charitable funds accounts.
- Going Concern statement – the Finance Business Performance and Assurance Committee reviewed the technical statement at its meeting in April 2015 and recommended this to the Board on 29th April 2015 subject to some additional annotations.
- Cash Management – the improvements to cash management was noted, the Committee requested that the improvement to cash balances resulting from the work that was undertaken to improve cash management processes should be identified separately from the general improvement through the loan and sale of land.

The Council of Governors will receive the report on the accounts from the Independent Auditor in Autumn 2015.

KPMG carried out an audit on the Quality Account 2014/15 and provided recommendations to the Audit Committee in December 2014.

The Committee reviewed the impact of ISA 700 during 2014/15 and the associated costs. The annual external audit plan, which was risk based, was approved together with the associated costs in February 2015.

KPMG provided regular technical updates to the Audit Committee throughout the year. The Audit Committee requested that KPMG provide them with a view as to the position of the Trust in light of the updates in the future where applicable.

KPMG undertook non-audit services for the Trust in the year 2014/15, these being:

- Financial Governance and Reporting Review - £43,840
- Cash Management Review - £37,550

The committee discussed the requirement to ensure External Audit objectivity and the independence of audit work from the non audit commission. It was noted that KPMG non audit work was conducted by a separate team within KPMG and the value of the additional work was not materially significant such that it would compromise the independence of the External Audit.This conclusion was shared and approved by the Governors in advance of the additional non audit commission.

The committee discussed the requirement to ensure External Audit objectivity and the independence of audit work from the non-audit commission. It was noted that KPMG non audit work was conducted by a separate team within KPMG and the value of the additional work was not materially significant such that it would compromise the independence of the External Audit. This conclusion was shared and approved by the Governors in advance of the additional non audit commission.

The Audit Committee reviewed the work of KPMG at the meeting in February 2015 and concluded that the quality of work was to an acceptable standard.

Internal Audit

The Audit Committee received and approved the Internal Audit Plan for 2014/15 in March 2014.

The Head of Internal Audit Opinion 2014/15 was presented to the Audit Committee in May 2015 and a significant assurance opinion was given on the adequacy of the system of internal control.

The following Internal Audit Reports have been received by the Audit Committee throughout the year.

| Report | Issued | Assurance Rating |
| --- | --- | --- |
| CQC Compliance Review | May 2014 | Significant |
| Embedding Clinical Audit | May 2014 | Significant |
| Overtime Processes - Theatres | May 2014 | N/A |
| Establishment Management | May 2014 | Limited |
| Decontamination | September 2014 | Limited |
| Activity Data Capture Processes- A & E and | September 2014 | Significant |

| | | |
|---|---|---|
| Cancer Targets | | |
| Safeguarding  follow up | September 2014 | N/A |
| Francis II Action Plan | December 2014 | Significant |
| Quality Account | December 2014 | Significant |
| Quality Governance Framework | December 2014 | Significant |
| IMT: Core Legacy Infrastructure | December 2014 | Limited |
| IMT: Cerner Data Quality | December 2014 | Limited |
| Combined Financial Systems | February 2015 | High |
| Quality Spot Checks | February 2015 | Significant |
| HR & Wellbeing Business Service Review | February 2015 | Significant |
| Corporate Governance Documentation | February 2015 | N/A |

The Audit Committee sought and received a status report on implementing Internal Audit Recommendations at its meeting in February 2015 and determined that this should be received at every meeting in the future.

The Audit Committee focussed on audit reports which had received a limited assurance rating and where appropriate requested the presence of key individuals to present their actions plans to fulfil the recommendations.  The outcomes of the reviews of limited assurances have resulted in changes being made to the Trust's standing financial instructions and schemes of delegation and the implementation of mitigated actions to reduce the risk identified in the future.

The committee noted the quality standards obtained by MIAA in their Audit Approach, noted that the External Auditors placed reliance on the work of Internal Audit in conducting the External Audit of the Trust; questioned the External Auditors on their opinion of the standard of IA and concluded that the service provided by MIAA complied with IA guidance and best practice.

Counter Fraud

The Counter Fraud Service  to the Trust is provided by Cheshire and Merseyside Commissioning Support Unit.  The Trust utilised the services of two fully accredited Counter Fraud Specialist .

The Audit Committee received regular progress reports at every meeting.

The Audit Committee approved the Counter Fraud Annual Report 2013/14 in May 2014 which provided a summary of the counter fraud work undertaken based on the annual work plan.

Key referrals during 2014/15 have included:

- Patients from abroad
- Working whilst off sick
- Salary overpayments
- Anaesthetics on-call
- Consultant undertaking private work when being paid for NHS duties

The Audit Committee noted that the resource allocated for Counter Fraud Work was focussed on a mixture of awareness training, supporting national fraud initiatives and investigations work. The work plan follows the National guidance best practice for Counter Fraud work, within the resources made available by the Trust.

Clinical Audit

The Audit Committee reviewed the Trust's clinical audit process in December 2014. This included reports and presentations on the Clinical Audit Policy, the current Clinical Audit Plan, the process of review through Clinical Governance and the Quality and Safety Committee and the latest Internal Audit report which reviewed the Clinical Audit process in the Trust.

The Audit Committee sought to establish that a sound system of Clinical Audit existed and was supported within the Trust; that this was managed and reviewed within the governance structure of the Trust and that there was evidence of changes to practice as a result of Clinical Audit results. Further, the Audit Committee sought evidence that there was independent review of Clinical Audit and that recommended changes to the process were agreed and action taken to implement the recommendations.

The Audit Committee concluded that an adequate process for Clinical Audit existed within the Trust, there were appropriate systems of review, that change in practice was evidenced through the Advancing Quality programme although it was recognized that the learning was more variable in other areas with further work required to capture this.  It was also noted that the Clinical Audit Plan was driven largely by mandatory external requirements and the advancing quality programme leaving little scope for locally determined areas of specific interest.

Board Assurance Framework  (BAF)

The Board Assurance Framework has undergone extensive review and development during 2014/15 with the support of Mersey Internal Audit.  The Board of Directors approved the revised framework in July 2014 which now incorporates the Trust's strategic objectives and the key risks associated with the achievement of these objectives.

The Audit Committee has undertaken reviews of the Board Assurance Framework at each meeting throughout the year and recommended improvements as follows:

- Inclusion of risk ratings both current and residual
- A review of all risk descriptors to ensure fit for purpose
- Controls were aligned to the Trust's approved Governance, Assurance and Performance Management Structure
- Assurances are now specific and timebound
- Key actions now include dates for implementation
- The cover report now highlights the top 5 risks and provides an holistic review of all the risks in the framework against the Risk management Policy.

The Board Assurance Framework has now been aligned with the electronic system used for the management of risk.

All Board and Committee Reports now have a stronger alignment to the BAF as recommended by the Audit Committee and require authors to detail the action to be taken to mitigate any gaps in assurance.

The Audit Committee concluded at its meeting in February 2015 that the BAF now provided them with an holistic overview of the risk profile of the Trust which informed the work of the Trust and the Board of Directors.

Whistleblowing

The Audit Committee reviewed the revisions to the recently ratified policy in December 2014 placing particular focus on the communication of this in light of the recent CQC report. The Committee discussed the options for providing feedback to staff who raise concerns anonymously and requested that this form part of a formal process to ensure that the Trust could demonstrate it acted upon concerns irrespective of whether the whistleblowers' identify was available or not.

The Committee recommended that the outcomes of this process be formally reported to the Board in the future.

**Priorities for 2015/16**

- the roll out of Cerner and the reliance of the IT systems
- The appointment of external Auditors.
- The governance arrangements for the new 'models of care' approach
- Arrangements to secure financial sustainability
- NHS Staff Survey
- Quality and Infection control
- Key aspects from the Internal Audit Programme

**Developing the role and skills of the Audit Committee**

The Audit Committee undertook a review of the Board Assurance Framework in November 2014 facilitated by Mersey Internal Audit.

The Chair of Audit Committee attends regular meetings of the Audit Chairs forum and Audit Committee members are encouraged and have attended workshops arranged by Internal and External Auditors.

The Audit Committee met on four occasions during 2014//15

**Attendance at Audit Committee Meetings in 2014/15**

|  | Meeting Attendance Actual / Possible 1st April 2014 – 31st March 2015 |
|---|---|
| Cathy Bond, Chair | 4/4 100% |
| Cathy Maddaford | 3/3 100% |
| Andrea Hodgson | 3/3 100% |
| Graham Hollick | 1/1 100% |
| Jeff Kozer | 1/1 100% |

*Quality and Safety Committee*

The Committee is established as an Assurance Committee of the Board of Directors, it is chaired by a Non-Executive Director, in order to provide the Board with assurances in respect of delivery of the Trust's Quality Improvement Strategy and service delivery in respect of clinical effectiveness, safety, and patient and staff experience. This will incorporate measures of performance and compliance with national and local requirements. During the year, and among other achievements, the committee continues to monitor the Trust's response to the Francis II report, the friends and family test and quality dashboards and introduced a new revised workforce quality dashboard. The committee also regularly received a patient's story, which gave further assurance that the committee was engaging in the right areas. As a result of triangulation, the Committee took interest in particular issues as they arose, such as outpatient appointment cancellations and workforce sickness levels.

The Committee met 6 times during 2014/15

**Attendance at Quality and Safety Committee meetings in 2014/15**

| | Meeting Attendance<br><br>Actual / Possible<br><br>1st April 2014 – 31st March 2015 |
|---|---|
| Jean Quinn, Chair | 6/6 100% |
| Cathy Maddaford | 6/6 100% |
| Jeff Kozer | 4/5  80% |
| Lyn Meadows | 1/1  100% |
| Evan Moore | 5/6 83% |
| David Allison | 2/2 100% |
| Jill Galvani | 4/6 67% |
| Anthony Hassall | 4/5 80% |
| Sue Hill (Public Governor) | 1/1 100% |
| Donald Shaw (Public Governor) | 5/5 100% |

*Finance Business Performance and Assurance Committee*

The Committee is established as an Assurance Committee of the Board of Directors, it is chaired by a Non-Executive Director, in order to provide the Board with assurance on delivery of the Trust's financial plan, performance targets and business development strategy.  During the year, the Committee has focussed attention on the cost improvement programme and the implementation of service line reporting. A new style of financial reporting was introduced during 2014/15 which provides the Committee with a greater degree of oversight of the financial position at a Divisional level.

The Committee met 7 times during 2014/15

## Wirral University Teaching Hospital NHS
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**Attendance at Finance, Business Performance and Assurance meetings in 2014/15**

| | | Meeting Attendance<br><br>Actual / Possible<br><br>1st April 2014 – 31st March 2015 |
|---|---|---|
| Jeff Kozer | Non- Executive Director | 6/7  85.7% |
| Richard Dutton<br><br>(term of office finished 30.6.14) | Non- Executive Director | 3/3  100% |
| Andrea Hodgson<br><br>(started 01.07.14) | Non- Executive Director | 4/4  100% |
| Graham Hollick | Non- Executive Director | 6/7  85.7% |
| Jean Quinn | Non- Executive Director | 4/4  100% |
| David Allison | Chief Executive | 3/4  75% |
| Sharon Gilligan | Director of Operations | 7/7  100% |
| Evan Moore | Medical Director | 5/7  71.4% |
| Alistair Mulvey | Director of Finance | 7/7  100% |

### *Remuneration and Appointments Committee*

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

### *Charitable Funds Committee*

This committee is chaired by the Trust chairman to oversee the management of charitable funds. The Committee met twice during the year.

**Council of Governors**

*Role and Composition*

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

- to appoint and, if appropriate, remove the chairman
- to appoint and, if appropriate, remove the other non-executive directors
- to decide the remuneration and allowances, and other terms and conditions of office, of the chairman and other non-executive directors
- to approve the appointment of the chief executive
- to appoint, and if appropriate, remove the auditor
- to receive the annual accounts, any report on these provided by the auditor, and the annual report.

In addition,

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

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

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

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

- holding non-executive directors, individually and collectively to account for the performance of the Board of Directors
- representing the interests of the members of the Trust as a whole and the interests of the public
- approval of 'significant transactions'.

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

The Council of Governors comprises of:

- 13 public governor seats

- 5 staff governor seats
- 4 seats assigned to nominated partner organisations

The names of those who served as Governors during 2014/15 are listed in the attendance report at the end of this section.

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

**Governor Elections**

Elections were held for eight seats on the Council of Governors in 2014/15. The Board of Directors can confirm that elections for public and staff governors held in 2014/15 were conducted in accordance with the election rules as stated in the constitution and approved by Monitor.

| Constituency / Class | No. of Seats | Governor elected |
|---|---|---|
| **Public:** | | |
| Bromborough and Eastham | 1 | Steve Evans<br><br>1st Term of office |
| Greasby, Frankby, Irby, Upton and Woodchurch | 1 | Brian Beechey<br><br>( for the remainder of existing term, finishing September 2015) |
| Liscard and seacombe | 1 | Derek Hampson<br><br>1st Term of office |
| Neston, Little Neston, Parkgate, Riverside, Burton, Ness, Willaston and Thornton | 1 | Brenda Kerr<br><br>(resigned and post was offered to equally highest poling candidate)<br><br>Len Smith<br><br>1st Term of office |

| Constituency / Class | No. of Seats | Governor elected |
|---|---|---|
| New Brighton and Wallasey | 1 | Paul Harris<br><br>1st Term of office |
| Bidston and Claughton | 1 | Rohit Warikoo<br><br>1st Term until of office |
| North West and North Wales | 1 | Angela Tindall<br><br>1st Term until of office |
| West Wirral | 1 | Robert Howell<br><br>Re-elected |

**Governor attendance at Council of Governor Meetings 2014/15**

The following tables list the governors who have served on the Council of Governors during 2014/15 and individual attendance by governors and directors at Council of Governors meetings. Four meetings of the Council of Governors were held in 2014/15.

| Governor | Constituency / Class | Meeting attendance<br><br>Actual / Possible<br><br>1st April 2014 –<br><br>31st March 2015<br><br>(% attendance) |
|---|---|---|
| **Public** | | |
| Brian Cummings | Bebington and Clatterbridge | 4/4 (100%) |
| Sue Hill | Bidston and Claughton | 1/1 (100%) |
| Jean McIntosh | Bidston and Claughton | 0/2 (0%) |
| Rohit Warikoo | Bidston and Claughton | 1/1 (100%) |
| Evelyn Hurren | Birkenhead, Tranmere and Rock Ferry | 0/4 (0%) |

| Governor | Constituency / Class | Meeting attendance Actual / Possible 1st April 2014 – 31st March 2015 (% attendance) |
|---|---|---|
| Steve Evans | Bromborough and Eastham | 2/2 (100%) |
| Brian Beechey | Greasby, Frankby, Irby, Upton and Woodchurch | 4/4 (100%) |
| David Steele | Heswall, Pensby and Thingwall | 3/4 (75%) |
| Beverly Ross | Leasowe, Moreton and Saughall Massie | 2/4 (50%) |
| Jane Langsdale | Liscard and Seacombe | 2/2 (100%) |
| Derek Hampson | Liscard and Seacombe | 2/2 (100%) |
| John Karran | Neston, Little Neston, Parkgate, Riverside, Burton, Ness, Willaston and Thornton | 2/2 (100%) |
| Len Smith | Neston, Little Neston, Parkgate, Riverside, Burton, Ness, Willaston and Thornton | 1/1 (100%) |
| Barbara Kerr | New Brighton and Wallasey | 2/2 (100%) |
| Paul Harris | New Brighton and Wallasey | 2/2 (100%) |
| Helena Eaton | North West and North Wales | 0/2 (0%) |
| Angela Tindall | North West and North Wales | 1/1 (100%) |
| Donald Shaw (Lead Governor) | Oxton and Prenton | 4/4 (100%) |
| Robert Howell | West Wirral | 4/4 (100%) |
| **Staff** | | |
| Rosemary Morgan | Registered Medical Practitioners and Registered Dentists | 4/4 (100%) |

| Governor | Constituency / Class | Meeting attendance Actual / Possible 1st April 2014 – 31st March 2015 (% attendance) |
|---|---|---|
| Paula Clare | Registered Nurses and Registered Midwives | 3/4   (75%) |
| Carol Skillen | Registered Nurses and Registered Midwives | 2/4   (50%) |
| Iain Stenhouse | Other Healthcare Professionals | 1/3   (33.3%) |
| Norman Robinson | Other Trust Staff | 2/4   (50%) |
| **Stakeholder Governors** | | |
| Peter Kinderman | University of Liverpool | 1/1   (100%) |
| Fadil Hannan | University of Liverpool | 2/3   (66.6%) |
| Mandy Duncan | Wirral Third Sector Assembly | 4/4   (100%) |
| Kathy Hodson | Wirral Metropolitan Borough Council | 2/4   (50%) |
| Anita Leech | Wirral Metropolitan Borough Council | 1/4   (25%) |

*Director Attendance at Council of Governor Meetings 2014/15*

| Michael Carr | Chairman | 4/4 (100%) |
|---|---|---|
| Jeff Kozer (Senior Independent Director from 1.1.14) | Non- Executive Director | 2/4   (50%) |
| Cathy Bond | Non- Executive Director | 2/4   (50%) |
| Richard Dutton (term of office | Non- Executive Director | 0/1   (0%) |

| finished 30.6.14) | | |
|---|---|---|
| Andrea Hodgson (started 01.07.14) | Non- Executive Director | 3/4 (75%) |
| Graham Hollick | Non- Executive Director | 3/4 (75%) |
| Cathy Maddaford | Non- Executive Director | 1/4 (25%) |
| Lyn Meadows (term of office finished 30.6.14) | Non- Executive Director | 1/1 (100%) |
| Jean Quinn | Non- Executive Director | 3/4 (75%) |
| David Allison | Chief Executive | 4/4 (100%) |
| Mark Blakeman | Director of Infrastructure and Informatics | 3/4 (75%) |
| Jill Galvani | Director of Nursing and Midwifery | 3/4 (75%) |
| Sharon Gilligan | Director of Operations | 1/4 (25%) |
| Anthony Hassall | Director of Strategic and Organisational Development | 3/4 (75%) |
| Evan Moore | Medical Director | 3/4 (75%) |
| Alistair Mulvey | Director of Finance | 3/4 (75%) |

### *Council of Governor Committees*

### Nominations Committee

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

**Nominations Committee Membership & Attendance 2014/15**

| Name | Role | Meetings attended (maximum 3 and % attendance) |
|------|------|------|
| Michael Carr | Trust Chairman | 3/3 (100%) |
| Anita Leech | Nominated Stakeholder Governor (Nominations Committee member since Council of Governors approval, 23.09.2014) | 2/2 (100%) |
| Rosemary Morgan | Elected Staff Governor | 0/3 (0%) |
| Beverly Ross | Elected Public Governor | 0/3 (0%) |
| Donald Shaw | Elected Public Governor | 2/3 (66.6%) |
| David Steele | Elected Public Governor | 3/3 (100%) |

In November 2014 the Committee reviewed and agreed the appointment process for the new Non-Executive which was required as a result of Jeff Kozer's term of office coming to an end in June 2015. The Committee agreed not to use the services of headhunters again and to use the services of HR to assist with the recruitments procedures together with NHS jobs for advertising arrangements.

In February 2015 the Committee met to shortlist the candidates for the Non-Executive vacancy described above and agreed the interview and final selection process. The interviews took place on the 26th February 2015 which resulted in the

Committee recommending to the Council of Governors that John Sullivan be approved as the successful candidate as from 1st July 2015.

In May 2015 the Committee received and noted the performance and development review summaries for the non-Executives together with a review of the recommendation for the appointment of a new Deputy Chairman and Senior Independent Director as a result of Jeff Kozer leaving at the end of June 2015. The Committee also undertook a review of the fit and proper persons test for Non-Executive Directors.

A review of the performance and appraisal for the Chairman was undertaken by the Council of Governors at its private meeting in June 2014 in line with its terms of reference.

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

- ***Membership and Engagement***
  This sub-committee is supported by our membership manager to shape communications between the Trust and its members. Committee members attended events across Wirral to engage with special interest groups in order to promote the benefits of membership and disseminate and collate feedback about the Trust's services. The committee also recruited new members, targeting recruitment in order to improve representation.

- ***Annual Plan Advisory Committee***
  This committee meets monthly with the Director of Strategic and Organisational Development

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

**Strengthening excellent relationships with governors and members**

**Council of Governors**

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

During 2014/15 as well as Governors being instrumental in membership and engagement and the development of the annual plan they have also been involved in a range of Governor workshops, the topics for which have been determined by the

Council. The workshops this year have included infection control, pharmacy and works.

Governors and members held their first membership style event on social isolation in February 2015 which included members from the voluntary sector; local health and social care providers and charitable organisations as well as a wide range of members.

Governors also took an active role in the Annual members meeting in September 2014 which included an "active market place" showcasing the work of the Trust as well as taking questions before and during the meeting from members.

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

**Members of the Trust**

Our members continue to play a vital role in influencing the way we serve our local communities and we are committed to ensuring that our membership is representative of the population we serve. We currently have 9,230 public members plus an additional 5,520 staff members.

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

- voting in governor elections
- acting as a yardstick of public opinion about our plans
- receiving and giving feedback on newsletters and other documents
- volunteering.

**Membership**

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

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

The public constituency divided into 13 geographical areas:

- Bebington and Clatterbridge
- Bidston and Claughton

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

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

The classes within the staff constituency are as follows:

- Registered Medical Practitioners and Registered Dentists
- Registered Nurses and Registered Midwives
- Other Healthcare Professional Staff
- Other Trust staff

### *Membership Strategy*

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

We plan to maintain membership at around its current level during the year ahead and will manage 'churn' by targeting recruitment activity towards our wider catchment area of North West and North Wales and to under-represented groups within the communities we serve.

Throughout 2014/15, we continued to maintain and improve our engagement with our members.

Members receive regular mailings, including 'Public Membership News' and are invited to events such as the Annual Members meeting, Special Members meetings and the Council of Governors meetings. Our Annual Members Meeting, held in September 2014, provided an opportunity for members, local people, staff and other

stakeholders to hear how the organisation performed during the year, and to meet members of the Board of Directors and Council of Governors.

## *Membership Profile*

| Membership size and movements | | |
|---|---|---|
| **Public constituency** | **2013/14** | **2014/15** |
| At year start (1<sup>st</sup> April) | 8,936 | 8,997 |
| New members | 557 | 629 |
| Members leaving | 523 | 396 |
| At year end (31<sup>st</sup> March) | 8,997 | 9,230 |
| **Staff constituency** | **2013/14** | **2014/15** |
| At year start (1<sup>st</sup> April) | 5655 | 5785 |
| New members | 616 | 430 |
| Members leaving | 486 | 695 |
| At year end (31<sup>st</sup> March) | 5785 | 5520 |
| **Patient constituency** | There is no Patient Constituency | |

| Analysis of membership 2014/15 | | | | |
|---|---|---|---|---|
| **Public constituency** | **Number of members** | **%** | **Eligible membership** | **%** |
| **Age (years)** | | | 2014 figures collated by CACI Ltd, except for ethnicity, which is 2011 Census, ONS | |
| 0 - 16 | 18 | 0.19 | 1,553,952 | 19.90 |
| 17 - 21 | 254 | 2.75 | 500,466 | 6.40 |
| 22+ | 7,930 | 85.91 | 5,753,681 | 73.68 |

| Not stated | 1,028 | 11.13 | N/A | N/A |
|---|---|---|---|---|
| Total | 9,230 | 100.00 | 7,808,099 | 100.00 |
| **Ethnicity** | | | | |
| White | 8,720 | 94.47 | 7,032,420 | 90.85 |
| Mixed | 42 | 0.45 | 115,841 | 1.49 |
| Asian or Asian British | 99 | 1.07 | 446,350 | 5.76 |
| Black or black British | 25 | 0.27 | 99,366 | 1.28 |
| Other | 10 | 0.11 | 46,137 | 0.59 |
| Not stated | 334 | 3.61 | N/A | N/A |
| **Socio-economic groupings*** | | | | |
| AB | 2,406 | 26.29 | 465,188 | 19.17 |
| C1 | 2,650 | 28.96 | 729,272 | 30.06 |
| C2 | 1,976 | 21.59 | 511,110 | 21.07 |
| DE | 2,117 | 23.13 | 719,901 | 29.68 |
| | | | | |
| **Gender analysis** | | | (2014 figures collated by CACI Ltd) | |
| Male | 3,408 | 36.92 | 3,846,727 | 49.26 |
| Female | 5,601 | 60.68 | 3,961,396 | 50.73 |
| Unspecified | 221 | 2.39 | N/A | N/A |
| **Patient constituency** | There is no patient constituency | | | |

*Socio-economic data should be completed using profiling techniques eg postcode or other recognised methods. To the extent socio-economic data is not already collected from Members, it is not anticipated that Foundation Trusts will make a direct approach to members to collect this information.

'ABC' data is only available from 2011 census information and collected from the working population aged 16 - 64; therefore the 'eligible membership' numbers are significantly less than the total local population shown in the age profile.

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

The Membership Office

Arrowe Park Hospital

Arrowe Park Road

Upton

Wirral

CH49 5PE

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

## Arrangements to govern service quality

Governance and risk management processes are covered in more detail within the Annual Governance Statement, which is presented towards the end of this Annual Report. The Trust has an established and robust approach to monitoring service quality, with a 'Board to Ward' governance approach through which both executive directors and non-executive directors visit clinical areas regularly, utilising the 15-Step Challenge methodology. The Quality and Safety Committee supports the Board by gaining assurance on the development and monitoring of quality systems to ensure that clinical effectiveness, patient safety and patient experience are the key components of all activities of the Trust. The Quality Committee reviews internal and external reports and audits about the quality of the Trust's services and ensures appropriate action is planned and implemented; it also reviewed the Trust's self-assessment of the Quality Governance Framework in September 2014.

## Statement of Disclosure to Auditors (s418)

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

- so far as the director is aware, there is no relevant audit information of which the Trust's auditors are unaware; and
- 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

### Code of Governance Compliance

Wirral University Teaching Hospital NHS Foundation Trust has applied the principles of the NHS 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 directors consider 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.

The Board of Directors met on ten occasions in 2014/15 in order to discharge its duties. In addition to developing the Trust's strategy, the Board regularly reviewed performance against all regulatory and contractual obligations.

All directors have responsibility to constructively challenge items at the Board.non-executive directors scrutinise the performance of the executive directors on an on-going basis and through a formal annual appraisal and objective setting process which is undertaken by the chief executive.

The governors undertake an annual appraisal of the chairman which is led by the senior independent director. The chairman reviews the performance of the chief executive and of the non-executive directors annually.

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

All non-executive directors, including the chairman, are considered independent in respect of the criteria for independence set out in the Code of Governance.

The chairman has ensured that the Board of Directors and Council of Governors work effectively together, through the provision of timely and appropriate information; the convening of joint workshops; attendance of Board members at Council of

Governor meetings; and through a programme of joint workshop sessions. These are structured opportunities particularly for the non-executive directors to gain the views of the governors and, through them, the membership.

Non-executives and governors are also in the same teams for the Board walkarounds, where they visit wards together. Non-executive directors usually attend public events, where they can meet members, such as the annual members meeting.

The Trust constitution contains a reference that sets out procedures for the removal of the chairman or another non-executive director, which is initiated by the governors and ultimately decided by the Council of Governors.

The Trust's constitution has been reviewed and the size and composition of the Council of Governors has been changed to reflect best practice and improve representation and effectiveness.

The Council of Governors represents the interests of public and staff members and of partner organisations.

The Council of Governors and Board of Directors have both reviewed and signed up to Codes of Conduct.

The Council of Governors approved the process for the removal of a Governor in 2014/15 which complements the relevant provisions in the Trust's Constitution.

The Council of Governors holds the Board of Directors to account through the receipt of quarterly performance reports on compliance targets, quality and safety and financial performance. Governors receive the agenda and minutes of all Board meetings and are invited to observe meetings of the Board of Directors.

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

The Council of Governors met quarterly in public and in 2014/15 the lead governor was Donald Shaw, Public Governor from September 2014.

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

The Council of Governors' Membership and Engagement Group has supported the delivery of the membership strategy.

The Trust has training and development to enable directors and governors to update their skills and knowledge and to support their respective roles. Induction training and materials are provided for new governors and directors.

Executive directors are appraised annually by the chief executive and the non-executive directors are appraised annually by the chairman, which is reported to the governors Nominations Committee and Council of Governors. The chairman is appraised annually in a process led by the senior independent director.

The committees provide a report after each meeting to the Board and also complete an annual report on their activities, effectively providing an appraisal of their work to the Board.

The Trust maintains a Register of Interests and the Board of Directors and Council of Governors review their respective registers on an annual basis to identify any potential conflicts of interests affecting their day to day responsibilities. No such conflicts of interest have been identified. In 2014/15, the chairman had no significant commitments outside of the Trust that conflict or impact upon his ability to meet his responsibilities to the Trust.

It is an agenda item at Board and Council meetings for the chairman to seek any declarations of interests that relate to the scheduled agenda items, in order that they withdraw from discussion on any matter where there is a conflict. Any such declarations are recorded in the minutes.

The Registers of Interests for the Board of Directors and Council of Governors are available to the public and can be accessed on request by writing to the Associate Director of Governance, Executive Offices, Wirral University Teaching Hospital NHS Trust, Arrowe Park Hospital, Arrowe Park Road, Upton, Wirral CH49 5PE.

The way in which the Board applies the principles and provisions is described within the various sections of the report and the directors consider that, for the 2014/15 year, the Trust has been compliant with the code as detailed for declaration within Monitor's Annual Reporting manual.

## Other Disclosures

### Policy on the payment of suppliers

It is the Trust's policy to follow the Better Payment Practice Code, seeking to pay 95% of invoices within contract terms or 30 days where no terms have been agreed.

The Trust endeavours to meet this target and is also a member of the prompt payment code (www.promptpaymentcode.org.uk), which monitors compliance by asking for feedback directly from the Trust's suppliers. There has been no payment of interest under the Late Payment of Commercial Debts (Interest) Act 1998.

### HM Treasury and Office of Public Sector Information guidance

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

# Annual Governance Statement

## Scope of responsibility

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

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Wirral University Teaching Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wirral University Teaching Hospital NHS Foundation Trust for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

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

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

The Director of Informatics and Infrastructure has been identified as the senior information risk owner (SIRO) and oversees risks relating to information governance, raising any relevant issues directly with the Board of Directors.

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

Root Cause Analysis training is provided to staff members who have direct responsibility for risk management within their area of work. Lessons learned are shared through divisional governance systems with assurance provided to the Quality and Safety Committee.

The Board of Directors undertakes risk management training annually as part of its development programme.

**The Risk and Control Framework**

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

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

The risk management process is embedded in the activity of the organisation and is fundamental to achieving the Trust's aims to improve the safety and experience of patients, visitors, staff and the public. The Trust has adopted a positive, open and fair approach to incident reporting with a clear emphasis on learning. This is fundamental to the reporting and effective management of incidents and near misses and thus to ensuring effective management of risks, dissemination of lessons learned and minimisation of potential harm. Incident reporting is recorded on the Trust's risk management system, called Safeguard. The Trust is in the process of

moving from paper-based reporting to web-based reporting, which will add efficiencies and greater use of risk related information.

The mechanisms in place to ensure the communication and sharing of safety lessons include monthly reports on complaints, litigation, incidents and concerns to divisional management teams, quarterly trend reports to the Quality and Safety Committee, the sharing of Root Cause Analysis reports and lessons learnt with divisions, as well as with local commissioners. The Board of Directors receives and reviews assurance reports from the Quality and Safety Committee as well as clinical performance reports on the Trust scorecard. Risks identified from serious incidents are managed with the involvement of public stakeholders, to ensure that those affected are satisfied with the investigation process and actions taken in respect of lessons learned. The Trust subscribes to the Clinical Negligence Scheme for trusts and other NHS Litigation Authority (NHSLA) schemes to mitigate financial impact on any successful claims against the Trust. The Trust's processes for managing risk and learning from incidents are further assured by internal audit reviews and externally through the external auditor and various CQC assessment processes.

The Trust decided to submit a bid as part of the "sign up to safety" campaign by NHSLA in late 2014 and has since received notification that it had been successful in receiving funding for the following areas of work:

- Pressure ulcers
- Missed fractures in A&E
- Sepsis

The aim of the bid is to target high value high volume claims.

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

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

All new risks that score 15 or above undergo first line approval from the Medical Director, then are escalated for second line approval in OMT.

The Board of Directors will be notified of all risks which score 20 or above at the next meeting of the Board. The Board of Directors reviews all strategic risks to the organisation's strategic objectives through the Board Assurance Framework (BAF). The Board of Directors is also made aware of any serious incidents, as they occur, from the Quality & Safety Committee Chairs report.

The Trust's governance committee structure, work plans and terms of reference are reviewed annually. Changes to committee, or group, terms of reference are approved by the Board or related committee.

All committees and groups within the structure have 'Risks Identified' as a standing agenda item and have a responsibility for escalating risk issues discussed at their meeting through the chair, or divisional lead, in line with the Trust escalation process. However, the following committees and groups have specific functions pertaining to risk management:

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

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

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

The Trust has in place a process for assessing compliance with the CQC fundamental standards across all services and at a corporate level. Executive directors and operational leads review and validate the self-assessed level of compliance. Monthly CQC mock quality inspection are undertaken and reported to the Clinical Governance Group and then Quality and Safety Committee. There is a full portfolio of documentary evidence for each regulation, consisting of policies, audits, patient surveys, external inspection reports, training materials and other relevant items, which are regularly updated. Risks linked with CQC compliance are recorded on the Trust risk register with an appropriate action plan, as necessary. The Quality and Safety Committee also receive an analysis of CQC's new Intelligent Monitoring Report, which has replaced the Quality and Risk Profile.

The unannounced inspection by the CQC November 2013 found that the Trust met all standards in all areas of the inspection. However the Trust was found to be not

fully compliant in a responsive inspection undertaken September 2014. The CQC visited the Trust to conduct a responsive inspection of six wards. The inspectors judged that in each area (5) where non -compliance was identified there was a minor or moderate impact on people who use the service. The report contained many instances of positive care, respect and compassion that the inspectors witnessed.

A number of the areas that the CQC flagged for action were actually addressed at the time of the inspection, and we immediately started to make improvements in the other areas.

The Trust has produced a comprehensive action plan to mitigate and address the issues identified

The foundation trust is not fully compliant with the registration requirements of the Care Quality Commission.

The quality governance framework self-assessment was completed and reviewed by the Quality and Safety Committee in November 2014.

The Trust has introduced and developed Board leadership walkabouts, using the NHS 15 Steps Challenge methodology. We currently have eight teams, each comprising of a director, a non-executive director and a member of the Council of Governors, who regularly visit wards and units. The 15 Steps Challenge is intended to review services and related experiences from a patient's perspective and assesses areas such as welcoming staff and environment, privacy and dignity and confidence in staff. The team members also take the opportunity to talk directly with patients to hear first-hand their views of being at patient at the Trust. The walkarounds are now well established and are proving a useful way for the Trust to gain a rich level of insight into patients' experiences of our services. The intention for the coming year is to conduct these visits unannounced and therefore provide a greater level of quality assurance.

The Audit Committee is responsible for gaining assurance that financial, as well as risk management processes, within the organisation are being appropriately managed. It received reports from the internal and external auditors, as well as from the local counter fraud specialist. The Audit Committee reviews on a quarterly basis compliance with its Provider Licence with a view to identify early any actions required to mitigate risks. The Quality & Safety Committee receives a quarterly report on complaints, litigation, incidents, PALs and patient experience. Members of the Board receive the minutes of, and chair's report from, the Audit Committee, the Quality & Safety Committee and the Finance Business Performance and Assurance Committee after each meeting.

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

The Trust in July 2014 redesigned its Board Assurance Framework (BAF) to include the Trust's strategic objectives as detailed in the strategic plan; the key measures

required to achieve each strategic objective together with the principal risk(s). The Board agreed to undertake an annual review of the BAF delegating regular monitoring to the Quality and Safety and Finance Business Performance and Assurance Committees. The Board agreed that the BAF would be regularly reviewed to ensure that it continues to provide the assurance required.

In January 2015 the Associate Director of Governance undertook a further review of the BAF against HFMA guidance and more importantly against the requirements of the organization.

The review resulted in the following revisions:

- The introduction of risk scoring including the consequence and likelihood – this enables reviewers to better understand the impact on the Trust's ability to achieve its objectives; it assists with the organization's understanding of its overall risk profile

- Risks in the BAF included as part of the Risk Management System – this ensures a greater alignment between risk and the BAF and allows for single system reporting in the future

- Review of risk descriptors by the Associate Director of Governance and Executives – this ensures risks are not just opposites of the strategic objective rather that they articulate clearly the cause and effect of potential or real risks which in turn assists the Trust with identifying the most appropriate actions to mitigate the these.

- Controls linked to the approved Governance, Assurance and Performance Management Structure – this allows the Trust to review whether the structure put in place assists with the overall internal control and helps identify gaps early which in turn can then be rectified.

- Assurances are specific and time-bound – the Associate Director of Governance and Executives have been establishing the most appropriate elements of assurance for each strategic objective to assist with the review at Committees

- Gaps in assurances/control – the Associate Director of Governance will highlight where these occur at each Committee Meeting in order that the Committee can consider whether the actions identified provide them with assurance that these will be addressed.

- Key Actions to include timescales – this ensures that Committees can make a judgment about the level of the risk and the timeliness of the action being taken

- Residual Risk Ratings including consequence and likelihood scores – this allows Committees to determine whether the actions outlined are likely to impact on the level of risk in the short, medium or long term.

The Audit Committee at their December 2014 meeting also requested the following to be included in the BAF which have subsequently been incorporated :

- The date to be included on the BAF which would aid Committees with reviewing the timelines presented
- The residual risk score to be included on the Audit Committee cover report which currently highlights the top five risks
- Risks in relation to information governance to be considered in the future
- Ensure that the risk management process is aligned with the workings of the BAF in the future
- Determine which strategic items in the BAF were reserved for the Board in the control structure

A further review is planned for June 2015.

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

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

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

**Key In-Year Risks**

The Board Assurance Framework described the key in-year risks together with mitigating action to address these.  The key in-year risks are as follows:

- Level of transformation and operational pressures impacting on staff morale. The Trust is working closely with its partners to review the winter planning and escalation procedures to ensure that additional bed capacity is made available in a planned way.  The Trust has also committed £1.1M to recruit significant levels of additional nursing staff in 2015.
- Staff satisfaction levels.  The Trust has developed a Workforce and Organisational Development Strategy which was approved by the Board in February 2015 which includes an extensive action plan in response to the results of the 2014 NHS Staff Survey.
- Staff's ability to adapt and cope with change.  The Trust is implementing the Health and Wellbeing Plan and the Listening into Action Initiative is focusing on health and wellbeing

- Re-design of the health economy. The Wirral Health Partners have been successful in their bid to be 1 of the 9 vanguard sites for the new models of Care which are designed to transform the shape of NHS care in the future.
- HSMR (mortality) levels. The Trust regularly reviews mortality data which despite the continued financial pressure is still managing to consistently achieve lower levels than the national average. Further work as described above with Wirral Partners will help to secure this into the future.
- Cerner implementation. The Trust has operated a phased implementation of CERNER with regular milestones and reviews in place. The Trust responds to individual training needs and concerns as reported.
- Participation in research. The Trust has taken steps to increase commercial studies to compensate for any potential loss in research income.
- Decline in market share. The Trust has undergone significant work to engage with Primary Care colleagues and will continue to do so.
- Further collaborative working. The Trust continues to work closely with partners on a collaborative basis which will be further strengthened through the new models of care work.
- Delivery of CoS Rating of 2. The Trust has secured a loan from ITFF in year, improved its cash management processes, concluded the sale of Springview all of which have achieved a CoS rating of 3.
- Annual Plan submission within required timescales. The Trust has an established working group to undertake this work within the required timescales.
- Delivery of the cost improvement programme for 2014/15. Trust delivered £9.6M of savings in year.
- Impact on the Trust's reputation due to the Monitor investigation. The Trust has developed a communication plan for staff, the public and key stakeholders.
- The rising demand for urgent care services. The Trust is part of the Systems Resilience Group which is a health economy wide group who are progressing a range of initiatives to ensure that alternative interventions to hospital attendance are put in place.
- Risk of failure of the RTT target. The Trust has a strong track record of achievement in this area; the only detraction from this in 2014/15 was the result of a planned failure as the Trust undertook a national initiative. From Q3 the Trust has achieved the target.
- The Trust's ability to manage infection control issues due to the demand on beds. The Trust has been working closely with Public Health England and has invested heavily in initiatives as per the national guidance to control infections.
- Compliance with the Information Governance Toolkit. The Trust monitors progress with compliance through the Information Group and has a strong

track record of compliance. The Trust submitted a level 2 compliance assessment on 31.03.15.

- Compliance with Health and safety legislation. The Trust has a proactive programme of health and safety audits which are regularly reported upon.

**Future Risks**

In addition to the above the future risks/threats facing the Trust are outlined in the Annual Plan as follows:

- Quality Issues – Infection Prevention, readmissions, CQC report and Never Events
- Emergency Care – demand and capacity
- Staff satisfaction and engagement
- Productivity, efficiency and CIP

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

The financial plan is approved by the Board of Directors and submitted to Monitor in line with requirements .The plan, including forward projections, is developed through the Annual Plan Task and Finish Group and monitored by the Finance Business Performance and Assurance Committee, with key performance indicators and Monitor metrics reviewed by the Board.

In recognising the financial pressures the Trust was facing, through its own volition, we commissioned a review of our cash management processes, this review identified a range of potential opportunities, which the Trust has since actioned with significant impact culminating in a cash balance of well above plan.

As the Trust continued to establish and deliver plans to stabilise the financial position in year and for future financial periods it recognised significant future financial challenges and the Board of Directors had determined that an externally facilitated Transformational Turnaround process, to address financial shortfalls in 2014/15 and strengthen future planning and delivery should be undertaken.

In June 2014, the Board of Directors commissioned, in discussion with Monitor, the following commissioned packages of support:

- KPMG to deliver both the Financial Governance and Reporting Review and
- Atkins/FTI to deliver the Transformational Turnaround Project

The activities undertaken by the Trust, supported by Atkins/FTI in year, have supported in year CIP achievement of £9.6M meeting the requirements for £13M on a full year basis into 15/16. To ensure that the momentum achieved in year was maintained through to the year end and into the 15/16 planning process the Board of Directors further identified that the support of an experienced senior Turnaround Advisor and Turnaround Director would be beneficial in the development of a longer term and economy based recovery plan and thus commissioned these services.

The Trust continues delivery and development of the financial recovery plan and despite significant levels of non-elective demand during 2014 and into 2015 is has achieved a year end deficit of £4.7M and a Continuity of Services CoS rating of 3.

In March 2015 following the Q3 submission to Monitor, the regulator decided to investigate the Trust for a potential breach of its provider licence following financial governance concerns arising from the Trust reporting a continuity of services risk rating of 2 and a lower than planned Q3 surplus.  The Trust has since submitted the additional information requested by Monitor in order to progress the investigation and are currently in the process of awaiting upon a date to formally meet with the investigation team, the outcomes of which will determine whether further regulatory action is required.

The Quality and Safety Committee review at each meeting a high level dashboard with key indicators to track the impact of the Cost Improvement Plans on quality through an evidenced based methodology. The Trust has reviewed the process further for 2015/16 plans and now has in place a quality impact assessment for each workstream in the CIP programme.

The Trust is determined to move towards a more financially sustainable position over the coming financial period by working with expert support and additional capacity sourced from teams with a track record in delivering turnaround processes.  The financial forecast for 2015/16 is currently circa £13.5M deficit which also takes into account an application for distressed funding from Monitor of £4.8M.  .

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

During the year the Trust has continued to develop Service Line Reporting, supported by clinical engagement in cost management and service planning. It has also utilised benchmarking data and Dr Foster intelligence to measure its relative performance and identify priorities for improving the use of resources and clinical effectiveness.

Divisions are responsible for the delivery of financial and other performance targets and are monitored by a monthly executive-led performance review.

The Audit Committee oversees the delivery of an agreed programme of work by internal audit and receives an annual value for money opinion provided by the external auditor.

**Going Concern Basis**

After making enquiries, the Trust's Board of Directors had a reasonable expectation that the Foundation Trust had adequate resources to continue in operational existence for the foreseeable future.  For this reason, they continued to adopt the 'going concern' basis in preparing the accounts.

In considering the above position the Board of Directors has specifically noted the Trusts requirement, based upon its annual plan submission, for external financial support of £4.8m which it has assumed will be available through the national approach to distressed financial support.

The Board of Directors have also considered the development of the Trusts recovery plan in framing its view on going concern and the additional external support the Trust has secured to support the development, execution and delivery of the recovery plan.

The final material consideration the Board of Directors have reflected upon, is the overall health economy position and within that the Trusts contract for the current year. Whilst a variance between the Trust and CCG on the contractual position exists the Trust has a largely Payment by Results contract to ensure it is reimbursed for the activities volumes it delivers, has explicitly shared its assumptions with the CCG and will continue the contractual dialogue through the financial year with the CCG.

## Information Governance

The Trust reported one level 2 incident through the Information Governance Incident Reporting Tool. It concerned the apparent loss of a lever arch folder containing approximately 20 proformas with details of children who had accessed the school nurse in one school. The School Nurse Team Leader had been given permission by the Matron to take the folder home to identify and remove outdated information. The Team Leader was certain she returned the folder to the main office, but it could not be located although the archive material had been processed and filed in the archive store.

The incident was reported to the Information Commissioners Office ICO although they decided no further action was needed.

## Annual Quality Report

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

The Annual Quality Report 2014/15 has been developed in line with national guidance, with regular reporting on the performance of key quality metrics to the Quality & Safety Committee and to the Board of Directors. The work is led by the Medical Director.

The Quality and Safety Committee, chaired by a non-executive director and comprising a number of non-executive and executive directors receives quarterly

reports and assurances on the quality report metrics. All data and information within the Quality Report is reviewed through this committee. The committee is active in ensuring that quality remains at the heart of all Trust business. The Quality Report within this Annual Report describes the quality improvements achieved in 2014/15. External audit assurance reports on the Quality Report are reviewed by the Audit Committee.

The Board of Directors agreed the priorities for 14/15 as part of the Quality Account Report which sets out ambitions and milestones for further improvement of safety, clinical effectiveness and patient experience. The Quality and Safety Committee utilises a quality dashboard that enables it to the measure trends in performance of key indicators that contribute to high level quality and safety metrics and identify improvement work.

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

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

Priorities for 2015/16 have been discussed with stakeholders and agreement reached.

The key external and publically reported measure on elective waiting time data is in Referral to Treatment performance. The Trust has a weekly validation and submission cycle to support the achievement of the targets and to accurately reflect the waiting experience of patients at the Trust.

The validation process includes an individual review of the records for all those patients that are treated after the 18-week standard, and those still waiting beyond 18 weeks at month-end. In addition there is a rolling audit every three months run for assurance on patients treated in the 17-18 week timeband, i.e. patients that were treated within target.

Accurate Referral to Treatment reporting is dependent upon recording the appropriate outcome on many steps along clinical pathways. The main risk being inaccurate recording of such outcomes by clinical and clerical staff. To mitigate against these risks the Wirral Millennium system has business 'rules' built in to prevent as much as possible illogical sequential steps along a RTT pathway, with available choices predicated on where the pathway is up to and possible subsequent steps. The validation process can also highlight data quality issues, and present the opportunity for repeat awareness training for staff.

The External Audit testing, as part of the review of the Quality Account, on the "Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period" revealed a high number of errors identified which means that the Auditors were unable to provide a limited assurance opinion in respect of this indicator. The findings highlighted that out of a sample of 25 patients,15 should not have been included on the pathway at the end of the reporting period for various reasons in line with guidance. There is a risk that the target is not reported accurately due to additional patients being incorrectly included within the report.

A process will be put into place with immediate effect whereby the reason for removal of patients retrospectively is recorded by the validation team so that trends and can be identified and additional training provided or systems / process improvements be enacted where necessary. This information will be shared with the divisions and monitored through the Data Quality subgroup which feeds into the Information Group. As the team work towards validating patients at 14 weeks rather than once they have breached then the risk of this happening will reduce.

The Trust has a robust system to review and update policies to ensure they support high quality care; this is managed by the quality and safety department. All new policies and revised policies that change process are subject to a two-week consultation process with staff prior to approval. Policies include key performance indicators that are audited in line with the policy requirements. Quality improvement plans are monitored in a number of ways primarily within the appropriate division. Plans to mitigate risk, to reduce the risk of a serious incident or complaint recurring, or the action plans from external reviews, are performance managed through the risk register until completion; this has been overseen by the Risk Management Group in 2014/15. In 2015/16 the Trust has agreed that this work will be overseen by the Operational Management Team to ensure that a greater emphasis and ownership at Divisional level is achieved.

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

**Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the

effectiveness of the system of internal control by the board and the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

Internal audit provides me with an opinion about the effectiveness of the assurance framework and the internal controls reviewed as part of the internal audit plan. Work undertaken by internal audit is reviewed by the Audit Committee. The Director of Internal Audit has provided me with anoverall opinion of 'Significant Assurance' for 2014/15.

The Trust's programme of clinical audit work, which is agreed and monitored by the Quality and Safety Committee and the Audit Committee, provides me with assurance on the quality and continuous improvement of clinical practice and patient care.

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


## Conclusion


The Trust has a system of internal control that supports its aims and objectives, whilst safeguarding patients and the public funds and departmental assets. The Trust however has identified significant internal control issues in relation to CQC compliance and financial governance which it is working closely with the relevant regulators to mitigate the areas of concern.  The Trust is robustly reviewing and monitoring achievement through its governance structure as outlined in this Annual Governance Statement.

David Allison
Chief Executive
27th May 2015

# Wirral University Teaching Hospital NHS

**NHS Foundation Trust**

# Quality Report 2014/15

# Published June 2015

**Report Date**: 27th May 2015

**Compiled By**: Dr M Maxwell, Associate Medical Director

**Name of Approving Committee**: *Quality and Safety Committee & Board of Directors*

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**Glossary for Quality Account**

## Part 1: Chief Executive's Statement

This has been a challenging year for our hospitals, but in the face of increasing demand for services, and financial pressures, our staff have continued to deliver compassionate and effective care to the best of their considerable abilities. We have not achieved all the targets which we set for ourselves in last year's Quality Account, but a great deal of work has been done and real progress has been made. We intend to carry that progress into the coming year, with the aim of meeting those targets by March 2016.

Our financial position has meant that we had to take difficult decisions during the year. In June 2014 we reorganised our corporate services function, and reduced the number of divisions within the organisation to make our management structures more streamlined and effective. This has allowed us to make funding available for new nursing posts, thus reinforcing our front line services. During 2015/16, we will be investing an extra £1.1 million in nurse staffing. This will help to make the commitments in our Nursing and Midwifery Strategy a reality.

Throughout the year we continued to engage with our staff, and involve them in making decisions about how to improve services. In last year's edition of this report, we mentioned the 'Listening into Action' programme. In total, more than 1,000 staff have attended one of 14 'big conversation' events to put their own ideas forward, and over 650 staff have taken part in team-led conversations to make improvements. Over 120 high impact improvement actions have been completed as well as over 200 'quick win' improvements.  Our success was recognised when we won the prestigious Health Service Journal for Staff Engagement in November 2014. The judges commented that we had a "powerfully impressive, evidence based programme to bring about positive change through staff engagement".

In September 2014 we were inspected by the Care Quality Commission, and we were told that we needed to improve the standard of our record-keeping, and some aspects the care and welfare of patients – particularly around making sure that they are given sufficient food and fluids, and are helped with eating and drinking if needed. CQC also observed the challenges that we faced to deliver safe staffing levels, and recommended improvements to how we assess and monitor the quality of our services. We have acted on their feedback by developing and delivering a robust action plan. In September 2015 we will undergo a full-scale planned inspection by the CQC. We see this as a positive opportunity to demonstrate some of the good work that we are doing.

In November 2014 we reached an important milestone when we implemented phase 2B of our Cerner Millennium electronic patient records system across the inpatient areas of the hospital, enabling completely electronic nursing documentation to all the wards. Functions in the new system flag up when patients' assessments and observations need to be completed, and when medication should be administered. These should help with improving nutrition and hydration, and reducing the frequency of missed medication doses – two of our priorities for the past year, and the year ahead.

In December 2014 we 'signed up to safety'. Sign up to Safety is a national initiative, led by the Department of Health, which aims to reduce avoidable harm to patients by 50%. To join the campaign, we submitted a Safety Improvement Plan focusing on three main areas: missed fractures, pressure ulcers, and sepsis. As a result of a competitive bidding process, the NHS Litigation Authority – who act as insurers on behalf of NHS Trusts – have awarded us approximately £300,000 of funding to support implementation of this plan.

I would like to thank our patients for choosing Wirral University Teaching Hospital to care for them, and I would like to thank our staff for their hard work and determination. Together, we have achieved a great deal over the past twelve months, but there is a lot more to do.

I am pleased to confirm that the Board of Directors has reviewed the 2014/15 Quality Account. I confirm that it is a true and fair reflection of our performance and that to the best of our knowledge the information within this document is accurate.

David Allison

Chief Executive

May 2015

**Part 2: Review of Quality Performance**

This section of the report tells you how we performed against the six priorities that we set ourselves in 2014/15. Of our priorities for 2014/15, five were new this year, the exception being mortality. Looking back to 2013/14, four of our five priorities were removed from the Quality Account for this year, because of the substantial progress which had been made with each of them.

**2.1.1  Patient Experience Priorities**

> 1.  **Improve care for patients with dementia**
> The target for 2014/15 is:
> - People with dementia receive care from staff appropriately trained in dementia care.
> - People newly diagnosed with dementia and/or their carers receive written and verbal information about their condition, treatment and the support options in their local area.
>
> Lead: Mrs J Galvani, Director of Nursing and Midwifery

During the past year, we have completed a great deal of work to ensure that patients suffering from dementia and their carers get the care and support they need, and to train our staff to provide that support.

Over 600 staff have received training on dementia care, which has taken a variety of forms including attendance at conferences and the Dementia Forum, online learning and one-to-one training provided by the Dementia Specialist Nurse. We have been undertaking a quarterly audit of carers' views which asks about whether they were involved in decision-making, whether they were kept informed, and whether they were told about support available outside the hospital in the community. While this audit provides a baseline against which to measure performance, the results have been inconsistent. Also, we have not been able to reach as many carers as we would have liked which makes it difficult to draw conclusions from the data. As a result, this priority will remain in the Quality Account for the coming year.

A summary of the actions which the Trust has taken is given below:

- We appointed a Specialist Matron for Dementia who works across the Trust and leads on this stream of work. She took up her post in September 2014.
- We have adopted a Dementia Strategy covering the four years from 2014 to 2018. It includes thirty separate actions covering training, clinical leadership, support for carers, assessment and care planning, and a dementia-friendly environment. We have established a Dementia Steering Group and an operational group which will monitor the implementation of the strategy across the Trust.
- We have made a training DVD on the subject of dementia care available via the intranet, and will monitor how often it is accessed on our corporate learning and development database. We are also training a range of staff who may come into contact with dementia patients – including staff who are in non-clinical roles – to act as 'Dementia Friends'.
- We are supplementing our audit questionnaire with a postal survey in order to reach more carers, such as those who may not come into the hospital so often. This should give us a more comprehensive view of our performance.

> **2. Ensure patients are supported with eating and drinking based on their individual needs**
>
> The target for 2014/15 is:
>
> - 75% of patients will report receiving appropriate assistance with eating and drinking as measured by our Learning with Patients Survey
> Lead: Mrs J Galvani, Director of Nursing and Midwifery

During the year, we have mostly met our target for assistance with drinking, although the target for assistance with eating was met in quarter 2, and also in January 2015. In February 2015 both targets were missed, and in March 2015 the target for assistance with eating was missed. The times when performance has dropped generally coincide with those periods when the level of activity in the hospital, and staffing pressures, have been most acute.

We have reinforced a number of existing measures which we have in place to make it easier for patients to eat and drink, such as the red tray system, and the availability of specially adapted cutlery. We have also taken a number of simple, practical measures such as opening sandwich packets for patients and cutting the sandwiches into small triangles, and providing soft fruits which are easier to eat, for example bananas in place of apples.

We now have flexible visiting times in the hospital. Although this initiative was not developed with the issue of nutrition primarily in mind, it means that relatives and carers can visit at meal times and can help their family member to eat and drink if needed. They can also bring in food, although they must avoid certain foods which can prevent an infection control risk.

We are implementing patient-focused rounding on our wards. This involves nurses maintaining regular communication with their patients to identify their needs proactively. It should have many benefits, not least identifying those patients who are struggling to eat or drink on their own.

In response to the CQC inspection which took place in September, we are overhauling our food and fluid balance charts, reviewing our nutritional screening assessment process to make it more personalised around the patient's individual needs, and developing a flag on our new electronic patient record status which will alert staff to patients who are at risk of malnutrition.

Looking forward, we intend to deliver refresher training for our staff on nutritional issues, and to make greater use of our hospital volunteers to support patients with eating and drinking.

**2.1.2: Safer Care Priorities:**

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

The targets for 2014/15 are:

- Harm free care as measured by the safety thermometer monthly will be no lower than 93%, and above 95% for at least 6 months of the year.
- We will achieve an 80% reduction in avoidable new pressure ulcers grade 3-4 and a 30% reduction in new grade 2 pressure ulcers.

Lead: Mrs J Galvani, Director of Nursing and Midwifery

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During the year, we have made very substantial progress, but we have not achieved our own ambitious target of reducing the number of avoidable grade 3 pressure ulcers by 80%. During the year, there were ten avoidable, hospital acquired pressure ulcers. This compares to 19 in 2013/14, a reduction of 47%. However, we did overachieve against our target for grade 2 pressure ulcers – there were 220 during the year, compared to 466 the year before (a reduction of 53%).

The actions that we have taken during the past year include:

- Holding a Pressure Ulcer Summit, and organising a 'Listening into Action' service improvement event, jointly with colleagues from Wirral Community NHS Trust and the Wirral Clinical Commissioning Group
- Daily review of patients with a grade 1 pressure ulcer to ensure that the ulcer does not worsen to become a grade 2 or 3
- Completing a Root Cause Analysis investigation to ascertain the cause of every grade 3 pressure ulcer, and a simpler 'Situation Background Assessment Recommendation' investigation for grade 2 pressure ulcers
- Monitoring against a set of 29 key performance indicators; compliance is generally high, and improving, but there is scope to improve the completion of pressure ulcer care plans, and the moving and handling of patients, and wider use should be made of slide sheets.

Going forward, we have planned the following actions:

- Providing additional training in the form of four competency-based programmes
- Designating a member of staff on each ward and community team to act as a 'Pressure Ulcer Champion'

Following a bidding process, we have obtained funding from the Department of Health's 'Sign up to Safety' programme, which aims to reduce avoidable harm by 50% over three years. One of the three priority areas in our successful bid was pressure ulcers – we intend to create an additional post for a Specialist Tissue Viability Nurse, to provide improved information leaflets for patients, to improve how our IT system records assessments and treatment, and to implement 'Pressure Ulcer Passports'. These would accompany the patient as they move between different services and would allow better information sharing with our colleagues in the community.

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**4. Reduce the number of 'missed medication' events**

The target for 2014/15 is to achieve a 50% reduction in missed medication events by Q4. The rate reduction will be based on the outcome of a monthly audit during quarter 1.

Lead: Mrs J Galvani, Director of Nursing and Midwifery

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We completed a baseline audit in July 2014, which we are now repeating every month. The initial audit showed that approximately 20% of doses were missed, and that for 28% of the missed doses, no reason was recorded for the dose not being administered.
The most common reason for missed doses was that the patient had refused the medication, and the second most common was a lack of stock on the ward.

We have seen a small reduction in the prescribed medication that was unaccounted for; however, those with reasons have not really changed. We have therefore not met our target this year:

| Missed Meds | Baseline | Q2 | Q3* | Q4 |
|---|---|---|---|---|
| **With reason** | 15% | 15% | 17.4% | 16.9% |
| **Unaccounted** | 5.6% | 6% | 3.6% | 3.9% |
| **Total** | 20.6% | 21% | 21.0% | 20.8% |

*NB: Q3 is based on 2 months data; no audit data for Sept 2014.

Going forward, the Millennium system should contribute to a reduction in missed doses. The system has a task list which flags the tasks that need to be completed for each patient, including administering medicines. It also allows us to monitor when medicine supplies have been ordered and by whom, which makes it possible to scrutinise ordering patterns and adapt them to reduce the risk of ward supplies running out.

Among the actions we have taken during the year:
- Monitoring the existing controls over medicines administration, for example wearing of red tabards that indicate that a nurse is doing a drug round and should not be disturbed, through Matron's spot checks and our CQC mock inspections
- Regular meetings of a multi-disciplinary Medicines Optimisation Group, chaired by the Clinical Director of Pharmacy
- Completing a project to promote self-administration of medicines by patients who are competent to do so
- Encouraging patients to bring their own regular medicines to hospital with them, thus placing less pressure on our own supplies

### 2.1.2: Clinical Effectiveness Priorities:

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**5. Reduce emergency readmissions within 30 days**

The target is to reduce our readmission rate by 1% during 2014/15 from the 2013/14 baseline.

Lead: Dr Evan Moore, Medical Director

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The readmission rate for 2013/14 was 9.2% and therefore this year's target was 8.2% based on 2013/14 this would equate to about 700 fewer admissions.  Whilst the data are not yet available for the whole year we are not likely to achieve this target.  The 2014/15 rate has remained at 9.2% with the rate below 8.5% in February and March only.  This follows an unprecedented demand over the winter period reported nationally.

The actions undertaken this year include:
- A 'Listening into Action' event on the subject of readmissions; this was cross organisational including partners from the rest of the Wirral health economy and the voluntary sector, such as Age UK.
  - This led to additional support to ensure our staff are educated about alternatives to hospital admission with the redevelopment of a Directory of Services for our staff to ensure that they are aware of alternatives to admission both provided by the Trust and also other agencies across Wirral.
  - We have set up secure data sharing with the Integrated Care Co-ordination Teams (ICCT) for patients who are readmitted.  This ensures their care plans are comprehensive and appropriately utilises community based services that are available. There are numerous advantages for the patient, including having a single care co-ordinator to keep in touch with, not having to be re-assessed and answer the same questions from different organisations, and being supported to understand their condition better and to take some control over their own care. The ICCT's form part of Vision 2018. This is a plan formed by local GP's, NHS organisations, and Wirral Borough Council to re-shape health and social care in Wirral by

   delivering more services in the community rather than in hospital and enabling people to take more responsibility for their own health.

   ○ A multiagency group is reviewing individual care plans of those more complex patients who have multiple admissions to ensure they are receiving appropriate support to minimise their need for admission; whilst relatively new they are already showing some signs of success in managing some of the more challenging patients. There was a commitment from all parties to remove barriers to progress.

- We have also introduced increased specialist and senior review with a Consultant Geriatrician present on the Acute Medical Unit seven days per week, to support the management of older patients – the group who are most likely to experience repeat hospital admissions.

- We have a standard operating process in place that is triggered on readmission so that patients are reviewed by the team they were discharged by to determine whether they need admission or can be managed in an alternative way within Medicine. This is not fully embedded because we are waiting for a readmissions flag in Cerner Millenium so that we can quickly identify the readmissions at presentation.

- The patient focussed discharge process is being rolled out across the organisation with one to one training with every ward sister. This includes an amended "ticket home"; this will help reduce readmissions by ensuring a safe discharge with patients and their carers fully involved in the process. It is supported by the Integrated Discharge Team which comprises staff from the acute hospital, the community trust and from the Local Authority, whose hours, roles and responsibilities have been extended.

- We have invested in additional surgeons to support an Emergency Surgeon presence on our Surgical Assessment Unit seven days a week to provide rapid assessment of potential admissions and where possible manage them safely without admission. Whilst these posts have been appointed the service will not commence until later in 2015.

- We continue to audit a sample of 30 readmissions each month as surveillance for potentially avoidable admissions. We identify why the patient needs admission on that day, for example the commonest findings are a requirement for an IV infusion, and new ECG changes. We did find around 10% are inappropriate each month; this reduced since November whilst the readmission rate has not reduced in year the potentially avoidable readmissions have:

**Percentage of Potentially Avoidable Readmissions**
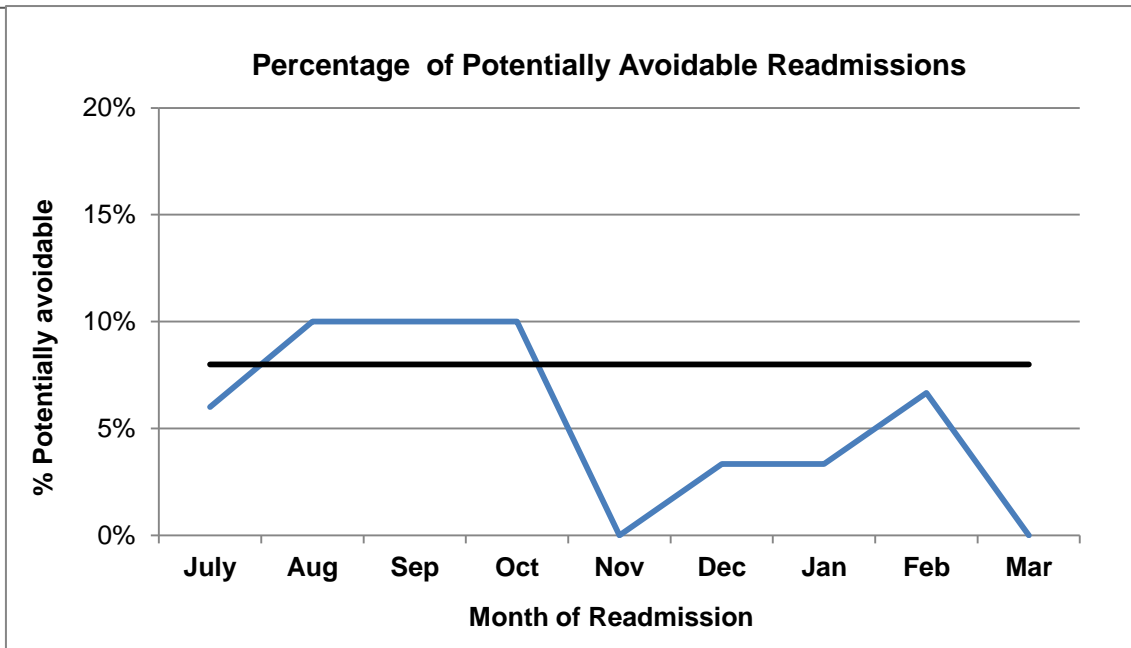


Median =8%

- The annual casenote review undertaken with the commissioners and primary care, has also shown a reduction in potentially avoidable readmissions.



% Emergency Readmissions within 30 days by month of discharge 2014/15

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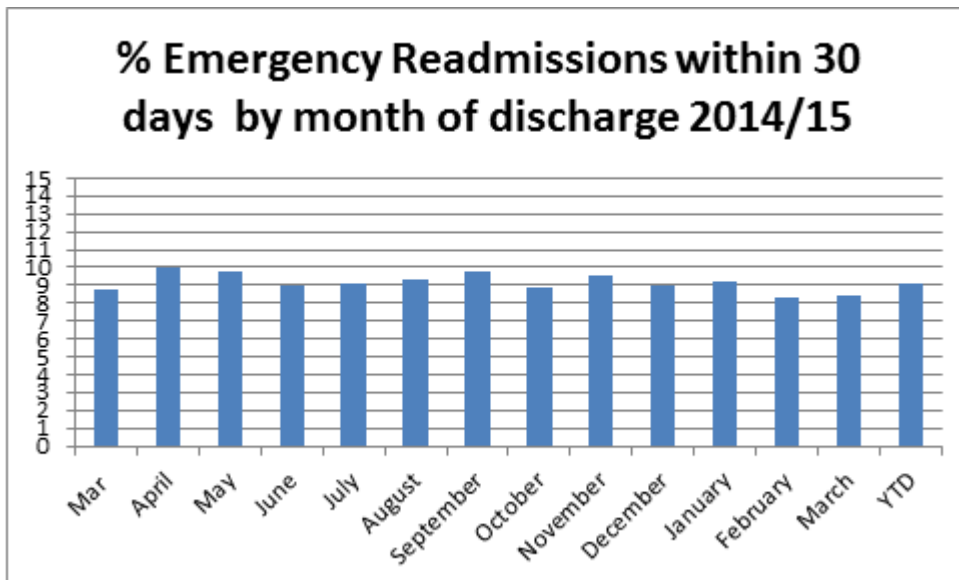
**6. Reduce the hospital standardised mortality rate (HSMR)**

The target is for the HSMR to reduce by at least 10 points over the year from the rebased position (2013/14).

Lead: Dr Evan Moore, Medical Director

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We have been working to reduce our deaths for a number of years now and have seen considerable improvement:
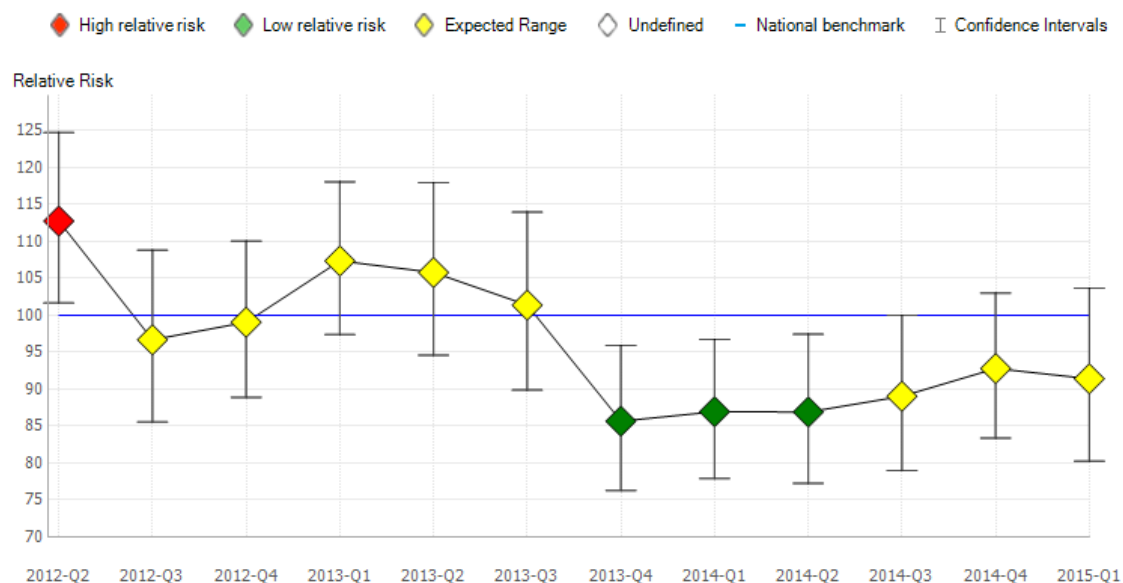
We have largely continued with the initiatives which have delivered success in recent years, for example the Clinical Divisions undertake mortality reviews of patients who have died, and take action to deal with common themes arising from these reviews. We are able to analyse data to a high level of detail and we investigate services, specialties, diagnoses or procedures whose HSMR is rising.

During the year it was apparent that the level of risk-adjusted mortality in our hospitals was higher at weekends than during the week; we investigated this group of patients and were unable to explain why this occurred.  However, it has reduced to the point that it is within the nationally expected statistical range and we will continue to monitor this closely.

New actions taken during the year include:

- Participating in a Mortality Network Collaborative project with the Advancing Quality Alliance, which aims to improve the care of patients with sepsis, which is the single most common cause of death in intensive care units in the UK
- Taking part in another collaborative project, aimed at early identification of patients who are approaching the end of life so that their needs can be met, and their symptoms better controlled.

Data are currently available to the end of February 2014.  The year to date HSMR remains below expected at 90.  We have seen a rise during December & January with a reduction to below expected in February. The increase in winter deaths is expected; this is called seasonal variation and is a trend seen nationally.  We have made good progress to date and

expect to achieve our target:

Chart legend: High relative risk | Low relative risk | Expected Range | Undefined | — National benchmark | Confidence Intervals
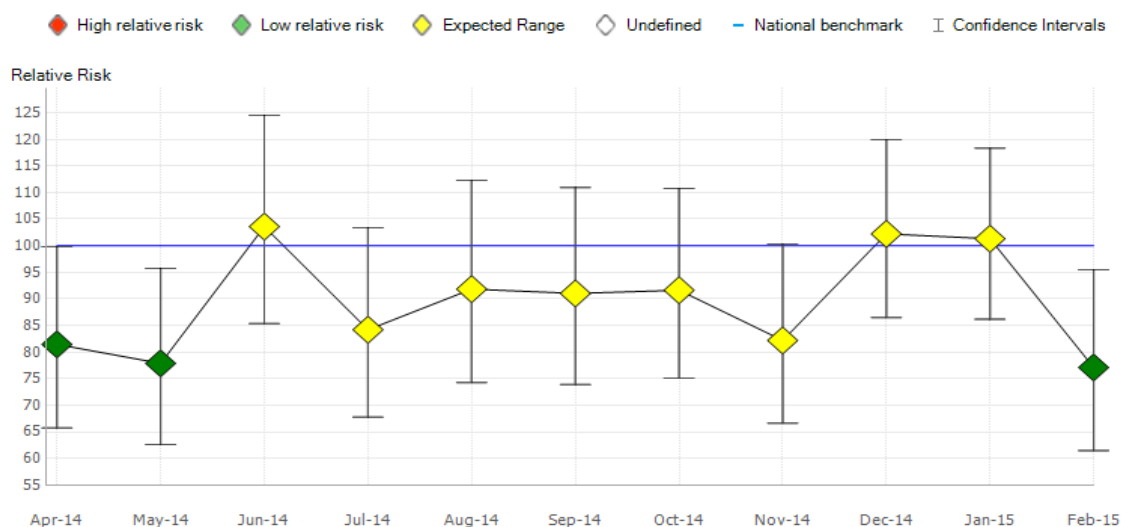
## 2.2 External reviews

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

*National Peer Review for Trauma*

The National Peer Review for Trauma and the Network Trauma Unit reaccreditation took place during January 2015. Although we have not yet received the official report, a feedback session took place at the end of the visit and the comments made were very positive.

The first observation that was of great importance to us and the review team, was the commitment of the organisation as a whole to the care of trauma patients, which was demonstrated by the presence and support from various teams during the review process.

The review team also identified various other areas of good practice which they thought were commendable and as such should be shared throughout the network. In summary they were:
- the injury prevention programme
- the trauma team activation protocol
- the role and commitment of the Trauma Coordinator
- excellent Radiology services in particular the enhanced 8 – 8 service, weekend cover, CT hotline and the MR service
- the trauma documentation
- the commitment of the therapy services including completion of the rehabilitation prescription

Although the review team identified the need to commission additional rehabilitation beds in the network, it is important to note that the team found no areas of concern that related to the Hospital or any of our teams.

*Endoscopy*

Our Endoscopy Unit has recently been awarded Joint Advisory Group (JAG) accredited status for the first time. JAG accreditation provides formal recognition that the service has

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demonstrated that it has the competence to deliver against best practice endoscopy standards and provide a high quality service.

Over the past 12 months there has been a sustained effort to ensure the Unit can demonstrate and evidence achievement of numerous key standards required for JAG accreditation. The service has striven to reduce and maintain short waiting times for endoscopy and now patients referred to the unit will be seen within best practice waiting times (less than 2weeks for urgent and less than 6weeks for routine).

A significant factor in the successful bid for JAG accreditation was our £1.7 million investment into refurbishing, redesigning and expanding the Unit. This work ensures that quality and safety standards are met, specifically around increased procedure room and recovery area capacity, and improved single sex waiting areas.

JAG accreditation is of significant strategic importance as it is a requirement for developing and expanding other services. As a result of receiving JAG accreditation, the unit will now participate from January 2015 as the local provider for Wirral patients in the national Bowel Scope Screening Programme.

*Baby Friendly Accreditation*

The Trust has recently received Baby Friendly accreditation at level 3 – the highest level possible. This is a global accreditation programme which encourages health services to improve the care provided for all mothers and babies. In the UK, the initiative works with the NHS and other public services to protect, promote, and support breastfeeding, and to strengthen mother-baby and family relationships.

Accreditation is given after a strict assessment takes place by a UNICEF team against best practice standards. It includes interviewing mothers about the care they have received and reviewing policies, guidance and internal audits.

## 2.3    Listening into Action

In 2014/15, we continued to implement Listening into Action (LiA) as a way of working as a Beacon Trust within the National Pioneers Programme, aiming to achieve a fundamental shift in the way we work and lead, putting clinicians and staff at the centre of change for the benefit of our patients, our staff and the Trust as a whole.

Our focus in 2014/15 was on improving quality and safety and patient experience, along with improvements that need to be made to enable staff to deliver the best possible care and service.

Some of the achievements through LiA in 2014/15 include:

- Held four excellent "Pass it On" Events in 2013 and 2014 where our LiA teams fed back to the Trust what they have achieved in response to what matters to staff and patients
- Introduced staff engagement through Listening into Action annual awards as part of the Trust annual awards programme
- £2.5 million major refurbishment of our A/E department
- Improved infection prevention through better facilities and promotion
- Speedier availability of take home medications and introduced "ticket home" process
- Reduction in length of stay from 12 to 5 days in the older peoples short stay unit
- Opened Older People's Assessment Unit to support patients back to the community
- Introduction of a breast cancer wellbeing and survivorship programme

- Introduction of core values and behaviours for all staff developed with staff and patients. These are now embedded into HR processes (recruitment, induction, appraisal and training)
- New, easier appraisal system and achieved 87% compliance
- Improved dementia care for patients through the introduction of a memories café and improved staff training
- Established a staff social group and held first staff talent show
- Introduced multi-professional ward leadership to improve performance now being rolled out following a successful pilot
- IT enabled healthcare – 4G connectivity achieved, community staff able to access electronic records,  system enhancements and increased staff confidence
- Improved alcohol support service by working in partnership with primary care, police, housing and social services
- Streamlined the induction and Initial mandatory training programme for new recruits, getting them into the workplace quicker and putting 3000 hours back into front line care
- Improved patient experience through introduction of flexible visiting, standardised staff behaviours, tackling smoking and improved communications with relatives and carers
- Reduction in frequent readmissions through better discharge planning, improved standard operating procedures for board rounds and improved cross health economy working
- Introduction of better working across specialties in paediatrics and recruitment to specialist nursing posts
- Reduction in stress by 8% in 2014 through variety of health and wellbeing interventions
- Reduction in Grade 1 pressure ulcers from 7 to 4 as a result of standardization of practice, information and champions

The progress and outcomes of the Listening into Action is monitored regularly by the Listening into Action Sponsor Group chaired by the Chief Executive. We have now developed an integrated approach to culture and engagement through a strategic plan that brings together Listening into Action, National Staff Survey, Cultural Barometer and the Staff Friends and Family Test with comprehensive and integrated action planning and progress monitoring and assurance.

2014 saw the Trust achieve national recognition for staff engagement primarily through the excellent achievements made through Listening into Action by becoming winners of the prestigious Health Service Journal Award.

We have recently stepped away from Optimise Consultancy, having developed the foundations to work this way whilst still remaining part of the national LiA network. Given our challenges around finance, quality, safety and performance, we are clear that we need further culture change to transform our services and meet these important agendas. There is no greater time than now for staff to be engaged in service transformation and as such we are committed to continuing working closely with our staff to improve year on year in staff satisfaction, engagement and organisational performance so that we become the best we can be.

### 2.4  Local and National Quality Indicators

### 2.4.1  Locally used Indicators

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

Where there is deterioration in our position (never events, serious incident reporting, VTE risk assessment) work is in progress to improve our performance.  For example, there is an action plan in theatres to address surgical never events that is being closely monitored through our governance frameworks.

We have seen a reduction in incident reporting and the rate of patient safety incidents per 100 admissions.  This is in part due to our success with reducing the numbers of new pressure ulcers and falls with no or little harm, as well as the impact of introducing web based reporting. We continue to promote an incident reporting culture across the organisation and are working to ensure staff get appropriate feedback and see actions taken as a result of reporting.

| Safety measures reported | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|
| "Never events" that occurred in the Trust  *These are a national list of 25 applicable incidents that should never occur (March 2010).* | 2 | 3 | 5 |
| Serious Incidents reported, investigated and remain serious (as of 31/03/2015) | 96 | 69* | 114 |
| Reports made to the National Patient Safety Agency by the Trust and percentage of incidents reported that resulted in serious harm or death. (as of 31/03/2015) | 13,120  0.2% | 10,005  0.2%* | 8957  0.4%* |
| National Patient Safety Agency  *Rate of patient safety incidents (per 100 admissions) and % resulting in severe harm.*  NB: Data released in 2014/15 relates to Oct – Mar 2013/14 | 12.6  <1% | 11.9  <1% | 9.13  <1% |
| **Clinical outcome measures reported –** | | | |
| Hospital Standardised Mortality Ratio (HSMR) - an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than you would expect *(Dr Foster data)*  NB: Data for 2014/15 relates to April – December 2014 | 105  (range 99 – 110) | 85 range (80-90) | 90  (range 85-96) |

| Safety measures reported | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|
| Summary Hospital-Level Mortality Indicator<br><br>*SHMI value and banding (National Information Centre data)*<br><br>*NB: Data released in 2014/15 relates to Oct 2013 – Sept 2014* | 104 (range 89 – 112)<br><br>Band 2 as expected | 101.4<br><br>(as expected) | 96.74<br><br>(as expected) |
| *% of Admissions with palliative care coding*<br><br>% of Deaths with palliative care coding *(Dr Foster data)* | 1.0%<br><br>19.96% | 1.4%<br><br>27.7% | 1.5%<br><br>30.3% |
| % of admitted patients risk assessed for VTE | 95.0% | 95.5% | 94.1% |
| % of admitted patients who had risk assessment for malnutrition (MUST) *note | 82.4% | 86.15% | 92.0% * |
| % Emergency Readmissions within 28 days<br><br>*(Dr Foster data)* | 8.0% | 9.0% | *9.2%* |
| Average length of stay (days) *(Dr Foster data)*<br><br>NB: Data for 2014/15 relates to Apr 2014 – Dec 2014 | 4.6 | 4.5 | 4.5 *(against expected figure of 4.7)* |
| **Patient experience measures reported** | | | |
| Number of complaints received by the Trust | 515 | 482 | 456 |
| % complaints responded to within agreed timescale | 38% | 69.6% | 83% |
| % patients who felt they were treated with courtesy and respect (from Learning with Patients survey)<br><br>*NB dignity replaced by courtesy in 2013/14* | 98% | 95% | 96% |
| Responsiveness to inpatients' personal needs<br><br>(from National Patient Survey) | 71.2% | 67.2% | 68.0% |
| Staff respondents who would recommend the Trust to friends or family needing care (from National Staff Survey: CQC) | 58% | 60% | 52% |

*\*note: the figure for risk assessment for malnutrition covers quarters 1 and 2 of the year (April – October) as the Patient Focused Audit was paused in November 2014 and did not resume until very late in the financial year.*

*Table 8      Local and National Quality Indicators*

**Never events**

It is of great concern that the Trust has reported five never events reported during this financial year; and of greater concern is that similar incidents have been reported before.

The details of these incidents are as follows:

1.      Reported August 2014:  Unexpected Death of Inpatient (not in receipt) (NEVER EVENT:  Misplaced Naso-gastric tubes)

The RCA has been completed for this incident and concluded that the Nasogastric feeding tube pathway was not being implemented and no audits are undertaken regarding compliance with the pathway.  An internal alert was sent to all Medical staff with an action to read the policy and to respond stating that they had done so.  The action for this alert is still ongoing to date.

2 and 3.        Reported September 2014:  2 X Surgical Error (NEVER EVENT:  Wrong prosthesis -Knee)

These both related to patients undergoing a right total knee replacement with an incorrect sided implant being implanted. A left sided implant was used instead of a right sided. The root cause of this incident was lack of a standardised process. This then led to either:

i.      The surgeon calling out the incorrect laterality
ii.     The runner retrieving the incorrectly sided implant from the trolley
A further root cause of this incident that was considered as part of the investigation was the possibility that the manufacturer had packaged a batch of implants incorrectly, however the MHRA have now responded stating that the manufacturer had reviewed the device history records which were found conforming to requirements at the time of manufacture. A product history search identified no other complaints for the specified part and lot combination. Surgical notes were not provided. X-rays were not provided. Package labelling for this lot was reviewed and clearly indicates that this is a left femoral component.  Both of these incidents were identified during routine inputting in to the National Joint Registry (NJR) Database. It was also observed that there was a delay in reporting these incidents due to miscommunication and there being no formal process of escalation for occasions where inconsistencies were identified by the NJR.

4.      Reported December 2014:  Surgical Error (NEVER EVENT:  retained needle)

This never event related to a retained needle in Gynaecology theatre. The RCA has been completed for this incident and concluded that following an uncomplicated robotic laparoscopic hysterectomy staff failed to identify that a needle/suture had been left within the abdominal cavity. This resulted in the patient having an abdominal x-ray and return to theatre for the removal of the retained needle/suture. This incident seems to have occurred due to staff failing to visually check the grasper on removal from the ports and the timing and order of the instrument/needle/swab count. The RCA panel identified a number of factors that affected the performance of staff during the procedure; these included issues regarding communication within the team and the pressure created by meeting the demands of a heavy theatre list within the planned time frame.

5.      Reported January 2015:  Surgical Error (NEVER EVENT - Retained Swab)

This Never Event related to a small radio opaque swab being  left within the vagina following a perineal repair which was identified 7 weeks postnatal. The swab count at the time of the perineal repair was flawed and documentation did not follow unit guidelines.

The RCA Panel acknowledged that the patient experienced undue additional symptoms and treatment as result of this error. However, it is unlikely that this incident will result in any long term implications to the patient.

The findings of all Never Event RCAs are shared at the Trust wide Clinical Governance Group (TWCGT) and have been distributed to all Divisions for learning.

**Serious Incidents**

The number of incidents which have been investigated and remained as serious has increased since the last financial year.

During the period 1st April 2014 to 28th February 2015 there were a total of 101 serious incidents which were completed and have remained at a serious risk rating following investigation.

These Root Cause Analysis investigations have been examined to identify the key learning points from the incidents to prevent recurrence. Each RCA lists Lessons Learnt as a result of the investigation and any opportunities for shared learning. Shared learning opportunities are shared within the Divisions and wider Trustwide learning opportunities are shared at the Trustwide Clinical Governance Team Meeting (TWCGT), where members are asked to feed back the learning points to their teams. The Risk Management Department also produce a quarterly trend analysis report identifying the outcome of each of the RCAs for the last quarter. Also, the Risk Management Team contribute to the Complaints, Litigation, Incidents, PALS, and Patient Experience (CLIPPE) report on a quarterly basis. This provides an aggregated approach and highlights learning opportunities through the 'Assurance Log' and 'Issues to Note' sections. Both of these reports are shared throughout the Trust and are also shared externally with the Clinical Commissioning Group.

**Incident Reporting Levels**

There has been a significant reduction (9.6%) in incident reporting overall, compared to the previous year. This is partly due to the implementation of the web reporting system, with which staff were unfamiliar at first. Another factor to take into consideration is the significant reduction (contributing to 31.9% of the overall reduction) in prescribing incidents due to the point prevalence audits ceasing and the decreased reporting and re-categorisation of medicines management incidents involving the Pharmacy Robot system.

We will be taking the following actions over the coming year to reverse this decline in the level of reporting:
- Continue training and education in the use of the web incident reporting system;
- Re-iterate, through Trust communications bulletins and Divisional Management Team meetings the importance of incident reporting overall;
- Produce a 'Myth Buster' to communicate to all staff and Managers that the Trust supports and encourages all incidents to be reported and that all incidents will be managed appropriately; and,
- Work with our software supplier to ensure the Safeguard web incident reporting form is reviewed in line with staff recommendations to ensure ease of use.

**National Patient Safety Agency (NPSA)**

The number of incidents reported to the NPSA via National Reporting and Learning System (NRLS) has reduced in the last financial year. There are two factors which have contributed to this; firstly incident reporting in the Trust overall has declined in the last financial year due to the implementation of web incident reporting and difficulties within the divisions with the

uptake of the new system. In addition when incidents are reported on the web incident system these incidents are not submitted to NRLS until a web managers form has been completed, currently there is a Trustwide issue with the time taken for incidents to be managed on the web system; thus there has been a delay in the reporting of clinical incidents to NRLS.

The monthly point prevalence medicines near miss reporting days ceased during Q2 2014/15 and as a result the overall medication incident numbers reported have decreased. There was also a large decrease seen in 'Dispensing in a Pharmacy' incidents explained by the change to the categorisation of the Pharmacy Robot incidents, which are now only reported as one incident per day with the number of times the robot fails included on the form.

## Mortality

Our mortality continues to improve (see section 3.1). The SHMI is reducing at a similar rate to HSMR; however, reporting lags six months behind HSMR.

## Complaints

In previous years, complaints handling was one of the priorities for improvement in the Quality Account. We comprehensively overhauled our process for handling concerns and complaints and this work has borne fruit, with a reduction in the number of formal complaints, and a greater proportion of complaints concluded within agreed timescales. In 2014/15 we responded to 83% of formal complaints within the agreed timescale, which was the first time that the Trust has exceeded the 80% target since 2010/11.

As part of our new process, all complaint investigations are managed by a designated Patient Relations Specialist, who monitor and progress each complaint as part of an end-to-end process. A key factor in the improvement to our complaints management has been placing the complainant at the centre of the process; with an agreement at the outset about the concerns that will be addressed and how the complaint will be responded to. We will shortly be introducing new leaflets and posters across the Trust promoting the emphasis on resolving concerns at the earliest opportunity before they escalate to complaints. We are also reviewing our complaints process so that is in line with 'My Expectations' which is the recent nationally recognised user-led vision for raising concerns and complaints.

## Other Patient Experience Measures

We have shown a modest improvement in the percentage of patients responding to our Learning with Patients Questionnaire that they were treated with courtesy and respect, and in the response to the question in the national inpatient survey about responsiveness to the patient's personal needs. During the year we have been working to implement our Nursing and Midwifery Strategy ('Modern patient focused nursing and midwifery based on traditional values'). It is based around the '6Cs' of care, compassion, competence, communication, courage and commitment. This strategy runs for five years from 2013 to 2018 and we hope that its benefits are starting to be seen.

The results of the national staff survey question about whether staff would recommend the Trust to friends or family members needing care are disappointing. They should be seen in the context of a difficult year overall for the Trust, and disappointing results for the Staff Survey as a whole. The quality improvement initiatives described in this report, as well as the additional investment in nurse staffing, and our programme of work on staff engagement, should help to improve this in the year ahead.

**2.4.2 Advancing Quality**

Advancing Quality is about ensuring consistent evidence based care in specific focus areas. The table below shows our current position based on the appropriate care score. Appropriate care scores reflect the care given to individual patients. If the score was 100% then everyone received perfect care as defined by the focus area measures. Often we find there is one intervention in the measure set we are struggling to deliver consistently, for example smoking cessation advice to smokers with pneumonia or referring patients with a heart attack to cardiac rehabilitation before they leave hospital.

During Year 6, some indicators were added for patients with heart failure, hip & knee replacement and heart attacks; these changes led to a reduction in performance in some areas as we adjusted our systems to ensure consistent care. The stroke ACS has reduced because of difficulties in admitting patients to the stroke unit in a timely way due to bed pressures within the Trust; this has been seen across the North West and we are still one of the top performing Trusts with other indicators being consistently delivered. From 2015, some new areas have been introduced and these will be reported in the next Quality Account.

| | | Appropriate Care Score (ACS) | | | | |
|---|---|---|---|---|---|---|
| | | Heart Attacks | Heart Failure | Hip & Knee | Pneumonia | Stroke |
| Y1 | Oct 08 - Sept 09 | 89.46% | 43.97% | 86.09% | 47.13% | |
| Y2 | Oct 09- March 10 | 97.79% | 53.89% | 91.87% | 51.20% | |
| Y3 | April 10 - March 11 | 98.23% | 62.72% | 94.16% | 55.74% | 56.43% |
| Y4 | April 11 - March 12 | 99.04% | 68.41% | 93.92% | 50.62% | 72.43% |
| Y5 | April 12- March13 | 97.22% | 72.57% | 85.66% | 66.39% | 86.38% |
| Y6 | April 13 - Mar 2014 | 80.12% | 59.57% | 90.02% | 69.63% | 92.90% |
| Y7 | **April 14 - Dec 14** <br><br> *Note More recent data to be added to final report after end of financial year; data is published three months in arrears* | 77.9% | 85.9% | 95.6% | 69.7% | 85% |
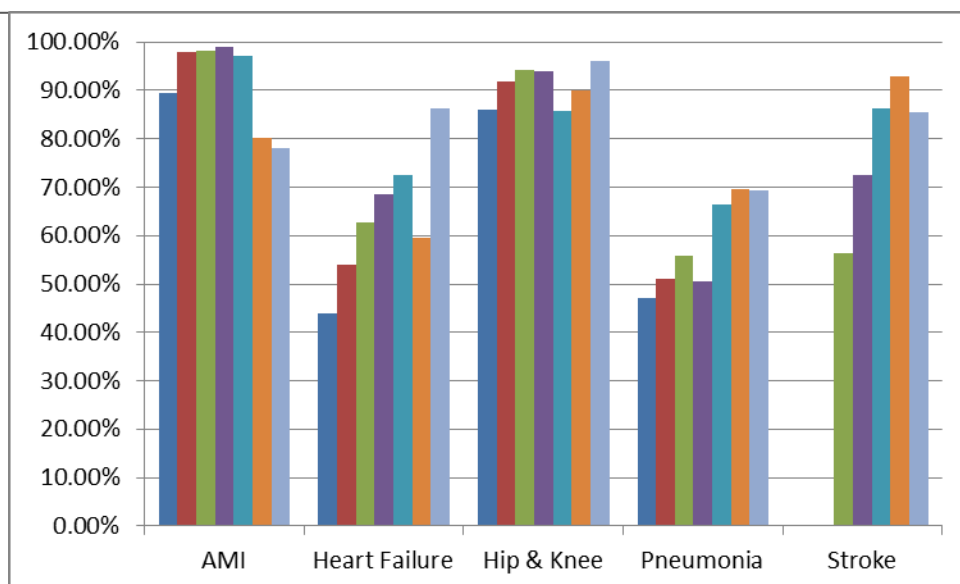
### 2.4.3 Reducing Hospital Acquired Infection

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

- The Hydrogen Peroxide Vaporiser (HPV) programme has continued, although a shortage of equipment to decontaminate the wards caused delays at certain points in the year.
- An Infection Prevention Steering Group has been established in the Trust. This is overseeing two separate workstreams: facilities and services; which focuses heavily on cleaning; and 'detect and isolate' which focuses on working practices in the clinical areas and the Infection Control team.
- A new strain of resistant organism known as Carbapenemase Producing Enterobacteriaceae (CPE) started to be identified in the Trust during 2013/14 and we have experienced 79 confirmed cases during 2014/15 *(note – at the time of writing, data is available up to the end of February)*. We have been using molecular testing to achieve rapid detection of CPE; this has had a positive impact in improving diagnostic accuracy, the quality of epidemiological information, and reducing the time of measures during the quarantine period.
- We have continued to undertake Root Cause Analysis or post infection reviews following cases of MRSA and Clostridium Difficile respectively. These have identified learning points about a range of issues which can contribute to healthcare-acquired infections such as cleaning regimes, staffing issues, ineffective auditing of clinical practice, failure to isolate patients with diarrhoea quickly enough, and delays in discharging patients.
- Ward 11 has been compartmentalised to allow patients with CPE or Vancomycin Resistant Enterococcus to be cohorted (accommodated separately to prevent transmission to other patients). This should also have the effect of making more side rooms available for patients suffering from MRSA.

| Period | MRSA Bacteraemia Cases | Target | Clostridium difficile cases | Target |
|---|---|---|---|---|
| 2009/10 | 8 | 18* | 187 | 260 |

| | | | | |
|---|---|---|---|---|
| 2010/11 | 5 | 6 | 120 | 190 |
| 2011/12 | 1 | 5 | 68 | 120 |
| 2012/13 | 2 | 0 | 27 | 50 |
| 2013/14 | 2 | 0 | 28 | 33 |
| 2014/15 | 4 | 0 | 28 | 24 |

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

Whilst aiming to remain focussed in leading proactive strategies to reduce hospital acquired infection, this has been a challenging year. We have experienced three cases of MRSA, against a target of nil, and 24 cases of Clostridium difficile. It should be noted that these figures for C-Diff, which are those reported internally, are higher than those reported externally to Monitor, which are shown in the 'performance against national targets' section of this report. This is because Monitor only require us to report those cases which are clearly the result of deficient care being provided in the hospital.

In order to meet the challenge, we will need to take forward a number of actions including: ensuring that the Infection Prevention and Control team is fully staffed; developing information technology systems to support the team in its work; introducing permanent rapid detection using the Cepheid platform; and making available a permanent cohort / isolation area with fixed, appropriate staffing levels. We are also stressing the role of nursing staff at the front line, and the Associate Directors of Nursing have been asked to provide regular assurance that hand hygiene audits are being completed in their areas.

| Period | Tolerance for 2014/15 | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **MRSA Bacteraemia Cases** | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 0 | 0 | 1 |
| **C Difficile cases** | 24 | 4 | 3 | 0 | 3 | 1 | 3 | 0 | 4 | 0 | 6 | 2 | 2 |

*Table 10: Hospital Acquired Infections reported in 2014/15*

## 2.4.4  National Targets

The Trust's performance against the national targets has generally been strong, although we missed the referral to treatment time of 18 weeks for admitted patients in quarters 2 and 3, and we have failed the target for a maximum four-hour wait in Accident and Emergency in all three quarters.

| National targets and regulatory requirements | Target | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| Referral to treatment time within 18 weeks – admitted patients | Min 90% | 92.8% | 88.8% | 89.1% | 91.4% |
| Referral to treatment time within 18 weeks – non-admitted patients | Min 95% | 97.3% | 94.5% | 95.4% | 95.7% |
| Referral to treatment time within 18 weeks – incomplete pathways | Min 92% | 94.7% | 93.9% | 94.8% | 93.6% |
| Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge | Min 95% | 91.2% | 94.0% | 92.2% | 84.5% |
| Maximum waiting time of 62 days from urgent referral to treatment for all cancers | Min 85% | 86.2% | 85.3% | 85.1% | 85.0% |
| Maximum waiting time of 62 days from NHS Screening referral to treatment | Min 90% | 93.8% | 96.0% | 100% | 100% |
| Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer – surgery | Min 94% | 97.1% | 94.5% | 94.1% | 97.1% |
| Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer – drug treatment | Min 98% | 100% | 100% | 100% | 100% |
| Maximum waiting time of 31 days from diagnosis to treatment for all cancers | Min 96% | 97% | 97.8% | 96.9% | 96.9% |
| Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals | Min 93% | 96.8% | 96.1% | 94.1% | 93.4% |
| Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all breast symptom referrals | Min 93% | 94.7% | 96.1% | 95.6% | 97.5% |
| Clostridium Difficile cases due to a lapse in care (cumulative) | Max 24 pa | 7 | 11 | 12 | 19 |

*Table 11        National targets and regulatory requirements*

### *Access for Emergency Patients*

The key measure in this area focuses on admitting, transferring or discharging patients attending our Accident and Emergency department within four hours. The 95% standard is measured including patients that attend the Walk-in Centre at the Arrowe Park site. The standard was not achieved for any quarter in 2014/15.

Increased pressure on emergency services was experienced at the Arrowe Park site across the year, reaching a peak in the winter months. An economy wide recovery plan is in place with commitments from all health and social care organisations in Wirral to work together and return to achieving this important standard.

The Trust is a key member of Wirral's System Resilience Group and with support from the national Emergency and Urgent Care Intensive Support Team (ECIST) is working on ensuring progress against a range of urgent care work streams to improve patient flow across partner organisations. A key component for the Trust will be an internal review of processes within WUTH

*Referral to treatment time within 18 weeks – incomplete pathways*
The External Audit testing, as part of the review of the Quality Account, on the "Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period" revealed a high number of errors identified which means that the Auditors were unable to provide a limited assurance opinion in respect of this indicator. The findings highlighted that out of a sample of 25 patients,15 should not have been included on the pathway at the end of the reporting period for various reasons in line with guidance. There is a risk that the target is not reported accurately due to additional patients being incorrectly included within the report.

Errors in recording RTT events revealed by validations are to be communicated back to the relevant divisional areas to support the ongoing improvement of data quality. It is not practical or affordable to continuously validate the entire incomplete waiting list as it is in excess of 20,000 pathways. However extending the validation focus on patients waiting less that 18 weeks to ensure treatment within the target will also help to improve the accuracy of the overall data.

A process will be put into place with immediate effect whereby the reason for removal of patients retrospectively is recorded by the validation team so that trends and can be identified and additional training provided or systems / process improvements be enacted where necessary. This information will be shared with the divisions and monitored through the Data Quality subgroup which feeds into the Information Group. As the team work towards validating patients at 14 weeks rather than once they have breached then the risk of this happening will reduce.

### 2.4.5 Core Indicators

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

**Summary Hospital Mortality Indicator**

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

| | October 2012 – September 2013 | | | | October 2013 – September 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | National Average | WUTH | Low | High | National Average | WUTH | Low | High |
| **SHMI** | 1.0 | 1.04 (as expected) | 0.63 | 1.18 | 1.0 | 0.96 (as expected) | 0.59 | 1.19 |
| **% Deaths coded for palliative** | 20.9% | 21.6% | 2.7% | 44.9% | 25.3% | 30.3% | 7.5% | 49.4% |

| care | | | | | | | | |
|------|--|--|--|--|--|--|--|--|
| | | | | | | | | |

*Table 11: Summary Hospital Mortality Indicator*

The Trust considers that this data is as described for the following reason – the data are historic and the Trust recognised the mortality indicators were higher than we would want although we were also aware the coding for co morbidities and palliative care was not reflecting the population; this has now been rectified following a review of the clinical coding process.

The Trust has taken steps to improve this score as described in the priority area "reducing HSMR" above. The results of this work are evident in the statistics above.

**Patient Reported Outcome Measures**

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

Unfortunately, the results for 2014 are largely unreportable because the number of patients returning completed questionnaires has reduced.  For groin hernia the result was poor. However, only 30 patients were included in the sample making it difficult to interpret.  For Knee replacement the Trust performed well and the sample size was bigger.  The process for capturing this data is being reviewed and this should lead to more meaningful statistics going forward

| | April 2013 – March 2014 | | | | April 2014  - September 2014 *Full year data available after end of financial year* | | | |
|---|---|---|---|---|---|---|---|---|
| | National Average | WUTH | Low | High | National Average | WUTH | Low | High |
| **Groin Hernia Surgery** | 0.085 | 0.063 | 0.008 | 0.139 | 0.081 | 0.009 | 0.009 | 0.125 |
| **Hip replacement surgery** | 0.436 | 0.391 | 0.342 | 0.545 | 0.442 | * | 0.35 | 0.501 |
| **Knee replacement surgery** | 0.323 | 0.382 | 0.215 | 0.416 | 0.328 | 0.383 | 0.249 | 0.394 |
| **Varicose Vein Surgery** | 0.093 | 0.074 | 0.023 | 0.15 | 0.100 | * | 0.054 | 0.142 |

*Table 12 Patient Reported Outcome Measures*

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

The Trust considers that these data are as described for the following reason – the data are historic and the Trust works to ensure patients receive effective care that enhances their experience.   In the case of groin hernia surgery, where our score is notably poor, relatively few of these procedures are carried out, and the percentage of patient response forms returned has also been very low.

The Trust has taken steps to improve this score by ensuring the care given is patient centred.  Work is ongoing to improve the response rates to the patient questionnaire forms. These are now being given out at pre-operative assessment, or in the Surgical Elective Admissions Lounge if that is not possible. The monthly figures for numbers of forms returned are being monitored at surgical clinical governance meetings.

**Readmissions within 28 days**

| | April 2010 – March 2011 | | | | April 2011 – March 2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | National Average | WUTH | Low | High | National Average | WUTH | Low | High |
| Readmissions (aged 0 – 15) | 10.15 | 13.91 | 3.53 | 25.8 | 10.1 | 13.60 | 6.4 | 14.94 |
| Readmissions (16 and over) | 11.42 | 12.47 | 2.38 | 22.93 | 11.45 | 11.75 | 9.34 | 13.8 |

*Table 13 Readmissions within 28 days*

The Trust considers that this data is as described for the following reason – the data are historic and the trust needs to consolidate work to reduce emergency readmissions to effect a change. The most recent data available from the Health and Social Care Information Centre is from the year ended 31st March 2012.

The Trust is taking steps to reduce this percentage. This was a priority area in the Quality Account this year and has been carried forward to 2015/16. The section of this report which reviews performance against our six priorities provides information about the measures which we have taken and which are still underway.

**Trust's responsiveness to the personal needs of its patients**

Responsiveness to personal needs is a high-level indicator bringing together patients responses from the national inpatient surveys. The 2013/14 survey showed a slight decline in performance, moving from being slightly above the national average the year before, to very slightly below.

| | April 2012 – March 2013 | | | | April 2013 – March 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | National Average | WUTH | Low | High | National Average | WUTH | Low | High |
| **Responsiveness to personal needs (indicator value)** | 68.1 | 71.2 | 57.4 | 84.4 | 68.7 | 68 | 54.4 | 84.2 |

*Table 14 Trust's responsiveness to the personal needs of its patients*

The Trust has taken steps to improve this score through work on a number of initiatives developed by the divisions in response to their local patient survey results.  These vary by division.   At a corporate level, the "fifteen steps" programme enables additional intelligence to be captured and support change as well as the use of patient stories at our Board and high-level committee meetings to provide a patient focus. Also, some new initiatives have been introduced during 2014/15, such as weekly spot checks by Matrons on the wards in their areas, and patient focused rounding, which involves nurses maintaining regular communication with their patients so they can be more proactive in meeting their individual needs.

**Recommend the Trust to Family and Friends**

| | Staff Survey 2013 | | | | Staff Survey 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | National Average | WUTH (no's/rate per 100 patient admissions) | Low | High | National Average | WUTH (no's/rate per 100 patient admissions) | Low | High |
| Agree/Strongly Agree (%) | 67.1 | 59.85 | 39.5 | 93.9 | 67 | 52 | 20 | 93 |

*Table 15 Recommend the Trust to Family and Friends*

The Trust considers that this rate is as described for the following reason – the past year has been a challenging one for our organisation, which has experienced high levels of demand, staffing pressures, and a restructuring process which was necessitated by our adverse financial position.

The Trust has taken steps to improve this score by reinforcing existing measures, such as educating staff about the importance of a high return rate, using the LiA initiative to ensure staff are able to articulate the changes needed locally to provide better care, listening to their concerns and acting on them. In 2014/15 we have also raised awareness among staff through our regular e-mail bulletins, the Chief Executive's Forum, and risk management training, about how they can raise their own concerns about poor care through our own internal channels. We have undertaken a cultural barometer survey using the Organisational Cultural Inventory questionnaire (this was one of our CQUIN targets for the year) and have drafted a Culture and Engagement Plan covering the three years from 2015 to 2018.

**VTE assessment – Based on acute trusts**

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

| | Quarter 2 2014/15 | | | | Quarter 3 2014/15 | | | |
|---|---|---|---|---|---|---|---|---|
| | National Average | WUTH | Low | High | National Average | WUTH | Low | High |
| Compliance (%) | 96 | 94.1 | 86.4 | 100 | 96 | 93 | 81 | 100 |

*Table 16 VTE assessment – based on acute trusts*

The Trust considers that this percentage is as described for the following reason – our performance is broadly consistent and, although falling short of the target, reflects the considerable effort which has been put into raising awareness of how to prevent and manage this disease. Our new electronic patient record alerts doctors of the need to assess individual patients in a different way to its predecessor, and a lack of familiarity with the new system may temporarily depress the level of compliance.

The Trust has taken steps to improve this score by reviewing our corporate policy for the prevention and management of VTE disease and reviewing our training package, with a particular focus on the importance of completing assessments on admission. Quarter 4 data has shown improvement back to the target.

**C.difficile rates**

The Trust has seen an increase in its C-Difficile infection rate, although our performance remains better than the national average:

| | April 2012 – March 2013 | | | | April 2013 – March 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | National Average | WUTH | Low | High | National Average | WUTH | Low | High |
| C.difficile (rate per 100,000 bed days) | 17.3 | 9.6 | 0.0 | 30.8 | 14.7 | 11.3 | 0 | 37.1 |

*Table 17 C.difficile rates*

The Trust considers that this rate is as described for the following reason: the data is historic; post infection reviews have identified a number of contributory factors which we have sought to eliminate with the actions mentioned below.

The Trust has taken steps to improve this score by undertaking post infection reviews, continuing to promote good hand hygiene practice, effective use of isolation, and decontamination through the hydrogen peroxide vapour programme.

**Patient Safety Incidents Reported, based on large acute trusts**

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

| | October 2013-March 2014 | | | | April 2014-September 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | National Average | WUTH (no's/rate per 1,000 bed days) | Low | High | National Average | WUTH (no's/rate per 1,000 bed days) | Low | High |
| Patient Safety Incidents | 4,461 | 4,664 (37.6) | 787 | 8,015 | 4,196 | 5,292 (45.56) | 35 | 12,020 |
| | The Trust reported 11 incidents that resulted in severe harm or death | | | | The Trust reported 17 incidents that resulted in severe harm or death | | | |

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

The Trust considers that this rate is as described for the following reason – The Trust continues to have higher than average levels of incident reporting. This is associated with low levels of harm and NPSA consider this to be a sign of an open culture.  Whilst the national picture is of decreased reporting between the periods, the Trust has increased reporting.  We actively encourage our staff to report incidents and the reduction in incident reporting seen with the move to web based reporting lead us to increase the education that might reflect the upturn.  However, the majority of incidents reported are low or no harm allowing us to examine trends and put processes in place to reduce the risk to future patients.

The Trust has taken steps to improve this score by educating staff about the importance of reporting incidents, and providing additional support and education with the roll out of web based reporting.  Incidents leading to severe harm and death and of great concern; a full root cause analysis is undertaken and actions to ensure this does not recur are monitored to completion through our risk systems.  Lessons learnt are shared across divisions and departments as appropriate. During 2014/15 we introduced a new form of initial investigation of incidents that appear to be serious - the SBAR (Situation Background Assessment Recommendation). This should be completed within three days of the incident being reported; if the incident remains serious following this initial stage, we complete an RCA. We have also relaunched the Level 2 Risk Management Training for senior clinicians and managers, and in 2015 we are launching a new Risk Management Strategy.

## Other indicators

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

## Part 3: Priorities for Improvement and Statements of Assurance

### Part 3.1: Looking forward to 2015/16; what are our priorities?

We have developed our quality improvement strategy based on the views of patients, relatives and carers, governors, staff, Wirral Healthwatch, the Family and Wellbeing Policy and Performance Group and our commissioners by asking what they thought of our services and what we should focus on when improving quality. We have also analysed our patient experience feedback, the risk management systems and our existing quality improvement work such as clinical audit, to help focus our activity. The strategy sets out clear expectations about quality improvement with measurable achievements to monitor our progress. In light of this, we have reviewed our Quality Account priorities for 2015/16 to support making that vision a reality.

### 3.1.1    Our priorities for improvement in 2015/16 are:

We intend to maintain the same priorities which we have been working towards in 2014/15. Over the past twelve months a great deal of work has been done to improve performance in the six selected areas. However, we are not yet consistently achieving the targets which we set, and the work which we are doing will take more time to bear fruit. In the past, we have always retained priorities in the Quality Account until the targets have been achieved, and we are continuing with this approach.

Therefore, in 2015/16 the priorities are:

### Patient Experience

1        Improving care for patients with dementia

**Rationale:** We are seeing more patients with dementia across all areas of the Trust. We know our population is ageing and therefore the prevalence if dementia is increasing; evidence suggests the care received is not always as good as it could be and this influences both the patient experience of our services as well as their clinical outcomes. Delivering high quality care to these patients will be based on best practice standards as described by the National Institute for Health and Clinical Excellence (NICE). This year, we will focus on ensuring our staff are well trained across all areas of the organisation and that the information we provide to patients and their family both is appropriate to their needs at that time, robust and consistent.

**Targets:**    1a: People with dementia receive care from staff appropriately trained in dementia care.

During 2014 a baseline audit was undertaken to identify how many staff require training. Based on this, we developed an educational plan training pack to reinforce the National Institute for Health and Care Excellence (NICE) standards.

Milestones have been set for more staff to be trained during 2015/16. This training will cover both front-line clinical staff, and non-clinical staff who may come into contact with patients suffering from dementia in the course of their work.

1b: All patients with dementia will have a "This is Me" booklet.
This booklet describes the patients likes and dislikes, needs and preferences to ensure we provide the best experience possible whilst the patients are in our care.

By the end of Quarter 4 at least 90% of admitted patients with known dementia will be registered as having received the booklet either in the current or a previous admission.

*Lead: Mrs J Galvani, Director of Nursing and Midwifery*

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

**Rationale:**  Eating and drinking are basic needs for our patients.  Some patients require support and which can be as minimal as opening a sandwich packet or ensuring drink is in reach to more complex support for those with swallowing difficulties.  Poor nutrition and hydration can increase the risk of poor healing and additional complications for our patients as well as causing distress.   We monitor the support we give patients and are not satisfied with the results.  Therefore we think this should be a focus for improving our patients' experience.

**Target:**  2a:  More than 85% of patients will report receiving appropriate assistance with eating, and more than 90% with drinking in Quarter 4.  This will be a patient reported outcome measure captured by our Learning with Patients Survey.

2b:  We will also report the following measures, which are included in our Patient Focused Audit, with a target of 85% compliance in Quarter 4:

- Whether the patient has a drink within reach
- Whether the patient has a filled water jug or bottled fluids available
- MUST nutritional screening completed within 24 hours of admission
- MUST screening completed weekly thereafter
- Review of the patient by a dietician where necessary

*Lead: Mrs J Galvani, Director of Nursing and Midwifery*

## Safety Priority

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

**Rationale**: Health care is not without risk of harm. We have been measuring harm free care using the Safety Thermometer tool. This is based on a monthly audit of a sample of patients from across the Trust noting whether they have fallen, had a blood clot, a catheter acquired urinary tract infection and/or a pressure ulcer.  We believe this is a helpful monitoring tool and will continue to report it; we have progress still to make, with the baseline being between 93-95% harm free care.  The key harm is pressure ulcers and therefore we will continue to focus on this and reduce new pressure ulcers further.

**Targets:**  3.1a: Harm free care as measured by the safety thermometer monthly will be above 95% all year

3.1b: We will aim for zero tolerance of avoidable new pressure ulcers at grade 3-4 and an 50% reduction in avoidable new grade 2 pressure ulcers compared to the 2014/15 year end position.

*Lead: Mrs J Galvani, Director of Nursing and Midwifery*

3.1      Reduce the number of "missed medication" events

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

**Target:** 3.2: We will continue to monitor missed medications and establish the baseline for missed critical medication and then establish a reduction target for Quarter 4

We have established a baseline appropriate care score for patients sampled. This measures the percentage of patients who received their prescribed medication or who had an appropriate reason for it not being administered, for example the patient was in the operating theatre at the time the medication was due. We will aim to have at least 75% of patients meeting this target. (baseline 59% Nov 2014 – Mar 2015)

*Lead: Mrs J Galvani, Director of Nursing and Midwifery*


## Clinical Effectiveness Priority

4.1    Reduce the hospital standardised mortality rate (HSMR)

**Rationale:** A higher than expected mortality rate can be due to a number of factors not just poor health care given within an organisation. However, it is accepted that it provides a good overall indicator of care; when high rates have been investigated various quality issues have been highlighted within hospitals. Our HSMR is currently better than the national average and we have seen significant improvement over the past two years.

**Target**: The HSMR will be lower than expected compared to the national average. With a stretch target to reduce by at least 5 points over the year from the rebased position (2014/15).

*Lead: Dr E Moore, Medical Director*

4.2    Reduce emergency readmissions within 30 days

**Rationale:** Returning to the hospital for unplanned care is a measure of failure of the healthcare system; not just secondary care. Quality issues that can underpinning readmission include poor discharge processes, lack of communication and lack of community service provision. Some admissions will be completely unlinked. Our current readmission rate is "as expected" for the population we service; but one of the highest in the region. We believe we can reduce this to help us provide better patient experience and support acute care to deliver high quality services by freeing up time and resources to see new patients. Whilst we have not altered the readmission rate in 2014/15, a joint audit with primary care has seen a reduction in avoidable readmissions and this may be a more sensitive measure of our progress; we have added a subsidiary target to support our work:

**Target:**

4.2a We will reduce our readmission rate by 1% during 2015/16 from the 2014/15 baseline.

4.2b We will reduce our avoidable readmission rate by 30% during 2015/16 from the 2014/15 baseline.

*Lead: Dr E Moore, Medical Director*

### 3.1.2 Monitoring of our Priorities for 2015/16

We will continue to provide a quarterly report on progress with our priorities to the Board of Directors and internal committees such as the Clinical Governance Group; progress is shared with the governors biannually by means of a presentation. The quarterly reports on progress are available to our local commissioners, Wirral Healthwatch, Wirral Borough Council Overview and Scrutiny Committee via the Families and Wellbeing Policy and Procedures Group and NHS England. Individual priorities are managed and monitored by a range of staff in the Trust. All priorities will have a work programme in place.

### 3.1.3 Provision of Feedback

We welcome and wish to encourage feedback on our Quality Account. If you would like to comment on this report or if you want to make suggestions for future priorities please contact Dr M Maxwell, Associate Medical Director.

**Part 3.2  Statements of Assurance from the Board of Directors**

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

### 3.2.1   Service reviews

During 2014/15, the Trust provided and/or subcontracted 68 NHS services (see Appendix 1). Since the previous year, the Trust has undergone a corporate restructure which reduced the number of clinical divisions from four to three; some services have moved from one division to another. The Trust has reviewed the data available to it on the quality of care in all of these services. The income generated by the NHS services reviewed in 2014/15 represents 100% of the total income generated from the provision of NHS services by the Trust for 2014/15. Information covering all services and the three dimensions of quality is brought together in an Integrated Performance Report reviewed by the Board of Directors every month. This report enables the Board to triangulate quality data and monitor the impact of target delivery.   In addition a clinical quality dashboard is monitored monthly through the Quality and Safety Committee (a subcommittee of the Board); this monitors trends in the safety, clinical effectiveness and patient experience and main drivers underpinning them.

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

### 3.2.2   Participation in National Clinical Audit and Confidential Enquiries

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

During 2014/15, the Trust took part in 27 national clinical audits and five national confidential enquiries covered relevant health services that the Trust provides.

During 2014/15, the Trust participated in 93% (27/29) of national clinical audits and 100% national confidential enquiries that we were eligible to participate in. In 2013/14, we participated in 97% of relevant national audits.

The national clinical audits which the Trust was eligible to participate in during 2014/15, for which data collection was completed during 2014/15 are listed in Appendix 2.  This table includes the number of cases submitted to each audit as a percentage of the number of registered cases required by the terms of that audit and a summary of actions.  In year, we received reports from 14 national audits of which four have not yet completed the review process.   The remainder have been discussed and action plans are either in place or development.

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

- National Bowel Cancer Audit – for colorectal cancer, the Multi-Disciplinary Team now discusses the patient's suitability for laparoscopic / robotic surgery, and all patients meeting the criteria are offered access to a surgeon who has been appropriately trained in this type of colorectal surgery.
- National Emergency Laparotomy Audit – emergency surgeons and designated anaesthetists have been selected to lead on the development of new protocols and pathways when the new specialty is operational.
- National Joint Registry – the 2015 edition of the report is not expected until October, but the previous year's report showed that consent rates for inclusion in the audit were below 80%. This has been followed up by our own local audit and there has been a dramatic improvement in consent rates.

Since May 2013, the Trust has had in place a small corporate audit team who work with the clinical staff to improve the participation in the national clinical audits as one of their workstreams. During 2014/15 they have collected data for the National Chronic Obstructive Pulmonary Disease Audit, the National Heart Failure Audit, the MINAP audit of acute myocardial infarction, and the Childhood Epilepsy Audit.

There were five national confidential enquiries which the Trust was eligible to participate in during 2014/15, all of which we actually participated in (see table 1 below).

| National Confidential Enquiries Title | Case Requirement | Cases Audited |
|---|---|---|
| The National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Sepsis Study | 100% | 3/4 |
| The National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Lower Limb Amputation | 100% | 7/7 |
| The National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Gastrointestinal Haemorrhage | 100% | 5/5 |
| The National Confidential Enquiry into Patient Outcome and Death (NCEPOD) – Tracheostomy Care | 100% | 2/2 |
| Mothers and Babies: Reducing Risk Through Audits and Confidential Enquiries Across the UK (MBRRACE-UK) | 100% | 28/28 |

*Table 1- National Confidential Enquiries*

The reports of two national confidential enquiries were received by the Trust in 2014/15.

- *Lower Limb Amputations – Working Together*: this was published in November 2014; the report was disseminated to divisions, however following a gap analysis it was apparent that no further actions were required.
- *Trachaeostomy Care – On the Right Track:* this was published in June 2014, and following a gap analysis a Trust-wide action plan was discussed and approved by the Trust-wide Clinical Governance Team. One of the key actions for the Trust arising from this report was to deliver more training for staff, covering common airway complications. Another was to purchase new tubes with adjustable flanges.

In addition to the national clinical audits we undertake local clinical audits, a number of which are repeat audits in order to identify the level of improvement made as a result of earlier improvement actions.

The reports of 148 local clinical audits were reviewed by the Trust in 2014/15 and we have taken, or intend to take, the following actions to improve the quality of healthcare provided:
- Launch of a new sepsis pathway, including education and awareness raising campaigns
- Electronic alert being developed in Cerner for Systemic Inflammatory Response Syndrome (SIRS) to screen and identify patients with Sepsis
- 'Sepsis six' lanyard cards to support the treatment of Sepsis patients
- Teaching for clinical coders to improve recognition of and coding for sepsis
- Changes to electronic nursing assessment to support smoking cessation advice
- Education in Emergency Department to raise the awareness of the Pneumonia quick reference guide

- Introduction of Brain Naturetic Peptide (BNP blood test) to improve recognition and management of patients with heart failure
- An education programme to be developed junior orthopaedic staff and A&E on the management of torus fractures
- The development and redesign of the foot and ankle pathway
- A re-education programme to be carried out to increase awareness of the need to document chaperone presence
- To support early discharge within physiotherapy, patient care files are currently being implemented and should increase awareness and information for patients on how to access future therapy and more advice on discharge
- Awareness raising amongst GP's around the Trust guidelines for requesting MRI's

### 3.2.3 Participation in Clinical Research

In 2014/15, 620 patients receiving NHS services provided or sub-contracted by the Trust were recruited to participate in research approved by a research ethics committee. This demonstrates the Trust's continued commitment to research in order to provide evidence to improve treatment and the quality of care for our patients.

The Trust recruited participants to 7 commercial and 40 non-commercial National Institute for Health Research (NIHR) adopted studies; 50% of studies were Clinical Trials of Investigational Medicinal Products or Clinical Trials to study interventions in clinical practice. It is notable that we recruited the third highest number of patients to take part in Paediatric studies in the North West. The research portfolio continues to be clinically diverse including: cancer, cardiovascular, critical care, dermatology, dementia, haematology, ophthalmology, paediatric, reproductive health, respiratory, rheumatology, stroke and surgery studies.

Research within the Trust is supported by a small administrative team (2.4 WTE) and 14 Research Nurses (9.0 WTE); due to external funding this is a reduction of 0.6 WTE from the previous year. Much of the research involves collaboration with key support services and the Research Department works closely with pharmacy, pathology and radiology to ensure that the Trust has the capacity and capability to set up and effectively run our studies.

During 2012/13 and 2013/14 the Trust achieved the national key performance indicator for granting NHS permission (research and development approval) to all new studies within the 30 day target; during 2014/15 this target was reduced to 15 days and we still achieved this target.

In addition to NIHR adopted studies the Trust approved 8 new WUTH –led studies. During 2014/15,113 new articles written by WUTH staff published in professional journals were identified (as listed on PubMed, Medline and EMBASE). This shows our commitment to improving outcomes for patients, staff professional development and also to making a wider contribution to healthcare on a national level.

### 3.2.4 Commissioning for Quality and Innovation

Commissioning for Quality and Innovation (CQUIN) is a mandated sum of money put aside by Commissioners to fund quality improvement, with providers earning the income by delivering agreed quality targets. A proportion of Trust income in 2014/15 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and local healthcare commissioners, and any person or body the Trust entered into a contract,

agreement or arrangement with the provision of NHS services, through the CQUIN payment framework.

The targets for 2014/15 were developed by Wirral Clinical Commissioning Group and agreed with the Trust, and reflected areas of desired improvement identified nationally and locally. Further details of the agreed goals for 2014/15 and the following 12 month period are available at:

http://www.monitor-nhsft.gov.uk/about-nhs-foundation-trusts/nhs-foundation-trust-directory/wirral-university-teaching-hospital-nhs-f

*Please note that the Trust has submitted its year end results to the commissioners but is awaiting confirmation of achievement from Wirral CCG and NHS England.*

| Indicator for 2014/15 | Year end position |
|---|---|
| **1. Implementation of the Staff Friends and Family Test**<br><br>To demonstrate full implementation of the test across all staff groups, as outlined in the guidance | *On track to achieve*<br>In quarter 1, the test was offered to 2,000 staff to complete, with a response rate of 28 and it is expected that all staff will have had the opportunity to take part by the end of quarter 4. |
| **2. Friends and Family Test – early implementation**<br><br>To demonstrate full delivery of the test across all services delivered by the Trust, as outlined in the guidance | *On track to achieve*<br><br>At the end of quarter 4, the Trust was reporting full implementation in all areas, with exit cards in place for the Outpatient Department. A child-specific exit card has been designed for use by Children's Services in 2015/16. |
| **3. Friends and Family Test for patients – increased response rate**<br>To achieve a response rate of at least 20% for Accident and Emergency services, and at least 30% for inpatient services, by the end of quarter 4 | By the end of quarter 4 the Trust was reporting a response rate of 40% for inpatients, which exceeds the 30% target. However, the response rate for Accident and Emergency by the end of quarter 4 fell slightly short of the target, coming in at 18%. |
| **4. Friends and Family Test for patients – increased response rate in acute inpatient services**<br><br>To achieve a response rate of 40% or higher for the month of March 2015 | *On track to achieve*<br><br>The Trust is reporting a response rate for March 2015 of 43%, exceeding the 40% stretch target. |
| **5. Dementia – Find, Assess, Investigate and Refer**<br>To achieve 90% or more for each of the following indicators: the proportion of patients aged 75 or older to whom case finding is applied following emergency admission; the proportion of those identified as potentially having dementia who are appropriately assessed; and the proportion referred on to separate services | *On track to achieve*<br><br>This target has been consistently met or exceeded in quarters 1, 2, 3 and 4. |
| **6. Dementia – Clinical Leadership**<br><br>To appoint a named lead clinician for dementia and deliver an appropriate training | *On track to achieve*<br><br>We have designated a Lead Clinician – Dr Bramwell Spencer, a Consultant in Medicine for the Elderly. A |

| Indicator for 2014/15 | Year end position |
|---|---|
| programme for staff | training plan has been produced and was approved by Dementia Steering Group in December. By the end of quarter 3, 663 staff had received additional training, and we reported achievement of this CQUIN in quarter 4. |
| **7. Dementia – Supporting carers of people with dementia**<br><br>To undertake a quarterly audit to test whether carers of people with dementia feel supported, and to produce a bi-annual summary audit report for the commissioners | *On track to achieve*<br><br>The audit has been completed throughout the year to date, although it has been a challenge to obtain a representative sample and we have therefore supplemented the audit with a postal survey. |
| **8. Pressure Ulcers – Zero Tolerance Approach**<br><br>To establish a baseline for the number of grade 2 pressure ulcers and to set a target for improvement, with regular reporting to the commissioners of progress against this target | *On track to achieve*<br><br>We agreed a baseline target for a reduction of 35% compared to the previous year's total of 466, meaning that we should report no more than 266 during the year. This was achieved (220 grade 2 pressure ulcers during the year). |
| **9. Dementia – assessment and personalised care plan**<br><br>To ensure that people with dementia have an assessment and an ongoing personalised care plan, agreed across health and social care, that identifies a named care co-ordinator, and addresses the patient's overall needs<br><br>To establish the current level of performance against this objective and to set targets for improvement to be achieved by the end of quarter 4 | *On track to achieve*<br><br>We have developed a dementia care bundle which covers many of the issues in the CQUIN target. This started to be implemented in quarter 2. In only 25% of cases sampled had the 'bundle' been applied in full, although assessments had been done for the majority of patients. However, by the end of the year, compliance had improved to 91%, against a target for the quarter of 85%. |
| **10. Dementia – Dementia Friendly Hospital**<br><br>To improve the experience and outcome of care for people with dementia by adopting dementia-friendly best practice<br><br>This will involve self-assessing our Trust using the D-Kit assessment checklist and producing an action plan. This should deliver improvements in the following: the environment in which care is given; the knowledge, skills and attitude of the workforce; support given to discharge patients with dementia back to their homes; and the use of person-centred care plans which involve families and carers | *On track to achieve*<br><br>We completed the D-kit self-assessment and the results of this exercise formed the basis for the new Dementia Specialist Matron's programme of work, which is ongoing. The Trust reported achievement of this CQUIN at the end of quarter 4. |

| Indicator for 2014/15 | Year end position |
|---|---|
| **11. Compassion in Clinical Care – implementation of a cultural barometer**<br><br>To ensure a culture of patient centred care by implementing a recognised tool to assess the culture of care delivery, and producing an action plan and quarterly progress reports | *On track to achieve*<br><br>The Organisational Cultural Inventory survey was circulated to a sample of 500 staff during quarter 3 and a report of the results was provided in January 2015. The existing Culture and Engagement Action Plan has been revised and supplemented to take account of this survey. |
| **12. Integrated Care Co-ordination Teams**<br><br>To continue with the programme of work undertaken in 2013/14 to support implementation of these eight teams across Wirral; to agree and report key performance indicators for the teams | *On track to achieve*<br><br>These teams have all now been set up. A service specification was adopted which includes key performance indicators, and we plan to use a scorecard to measure the impact on emergency admissions, readmissions, length of stay and A&E department attendances. Reporting of the KPIs commenced at the beginning of quarter 3. |
| **13. Smoking Cessation**<br><br>To ensure that all patients are asked whether they smoke, and that those who smoke are offered a brief intervention<br><br>To develop smoking cessation skills by training a group of nurses to become Level 2 intermediate smoking cessation advisers<br><br>To audit against NICE public health guidance PH48<br><br>To increase the number of patients referred into the Stop Smoking Service by at least 25% compared to the 2013/14 figure<br><br>To increase the number of Nicotine Replacement Therapy prescriptions by 10% compared to 2013/14 | *Partially achieved*<br><br>Training programmes have been delivered for staff in the wards which we have targeted and we are undertaking regular audits, following on from a baseline audit against the NICE Guidance which was completed and reported in July 2014. We will not know until after the end of the financial year whether we have achieved our targets for increasing the take-up of nicotine replacement therapy and referrals to the stop smoking service.<br><br>The Trust reported partial achievement of this target at quarter 4 – progress could be demonstrated in all areas, but some individual targets could not be met, due in part to ward closures for infection control reasons |
| **14. Service Quality Dashboards for Neonatal and Renal Services**<br><br>To use the required clinical dashboards which were developed during 2013/14 for specialised services | *On track to achieve*<br><br>Both services have submitted data for the dashboards prior to the deadlines. There have been some delays in receiving the dashboards although they have since been displayed and discussed in the departments. |
| **15. Investment in HIV IT**<br><br>To develop an information system to support implementation of the anti-retroviral drugs procurement programme | *On track to achieve*<br><br>Milestones have been agreed, the Telecare Mills system was been updated to capture the data in May 2014, and staff were trained to input data to the system in June 2014. Data relating to patient demographics and management regime is being input to the system. The final report demonstrates completeness of data inputting and anti-retroviral |

| Indicator for 2014/15 | Year end position |
|---|---|
| | and home treatments. |
| **16. Renal Dialysis**<br>To involve patients in the tasks of haemodialysis | *On track to achieve*<br><br>The Trust is reporting achievement of this CQUIN. 12% of patients were achieving five or more of the 14 tasks, against a target of 10%. 100% of patients had been asked if they would like to participate in these tasks, against a target of 95%. |
| **17. Patient Held Records (Breast Cancer)**<br>To encourage the use of patient held records by patients with breast cancer (these records include self-care plans, care summaries and emergency contact cards) | *On track to achieve*<br><br>In quarter 4, 33% of patients referred to the Breast Unit had been given their own paper record. |
| **18. Clinical Coding**<br>To ensure consistent coding for oral surgery and maxillofacial surgery procedures across all secondary care providers | *Not possible to achieve*<br><br>The Trust is unable to deliver information outside the nationally agreed standards and works to Secondary User Service deadlines. We code to nationally agreed standards as provided by the Health and Social Care Information Centre classification service – the guidance which all coding departments have to follow. In response to our query, NHS England have confirmed that they would not expect the Trust to do anything that was outside of national guidance. |
| **19. Friends and Family Test – early implementation**<br>To expand implementation of the F&FT in all areas of dental services | *On track to achieve*<br><br>The response rate for the dental clinic, and dental day case patients was consistently low, but improved towards the end of the year and the Trust has reported achievement of this target in quarter 4. |
| **20. Health Inequalities**<br>To undertake a baseline assessment of access and coverage for vulnerable or deprived groups such as those living in deprived neighbourhoods, people with disabilities, people suffering from mental illness, plus a number of other groups within the community who have particular needs This should cover the following services: diabetic retinopathy; breast screening; and school nursing. The Trust should produce a plan to reach those groups who fail to access the services. | *On track to achieve*<br><br>Baseline assessments for all three services were completed and submitted in quarters 1 and 2. Plans have been developed to ensure that members of these groups are able to access each of these services when they need them, and we are reporting regularly against these plans. |

*Table 2: 2014/15 CQUINs*

The amount of income in 2014/15 conditional on achieving quality improvement and innovation goals was £5,155,436 subject to the final year income for 2014/15. For the year 2013/14, the total associated payment was £6,106,823.

The national CQUIN guidance 2015/16 include:

- improving sepsis care
- the management of acute kidney injury,
- dementia and delirium management
- urgent care management - reducing emergency admissions and better recording of mental health conditions in A&E

At this stage we have not yet agreed local CQUINs with the Clinical Commissioning Group.

### 3.2.5    Care Quality Commission Registration and Reviews

The Trust received an unannounced inspection from the Care Quality Commission in September 2014. This was not a full-scale planned inspection, but rather was in response to specific concerns that had been raised directly with the Commission by patients or carers.

The inspectors visited six wards – 1, 20, 21, 22, 33, and Accident and Emergency. They checked against five of the Essential Standards of Quality and Safety. They found that we were not fully compliant with all five. For three, they had minor concerns (respecting and involving service users, assessing and monitoring the quality of services, and staffing). For two, they had moderate concerns (records, and care and welfare of patients).

We took corrective action in the immediate aftermath of the inspection, with the Director of Nursing and her Assistant Directors working clinically in the areas that had been inspected over the weekend. In addition to these remedial action plans, we developed a plan of medium and long-term actions to address some underlying issues which the inspection helped bring to light. This plan includes actions such as: developing a new performance management framework for Ward Sisters and Charge Nurses; reviewing our nutritional screening process to make it more personalised around the patient's needs; and implementing weekly Matrons' ward rounds. The plan has been shared with the CQC, with Monitor, and with our commissioners.

We have been notified that we will undergo a full-scale planned inspection by CQC in September 2015. We are already preparing for this inspection. As part of our preparation, we are undertaking our own mock inspections. These are carried out by Trust staff from all professions and all grades, who have volunteered for the task. We are also starting to involve some of the volunteers who work in the hospital, and representatives from the Clinical Commissioning Group and Health Watch have also volunteered to take part. We intend to have inspected all our wards by July and thereafter to focus on areas that need the greatest improvement. We are also undertaking a great deal of awareness raising work among our staff. This includes presentations to staff groups, and circulating information newsletters.

### 3.2.6   Data Quality

The Trust submitted records during 2014/15 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics (HES) which are included in the latest published data.

The percentages in table 4 below include the patient's valid NHS number.  The results shown for GP Registration have a 'valid' GP code assigned. This includes all 'valid' codes so will include any records assigned as 'unknown'. The figures for 2014/15 are based on data covering the ten months to the end of January 2015 as this is the most recent data available at the time of writing.

| NHS Coverage | 2011/2012 | 2012/2013 | 2013/14 | 2014/15 |
|---|---|---|---|---|
| *Admitted patient care* | 97.8 | 99.2 | 99.6 | 99.7 |
| *Outpatients* | 98.7 | 99.5 | 99.8 | 99.8 |
| *AandE* | 96.1 | 98.7 | 98.8 | 98.9 |
| **GP Registration** | | | | |
| *Admitted patient care* | 99.9 | 99.9 | 100 | 99.7 |
| *Outpatients* | 100 | 100 | 100 | 99.7 |
| *AandE* | 100 | 100 | 99.9 | 99.8 |

*Table 4     Data Quality*

The Trust is committed to achieving and maintaining high levels of data quality across all areas of healthcare information. As part of the information governance assurance regime, a Trust-wide data quality group meets regularly to review data quality standards, reports on data quality errors, and to address any ensuing issues.

The Trust will be taking the following actions to improve data quality for 2015/16:

- Reinforce the patient demographics checking process in clerical pathways to reduce the rate of clinical communication addressed to incorrect GP practices
- Maintain the improvements in quality of inpatient and Emergency Department (ED) discharge summaries to GPs achieved across the previous two years
- Identify similar improvements to the quality of information provided to GPs on admission of their patients via the ED

### 3.2.7   Information Governance
Information Governance ensures the necessary safeguards for, and appropriate use of, patient and person identifiable information.  Risks relating to Information Governance are contained within the Trust monitoring and reporting mechanisms.  An Information Group ensures the Trust maintains compliance with relevant Information Governance legislation and good practice.

The Trust Information Governance assessment report overall score for 2014/15 was 74% and was graded green in the grading scheme.  This is an improvement on last year's score.

Information risks are managed in the same way as all other risks identified in the Trust; they are reviewed by the Information Group, which reports to the Finance, Business Assurance and Assurance committee. The Information Group also continues to report to the Audit Committee to increase the level of assurance on Information Governance systems.

Highlights from the work programme for this year will include reviews of the Corporate records register and data flows in and out of the Trust, a plan to integrate IG thinking into working practices through privacy audits making the IG team more accessible and the completion of information asset management documentation for level 3 information assets.

### 3.2.8   Clinical Coding
Accurate clinical coding is essential to the provision of effective healthcare at local and national level.  It drives financial flows, informs payments and is critical to intelligent commissioning through the provision of epidemiology data which truly reflects the health and care needs of the nation. The Trust commissioned an external audit programme from the Clinical Coding Academy at Merseyside Internal Audit Agency (MIAA). Four audits have been conducted across the year. Specialties audited this year included cardiology, respiratory medicine, orthopaedics, urology and deceased patients. The results of these audits should not be extrapolated beyond the specialities and samples audited.  Following

these audits individual and team feedback has been given to enhance performance. Overall accuracy for primary diagnosis was 92%, secondary diagnosis was 94.3%, primary procedure 94.5% and secondary procedures 93.4%. These external audits were supplemented with additional internal audit.

The Trust was not subject to the Payment by Results clinical coding audit during 2014/15. The Trust will be taking the following actions to improve data quality:
- Continue to commission external clinical coding audits
- Continue to undertake internal audits
- Ensure coding staff receive feedback at individual and team level as appropriate
- Provide education and training to all staff involved in the coding process

In 2015/16, the Trust is planning to review the whole coding process to ensure it is as cost effective as possible. At the end of 2014/15 the Trust commissioned an external review of services which recommended a restructure of the clinical coding team including additional resource, reports to enable quality checks on data, a move of the department from Finance to Informatics and improved clinical engagement. Benchmarking against regional peers identified a number of areas within specialities in need of combined coding and clinical audit and this will form the basis of the audit programme for the forthcoming year.

**Annex: Statements from Third Parties**

**Statement from Wirral Clinical Commissioning Group**

As lead commissioner Wirral CCG is committed to commissioning high quality services from Wirral University Teaching Hospital. We take very seriously our responsibility to ensure that patients' needs are met by the provision of safe, high quality services and that the views and expectations of patients and the public are listened and acted upon.

We welcome the opportunity to comment on this account and believe it reflects accurately quality performance in 2014/15 and clearly sets out the direction regarding quality for 2015/16.

We accept that this has been a challenging year for the Trust, as it has for many acute trusts in England, and that there has been a significant shortfall from the planned target for 2014/15. It is recognised that it is the intention of the trust to carry these forward these aims into the forthcoming year with an expectation of those targets being met by March 2016.

Working in partnership with the Trust, a set of challenging local CQINs were developed during the last contracting round. The objectives were developed by the CCG and agreed with the Trust, and reflected areas of desired improvement identified nationally and locally. Not all of these have been fully achieved this year. This demonstrates, at least in part, the high standard that was set in order improve the quality of care for our patients. Both organisations remain resolute to achieving these standards in the forthcoming year.

The responsive review undertaken by the Care Quality Commission in September 2014, whilst not a full comprehensive review, has given cause for concern. We acknowledge the work that has been undertaken by the Trust in response to this assessment. We also found it helpful to have jointly met with the trust board and NHS England to undertake a single item Quality Surveillance Group meeting, following publication of the report so that this work and future plans could be openly explore in more detail.

Ensuring patient safety is of paramount importance, and therefore it is a concern that there have been five 'Never Events' during 2014/15. We note that four of these related to surgical errors. The trust has commissioned an external specialist to support surgical theatres in reviewing these incidents to ensure lessons learnt from these events and prevent any re-occurrence in future years.

The trust has seen an increase from last year in Hospital attributed MRSA cases, with 3 cases reported for this period against a target of zero. C. Difficle infection rate is above the challenging allocated trajectory of 24. It is reassuring the trust have been supported by Public Health England to minimise the spread of CPE and have established a cohort ward.

We acknowledge the improvement programme that has been undertaken throughout the year against the six priorities.

We acknowledge the work that the trust has undertaken to improve care for patients with dementia. This is obviously an area of focus across the health economy and we welcome the efforts made.

In general hospital support eating and drinking is fundamental to a patient's recovery. It is of significant concern to us that this was not achieved in Q2 and January and February. We would expect an improvement in this performance and will monitor this through our quality routes. We believe that your nursing directorate team support our opinion that this is a useful measure of core nursing standards and therefore we feel it is right that it is a focal area.

We are pleased to see an improvement in the prevention and reduction of pressure sores and recognise the ambitious target that was set.

We look forward to seeing the improvement in the 'missed medication' with the implementation of the new computer system.

Another area of concern is the increase in readmissions within 28 days. We welcome the increased focus in this area and the work that will be undertaken and look forward to seeing the evidence of significant improvement in 2015/16.

We acknowledge the work that the Trust has undertaken regarding  listening into action, and the achievement of a national award though this does need to be considered against other factors in year such as the cultural barometer and the staff friends and family test.  We believe that significant work needs to continue in order to promote a supportive managerial culture and a positive working environment. We would obviously encourage further endeavours with positive outcome measures in this regard.

Looking forward in 2015/16, the CCG is reassured that the priorities for improving quality that have been identified by the Trust are priorities for the CCG and build on the progress and non-achievement made in 2014/15:

- Patient Experience
  - Improving care for people with Dementia
  -  Ensure patients are supported with eating and drinking according to their individual needs
- Safety
  -  Reduce harm to patients in relation to newly formed  pressure ulcers
  - Reduce the number of "missed medication" events
- Clinical Effectiveness
  - Reduction in Hospital Standardised Mortality rate
  - Reduction in emergency readmissions within 30 days.

We believe that this quality account gives a high profile to continuous quality improvements in Wirral University Teaching Hospital and the monitoring of the priorities for 2015/16. Wirral Clinical Commissioning Group looks forward to continuing to work in partnership with the Trust to assure the quality of services commissioned over the forthcoming year.

**Pete Naylor**

**Chair - Wirral CCG**

## Wirral University Teaching Hospital — NHS Foundation Trust

**WIRRAL**

# Statement from Wirral Metropolitan Borough Council

**18th May 2015**

**Commentary on the draft Quality Account, 2014/15,**
**Wirral University Teaching Hospital (WUTH)**

The Families and Wellbeing Policy and Performance Committee undertake the health scrutiny function at Wirral Council. The Committee has established a Panel of Members (the Health and Care Performance Panel) to undertake on-going scrutiny of performance issues relating to the health and care sector. Members of the Panel met on 12th May 2015 to consider the draft Quality Account and received a verbal presentation on the contents of the document. Members would like to thank Wirral University Teaching Hospital Foundation Trust (WUTH) for the opportunity to comment on the Quality Account 2014/15. Panel Members look forward to working in partnership with the Trust during the forthcoming year. Members provide the following comments:

**Overview**
Members acknowledge that 2014/15 has again been a challenging year for the Trust, highlighted by issues such as the financial position of the Trust, the recent investigation instigated by Monitor, the outcomes of the CQC inspection of the Trust (September 2014), the unprecedented period of winter pressures felt by acute trusts nationwide and the implications for staff morale at WUTH. Although some of the targets in the six priority areas for 2014/15 were not met, Members welcome the general approach whereby all existing priority areas have been retained for 2015/16. This should ensure continuity towards the achievement of refreshed targets and a long-term approach to improving performance, patient experience and outcomes in those areas. It is clear that many of the initiatives undertaken in response to the priority areas during 2014/15 have led to improved outcomes and it is hoped that progress will continue during 2015/16.

Despite the constrained financial circumstances, Members very much welcome the recent decision of the Trust to invest in excess of £1 million in additional nursing staff. In itself, that should contribute towards the achievement of some of the 2015/16 targets, for example, the nutrition and hydration of patients and the reduction in the instances of pressure ulcers. In addition, the positive approach being adopted by the Trust towards improving staff morale, typified by the Listening into Action events, increased corporate communication and the visibility of the senior leadership team, is also supported.

**Priorities for Improvement in both 2014/15 and 2015/16**

Improving care for patients with dementia
Members welcome the continued prioritisation of care for patients with dementia. In particular, the intention to ensure that patients with dementia receive care from staff who are appropriately trained in dementia care is appreciated.  It is noted that, at the end of 2014/15, in excess of 600 staff have received training on dementia care. The plan for more staff to be trained during 2015/16 is welcomed.

Ensure patients are supported with eating and drinking based on their individual needs
Members note with some concern that the target for 75% of patients to report, via the Learning with Patients survey, that they received the appropriate assistance with eating and

drinking, was not completely met. However, Members also welcome that the Trust has proposed a stretched target for 2015/16. It is recognised that the Quality Account includes a comment: "Poor nutrition and hydration can increase the risk of poor healing and additional complications for our patients as well as causing distress. We monitor the support we give patients and are not satisfied with the results". This clearly demonstrates a desire by the Trust to improve patients' experience. Members do acknowledge that the times when performance has dropped during 2014/15 generally coincided with those periods when the level of activity in the hospital and staffing pressures has been most acute.

Reduced harm to patients particularly in relation to newly formed pressure ulcers
The considerable progress regarding pressure ulcers is noted, although further action is planned for 2015/16. Again, the impact of staffing pressures on this priority area is recognised. Therefore, the additional resources available as a result of the successful bid for the Department of Health's 'Sign up to Safety' programme are particularly welcomed by Members.

Reduce emergency readmissions within 30 days
Members note the early impact of the introduction of the Integrated Care Coordination Teams and look forward to the anticipated effect of Vision 2018 and the further integration across the health and social care sectors.

**Other comments:**
Never Events and Serious Incidents
The increased number of Never Events and serious incidents recorded during the year is noted. It is hoped that future progress will be made on these indicators.

Complaints process (page 30)
It was noted in the Quality Account 2013/14, that with regard to complaint handling, the Chief Executive commented that "there is still work to do on improving our complaint response times". It is now welcomed in the Quality Account 2014/15 that both the number of complaints received by the Trust has fallen and the percentage of complaints responded to within the agreed timescale has improved.

I hope that these comments are useful

Councillor Moira McLaughlin
Chair, Health and Care Performance Panel and
Chair, Families and Wellbeing Policy & Performance Committee

# Commentary by Healthwatch Wirral for Wirral University Teaching Hospital Foundation Trust Quality Account 2014/15

Healthwatch Wirral (HW) would like to thank WUTHFT for the opportunity to comment on the Quality Account for 2014/15. Over the last year WUTHFT have been receptive to HW's input on improving patient experience and have accepted both challenge and recommendations.

HW acknowledges the fact that the Trust has faced challenges and has not achieved all of the targets set in the previous year's Quality Account. The Trust needs to maintain and improve the quality of the services provided and aim to meet targets by March 2016.  It should also be recognised that some of the issues currently being addressed by WUTHFT are whole system problems and HW would welcome a more integrated approach to resolutions.

**Priorities for 2015/16**

The Trust intends to maintain the same 6 priorities set out for the year 2014/15 as they have not been consistent in achieving the targets. This was disappointing and we would expect the Trust to meet targets during the course of 15/16.

HW look forward to receiving the quarterly reviews on progress against the priorities.

**Review of Quality Performance**

**Patient Experience Priorities –** It was positive to note that:-
- A Specialist Matron for Dementia has been appointed
- A Dementia Strategy has been adopted which will be implemented and monitored by a Dementia Steering group.
- Sign up to Safety Programme funding has been obtained which aims to reduce avoidable harm.
- The new Millennium database system and the implementation of the Cerner meds module will be used to contribute to a reduction in missed medication events.

 **Clinical Effectiveness** – It was disappointing to note that the emergency re-admissions within 30 days target was unlikely to be met.   HW would hope that the actions initiated, including the seven day specialist and senior review for managing older patients who are more likely to be readmitted, will help the Trust to achieve the target. HW would encourage the Trust to work with partner organisations to implement a successful integrated model of care to reduce readmissions

HW welcome that the Trust is participating in 2 projects, the Mortality Network Collaborative project to improve the care of patients with sepsis, and another collaborative project aimed at the early identification of patients who are approaching the end of life. The aim of this second project is to ensure that their needs are met and their symptoms are controlled.

**External Reviews -** HW applaud that the Endoscopy Unit had been awarded the Joint Advisory Group accreditation. This is a formal recognition that the service has the competence to deliver best practice endoscopy standards and provide a high quality service. It was also commendable that the Trust had achieved Baby Friendly level 3 accreditation

and received national recognition for staff engagement, through Listening into Action, by becoming winner of the Health Service Journal Award.

**Listening into Action -** This is a positive initiative to improve staff engagement. HW is pleased to note the significant number of new initiatives introduced. Progress and outcomes will be monitored and an integrated approach to culture and engagement, through a strategic plan, has been developed.

**Safety Measures** - It is a real concern to read that 'Never Events' and serious incidents reported, investigated and remaining serious had increased in 2014/15. It was reassuring to see that the number of complaints received have decreased and HW will be working closer with the Trust on Complaints in 2015/16.

It is worth noting that the number of staff who would recommend the Trust to family and friends needing care had decreased.  The Trust has taken steps to improve this score and HW look forward to receiving the results and outcomes of the cultural barometer survey and culture and engagement plan.

**Advancing Quality** - It was reassuring to see that the Trust has improved in most areas during the current year and that they continue to follow a proactive improvement programme to reduce hospital acquired infections.

It was noted that, although the Trusts performance against national targets were generally strong, they had missed the referral to treatment time of 18 weeks for admitted patients in 2 quarters and had failed the 4 hour maximum wait in A&E in all 3 quarters.

**Healthwatch Wirral recommendations and Concerns**

The Trust is not meeting targets to support patients who may require help eating and drinking. Although there have been moves to reinforce measures, including patient focussed rounding, HW see supporting patients to eat and drink as basic nursing care. This will remain high on the radar for HW and recommend that the target achievement be 100%.

The Trust did not achieve their own target of reducing avoidable Grade 3 pressure ulcers. HW would encourage a more challenging target than 50% in the reduction of grade 2 Pressure ulcers.

The Trust had 5 Never Events reported and similar incidents had been reported before. HW would recommend a robust learning process to prevent these events.

To ensure that the concerns highlighted are not due to staff shortages, and that staffing levels are safe, HW plan to seek assurances through the appropriate channels, in the future.

The Staff Family and Friends Test results were surprising and HW plan to meet with the Trust in the future to gather a more detailed response.

Finally, overall the report was honest, informative and self-critical. HW appreciates the opportunity to comment on the report as a "critical friend". We look forward to working with the Trust in the future to support the implementation of the Quality Account and strategic plans.

*Karen Prior*

Healthwatch Wirral Manager
**May 2015**

**Glossary for Quality Account**

| Abbreviation / term | Definition |
|---|---|
| AKI | Acute Kidney Injury |
| AQ | Advancing Quality |
| Appropriate Care Score | A patient in the Advancing Quality Programme receives all the interventions they are entitled to. |
| CAUTI | Catheter Associated Urinary Tract Infection |
| CCG | Clinical Commissioning Group |
| COPD | Chronic Obstructive Pulmonary Disease – chronic lung disease |
| CQC | Care Quality Commission |
| CQUIN | Commissioning for Quality and Innovation |
| **Composite scores** | **Calculation derived** from data in multiple variables in order to form reliable and valid measures |
| CPE | Carbapenemase Producing Enterobacteriaceae – new strain of resistant organism |
| DASS | Department of Adult Social Services |
| DME | Department of Medicine for the Elderly |
| ECIST | Emergency Care Intensive Support Team |
| EAU | Emergency Assessment Unit |
| ERP | Enhanced Recovery Programme |
| FCE | Finished Consultant Episode |
| FFT | Friends and Family Test – a question contained within the national inpatient and staff survey |
| HPV | Hydrogen Peroxide Vaporiser |
| HES | Hospital Episode Statistics |
| HSMR | Hospital Standardised Mortality Rate |
| LWPQ | Learning with Patients Questionnaire – an internal patient survey |
| MBRRACE-UK | Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries |
| MEWS | Medical Emergency Warning Score |
| MUST | Malnutrition Universal Screening assessment Tool |
| MRSA | Meticillin Resistant Staphylococcus Aureus – bacteraemia; this is a blood stream infection |
| NCEPOD | National Enquiry into Patient Outcome and Death |
| NHSLA | NHS Litigation Authority |
| NICE | National Institute of Clinical Excellence |

| NIHR | National Institute of Health Research |
|---|---|
| NPSA | National Patient Safety Agency |
| NRLS | National Reporting and Learning System |
| OPRA | Older Persons Rapid Assessment |
| PEAT | Patient Environment Action Team |
| ROP | Retinopathy of Prematurity |
| RTT | Referral to Treatment – time taken from referral to treatment |
| Safety Express | Safety Express is a single programme which focuses on system re-design of fundamental care processes and behaviours. |
| SDIP | Service Development and Improvement Programme – contractual obligation to improve care in a given area.  These may be national or locally defined. |
| SHMI | Summary Hospital-Level Mortality Indicator – a measure of death within 30 days of discharge form hospital; not adjusted for palliative care |
| SSKIN | SSKIN is a five step model for pressure ulcer prevention.   **Surface**: make sure patients have the right support. **Skin inspection**:  early inspection means early detection. **Keep** patients moving. **Incontinence/moisture**: patients need to be clean and dry. **Nutrition/**hydration: help patients have the right diet and plenty of fluids |
| TARN | Trauma Audit Research Network |
| VRE | Vancomycin Resistant Enterococci |
| VTE | Venous Thrombo-Embolism or blood clot in the vein |
| WUTH | Wirral University Teaching Hospital |

**Appendix 1**

# Services Provided by the Trust

CLINICAL SUPPORT DIVISION (11)

| | |
|---|---|
| Pathology | Radiology |
| Bed Management | Therapies |
| Integrated Discharge Team | Theatres and Anaesthetics |
| Hotel Services | Sterile Services |
| Cancer Pathway Management | Pain Management |
| Booking and Outpatients | |

ACUTE AND MEDICAL SPECIALTIES DIVISION (15)

| | |
|---|---|
| Emergency Department | Respiratory |
| Acute Medicine | Rheumatology |
| Critical Care | Haematology |
| Department of Medicine for the Elderly | Endoscopy |
| Cardiology | Sexual Health |
| Gastroenterology | Stroke |
| Diabetes | Rehabilitation |
| Nephrology | |

SURGICAL AND WOMEN'S AND CHILDREN'S DIVISION (17)

| | |
|---|---|
| Surgical Elective Admissions Lounge | Maxillofacial |
| Pre-operative Assessment | Dermatology |
| Surgical Assessment | Park Suite |
| Surgical Day Case | Trauma and Orthopaedics |
| Colorectal | Paediatrics |
| Limb Centre | Obstetrics and Maternity Services |
| Upper Gastro-intestinal | Gynaecology |
| Urology | Ophthalmology |

| Ear, Nose and Throat | |
|---|---|

CORPORATE SERVICES (25)

| Corporate Governance and Foundation Trust Membership Office | Information Technology |
|---|---|
| Finance and Procurement | Informatics |
| Clinical Coding | Information Governance |
| Programme Management Office | Medical Records |
| Quality and Safety | Equipment Services |
| Corporate Nurse Management (including End of Life Care) | Switchboard |
| Chaplaincy | Strategy and Partnerships |
| Bereavement Office | Communications |
| Infection Prevention and Control | Human Resources |
| Complaints and Patient Experience | Education and Training |
| Safeguarding | Occupational Health |
| Pharmacy | Health and Safety |
| Estates | |

**Appendix 2**

# National Clinical Audits Participation

| | Name of Audit/Confidential Enquiry | Data collection 2014/15 | Participation Yes/No Number Participation % | Report received and reviewed (Y/N) | Actions taken and comments |
|---|---|---|---|---|---|
| 1 | Bowel cancer (NBOCAP) | Yes | Yes 210 99% | Yes (2013 data) | The report was published 15 December 2014, containing 2013 data. Figures are at 96% for data completeness. Figures are lower than national figures for laparoscopic surgery. This has been addressed in the colorectal cancer Multi-Disciplinary Team work programme.<br><br>MDT discussion now formally includes suitability for laparoscopic/robotic surgery, and all patients meeting criteria will be offered access to a surgeon appropriately trained in laparoscopic / robotic colorectal surgery. |
| 2 | Elective surgery (National PROMs Programme) | Yes | Yes 680 81% (all procedures – latest report covering April 14 – Sept 14) | Yes | Provisional report published February 2015. Participation rate is lower for Groin Hernia and Varicose Vein surgery. Forms are now given out by pre-operative nurses with the aim of improving the participation rate. |
| 3 | Head and neck oncology (DAHNO) | Yes | Yes 35 100% | Yes (2012 – 13 data). Not reviewed. | Annual Report due June 2015 |
| 4 | National Joint Registry (NJR) | Yes | Yes 1370 98% | Yes (2013 data) | Annual Report due October 2015. Therevious report showed that consent rates for inclusion in the audit were below 80%. This has been followed up with local audit and consent for participation in the audit is now taken in Joint School which has made a dramatic improvement in consent rates. Other areas demonstrated compliance. |

| | Name of Audit/Confidential Enquiry | Data collection 2014/15 | Participation Yes/No Number Participation % | Report received and reviewed (Y/N) | Actions taken and comments |
|---|---|---|---|---|---|
| 5 | National emergency laparotomy audit (NELA) | Yes | Yes | Organisational audit report received. First patient data audit report due June 2015 | Emergency surgeons and designated anaesthetists will lead on the development of new protocols and pathways as recommended by the NELA when the new speciality is operational. |
| 6 | Oesophago-gastric cancer (NAOGC) | Yes | Yes 164 90% | Yes (2011 – 2013 data) | Action plan is led by regional specialist centre – Aintree Hospital. |
| 7 | Prostate Cancer | Yes | Yes | Organisational audit report received. First patient data report due October 2015 | Organisational audit report received. All key facilities recommended are offered on site or on referral. |
| 8 | Fitting child (care in emergency departments) | Yes | Yes 50 100% | No | Report not available until summer 2015 |
| 9 | Mental health (care in emergency departments) | Yes | Yes 40 100% | No | Report not available until summer 2015 |
| 10 | Older people (care in emergency departments) | Yes | Yes 50 100% | No | Report not available until summer 2015 |
| 11 | Severe trauma (Trauma Audit & Research Network, TARN) | Yes | Yes 196 86% | Yes | We are continuing to improve data (98.9%). The case study folder is discussed at Clinical Governance and Trauma Team meetings. |
| 12 | Renal replacement therapy (Renal Registry) | Yes | Yes | No | Data is collected by automatic download from renal units quarterly. The last report was published in December 2014, detailing 2013 data |

| | Name of Audit/Confidential Enquiry | Data collection 2014/15 | Participation Yes/No Number Participation % | Report received and reviewed (Y/N) | Actions taken and comments |
|---|---|---|---|---|---|
| 13 | Sentinel Stroke National Audit Programme (SSNAP)* | Yes | Yes 675 90% | Yes | The main change is the nursing uplift for Stroke that is needed to be in line with Royal College of Physicians recommendations for ratio of trained nurses and clinical support workers on the Stroke unit day and weekend working.<br><br>ESD service provision for 7 days across ASU/ESD and CRC: This is currently the subject of a business case. |
| 14 | National COPD Audit (BTS) | Yes | Yes 118 43% | Yes | National report received February 2015; national supplementary report not due until May 2015 |
| 15 | Inflammatory bowel disease (IBD) programme | Yes | Yes | Yes | Continuous report covering twelve months (March 14 – Feb 15) has been received and demonstrates compliance with NICE |
| 16 | Falls and Fragility Fractures Audit Programme (FFFAP) | Yes | Yes 448 100% | Yes | Report due May 2015<br><br>National Hip Fracture Database ongoing.  The National Audit of Falls & Bone Health (In-patient Audit) is due to re-commence May 2015 |
| 17 | National Clinical Audit of Rheumatoid and Early Inflammatory Arthritis | Yes | Yes | No | Data collection commenced Feb 2014 and will continue for three years |
| 18 | National Heart Failure Audit | Yes | Yes 231 46% | No | Report due May 2015 |
| 19 | Cardiac Rhythm Management (CRM) | Yes | Yes | No | Last Report published Feb 14 |
| 20 | Acute coronary syndrome or Acute myocardial infarction | Yes | Yes 429 100% | No | Proposed actions: Appointment of two acute coronary syndrome nurses to identify in patients with acute coronary syndromes, |

| | Name of Audit/Confidential Enquiry | Data collection 2014/15 | Participation Yes/No Number Participation % | Report received and reviewed (Y/N) | Actions taken and comments |
|---|---|---|---|---|---|
| | (MINAP) | | | | facilitate access to cardiology beds and close the gap in real time between actual and ideal practice with respect to recorded lifestyle advice, drug prescription, cardiac rehabilitation referral and clinic follow up.<br><br>- Changing the culture within the cardiology department with respect to quality improvement, coronary angiography rates and inpatient revascularization through rolling data analysis and review and the development of an internal quality improvement infrastructure<br><br>- Improving communication with primary care physicians by adopting standardized discharge summary formats embedded within the CERNER discharge summary templates to more completely describe investigation results, treatment plans, drug titrations, blood pressure and blood monitoring |
| 21 | National Lung Cancer Audit | Yes | Yes 256 100% | No | Last report published Dec 2014 detailing 2013 data |
| 22 | Diabetes (Adult), includes National Diabetes Inpatient Audit (NADIA), diabetes care in pregnancy, diabetes footcare* | No | N/A | N/A | The Trust did not participate in 2014 |
| 23 | Pleural Procedures Audit | No | N/A | N/A | The Trust did not participate in 2014 |
| 24 | Maternal, Newborn and Infant Clinical Outcome Review | Yes | Yes All deaths 100% | Yes | Triennial Report published in December 14 – the directorate is currently reviewing this document to determine |

| | Name of Audit/Confidential Enquiry | Data collection 2014/15 | Participation Yes/No Number Participation % | Report received and reviewed (Y/N) | Actions taken and comments |
|---|---|---|---|---|---|
| | Programme (MBRRACE-UK) | | | | current compliance against recommendations |
| 25 | Epilepsy 12 audit (Childhood Epilepsy) | Yes | Yes 18 100% | No | Unfortunately due to a miscommunication within the Epilepsy Team only half of the audit was completed.  Therefore when the final report is published the division will be unable to compare themselves against the data. |
| 26 | Neonatal intensive and special care (NNAP) | Yes | Yes All NNU Admissions 100% | Yes | To be discussed and presented at April 15 audit meeting |
| 27 | Case Mix Programme (CMP) | Yes | Yes | No | Not due for release until autumn 2015 |
| 28 | Diabetes (Paediatric) (NPDA) | Yes | Yes 119 100% | No | Annual Report not available at the time of writing |
| 29 | National Cardiac Arrest Audit (NCAA) | Yes | Yes | No | Annual Report not available at the time of writing |

# Statement of Directors' responsibilities in respect of the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.
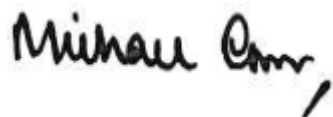
Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:
- the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2014 to June 2015
  - Papers relating to Quality reported to the Board over the period April 2014 to June 2015;
  - Feedback from the commissioners dated May 2015
  - Feedback from governors dated December 2014
  - Feedback from local Healthwatch; dated May 2015
  - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated June 2014;
  - The latest national patient surveys (2014);
  - The latest national maternity survey (2013)
  - The latest national staff survey (2014);
  - The Head of Internal Audit's annual opinion over the trust's control environment dated May 2015
  - CQC intelligent monitoring reports dated June and December 2014
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review;
- and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor.gov.uk/annualreportingmanual)).

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

By order of the Board

Chairman
Date:   27th May 2015

Chief Executive
Date: 27th May 2015

**Appendix 4**

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF WIRRAL UNIVERSITY TEACHING HOSPITAL NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Wirral University Teaching Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2015 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicator for the year ended 31 March 2015 subject to limited assurance consists of the following national priority indicator:

- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

We refer to this national priority indicator as the 'indicator'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;

- the Quality Report is not consistent in all material respects with the sources specified in the Detailed Guidance for External Assurance on Quality Reports 2014/15 ('the Guidance'); and

- the indicator in the Quality Report identified as having been the subject of limited assurance in the Quality Report is not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- board minutes for the period April 2014 to May 2015

- papers relating to quality reported to the board over the period April 2014 to May 2015

- feedback from Commissioners, dated May 2015

- feedback from governors dated December 2014

- feedback from local Healthwatch organisations, dated May 2015

- feedback from Overview and Scrutiny Committee, dated May 2015

- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated June 2014

- the latest national patient surveys, dated 2014

- the latest national staff survey, dated 2014

- Care Quality Commission Intelligent Monitoring Report, dated June and December 2014

- the Head of Internal Audit's annual opinion over the trust's control environment, dated May 2015.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Wirral University Teaching Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2015, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Wirral University Teaching Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

## Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) - 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators

- making enquiries of management

- testing key management controls

- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation

- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report.

- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such

information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

The scope of our assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by Wirral University Teaching Hospital NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2015:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;

- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and

- the indicator in the Quality Report subject to limited assurance has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP
Chartered Accountants
1 St Peter's Square, Manchester, M2 3AE

28 May 2015

# INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF WIRRAL UNIVERSITY TEACHING HOSPITAL NHS FOUNDATION TRUST

## Opinions and conclusions arising from our audit

### 1  Our opinion on the financial statements is unmodified

We have audited the financial statements of Wirral University Teaching Hospital NHS Foundation Trust for the year ended 31 March 2015. These financial statements comprise the Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Taxpayers' Equity, Statement of Cash Flows and related notes. In our opinion:

- the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2015 and of the Trust's income and expenditure for the year then ended; and

- the financial statements have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15.

### 2  Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit were as follows:

### Valuation of property, plant and equipment  - £159 million

*Refer to the Audit Committee Report within the 'Directors' Report ' of the Trust's Annual Report and Accounts 2014/15, section 1.7 of the Trust's accounting policies (Note 1 to the Accounts) and Property, plant and equipment financial disclosures at Note 14 to the Accounts.*

**The risk:** Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost of a modern equivalent asset that has the same service potential as the existing property (MEAV).  There is significant judgment involved in determining the appropriate basis (EUV or MEAV) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation. In particular the MEAV basis requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site, with a potentially significant effect on the valuation.

For 2014/15 an interim "desk-top" revaluation of all of the land and buildings, which did not involve the physical inspection of the assets, was undertaken by an external valuer.  There is thus a risk that the valuation may not reflect the current use or condition of the assets.

**Our response:** In this area our audit procedures included:

- assessing the competence, capability, objectivity and independence of the Trust's external valuer and considering the terms of engagement of, and the instructions issued to, the valuer for consistency with the requirements of the NHS Foundation Trust Annual Reporting Manual ("ARM");

- undertaking work, through discussions with management and review of documentation, to understand the basis upon which any impairments to land and buildings had been identified and classified by the Trust and determining whether the recognition of these losses in the financial statements complied with the requirements of the ARM;

- considering the adequacy of the disclosures about the key judgments and degree of estimation involved in arriving at the valuation and the related sensitivities.

### 3 Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements was set at £5.8m, determined with reference to a benchmark of operating income (of which it represents 1.9%). We consider operating income to be more stable than a surplus-related benchmark.

We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £290,000, in addition to other identified misstatements that warrant reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was performed at the Trust's Finance department at Clatterbridge Hospital.

### 4 Our opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2014/15; and

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 5 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and accounts

taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy; or

- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

Under the Audit Code for NHS Foundation Trusts we are required to report to you if in our opinion:

- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

- the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources

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

### Certificate of audit completion

We certify that we have completed the audit of the accounts of Wirral University Teaching Hospital NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Our certificate is qualified in accordance with paragraph 5.12 of the Audit Code for the following reason:

- whilst we have issued a limited assurance opinion in relation to the content of the quality report and 62 day Cancer Waits, we have not issued an opinion in relation to the Trust's other mandated indicator (18 week Referral to Treatment).

### Respective responsibilities of the accounting officer and auditor

As described more fully in the Statement of Accounting Officer's Responsibilities, the accounting officer is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors.

### Scope of an audit of financial statements performed in accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

**The purpose of our audit work and to whom we owe our responsibilities**

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 Council of Governors of the Trust, as a body, 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 Council of Governors of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

**Timothy Cutler**
**for and on behalf of KPMG LLP, Statutory Auditor**
*Chartered Accountants*
1 St Peter's Square, Manchester, M2 3AE

28 May 2015

## *Remuneration Report*

### *Remuneration and Appointments Committee*

This committee comprises the non-executive directors, chief executive and is chaired by the Trust chairman. Its purpose is to decide the pay, allowances and other terms and conditions of the executive directors and of staff who are not on national terms as well as consider the appointments of executive directors as their posts fall vacant.

The committee receives the outcome of the annual appraisals of the chief executive and members of the executive team.

Members of the committee had no financial interest in the matters to be decided. The chief executive and the associate director of governance normally attended meetings in 2014/15, except where their own salaries or performance were discussed.

During 2014/15 the director of workforce provided advice to the committee concerning executive pay levels and terms and conditions of employment. Occasionally, professional advice is commissioned from external, unrelated consultants and peer review benchmarking advice is considered, as and when it is available, from the Foundation Trust Network and other sources.

The Remuneration Committee met on 3 occasions during 2014/15

### *Attendance at Remuneration and Appointments Committee Meetings in 2014/15*

|  | **Meeting Attendance Actual / Possible 1st April 2014 – 31st March 2015** |
|---|---|
| Michael Carr, chair | 3/3  100% |
| Cathy Bond | 3/3  100% |
| Richard Dutton | 1/1 100% |
| Graham Hollick | 3/3  100% |
| Jeff Kozer | 2/3 67% |
| Cathy Maddaford | 3/3  100% |
| Lyn Meadows | 1/1 100% |
| Jean Quinn | 3/3  100% |

**Remuneration policy for senior managers**

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

There was a one per cent pay award for 2014/15 (in line with National Terms & Conditions).

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

No executive director or senior manager is entitled to severance payments or termination payments beyond those accruing for redundancy, in line with Trust policy, or for pay in lieu of notice. The committee has no plans to introduce incentive payments or rewards to executive directors.

**Off-Payroll Arrangements**

The trust has recognised the required process changes regarding off payroll arrangements to comply with HMRC requirements. As a result, the Trust has created a Temporary Agency and Self Employed Workers Policy which was ratified by the Workforce & Communication Group on the 2nd April 2015. The Trust also has a generic terms of engagement for locum doctors working through a limited company which does contain some specific HMRC assurances.

The Trust will now ensure that all contracts are covered by the off-payroll guidance including standard HMRC assurances.

In terms of the Brookson locum scheme, Brookson have confirmed that they can provide evidence of the required assurance of worker compliance with all HMRC Income Tax and National Insurance Contributions

**Remuneration Report**

**Salary and Pension entitlements of senior managers**

**A) Remuneration**
**(AUDITED)**

| Name and Title | 1 April 2014 to 31 March 2015 (2014/15) | | | | | | 1 April 2013 to 31 March 2014 (2013/14) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary & Fees (in bands of £5,000) £'000 | Taxable Benefits (total to the nearest £100) | Annual Performance related bonuses (in bands of £5,000) £'000 | Long Term Performance related bonuses | Pension Related Benefits (*1) (to the nearest £) | Total (to the nearest £) | Salary & Fees (in bands of £5,000) £'000 | Taxable Benefits (total to the nearest £100) | Annual Performance related bonuses (in bands of £5,000) £'000 | Long Term Performance related bonuses | Pension Related Benefits (*1) (to the nearest £) | Total (to the nearest £) |
| **Executive Directors** | | | | | | | | | | | | |
| **David Allison**, Chief Executive | 195 - 200 | 5,600 | 0 | 0 | 52,394 | 254,376 | 190 - 195 | 6,400 | 0 | 0 | 58,647 | 259,677 |
| **Sharon Gilligan**, Acting Director of Operations (from April 2013 to June 2013) *2 | N/A | N/A | N/A | N/A | N/A | N/A | 25 - 30 | 100 | 0 | 0 | 21,058 | 47,629 |
| **Sharon Gilligan**, Director of Operations (from July 2013) *2 | 110 - 115 | 7,200 | 0 | 0 | 33,957 | 153,269 | 80 - 85 | 300 | 0 | 0 | 63,173 | 145,204 |
| **Alistair Mulvey**, Director of Finance | 125 - 130 | 0 | 0 | 0 | 17,676 | 145,189 | 125 - 130 | 0 | 0 | 0 | 0 | 120,171 |
| **Evan Moore**, Medical Director | 180 - 185 | 0 | 0 | 0 | 49,737 | 234,385 | 180 - 185 | 0 | 0 | 0 | 41,992 | 225,429 |
| **Sue Green**, Director of Human Resources & Organisational Development (To January 2014) *3 | N/A | N/A | N/A | N/A | N/A | N/A | 200 - 205 | 3,000 | 0 | 0 | 27,478 | 233,361 |
| **Jill Galvani**, Director of Nursing & Midwifery | 125 - 130 | 0 | 0 | 0 | 2,678 | 130,191 | 125 - 130 | 0 | 0 | 0 | 53,479 | 179,729 |
| **Anthony Hassall**, Director of Strategy & Partnerships (From September 2013) | 105 - 110 | 6,100 | 0 | 0 | 70,298 | 182,964 | 50 - 55 | 3,000 | 0 | 0 | 49,548 | 107,136 |
| | | | | | | | | | | | | |
| **Non-Executive Directors** | | | | | | | | | | | | |
| **Michael Carr**, Chairman | 45 - 50 | 0 | 0 | 0 | N/A | 46,914 | 45 - 50 | 0 | 0 | 0 | N/A | 47,774 |
| **Richard Dutton**, Non-Executive Director (To June 2014) | 0 - 5 | 0 | 0 | 0 | N/A | 3,355 | 10 - 15 | 0 | 0 | 0 | N/A | 13,649 |
| **Catherine Bond**, Non-Executive Director | 15 - 20 | 0 | 0 | 0 | N/A | 16,681 | 15 - 20 | 0 | 0 | 0 | N/A | 18,049 |
| **Anne Parker**, Non-Executive Director (To June 2013) | N/A | N/A | N/A | N/A | N/A | N/A | 0 - 5 | 0 | 0 | 0 | N/A | 3,355 |
| **Jean Quinn**, Non-Executive Director | 10 - 15 | 0 | 0 | 0 | N/A | 13,553 | 10 - 15 | 0 | 0 | 0 | N/A | 13,512 |
| **Nick Williams**, Non-Executive Director (To June 2013) | N/A | N/A | N/A | N/A | N/A | N/A | 0 - 5 | 0 | 0 | 0 | N/A | 3,355 |
| **Graham Hollick**, Non-Executive Director (From July 2013) | 10 - 15 | 0 | 0 | 0 | N/A | 13,553 | 10 - 15 | 0 | 0 | 0 | N/A | 11,705 |
| **Cathy Maddaford**, Non-Executive Director (From July 2013) | 10 - 15 | 0 | 0 | 0 | N/A | 13,553 | 10 - 15 | 0 | 0 | 0 | N/A | 10,345 |
| **Lynda Meadows**, Non-Executive Director (To June 2014) | 0 - 5 | 0 | 0 | 0 | N/A | 3,355 | 10 - 15 | 0 | 0 | 0 | N/A | 13,419 |
| **Andrea Hodgson**, Non-Executive Director (From July 2014) | 10 - 15 | 0 | 0 | 0 | N/A | 10,165 | N/A | N/A | N/A | N/A | N/A | N/A |
| **Jeff Kozer**, Non-Executive Director | 10 - 15 | 0 | 0 | 0 | N/A | 13,553 | 10 - 15 | 0 | 0 | 0 | N/A | 13,563 |

**Ratio of Highest Paid Director to Median staff member**

The Monitor Foundation Trust Annual Reporting Manual 2014/15 (FT ARM) requires the disclosure of the ratio of the pay of the highest paid executive directors to the median staff member. The median staff member's pay is calculated based on the full time equivalent staff pay at the reporting period end date on an annualised basis as per the Hutton Review of Fair Pay Guidance. This requires calculating the pay of each individual in March on the assumption that they all work on a full time equivalent basis and multiplying this by 12 month's to get the annualised figure. The estimated agency staff pay is also calculated on an annualised basis and added to the median pay calculation. The highest paid executive director's pay is removed from the median pay calculation for comparative purposes. The highest paid executive is David Allison the Chief Executive on a total remuneration basis. The report is represented in the table below for both the 2014/15 and 2013/14 financial years:

| Financial Year | 2014/15 | 2013/14 |
|---|---|---|
| Band of Highest Paid Director's Remuneration | 195 - 200 | 190 - 195 |
| Median Total Remuneration (FTE staff on an annualised basis) | 25,783 | 24,008 |
| Ratio of Highest Paid Director to Median staff member | 7.7 | 8.0 |

**Governors & Directors Information**

The Monitor Foundation Trust Annual Reporting Manual 2014/15 (FT ARM) requires the disclosure of the following information in relation to the governors and executive and non-executive directors of the trust.

| Financial Year | 2014/15 | 2013/14 |
|---|---|---|
| Number of Governors in office | 30 | 31 |
| Number of Governors receiving expenses | 8 | 9 |
| Aggregate Expenses paid to Governors (to the nearest £100) | 700 | 1,600 |
| Number of Executive and Non-Executive Directors in office | 15 | 17 |
| Number of Executive and Non-Executive Directors receiving expenses | 5 | 7 |
| Aggregate Expenses paid to Executive and Non-Executive Directors (to the nearest £100) | 4,800 | 5,000 |

**(NOT AUDITED)**

The Taxable Benefits does not represent payments to the staff members listed but represents the perceived benefit by the HMRC for the provision of vehicles for staff use. The value is based on the set rate per the car x C02 vehicle emission level percentage (as specified by the HM Revenue and Customs).

*1 - The Pension related benefits shows the change in the annual rate of pension and lump sum that would be payable to the director if they became entitled to it at the end of the financial year. This calculation is adjusted for the relevant financial years inflation rate that is prescribed by the NHS Business Services Authority. If the increase in pension and lump sum is lower than that achievable by the increase in the rate of inflation then these figures appear as negative numbers.

*2 - Sharon Gilligan is shown twice on the remuneration report to reflect the fact that she was appointed as the Director of Operations on a permanent basis during the 2013/14 financial year.

*3 - In the 2013/14 financial year, the position of Executive Director of Human Resources and Organisational Development was made redundant and a redundancy payment is included within Salary & Fees.

**Off-Payroll Engagements**

In accordance with the "Review of Tax Arrangements of Public Sector Appointees" published by the Chief Secretary to the Treasury on 23 May 2012; the foundation trust has disclosed it's off payroll arrangements below in the prescribed format issued by Monitor:

**For all off-payroll engagements as of 31 March 2015, for more than £220 per day and that last for longer than six months**

| Category | Number |
|---|---|
| No. of existing engagements as of 31 March 2015 | 6 |
| Of which... | |
| No. that have existed for less than one year at time of reporting. | 6 |
| No. that have existed for between one and two years at time of reporting. | 0 |
| No. that have existed for between two and three years at time of reporting. | 0 |
| No. that have existed for between three and four years at time of reporting. | 0 |
| No. that have existed for four or more years at time of reporting. | 0 |

**For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015, for more than £220 per day and that last for longer than six months**

| Category | Number |
|---|---|
| No. of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015 | 6 |
| No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations | 0 |
| No. for whom assurance has been requested | 0 |
| Of which... | 0 |
| No. for whom assurance has been received | 0 |
| No. for whom assurance has not been received | 0 |
| No. that have been terminated as a result of assurance not being received. | 0 |

**For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2014 and 31 March 2015**

| Category | Number |
|---|---|
| No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year. | 0 |
| No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements. | 6 |

Signed

Chief Executive

Date: 27th May 2015

**Salary and Pension entitlements of senior managers**

**B) Pension Benefits***

**(AUDITED)**

| Name and title | Real increase in accrued pension at age 60 (bands of £2500) £000 | Real increase in Lump Sum at age 60 related to real increase in pension (bands of £2,500) £000 | Total accrued pension at age 60 at 31 March 2015 (bands of £5000) £000 | Total lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5000) £000 | Cash Equivalent Transfer Value at 31 March 2015 £000 | Cash Equivalent Transfer Value at 31 March 2014 £000 | Real Increase in Cash Equivalent Transfer Value £000 | Employer's Contribution to Stakeholder Pension To nearest £100 |
|---|---|---|---|---|---|---|---|---|
| **David Allison,** Chief Executive | 0 - 2.5 | 5 - 7.5 | 20 - 25 | 60 - 65 | 361 | 304 | 49 | 0.0 |
| **Alistair Mulvey,** Director of Finance | 0 - 2.5 | 0 - 2.5 | 30 - 35 | 90 - 95 | 524 | 484 | 27 | 0.0 |
| **Evan Moore,** Medical Director | 0 - 2.5 | 5 - 7.5 | 35 - 40 | 115 - 120 | 588 | 526 | 47 | 0.0 |
| **Jill Galvani,** Director of Nursing & Midwifery | 0 - 2.5 | 0 - 2.5 | 55 - 60 | 165 - 170 | 1,110 | 1,048 | 33 | 0.0 |
| **Anthony Hassall,** Director of Strategy & Partnerships | 2.5 - 5 | 7.5 - 10 | 20 - 25 | 60 - 65 | 294 | 238 | 49 | 0.0 |
| **Sharon Gilligan,** Interim Director of Operations | 0 - 2.5 | 2.5 - 5 | 15 - 20 | 50 - 55 | 256 | 222 | 28 | 0.0 |

**(NOT AUDITED)**

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated 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.

In the budget of 23rd March 2011, HM Treasury confirmed that they were to change the basis for the calculation of CETVs payable from public service schemes, including the NHS Pension Scheme.

The real increase in accrued pension, lump sum and CETV is adjusted for the relevant financial years inflation rate that is prescribed by the NHS Business Services Authority. If the increase in these categories is lower than that achievable by the increase in the rate of inflation then these figures appear as negative numbers.

* As disclosed in Note 1.9 Expenditure on Employee Benefits in the accounts, both employee and employer contribute to the NHS Pension Scheme. From 1 April 2008, employees contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

Signed:
Chief Executive

Date: ................... 27th May 2015

Wirral University Teaching Hospital **NHS**
NHS Foundation Trust

| | |
|---|---|
| Trust name: | Wirral University Teaching Hospital NHS Foundation Trust |
| This year | 2014/15 |
| Last year | 2013/14 |
| This year ended | 31 March 2015 |
| Last year ended | 31 March 2014 |
| This year beginning | 1 April 2014 |

**WIRRAL UNIVERSITY TEACHING HOSPITAL NHS FOUNDATION TRUST**

**Statement of the chief executive's responsibilities as the accounting officer of Wirral University Teaching Hospital NHS Foundation Trust**

The National Health Service Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of 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 Monitor.

Under the National Health Service Act 2006, Monitor has directed the Wirral University Teaching Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Wirral University Teaching Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

• observe the Accounts Direction issued by Monitor, 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 have been followed, and disclose and explain any material departures in the financial statements; and

• prepare the financial statements on a going concern basis.

• ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed

David Allison
Chief Executive
Date: 27th May 2015

## FOREWORD TO THE ACCOUNTS

### Wirral University Teaching Hospital NHS Foundation Trust

Wirral Hospital was authorised as an NHS Foundation Trust on 1 July 2007. These accounts for the twelve months ended 31 March 2015 have been prepared by Wirral University Teaching Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 in the form which Monitor, with the approval of the Treasury, has directed.

Signed

David Allison
Chief Executive
Date: 27th May 2015

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015**

| | NOTE | 2014/15 £000 | 2013/14 £000 |
|---|---|---|---|
| Operating Income | 2 & 3 | **306,325** | 300,889 |
| Operating Expenses | 4 | **(306,519)** | (299,006) |
| **Operating surplus / (deficit)** | | **(194)** | 1,883 |
| | | | |
| **Finance costs:** | | | |
| Finance Income | 9 | **72** | 53 |
| Finance expense - financial liabilities | 10 | **(357)** | (376) |
| Finance expense - unwinding of discount on provisions | | **(37)** | (54) |
| **Surplus / (deficit) for the financial year** | | **(516)** | 1,506 |
| Public dividend capital dividends payable | | **(4,165)** | (4,494) |
| **Retained surplus / (deficit) for the year** | | **(4,681)** | (2,988) |
| | | | |
| **Other comprehensive income / (expense)** | | | |
| -Reduction in reserves due to revaluation losses | | **0** | (59) |
| -Increase in reserves due to revaluation gains | | **0** | 0 |
| -Other recognised gains and losses | | **0** | 0 |
| -Other reserves movements | | **(1)** | 0 |
| **Total comprehensive income / (expense) for the year** | | **(4,682)** | (3,047) |

The notes on pages 178 to 208 form part of these accounts.

The Statement of Comprehensive Income records the Trust's income and expenditure in summary form in the top part of the statement and any other recognised gains and losses are taken through reserves under other comprehensive income.

All income and expenditure is derived from continuing operations. The foundation trust has no minority interest.

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015**

| | NOTE | 31 March 2015 £000 | 31 March 2014 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 13 | 13,210 | 9,342 |
| Property, plant and equipment | 14 | 159,046 | 160,212 |
| Trade and other receivables | 18 | 1,716 | 4,273 |
| **Total non-current assets** | | 173,972 | 173,827 |
| **Current assets** | | | |
| Inventories | 17 | 4,073 | 4,136 |
| Trade and other receivables | 18 | 13,234 | 15,279 |
| Cash and cash equivalents | 19 | 22,938 | 10,034 |
| **Total current assets** | | 40,245 | 29,449 |
| **Total assets** | | 214,217 | 203,276 |
| **Current liabilities** | | | |
| Trade and other payables | 20 | (34,636) | (29,356) |
| Borrowings | 21 | (1,377) | (590) |
| Provisions | 24 | (640) | (753) |
| Other liabilities | 22 | (3,606) | (2,534) |
| **Net current assets / (liabilities)** | | (14) | (3,784) |
| **Total assets less current liabilities** | | 173,958 | 170,043 |
| **Non-current liabilities** | | | |
| Borrowings | 21 | (11,372) | (5,625) |
| Provisions | 24 | (2,358) | (2,549) |
| Other liabilities | 22 | (11,553) | (12,044) |
| **Total assets employed** | | 148,675 | 149,825 |
| | | | |
| **Financed by taxpayers' equity:** | | | |
| Public dividend capital | | 72,417 | 68,885 |
| Revaluation reserve | 25 | 46,337 | 47,054 |
| Income and Expenditure reserve | | 29,921 | 33,886 |
| **Total Taxpayers' Equity** | | 148,675 | 149,825 |

The Statement of Financial Position lists the assets (everything the Trust owns or is owed) liabilities (money owed to external parties) and taxpayers' equity (public funds invested in the Trust). At any given time, the Trust's total assets less total liabilities must equal Taxpayers' Equity.

The financial statements on pages 174 to 208 were approved by the Board on the 27th May 2015 and signed on its behalf by:

David Allison
Chief Executive

Signed:............................................................

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2015**

| | Public dividend capital (PDC) £000 | Revaluation reserve £000 | Income and Expenditure reserve £000 | Total £000 |
|---|---|---|---|---|
| **Balance at 1 April 2014** | **68,885** | **47,054** | **33,886** | **149,825** |
| - Surplus / (deficit) for the year | 0 | 0 | (4,681) | **(4,681)** |
| - Impairments | 0 | 0 | 0 | **0** |
| - Revaluations - property, plant and equipment | 0 | 0 | 0 | **0** |
| - Asset disposals | 0 | (182) | 182 | **0** |
| - Public Dividend Capital received | 3,532 | 0 | 0 | **3,532** |
| - Other recognised gains and losses | 0 | 0 | 0 | **0** |
| - Other reserve movements | 0 | (535) | 534 | **(1)** |
| **Balance at 31 March 2015** | **72,417** | **46,337** | **29,921** | **148,675** |

The Statement of Changes in Taxpayers' Equity shows the movements in reserves and public dividend capital within the current financial year. Public dividend capital (PDC) is in effect the public's equity stake in the trust, it is similar to company share capital and as with company shares, a dividend is payable to the Department of Health. The dividend is approximately based upon 3.5% of average net relevant assets less cash held by the Trust.

The trust received £3,532k of Public Dividend Capital in 2014/15. This related to additional Department of Health funding that the Trust bid for and was successful in obtaining from the Safer Hospitals Safer Wards IT Fund and the Improving Maternity Care Settings Fund. The trust received £3,500k in relation to the Cerner project and £32k in relation to Maternity Services.

Wirral University Teaching Hospital NHS Foundation Trust - Annual Accounts 2014/15

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

|  | NOTE | 2014/15 £000 | 2013/14 £000 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Operating surplus / (deficit) from continuing operations | | (194) | 1,883 |
| Operating surplus / (deficit) of discontinued operations | | 0 | 0 |
| **Operating surplus / (deficit)** | | (194) | 1,883 |
| | | | |
| **Non-cash income and expense** | | | |
| Depreciation and amortisation | | 8,644 | 8,285 |
| Impairments | | 0 | 293 |
| Reversals of impairments | | 0 | (525) |
| (Gain) / Loss on disposal | | (706) | 103 |
| Non-cash donations/grants credited to income | | (195) | (324) |
| (Increase) / Decrease in Trade and Other Receivables | | 4,649 | (4,678) |
| (Increase) / Decrease in Inventories | | 63 | (80) |
| Increase / (Decrease) in Trade and Other Payables | | 5,734 | (3,125) |
| Increase / (Decrease) in Other Liabilities | | 581 | 518 |
| Increase / (Decrease) in Provisions | | (341) | (915) |
| Other movements in operating cash flows | | (2,483) | (1,465) |
| **Net cash generated from / (used in) operations** | | 15,752 | (30) |
| | | | |
| **Cash flows from investing activities:** | | | |
| Interest received | | 67 | 110 |
| Purchase of intangible assets | | (5,526) | (1,389) |
| Purchase of Property, Plant and Equipment | | (6,182) | (8,695) |
| Sales of Property, Plant and Equipment | | 3,371 | 21 |
| **Net cash generated from / (used in) investing activities** | | (8,270) | (9,953) |
| | | | |
| **Cash flows from financing activities:** | | | |
| Public dividend capital received | | 3,532 | 258 |
| Loans received from the Independent Trust Financing Facility | | 7,500 | 0 |
| Loans repaid to the Foundation Trust Financing Facility | | (640) | (266) |
| Capital element of finance lease rental payments | | (325) | (270) |
| Interest paid | | (283) | (245) |
| Interest element of finance lease | | (74) | (131) |
| PDC Dividend paid | | (4,288) | (4,247) |
| **Net cash generated from/(used in) financing activities** | | 5,422 | (4,901) |
| | | | |
| **Increase / (decrease) in cash and cash equivalents** | | 12,904 | (14,884) |
| **Cash and Cash equivalents at 1 April** | | 10,034 | 24,918 |
| **Cash and Cash equivalents at 31 March** | 19 | 22,938 | 10,034 |

The Statement of Cash Flows summarises the cash flows in and out of the Trust during the financial year. It analyses these cash flows under the headings of operating, investing and financing cash flows. The Statement of Cash Flows differs from the Statement of Comprehensive Income by focusing on the cash implications of actions taken by the Trust during the financial year. The statement is useful in assessing whether the Trust has enough cash to be able to pay its bills as they fall due.

**NOTES TO THE ACCOUNTS**

## 1. Accounting policies and other information

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2014/15 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Accounting Convention

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

### 1.2 Going Concern

International Accounting Standard (IAS)1 requires management to assess, as part of the accounts preparation process, the foundation trust's ability to continue as a going concern. After making enquiries, the directors can a reasonably expect that the foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

### 1.3 Segmental Reporting

Under IFRS 8: Operating Segments and service line reporting, the standard allows aggregation of segments that have similar economic characteristics and types and class of customer.

The operating results of the foundation trust are reviewed monthly or more frequently by the Trust's chief operating decision maker which is the overall foundation trust Board and which includes senior professional non-executive directors. The Trust Board review the financial position of the foundation trust as a whole in their decision making process, rather than individual components included in the totals, in terms of allocating resources. This process implies a single operating segment under IFRS 8.

In addition, the large majority of the foundation trust's revenue originates with the UK Government. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust together with the related supplies and overheads needed to establish this service. The business activities which earn revenue and incur expenses are therefore of one broad combined nature and therefore on this basis one segment of "provision of acute care" is deemed appropriate.

Therefore, all the foundation trusts activities relate to a single operating segment in respect of the provision of acute care.

## 1.4 Consolidation
**Subsidiaries**
Subsidiary entities are those over which the foundation trust has the power to exercise control or a dominant influence so as to gain economic or other benefits.The foundation trust is the corporate trustee to the Wirral University Teaching Hospital NHS Foundation Trust Charitable Fund. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust has the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff. Prior to 2013/14, the FT ARM permitted the NHS foundation trust not to consolidate the charitable fund. In 2014/15 consolidated financial statements incorporating the Wirral University Teaching Hospital Charitable Fund have not been prepared because the results and assets and liabilities of this Charity are not considered to be material. This approach will be subject to review on an annual basis.

The foundation trust has no subsidiaries other than its charitable funds.

## 1.5 Critical accounting judgements and key sources of estimation uncertainty
In the application of the foundation trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

Finance leases in which the foundation trust acts as lessee
- As none of the leased assets are of a significant length or value, indexation is not considered material and has not been applied.

- It is assumed that the economic life is equal to the lease term and there is no residual value.
Finance leases in which the foundation trust acts as lessor
- It is assumed that the economic life is equal to the lease term and there is no residual value.

## 1.7 Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:
- The valuation of the Trust's Land and Buildings is subject to significant estimation uncertainty, since it derives from estimates provided by the Trust's external valuers who base their estimates on local market data as well as other calculations to reflect the age and condition of the Trust's estate.

Other key assumptions of estimation uncertainty at the end of the reporting period are:
- The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements as an expenditure accrual. As the calculation involves a large number of staff, sampling techniques are used to collate the results for the entire foundation trust.

- The level of partially completed clinical episodes not yet fully completed as at the end of the reporting period is recognised in the financial statements as an income accrual. As the calculation involves a wide variety of differing clinical episodes an average specialty specific tariff is utilised per episode.
- The useful economic life of each category of fixed asset is assessed when acquired by the foundation trust. A degree of estimation is occasionally used in assessing the useful economic lives of assets.

- For early retirements that took place before the NHS pension scheme was modified in 1995, a provision is made in the accounts incorporating inflation and the discount rate. Inflation is estimated at 2.5% and where the effect of the time value of money is material, the estimated risk-adjusted cash flows are discounted using the Treasury's discount rate of 1.30% in real terms.

## 1.8 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the foundation trust is contracts with commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Other income received from commissioners may be in the form of an investment in quality. Any quality investment income surplus may be used in subsequent years to supplement any major projects / capital schemes.

## 1.9 Expenditure on Employee Benefits

### Short-term Employee Benefits

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

### Pension costs

### NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.pensions.nhsbsa.nhs.uk. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State for England and Wales. It is not possible for the foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. Employer's pension cost 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 foundation trust commits itself to the retirement, regardless of the method of payment.

### Scheme Provisions as at 31 March 2015

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member's final year's pensionable pay less their retirement lump sum for those who die after retirement, is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time the foundation trust commits itself to the retirement, regardless of the method of payment.

The scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

**Scheme provisions from 1 April 2008**

From 1 April 2008 changes have been made to the NHS Pension Scheme contribution rates and benefits. Further details of these changes can be found on the NHS Pensions website: www.pensions.nhsbsa.nhs.uk.

The National Employment Savings Trust (NEST) is a defined contribution pension scheme that was created as part of the government's workplace pensions reforms under the Pensions Act 2008. NEST was set up specifically to help employers comply with automatic enrolment duties. NEST Corporation is the Trustee body that has overall responsibility for running NEST, it's a non-departmental public body that operates at arm's length from government and is accountable to Parliament through the Department of Work and Pensions.

NEST levies a contribution charge of 1.8% and an annual management charge of 0.3% which is paid for from the employee contributions. There are no separate employer charges levied by NEST and you do not have to enter into a contract to utilise NEST qualifying pension schemes.

**1.10 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.

**1.11 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 foundation trust;
• it is expected to be used for more than one financial year; and
• the cost of the item can be measured reliably.


Property, Plant and Equipment is also only capitalised where:
• it individually has a cost of at least £5,000; or
• it forms a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
• form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

**Measurement**

*Valuation*

Under IAS16 assets should be revalued when their fair value is materially different from their carrying value. Monitor requires revaluation at least once every 5 years.

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. All assets are measured subsequently at fair value.

Land and buildings used for the foundation trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses.

All land and buildings are revalued using professional valuations in accordance with IAS16. Fair values are determined as follows:
• Land and non-specialised buildings – market value for existing use
• Surplus land – market value for existing use
• Specialised buildings – depreciated replacement cost

Until 31 March 2009, the depreciated replacement cost of specialised buildings had been estimated for an exact replacement of the asset in its present location. HM Treasury has now adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. HM Treasury agreed that NHS trusts / foundation trusts had to apply these new valuation requirements by 1 April 2010 at the latest.

During the 2009/10 financial year Modern equivalent asset valuations were carried out by 3 qualified valuers (MRICS) of Debenham Tie Leung (DTZ), which is an independent valuation firm. The land and buildings of the foundation trust were valued by DTZ using the modern equivalent assets approach as at the 1 April 2009 and any subsequent revaluations were reflected in the 2009/10 financial year

DTZ also reviewed the value of the land and buildings of the foundation trust on an asset lives basis in the 2011/12 financial year. This meant that the remaining useful lives and value of the buildings were both re-assessed at the 1st April 2011. The subsequent revaluation and revised asset lives were both incorporated in the 2011/12 accounts.

DTZ carried out a full scale revaluation of the land and buildings of the foundation trust as at the balance sheet date of 31st March 2014. This was to comply with Monitors requirement that foundation trusts perform a full scale revaluation at least once every 5 years.

DTZ have undertaken a desktop valuation of the land and buildings as at the 31st March 2015 and as this indicated an immaterial movement this has not been applied to the 2014/15 accounts.

The foundation trust did not revalue its equipment in the 2014/15 accounts per IAS16 which states that NHS bodies may carry non-property assets at depreciated historic cost as a proxy for fair value, where the assets have short lives and their values are low.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

### Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value and asset life. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

### Depreciation
Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The estimated useful life of an asset is the period over which the foundation trust expects to obtain economic benefits or service potential from the asset. This is specific to the foundation trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed during the year, with the effect of any changes recognised on a prospective basis.

Freehold land is considered to have an infinite life and is not depreciated.
Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the foundation 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 income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating 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 FT ARM, impairments that arise from a clear consumption of economic benefits or 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 income 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.

At the Statement of Financial Position date, the trust carries out an impairment review and assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

### De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;

• the sale must be highly probable i.e.:

-management are committed to a plan to sell the asset;

-an active programme has begun to find a buyer and complete the sale;

-the asset is being actively marketed at a reasonable price;

-the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and

-the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### Donated 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.

### Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the foundation trust. The underlying assets are recognised as Property, Plant and Equipment at their fair value. An equivalent financial liability is recognised in accordance with IAS 17. The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme. The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

In the case of the foundation trust the Frontis accommodation block has moved on balance sheet as Property, Plant and Equipment at its fair value. This is due to guidance under IFRIC12 Service concessions; since the infrastructure is used to deliver public services, the foundation trust controls the residual interest in the asset and the foundation trust controls the services to be provided see disclosure note 14.1. No unitary fee is payable. A deferred income balance relating to Frontis has been created which is uniformly released each year as income to exactly match and offset the straight line depreciation charge incurred over its useful economic life.

## 1.12 Intangible assets
### Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the foundation 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 foundation trust and for at least a year and where the cost of the asset can be measured reliably and is at least £5,000.

### Internally generated intangible assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

• the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;

• the foundation trust intends to complete the asset and sell or use it;

• the foundation trust has the ability to sell or use the asset;
• how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the

• adequate financial, technical and other resources are available to the foundation trust to complete the development and sell or use the asset; and

• the foundation trust can measure reliably the expenses attributable to the asset during development.

### 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 fair value. Revaluations gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment.

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 economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The estimated useful life of an asset is the period over which the foundation trust expects to obtain economic benefits or service potential from the asset. This is specific to the foundation trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

## 1.13 Revenue government and other grants
Government grants are grants from Government bodies other than income from Clinical Commissioning Groups or NHS 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.

## 1.14 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.

## 1.15 Financial instruments and financial liabilities

### Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the foundation trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

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

All other financial assets and financial liabilities are recognised when the foundation trust becomes a party to the contractual provisions of the instrument.

### De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the foundation trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### Classification and Measurement

Financial assets are categorised as Loans and Receivables.
Financial liabilities are classified as Other Financial Liabilities.

### Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments with are not quoted in an active market. They are included in current assets. The foundation trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS debtors, accrued income and 'other debtors'. Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.
Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

### Other Financial Liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

### Impairment of financial assets

At the Statement of Financial Position date, the foundation trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is either recognised directly in the Statement of Comprehensive Income and the carrying amount of the asset is reduced or the bad debt provision can be utilised with the carrying amount of the asset similarly being reduced. The bad debt provision should only be used to offset the fall in the carrying value of debtors in cases in which the applicable debtor has been specifically set up in the bad debt provision and when it has been formally assessed that the payment of the debtor is not likely. In cases whereby, no specific provision has been made in the bad debt provision for the applicable debtor then the loss should be recognised directly in the Statement of Comprehensive Income.

### 1.16 Leases
**Finance leases**
Where substantially all risks and rewards of ownership of a leased asset are borne by the foundation trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

The following is the methodology used for the re-classification of operating leases as finance leases:

Finance leases in which the foundation trust acts as lessee
- the finance charge is allocated across the lease term on a straight line basis.
- the capital cost is capitalised using a straight line basis of depreciation.
- the lease rental expenditure that would otherwise have been charged to expenditure under an operating lease is removed from expenditure on a straight line basis.

Finance leases in which the foundation trust acts as lessor
- The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. IAS 17 (4) defines this rate as the discount rate that, at the inception of the lease causes the aggregate present value of (a) the minimum lease payments and (b) unguaranteed residual value to be equal to the sum of (i) the fair value of the leased asset and (ii) any initial direct costs of the lessor.

In the 2014/15 financial year the Trust sold the Springview building for £3.3 million to the Cheshire & Wirral Partnership NHS Foundation Trust. The building and associated land was sold on a freehold basis and some minor related land was sold on a leasehold 99 year basis. The Springview building was previously finance leased on a long term basis in which the trust acted as a lessor.

**Operating leases**
Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

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

## 1.17 Provisions

The foundation trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure 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 rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 1.30% in real terms.

### Clinical Negligence Costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the foundation trust is disclosed at note 24.

### Non-clinical risk pooling

The foundation trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the foundation trust pays an annual contribution to the NHSLA 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.

## 1.18 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 26 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.

## 1.19 Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.A charge, reflecting the cost of capital utilised by the foundation 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 foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts.
The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

## 1.20 Value Added Tax

Most of the activities of the foundation 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.

## 1.21 Corporation Tax

The foundation trust does not have any corporation tax liability as following initial discussions with stakeholders on how to bring certain commercial activities into charge for corporation tax, HM Revenue and Customs has advised that no Corporation Tax will be charged for the financial year ending 31 March 2015, as envisaged by S519A(3) to (8) ICTA88. This has been further delayed until at least the 2015/16 financial year.

## 1.22 Foreign exchange

The functional and presentational currencies of the foundation trust are sterling.
A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.
Where the foundation trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:
• monetary items (other than financial instruments measured at 'fair value through income and expenditure') 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.

## 1.23 Cash, Bank and Overdrafts

Cash, bank and overdraft balances are recorded at the current values of these balances in the foundation trust's cash book. These balances exclude monies held in the foundation trust's bank account belonging to patients (see "third party assets" below).

## 1.24 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the foundation trust has no beneficial interest in them. However, they are disclosed in note 31 of the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

## 1.25 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, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However 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.

## 1.26 Recently issued IFRS Accounting Standards

The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted:

- IFRS 9 Financial Instruments
- IFRS 13 Fair Value Measurement
- IAS 36 (amendment) – recoverable amount disclosures
- Annual Improvements 2012
- Annual Improvements 2013
- IAS 19 (amendment) – employer contributions to defined benefit pension schemes
- IFRIC 21 Levies

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

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**2. Revenue From Patient Care Activities**

| **2.1 Analysis of revenue from patient care activities** | **2014/15** | 2013/14 |
|---|---|---|
| | **£000** | £000 |
| Elective income | **52,054** | 54,315 |
| Non Elective income | **79,705** | 79,350 |
| Outpatient income | **35,964** | 35,080 |
| A&E income | **10,592** | 9,715 |
| Other NHS clinical income | **97,864** | 92,365 |
| Revenue from protected patient care activities | **276,179** | 270,825 |
| | | |
| Private patient income & overseas patients (non-reciprocal) | **742** | 914 |
| Other non-protected clinical income* | **870** | 896 |
| Total Revenue from patient care activities | **1,612** | 1,810 |
| | **277,791** | 272,635 |

The figures quoted are based upon income received in respect of actual activity undertaken within each category. The Terms of Authorisation set out the mandatory goods and services that the Trust is required to provide (protected services). All of the income from activities before Private Patients and other clinical income shown above is derived from the provision of protected services.

*The Injury Costs Recovery Scheme income has been provided for impairment of receivables at 18.9% to reflect the expected rates of collection (2013/14: 12.6%).

| **2.2 Analysis of revenue from patient care activities by source** | **2014/15** | 2013/14 |
|---|---|---|
| | **£000** | £000 |
| CCGs and NHS England | **268,269** | 264,805 |
| NHS Foundation Trusts | **792** | 431 |
| NHS Trusts | **1,072** | 1,256 |
| Local Authorities | **2,545** | 2,457 |
| NHS Other | **3,425** | 1,836 |
| Non-NHS: | | |
|    Private patients | **738** | 885 |
|    Overseas patients (non-reciprocal) | **4** | 29 |
|    Injury costs recovery (was RTA) | **870** | 896 |
|    Other | **76** | 40 |
| | **277,791** | 272,635 |

All the foundation trusts' activities relate to a single operating segment in respect of the provision of healthcare services. The Trust does not consider that segmental reporting would be appropriate in the 2014/15 annual accounts as:

• The Trust Board reviews the financial position as a whole in its decision making process, rather than individual components included in the totals.

• The Trust shares it's assets across all areas to provide healthcare.

• The Trust workforce works flexibly across all areas to provide healthcare.

• IFRS 8: Operating Segments allows the aggregation of segments that have similar economic characteristics and types and class of customer. Therefore, all the foundation trusts activities relate to a single operating segment in respect of the provision of acute health care.

## 2.3 Operating lease income

| | 2014/15 £000 | 2013/14 £000 |
|---|---|---|
| **Operating Lease Income** | | |
| Rental revenue from operating leases - minimum lease receipts | 744 | 581 |
| Rental revenue from operating leases - contingent rent | - | - |
| Rental revenue from operating leases - other | - | - |
| **Total** | 744 | 581 |
| **Future minimum lease payments due:** | | |
| **on leases of land expiring** | | |
| - not later than one year; | - | - |
| - later than one year and not later than five years; | - | - |
| - later than five years. | - | - |
| | - | - |
| **on leases of buildings expiring** | | |
| - not later than one year; | 553 | 501 |
| - later than one year and not later than five years; | 1,893 | 1,783 |
| - later than five years. | 1,926 | 1,673 |
| | 4,372 | 3,957 |
| **on other leases expiring** | | |
| - not later than one year; | 25 | 29 |
| - later than one year and not later than five years; | 25 | 29 |
| - later than five years. | - | - |
| | 50 | 58 |
| **Total** | 4,422 | 4,015 |

Operating Lease income is derived from retail and other service providers who occupy premises on the foundation trust's sites. Not included in the above note are the following peppercorn leases:
• Ronald McDonald lease - lease started December 2009 and expires December 2034.
• Frontis Homes lease of land - lease started June 2006 and expires June 2046.
• Postgraduate Medical Centre - lease started May 1971 and expires April 2070.

## 3.1 Other Operating Revenue

| | 2014/15 £000 | 2013/14 £000 |
|---|---|---|
| Research & Development | 516 | 527 |
| Education, training and research | 9,234 | 9,201 |
| Non-patient care services to other bodies | 7,064 | 7,507 |
| Reversal of impairments of property, plant and equipment | 0 | 525 |
| Rental revenue from finance leases | 109 | 251 |
| Rental revenue from operating leases - minimum lease receipts | 744 | 581 |
| Receipt of Donated Assets Income | 195 | 324 |
| Profit on disposal of land and buildings | 768 | 0 |
| Catering Income | 1,451 | 1,382 |
| Car Parking charges | 1,248 | 1,200 |
| Income generation | 386 | 380 |
| Facilities Management arrangements | 292 | 230 |
| Clinical Tests | 170 | 117 |
| Staff recharges | 4,193 | 4,081 |
| Renal recharges | 166 | 175 |
| Release from Deferred Income - Frontis Accommodation Block | 492 | 434 |
| Continuing Care Income | 483 | 440 |
| Integrated early supported discharge income | 500 | 0 |
| Outpatient parenteral antibiotic therapy income | 100 | 0 |
| Other revenue | 423 | 899 |
| | 28,534 | 28,254 |

The profit on sale of land and buildings relates to the sale of the Springview building and land on the 9th March 2015 for £3.3 million to the Cheshire & Wirral Partnership NHS Foundation Trust. The building and associated land was sold on a freehold basis and some minor related land was sold on a leasehold 99 year basis. The Springview building was previously leased on a long term basis and was not used to deliver any Commissioner Requested Services by the Trust.

## 3.2 Commissioner Requested & Non-Commissioner Requested Services

| | 2014/15 £000 | 2013/14 £000 |
|---|---|---|
| Commissioner Requested Services | 254,013 | 261,499 |
| Non Commissioner Requested Services | 52,312 | 39,390 |
| | 306,325 | 300,889 |

NHS foundation trusts are required to disclose their income from Commissioner Requested Services and non-Commissioner Requested Services. The Income from Commissioner and Non Commissioner Requested Services equals the total value of income from activities in the SOCI and also notes 2 & 3.

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| 4.  Operating Expenses | 2014/15 | 2013/14 |
|---|---:|---:|
| | **£000** | £000 |
| Services from other NHS bodies | **4,590** | 3,509 |
| Executive Directors' costs | **1,034** | 1,131 |
| Non-executive Directors' costs | **130** | 162 |
| Staff costs | **207,982** | 204,804 |
| Drug costs (non inventory drugs only) | **173** | 171 |
| Drugs Inventories consumed | **19,864** | 18,712 |
| Supplies and services - clinical - Other | **33,172** | 32,000 |
| Supplies and services - general | **5,621** | 5,802 |
| Establishment | **2,776** | 2,862 |
| Transport | **491** | 410 |
| Premises | **10,401** | 10,343 |
| Provision for impairment of receivables | **260** | 254 |
| Change in provisions discount rate | **(14)** | (12) |
| Inventories written down (net, including inventory drugs) | **6** | 15 |
| Depreciation | **6,986** | 6,870 |
| Amortisation of Intangible Fixed assets | **1,658** | 1,415 |
| Impairments of property, plant and equipment | **0** | 293 |
| Audit fees - statutory audit | **62** | 63 |
| Other auditor's remuneration - audit-related assurance services | **20** | 138 |
| Loss on disposal of property plant and equipment | **62** | 103 |
| Clinical negligence | **7,300** | 6,475 |
| Insurance costs | **419** | 411 |
| Rentals under operating leases - minimum lease receipts | **385** | 415 |
| Accommodation costs | **663** | 573 |
| Waste disposal | **417** | 440 |
| Consultancy Costs | **1,058** | 53 |
| Legal fees | **72** | 305 |
| Training, courses and conferences | **644** | 828 |
| Patient travel | **14** | 13 |
| Car parking & Security | **170** | 157 |
| Other | **103** | 291 |
| | **306,519** | 299,006 |

The Clinical negligence costs relates to the Trusts contribution to the NHS Litigation Authority risk pooling scheme under which the Trust pays an annual contribution.

NHS

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## 5. Operating Leases

### 5.1 As lessee

| Payments recognised as an expense | 2014/15 | 2013/14 |
|---|---|---|
| | £000 | £000 |
| Minimum lease payments | 385 | 415 |
| Contingent rents | 0 | 0 |
| Sub-lease payments | 0 | 0 |
| | 385 | 415 |

| Total future minimum lease payments | 2014/15 | 2013/14 |
|---|---|---|
| Payable: | £000 | £000 |
| Not later than one year | 353 | 378 |
| Between one and five years | 446 | 702 |
| After 5 years | 1,440 | 1,495 |
| Total | 2,239 | 2,575 |

| 6. Limitation On Auditor's Liability | 2014/15 | 2013/14 |
|---|---|---|
| | £000 | £000 |
| Limitation on auditor's liability | 1,000 | 1,000 |
| | 1,000 | 1,000 |

| 7. The Late Payment Of Commercial Debts (Interest) Act 1998 | 2014/15 | 2013/14 |
|---|---|---|
| | £000 | £000 |
| Amounts included within other interest payable arising from claims made under this legislation | 0 | 0 |
| Compensation paid to cover debt recovery costs under this legislation | 0 | 0 |
| | 0 | 0 |

**8. Employee Costs and Numbers**

**8.1 Employee costs**

| | Total | 2014/15 Permanently Employed | Other | Total | 2013/14 Permanently Employed | Other |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Salaries and wages | 172,070 | 172,070 | 0 | 169,989 | 169,989 | 0 |
| Social Security Costs | 12,850 | 12,850 | 0 | 13,122 | 13,122 | 0 |
| Employer contributions to NHS Pension scheme | 17,915 | 17,915 | 0 | 18,301 | 18,301 | 0 |
| Agency / contract staff | 6,181 | 0 | 6,181 | 4,523 | 0 | 4,523 |
| **Employee benefits expense** | **209,016** | **202,835** | **6,181** | 205,935 | 201,412 | 4,523 |

Included in the employer contributions to NHS Pension scheme is £124k on behalf of the directors of the foundation trust (2013/14 £117k)

**8.2 Average number of people employed***

| | Total | 2014/15 Permanently Employed | Other | Total | 2013/14 Permanently Employed | Other |
|---|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number | Number |
| Medical and dental | 537 | 371 | 166 | 524 | 385 | 139 |
| Administration and estates | 919 | 802 | 117 | 952 | 874 | 78 |
| Healthcare assistants and other support staff | 564 | 530 | 34 | 573 | 529 | 44 |
| Nursing, midwifery and health visiting staff | 2,041 | 1,894 | 147 | 2,072 | 2,010 | 62 |
| Scientific, therapeutic and technical staff | 709 | 648 | 61 | 719 | 689 | 30 |
| Bank and agency staff | 119 | 0 | 119 | 88 | 0 | 88 |
| **Total** | **4,889** | **4,245** | **644** | 4,928 | 4,487 | 441 |

*Whole Time Equivalent

**8.3 Employee benefits**

| | 2014/15 £000 | 2013/14 £000 |
|---|---|---|
| Employee benefits | 0 | 0 |
| | 0 | 0 |

**8.4 Retirements due to ill-health**

During the year there were 4 (2013/14: 6) early retirements from the foundation trust on the grounds of ill-health.  The estimated additional pension liabilities of these ill-health retirements will be £221,893 (2013/14: £275,164).  The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.

**8.5 Staff Exit Packages**

Foundation trusts are required to disclose summary information of their use of staff exit packages agreed in the year.

In the 2014/15 financial year, the foundation trust operated a Voluntary Severance Scheme. The purpose of the scheme was to reduce the current pay-bill on a voluntary basis. All staff were informed of the scheme and the foundation trust received a number of applications. In deciding whether to approve each application, a critical consideration of how work would be undertaken in the future was carried out and whether the skills, expertise and role of an applicant could be adequately performed by the remaining members of staff in the team. In the 2014/15 year 11 (2013/14: 13) members of staff made use of this scheme at a cost of £262k (2013/14: £468k).

In the 2014/15 financial year, there have been 3 compulsory redundancies (2013/: 1) totalling £29k (2013/14 £85k).

The tables below discloses the Voluntary Severance Schemes and compulsory redundancies, highlighting the staff numbers that fall within the differing cost ranges in the 2014/15 and 2013/14 financial years.

**2014/15**

| Exit Package Cost | Compulsory Redundancies | Compulsory Redundancies | Voluntary Severance Scheme departures agreed | Voluntary Severance Scheme departures agreed |
|---|---|---|---|---|
| | Number | £000 | Number | £000 |
| <£10,000 | 2 | 6 | 2 | 13 |
| £10,001 - £25,000 | 1 | 23 | 6 | 110 |
| £25,001 - £50,000 | 0 | 0 | 2 | 82 |
| £50,001 – £100,000 | 0 | 0 | 1 | 57 |
| £101,000 - £150,000 | 0 | 0 | 0 | 0 |
| £150,001 - £200,000 | 0 | 0 | 0 | 0 |
| >£200,001 | 0 | 0 | 0 | 0 |
| **Total** | **3** | **29** | **11** | **262** |

**2013/14**

| Exit Package Cost | Compulsory Redundancies | Compulsory Redundancies | Voluntary Severance Scheme departures agreed | Voluntary Severance Scheme departures agreed |
|---|---|---|---|---|
| | Number | £000 | Number | £000 |
| <£10,000 | 0 | 0 | 1 | 8 |
| £10,001 - £25,000 | 0 | 0 | 3 | 56 |
| £25,001 - £50,000 | 0 | 0 | 6 | 231 |
| £50,001 – £100,000 | 1 | 85 | 3 | 173 |
| £100,001 - £150,000 | 0 | 0 | 0 | 0 |
| £150,001 - £200,000 | 0 | 0 | 0 | 0 |
| >£200,001 | 0 | 0 | 0 | 0 |
| **Total** | **1** | **85** | **13** | **468** |

The cost of ill-health retirements falls on the relevant pension scheme, not the foundation trust, and would not be included in this disclosure but note 8.4.

**8.6 Pensions**

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

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

**a) Accounting valuation**

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data . In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

**b) Full actuarial (funding) valuation**

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

**c) Scheme provisions**

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

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| 9. Finance Income | 2014/15 | 2013/14 |
|---|---|---|
| | £000 | £000 |
| Interest on bank accounts | 72 | 53 |
| | 72 | 53 |

| 10. Finance Costs - Interest Expense | 2014/15 | 2013/14 |
|---|---|---|
| | £000 | £000 |
| Loans from the Foundation Trust Financing Facility | 283 | 245 |
| Finance leases | 74 | 131 |
| | 357 | 376 |

| 11. Other Gains and Losses | 2014/15 | 2013/14 |
|---|---|---|
| | £000 | £000 |
| Gain on disposal of land and buildings | 768 | 0 |
| Loss on disposal of property, plant and equipment | (62) | (103) |
| | 706 | (103) |

The profit on sale of land and buildings relates to the sale of the Springview building and land on the 9th March 2015 for £3.3 million to the Cheshire & Wirral Partnership NHS Foundation Trust. The building and associated land was sold on a freehold basis and some minor related land was sold on a leasehold 99 year basis. The Springview building was previously leased on a long term basis and was not used to deliver any Commissioner Requested Services by the Trust.

| 12. Impairment of assets | 2014/15 | 2013/14 |
|---|---|---|
| | £000 | £000 |
| Changes in market price | 0 | 5,009 |
| Reversal of impairments | 0 | (5,182) |
| | 0 | (173) |

In the 2014/15 financial year, there has been no impairment of assets.

In the 2013/14 financial year, the £5,009k impairment relates to a downward valuation of buildings following the mandatory revaluation of buildings and land at the 31st March 2014. Of this amount £4,716k relates to a reduction in the revaluation reserve for the associated buildings and £293k relates to the impairment charged to the statement of comprehensive income. These figures are shown net of an impairment of the C Block Building at Arrowe Park Hospital due to this being scheduled for demolition early on in the next financial year.

In the 2013/14 financial year, the (£5,182k) reversal of impairment relates to the upward valuation of buildings that had been impaired in previous financial years. Of this amount (£4,657k) relates to an increase in the revaluation reserve for the associated buildings and (£525k) relates to the reversal of impairments income charged to the statement of comprehensive income.

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**13. Intangible Assets**

**13.1  Intangible assets**

| | Software licences (purchased) £000 | Intangible Assets Under Construction £000 | Total £000 |
|---|---|---|---|
| **Gross cost at 1 April 2014** | 13,064 | 216 | 13,280 |
| Additions - purchased | 931 | 4,595 | 5,526 |
| Additions - donated | 0 | 0 | 0 |
| Impairments | 0 | 0 | 0 |
| Reversal of impairments | 0 | 0 | 0 |
| Reclassifications | 1,918 | (1,918) | 0 |
| Revaluations | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| **Valuation/Gross cost at 31 March 2015** | 15,913 | 2,893 | 18,806 |
| | | | |
| **Amortisation at 1 April 2014** | 3,938 | 0 | 3,938 |
| Provided during the year | 1,658 | 0 | 1,658 |
| Impairments | 0 | 0 | 0 |
| Reversal of impairments | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 0 |
| Revaluation surpluses | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 |
| **Amortisation at 31 March 2015** | 5,596 | 0 | 5,596 |
| | | | |
| **Net book value** | | | |
| NBV - Purchased at 31 March 2015 | 10,064 | 2,893 | 12,957 |
| NBV - Finance leases at 31 March 2015 | 253 | 0 | 253 |
| NBV - Donated at 31 March 2015 | 0 | 0 | 0 |
| **NBV total at 31 March 2015** | 10,317 | 2,893 | 13,210 |

All intangible assets are held at cost less accumulated amortisation based on estimated useful economic lives.

The amount held as an intangible asset under construction was the cost to date of the implementation of the "Wirral Millennium" project for the replacement of the patient information system. Phase 1 , Phase 2a and Phase 2b were brought into use during the 2010/11, 2013/14 and 2014/15 financial years respectively. The current assets under construction relate to Phase 2c & Phase 2d of this project.

**13.2  Economic life of intangible assets**

| | Min Life Years | Max Life Years |
|---|---|---|
| **Intangible assets - purchased** | | |
| Software | 2 | 9 |

**14. Property, Plant and Equipment**

**14.1 Property, plant and equipment**

| | Land | Buildings excluding dwellings | Dwellings | Assets under construction and payments on account | Plant and machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation at 1 April 2014 | 2,012 | 126,857 | 12,536 | 1,014 | 38,093 | 101 | 10,040 | 3,686 | 194,339 |
| Additions - purchased | 0 | 3,628 | 0 | 0 | 1,305 | 0 | 831 | 79 | 5,843 |
| Additions - leased | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions - donated | 0 | 0 | 0 | 0 | 170 | 0 | 0 | 25 | 195 |
| Impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reversal of impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications | 0 | 733 | 0 | (733) | 0 | 0 | 0 | 0 | 0 |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | (85) | (14) | 0 | 0 | (2,844) | 0 | (2,918) | (67) | (5,928) |
| Cost or valuation at 31 March 2015 | 1,927 | 131,204 | 12,536 | 281 | 36,724 | 101 | 7,953 | 3,723 | 194,449 |
| | | | | | | | | | |
| Accumulated depreciation at 1 April 2014 | 0 | (15) | 0 | 0 | 23,863 | 87 | 7,943 | 2,249 | 34,127 |
| Provided during the year | 0 | 2,706 | 492 | 0 | 2,783 | 4 | 666 | 335 | 6,986 |
| Impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reversal of impairments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation surpluses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposals | 0 | (14) | 0 | 0 | (2,715) | 0 | (2,918) | (63) | (5,710) |
| Accumulated depreciation at 31 March 2015 | 0 | 2,677 | 492 | 0 | 23,931 | 91 | 5,691 | 2,521 | 35,403 |
| | | | | | | | | | |
| **Net book value at 1 April 2014** | | | | | | | | | |
| NBV - Owned at 1 April 2014 | 2,012 | 125,407 | 12,536 | 1,014 | 13,197 | 14 | 2,089 | 1,390 | 157,659 |
| NBV - Finance lease at 1 April 2014 | 0 | 0 | 0 | 0 | 172 | 0 | 0 | 0 | 172 |
| NBV - Donated at 1 April 2014 | 0 | 1,465 | 0 | 0 | 861 | 0 | 8 | 47 | 2,381 |
| NBV total at 1 April 2014 | 2,012 | 126,872 | 12,536 | 1,014 | 14,230 | 14 | 2,097 | 1,437 | 160,212 |
| | | | | | | | | | |
| **Net book value at 31 March 2015** | | | | | | | | | |
| NBV - Owned at 31 March 2015 | 1,927 | 127,087 | 12,044 | 281 | 11,778 | 10 | 2,259 | 1,141 | 156,527 |
| NBV - Finance lease at 31 March 2015 | 0 | 0 | 0 | 0 | 136 | 0 | 0 | 0 | 136 |
| NBV - Donated at 31 March 2015 | 0 | 1,440 | 0 | 0 | 879 | 0 | 3 | 61 | 2,383 |
| NBV total at 31 March 2015 | 1,927 | 128,527 | 12,044 | 281 | 12,793 | 10 | 2,262 | 1,202 | 159,046 |

The Dwellings figure represents the staff accommodation block at Arrowe Park which is owned and operated by Frontis Homes Limited. The accommodation is situated on land owned by the foundation trust and leased to Frontis. Under IFRIC12 Service Concessions the land is held on the balance sheet of the foundation trust.

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## 14.2 Economic life of property plant and equipment

| | Min Life Years | Max Life Years |
|---|---|---|
| Land | 0 | 0 |
| Buildings excluding dwellings | 2 | 80 |
| Dwellings | 25 | 25 |
| Assets under Construction & POA | 0 | 0 |
| Plant & Machinery | 2 | 17 |
| Transport Equipment | 2 | 4 |
| Information Technology | 2 | 5 |
| Furniture & Fittings | 2 | 10 |

Freehold land is considered to have an infinite life and is not depreciated.

Assets under course of construction are not depreciated until the asset is brought into use.

## 15. Net Book Value of Assets Held Under Finance Lease

| | Software licences (purchased) £000 | Plant & Machinery £000 | Total £000 |
|---|---|---|---|
| Cost or valuation at 1 April 2014 | 1,013 | 620 | 1,633 |
| Additions - purchased | 0 | 0 | 0 |
| Cost or valuation at 31 March 2015 | 1,013 | 620 | 1,633 |
| | | | |
| Accumulated depreciation at 1 April 2014 | 507 | 448 | 955 |
| Provided during the year | 253 | 36 | 289 |
| Accumulated depreciation at 31 March 2015 | 760 | 484 | 1,244 |
| | | | |
| **Net book value** | | | |
| NBV - Purchased at 31 March 2015 | 253 | 136 | 389 |
| NBV - Donated at 31 March 2015 | 0 | 0 | 0 |
| NBV total at 31 March 2015 | 253 | 136 | 389 |

## 16. Capital Commitments

Contracted capital commitments at the 31st March 2015 not otherwise included in these financial statements are:

|  | 31 March 2015 | 31 March 2014 |
|---|---|---|
|  | £000 | £000 |
| Property, plant and equipment | 35 | 656 |
| Intangible assets | 5,724 | 5,035 |
|  | 5,759 | 5,691 |

The Trust has entered into a contract with Cerner for the provision of a replacement of the Patient Care Information System. The contracted capital commitment regarding Cerner is £5,724k.

There are a number of other capital contracts which commenced in 2014/15 which are due to be completed in 2015/16 with a total value of £35k.

Total capital commitments as at 31st March 2015 are £5,759k (2013/14: capital commitments £5,691k).

## 17. Inventories

### 17.1. Inventories

|  | 31 March 2015 | 31 March 2014 |
|---|---|---|
|  | £000 | £000 |
| Drugs | 1,344 | 1,355 |
| Consumables | 2,709 | 2,760 |
| Energy | 20 | 21 |
|  | 4,073 | 4,136 |

### 17.2 Inventories recognised in expenses

|  | 31 March 2015 | 31 March 2014 |
|---|---|---|
|  | £000 | £000 |
| Inventories recognised as an expense in the period | (49,280) | (47,808) |
| Write-down of inventories (including losses) | (6) | (15) |
| Reversal of write-downs that reduced the expense | 0 | 0 |
|  | (49,286) | (47,823) |

## 18. Trade and Other Receivables

### 18.1 Trade and other receivables

|  | Current | | Non-current | |
|---|---|---|---|---|
|  | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
|  | £000 | £000 | £000 | £000 |
| NHS Receivables - Revenue | 6,856 | 9,487 | 0 | 0 |
| Receivables due from NHS charities – Revenue | 105 | 166 | 0 | 0 |
| Provision for impaired receivables | (623) | (504) | (378) | (260) |
| Prepayments (Non-PFI) | 1,872 | 1,851 | 0 | 0 |
| Accrued income | 1,306 | 1,264 | 0 | 0 |
| Interest Receivable | 10 | 5 | 0 | 0 |
| Finance Lease Receivables | 0 | 47 | 630 | 3,031 |
| PDC dividend receivable | 8 | 0 | 0 | 0 |
| VAT receivable | 442 | 665 | 0 | 0 |
| Other receivables - Revenue | 3,224 | 2,298 | 1,464 | 1,502 |
| Other receivables - Capital | 34 | 0 | 0 | 0 |
|  | 13,234 | 15,279 | 1,716 | 4,273 |

The majority of trade is with clinical commissioning groups, as commissioners for NHS patient care services.  As clinical commissioning groups are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary.

| 18.2 Finance lease receivables | 31 March 2015 | 31 March 2014 |
|---|---|---|
| | **£000** | £000 |
| **Gross lease receivables** | **630** | 3,078 |
| **of which those receivable** | | |
| - not later than one year; | **0** | 47 |
| - later than one year and not later than five years; | **2** | 226 |
| - later than five years. | **628** | 2,805 |
| Unearned interest income | **0** | 0 |
| **Net lease receivables** | **630** | 3,078 |
| | | |
| **of which those receivable** | | |
| - not later than one year; | **0** | 47 |
| - later than one year and not later than five years; | **2** | 226 |
| - later than five years. | **628** | 2,805 |
| | **630** | 3,078 |

| 18.3  Provision for impairment of receivables | 31 March 2015 | 31 March 2014 |
|---|---|---|
| | **£000** | £000 |
| **Balance at 1 April** | **764** | 510 |
| Increase in provision | **260** | 254 |
| Amounts utilised | **(23)** | 0 |
| Unused amounts reversed | **0** | 0 |
| **Balance at 31 March** | **1,001** | 764 |

As per note 2.1 the provision for the impairment of receivables includes a provision regarding the NHS Injury Scheme of 18.9% to reflect expected rates of collection (2013/14: 12.6%).

| 18.4  Analysis of impaired receivables | 31 March 2015 | 31 March 2014 |
|---|---|---|
| | **£000** | £000 |
| **Ageing of impaired receivables** | | |
| 0 - 30 days | **0** | 0 |
| 30-60 Days | **178** | 2 |
| 60-90 days | **122** | 16 |
| 90- 180 days | **143** | 64 |
| over 180 days | **558** | 682 |
| | **1,001** | 764 |
| **Ageing of non-impaired receivables past their due date** | | |
| 0 - 30 days | **862** | 610 |
| 30-60 Days | **807** | 1,397 |
| 60-90 days | **668** | 1,549 |
| 90- 180 days | **943** | 436 |
| over 180 days | **1,039** | 625 |
| | **4,319** | 4,617 |

| 19. Cash and Cash Equivalents | 31 March 2015 | 31 March 2014 |
|---|---|---|
| | **£000** | £000 |
| Balance at 1 April | **10,034** | 24,918 |
| Net change in year | **12,904** | (14,884) |
| **Balance at 31 March** | **22,938** | 10,034 |
| | | |
| **Made up of** | | |
| Commercial banks and cash in hand | **90** | 113 |
| Cash with the Government Banking Service | **22,848** | 9,921 |
| Other current investments | **0** | 0 |
| **Cash and cash equivalents as in statement of financial position** | **22,938** | 10,034 |
| Bank overdraft | **0** | 0 |
| **Cash and cash equivalents as in statement of cash flows** | **22,938** | 10,034 |

**20.  Trade and Other Payables**

**20.1  Trade and Other Payables**

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2015** | 31 March 2014 | **31 March 2015** | 31 March 2014 |
| | **£000** | £000 | **£000** | £000 |
| Receipts in advance | **900** | 900 | **0** | 0 |
| NHS payables - revenue | **4,172** | 6,260 | **0** | 0 |
| Other trade payables - capital | **1,023** | 1,362 | **0** | 0 |
| Other trade payables - revenue | **10,715** | 5,930 | **0** | 0 |
| Social Security costs | **1,836** | 1,923 | **0** | 0 |
| Other taxes payable | **1,896** | 1,945 | **0** | 0 |
| Other payables | **3,030** | 2,775 | **0** | 0 |
| Accruals | **11,064** | 8,146 | **0** | 0 |
| PDC dividend payable | **0** | 115 | **0** | 0 |
| | **34,636** | 29,356 | **0** | 0 |

Other payables includes: £2,409,651 outstanding pensions contributions at 31 March 2015 (£2,455,886 at 31 March 2014).

During the year there were 4 (2013/14: 6) early retirements from the foundation trust on the grounds of ill-health.  The estimated additional pension liabilities of these ill-health retirements will be £221,893 (2013/14: £275,164).  The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.

**21.  Borrowings**

**21.1  Borrowings**

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2015** | 31 March 2014 | **31 March 2015** | 31 March 2014 |
| | **£000** | £000 | **£000** | £000 |
| Loans from Foundation Trust Financing Facility | **1,015** | 265 | **11,284** | 5,174 |
| Obligations under finance leases | **362** | 325 | **88** | 451 |
| | **1,377** | 590 | **11,372** | 5,625 |

During 2009/10 the Trust arranged a £6.5m loan with the Foundation Trust Financing Facility to resource the building of the decontamination facility at Arrowe Park Hospital. The drawdown of the £6.5 million loan was completed in 2010/11 and the loan is repayable over 25 years and has an interest rate payable of 4.32%.

During 2014/15 the Trust arranged a £7.5m loan with the Foundation Trust Financing Facility to resource the underlying 2014/15 capital programme of the Trust. The drawdown of the £7.5 million loan was completed in 2014/15 and the loan is repayable over 10 years and has an interest rate payable of 1.96%.

The obligations under finance leases include the outstanding borrowings in relation to the Cerner Picture Archiving Communication System (PACS) finance lease of £324k (2013/14 £608k).

**21.2  Finance lease borrowings**

| | 31 March 2015 | 31 March 2014 |
|---|---|---|
| | **£000** | £000 |
| **Gross lease liabilities** | | |
| **of which liabilities are due:** | | |
|  - not later than one year; | **362** | 325 |
|  - later than one year and not later than five years; | **88** | 451 |
|  - later than five years. | **0** | 0 |
| Finance charges allocated to future periods | **0** | 0 |
| **Net lease liabilities** | **450** | 776 |
| | | |
| **of which those due:** | | |
|  - not later than one year; | **362** | 325 |
|  - later than one year and not later than five years; | **88** | 451 |
|  - later than five years. | **0** | 0 |
| | **450** | 776 |

The obligations under finance leases include the outstanding borrowings in relation to the Cerner Picture Archiving Communication System (PACS) finance lease of £324k (2013/14 £608k).

**22.  Other Liabilities**

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2015** | 31 March 2014 | **31 March 2015** | 31 March 2014 |
| | **£000** | £000 | **£000** | £000 |
| Other Deferred income | **3,606** | 2,534 | **11,553** | 12,044 |
| | **3,606** | 2,534 | **11,553** | 12,044 |

**23.  Other Financial Commitments**

The Trust has entered into a 15 year contract under the NHS Carbon and Energy Fund (CEF) for the provision of a new energy infrastructure at Arrowe Park and Clatterbridge Hospitals. An external company have implemented Combined Heat and Power plants plus replacement lighting and other energy infrastructure works across both hospital sites and the contract went live on the 16th February 2015 after completion of these works. The Trust is guaranteed to make annual savings in comparison with the CEF calculated baseline costs but must make annual unitary payments of £996k per each of the 15 years of the CEF contract.

**24. Provisions**

| | Current | | Non-current | |
|---|---|---|---|---|
| | **31 March 2015** | 31 March 2014 | **31 March 2015** | 31 March 2014 |
| | **£000** | £000 | **£000** | £000 |
| Pensions relating to other staff | **273** | 273 | **2,358** | 2,549 |
| Other legal claims | **367** | 480 | **0** | 0 |
| Other | **0** | 0 | **0** | 0 |
| | **640** | 753 | **2,358** | 2,549 |

| | **Pensions relating to other staff** | **Legal claims** | **Other** | **Total** |
|---|---|---|---|---|
| | **£000** | **£000** | **£000** | **£000** |
| **At 1 April 2014** | 2,822 | 480 | 0 | **3,302** |
| Change in the discount rate | (14) | 0 | 0 | **(14)** |
| Arising during the year | 84 | 0 | 0 | **84** |
| Utilised during the year - accruals | (66) | 0 | 0 | **(66)** |
| Utilised during the year - cash | (200) | (40) | 0 | **(240)** |
| Reversed unused | (32) | (73) | 0 | **(105)** |
| Unwinding of discount | 37 | 0 | 0 | **37** |
| **At 31 March 2015** | 2,631 | 367 | 0 | **2,998** |
| | | | | |
| **Expected timing of cash flows:** | | | | |
| - not later than one year | 273 | 367 | 0 | **640** |
| - later than one year and not later than five years | 1,163 | 0 | 0 | **1,163** |
| - later than five years | 1,195 | 0 | 0 | **1,195** |
| | 2,631 | 367 | 0 | **2,998** |

Provisions for capitalised pension benefits are based on tables provided by the NHS Pensions Agency reflecting years to normal retirement age and the additional pension costs associated with early retirement.

The "Legal Claims" category consists of amounts due as a result of third party and employer liability claims. The values are based on information provided by the Trust's insurer, in this case , the NHS Litigation Authority. The amount shown here is the gross expected value of Wirral Hospital's liability to pay minimum excesses for outstanding cases under the Scheme rules.

The Contingent Liability for the maximum possible but not probable cost of claims is shown in Note 26.

The NHS Litigation Authority records provisions in respect of clinical negligence liabilities of the trust. The amount recorded as at 31 March 2015 was £93,115,498 (£80,510,010 at 31st March 2014).

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### 25. Revaluation Reserve

| | Intangibles £000 | Property, plant and equipment £000 |
|---|---|---|
| Revaluation reserve at 1 April 2014 | 0 | 47,054 |
| Transfers to other reserves | 0 | (536) |
| Asset disposals | 0 | (182) |
| Other reserve movements | 0 | 1 |
| Revaluation reserve at 31 March 2015 | 0 | 46,337 |

### 26. Contingencies

| | 31 March 2015 £000 | 31 March 2014 £000 |
|---|---|---|
| **Contingent Liabilities** | | |
| Equal pay | 0 | 0 |
| Other | (171) | (196) |
| Gross value of contingent liabilities | (171) | (196) |
| Amounts recoverable against liabilities | 0 | 0 |
| Net value of contingent liabilities | (171) | (196) |
| | | |
| **Contingent Assets** | | |
| Net value of contingent assets | 0 | 0 |

A contingent liability of £171k exists in 2014/15 for potential third party claims in respect of employer's / occupier's liabilities and property expenses ( 2013/14 £196k). The value of Provisions for the expected value of probable cases is shown in Note 24.

### 27. Financial Instruments

The carrying value and the fair value are equivalent for the financial assets and financial liabilities shown below in notes 27.1 and 27.2.

### 27.1 Financial assets by category

| | 31 March 2015 Loans and receivables £000 | 31 March 2014 Loans and receivables £000 |
|---|---|---|
| Trade and other receivables excluding non financial assets | 8,884 | 10,664 |
| Cash and cash equivalents (at bank and in hand) | 22,938 | 10,034 |
| | 31,822 | 20,698 |

### 27.2 Financial liabilities by category

| | 31 March 2015 Other financial liabilities £000 | 31 March 2014 Other financial liabilities £000 |
|---|---|---|
| Borrowings excluding Finance lease and PFI liabilities | 12,299 | 5,439 |
| Obligations under finance leases | 450 | 776 |
| Trade and other payables excluding non financial liabilities | 19,289 | 18,543 |
| | 32,038 | 24,758 |

### 27.3 Financial Instruments

**Liquidity risk**

The Trust's net operating costs are incurred under agency purchase contracts with local healthcare commissioners, which are financed from resources voted annually by Parliament. The Trust receives the majority of such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to a National / Local Tariff unit cost. The Trust receives cash each month based on an annually agreed level of contract activity and there are periodic corrections made to adjust for the actual income due under the contract.

The Trust presently finances its capital expenditure mainly from internally generated funds and additional resources made available from Government, in the form of Public Dividend Capital. Financing is drawn down to match the spend profile of the scheme concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area. In addition, the Trust has also utilised funding from the Foundation Trust Financing Facility to finance specific capital schemes. The Trust also has the option to utilise funding from commercial organisations to finance capital schemes.
These funding arrangements ensure that the Trust is not exposed to any material credit risk.

**Interest rate risk**

The only assets or liabilities subject to fluctuation of interest rates are cash holdings at the OPG and a UK high street bank. The Trust is not, therefore, exposed to significant interest rate risk.

**28. Related Party Transactions**

Wirral University Teaching Hospital NHS Foundation Trust is a body corporate established under the National Health Service Act 2006.

During the period none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Wirral University Teaching Hospital NHS Foundation Trust.

During the period  Wirral University Teaching Hospital NHS Foundation Trust has had a significant number of material transactions with other NHS bodies. Where the value of transactions is considered material, these entities are listed below:

**2014/15**

| Organisation Category | Organisation | Income £000 | Expenditure £000 | Debtors £000 | Creditors £000 |
|---|---|---|---|---|---|
| Clinical Commissioning Groups | NHS Wirral Clinical Commissioning Group | 223,670 | 3 | 1,735 | 1,528 |
| | NHS West Cheshire Clinical Commissioning Group | 16,054 | 0 | 99 | 314 |
| Health Education England | Health Education England | 9,483 | 0 | 62 | 0 |
| NHS Foundation Trusts | The Clatterbridge Cancer Centre NHS Foundation Trust | 4,958 | 435 | 1,849 | 1,086 |
| | Cheshire & Wirral Partnership NHS Foundation Trust | 1,197 | 97 | 128 | 84 |
| | Countess of Chester Hospital NHS Foundation Trust | 2,922 | 5,000 | 1,030 | 522 |
| NHS Trusts | Northwest Ambulance Service NHS Trust | 7 | 0 | 2 | 0 |
| | Wirral Community NHS Trust | 1,642 | 1,330 | 1,273 | 939 |
| NHS England | NHS England (inclusive of Commissioning Support Units & Local & Regional Area Teams) | 25,945 | 1,058 | 999 | 275 |
| Other NHS Bodies | NHS Litigation Authority | 0 | 7,581 | 0 | 3 |
| | NHS Business Services Authority (NHS Pensions Scheme) | 0 | 17,915 | 0 | 2,410 |
| Other Government Bodies | HM Revenue & Customs | 0 | 12,850 | 442 | 3,732 |
| Charitable Bodies | Wirral University Teaching Hospital NHS Foundation Trust Charitable Funds | 360 | 0 | 105 | 0 |
| | | 286,238 | 46,269 | 7,724 | 10,893 |

**2013/14**

| Organisation Category | Organisation | Income £000 | Expenditure £000 | Debtors £000 | Creditors £000 |
|---|---|---|---|---|---|
| Clinical Commissioning Groups | NHS Wirral Clinical Commissioning Group | 220,828 | 0 | 6,489 | 976 |
| | NHS West Cheshire Clinical Commissioning Group | 16,327 | 0 | 282 | 16 |
| Health Education England | Health Education England | 9,453 | 10 | 74 | 0 |
| NHS Foundation Trusts | The Clatterbridge Cancer Centre NHS Foundation Trust | 4,938 | 45 | 983 | 921 |
| | Cheshire & Wirral Partnership NHS Foundation Trust | 1,080 | 42 | 2,600 | 36 |
| | Countess of Chester Hospital NHS Foundation Trust | 2,738 | 5,030 | 367 | 1,235 |
| NHS Trusts | Northwest Ambulance Service NHS Trust | 10 | 0 | 3 | 0 |
| | Wirral Community NHS Trust | 1,920 | 981 | 1,172 | 882 |
| NHS England | NHS England (inclusive of Commissioning Support Units & Local & Regional Area Teams) | 24,511 | 1,193 | 528 | 1,205 |
| Other NHS Bodies | NHS Litigation Authority | 0 | 6,719 | 0 | 0 |
| | NHS Business Services Authority (NHS Pensions Scheme) | 0 | 18,301 | 0 | 2,456 |
| Other Government Bodies | HM Revenue & Customs | 0 | 13,122 | 665 | 3,868 |
| Charitable Bodies | Wirral University Teaching Hospital NHS Foundation Trust Charitable Funds | 307 | 0 | 166 | 0 |
| | | 282,112 | 45,443 | 13,329 | 11,595 |

## 29. Events After The Reporting Period

There are no events after the reporting period which require disclosure.

## 30. Third Party Assets

The Trust held £6,453 cash at bank and in hand at the 31st March 2015 (£35,121 at the 31st March 2014) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts.

The Trust held £2,766,713 of unused consignment inventories at the 31st March 2015 (£2,863,462 at the 31st March 2014). Although the Trust is in physical possession of the unused consignment inventory it is still owned by the supplying organisations until the inventory is actually used. Unused consignment inventory is considered to be a third party asset and has been excluded from the inventories figure reported in the accounts.

## 31. Losses and Special Payments

During 2014/15 there were 74 cases, on an accruals not cash basis, of losses and special payments (2013/14: 72 cases) totalling £55,744 (2013/14: £66,201).