



# Annual report and accounts 2011-12

This is our  
Journey...

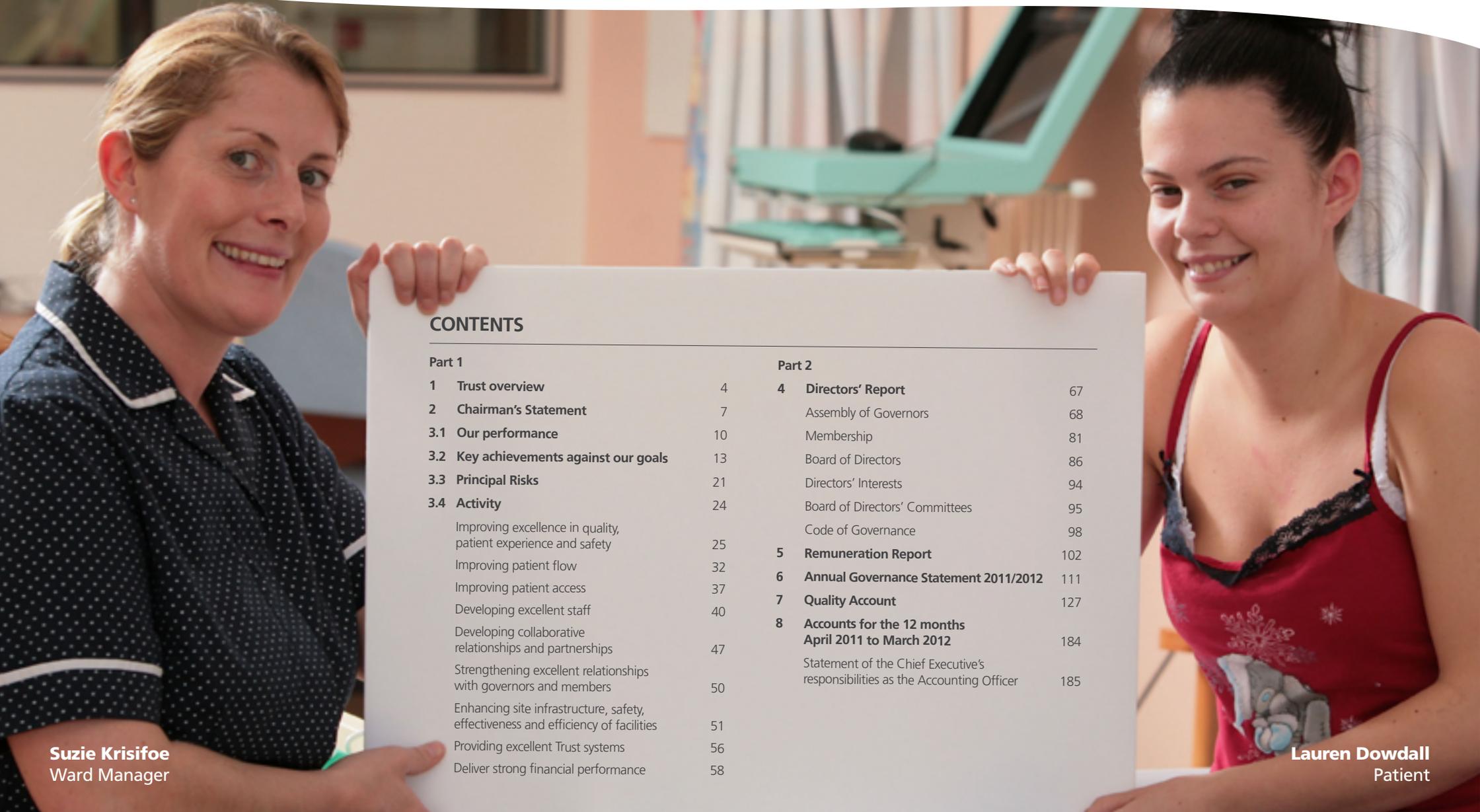
**Sache Ramdhay**  
Registered Nurse

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Wirral University Teaching Hospital NHS Foundation Trust  
Annual report and accounts 2011 – 2012

Presented to Parliament pursuant to Section 7,  
Paragraph 25 (4) of the National Health Service Act 2006

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**Suzie Krisifoe**  
Ward Manager

**Lauren Dowdall**  
Patient



**Adekunbi Taiwo**  
Junior Doctor

## 1. Trust Overview

**290,654** diagnostic examinations performed

**3,672** births

**Wirral University Teaching Hospital NHS Foundation Trust 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 1 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 workforce of some 5,600 staff serves a population of approximately 400,000 people across Wirral, Ellesmere Port and Neston. Our principal activities during 2011/12 centred on contracts placed by primary care organisations and specialist commissioning bodies.

### Our five clinical divisions are:

1. Acute Care
2. Diagnostics and Clinical Support
3. Medical Specialties
4. Surgery
5. Women and Children's.

Each is led by a Clinical Head of Division, supported by an Associate Director of Operations and lead nurses, and includes relevant clinical directorates.

We operate from two main sites, Arrowe Park Hospital and Clatterbridge Hospital, while also providing a range of services in community settings:

1. **Arrowe Park Hospital**, Upton - delivering a full range of emergency and acute services for adults and children, plus maternity services
2. **Clatterbridge Hospital**, Bebington - undertaking the majority of planned surgical services and some specialist rehabilitation services
3. **St Catherine's Community Hospital**, Birkenhead - providing X ray and some outpatient services
4. **Victoria Central Health Centre**, Wallasey - providing X ray and some outpatient services.

## 1. Trust Overview - Continued

**95,194** new  
outpatient  
attendances

**91,161** A&E  
attendances

The full range of our services for local people includes:

- Accident & emergency services for adults and children
- A diverse range of acute and non-acute specialties
- Outpatients services
- Day surgery services
- Maternity
- Level 3 neonatal services
- Specialist services, such as:
  - renal
  - dermatology
  - orthopaedics (hip & knee revisions)
  - ophthalmology (retinal)
  - urology (cancer centre)
  - stroke and gynaecology (advanced laparoscopic endometriosis centre).

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

- Executive office
- Operations & Strategy
- Finance and Procurement
- Human Resources and Organisational Development
- Information
- Patient & Public Involvement
- Quality and Safety
- Facilities and Estates Management
- Corporate Nursing and Midwifery.

As one of 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. This commitment to our staff reflects our wider commitment to improve internal efficiencies and develop high quality, people-centred care.

Our position as a leader in the development and use of clinical Information Technology (IT) has been strengthened by the ongoing 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 is supporting the effective delivery of patient care in several key areas.

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

A recent Mersey Deanery report identified areas of excellence in the training of junior doctors. We were benchmarked strongly against other organisations and considered to be one of the best in the North West, potentially improving our competitive position regarding trainee allocation.



## 2. Chairman's Statement



Michael Carr

Chairman

**The Trust's work during 2011/12 has taken place within a very challenging environment, both in terms of national changes across the health service as well as local challenges in achieving key national targets and in addressing proposed changes to services.**

Colleagues from across the Trust have worked tirelessly to ensure that we continue to be a successful and innovative organisation, one that is highly regarded by its partners in health and social care provision and by its commissioners. I would like to thank all our staff for their dedication and professionalism and continued commitment to excellence. We have delivered many successes, including substantial reductions in our infection rates as well as meeting national standards for cancer and waiting times for emergency patients.

The Trust has made significant improvements in the delivery of patient care which were reflected in the results from the national outpatients and inpatient surveys.

However there are important areas, mainly waiting times for routine operations, where we have not met all of the national standards we are required to meet, and although we were able to improve in the last quarter of the year this took far too long. As such we finish the year with the challenge of demonstrating that we are able to sustain our position going forward, to give our patients, Commissioners and our regulator Monitor the confidence that we will in future deliver against our terms of Authorisation as a Foundation Trust.

Throughout the year we have continued to work with our NHS partners on a wide range of areas. We have worked with the Countess of Chester hospital to develop a shared microbiology service based in a newly acquired off-site facility, and a shared HR employment transactions service, both of which will provide a better service, at lower cost and with the potential to attract new work. We have worked with Commissioners to review a number of specialist services.

The Vascular Service review is currently out to consultation, while following a peer review we have been accredited as a Major Trauma Unit. We have also worked with a wide range of stakeholders, including Governors, patient groups, Councillors and MPs to develop our Site Strategy, which will see £11.4m invested to improve our buildings and equipment to better meet the needs of patients.

The Assembly of Governors has continued to provide a valuable contribution, with Governors taking part in discussions around patient experience, membership and service strategy as well as participating in ward visits and contributing to the development of our quality accounts.

The Trust is grateful to all our Foundation Trust members and would also like to acknowledge and express its gratitude to all those volunteers who play such a vital role in enhancing the care and services we provide.

## 2. Chairman's Statement - Continued

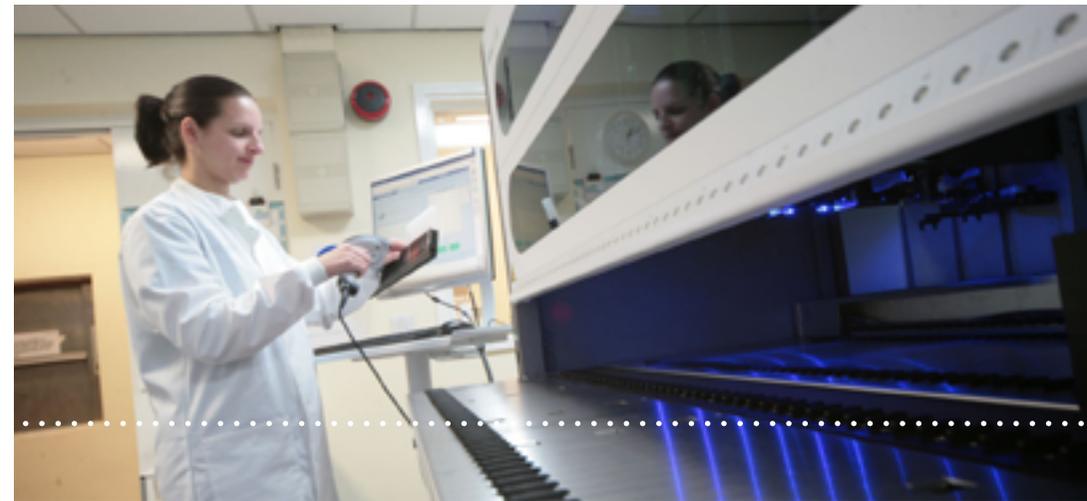
“Colleagues from across the Trust have worked tirelessly to ensure that we continue to be a successful and innovative organisation, one that is highly regarded by its partners in health and social care provision and by its commissioners.”

This year, the Executive Directors have been joined by Mr Luke Readman, who brings a wealth of experience to the role of Director of Information, and the Non-Executive Directors by Mrs Cathy Bond, previously the Director of Finance at the Royal Liverpool and Broadgreen Hospitals NHS Trust. In August 2011, the Chief Executive Len Richards left the Trust and I would like to take this opportunity to thank him for his leadership and hard work.

Mr Gary Doherty, our Deputy Chief Executive and Chief Operating Officer, took up the interim role of Acting Chief Executive, a role he fulfilled commendably and my thanks are extended to him also.

I am delighted that Mr David Allison, currently Chief Operating Officer and Deputy Chief Executive of Newcastle upon Tyne Hospitals NHS Foundation Trust accepted the post of Chief Executive commencing April 2012.

I should like to take this opportunity to thank all our stakeholders for their continuing involvement and support during the year. These are very challenging times, but I am confident that, by working together both as an organisation and with our partners, we will continue to provide the excellence in patient care to which we are all committed.





**Pat Correy**  
Clinical Support Worker

### 3. Our Performance - Continued

#### 3.1 Our Vision, Values and Goals – ‘Excellence in Healthcare’

Each year we set a series of goals to support work towards our long term, strategic plan and organisational vision of ‘Excellence in Healthcare’.

During 2011/12, our **key goal** was to:

- **deliver excellence in quality, patient experience and safety.**

This was supported by four operational goals, to:

- **improve** patient flow
- **improve** patient access
- **develop** excellent staff
- **develop** collaborative relationships

It was also underpinned by three strategic **foundation goals**, to:

- **enhance** site infrastructure, safety, effectiveness and efficiency of facilities
- **provide** excellent Trust systems through our Wirral Excellence in Healthcare System (WEHS)
- **deliver** strong financial performance.

“Staff were very kind and helpful, always gave me every bit of information I needed and all the options. They even did more than expected to look after me. I could not thank them all enough.”

**Andrew, Wirral, (Patient)**

“My treatment by paramedics, Accident & Emergency staff, doctors and nurses was first-class.” **L Wylde, Meols (Patient)**

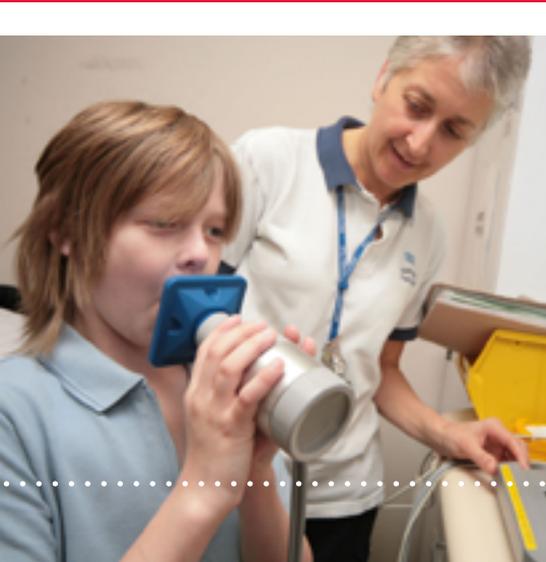


### 3. Our Performance - Continued

For us, Excellence in Healthcare isn't just about the clinical treatment we provide. It's about the way we behave as individuals and as an organisation towards each other, our patients, people who care for - or about them - and our key stakeholders.

In this way, our vision and goals are intrinsically linked with our values opposite.

These values shape the culture and character of our organisation and guide the decisions that we make. They underpin all the work presented in this report and ultimately, we believe they will help to make our vision of achieving Excellence in Healthcare a reality.



**P**atients are at the heart of everything we do  
**R**espect each other every day  
**O**ur hospitals are your hospitals  
**U**nited to provide the best possible patient care  
**D**edicated to excellence in all we do



## 3.2 Key Achievements Against our Goals

Silver Southern  
Patient

### 3. Our Performance - Continued

*“May I thank all those kind and caring people who helped my daughter and me. I met a consultant, a registrar, and house doctors, nursing staff and ward staff, all of whom were helpful. I was impressed not only by their professionalism but also by their kind and caring manner.”*

**Audrey, Wallasey (Patient)**

### 3.2 Key Achievements against our Goals

All our activities are linked to our goals and a summary of our substantial progress, measured against specific actions in 2011/12, is given below:

GOAL: Deliver excellence in quality, safety & patient experience	RAG Rating*	Short comment
Reduce in-hospital acquired infections	● Green	<ul style="list-style-type: none"> <li>Only 1 MRSA bacteraemia (blood borne infection) in 15 months (against a maximum tolerance of 5)</li> <li>Only 64 C Diff cases (against a maximum tolerance of 120).</li> </ul>
Achieve National Health Service Litigation Authority (NHSLA) Level 3	○ Red	<ul style="list-style-type: none"> <li>Failed level 3 but maintained Level 2.</li> </ul>
Establish Patient Safety Alert system and improve incident Reporting	● Amber	<ul style="list-style-type: none"> <li>Safety Alert System of incidents agreed for high risk incidents. Process in development.</li> </ul>
Progress Safety Express initiative	● Green / ● Amber	<ul style="list-style-type: none"> <li>Progress made with reducing harm. Safety thermometer being used in DME reducing harm from 28% to 7%.</li> </ul>
Deliver Commissioning for Quality and Innovation (CQUIN) improvements	● Green	<ul style="list-style-type: none"> <li>Venous Thrombo-Embolic (VTE) Assessments – Consistent achievement of 90% target.</li> </ul>
Reduce the in-hospital risk adjusted mortality rate (RAMI)	● Amber	<ul style="list-style-type: none"> <li>Reduced RAMI by 7%, just short of the 10% target.</li> </ul>

\*RAG = Red, Amber, Green.

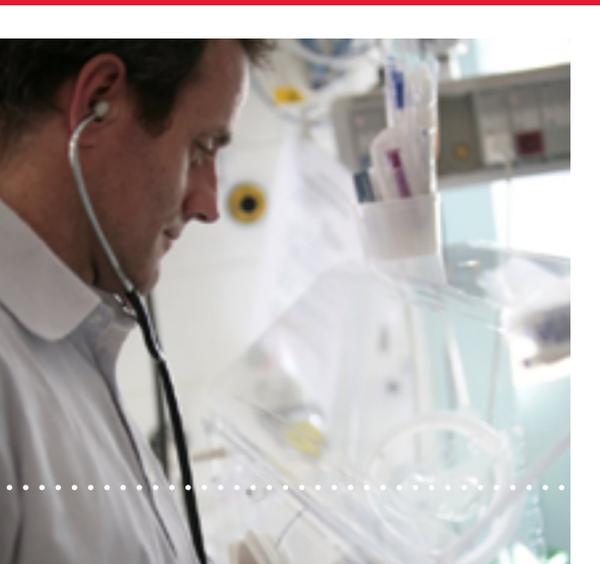
Green = fully achieved. Amber = partly achieved (more than 50%). Red = Not full achieved (less than 50%).

### 3. Our Performance - Continued

GOAL: Deliver excellence in quality, safety & patient experience	RAG Rating	Short comment
Deliver the Advancing Quality initiative	● Amber	• Overall performance has improved however, we did not achieve the pneumonia target
Reduce number of patients coming to harm from anticoagulant treatment	○ Red	• For Activated Partial Thromboplastin Time (APTT) we are achieving the maximum target. However, for International Normalised Ratio (INR) we aren't achieving our minimum target and several workstreams are ongoing to address this.
Reduce number of patients receiving medicines they are allergic to	● Amber	• We are achieving the minimum target for patients receiving medicines they have a documented allergy to. Reports of percentage of allergies documented are below target and thus there is potential for error. Feedback to prescribers and staff administering medicines to patients that they are allergic to needs to be improved.
Percentage of patients stating that they would recommend the hospital	● Green	• We've seen improved patient experience scores across a number of indicators.



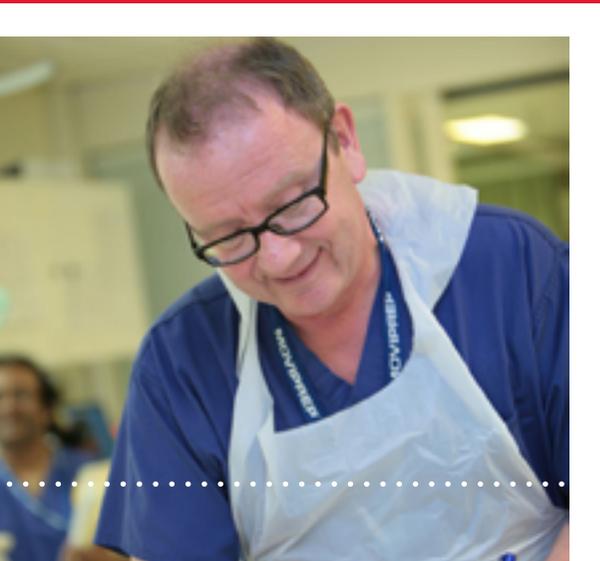
### 3. Our Performance - Continued



GOAL: Improve patient flow	RAG Rating	Short comment
Reduce Length of Stay & overall bed requirements	● Amber	• Improvements to the management of patient flow throughout the year have led to a reduction in emergency readmissions and shorter stays in hospital.
To ensure that reductions in Length of Stay do not significantly reduce the quality of patient flow	● Green	• A number of new enhanced recovery pathways have been implemented over the year with positive patient feedback.
Implement eight Model Wards	● Amber	• We need to implement further improvements to make the Model Wards sustainable. The next phase of the Model Ward plan was delayed however, a new two year plan including a sustainment strategy has been agreed to develop all areas to Model Ward standard.

GOAL: Improve patient access	RAG Rating	Short comment
Meet the new Accident and Emergency standards	● Amber	• We've made good progress in meeting five of the six standards through the year. However, it should also be noted that the original intention to use these as new targets has been withdrawn.
Meet compliance standards with 18 weeks	● Amber	• Overall, compliance with minimum targets was achieved by year end. However, due to non-compliance during the year the Trust did not meet Monitor standards. As such, it is working hard to improve upon this performance.
Meet compliance standards for cancer treatment	● Green	• Cancer targets for the year were achieved.
Move the Outpatient Services into a corporate function and transform the outpatient experience	● Green	• The main outpatient services was moved into a corporate function. Responses to the outpatient survey were positive.

### 3. Our Performance - Continued

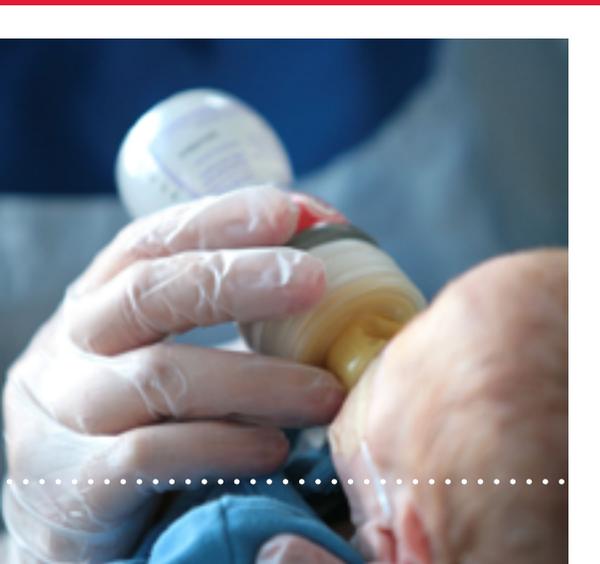


GOAL: Develop excellent staff Implementation of year two of the Workforce Strategy	RAG Rating	Short comment
Delivery of the workforce profile	● Amber	<ul style="list-style-type: none"> <li>We've controlled costs via a number of strategies including natural wastage (staff turnover) and subsequent vacancy control; voluntary severance scheme; flexible working options; skill mix redesign; redeployment programmes and shared service working. The Trust has implemented changes to on-call / out of hours working arrangements.</li> </ul>
Increasing all staff engagement and satisfaction levels	● Amber	<ul style="list-style-type: none"> <li>We've seen an increase in individual reviews from 56% to 85%; increase in response rate for both the Staff Survey and the Medical Engagement Scale. Whilst it is acknowledged that all actions were put in place and some progress was made, we are clear that there is still much to be done to reach the level of staff engagement required.</li> </ul>
Promoting health and wellbeing	● Amber	<ul style="list-style-type: none"> <li>We have progressed the health and wellbeing strategy in a number of ways including; Fitter for Health programme has been implemented and we've introduced various training / educational programmes to support staff / managers e.g. Resilience training and change management training.</li> </ul>
Maximising knowledge and talent	● Green	<ul style="list-style-type: none"> <li>The Senior Multidisciplinary Leadership and Management Programme has been launched with all Senior Clinical Leaders having a place on the programme. A Knowledge &amp; Talent Strategy has been agreed.</li> </ul>
Developing nursing excellence	● Amber	<ul style="list-style-type: none"> <li>The roll out of this programme has commenced and has shown demonstrable benefits.</li> </ul>
Sustaining excellence in teaching	● Amber	<ul style="list-style-type: none"> <li>A successful Deanery visit with a report showing outstanding practice. The implementation of the educational supervisor plan has shown demonstrable improvements (80% of clinical tutors are now supporting just 2 junior doctors to ensure an enhanced level of supervision) from the divisions have agreed a need to increase the usage and role of the Advanced Nurse Practitioner (ANP) to mitigate the potential reduction in junior doctors time moving forward.</li> </ul>

### 3. Our Performance - Continued

GOAL: Develop collaborative relationships & partnerships	RAG Rating	Short comment
Develop the collaboration with the Countess of Chester	● Amber	• We've made significant progress in developing both clinical and non-clinical shared services, however some areas haven't progressed as quickly as planned
Engage with GP Consortia	● Amber	• We've made significant progress this last year but still need to improve joint working with GPs.
Develop joint services with other services in the health economy	● Green	• The new HR & Wellbeing Shared Service went live on 1st July 2011 and is working well. • The new microbiology shared service opened on 1st April 2012. The project has progressed very well within budget and with all quality deliverables achieved.

GOAL: Enhance site infrastructure, safety, effectiveness and efficiency of facilities	RAG Rating	Short comment
Develop and implement Site Strategy	● Green	• Four site strategy schemes were progressed during 2011/12: improvement to the Trust's catering facilities, a new Stroke and Neuro-Rehabilitation Centre, a new Breast Centre, and the relocation of our Child Development Centre to a community setting.



### 3. Our Performance - Continued

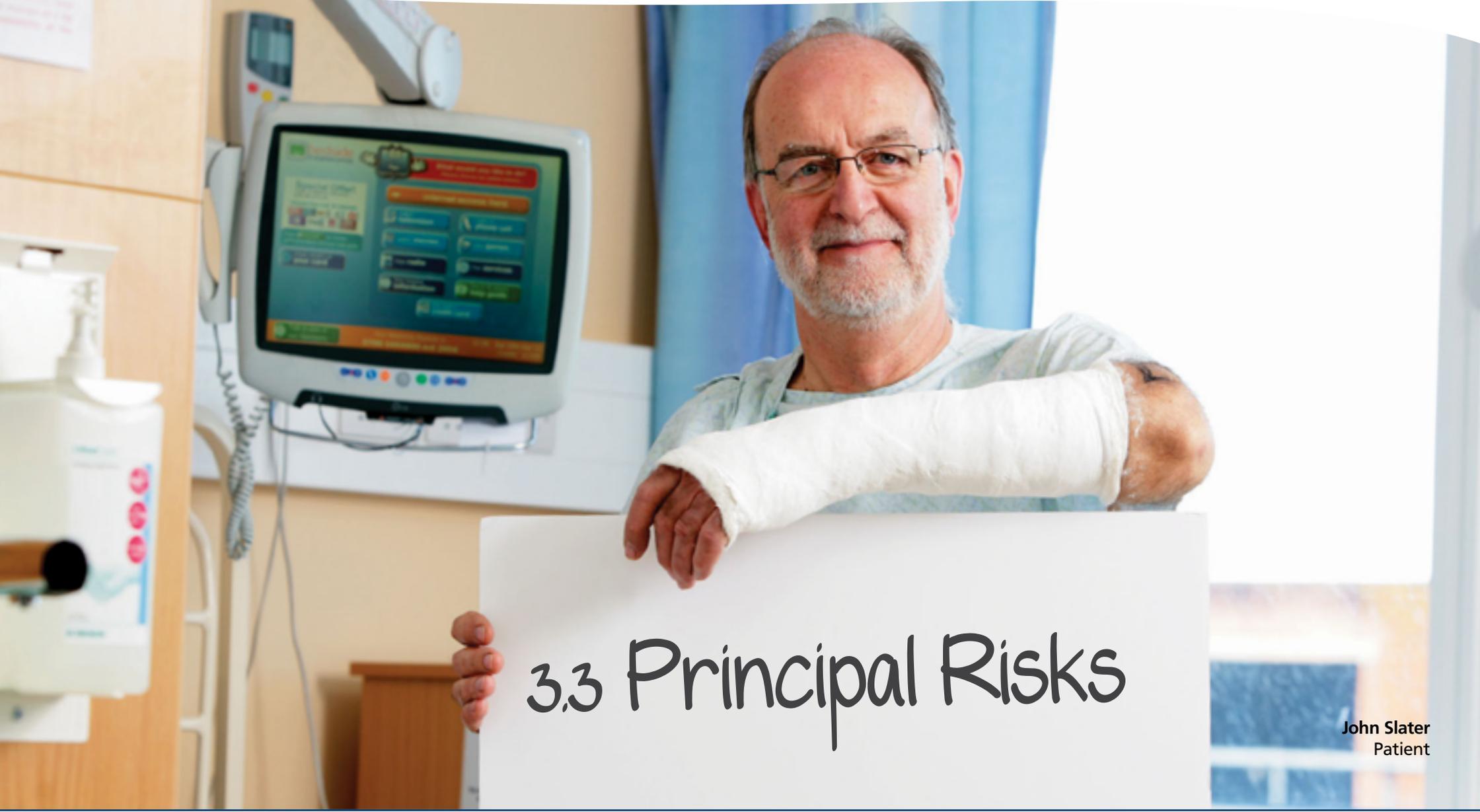
GOAL: Provide excellent trust systems	RAG Rating	Short comment
Implementation of Wirral Millennium	● Amber	<ul style="list-style-type: none"> <li>Initial difficulties with the Picture Archiving and Communications System (PACS) system were resolved and the system is working well. A plan was agreed with the Board of Directors for the next stages of roll out for 2012/13.</li> </ul>
Revise Wirral Excellence in Healthcare System (WEHS) Strategic Plan to reflect changes in the Trust and operating environment	● Green	<ul style="list-style-type: none"> <li>A revised WEHS Strategic Plan was presented to the Board of Directors for approval.</li> </ul>
Implementation of year three of the Communications Strategy	● Amber	<ul style="list-style-type: none"> <li>Plan implemented</li> <li>Site Strategy Engagement Programme very successful</li> <li>Tangible improvements in communication achieved but more work is planned for 2012/13.</li> </ul>
Develop joint services with other services in the health economy	● Green	<ul style="list-style-type: none"> <li>The new HR &amp; Wellbeing Shared Service went live on 1st July 2011 and is working well.</li> <li>The new microbiology shared service opened on 1st April 2012. The project has progressed very well within budget and with all quality deliverables achieved.</li> </ul>

GOAL: Strengthen excellent relationships with governors and members	RAG Rating	Short comment
Strengthen purposeful relations with the Assembly of Governors	● Green	<p><b>The actions set out for 2011/12 were implemented, including:</b></p> <ul style="list-style-type: none"> <li>Representatives from the Assembly of Governors are invited to all the Formal Board of Directors Meetings</li> <li>The Board of Directors attend Assembly of Governors' meetings and sub-committees to update the assembly on key activities within the Trust</li> </ul>

### 3. Our Performance - Continued

GOAL: Deliver strong financial performance	RAG Rating	Short comment
Achieve Cost Improvement Programme for 2011/12 and develop plans for 2012/13	● Amber	• Cost Improvement target in excess of £13m met in year. Plans being developed for 2012/13.
Monitor risk rating achieved	● Green	• A financial risk rating of 3 has been achieved.
Supply Chain Excellence	● Green	• £1.3m recurring savings achieved





John Slater  
Patient

### 3. Our Performance - Continued

#### 3.3 Principal Risks

In assessing the principal risks facing the Trust, the factors likely to impact on the organisation's operation were reviewed. The key drivers of change, which the Trust believed would present both challenges and opportunities for the organisation, were identified. These are outlined opposite:

*"All the staff before, during and after my operation were absolutely fantastic. I cannot speak highly enough of all them. They were very mindful of my unusual medical condition and reassured me all the time. Everywhere was clean and tidy, and the appropriate measures were taken concerning hand hygiene. Discharge arrangements were extremely thorough and an aftercare service is also in place. Very impressed! Many thanks again."*

**Anon (Patient)**

- **Balancing Cost Improvement Programme (CIP) and Quality**

The Trust identified a savings target in excess of £13 million in 2011/12 without compromising either the quality of services or patient experience – a significant achievement.

Programmes were also developed in response to the financial challenges, driving improvements in productivity and efficiency while striving continually to improve the quality of services and patient care.

- **Implementation of the Wirral Millennium System**

The risk of failure of the existing system prior to replacement by Wirral Millennium was mitigated through robust implementation processes including a phased transfer. At each stage, lessons were learned from the experience and applied on an on-going basis. The process was closely monitored by the organisation's senior clinical committee, the Hospital Management Board (HMB).

- **Failure to deliver key targets**

The Trust continued to focus on managing identified risks and on ensuring that it was in the best position to take advantage of all potential opportunities. Risks were managed through the Risk Management, governance structures and were regularly reviewed. The principal risks of any failure to achieve Trust objectives were regularly considered by the Board of Directors within its Board Assurance Framework.

In line with national practice, risks were scored and ranked on their potential impact and the likelihood of occurrence.

The Trust adopted a proactive risk management culture and assurances were required by the Board of Directors that executive and management teams were actively mitigating risks.

In light of lessons learned from issues arising during the year, culminating in the Trust being non-compliant with Monitor standards, a governance review has been commissioned in order to improve the rigour of these structures in 2012/13.

### 3. Our Performance - Continued

#### Operational expenditure

Financial risks relate to:

- income from activity being less than planned
- expenditure being higher than planned without achieving compensating income gain
- failure to deliver the CIP.

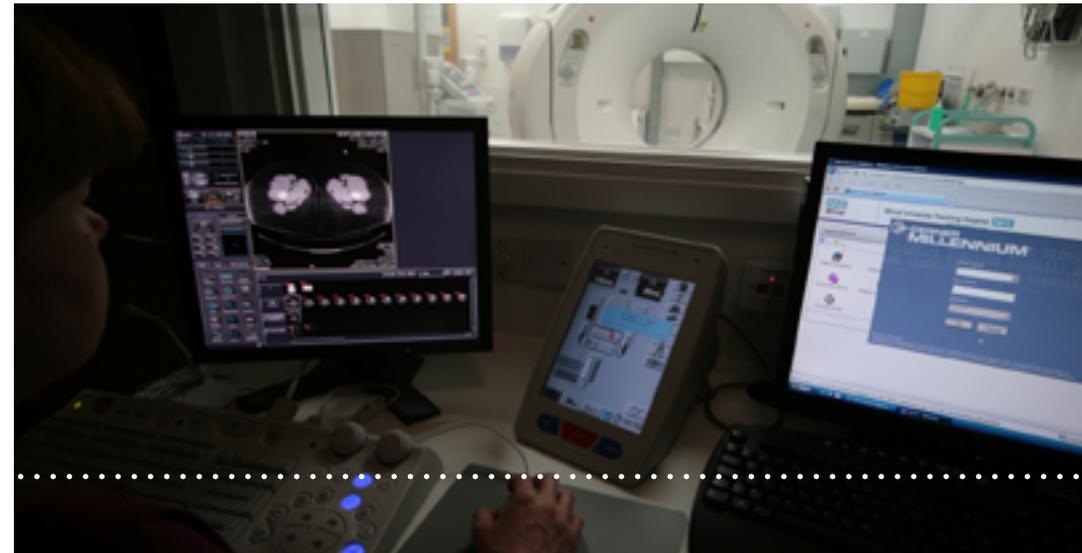
Processes to manage income, control expenditure and a focus on delivery of the Trust's CIP mitigated these risks. In overall terms, this was achieved for 2011/12.

#### Changes in Healthcare Commissioning

The Trust continued to focus upon the risks to Trust services as a result of changes to commissioning and the Health Bill. These risks were managed proactively through the risk and contracting process.

#### Engaging with Stakeholders

The risk of failure to improve and sustain engagement both internally and externally, particularly in light of significant strategies such as the Site Strategy and collaboration with the Countess of Chester were managed through a combination of implementation of mitigating measures and robust action by the Board of Directors.





Grant Harris  
Junior Doctor

### 3. Our Performance - Continued

#### 3.4 Activity

##### Improving excellence in quality, patient experience and safety

One of our key priorities is promoting a safe, infection-free environment and a supportive culture where patients trust staff and feel fully confident in the care they receive from us.

During 2011/12, we continued to work at all levels of the organisation to reduce risk and support a high quality patient experience.

##### Infection prevention and control

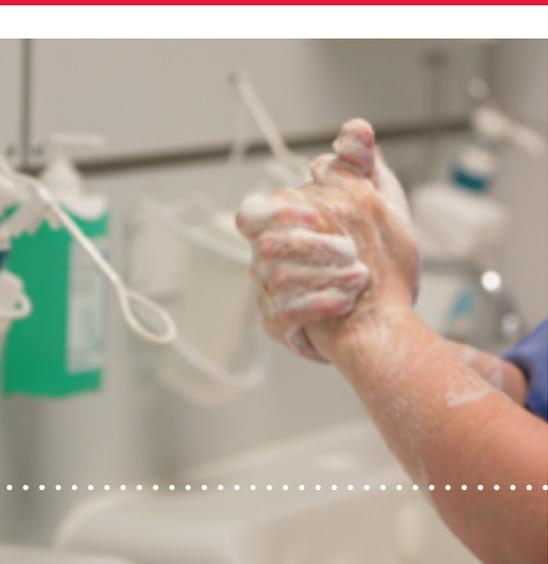
As an organisation, we've shown enormous commitment in our quest to drive down unavoidable infection and have seen significant reductions relating to Clostridium difficile (C.difficile) and Meticillin Resistant Staphylococcus aureus (MRSA) bacteraemia during 2011/12.

With expert leadership from the Infection Prevention and Control Team, we've implemented focussed, proactive strategies to protect patients and ensure their stay in hospital is as comfortable and infection-free as possible. For instance, we've introduced infection control assistants, co-ordinated rolling programmes of cleaning and ensured the screening and decolonisation of every overnight patient (with the exception of paediatrics and skin conditions).

We've also introduced hydrogen peroxide vaporisation (HPV) when patients are admitted – an innovative approach that has benefitted patients, visitors and staff.

Our efforts have resulted in an 80% reduction in MRSA bacteraemia and a 43% reduction in C.difficile compared to the previous year. Indeed, there was only one MRSA bacteraemia (blood borne infection) in the 12 month period (having had 15 months MRSA free) and 68 C.difficile cases (out of 120 maximum tolerance).

This proactive approach has also boosted staff morale as they have been able to focus on providing closer personal care for our patients.



National targets and regulatory requirements	Tolerance	Q1	Q2	Q3	Q4	Totals
Clostridium Difficile – maximum number of cases	Max 122	17	18	17	16	68
MRSA – maximum number of cases	Max 5	0	0	1	0	1

### 3. Our Performance - Continued



#### Nursing and Performance Quality

We've developed a new nursing and midwifery strategy this year and have paid close attention to creating quicker, more consistent reporting mechanisms, as well as an 'acuity' tool to help plan staff levels in key areas and assistive technology to promote greater patient independence.

Fostering a culture of collaboration has been key, and as an organisation, we continue to recognise that staff at all levels have an important role to play in delivering care and improving the overall patient experience. We've also made great efforts to improve the visibility of our lead nurses and matrons, not only to show leadership to our nurses but also to inspire confidence in our patients. This includes senior nurses wearing red uniforms.

Another positive step has been the introduction of same sex wards (with the exception of coronary and critical care) to make patients feel more

comfortable and enhance privacy and personal dignity.

As a team, we're pleased to report our good work was recognised in the Nursing Times Awards 2011, with a top 6 ranking.

#### Safety Express

This year we started work alongside community services and patients developing the Safety Express programme, to help drive safety standards and deliver truly patient-centred quality care.

This two year Department of Health programme is supported by the North West Advancing Quality Alliance (AQuA) and saw us working together to reduce patient harm in four key areas.

The focus of the Safety Express initiative has been:

#### 1. Preventing blood clots

As part of Safety Express, we've introduced new venous thrombo-embolic (VTE) prevention training for staff, as well as setting up prompts and reminders for staff to ensure that assessments are undertaken. We also reviewed our clinical guidance for patients with VTE disease, to ensure it included the latest evidence-based research. As a result, the proportion of patients assessed for the risk of VTE and bleeding on admission has been above the national target of 90% throughout the year, and we've been one of the top performers in our group nationally.

Crucially, there have been some very positive outcomes for patients: less than 50% of those with VTE were readmitted and there have been similar reductions in the number of people developing blood clots in hospital. In 2011, we saw an almost 25% reduction in the number of Wirral residents dying from VTE disease compared to 2010.

## 3. Our Performance - Continued

*Top 6, Nursing  
Times Awards 2011*

### 2. Preventing catheter associated urinary tract infection

During 2011/12, we rolled out the use of a urinary catheter insertion pack. This evidence-based pack has enabled us to improve both safety and quality by drawing on best practice and standardising the catheterisation process.

In June 2011, we also began a quality assurance programme. Nursing staff have since reported a reduction both in the number of catheterisations and the length of time a urinary catheter is used by a patient. Over a five month period (August 2011 - December 2011), we saw a significant reduction in catheter associated urinary tract infections among our patients.

### 3. Preventing falls

We've worked proactively to reduce the number of falls which result in serious harm and have seen a reduction in fall-related fractures to approximately three per month.

This follows the introduction of a 'Safety & Comfort Measures Checklist' to all inpatient wards, where a member of staff regularly checks that patients have drinks, a call bell and personal possessions within easy reach. They also ensure that the immediate area is safe, and monitor when patients need to visit the toilet.

### 4. Preventing pressure ulcers

To enable staff to better assess and treat pressure ulcers, we introduced a new assessment tool across the organisation in September 2011. Education and training sessions focused on clinically-based pressure ulcer prevention also got underway in January 2012, to further staff knowledge and support a standardised approach.

The Safety Express team participated in many regional and national learning events throughout the year and we were also proud to organise and host a 'Sharing Good Practice' event in December 2011.

### Patients with learning disabilities

Since 2010, we've been looking at how we can improve the way we care for patients with learning disabilities and we developed an innovative tool - called the Risk Assessment and Reasonable Adjustment Care Plan (RA Care Plan) - to help assess and meet their needs. During 2011/12, we continued to implement the RA Care Plan and more than 100 patients were assessed using this approach. This has not only helped to drive up the quality of care, but has enabled patients and carers to feel more involved in the decision making process.

At the same time, we developed a specialist training package for staff to improve their capability and confidence in helping this vulnerable group of patients. To focus on the practical needs of our patients, we invited a local learning disability drama group, the Eastham Players, to the hospital to help film the training DVD.

### 3. Our Performance - Continued

Supporting patients with learning disabilities will continue to be a priority in the coming year, as we strive to deliver truly people-centred care for all our patients.

#### Patients with dementia

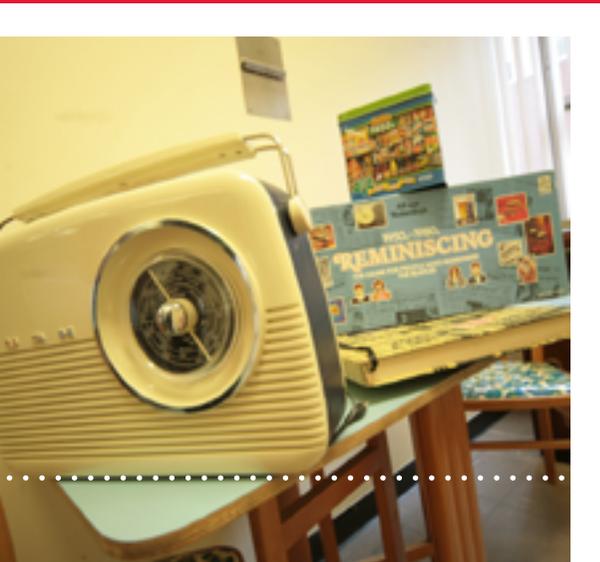
The Trust's Dementia Care Steering Group, including our key stakeholders, was formed following our participation in the first National Audit of Dementia in 2010. During 2011/12, the group made good progress in driving forward a comprehensive strategy and action plan to better support patients with dementia. Highlights include:

- Developing a **dementia care pathway**, which is available to all staff on our intranet site.
- Introducing a **'reminiscence pod'**. This is a 1950s style pop up living room, complete with authentic furniture and fully working 1950s television and radio. The pod helps reassure patients who are admitted to hospital with dementia.

- Producing a **dementia resource pack** for each ward, including a **training DVD** for our staff. This important resource was developed alongside Cheshire & Wirral Partnership NHS Foundation Trust with advice and input from relatives and carers.
- Using the **'forget me not'** symbol and laminated card to enable healthcare professionals and support staff, such as housekeepers and porters, to quickly identify key information about individuals and make our patients more at home in the hospital environment. This may include what name the patient prefers to be called or their eating and drinking preferences, such as "I like sugar in my tea".
- Promoting health passports and personalised **'This is me'** documents, to provide personalised summaries about patients with complex individual needs and dementia. These have been

distributed to wards and all nursing staff are now prompted to implement the 'This is me' document or to ask the patient, relative or carer if they have one in place. Community Trust and Social Care colleagues based at our Arrowe Park site have also been made aware of these resources.

- Continued collaborative working between our safeguarding team and ward staff to develop **bespoke care plans** for all patients admitted with dementia. Extra staff are requested to cover the duties usually undertaken by the ward nurse, thus enabling our staff to provide one-to-one care for patients with dementia.
- Minimising the number of times patients are moved within the hospital. The introduction of same sex wards has enabled patients to be admitted directly to female and male medical assessment units.



### 3. Our Performance - Continued

We also held a Dementia Awareness Day in January 2012 to celebrate and promote our ongoing work and upcoming initiatives.

This was also a great opportunity to recognise the importance of our relationships with partners such as the Older People's Parliament, Age Concern, Alzheimer's Society and community volunteers – all essential to improving care and support for our patients, their relatives and carers.

#### Listening to and learning from patients

##### 1. 'Learning with Patients' questionnaire

More than 7,000 patients took part in this year's 'Learning with Patients' questionnaire. This was a record response and provided valuable insight into understanding patients' experience of the care they received from the Trust.

#### Our patients said:

99% - *"My privacy and dignity was maintained when I was being examined."*

96% - *"I was treated with courtesy and respect by staff."*

97% - *"I was treated in a clean environment."*

98% - *"I got the care that mattered to me."*

These are very encouraging results and reflect the dedication of our staff in delivering the care and treatment that patients expect and experience.

The level of assistance patients receive with eating and drinking is a key issue for the NHS nationally, therefore, this was also a specific focus within this year's questionnaire. We've made sustained improvements at ward level over the past 12 months, including the introduction of comfort checks at regular intervals during the day and a greater focus on the overall mealtime

experience. It's great to see our patients telling us that we're improving, with 91% saying they received assistance with eating and 89% stating they received assistance with drinking.

There are, of course, areas where our patients are telling us we can do better. These relate mainly to waits or delays while in hospital and the information they're given to understand their care and treatment. These will be key priorities for the coming year and we hope to report further positive outcomes in the future.

##### 2. National Inpatient Survey

The annual National Inpatient Survey gives us an excellent indicator of overall patient satisfaction and the 2011 results show an improving position for the organisation.

Some of the key highlights include:

- More patients telling us that they have confidence and trust in our nurses

98% of our patients say: "I got the care that mattered to me".

### 3. Our Performance - Continued

*Almost 25% reduction in number of death from blood clots (VTE)*

- More patients telling us that their pain was controlled
- Improvement in explanations of treatments and procedures
- Improvement in questions relating to medicines

#### Care Quality Commission

The Care Quality Commission (CQC) regulates and inspects health and social care services. It didn't carry out any unannounced inspections of our Trust during 2011/12, although we did implement a number of actions following a visit to the Clatterbridge site at the end of 2010/11 as part of the national review of dignity and nutrition for older people.

The CQC's report didn't identify any concerns, however, we did provide the CQC with evidence of improvements where we had previously declared concerns.

We also provided updates about how we'd responded to CQC alerts about higher-than-expected levels of mortality affecting elderly patients admitted in an emergency, with a primary diagnosis relating to their respiratory system; for those admitted with urinary tract infections and for readmissions following appendicectomy.

#### After assessing this, the CQC issued the following compliance report:

	Arrowe Park	Clatterbridge
Treating people with respect and involving them in their care	✓	✓
Providing care, treatment and support which meets peoples' needs	✓	✓
Caring for people safely and protecting them from harm	Improvement required*	✓
Staffing	✓	✓
Management	✓	✓

*\*The improvements required relates to a number of regulations where CQC has determined there is a moderate concern around medicine management.*

### 3. Our Performance - Continued

*“Wirral Older People’s Parliament has been delighted at the level of involvement offered by the senior managers at WUTH. Some of our work on discharge from hospital has led to recent major improvements in this area, and the Home from Hospital service has become a valued part of Wirral’s infrastructure.”*

**Sandra Wall, Chair,  
Older People’s Parliament**

This follows a medicines storage audit in July 2011. In light of the audit, we’ve developed an improvement plan incorporating a programme of monthly spot checks around the secure storage of medicines. Steps have been put in place for areas where refurbishment is required and we are monitoring the results closely.

In response to this assessment, we’re developing our system for checking CQC compliance to make it a more robust process.

#### **NHSLA risk management standards**

The National Health Service Litigation Authority (NHSLA) risk management standards are a key indicator of the safety and quality of our services and are measured against 250 criteria across five broad areas:

- Governance
- Competent and capable workforce
- Safe environment
- Clinical care
- Learning from experience

In July 2011, we maintained our Level 2 accreditation, which means we are implementing our policies and processes to support safer care. We are working towards level 3 status, the highest achievement, for 2012/13.

#### **Incident reporting**

As an open and transparent organisation, we continued to promote incident reporting during 2011/12 to give us a clear view of what can go wrong. Nationally, we were one of the highest reporters of incidents; the majority of which did not cause harm to patients.

To further promote early reporting of incidents, we have been trialling a rapid response system which investigates where a serious injury has followed a fall in hospital. This has improved our knowledge of why these incidents were occurring and informed an action plan to reduce them. We’re now rolling out this process for other serious incidents and hope to introduce more safety alerts in the coming year.

*80% reduction in  
MRSA bacteraemia*

### 3. Our Performance - Continued

#### Improving patient flow

Improving patient 'flow' is all about managing the effective movement of our patients (and their personal data) through the hospital. As well as increasing patient safety, it's essential for ensuring patients receive the right care, in the right place, at the right time, all of the time.

Improvements to the management of patient flow throughout the year have led to a reduction in emergency readmissions and shorter stays in hospital, thus contributing to a better overall patient experience. A number of key changes in clinical practice and service improvements have had a far-reaching impact, including:

#### Enhanced Recovery Programme

The ultimate aim of our Enhanced Recovery Programme (ERP) is to help patients recover more quickly after elective surgery, so they can get back on their feet and back to their day-to-day activities as soon as possible. This year, we have rolled out the programme across five clinical specialities: colorectal, gynaecology, urology, vascular surgery and orthopaedics.

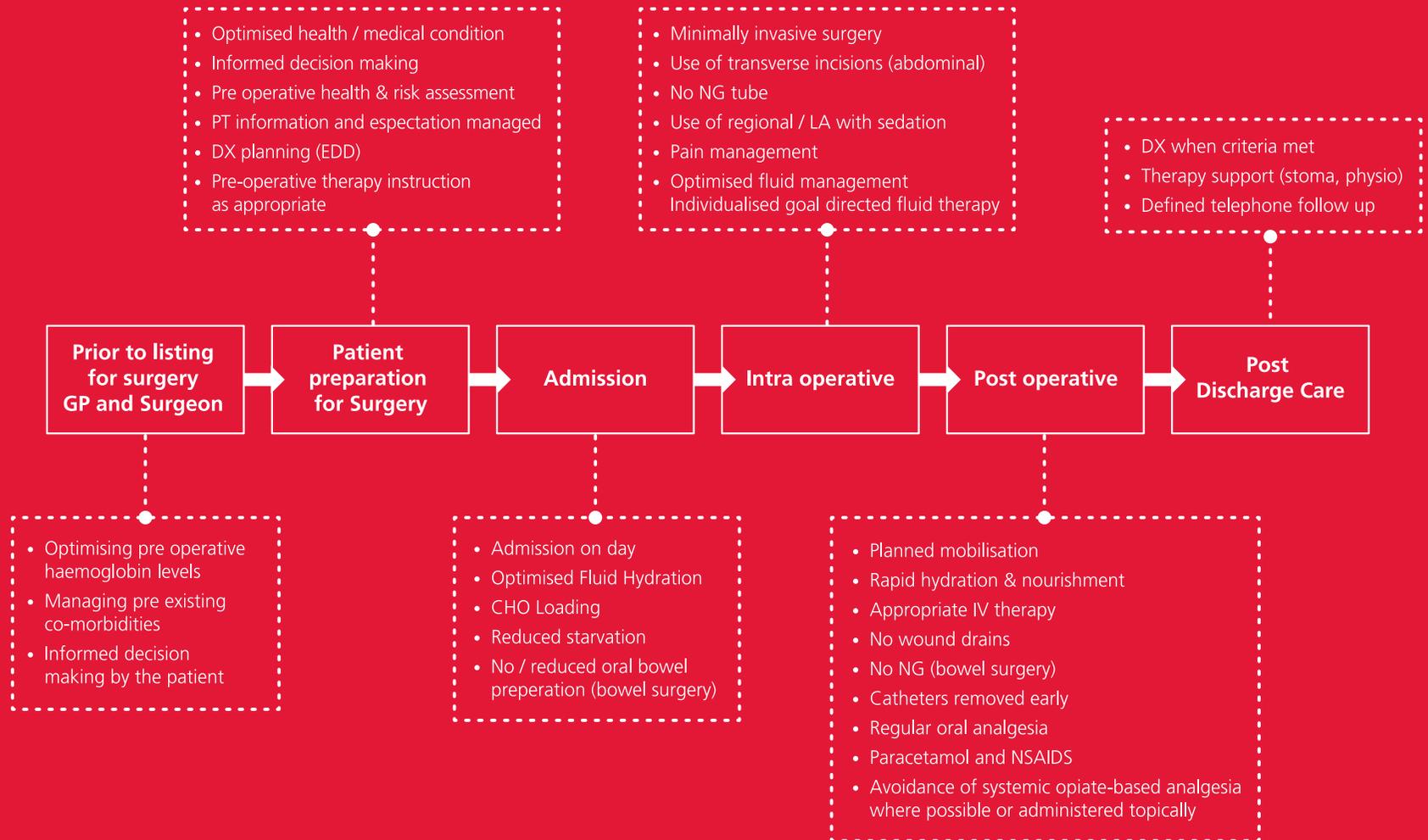
A key focus of ERP is empowering patients as active participants in their recovery process. This is an evidence-based approach and includes better supporting patients prior to surgery, so they are in the best possible physical condition for their operations. We have seen clear benefits for individuals, such as shorter recovery times - with patients up and about and able to eat and drink earlier - earlier discharges, better pain relief and less complications.

*95% increase in admissions on the day of surgery*



### 3. Our Performance - Continued

#### The Wirral Enhanced Recovery Programme



### 3. Our Performance - Continued



To achieve this success, we spent a lot of time developing and strengthening communication links across the health community. Workshops in May/June 2011 brought together ward managers and their staff, community nurses and allied health professionals (AHPs) to learn the principles of ERP and contribute to the development of each clinical pathway.

Another exciting component of this year's work, and an example of how the Trust has started to work differently in response to ERP, has been the introduction of "joint school" for patients preparing to undergo hip or knee replacements. Jan Hannigan, Orthopaedic Matron, has led its development and has received excellent patient feedback. Two education sessions were delivered for Wirral GPs, with future dates planned for the other consortia.

Social Services are also supporting the programme with a significant change in their practice. By performing an assessment of social needs prior to surgery, they have helped prevent discharge delays and ensure patients and their families are able to plan adequately for discharge.

In February 2012, we held a Patient Engagement Event held at New Brighton's Floral Pavilion, where patients and their relatives/carers were invited to share their experiences of the ERP. Supported by the National Enhanced Recovery Partnership Programme via NHS Improvement, the event was a great success. Patients evaluated ERP very positively and recommended that their experience be developed as the future standard. We will use this feedback to support our wider ERP ambition and ensure that all the hard work throughout 2011/12 is sustained.

#### **Surgical Elective Admission (SEAL) Unit**

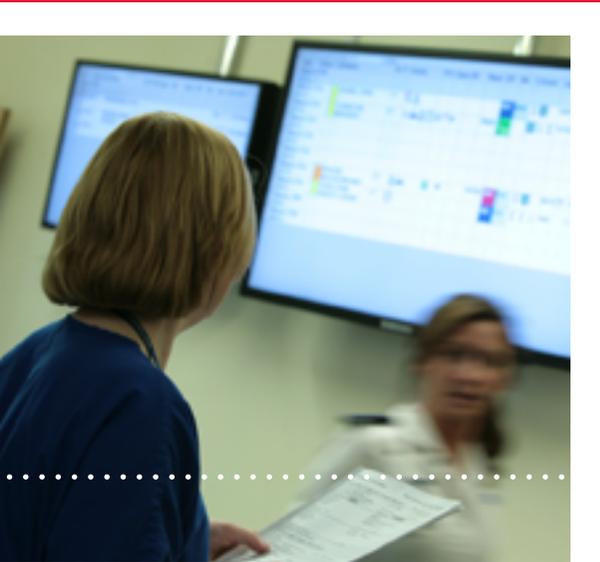
The £1.3m SEAL Unit, a purpose-built development, has enabled elective patients to be admitted on the day of surgery. It has also improved pre-operative assessment services.

Patients have benefitted directly from more information and preparation prior to surgery, in more comfortable surroundings, while their families have had more space to support their loved ones.

We are also proud to report:

- 95% increase in admissions on the day of surgery
- Increased day case rates (up from 65% to 85% for 25 specified procedures)
- 50% reduction in cancelled operations
- 10% improvement in theatre utilisation

### 3. Our Performance - Continued



#### Emergency ambulatory care

Admissions to hospital beds have been reduced significantly by introducing same day emergency care models, which avoid unnecessary overnight stays for emergency patients.

This includes:

- The introduction of a **daily follow-up clinic on the Acute Medical Unit (AMU)** which supports early discharge of patients following emergency admission. This means patients can be discharged but brought back as outpatients for follow up investigations or review.
- Patients can also be **referred to the AMU clinic directly from Accident and Emergency** and GPs, to prevent unnecessary admission.

- The **development of a Cardiology Rapid Access Clinic** where patients with chest pain can be referred direct by GPs or via Accident and Emergency. This provides a greater level of assurance and access to quicker treatment.

#### Older Person's Rapid Access (OPRA) Clinic

The development of the Older Person's Rapid Access (OPRA) Clinic has enabled those with deteriorating health, who find it difficult to manage at home, to be seen at short notice by a specialist team. This includes access to two new consultants, nurses and additional services such as physiotherapy. The OPRA has been geared up to meet the needs of elderly patients by addressing the specific factors which can affect this age group, including disorientation and loss of confidence.

#### Advancing Quality (AQ)

We are among a number of Trusts in the North West which have been participating in the Advancing Quality (AQ) service improvement programme to improve care for patients with stroke, heart failure, heart attack, community acquired pneumonia and hip and knee replacement.

All patients who re-attend the Accident and Emergency department within 72 hours of discharge are reviewed by a consultant or senior doctor. In this way, AQ has helped avoid unnecessary readmission and identified opportunities to improve discharge planning.

### 3. Our Performance - Continued

*"From the moment I was admitted, as a worried patient, to the time I was picked up and taken home, I was looked after in a meticulous fashion. Nothing was too much trouble, everything ran absolutely smooth, and following the operation, my recovery worked out as predicted. May I ask you to pass on my grateful thanks to the entire surgical team [Clatterbridge] for making what must have been hard work appear to be effortless."*

**Brian, West Kirby (Patient)**

#### Further achievements

Additional measures implemented during the year to help improve patient flow included:

- New bed management systems and processes have reduced the number of times patients have been moved to new wards due to bed pressures.
- A number of integrated whole system pathways have been developed in key specialties, such as stroke, care of the elderly and chronic obstructive pulmonary disease. These have provided rapid access to appropriate beds and helped to avoid unnecessary delays.
- The introduction of an integrated discharge team, including social workers, has supported the discharge of patients with complex health and social care needs.
- Ongoing audits of the 'patient journey' and discharge processes have taken place across all specialties, to identify new opportunities to make improvements.
- Another key achievement was managing patient flow during the busy winter period. This included significant bed pressures and norovirus, better known as the winter vomiting bug. Our staff worked together to meet the challenge of increased patient admissions and longer stays in hospital, using effective escalation processes to help minimise waiting times. Learning lessons from this year's experience, we are also looking to further strengthen our bed management processes and develop more focused discharge planning to support the 'patient journey'.

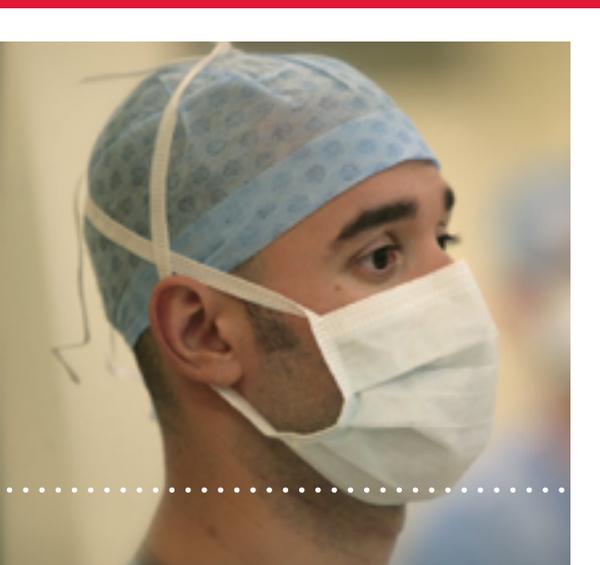
### 3. Our Performance - Continued

#### Improving patient access

Improving patient access is fundamental to our commitment to deliver the right treatment to the right people at the right time. As an inclusive, patient-focused organisation, we continued to recognise the importance of offering a wide range of accessible services to local people in 2011/12. We also endeavoured to positively impact quality of life by minimising waiting times wherever possible.

We met all targets with one exception. However this has been met from February onwards.

National targets and regulatory requirements	Target	Q1	Q2	Q3	Q4
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Min 96%	100%	99.2%	99.3%	97.8%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer	Min 94/98%	100%	95.8%	100%	98.3%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Min 85%	89.7%	86.5%	88.0%	85.3%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	Min 93%	96.1%	96.0%	96.9%	97.0%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all breast symptom referrals	Min 93%	97.3%	96.9%	96.5%	96.7%
Referral to treatment time – admitted patients	Max 23 weeks	29.7	31.6	34.0	31.0
Referral to treatment time – non-admitted patients	Max 18.3 weeks	16.6	17.9	17.5	16.6
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	Min 95%	95.5%	95.5%	96.1%	95.6%



### 3. Our Performance - Continued

*“From the moment I was admitted all the staff involved in my care were professional, knowledgeable, kind and caring. The doctors and nurses answered every question my wife and I had fully and we felt nothing was too much trouble.”*

**Laurence, Little Ness (Patient)**

#### Access to cancer care

We’re pleased to report that we delivered against the full range of quarterly targets on cancer care. Historically, meeting the 62 day target for urgent referrals has proved to be a particularly challenging area, so this is a significant achievement for the Trust. It can be attributed to both operational changes and decisions by individual staff.

The public concerns around the PIP breast implants, and indeed breast implants in general, prompted an increase in demand for services. However, we reacted well to this additional pressure and delivered against the two week standard for seeing all breast patients.

Meeting these key targets has brought real benefits for our patients, by minimising stress and anxiety around this highly emotive groups of diseases, and ensuring that those who did need treatment could begin a course of care as soon as possible.

Improving care pathways also brought more personal rewards for our staff, who were in a better position to deliver more effective, people-centred care.

#### Emergency patients

The key measure in this area focuses on admitting, transferring or discharging patients attending our Accident and Emergency department within four hours. Again, we delivered against our targets in all four quarters. In fact, the traditionally busy Q4 was the highest performing period of the year.

Again, in terms of the patient experience, this lessened levels of personal anxiety and enabled our patients to receive the treatment they needed when they needed it - without unnecessarily long waits to see a doctor or nurse.

#### Elective patients

We were less successful in meeting our targets around routine operations

(specifically orthopaedics and cataracts) and failed to meet the maximum 18 week waiting time in the first three quarters of the year.

There were two key reasons for this. Firstly, we had anticipated increasing the number of operations, but the recruitment process for additional consultants and support staff took longer than we had originally hoped. Also, the implementation of our new IT system did not run as smoothly as we had envisaged. While the new system was introduced for outpatients, the old system remained in place for our inpatients; running these two systems side-by-side proved to be a significant challenge.

By Q4, these issues had been addressed and we were able to successfully deliver against the 18 week target from February 2012 onwards. The fact that we were able to keep average waiting times down also mitigated the effects on our patients.

### 3. Our Performance - Continued

*97.3% of patients with breast symptoms waited no more than two weeks for outpatient appointment following urgent GP referral (Q1) MINIMUM TARGET 93%*

In the coming year, we will work hard to build on this momentum and maintain consistency and sustainability of care. Our priorities include appointing new consultants in additional key areas, such as orthopaedics and general surgery, and ensuring we have the right information and systems in place.

#### **Delayed transfer of care**

We work closely with partners to reduce the number of patients who have delayed transfers of care, and during 2011/12, we were one of the

best performing health and social care economies in the North West.

The implementation of a new initiative, the 'Rapid Access Beds and Packages of Care in the Community', proved particularly successful. Funded by GP Commissioners, the scheme enables patients to leave hospital when they are medically fit for discharge but need extra support for a short period of time.

*96.1% of patients admitted, transferred or discharged within four hours of arrival in A&E (Q3) MINIMUM TARGET 95%*

*100% of all cancer patients treated no more than 31 days after diagnosis (Q1) MINIMUM TARGET 96%*

### 3. Our Performance - Continued

#### Developing excellent staff

##### Working with staff

During a challenging year, we've continued to recognise the importance of a highly engaged, flexible and competent workforce which brings about an improvement in the patient experience. In order to control costs and modernise job roles, the organisation has developed a comprehensive change management programme. This has been underpinned by an organisational change policy and partnership working at all levels.

Recognising that it is a challenging and uncertain time for staff, there has also been particular emphasis on health and wellbeing support, alongside learning and development activities, and a focus on recognising staff achievement.

Staff engagement and involvement, through the ongoing implementation of the internal communications strategy and the Trust's News Network, has been

a priority. The monthly briefing forum has allowed clinicians and managers to feed back to the executive team on issues or concerns, while the 'Ask the Chief Executive' portal on the staff intranet has continued to prove popular. There are also robust procedures in place for staff to identify concerns through the traditional grievance, whistleblowing and incident reporting procedures.

In the coming year, we will embark on the development of a new workforce strategy to build on this work, focusing on capabilities, competencies and culture.

##### Workforce

The average number of whole time equivalents employed by the Trust during 2011 was 4,763, compared to 4,798 in 2010. (Further information is given in the accounts).

We've worked hard to control workforce costs through natural staff turnover coupled with an effective vacancy control process, a voluntary severance scheme, skill mix redesign, redeployment and shared services working. In terms of flexible working practices, some staff have chosen to reduce their hours to both support the organisation and themselves.

The shape of the workforce is also changing, with an increased number of highly skilled advanced nurse practitioners. During the year, our focus on frontline services saw the development of the Nursing in Excellence programme to recruit additional nurses, alongside an increase in consultant posts. Further significant work is also planned for 2012/13 to support the nursing establishment.

##### National Staff Survey

Understanding people's perceptions, ideas and concerns is absolutely fundamental to our core values.



### 3. Our Performance - Continued

In response to the results of the 2010 National Staff Survey, we ran a number of successful drop-in sessions during 2011/12 and came up with five key focuses. From this, we developed a range of actions and used a 'You said, we did' approach to share our progress with the wider team.

As an organisation, we also took part in the 2011 National Staff Survey, which was conducted by Quality Health as the Trust's approved contractor. We compared very well with other acute Trusts in England in a number of areas:

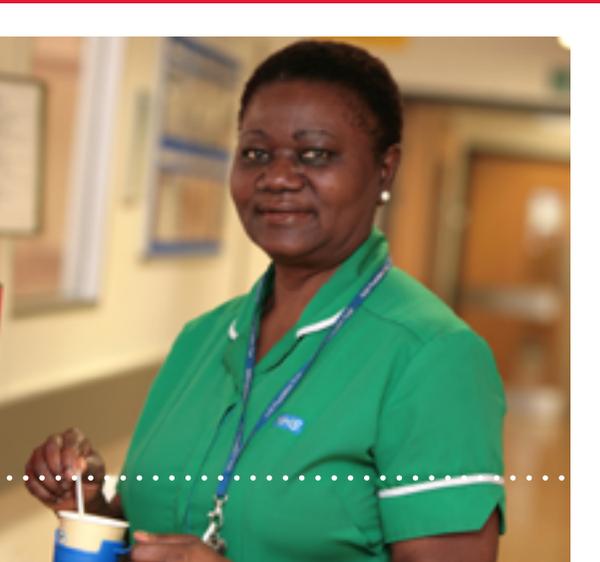
#### Response

346 staff took part, a response rate of 42%, an improvement on 2010 (35% response).

#### Top four ranking scores

The four key findings for which we compared most favourably with other trusts:

Area	2011 score	National average for acute trusts	2010
Percentage of staff reporting near misses or incidents witnessed in the last month (the higher the score the better)	98%	96%	= (98%)
Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell (the lower the score the better)	24%	26%	= (25%)
Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months (the lower the score the better)	6%	8%	= (10%)
Percentage of staff feeling valued by their work colleagues (the higher the score the better)	77%	76%	= (75%)



### 3. Our Performance - Continued

There were, however, some areas where we compared less favourably and we will prioritise these for the coming year.

#### Bottom four ranking scores

The four key findings for which we compared least favourably with other trusts:

Area	2011 score	National average for acute trusts	2010
Percentage of staff using flexible working options (the higher the score the better)	52%	61%	= (53%)
Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver (the higher the score the better)	66%	74%	- (70%)
Work pressure felt by staff (the lower the score the better)	3.28	3.12	- (3.08)
Support from immediate managers (the higher the score the better)	3.51	3.61	= (3.54)



### 3. Our Performance - Continued

#### Largest local changes since the 2012 survey

There are 2 key findings where our staff experience has improved since 2010, which is a positive local result.

	2011 score	2010 score
Percentage of staff appraised in the last 12 months (the higher the score the better)	82%	70%
Percentage of staff appraised with personal development plans in the last 12 months (the higher the score the better)	66%	74%

#### Where staff experience has deteriorated since 2010

	2011 score	2010 score
Work pressure felt by staff (the lower the score the better)	3.28	3.08

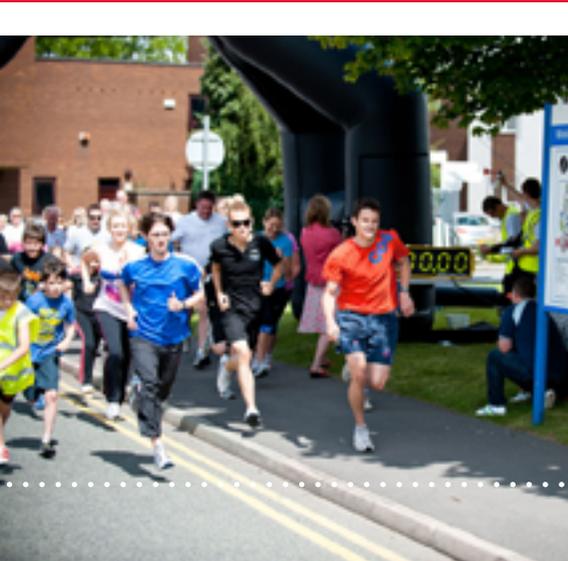
The Trust has held a series of action planning meetings with key stakeholders in order to consider what immediate and longer term improvements can be made (medical and non-medical staffing groups). Present at the differing 'Action meetings' were Staff Governors; Medical Representation (including Medical Board

Chairman); Operational Managers; Trade Union colleagues; Human Resources / Organisational Development colleagues. The group was asked to pull together key priority areas which the Trust will focus on in order to improve Staff Engagement levels within the Trust. The key priority areas being:-

1. Review staffing level based on demand
2. Improve communication at all levels, with particular focus on valuing staff contribution
3. Promote a learning culture. Specifically ensuring we learn from experience
4. Develop, implement and promote more effective Staff Engagement Policies
5. Fully involve and empower staff to bring about improvements in service.

Given the size, scale and key importance Staff Engagement has on every aspect of the organisation then a subgroup of the Workforce & Communication Programme Board (WCPB) has met. This Staff Engagement Steering Group will be responsible for:- Ensuring full involvement of all key stakeholders, Make recommendations for action to be taken; monitor progress against timelines; Identifying (and mitigating) key implications or barriers to change; Provide regular progress reports to the WCPB.

### 3. Our Performance - Continued



#### Promoting staff health and wellbeing

Building on the Health and Wellbeing Strategy, we developed a range of initiatives to protect, promote and support the health and wellbeing of our staff. This saw the Occupational Health Department working alongside divisions and senior HR managers to provide a proactive service at all levels of the organisation.

The innovative Fitter for Health programme was one continuing success story. In its second year, this social marketing campaign encouraged staff to take up a regular sport or physical activity, as well as signposting local facilities, activities and general lifestyle advice. A 'Treating You Well Day' was also held for staff and their families in July 2011 and not only highlighted healthy eating but introduced participants to fun physical activities ranging from rounders and a walk-run race, to zumba and wii fit.

As part of the event's legacy, a marked walking and running route was created on site which staff can now use to exercise during breaks and lunchtimes.

As part of Fitter for Health, staff pledged to 'do something different', such as giving up smoking or losing weight. This good work will continue this year as we've been granted an Aspire mark for our planned Olympic-themed activities, including an 'It's a Knockout' competition.

We also understand the importance of psychological wellbeing in reducing sickness absence, improving staff retention and productivity, and boosting staff engagement and motivation. So, as part of our holistic approach, the emotional aspects of staff and wellbeing also remained high in the agenda during 2011/12. For example, resilience training enabled staff to consider better coping techniques in pressurised situations, while stress workshops provided intensive support for individuals working in particularly stressful areas.

Another positive effect of our health and wellbeing work was an increase in the uptake of seasonal flu vaccinations, with 3,226 staff being vaccinated 2011/12 (compared to 2,959 in the previous year).

In terms of incidents reported to the Health and Safety Executive (HSE), in accordance with RIDDOR, there were 61 incidents involving Trust staff in 2011/12. This compares to 63 in 2010/11.

#### Sickness absence

The sickness absence rate for the year was 4.53%; this was an increase when set against last year's figure of 4.44%. Sickness absence management action plans were monitored at both Trust and divisional level and a reduction of the Trust's tolerance target to 4% will remain a high priority in the coming year.

### 3. Our Performance - Continued

#### Staff recognition

Recognising and celebrating the ongoing contribution of staff to the patient experience was an important feature of the year.

Senior and staff managers gathered in the lecture theatre at Arrowe Park Hospital to recognise individuals who had attained formal qualifications. In addition, the popular Foundation Awards this year introduced a number of new award categories and attracted 320 nominations – the highest number yet. Winners were presented with an engraved memento, a framed certificate and retail vouchers during a ceremony at New Brighton's Floral Pavilion attended by more than 500 staff and invited guests.

Following a successful review in October, the organisation was also re-awarded Investors in People accreditation.

#### Learning & development

As part of ongoing efforts to empower the Trust's leaders and unlock their wider potential, a multi-disciplinary senior leadership and management programme was implemented during 2011/2012. Using workshop-style 'action learning' the emphasis was on bringing clinical and management leaders together to develop peer-to-peer approaches based on direct experience. This aligns closely with the Wirral Excellence in Healthcare System (WEHS), which looks to identify and eliminate waste, and improve the quality of our internal processes.

Throughout the year, we reinforced our commitment to listening to – and acting on – patient feedback. Quarterly Partnership Away Days further enabled us to share best practice and strengthen effective two way communications with both internal and external stakeholders. During these sessions staff, managers and partners worked together to examine organisational pressures and plan upcoming projects in a cohesive, collaborative way.

Across the workforce, particular attention was paid to embedding the Trust's core values within individual reviews. Indeed, simplifying the individual review process resulted in a significant increase in the total number of staff reviews being completed. With participation rates rising from 56% (June 2011) to 85% (October 2011), this is a major achievement. The collective challenge for the future will be to make these sessions as meaningful as possible and demonstrate added value for both individual team members and the organisation as a whole.

During the year, there was also a focus on both supporting a number of existing staff through apprenticeships and recruiting trainees externally. Our participation in the government's apprenticeship schemes gained praise from the North West Strategic Health Authority and other external agencies.



### 3. Our Performance - Continued

*“The visitors [at the Deanery assessment visit] were pleased to hear that education is represented at the Board of Directors level indicating the level of commitment this Trust gives to the importance of developing and supporting its workforce.”*

Dr A R Bowhay, Associate Postgraduate Dean, NHS North West, Mersey Deanery

#### Medical education

Already renowned as a leader in the region for high quality education and training for doctors in every specialty, we celebrated an exceptional report following a Deanery visit in 2011. There were particularly positive strides around the focused supervision of junior doctors; across the board there is now a 2:1 ratio of junior doctors and supervisors.

#### Shared services

During 2011/12, our HR (transactional services) function entered into a shared services arrangement with the Countess of Chester Hospital NHS Trust in July 2011. The transfer was seamless and is enabling us to maximise our valuable staff resources and ensure higher quality, sustainable services to support and develop the workforce.

*85% of staff completed an individual review (up from 56%)*

*77% of staff feel valued by their work colleagues (76% national average)*

### 3. Our Performance - Continued



#### Developing collaborative relationships and partnerships

##### Joint working

Against a challenging financial backdrop, effective partnership working and collaboration is at the heart of our approach to driving forward quality and service improvements while simultaneously striving to maximise resources and achieve best value.

We have worked closely with a wide range of partners and stakeholders over the past 12 months, including other NHS Trusts, GPs, clinical commissioning groups, local authorities/social care, the voluntary sector and other community groups.

##### Working with Wirral LINK

During 2011/12, we continued to work with Wirral's Local Involvement Network (LINK), an independent network made up of individuals, community groups and organisations which seeks to

influence and improve local health and social care services. In particular, we have:

- Involved LINK in our overall quality assurance processes, by inviting them to conduct a number of 'enter and view' visits to wards and clinical areas. These visits provided an opportunity for LINK members to offer fresh thinking and ideas, as well as enabling us to demonstrate our overall excellence to an external audience.
- Held a series of public engagement events with LINK members to update them on Trust initiatives we know are important issues for the local community.

We are proud of the maturity and transparency of the relationship we've built with LINK and this will continue as LINK transitions into the new Healthwatch organisation.

#### Wirral Older People's Parliament

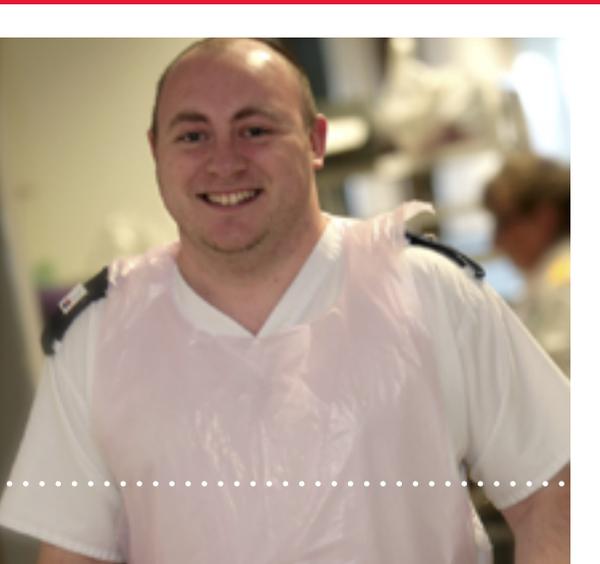
We place great value on our relationship with Wirral Older People's Parliament (OPP), that promotes the importance of caring for older people in the local community. Regular meetings between OPP members, the Director of Nursing and senior staff have enabled members to raise issues and make suggestions, as well as learning more about the specific improvements we have made for elderly patients.

We were also very pleased to play a major role in the OPP 'Wellbeing of Wirral' conference in May 2011 and to host an education event for OPP members at Arrowe Park in February 2012.

#### Listening directly to patients

Working in partnership with patients and their relatives/carers has been a recurring theme in 2011/12. As part of an ongoing commitment to listening to patients and learning from their experiences, we invited a number

### 3. Our Performance - Continued



of families to attend the Quality and Safety Committee and tell 'their story of care'. We heard some very positive experiences, but equally, we heard of experiences which were not so positive for patients and we are using these to inform future service developments.

#### Stakeholders

The Trust remains committed to maintaining and developing partnerships with all of our stakeholders, in order to share best practice and ensure true joined up thinking and working for the benefit of our patients. Highlights from the past 12 months include:

- Effective working relationships with individual GPs have proved invaluable during a time of change and uncertainty. We look forward to strengthening these links in 2012/13, working alongside GPs where difficult decisions need to be made and making holistic systems work for the benefit of patients and families.

- We've maintained a positive working relationship with Wirral Borough Council, and in particular with Adult Services and Children's Services. This partnership has enabled us to work in a truly integrated way at a challenging time for the NHS, to help minimise delays for patients moving from a hospital setting into social care. The Trust also continues to be an active member of the Wirral Health and Wellbeing Board.
- Our excellent links with the voluntary sector have had a positive impact directly on patient care. For instance, we worked with the Alzheimer's Society (Wirral) to train staff on how to care for patients with dementia. This programme has proved a 'big hit' and has increased awareness of patients' needs. At the same time, our partnership with Cheshire and Wirral NHS Foundation Trust has seen us developing a pathway of care for dementia patients and has enabled staff to deliver evidence-based care.

#### Commissioners

NHS Wirral accounts for more than 87% of the Trust's clinical income. This provides an excellent opportunity for focused joint working, as demonstrated through the service redesign work around urgent care services. We have engaged positively at all levels of the organisation.

Our relationship with the wider Warrington, Western Cheshire and Wirral PCT Cluster and the GP Commissioning Consortia continues to be robust and constructive. Our early agreement with clinical commissioning groups set us up well for the new financial year and has enabled us to focus on delivery from day one of the new arrangements.

We also worked alongside the Countess of Chester NHS Foundation Trust to respond to the commissioner-led Vascular Services Review, which proposed that certain complex vascular procedures should be centralised to deliver better patient outcomes.

### 3. Our Performance - Continued

This saw us submit a joint proposal to be one of two centres serving the whole of Merseyside and Cheshire.

#### Shared services

Service improvement and development is at the heart of our work with colleagues at the Countess of Chester NHS Foundation Trust. Together we have implemented shared services across two key areas – one clinical and one back-office - to help meet these challenges and save in the region of £1.1m:

#### 1. New microbiology lab

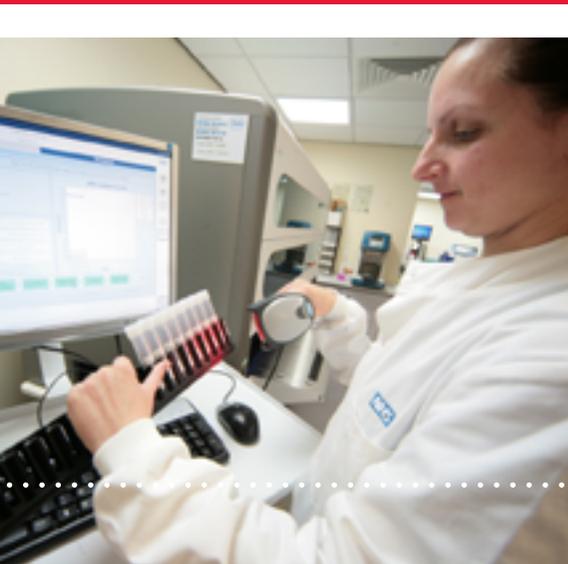
This state of the art facility at Bromborough brings together existing services from both Trusts on one site. It has not only expanded the range of services available for local people, but has increased their resilience by extending staff cover and capability. The move also allows both organisations to bid for work from other economies.

#### 2. HR (transactional services)

This department has been merged and is now sited at the Countess of Chester Hospital. Again, this has added value by lowering costs and providing a workable model for other economies of scale in the future.

We recognise the far-reaching potential of our partnership with the Countess of Chester NHS Foundation Trust, as we both continue to balance the need to achieve 'better for less' and explore collaborative opportunities to attract further income in 2012/13 and beyond.

*Almost £1.1m saved  
through shared services*



### 3. Our Performance - Continued

13,800 members

#### Strengthening excellent relationships with governors & members

##### Assembly of Governors

Our Assembly of Governors comprises of 19 elected public governors, 5 elected staff governors and 13 nominated stakeholder governors. As an organisation, we regard their input as invaluable in representing the local population and helping put the voice of patients into our decision-making processes.

Indeed, during 2011/12, governors assisted in a number of key areas. This included setting our annual planning priorities, as well as shaping the development of our ongoing Site Strategy. We also engaged our governors around the recruitment of our new Chief Executive, to ensure that the needs and views of patients were fully reflected in the questions posed to potential candidates.

This contribution has had a tremendous impact and we're grateful for their continued support and input as 'critical friends' to the Trust.

Meeting with governors in a variety of settings has been key to further strengthening this important relationship during the year. All governors are now invited to formally attend the Board of Directors meetings. A number of governors have also been involved in visits to wards, talking directly to staff about any concerns and ensuring services to patients offer the best quality care.

##### Members of the Trust

Our members have also continued to play a vital role in influencing the way we serve our local communities. During the year, we have continued to welcome citizens aged 11+ as lifelong members of the Trust. We currently have 8,500 members who are local residents, plus an additional 5,300 who are members of staff.

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

- Voting in governor elections
- Participating in questionnaires and surveys
- Acting as a yardstick of public opinion about our plans
- Receiving and giving feedback on newsletters and other documents
- Volunteering
- Fundraising

37 governors

### 3. Our Performance - Continued

#### Enhancing site infrastructure, safety, effectiveness & efficiency of facilities

##### Site Strategy

2011/12 has been a particularly demanding year for the Trust as we have sought to balance quality with harnessing best value and achieving our performance targets. Our Site Strategy encompasses a number of key developments aimed at enhancing the safety and quality of patient care, by consolidating existing services and providing care at the greatest point of need.

The Site Strategy comprises of eight principal schemes, which will see an investment of £11.4 million in improving services at Arrowe Park and Clatterbridge Hospitals to ensure a vibrant future for both sites. During 2011/12, four of these eight schemes progressed significantly: improvement to the Trust's catering facilities, a new

Stroke and Neuro-Rehabilitation Centre, a new Breast Centre, and the relocation of our Child Development Centre to a community setting.

Over the past 12 months, there has been extensive consultation on the specific details of the Site Strategy, and all the work to date has been closely informed by views and comments from staff, patients, partners and the public. This includes:

##### 1. New Stroke and Neuro-Rehabilitation Centre

In February 2012, work started on a new specialist multidisciplinary assessment and rehabilitation centre which will enable the Trust to combine neurological and stroke rehabilitation services at the Clatterbridge site. As well as the convenience of having services in one place, patients will benefit from the added privacy and comfort of ten single bed en suite rooms alongside external therapy areas.

##### 2. New Breast Centre

Work is underway on a new purpose-built breast care facility at Clatterbridge, which will consolidate existing services and bring them together in one place for the first time. The new centre will also give patients more space and enhance their personal privacy and dignity.

##### 3. Relocation of Child Development Centre

Preparations have been made to enable the Trust's Child Development Centre to move to St Catherine's Health Centre in Birkenhead. This will provide a 'one stop shop' for families by bringing the services into the heart of the local community, side-by-side with other service providers such as audiology, speech and language therapy.



### 3. Our Performance - Continued



#### 4. Clatterbridge Catering Scheme

With improved lighting, layout, decor and food choices, the major refurbishment of the catering facilities at Clatterbridge has created a more pleasant environment for both patients attending outpatients clinics and staff enjoying refreshments during breaks and lunchtimes. The facilities opened in October 2011.

In addition, we are in the early planning stages of upgrading the outpatient department at Clatterbridge; this work is due to begin in September 2012.

As part of the Site Strategy, a further four schemes are also planned in the coming year. These centre on:

- Upgrading the outpatient department at Clatterbridge
- Elective surgery and day cases
- The relocation of corporate services
- The relocation of lymphedema services

#### Sustainability and climate change

We continued to drive forward activity to reduce carbon emissions and deliver cost savings over the past 12 months.

Firstly, the Environmental Action Group (EAG) developed a Carbon Reduction Strategy, which will be presented to the Board of Directors. The Clatterbridge site has also achieved the national Carbon Saver Gold Standard, which is approved by the Environment Agency as an early action requirement for the now legally enforceable Carbon Reduction Commitment Scheme. Arrowe Park, meanwhile, is expected to achieve the same accreditation on completion of a Combined Heat and Power (CHP) scheme.

The CHP scheme is part of over £0.5m of capital funding we've committed to key energy saving initiatives, and also includes:

- Installing energy improved metering
- Installing energy efficient lighting to corridors
- Improving heating controls

It's estimated these measures will save £0.5m recurrently from our revenue budget from April 2012 onwards.

In addition, the organisation has been accepted into the second tranche of the NHS Carbon Energy Fund Framework, providing new opportunities to partner with private sector providers of energy efficient schemes. In turn, this offers guaranteed revenue savings over the concessionary period; these savings are expected to require around £3m capital investment over the next 18 months, with savings recurring over 10-15 years.

### 3. Our Performance - Continued



Additional activities aimed at developing more sustainable, environmentally friendly working practices in 2011/12 included:

- The development of a targeted internal environmental awareness campaign, highlighting energy efficiency and recycling in 2011. This is currently being refreshed for re-launch in 2012.
- Engaging stakeholders on the Clatterbridge and Arrowe Park sites around environmental issues. This included continued membership of the Wirral Climate Change Group.
- Investigation work to improve waste management processes, particularly new technologies for the disposal of waste.
- Discussions with Liverpool commissioners around the potential to strengthen relationships, create collaborative opportunities and share joint learning.

Improving data gathering around procurement and transport have been identified as priorities for the coming year. This will enable us to better understand the environmental impact of these activities and inform the implementation plan around the reduction of carbon emissions.

### 3. Our Performance - Continued



Area		Non-financial data (applicable metric)	Non-financial data (applicable metric)	Financial data (£000)	Financial data (£000)
		2010/11	2011/12	2010/11	2011/12
Waste minimisation and management (types of waste produced and methods of disposal)	Absolute values for total amount of waste produced by the Trust				
	Methods of disposal (optional)				
	Clinical waste (incineration)	93.77 tons	110.59	68,711	73,168
	Clinical waste (heat disinfection)	81.76 tons	63.45	33,349	25,101
	Offensive waste (landfill)	500.45 tons	502.77	67,121	62,681
	Domestic waste (landfill)	633.21 tons	729.85	74,360	64,872
	Recovery/recycling	531.19 tons	506.18	30,896	38,853
<b>TOTAL</b>		<b>1840.38 tons</b>	<b>1,912.84 tons</b>	<b>274,437</b>	<b>£246,675</b>

### 3. Our Performance - Continued

Area		Non-financial data (applicable metric)	Non-financial data (applicable metric)	Financial data (£000)	Financial data (£000)
		2010/11	2011/12	2010/11	2011/12
Finite resources	Water	191,992m3	207,573m3	255,349	276,072
	Electricity	24,382,986 Kwh	23,956,520 Kwh	2,038,317	2,310,866
	Gas	51,067,636 Kwh	48,557,480 Kwh	1,406,440	1,530,955
	Other energy consumption				

*Over £0.5m  
invested in energy-  
saving initiatives*

*£11.4m investment to  
improve Clatterbridge  
& Arrowe Park sites*

### 3. Our Performance - Continued

#### Providing excellent Trust systems

##### Wirral Excellence in Healthcare System

The Wirral Excellence in Healthcare System (WEHS) has continued to identify and eliminate waste and inefficiency in many of the processes that are part of the healthcare experience. This is making it possible for our staff to deliver the highest quality and safest patient care.

A series of events, called Rapid Process Improvement Workshops, have taken place for staff to lead the development of ideas to make improvements and make real change. For instance, this has helped us to improve discharge planning and management and help remove delays on the patient journey.

#### Harnessing new technologies

As a forward-looking organisation, we've introduced a number of new technologies this year to improve our internal systems and add value to the overall patient experience. This includes:

- **Millennium Information System**

We've continued to work closely with our partners Cerner to develop a comprehensive clinical information technology system across the Trust. Good progress has been made on the replacement of our current system and the Wirral Millennium system has provided some greatly enhanced functionality.

During 2011/12, the Millennium system has been implemented in a number of departments: accident and emergency, outpatients, theatres and digital imaging. In A&E, for instance, it provides live information on every patient including a visual update of where they are on their 'patient journey'.

This has been used to ensure people stay in the department for the minimum time necessary before they're discharged or transferred to an inpatient ward.

A crucial aspect of the initiative has been the close involvement of clinicians to help shape the design of the system. The Clinical Advisory Group (CAG) and the Excellence in Healthcare IT (EHIT) groups have been established to create effective two way communication mechanisms. We have also facilitated peer-to-peer training to help clinicians get the best out of the system and tailor it for their own specialist area.

To date, the Millennium project has helped speed up the referral process and ensure a much better flow of information between staff and specialisms, thus providing a more consistent level of care. In the year ahead, we're looking to roll out the system into wards, medicines management, maternity and pathology.



### 3. Our Performance - Continued

*161 appointments  
saved through text  
messaging*

- **Kiosks**

We piloted the use of kiosks for patients to check themselves into appointments in dermatology at Clatterbridge and maxillofacial surgery at Arrowe Park. This has not only eliminated queuing but has put patients firmly in control of their appointment process.

From an organisational point of view, the kiosks have created a more joined up process. Clinicians know who's checked in and who's waiting, and can plan timings more effectively, while frontline staff have had more time to devote their expertise to other tasks. Using less paper has also had clear benefits in terms of reducing the Trust's carbon footprint and contributing to more environmentally friendly, sustainable working practices.

With more than 70% of appointments checked-in using the kiosks during the pilot period, there is a strong case for extending their use to other outpatient clinics.

- **Text messaging**

We piloted the use of text messaging to remind people about their hospital appointments from November 2011, in four key specialities: diabetes, ENT (ear, nose and throat), dermatology and gastro. The texts also asked people to confirm whether they would be attending.

There was a 3% drop in the number of patients failing to attend appointments in January 2012 and a 2.7% drop the following month. This meant a total of 161 appointments were also used that otherwise would have been wasted. In the coming year, we plan to build on this success by extending the trial of text messaging elsewhere in the Trust.

- **Voice recognition typing**

To improve 'patient flow', we have been investigating the use of voice recognition typing for patient letters. Rather than sending letters to a typing pool, this would allow staff to use latest technologies to provide confirmation of next steps and automatically send out documentation to patients. We will be looking to pilot this time-saving technology over the next 12 months.

*70% of  
appointments  
checked-in using  
kiosks*

### 3. Our Performance - Continued

#### Deliver strong financial performance

##### Headline performance

The 2011/12 financial year has been another challenging one and is indicative of the difficult financial environment the Trust will face in the coming years.

The Trust maintained its underlying financially stable position, based on delivering against its contracts in terms both of activity and quality. It dealt with the challenge of delivering a CIP in excess of £13m on a recurring and in year basis, required mainly to meet the pressures caused by inflation costs and decreases in commissioner funding. In addition, the Trust met in-year financial challenges relating to improving quality and safety and service provision.

The Accounts show a year-end surplus of £2.3m which is 0.8% of turnover. The Trust's 2011/12 Financial Plan was for a surplus of £0.5m but if the technical non-cash impact of estate impairments is excluded, the Trust's operating position was marginally ahead of plan.

In 2011/12 the Trust made capital investments of £9.0m on buildings, software and equipment to maintain and improve the infrastructure of the organisation and facilitate and improve patient care. This sound financial performance generated a provisional Monitor score of 'three' in accordance with the planned risk score under the NHS Foundation Trust Compliance Framework assessment.

Overall, therefore, the results represent a very satisfactory position with continued financial stability for the Trust alongside its service achievements.

The accounts cover the period 1st April, 2011 to 31st March, 2012.

### 3. Our Performance - Continued

#### Monitor Ratings (including regulatory ratings)

##### Regulatory ratings report

On Monitor's Financial Risk Rating of one to five, where one represents very high risk and five very low risk, the Trust planned and achieved a risk rating of three. The Trust was at all times compliant with its Prudential Borrowing Limit and its private patient income was well within the level specified in the statutory cap.

A summary of the Trust's annual and quarterly performance against the regulatory ratings for financial risk, governance risk and mandatory services is given in the table opposite:

	Annual Plan 2011/12	Quarter 1 actuals 2011/12	Quarter 2 actuals 2011/12	Quarter 3 actuals 2011/12	Quarter 4 actuals 2011/12
Financial risk rating	3	3	3	3	3
Governance risk rating	Amber Green	Amber Green	Amber Red	Red	Red
Mandatory services	Green	Green	Green	Green	Green

#### Key:

##### Financial risk rating:

1. Highest risk – high probability of significant breach of authorisation in short term, e.g. less than 12 months, unless remedial action is taken.
2. Risk of significant breach in medium term, e.g. 12 to 18 months, in absence of remedial action.
3. Regulatory concerns in one or more components; significant breach unlikely.
4. No regulatory concerns.
5. Lowest risk – no regulatory concerns.

##### Governance risk rating:

#### Red:

Likely or actual significant breach of terms of authorisation.

#### Amber/red:

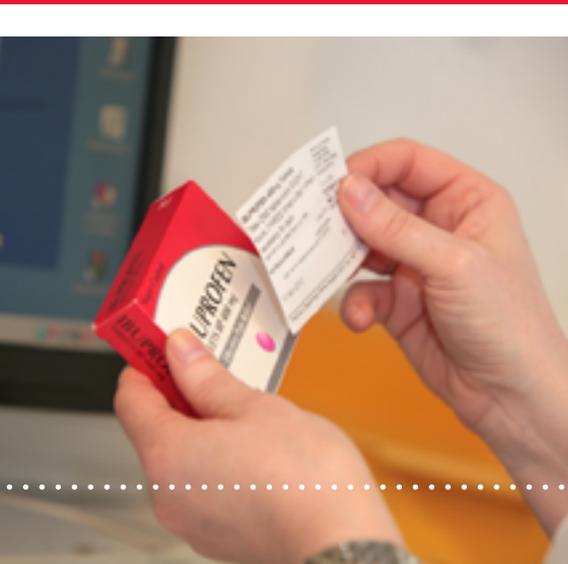
Material concerns surrounding terms of authorisation.

#### Amber/green:

Limited concerns surrounding terms of authorisation.

#### Green:

No material concerns.



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### 3. Our Performance - Continued

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#### **Financial risk**

This remained as planned throughout the year. A more detailed series of metrics is used to assess financial risk, shown on page 63.

#### **Governance risk**

In the Annual Plan for 2011/12, the Trust declared a Governance risk on the achievement of the Referral to Treatment standards for admitted patients. A recovery plan requiring substantial additional elective activity was in place and implemented through the year, however due to the scale of the increased activity it took until February 2012 for the standard to be achieved. As a result of failing the same indicator for 3 successive quarters, the Trust was rated as Red for Governance for the last two quarters of the year. All other targets and indicators were achieved in each quarter of the year.

#### **Mandatory services**

Mandatory services continued to be provided in line with the terms of the Trust's authorisation.

#### **Financial Performance**

The Trust signed its main Commissioner contract on time allowing for the new Acute Services contract to start on 01 April 2011. The contract was with Wirral Primary Care Trust (NHS Wirral); however this also included 9 other Associate PCT's, including North West Specialised Commissioning, for the renal services element.

The 2011/12 contracts covered all key elements of the Department of Health Standard Acute Contract including all finance and activity requirements, specific 'Quality' requirements, the 'Nationally Specified Events' key performance indicators (KPI's) and Commissioning for Quality and Innovation (CQUIN) schemes.

As per the contractual requirements, regular performance monitoring information was provided to the PCT in terms of financial performance, performance against KPI's and Quality requirements. The Trust also participated in the regular monthly performance management meetings, which allowed for more in depth debate about quality and performance issues.

The Trust has historically had a good relationship with the local PCT and has a history of successful contract arrangements which ensured a high standard of service for local residents. The introduction, in shadow form, of the newly established Clinical Commissioning Groups on Wirral in the last year has not changed this and has in fact allowed for stronger clinical debate on key contractual issues; further improving the contract outcomes for both parties.

### 3. Our Performance - Continued

#### Statement of comprehensive income

Clinical income from NHS sources comprised 88% of total income and was largely generated by Payment by Results (PbR) for activity undertaken on the basis of agreed contracts. Total Operating Income was £283.8m.

**Fig 1:** Operational expenditure to deliver this level of income and service, including performance against targets covered in this report, totalled £268.7m (excluding depreciation, PDC payable etc)

**Fig 2:** This gave an operational surplus (EBITDA) of £15.1m (5.3% turnover), £0.3m more than the planned figure of £14.8m.

**Fig 1: Operating Income by Source**



**Fig 2: Operating Expenditure**



### 3. Our Performance - Continued

#### Post EBITDA items

This £12.8m net expenditure (including impairment of assets and losses on disposal of fixed assets of £1.0m) compared to a plan of £14.1m. The difference is largely due to impairing fewer buildings under the Site Strategy than originally planned.

#### Summary

The overall income and expenditure position was a surplus of £2.3m.

For the assessment of normalised earnings, impairment of assets and losses on disposals of assets were added back, giving a surplus of £3.3m.

#### Capital expenditure

The Trust used internally generated resource, resource generated by its surplus and resource brought forward from the previous year, to invest in its capital programme in 2011/12.

Actual spend against this programme was £9.0m. The key schemes are outlined in the following table.

Scheme	£m
Cerner Project to replace information system; total contract value £12.25 m (at 2008/09 prices) over 10 years	2.0
Microbiology Facility at Bromborough	0.9
Site strategy – 5 year project	0.7
Mammography equipment	0.5
Automated Pathology Laboratory	0.4

#### Cash/working capital facility/liquidity

The Trust had a cash balance of £26.2m at the year end. The balance was higher than planned principally owing to earmarked cash relating to slippage on the capital programme and higher creditor balances.

Including the working capital facility (£18m overdraft facility), which was not used during the year, the liquidity ratio for the Trust at the year end was good and assessed at minimal risk under the Monitor compliance regime.

#### Statement of financial position

The key changes for 2011/12 were:

- revaluation of the Trust's land and buildings, as at 1st April 2011;
- increase in creditors owing to the timing of charges due;
- small increase in debtors owing to the timing of monies receivable.

### 3. Our Performance - Continued

#### Risk ratio financial risk metrics

Under Monitor's compliance regime, a series of metrics is used to assess financial risk. These are based on the Annual Plan for the year.

The Trust's performance against these metrics is outlined in the following table.

	2011/12 Plan	2011/12* Provisional rating
Achievement of operational planned EBITDA	5	5
Underlying performance EBITDA margin compared to turnover	3	3
Financial efficiency - Return on assets - Income and expenditure surplus margin	3	3
Liquidity	3	3
Weighted average	3.2	3.2
Overall financial risk rating (rounded)	3	3

\*1 = very high risk 5 = minimal risk

#### Pension Liability

In 2011/12, there were 7 (2010/11:8) early retirements from the Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £284,319 (2010/11: £735,195). The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.



### 3. Our Performance - Continued

#### Other performance indicators

- **Management costs**  
As defined for the accounts, these were 3.3% for the period (3.2% in 2010/11).
- **Annual Governance Statement / Internal Audit Opinion**  
The Annual Governance Statement on Internal Control is included as part of the Annual Accounts. This sets out the assurance process to the organisation and the Internal Audit Opinion provides 'significant' assurance to the overall process.
- **Private Patient Cap**  
Section 44 of the National Health Service Act 2006 requires that the proportion of private patient income to the total patient related income of FTs should not exceed its proportion while the body was an NHS trust in 2002/03 (the Private Patient Cap). The Trust performance was within this cap and the details are shown in Note 2.3 of the Accounts.

#### - **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.

#### **2011/12 Summary and Forward Look**

Overall, the Trust's 2011/12 financial results are satisfactory, particularly set alongside the service improvements achieved, the challenges faced during the year and the challenging financial environment. However, it is clear that the Trust, along with the rest of the NHS, faces an immensely difficult future as demands on services continue to grow but with no real terms funding growth in the NHS for the next four years.

Further major efficiency targets are therefore inevitable as in addition to national tariff reductions commissioners will seek to deliver significant savings through reduced use of hospital services and national contracts/business rules become ever more challenging for providers.

The following is a summary of financial issues that have been factored into the Trust's plans in order that financial stability is maintained. The Financial Plan for 2012/13 took into account:

- agreed contracts with commissioners, signed on time
- need to deliver national efficiencies to meet the cost of inflation and reductions in the national tariff;
- assessment of financial risks faced in the coming year;
- agreement of budgets within the organisation that, while tight, are realistic in terms of delivering planned activity.

### 3. Our Performance - Continued

The key objective is to provide the highest possible quality healthcare within the resources available. Necessary efficiencies need to be made so that there is no detrimental effect on the quality of frontline services. One of the key financial challenges the Trust faces is to deliver a £14m CIP in-year in both recurring and cash releasing terms. On the basis of delivering these savings, a surplus of £2.8m is planned.

There has been no improvement in the national economic situation and it continues to place constraints on the public sector with a freeze in funding for frontline services and the nationally set efficiency requirements. This will mean constrained resource against a background of higher expectations of the quality of service to be delivered. As part of meeting this challenge, the Trust will work with the incumbent Clinical Commissioning Groups and other commissioners on their strategic plans for the future. These, together with the impact of the following key factors, have been taken into account in the Trust's planning process:

- demographic change, in particular the impact of an ageing population, on the demand for healthcare
- greater patient choice, where the Trust's intention is to make services as attractive as possible
- quality and safety improvements
- focus within the health service on a more preventative approach, and for more patients to be treated closer to home or in a community setting.
- development of specialist services
- standards driven by DoH policy, the CQC, Monitor, NICE etc

Recognising this position, the Trust's longer term plans are based on realistic assumptions regarding resource. The implication is that, as a minimum, efficiency measures will need to generate up to £14m per annum for the remainder of this plan.

In recognising the scale of the challenges it faces during 2012/13 and beyond the Trust has employed McKinsey &

Company to conduct a strategic review of its governance procedure, a diagnostic review of its performance and a health review of the organisation.

#### Summary

The dual challenges of the economic climate in the public sector and transition under NHS reforms over the next couple of years are recognised and factored into the Trust's longer term strategic plans. These are built on the need to make efficient and effective use of resources to deliver on contracts and targets and respond appropriately to the changes in the commissioning environment. The Trust remains committed to delivering high quality services and to achieving real efficiency savings to address the future financial pressures and to protect our services.

It is absolutely critical to the long term viability of the Trust that a strong financial position is maintained. However, the likely size of the potential efficiency requirement means that there can be little doubt about the size of the financial challenges ahead.

### 3. Our Performance - Continued

#### Contributions for political or charitable purposes

The Trust did not make any political or charitable donations during the year.

#### 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](http://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.

#### 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. Liquidity is managed via short to medium term deposits in the money market with 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.

#### Post balance sheet event

There have been no post balance sheet events.

#### Auditors

External Audit – following a competitive tender, the Trust replaced its external auditors, the Audit Commission, with KPMG on 1st December 2010.



**Vicky Williams**  
Ward Manager

**Les Porter**  
WEHS Improvement Leader  
**Alison Quinn**  
WEHS Improvement Leader

## 4. Directors' Report

### Assembly of Governors

We apply the main and supporting principles of the NHS Foundation Trust Code of Governance (April 2010), published by Monitor Independent Regulator of NHS Foundation Trusts.

Our relationship with our governors, and through them with our members, is constructive and useful. It provides valuable public accountability for all the work we do.

Our Board of Directors interact with the Assembly of Governors to ensure it understands their views and those of their members.

The Lead Governor attends the Board of Directors meetings and gives an update on the activities of the Assembly of Governors and its sub-committees, while the members of the Board of Directors attend Assembly of Governors' meetings and update the Assembly on key activities within the Trust.

The lead governor and chairs of the Assembly of Governors' sub-committees are invited to attend the Board of Directors Strategic sessions. The sub-committees are attended by Executive Directors, or their representative, together with a Non-Executive Director.

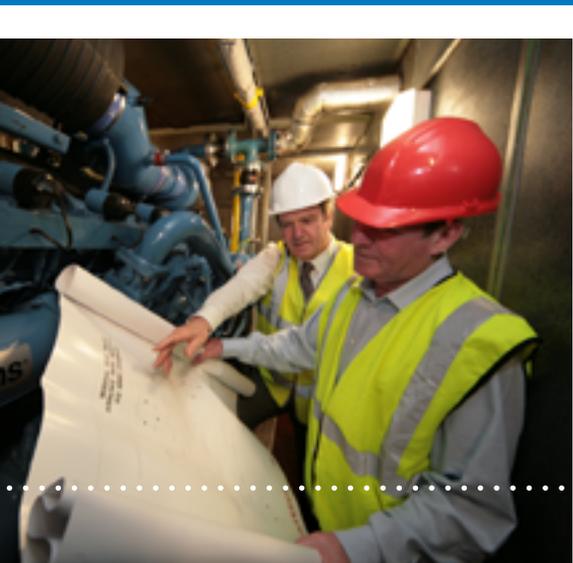
### Composition of the Assembly

According to the Constitution, governors' terms of office start and end after the close of the Annual Members' Meeting. In 2011, this was on 14 September.

**To review the register of interests of the Assembly of Governors, please contact:**

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

**Telephone: 0800 0121 356  
or email: [foundation@whnt.nhs.uk](mailto:foundation@whnt.nhs.uk)**



## 4. Directors' Report - Continued

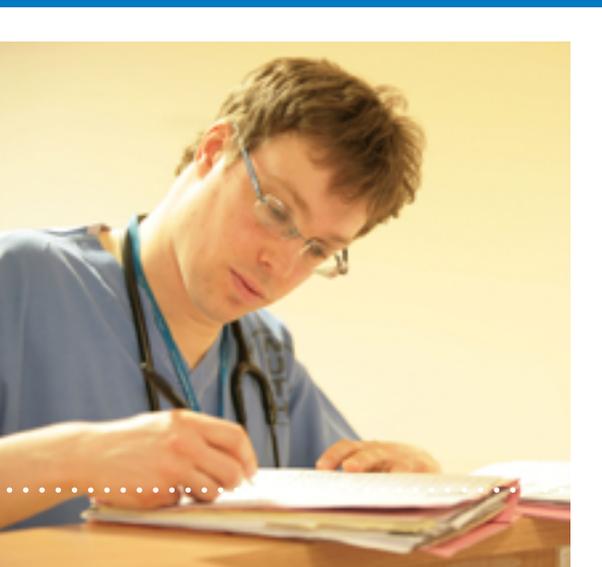
### Governors serving during 2011/12

Governor	Constituency	Appointment date for the purpose of length of service	Term of office	Election turnout in 2011/12	Meeting attendance Actual/Possible April 2011 - March 2012
<b>PUBLIC GOVERNORS</b>					
Richard Agar	Greasby, Frankby, Irby and Upton	September 2007 September 2009	2 years Re-elected for 3 years	N/A	4/4
Brian Cummings*	Bebington and Clatterbridge	September 2007 September 2009	2 years Re-elected for 3 years	N/A	4/4
Katarzyna Miturska	Birkenhead	February 2012	Balance of 3 years to September 2014	Unopposed	0/1
Evelyn Hurren	Rock Ferry	September 2007 September 2010	3 years Re-elected for 3 years	N/A Unopposed	3/4
Robert Howell	West Wirral	September 2008 September 2011	3 years Re-elected for 3 years	N/A 23.9%	3/4
Bernie Howden	Seacombe	September 2007 September 2010	3 years Re-elected for 3 years	N/A Unopposed	2/4

## 4. Directors' Report - Continued

### Governors serving during 2011/12

Governor	Constituency	Appointment date for the purpose of length of service	Term of office	Election turnout in 2011/12	Meeting attendance Actual/Possible April 2011 - March 2012
<b>PUBLIC GOVERNORS</b>					
Joyce Jackson	Cloughton	September 2008	3 years	N/A	2/2
Sue Hill	Cloughton	September 2011	3 years	23%	2/2
John Karran	Neston, Little Neston, Parkgate and Riverside	September 2011	3 years	31.8%	1/2
Hazel Kelly	Leasowe, Moreton and Saughall Massie	September 2007 September 2010	3 years Re-elected for 3 years	N/A Unopposed	0/4
Hugh Langford	Tranmere	September 2007 September 2008	1 year Re-elected for 3 years	N/A	1/2
Jean McIntosh	Bidston	December 2008 September 2011	Balance of 3 years to September 2011 Re-elected for 3 years	N/A 14.2%	1/4



## 4. Directors' Report - Continued

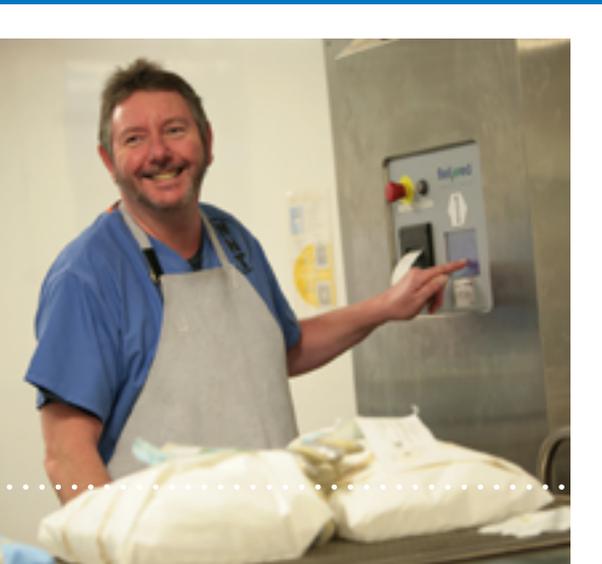
### Governors serving during 2011/12

Governor	Constituency	Appointment date for the purpose of length of service	Term of office	Election turnout in 2011/12	Meeting attendance Actual/Possible April 2011 - March 2012
<b>PUBLIC GOVERNORS</b>					
Graham Scott	Ellesmere Port and Neston	December 2008	Balance of 3 years to September 2011	N/A	0/2
Helena Eaton	Ellesmere Port and Neston	September 2011	3 years	Unopposed	1/2
Donald Shaw	Oxton and Prenton	September 2007 September 2009	2 years Re-elected for 3 years	N/A	4/4
Wendy Sheen	Liscard	September 2007 September 2008	1 year Re-elected for 3 years	N/A	2/2
Jane Langsdale	Liscard	September 2011	3 years	Unopposed	2/2
Gwen Springall	Woodchurch	September 2007 September 2010	3 years Re-elected for 3 years	N/A 46.2%	1/4
David Steele	Heswall, Pensby and Thingwall	September 2007 September 2009	2 years Re-elected for 3 years	N/A	4/4

## 4. Directors' Report - Continued

### Governors serving during 2011/12

Governor	Constituency	Appointment date for the purpose of length of service	Term of office	Election turnout in 2011/12	Meeting attendance Actual/Possible April 2011 - March 2012
<b>PUBLIC GOVERNORS</b>					
Paula Williams	Burton, Ness, Willaston and Thornton	December 2007 September 2010	Balance of 3 years to September 2010 Re-elected for 3 years	N/A 10%	2/4
Sheila Williams	Bromborough and Eastham	December 2007 September 2008	Balance of 1 year Re-elected for 3 years	N/A	2/2
Ian Ferguson	Bromborough and Eastham	September 2011	3 years	Unopposed	1/2
Milly Wright	New Brighton and Wallasey	February 2008 September 2008	Balance of 1 year Re-elected for 3 years	N/A	2/2
Barbara Kerr	New Brighton and Wallasey	September 2011	3 years	23.9%	2/2



\* Brian Cummings was re-elected Vice Chair/Lead Governor for a further period of one year from 15th April, 2010. This period of office was extended by the Assembly of Governors for a further period of one year. Mr Cummings term of office as Vice Chair/ Lead Governor will terminate on 14th April 2012.

## 4. Directors' Report - Continued

### Governors serving during 2011/12

Governor	Constituency	Appointment date for the purpose of length of service	Term of office	Election turnout in 2011/12	Meeting attendance Actual/Possible April 2011 - March 2012
<b>STAFF GOVERNORS</b>					
Justine Brislen	Nurses and midwives, Arrowe Park	September 2010	3 years	Unopposed	1/4
Karen Hughes	Nurses and midwives, Clatterbridge and other sites	September 2009 September 2011	Balance of 3 years to September 2011 Re-elected for 3 years	N/A	4/4
Paul Smyth	Other Trust Staff	September 2010	3 years	14%	4/4
Richard Stephenson	Medical and dental	September 2007 September 2009	2 years Re-elected for 3 years	N/A	4/4
Neil Wright	Other healthcare professionals	February 2009 September 2009	Balance of 2 years to September 2009 Re-elected for 3 years	N/A	4/4

## 4. Directors' Report - Continued

### Governors serving during 2011/12

Governor	Constituency	Appointment date for the purpose of length of service	Term of office	Election turnout in 2011/12	Meeting attendance Actual/ Possible April 2011 - March 2012
<b>STAKEHOLDER GOVERNORS</b>					
Phil Baldwin	Trade unions	September 2007 September 2010	3 years Re-appointed for 3 years	N/A	4/4
Kenneth Davies	Wirral Chamber of Commerce	September 2007 September 2010	3 years Re-appointed for 3 years		0/4
Jeff Green	Wirral Metropolitan Borough Council	November 2008 September 2010	Balance of 3 years to September 2010 Re-appointed for 3 years		1/4
Ed Davison	NHS Western Cheshire	May 2011	Balance of 3 years to September 2013		1/4
Mandy Yates	Third Sector Assembly	September 2010	3 years		0/2
Mandy Duncan	Third Sector Assembly	January 2012	Balance of 3 years to September 2013		0/1
Helen Corteen	Third Sector Assembly	October 2011	Balance of 3 years to September 2014		1/2
Martin McEwan	NHS Wirral	February 2009 September 2010	Balance of 3 years to September 2010 Re-appointed for 3 years		3/4
Irene Williams	Wirral Metropolitan Borough Council	October 2010	Balance of 3 years to September 2013		2/4



## 4. Directors' Report - Continued

### Governors serving during 2011/12

Governor	Constituency	Appointment date for the purpose of length of service	Term of office	Election turnout in 2011/12	Meeting attendance Actual/ Possible April 2011 - March 2012
<b>STAKEHOLDER GOVERNORS</b>					
Dave Mitchell	Wirral Metropolitan Borough Council	June 2011	Balance of 3 years to September 2013		3/4
Norman Robinson	Trade unions	September 2007 September 2010	3 years Re-appointed for 3 years		0/4
Vacant	University of Liverpool				N/A
Phil Davies	NHS Wirral	January 2011	Balance of 3 years to September 2013		0/4
Vacant	Western Cheshire and Cheshire Council				N/A

## 4. Directors' Report - Continued

### Directors' attendance at Assembly of Governors' meetings 2011-12

Director	Meeting Actual/ Possible April 2011 – March 2012 attendance
<b>Non-Executive Directors</b>	
Michael Carr - Chairman	4/4
Anne Parker	4/4
Richard Dutton	1/4
Jeff Kozer	3/4
Lyn Meadows	3/4
Jean Quinn	3/4
Nick Williams	2/4
Alan Wilson	1/1
Cathy Bond	2/3
<b>Executive Directors</b>	
Len Richards - CEO	1/1
Gary Doherty - COO	1/1
Gary Doherty – Acting CEO	3/3
John Foster	1/1
Russell Favager	4/4
Sue Green	4/4
Tina Long	0/4
Luke Readman	3/4
David Rowlands	4/4



## 4. Directors' Report - Continued

### Work of our Assembly

Meetings of the Assembly of Governors are open to the public and advertised on our website. They are conducted according to a planned cycle of business, which involves the Board of Directors regularly updating the Assembly on the organisation's performance and consulting on the future development of the Trust and Assembly.

The Assembly has three sub-committees, each with approved terms of reference and chaired by a governor.

### Strategy and Development Sub-Committee

This sub-committee met regularly with the Director of HR & Strategic Planning to discuss and review performance against strategy and to consider governor and community priorities for the Trust's development.

### Patient Experience Sub-Committee

Chaired by a public governor and attended by the Director of Nursing & Midwifery, this sub-committee regularly reviewed reports and data relating to patient experience and the quality of care provided at the Trust. In doing this, it considered a wide range of quality indicators including nursing audits, to assist in identifying core themes for focus such as assistance at mealtimes and overall patient dignity. The committee also had the opportunity to feed back specific issues from members of the public for the Trust to consider.

### Membership and Communications Sub-Committee

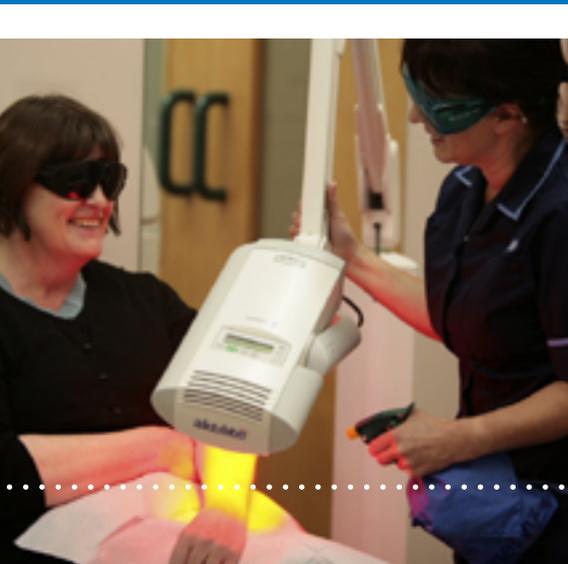
This sub-committee worked with our Membership Manager to shape communications between the Trust and its members. Committee members attended events across Wirral to engage with seldom heard and special interest groups in order to promote the benefits

of membership and disseminate and collate feedback about the Trust's services. The committee actively recruited members using a variety of methods and provided other governors with best practice advice and guidance.

We maintain a register of governors' interests, which is available for public inspection during office hours in the membership office at Arrowe Park Hospital. During the period covered by this report, no governor declared any material conflict of interest.

The Assembly of Governors and the Board of Directors have a clear understanding of the roles and responsibilities of each party in accordance with the constitution.

The Board of Directors' role is to manage the business of the Trust. The roles and responsibilities of the Assembly of Governors fall into three broad categories:



## 4. Directors' Report - Continued

### 1. Statutory powers (points of control)

- Appoint and, if appropriate, remove the Chairman and Non-Executive Directors
- Set the remuneration and terms of office of the Non-Executive Directors and Chairman
- Approve the appointment of the Chief Executive
- Appoint and, if appropriate, remove the external auditor on the basis of the Audit Committee's recommendation
- Provide views to the Board of Directors in the preparation of the Trust's Annual Plan
- Be presented with the Annual Report and Accounts and any external auditor's report.

### 2. Consultation and engagement

- Consult on the forward plans being made by the Board or Directors
- Receive the Board of Directors plans and reflect back the views of staff, public members and stakeholders
- Review the Membership Strategy.

### 3. Performance

- Ensure that the Trust is acting within its terms of authorisation
- Ensure that the Board of Directors strive for improvement.

Members of the Board of Directors regularly met with governors at formal Assembly meetings, away days and other occasions, enabling frequent access for governors to Board of Directors', particularly the Chairman, Senior Independent Director and other Non-Executive Directors.

This enabled the development of a close working relationship and allowed governors to represent the views of their constituencies to the Board of Directors.

### 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 our Chairman and Deputy Chairman, as and when the terms of office provided for appointment or re-appointment by open competition. The Committee, which met five times during the year, made recommendations to the Assembly of Governors for appointment.

## 4. Directors' Report - Continued

### Nominations Committee Membership & Attendance 2011/12

Name	Role	Meetings attended (maximum 5 and % attendance)
Michael Carr	Trust Chair	5/5 (100%)
Richard Agar	Elected Public Governor (until Dec 2011)	3/3 (100%)
Jane Langsdale	Elected Public Governor (from Jan 2012)	2/2 (100%)
Bernie Howden	Elected Public Governor	3/5 (60%)
Paula Williams	Elected Public Governor	3/5 (60%)
Richard Stephenson	Elected Staff Governor	4/5 (80%)
Bob Moon	Nominated Stakeholder Governor (until May 2011)	1/1 (100%)
Dave Mitchell	Nominated Stakeholder Governor (from November 2011)	3/3 (100%)



## 4. Directors' Report - Continued

In May 2011 the appointment process for a new Non-Executive Director to replace Mr Alan Wilson was completed, with the recommendation that Ms Cathy Bond be appointed for three years from 1st July 2011. The performance and development review summaries for the Non-Executive Directors and the Chairman were also received and discussed at this time.

A further recruitment process was undertaken in early 2012 to appoint a new Non-Executive Director to replace Mrs Anne Parker whose term of office expires on 31st May 2012. Following the Selection Panel held in February 2012, the Committee agreed that an appointment could not be recommended and that a further search process be undertaken.

The re-appointment of Mr Jeffrey Kozer for a further three years from 1st July 2012 and the endorsement of Mr Richard Dutton to the role of Deputy Chair/Senior Independent Director from 1st June 2012 for one year were also recommended by the Committee in February 2012.



## 4. Directors' Report - Continued

### Membership

Our membership is an essential and valuable asset, helping to guide our work, decision-making and adherence to NHS values. It holds the organisation accountable and is one of the vehicles through which we communicate with the public and staff, which are our two main membership constituencies.

All members of staff are eligible to become members of the Trust if they work to a contract of at least 12 months' duration. Although staff automatically become members, they may opt out, very few have chosen to do so. Staff join one of five sub-constituencies, which are linked to different fields of work.

All members of the public living within Wirral, Ellesmere Port and Neston are eligible to become members from the age of 11 and to stand as governors from the age of 16. Public governors are elected to one of 19 sub-constituencies, which are related to postcode.

We do not have a separate constituency for patients who are included within the public constituency.

Membership figures for the start and end of the period under review are shown below. We have approximately 8,700 public members, which is slightly more than 2% of the served population. We plan to maintain membership at slightly above this level during the year ahead, and will need to take account of the natural fluctuations in membership as members leave and more need to be recruited. When tailoring services to meet the needs of an ever changing community, we believe that engaging with a membership set at this level enables us to hear their voices more readily than in a larger, less well engaged body of members.

During the year, we continued to maintain and improve our engagement with our members. Eleven elections for governors were held in 2011/12, ten of which were for public constituencies and one for staff constituency. Election turnout ranged between 14.2 % and 31.8 %.

All elections to the Assembly of Governors are held according to the election rules stated in the constitution.

By the end of the year, public membership accurately reflected the age, ethnic and socio-economic profiles of our served population. However, we recognise the need for, and benefits of, further improving the representation among its public membership of seldom heard groups, such as young people and males.

Members receive regular mailings and are invited to events such as the Annual Members' meeting and the Assembly of Governors' meetings. Our Annual Members' Meeting, held in September 2011, 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 Assembly of Governors.

We are interested in hearing members' views, so please get in touch with Governors or Directors via the Membership Office at Arrowe Park Hospital.

## 4. Directors' Report - Continued

### Membership of public and staff constituencies

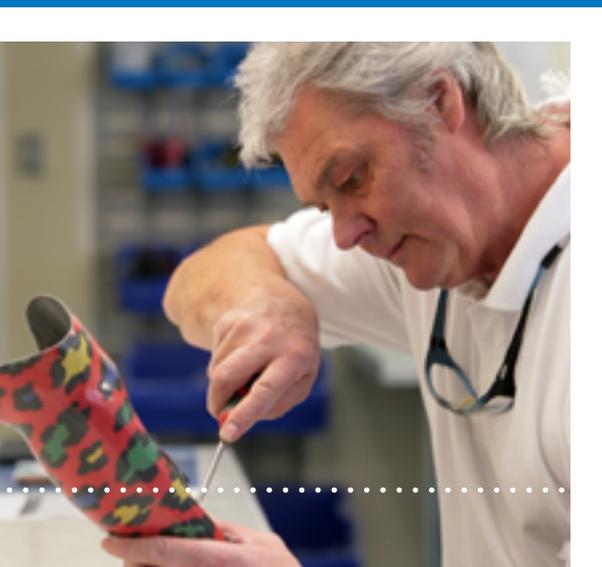
Membership size and movements		
Public constituency	2010/11	2011/12
At year start (1st April)	8,343	8,450
New members	369	523
Members leaving	247	237
At year end (31st March)	8,465	8,736

Staff constituency	2010/11	2011/12
At year start (1st April 2010)	5,675	5,487
New members	350	532
Members leaving	621	462
At year end (31st March 2011)	5,404	5,557

<b>Patient constituency</b>	<b>There is no patient constituency</b>	
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## 4. Directors' Report - Continued

Analysis of membership 2011/12				
Public constituency	Number of members	%	Eligible membership	%
<b>Age (years)</b>			2011 figures collated by CACI Ltd, except for ethnicity, which is 2001 Census, ONS	
0 - 16	25	0.29	81,614	21.09
17 - 21	246	2.82	23,652	6.11
22+	7,393	84.63	281,639	72.79
Not stated	1,072	12.27	N/A	N/A
Total	8,736	100.00	386,905	100.0
<b>Ethnicity</b>				
White	8,354	95.63	382,194	98.37
Mixed	31	0.36	2,150	0.54
Asian or Asian British	56	0.64	1,600	0.4

## 4. Directors' Report - Continued

Analysis of membership 2011/12				
Public constituency	Number of members	%	Eligible membership	%
<b>Age (years)</b>			2011 figures collated by CACI Ltd, except for ethnicity, which is 2001 Census, ONS	
Black or black British	21	0.24	611	0.16
Other	33	0.38	1,988	0.51
Not stated	241	2.76	N/A	N/A

Socio-economic groupings*				
ABC 1	4,759	54.48	131,063	54.86
C2	1,639	18.76	51,381	21.51
D	1,788	20.47	41,655	17.44
E	550	6.30	14,801	6.20



## 4. Directors' Report - Continued

Analysis of membership 2011/12				
Public constituency	Number of members	%	Eligible membership	%
<b>Age (years)</b>			2011 figures collated by CACI Ltd, except for ethnicity, which is 2001 Census, ONS	
<b>Gender analysis</b>			<b>(2011 figures collated by CACI Ltd)</b>	
Male	3,205	36.69	183,291	47.99
Female	5,352	61.26	198,657	52.01
Unspecified	179	2.05	N/A	
<b>Patient constituency</b>	<b>There is no patient constituency</b>			

\*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 FTs will make a direct approach to members to collect this information.

'ABC' data is only available from 2001 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.

## 4. Directors' Report - Continued

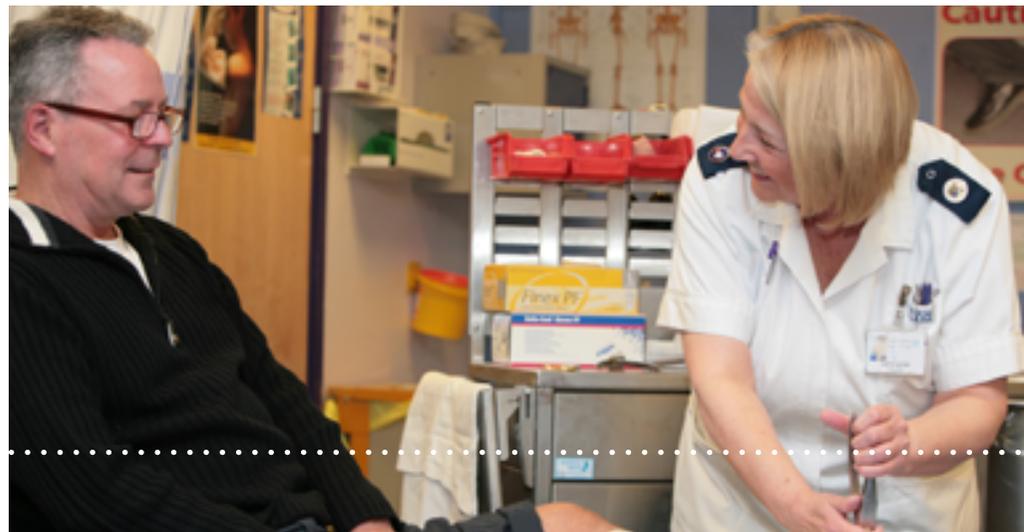
### Board of Directors

The Board of Directors comprises of the Chair and seven Non-Executive Directors, the Chief Executive and six Executive Directors.

Our Board of Directors operates according to the highest corporate governance standards. It is a unitary Board of Directors with collective responsibility for all aspects of the Trust's performance, including financial performance, clinical and service quality, management and governance. The Board of Directors is legally accountable for the services we provide and its key responsibilities include:

- Setting the organisation's strategic aims, taking into consideration the views of the Assembly of Governors, ensuring the necessary financial and human resources are in place for it to meet its objectives, and reviewing management performance.

- Collectively ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of clinical governance set out by the Department of Health, the Care Quality Commission and other relevant NHS bodies.
- Collectively adding value to the organisation by promoting its success through the direction and supervision of its affairs.
- Providing proactive leadership within a framework of prudent and effective controls which enable risk to be assessed and managed.
- Setting and maintaining the organisation's vision, values and standards of conduct, whilst ensuring its obligations to members, patients and other stakeholders including the local community and the Secretary of State are understood and met.



4. Directors' Report - Continued

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. 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 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.

**Richard Dutton, Non-Executive Director**



Richard has been a Non-Executive Director since July 2007, having been appointed to a second term of office in July 2010. He is currently Head of Commercial at Charities Trust, the

second largest Payroll Giving and Appeal management agency in the UK. Charities Trust supports the community engagement of over 1,000 UK companies and distributes donations to more than 40,000 UK charities. Richard is also Non-Executive Chairman of Wirral based communications specialist, Integrated Digital Services Ltd (IDS). Richard was previously Chief Executive of Livesmart, the smart media company behind the official 08 Card for Liverpool's European Capital of Culture programme, 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.

**Jeff Kozer, Non-Executive Director**



Jeff was appointed to the Board of Directors in July 2009 and brings a wealth of commercial expertise to his role. He 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. Four years ago, Jeff started his own consultancy, using his strategic skills to help start up and improve small and medium sized companies.

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## 4. Directors' Report - Continued

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### Non-Executive Directors

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#### **Lyn Meadows, Non-Executive Director**



Lyn was appointed in July 2008 for a three year term of office. She is currently Director of Human Resources at Bangor University, having been appointed in March 2008 to

facilitate cultural shift from within, and strategic change to, the roles of academics. Lyn has a Masters in Business Administration, a Law degree and is a Fellow of the Institute of Personnel and Development

#### **Anne Parker, Deputy Chair and Senior Non-Executive Director**



Anne has been a Non-Executive Director since 2005. She is a member of the Riverside English Churches Housing Group and the Quality Housing Services Certification Panel.

Anne previously chaired the National Care Standards Commission, Carers UK and the Audit Commission's Independent Complaints Panel. She was the first Independent Case Examiner for the Child Support Agency. Anne has a BA (Hons), a Diploma in Social Administration and is an Honorary Life Fellow of the National Institute for Social Work.

#### **Dr Jean Quinn, Non-Executive Director**



Jean was appointed Non-Executive Director in January 2011, having previously been a Stakeholder Governor. She is a former GP, university lecturer at the University

of Liverpool Medical School and local councillor with Wirral Borough Council, where she was the Cabinet Member for Streetscene and Transport and spokesperson for the Social Care and Health Overview and Scrutiny Committee. She qualified MBChB in 1970 at Liverpool Medical School and is a Fellow of the Royal College of General Practitioners.

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## 4. Directors' Report - Continued

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### Non-Executive Directors

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#### **Nick Williams, Non-Executive Director**



Nick has been a Non-Executive Director since July 2008, having been appointed to a second term of office in July 2010. He runs his own ski company, Mountain Heaven Ltd, and is a Director of NMW Consulting Ltd, which provides advice to large organisations with regard to working capital management and cost reduction. Prior to this, he was National Working Capital Director for BDO Stoy Hayward, and Senior Director/European Purchase to Pay Practice Leader for Hackett-REL.

#### **Cathy Bond, Non-Executive Director**



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

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## 4. Directors' Report - Continued

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### Executive Directors

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#### **Gary Doherty, Chief Operating Officer and Deputy Chief Executive (Acting Chief Executive August 2011 – March 2012)**



Gary Doherty became the Chief Operating Officer & Deputy Chief Executive in June 2009, having been appointed Director of Strategic Development for the Trust in September 2006. Prior to joining the Trust, Gary had been the Director of Planning and Performance at North Cheshire Hospitals NHS Trust. He is a graduate of the NHS Management Training Scheme, has a degree in politics and economics and has worked in the NHS for 20 years. Gary has held senior positions in both large and small hospitals, and has worked at regional level for the Department of Health.

He has experience in both operational and strategic positions, leading public consultations and developed business cases for major investment (both public and privately financed).



#### **Mr David Rowlands, MB, ChB, FRCOG, Medical Director**

David was appointed Medical Director in November 2010,

having been the Interim Medical Director from March 2010. Prior to his appointment to the Board of Directors, he was Clinical Head of Division for the Women and Children's Hospital at the Trust from December 2006, Clinical Director for Women's Services from 2001 to 2006 and Vice Chair of the Hospital Medical Board from 1999 - 2001. He joined the Trust as Consultant Obstetrician & Gynaecologist in 1996 with a sub-speciality interest in minimal access (key-hole) surgery (MAS).

He qualified at the University of Birmingham in 1985, gained his MRCOG in 1990, training in the Midlands and South West regions, which included working as a clinical lecturer in obstetrics and gynaecology at the University of Bristol.

David has developed gynaecology MAS, serving on the Council of the British Society of Gynaecological Endoscopists. The Trust is recognised nationally for the Advanced Laparoscopic Treatment of Endometriosis.

#### **Tina Long, Director of Nursing & Midwifery**



Tina has more than 30 years of experience in the NHS and has held a variety of different posts in acute trusts and community services. Before joining the Trust as Director of Nursing & Midwifery in September 2010, she

## 4. Directors' Report - Continued

### Executive Directors

was Director of Strategic Partnerships with the primary care trust, NHS Wirral, a role in which she worked closely with the local authority and voluntary sector organisations. This is an area of work Tina is keen to continue in her role in the hospital. She is passionate about patient care and is currently working with a range of staff to ensure that all patients who access services provided by the Trust have a positive experience.

#### **Russell Favager, Director of Finance**



Russell was appointed as Director of Finance in November 2010. He is a qualified accountant and has worked in the NHS for 17 years within both primary and secondary care and has also

worked in local government. Previously, he was Director of Finance for NHS Wirral where he also had responsibility for Information Management & Technology, Fraud, Procurement & Estates/Facilities functions.

Russell currently sits on various national groups including both the Department of Health and Audit Commission's External Advisory Groups for Payment by Results, the National Costing Group and is an assessor for the NHS General and Financial Management Training Scheme.

#### **Sue Green, Director of Human Resources & Organisational Development**



Sue was appointed as Director of Human Resources & Organisational Development in March 2008, having previously held the position of Deputy Director of Human Resources in the Trust. Sue has 20 years' experience in human resources, specialising during her earlier career in employment law, employee relations and workforce planning within the local authority and at the University of Liverpool. She is a graduate and a member of the Chartered Institute of Personnel and Development.

#### **Luke Readman, Director of Information**



Luke was appointed as an Executive Director in August 2011. As Director of Information, Luke is responsible for leading the implementation and strategic

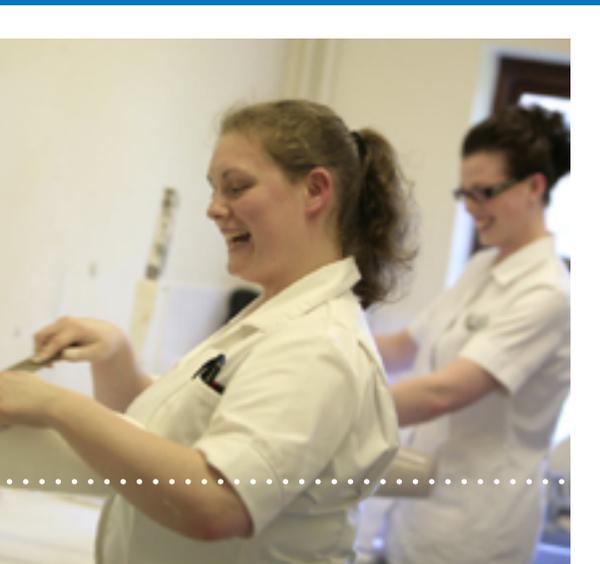
development of the Cerner Millennium system within the Trust. Previously, he held roles as Director of Informatics and Acting Executive Director of Planning at Central Manchester University Hospitals NHS Foundation Trust. As a qualified radiographer and with an MSc in Management, he has combined his clinical, managerial and executive experience to create a strong track record in the delivery of patient administrative and clinical systems.

## 4. Directors' Report - Continued

### Board of Directors meeting attendance

	Actual/Possible	Details of current appointment
<b>Non-Executive Directors</b>		
Michael Carr Chairman	8/8	Designate 1st July, 2008 to 30th November, 2008, Appointed 1st November, 2008, 31 months to 30th June, 2011. Appointed Chair 1st July 2010
Anne Parker Deputy Chair and Senior Independent Director	8/8	Appointed June 1st, 2005 and 20th April, 2009 for three years to 30th June, 2012
Richard Dutton	7/8	Appointed 1st July, 2007 for three years to 30th June, 2010. Reappointed for further three years to 30th June, 2013
Lyn Meadows	7/8	Appointed 1st July, 2008 for three years to 30th June, 2011 Re-appointed for three years to 30th June, 2014
Jean Quinn	8/8	Appointed 1st January, 2011 for three years to 31st December, 2014
Alan Wilson	3/3	Appointed 14th September, 2008 for 34 months to June 30, 2011
Nick Williams	8/8	Appointed 1st July, 2008 for two years to June 30, 2010 Re-appointed for three years to 30th June, 2013
Cathy Bond	4/5	Appointed 1st July, 2011 for three years to 30 June 2014
Jeff Kozar	7/8	Appointed 1st July, 2009 for three years to 30th June, 2012

*Our Non-Executive Directors have each signed a letter of appointment to formalise their terms of engagement.*



## 4. Directors' Report - Continued

### Board of Directors meeting attendance

	Actual/Possible	Details of current appointment
<b>Executive Directors</b>		
Len Richards Chief Executive	4/4	Resigned 22 August ,2011
Gary Doherty Chief Operating Officer/ Deputy Chief Executive	8/8	Appointed June 2009 Acting Chief Executive from 22 August 2011
John Foster Director of Facilities & Estates/ Senior Executive Director	2/2	Retired June, 2011
Sue Green Director of HR & OD	6/8	Appointed March 2008
David Rowlands Medical Director	6/8	Appointed 8th November, 2010
Tina Long Director of Nursing & Midwifery	8/8	Appointed 20 September, 2010
Russell Favager Director of Finance	7/8	Appointed 29 November, 2010
Luke Readman Director of Information	4/4	Appointed 1st August 2012

## 4. Directors' Report - Continued

### Directors' interests

Our Board of Directors annually reviews its Register of Declared Interests. The Directors are required to make known any interest in relation to any matters being discussed at a meeting of the Board of Directors, and any changes to their declared interests. The Register of Declared Interests for the Board of Directors is held by the Trust Company Secretary and is available for public inspection.

The Board of Directors has a formal schedule of matters reserved for the Board of Directors decisions. Some decisions are delegated to its directors and these are clearly set out in those committees' terms of reference, which are reviewed regularly by the Board of Directors.

All Directors have full and timely access to relevant information to enable them to carry out their responsibilities. The Board of Directors meets monthly and at each meeting reviews our key performance information, including reports on quality and safety, patient experience and care, operational activity, financial analyses and strategic matters.

The Board of Directors monitors compliance with our objectives and is responsible for approving major capital investment and any borrowing. It meets with our Assembly of Governors, senior clinicians and divisional managers, and uses external advisors to facilitate strategic discussion.

While the Board of Directors believes its membership is balanced, complete and appropriate, it recognises the value of ongoing development and succession planning. It carried out formal appraisals of individual directors in 2011/12.

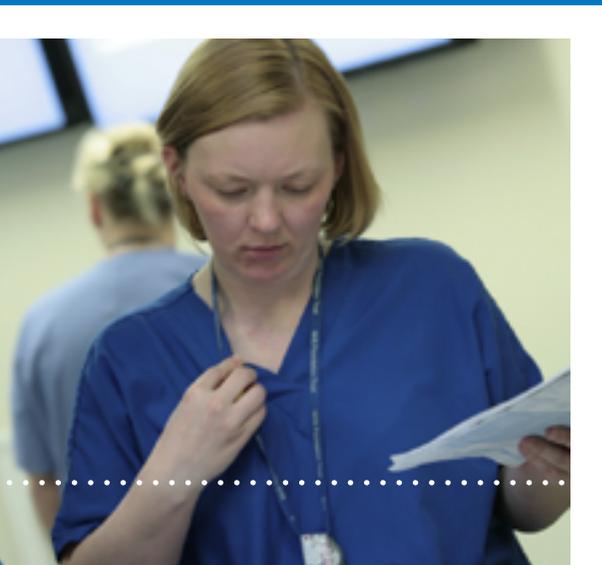
Having appointed a new Chief Executive, the Board of Directors will carry out a comprehensive governance review in 2012.

Throughout 2011/12, the performance of Board Committees was kept under review through regular reports submitted to the Board of Directors and through a review of their terms of reference.

Directors may seek individual professional advice or training, at our expense, to carry out their duties. The Board of Directors has direct access to advice from the Company Secretary who is responsible for ensuring compliance with relevant regulations and that Board and committee procedures are followed. The proceedings at all Board and committee meetings are fully recorded, enabling any concerns of Directors to be minuted. The appointment or removal of the Company Secretary is a matter for the Board of Directors as a whole.

All Non-Executive Directors are considered to be independent, including the Chairman. Non-Executive Directors are appointed to a three year term of office but these appointments are staggered where possible, so that two or three expire on 30th June each year.

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



## 4. Directors' Report - Continued

There is a clear division of responsibilities between the Chairman and Chief Executive, which has been agreed by both parties and the Board of Directors. The Chairman is responsible for the leadership of the Board of Directors and Assembly of Governors, ensuring their effectiveness individually, collectively and mutually. The Chairman is also responsible for ensuring that members of the Board of Directors and Assembly receive accurate, timely and clear information appropriate for their respective duties and for effective communication with patients, members, clients, staff and other stakeholders. It is the Chairman's role to facilitate the effective contribution of all directors, ensuring that constructive relationships exist between them and the Assembly of Governors.

The chief executive is responsible for the performance of the Executive Directors, the day to day running of the Trust and implementing approved strategy and policy.

### Board of Directors' Committees

The Board of Directors has the following committees:

- Audit Committee
- Quality & Safety Committee
- Remuneration Committee
- Appointments Committee

The membership of each committee consists solely of Non-Executive Directors with the exception of the Quality & Safety Committee which has membership drawn from both executive and Non-Executive Directors and the Appointments Committee, of which the Chief Executive is a member.

The Company Secretary is responsible for ensuring effective support to each committee. The terms of reference for all committees are reviewed by the Board of Directors on a regular basis.

### Audit Committee

The Audit Committee consists solely of independent Non-Executive Directors and each member has recent and relevant financial experience.

The committee met five times during the year, its priority being to provide the Board of Directors with independent overarching scrutiny of our financial and corporate governance risk management and our risk and assurance structures and processes.

For its scrutiny role, the Committee relies on our Risk Register and Assurance Framework. It also appoints a local counter fraud specialist and works closely with the Trust's internal auditor, appointed by the Director of Finance, and external auditor, appointed by the Assembly of Governors.

Where the committee cannot gain assurance that a risk has been sufficiently mitigated, it is entered into the Risk Register and, if appropriate, reflected in the Assurance Framework. This internal

## 4. Directors' Report - Continued

control system, in accordance with the Risk Management Strategy, ensures that the most serious risks are escalated to the Board of Directors and dealt with in the most appropriate way.

The Chairman of the Audit Committee prepares an annual review of the committee's work, demonstrating interrogation and scrutiny of clinical and non-clinical assurance, risk management processes, internal controls, the findings of both internal and external audit and triangulation of other assurance sources. The committee reports monthly to the Board of Directors and alerts it, as appropriate, to issues and concerns that could jeopardise the achievement of our goals and objectives.

During 2011/12, the committee met with a wide range of Trust officers and obtained relevant assurances and also reviewed the Counter Fraud Service, Service Line Reporting and Procurement.

In 2010, the Audit Committee agreed the policy for KPMG providing non-audit services to ensure auditor objectivity and independence was safeguarded.

### Quality & Safety Committee

This committee was established in 2010/11 with the aim of providing assurance to the Board of Directors on quality and safety issues, which facilitated a refocusing of the role of the Audit Committee on financial issues. The terms of reference for these committees were developed and revised accordingly.

The committee is chaired by the senior independent director and membership in 2011/12, included three Non-Executive Directors and two governors.

As the Audit Committee and the Quality & Safety Committee provide assurance to the Board of Directors across the range of Trust activity, the two chairs of these committees met regularly and constructed a comprehensive and consistent programme of business for each committee.

### Audit Committee attendance

	Actual/Possible
Alan Wilson Chair until 30 June 2011	2/2
Jeff Cozer Chair from 1 July 2011	5/5
Cathy Bond	3/3
Richard Dutton	5/5
Nick Williams	4/5

### Appointments Committee

The Board of Directors maintains an Appointments Committee to consider the appointment of Executive Directors as their posts fall vacant.



## 4. Directors' Report - Continued

### Remuneration Committee

The purpose of the Remuneration Committee is to decide the pay and allowances and other terms and conditions of the Executive Directors. Membership of the Remuneration Committee wholly comprises Non-Executive Directors, who are viewed as independent. The committee is chaired by the Trust Chairman with all Non-Executive Directors invited to attend.

Members of the Committee had no financial interest in matters to be decided. The Chief Executive and Director of Human Resources & Organisational Development normally attend committee meetings, except where their own salaries are discussed.

### Remuneration Committee attendance

	Actual/Possible
Michael Carr Chair	4/4
Anne Parker	4/4
Alan Wilson	2/2
Nick Williams	4/4
Jeff Kozar	4/4
Richard Dutton	4/4
Lyn Meadows	4/4
Cathy Bond	2/3
Jean Quinn	4/4

## 4. Directors' Report - Continued

### Code of Governance

We are required to make a two part statement regarding the NHS Foundation Trust Code of Governance. In the first part, we must report on how we apply the main and supporting principles of the Code. In the second part, we confirm that we comply with the provisions of the Code or where we do not, provide an explanation.

#### Part one statement: application of the main and supporting principles of the NHS Foundation Trust Code of Governance

##### Sections A and B, governors and directors

The Assembly effectively represents the interests of Trust members and partner organisations within the health economy. The Assembly of Governors holds the Board of Directors to account for the performance of the Trust, in particular in relation to the outcomes of Monitor's Risk Ratings and the NHS Litigation Authority assessment of risk management systems.

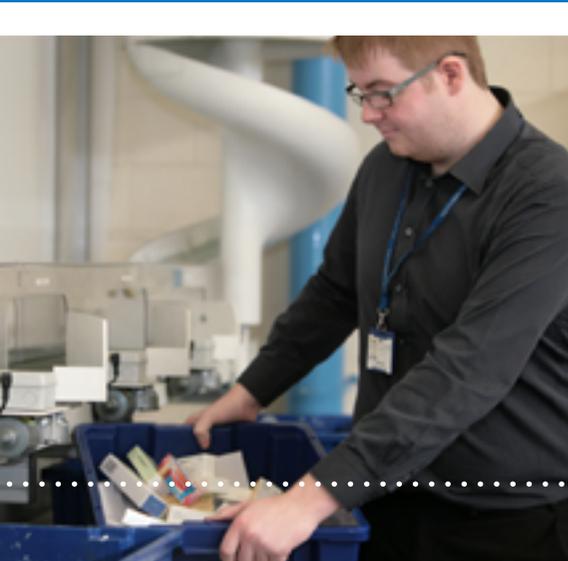
Executive Directors make regular presentations to the Assembly of Governors concerning our performance and forward planning, providing the governors with frequent opportunities to raise issues, question performance and seek further advice. The governors, in turn, recognise their responsibility for regularly feeding back this information about the Trust, its vision and performance to their constituencies and partner organisations.

The governors are involved in annual discussions with the Board of Directors on the priorities for development and improvement of the organisation, as seen by their constituencies and partner organisations. This information impacts positively and materially on the preparation of our Annual Plan. Each year the governors and members are presented with the Annual Report and Accounts and the Annual Plan at public meetings. We consult the governors on any significant changes to the delivery of the Annual Plan.

### Section C, appointments and terms of office

We have a formal, rigorous and transparent procedure for the appointment of directors, both Executive and Non-Executive. Appointments are made on merit, based on objective criteria. Assurances are sought from Non-Executive Director candidates that they have sufficient time to fulfil their duties. Appointments among Non-Executive Directors are reviewed annually and their terms of office are staggered over three years to ensure an orderly succession to the Board of Directors.

All elected governors have terms of office (a maximum of two terms for any individual, elapsing over a staggered manner over three years), which provide for an annual refreshing by the various electorates of up to one third of the elected members of the Assembly. All elections for appointment as an elected governor are administered by Electoral Reform Services Ltd in accordance with the model election rules in our constitution.



## 4. Directors' Report - Continued

### Section D, information, development and evaluation

The Board of Directors and Assembly of Governors regularly review their information needs. Directors and Governors have a clear induction programme upon appointment and are encouraged to request further information according to their needs, which may be above and beyond information routinely supplied by management. Directors and governors are encouraged continually to update their skills, knowledge and familiarity with the Trust, using the organisation's own resources and facilities, as well as external learning opportunities.

The Chief Executive appraises each of the Executive Directors and submits an appraisal summary to the Remuneration Committee, which determines executive remuneration based on a broad range of factors. The Chairman leads the appraisal of each Non-Executive Director and the Senior Independent Director leads the appraisal of the Trust

Chairman. Summary outcomes of the evaluation of Non-Executive Directors, including the Chairman, are shared with the Governors.

### Section E, director remuneration

The Trust sets the remuneration of Executive Directors in order to balance the need to attract, retain and motivate directors of the quality required while avoiding paying more than is necessary for this purpose. In the year under review, no part of any Executive Director's remuneration comprised performance related pay. The Remuneration Committee commissions remuneration advice periodically, and not less than once in every three years, to gain assurance that executive pay within the Trust remains competitive and in line with peers in the upper quartile of FTs. No Director is involved in setting his or her own remuneration. The mechanisms for considering and deciding on both Executive and Non-Executive pay are documented, open and transparent. Care is taken to

avoid any possible conflict of interest in relation to the Trust Chairman, who chairs the Governors' Nominations Committee, and the Director of Human Resources & Organisational Development, who provides advice to the Remuneration Committee.

### Section F, accountability and audit

The Trust recognises the value of making reporting and accounting information available for the general public and the Trust's partners, stakeholders, clients, service users and regulators, which is appropriate to their needs, in accessible formats and fulfils statutory requirements. Meetings of the Assembly of Governors are open to the public, except for reserved business, and presentations are regularly made at Assembly and members' meetings and regular public education events.

The Board of Directors maintains a system of internal controls to safeguard the Trust's assets, patient safety and service quality. All tiers of

## 4. Directors' Report - Continued

management and staff are aware of the methods, policies, procedures and communications mechanisms, which are used to control resources and activity. The Board of Directors believes this system of internal control is effective and it retains an internal auditor, Mersey Internal Audit Agency (MIAA), working under the direction of the Director of Finance, to report on different aspects of internal control across the Trust.

The Audit Committee tests systems and controls in response to reports commissioned from MIAA. The Committee, in particular the Chair, and the Director of Finance, who is not a member of the Audit Committee, maintain a regular, clear relationship with our external auditor, KPMG. The external auditor is appointed by the Assembly of Governors and reports to the Assembly annually concerning the audit of our financial statements. Following a competitive tender, we replaced our external auditors, the Audit Commission, with KPMG on 1st December 2010.

### Section G, relationships with stakeholders

We have multiple contacts, involvements and links across Wirral and beyond, with members, patients, clients and other participants in the health economy. These contacts complement the role of governors and those organisations nominating a governor to the Assembly. The Board of Directors recognises that further work will need to be done in the future to maximise the benefits of these relationships and to ensure that it builds on the most appropriate forms of engagement at relevant levels.

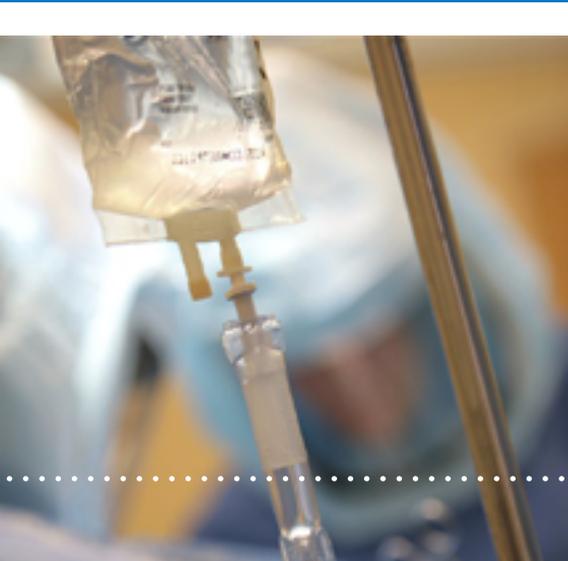
Each member of the Board of Directors understands his/her role in this process. We are committed to further developing the value of membership, both to members and to the Trust, with particular emphasis on improving the extent to which the membership reflects the served community.

### Part two statement: compliance with the provisions of the NHS Foundation Trust Code of Governance and exceptions

The Board of Directors confirms that we comply with all provisions of the Code of Governance, with the exceptions set out below.

#### D.2.

We are undertaking a complete review of our Governance processes during quarter 1 of 2012/13. This project will include a review of the Board of Directors; its terms of reference and its support systems and processes.



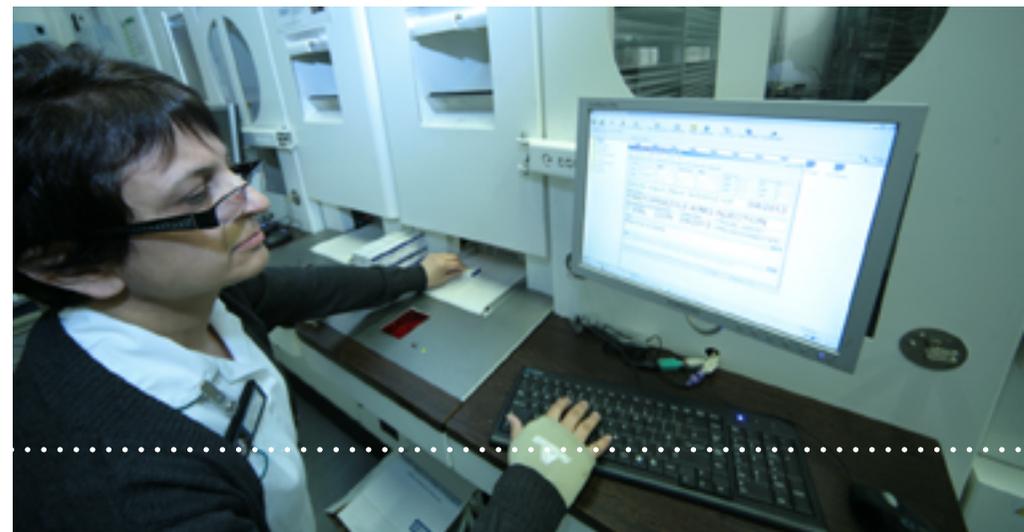
## 4. Directors' Report - Continued

### E.2.2

For the purpose of remuneration, 'senior manager' within the Trust refers only to members of the Board of Directors. We adopt the 'persons discharging managerial responsibility' definition of 'senior manager' as those persons who have the power to make managerial decisions affecting the future development and business prospects of the Trust. The organisation is not compliant with this provision because the level and structure of remuneration for the managers who hold senior positions, but who are not members of the Board of Directors, is dealt with by the executive team, rather than the Remuneration Committee. We believe this is an appropriate arrangement because of the familiarity of the executive team with the performance of those managers.

There are a small number of exceptions to this statement, such as those members of staff holding senior positions, but whose terms and conditions are not subject to national Agenda for Change terms.

The Remuneration Committee considers the annual increment in salary of this group of staff as a whole, in relation to guidance provided by the Senior Salaries Review Body.





Tyrone Roberts  
Lead Nurse

Gemma Schneider  
Patient

# 5. Remuneration Report

## 5. Remuneration Report

The Remuneration Committee determines the salaries of the Chief Executive and Executive Directors. Membership of the Remuneration Committee wholly comprises Non-Executive Directors, who are viewed as independent. During 2011/12, the committee was chaired by Michael Carr and its membership included all of the Non-Executive Directors. Members of the Committee had no financial interest in matters to be decided. The Chief Executive and Director of Human Resources & Organisational Development normally attended meetings of the Committee unless their own salaries were to be discussed or for some other reason determined by the Committee.

The Director of Human Resources & Organisational Development provided advice to the Committee concerning executive pay levels, package balance and terms and conditions of employment for Executive Directors and staff within the organisation not on national terms and conditions.

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. In addition the Remuneration Committee reviews the performance of Executive Directors through the Trust's Performance and Development Review Process.

### Remuneration policy for senior managers

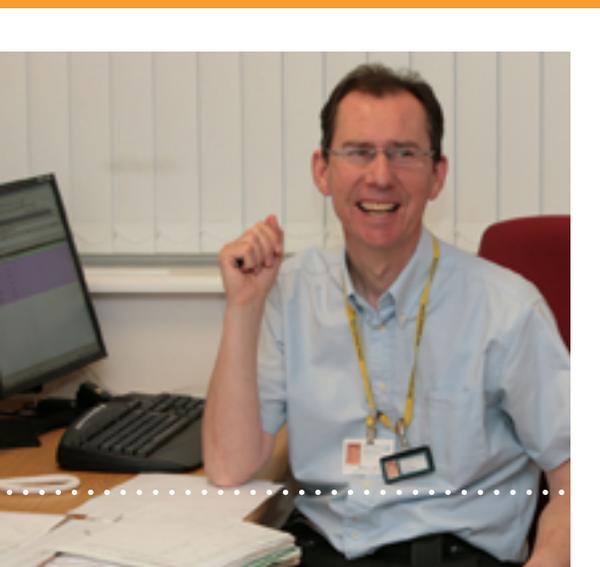
We use the definition of 'senior manager' to mean the members of the Board of Directors who are Directors of the Trust, believing that only these individuals direct or control the Trust's major activities.

There was no pay award for 2011/12.

Senior managers 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 senior managers, including the sanction of summary dismissal for gross misconduct.

No senior manager is automatically entitled to severance payments or termination payments beyond those accruing for redundancy, in line with Trust policy, or for pay in lieu of notice.



## 5. Remuneration Report - Continued

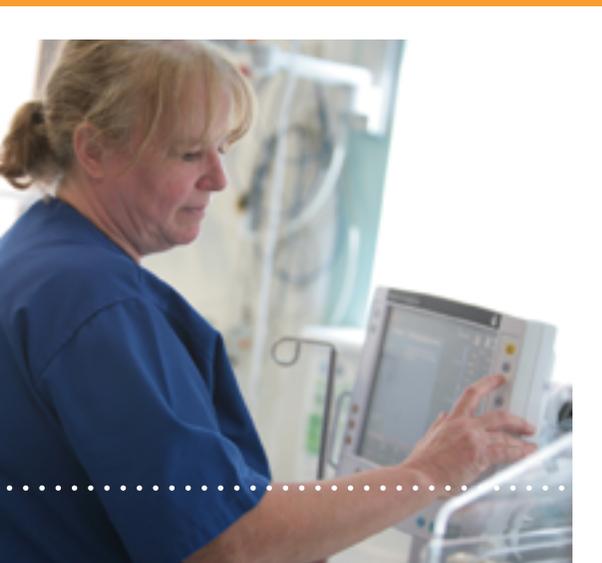
### A) Salary and pension entitlements of senior managers: remuneration (audited)

Name and Title	1 April 2011 to 31 March 2012 (2011/12)			1 April 2010 to 31 March 2011 (2010/11)		
	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100
<b>Executive Directors</b>						
<b>Len Richards</b> , Chief Executive (to August 2011) *1	70 - 75	85 - 90	3,000	175 - 180	0	6,000
<b>Gary Doherty</b> , Acting Chief Executive (from August 2011) *2	85 - 90	0	2,500	N/A	N/A	N/A
<b>Gary Doherty</b> , Chief Operating Officer / Deputy Chief Executive (to August 2011) *2	45 - 50	0	1,300	120 - 125	0	3,700
<b>Rod Jones</b> , Director of Finance (To April 2011)	0 - 5	35 - 40	0	115 - 120	0	2,100
<b>Russell Favager</b> , Director of Finance (from November 2010)	110 - 115	0	5,000	35 - 40	0	1,600

5. Remuneration Report  
- Continued

A) Salary and pension entitlements of senior managers: remuneration (audited)

Name and Title	1 April 2011 to 31 March 2012 (2011/12)			1 April 2010 to 31 March 2011 (2010/11)		
	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100
<b>David Rowlands</b> , Medical Director (from April 2010)	105 - 110	80 - 85	1,000	105 - 110	80 - 85	0
<b>John Foster</b> , Director of Facilities & Estates (to June 2011) *3	25 - 30	0	300	110 - 115	0	4,900
<b>Luke Readman</b> , Director of Information (from August 2011)	70 - 75	0	2,300	N/A	N/A	N/A
<b>Sue Green</b> , Director of Human Resources & Organisational Development	95 - 100	0	5,700	95 - 100	0	6,100
<b>Tina Long</b> , Director of Nursing & Midwifery (from September 2010)	90 - 100	0	3,300	45 - 50	0	0



5. Remuneration Report  
- Continued

A) Salary and Pension entitlements of senior managers: remuneration (audited)

Name and Title	1 April 2011 to 31 March 2012 (2011/12)			1 April 2010 to 31 March 2011 (2010/11)		
	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100
<b>Non-Executive Directors</b>						
<b>Michael Carr</b> , Chairman (from June 2010) *2	45 - 50	0	0	30 - 35	0	0
<b>Michael Carr</b> , Non-Executive Director (to June 2010) *2	N/A	N/A	N/A	0 - 5	0	0
<b>Richard Dutton</b> , Non-Executive Director	10 - 15	0	0	10 - 15	0	0
<b>Catherine Bond</b> , Non-Executive Director (from July 2011)	5 - 10	0	0	N/A	N/A	N/A
<b>Anne Parker</b> , Non-Executive Director	10 - 15	0	0	10 - 15	0	0
<b>Jean Quinn</b> , Non-Executive Director (from January 2011)	10 - 15	0	0	0 - 5	0	0
<b>Alan Wilson</b> , Non-Executive Director (to June 2011)	0 - 5	0	0	15 - 20	0	0

## 5. Remuneration Report - Continued

### A) Salary and Pension entitlements of senior managers: remuneration (audited)

Name and Title	1 April 2011 to 31 March 2012 (2011/12)			1 April 2010 to 31 March 2011 (2010/11)		
	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100
<b>Nick Williams</b> , Non-Executive Director	10 - 15	0	0	10 - 15	0	0
<b>Lynda Meadows</b> , Non-Executive Director	10 - 15	0	0	10 - 15	0	0
<b>Jeff Kozer</b> , Non-Executive Director (from July 2009)	15 - 20	0	0	10 - 15	0	0

### Ratio of Highest Paid Director to Median staff member

The Monitor Foundation Trust Annual Reporting Manual 2011/12 (FT ARM) now 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 Rowlands the Medical Director on a total remuneration basis. The report is represented in the table below for both the 2011/12 and 2010/11 financial years:

## 5. Remuneration Report - Continued

Name and Title	1 April 2011 to 31 March 2012 (2011/12)			1 April 2010 to 31 March 2011 (2010/11)		
	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100	Salary (bands of £5000) £'000	Other remuneration (bands of £5000) £'000	Benefits in kind Rounded to the nearest £100
Band of Highest Paid Director's Remuneration	190 - 195			190 - 195		
Median Total Remuneration (FTE staff on an annualised basis)	25,207			24,560		
Ratio of Highest Paid Director to Median staff member	7.6			7.8		

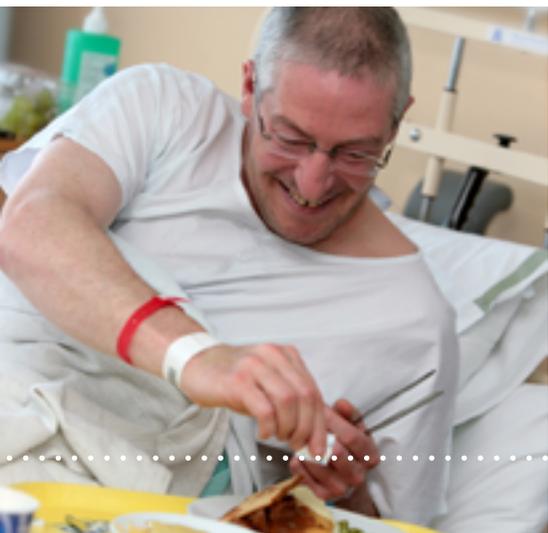
(NOT AUDITED)

Benefits in kind 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 CO2 vehicle emission level percentage (as specified by the HM Revenue and Customs).

\*1 Len Richards left the Foundation Trust in the 2011/12 financial year. The other pay relates to payments in lieu of notice.

\*2 Gary Doherty and Michael Carr are shown twice on the remuneration report to reflect the fact that they changed posts mid-way through financial years.

\*3 John Foster left the Foundation Trust in the 2011/12 financial year via the Voluntary Severance Scheme. The purpose of the scheme is to reduce the current pay-bill of the Foundation Trust on a voluntary basis.



5. Remuneration Report  
- Continued

B) Salary and Pension entitlements of senior managers: pension benefits\* (audited)

Name and Title	Real increase in accrued pension at age 60	Real increase in Lump Sum at age 60 related to real increase in pension	Total accrued pension at age 60 at 31 March 2012	Total lump sum at age 60 related to accrued pension at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2011	Real Increase in Cash Equivalent Transfer Value	Employer's Contribution to Stakeholder Pension
	(bands of £2500) £000	(bands of £2,500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	To nearest £100
<b>Leonard Richards</b> , Chief Executive (to August 2011)	0 - 2.5	2.5 - 5	30 - 35	95 - 100	545	426	42	0
<b>Gary Doherty</b> , Chief Operating Officer / Deputy Chief Executive / Acting Chief Executive	0 - 2.5	0 - 2.5	25 - 30	80 - 85	384	300	75	0
<b>Rod Jones</b> , Director of Finance (To April 2011)	(0 - 2.5)	(0 - 2.5)	60 - 65	185 - 190	0	1,430	(16)	0
<b>Russell Favager</b> , Director of Finance (from November 2010)	2.5 - 5	12.5 - 15	35 - 40	115 - 120	620	450	156	0
<b>David Rowlands</b> , Medical Director (from April 2010)	0 - 2.5	0 - 2.5	65 - 70	195 - 120	1,182	1,035	115	0
<b>John Foster</b> , Director of Facilities & Estates (to June 2011)	(0 - 2.5)	(0 - 2.5)	50 - 55	155 - 160	0	972	(250)	0
<b>Luke Readman</b> , Director of Information (From August 2011)	0 - 2.5	0 - 2.5	40 - 45	125 - 130	821	720	52	0
<b>Susan Green</b> , Director of Human Resources & Organisational Development	0 - 2.5	2.5 - 5	5 - 10	15 - 20	71	42	27	0
<b>Tina Long</b> , Director of Nursing & Midwifery (from Sept 2010)	0 - 2.5	5 - 7.5	40 - 45	125 - 130	908	797	86	0

## 5. Remuneration Report - Continued

### B) Salary and Pension entitlements of senior managers: pension benefits\* (audited)

(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.

*\* 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.*





## 6. Annual Governance Statement 2011/2012

**Kathleen Groom**  
Patient

**Paul Wiggins**  
Patient

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## 6. Annual Governance Statement - Continued

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### Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 the 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 the Foundation Trust for the year ended 31 March 2012 and up to the date of approval of the Annual Report and Accounts.

### Capacity to Handle Risk

**Leadership** - The Board of Directors has overall responsibility for risk management and receives reports via a strategic management report known as the Intelligent Board Report; a dashboard which displays a range of risk indicators on a monthly basis.

Each Director has a role in managing risk within the Trust however the Medical Director has the specific lead for risk management including the Board Assurance Framework.

The Director of Nursing and Midwifery has the lead for Safeguarding Children and Adults and Infection Control.

The Board of Directors is regularly informed about a range of risk indicators in order to assist in decision making. The risk escalation process at the Trust makes it explicit how risks are identified, recorded and escalated at all levels in the Trust. All risks are scored using the Trust risk scoring matrix and those that score 20 or above are escalated to the Board of Directors. The Board of Directors is also made aware via a dashboard of the numbers of incidents that occur each month and how many of these are serious and require in depth review. Other indicators relating to patient care, national targets, finance, workforce, efficiency and governance are also reported; for example, Meticillin Resistant Staphylococcus Aureus (MRSA) and Clostridium Difficile infection rates. Exception reports are provided as appropriate, to give more detail where risks are 'amber' or 'red' in the dashboard report.

## 6. Annual Governance Statement - Continued

This enables the Board of Directors to manage the significant amount of information that is required to lead this agenda and be assured regarding performance and risk management at different levels in the organisation.

Each Division has a Divisional Management Board with clinical leadership provided by a triumvirate team of a Clinical Head of Division, an Associate Director of Operations and a Lead Nurse. This structure is supported in terms of risk management within the clinical divisional services by a Deputy Clinical Head of Division, a Divisional Quality and Safety Specialist and speciality specific Clinical Service Leads and Matrons. At each management level within the Trust, managers have responsibility for the implementation of Trust objectives and the Trust Risk Management Strategy and Policy. Each Division has Clinical Leads identified for a range of specialties or on a topic basis, e.g. Infection control, Education etc.

These roles are undertaken by Consultants or Matrons working within Directorates and Divisions. Corporate services such as finance and human resources collectively have a Corporate Services Management Board that acts in a similar manner but with lead managers instead of the triumvirate team.

The Trust has established a vision for the Trust to provide Excellence in Healthcare and is in its third year of a five year quality and process improvement system called the Wirral Excellence in Healthcare System (WEHS). During the first three years, the focus has been on training senior clinicians and managers to lead on WEHS within the Trust, developing and implementing a supply chain strategy and establishing model wards and theatres where best practice is trailed and developed. There have also been a number of service improvement workshops directly involving Patients. Their input is and has been critical to us achieving our vision.

**Training** – Attendance at the Trust’s mandatory risk management training programme is monitored by the Clinical Governance Programme Board (CGPB) and the programme is reviewed and updated annually. Particular focus is given to ensuring that temporary, locum or flexi-bank staff receive an appropriate induction.

More detailed essential risk management training is outlined and provided to staff through the essential training matrix and is reviewed and approved by the Education Governance Committee. Such training includes risks around Safeguarding Children and Adults, Mental Capacity Act, safe recruitment process, aggression management, equality and diversity and health and safety management. Additionally, it includes the Trust’s People Matter programme that sets standards of communication and behaviour. Both induction and the essential training programme are aligned to statutory requirements, best practice and Trust policy. The training programmes are available to volunteers who work for the Trust.



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## 6. Annual Governance Statement - Continued

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The Trusts' Clinical Excellence Service provides a wide range of training and competency assessment interventions. This training aims to introduce new techniques and improve and maintain the clinical competencies required of staff through the Clinical Skills Laboratory and practice facilitators. The training covers all clinical staff from Consultants to Doctors in Training and from Advanced Practitioners to staff nurses and clinical support workers. It covers personal skills such as conflict resolution, communication, physical intervention, as well as clinical skills such as Advanced Life Support, intravenous cannulation, catheterisation etc. Training required in accordance with National Institute of Clinical Health Excellence, National Patient Safety Agency, Postgraduate Medical Education and Training Board and other relevant regulators is managed by this service, offering a mix of didactic, work based and simulation techniques.

Other risk management training is provided on a formal and ad hoc basis as part of the corporate learning and development programme, at monthly Trust-wide clinical governance days and at divisional meetings. These include training on investigation techniques (including root cause analysis) to review serious incidents, health and safety, complaints and risk management training for senior managers in the Trust.

**Guidance** - The Trust maintains a robust system of managing its policies to ensure appropriate guidance is available for all staff. Trust policies are reviewed and updated regularly and staff are informed of new or reviewed policies through the Trust Monthly Brief (now known as Trust Information Exchange or TIE) which is cascaded to all staff. There is a clear process to monitor and impact assess policies and ensure that they are current and relevant.

**Learning** - Good practice is shared through a range of methods including Trust-wide clinical governance days, during which all the Trust's elective activity ceases in order to provide protected time for learning from experience, staff meetings and seminars.

Within the Clinical Governance programme there are two specific quality and safety half days a year. Issues involving medication are shared in the Trust through a Medicines Matter newsletter and lessons that we learn from a variety of local and national sources on incidents, complaints, concerns, claims and audits are shared through the monthly Quality and Safety Newsletter.

### The Risk and Control Framework

Risk Management Strategy - The Trust is committed to provision of high quality and safe services and it does this under the umbrella of the Risk Management Strategy and Policy. The Risk Management Strategy and Policy is reviewed and endorsed by the Hospital Management Board on behalf of the Board of Directors every year. Compliance with the policy is monitored through key performance indicators and where the performance is not met the resultant action plans are monitored through the Corporate Risk Management Committee.

## 6. Annual Governance Statement - Continued

The key elements of the strategy include a description of individual and collective responsibilities of the Board of Directors, its committees and other groups within the Trust that are concerned with risk management.

The process of identification of risk from various origins includes:

- the Trust's assurance framework;
- incidents and near misses;
- complaints and claims;
- audit findings;
- external reviews and accreditation visits;
- ad hoc risk assessments;
- inspection process.

A new Board Assurance Framework was developed in response to the new Trust objectives for 2011/12. Each lead director reviewed the Board Assurance Framework monthly and the Board of Directors reviewed it quarterly.

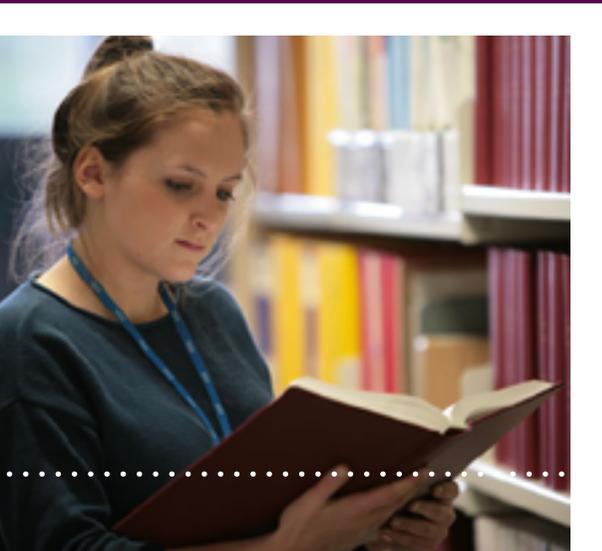
The Board Assurance Framework allows the Board of Directors to focus on the risks which may prevent it from meeting its strategic objectives. All risks are assessed for gaps in control, and gaps in assurance, and action plans are established and monitored during the year.

Risks are identified as a result of incidents, complaints, claims or by proactive risk assessment, and are scored using the Trust's risk scoring matrix. Those which are colour coded orange and red in the Trust matrix are entered into the Trust-wide Risk Register. There is a strong connection to the management of serious incidents as all incidents scored and colour coded orange or red are reviewed using root cause analysis (RCA) investigation techniques. Other significant incidents or near misses, as deemed by the divisional management team or the Quality and Safety Department, are also reviewed. Risks are frequently identified from incidents that occur. The action plans which result from an investigation and other reviews are entered into a database to monitor the action plans and ensure that the actions are completed and improvement takes place.

This is monitored via a weekly meeting by the corporate Visibility Wall (a wall containing the current position of the Trust against a series of key performance indicators that is accessible to all). There is a clear process for escalation of risks through to the Hospital Management Board and the Board of Directors.

The risk management system suffered a significant disruption in November when data from April to November was lost. All the data sets were re-input into the system as a matter of urgency. The disruption affected the production of regular aggregated reports to services. It did not affect the way that the Trust reacted and responded to incidents reported, including serious incidents, concerns, complaints, claims and identifying new risks. Our assurance processes were disrupted for a period of time although all information that should have been provided has since been reviewed through the relevant committees. The disruption was subject to a serious incident review and actions identified to prevent a similar recurrence will be monitored by the Trust. An external review by auditors was also commissioned to assess the strength of controls in place for other systems in use within the Trust.

## 6. Annual Governance Statement - Continued



**Performance Information** – The quality of data used in the Trust is regularly audited both internally and by external agencies. The Assistant Director of Operations for each of the clinical Divisions meet weekly to review and confirm the accuracy of data and the Executive Directors meet weekly to review the key priorities and indicators to ensure that it is progressing according to our plan.

### **Care Quality Commission Registration**

– The Trust is required to register with the CQC and its current registration status is registered without conditions for the Health and Social Care Act 2008. The foundation Trust is fully compliant with the registration requirements of the CQC with the exception of medicines management as noted below.

The Trust did declare non-compliance with certain regulations on registration, in response to which CQC issued an improvement letter.

CQC monitored our implementation of the agreed actions during the year and found we were making satisfactory progress.

Due to the information declared at registration, the Trust provided a range of evidence to demonstrate progress with action plans in place in November 2011. Following receipt and assessment of this information, CQC issued a compliance report. This stated that we were compliant with seven of the eight regulations they reviewed, but that they had ‘moderate concerns’ for one – Medicines Management. This related to the findings of our Medicines Storage Ward Audit from July 2011. We had developed a programme of monthly spot checks of the secure storage of medicines, undertaken by Matrons and we are monitoring the results closely. Risk reduction measures have been put in place for areas where refurbishment is required and new storage facilities purchased where needed. A re-audit was undertaken in March 2012 which showed significantly improved compliance.

Although we were compliant with regulations 9 – Care and Welfare, and 14 – Nutritional Needs, we were asked to inform CQC how the Trust would progress towards 100% completion of these risk assessment tools for all inpatients and long term sustainability.

The CQC has undertaken one unannounced inspection of the Trust during 2011/12. This was part of a national review of consent procedures for termination of pregnancy and the outcome is awaited. We have implemented actions arising from an unannounced visit to Clatterbridge Hospital – part of their national review of dignity and nutrition in older people – which took place in March 2011. The report stated that no concerns were identified.

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## 6. Annual Governance Statement - Continued

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The Trust has its own internal assurance processes to monitor compliance with the CQC Essential Standards and the quality of the information provided. There are leads for each outcome at both executive and operational management level. A portfolio of evidence is compiled for each outcome and review panels of senior management are convened to discuss compliance. The Clinical Governance Programme Board and the Board of Directors receive a quarterly report on compliance.

**Data security** - Risks relating to information governance are contained within the monitoring and reporting mechanisms. An Information Governance Committee facilitates the work programme that ensures the Trust maintains compliance with relevant information governance legislation and good practice. The Trust Information Governance Assessment report overall score for 2011/12 was 69% and was graded green in the grading scheme. The Trust has continued to review its data flows (both internal and external)

during 2011/12 to ensure compliance with requests from the Department of Health ensuring bulk data is secure in transit.

Information risks, either reactive (following incidents) or proactive (following risk assessments), are managed in the same way as all other risks identified in the Trust. They are reviewed by the Information Governance Committee, which reports to the Clinical Governance Programme Board and also to the Quality and Safety Committee, and registered with the Quality and Safety Department in the usual way.

Two operational groups have been set up to deal with 'Data Quality' and 'Information Governance' separately and both feed in to the Information Governance Committee. This has supported the management of data within the Trust and improved communication across the Trust on both Data Quality and Information Governance related matters. The actions produced from these groups present a more balanced and accurate view with the mechanism to effect and

influence a robust plan for those areas that require assistance and direction to make continued improvement. These groups and the committee make recommendations for improvement to ensure that data quality and information governance is understood and that high standards are expected and maintained.

**Embedding of Risk** – There are a range of ways that risk management is embedded within Trust activity. All risks, independent of origin, are monitored for mitigation progress at the relevant Divisional Management Boards. Each Division has its own section in the Trust-wide Risk Register and Divisions are expected to maintain and keep it in date. Risks include clinical, financial, and reputation risks such as serious patient safety incidents, predicted overspends and potential to miss national targets. To support Divisions to manage the growing risk agenda monthly risk summary reports are produced which are reviewed by the Divisional Management Boards.

## 6. Annual Governance Statement - Continued

Reviews/investigations into serious incidents or complaints which were not being concluded and risks which were not being mitigated to an acceptable level are discussed at the Divisional quarterly performance reviews. These are held with members of the executive team and are chaired by an Executive Director.

Reporting of incidents is further encouraged in training and clinical governance and divisional meetings. A quarterly integrated complaints, litigation, incidents, Patient Advice and Liaison Service (PALS) concerns and patient experience report provides trend analysis, an analysis of the top five themes and the top five directorates with incidents / complaints / claims, and (where applicable) a calculation of compliance with timescales for dealing with complaints and claims. The report is discussed at the Board of Directors, the Quality and Safety Committee and at other meetings within the Trust.

### **Involvement of Public Stakeholders**

- A number of groups and committees exist across the health economy. Health and Wellbeing Boards are a forum for

local commissioners across the NHS, public health and social care, elected representatives, and representatives of HealthWatch to discuss how to work together to better the health and wellbeing outcomes of the people in their area. The Trust has been invited to be a non-voting member of the local Health and Wellbeing Board, chaired by the Chief Executive of Wirral Borough Council, where there is also representation from social services, the community trust, the mental health trust, the local GP commissioning consortium and commissioners; when necessary, this forum is used to discuss community issues pertaining to risks which may impact on other stakeholders.

The Wirral-wide Clinical Governance Group and Wirral-wide Clinical Medication Safety Group, discuss risks which exist at the interface and across all sectors of healthcare provision.

The Trust actively seeks the views of public stakeholders by various means including patient surveys and public events. The results of this activity are compared with other quality indicators

such as concerns and formal complaints to identify themes for specific action. The Trust Goals, Quality Account and Annual Governance Statement are presented to and discussed with the Assembly of Governors. Information gained from the governors, public, staff and stakeholders are used to form the basis of priorities set by the organisation.

The Trust continues to have an effective and transparent relationship with the Wirral Local Involvement Network (LINK). LINK have undertaken a number of 'Enter & View' visits to the hospital to assist them with their work plan. The results of this activity have been reviewed by the Trust and formal mechanisms exist for pro active engagement. The Trust has also participated in LINK events which has active and immediate engagement with members of our Community specifically the Equality Delivery system.

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

## 6. Annual Governance Statement - Continued

The Board of Directors also receives via the dashboard, standard key performance indicators relating to patient care and feedback on ward performance from the Nursing and Midwifery Corporate Audit Team.

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.

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 the UK Climate Projections 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

### Major Risks

The Trust has a proactive risk management culture and assurances are required by the Board of Directors that the executive and management teams are actively mitigating risks. The Board Assurance Framework is regularly reviewed by the Executive Team and the Board of Directors. The major risks facing the Trust are:

#### Change in government, new policies & financial environment

- The recent change in government has signalled a period of significant change for the NHS. The global economic downturn has had a major impact on NHS funding. NHS reforms identified changes to the commissioning environment with GP Commissioning Consortium replacing PCTs. The Trust has a history of good relationships with commissioners and this relationship will enable us to move forward from a positive standpoint. In addition, the Trust has maintained effective dialogue with other key stakeholders and continued to develop joint working initiatives with the Countess of Chester Foundation Trust Hospital.

**Financial targets** - The Trust has identified a savings target of £13.75m in 2011/12 which was achieved (£13.25m on a recurring basis) without compromising on quality of services and patient experience. This was a significant achievement. The Trust has developed programmes to respond to the financial challenges, driving improvements in productivity and efficiency whilst striving to continually improve the quality of services and patient care.

**Commercial opportunities** - The Trust has responded to this through successful liaison and joint planning with GPs and Commissioners, the implementation of the Wirral Excellence in Healthcare System and a flexible approach to increasing capacity when required. During 2011/12, significant progress was made on joint working with the Countess of Chester Hospital, in particular in shared services of Human Resource administration and payroll and Microbiology service provision. Joint working with another trust means that the Trust can potentially serve a larger catchment area, increase quality and reduce costs.



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## 6. Annual Governance Statement - Continued

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**Implementation of the Wirral Millennium System** - The risk of failure of the existing clinical information system prior to replacement by a new IT system (Wirral Millennium) has been mitigated through implementation on a phased basis. The process is managed through a programme board (Excellence in Healthcare in IT Programme Board) and has been closely monitored by the organisation's senior clinical committee, the Hospital Management Board. At each stage, lessons have been learned from the experience and applied on an on-going basis. The implementation has been broken down into phases to reduce the risk inherent in a "big bang" approach – until the final phase is complete the Trust has two IT systems running which introduces significant complexity. Phase one was successful in terms of transferring many thousands of patients records and appointments from one system to the other, and we have successfully put in place a sophisticated process in place to synchronise the two IT systems in real time.

The implementation of Phase 1 has been less successful in terms of data quality in some areas, particularly in relation to waiting times where treatments have not been recorded appropriately on the system which has meant that our reported waiting times were higher than they really were. A central team has been established to deal with the data quality issue and a program of staff training has been put in place to address the underlying issues. In 2012 we will implement a new code release for the system that will provide additional help to improve data quality.

**Staff satisfaction** – There is a risk of negative impact on Staff Satisfaction levels in light of implementation of cost improvements and the expectations of staff and their representatives to be unrealistic in the current financial context. The Trust has mitigated this risk by ensuring the systematic implementation of the Human Resource Framework for the management of change and developing a plan for engagement with staff in developing priorities for improvement in satisfaction levels, ensuring understanding of the context within which these improvements will be made.

### **Review of Economy, Efficiency and Effectiveness of the Use of Resources**

The mechanisms for ensuring the best use of resources are well established in the Trust. Longer term planning for the use of forecast revenue and capital resource is built into the Trust's processes. Forecasts are made of the impact of key drivers for income, particularly the activity related element, and expenditure, including the impact of inflation and assessment of efficiency requirements. For 2011/12, these were considered and approved by the Board of Directors and were discussed with the Assembly of Governors.

The 2012/13 budget was approved by the Board of Directors on the basis of the best use of resources. During the course of the year, reports are presented to the Board focusing on material exceptions.

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## 6. Annual Governance Statement - Continued

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With regard to efficiency, the key drivers are assessed and improvements, such as length of stay, are factored into the cost improvement programme (CIP) approved by the Board of Directors. The dashboard has key factors, such as sickness levels, built into it and if any factors become a concern to the Board of Directors they are added to the dashboard for regular review. On the basis of the Trust's Annual Plan, a quarterly report is submitted to Monitor on its financial position including the key risk rating ratio. This review provides assurance to the Board of Directors.

Service line reporting (SLR) was further developed in 2011/12. Reports at Divisional and Speciality level have been produced and work remains ongoing to refine the analysis down to point of delivery level. Whilst there is still some refinement required, the reports do give a high level indicator of efficiency. The Audit Committee is updated quarterly regarding progress.

Overall, the mechanisms are in place to ensure there is an efficient and effective use of resources. The Board of Directors determines strategic direction; it is reported to on specific issues on an exception basis and the Audit Committee provides assurance to the process.

### 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 production of the Quality Account (also referred to as the Quality Report when integrated into the Trust Annual Report) is led by the Associate Medical Director (Quality and Safety) and the Head of Quality and Safety.

Throughout 2011/12 a quarterly summary reporting progress against the six priorities has been produced for consideration at a range of internal groups and shared with external stakeholders such as Wirral LINK. There are a number of relevant strategies and policies that govern how the data contained with the Quality Account is managed. These include a Data Quality Strategy and Policy, a Risk Management Strategy and Policy and an Information Governance Strategy and related policies (Information Disclosure Policy, Records Management Policy, Safe Haven & Transfer of Confidential Information Policy, Clinical Coding Policy). There are also clinical policies to guide staff such as the Infection Control and Prevention Policy and the Slips, Trips and Falls Policy.

Key groups and committees coordinate the systems and processes that relate to the information contained within the Quality Account. For example the Hospital Infection Control Committee scrutinises and challenges the infection control data, ensures that the correct information is reported and where required agrees the actions to improve the quality of the service.

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## 6. Annual Governance Statement - Continued

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The Trust has a nominated Senior Information Risk Owner and Caldicott Guardian and individual leads identified to co-ordinate and ensure the priorities are delivered. There are staffing resources and structures in place to co-ordinate and manage the risk agenda and ensure data quality. The Quality and Safety Committee, which reports directly to the Board of Directors, play an active role in reviewing the data related to the key priority areas.

During the year there have been both internal self assessments, such as completion of the Information Governance Toolkit, and external assessments of aspects of the data contained within the Quality Account. The Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and we are currently awaiting a finalised report.

The governors, staff and external organisations such as the Primary Care Trust, the Local Authority Overview and Scrutiny Committee and the Wirral LINK have been consulted on the priorities for 2012/13. The governors were involved in determining which of the local indicators was to be reviewed by external audit.

### 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 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 of Directors, the Audit Committee and the Quality and Safety Committee, and plans to address weaknesses and ensure continuous improvement of the system is in place.

**Board of Directors** - The Board of Directors receives a range of information, as described previously, which indicates whether the system of internal control is effective. The Intelligent Board report and dashboard is received monthly with supporting information regarding areas where compliance with targets is not possible in month. This includes a quarterly update regarding compliance with the CQC Essential Standards. The Board Assurance Framework was presented four times during 2011/12.

## 6. Annual Governance Statement - Continued



**Audit Committee** - The Audit Committee is the subcommittee of the Board of Directors which reviews the systems and processes of the Trust on its behalf and consists of four Non-Executive Directors. It holds specific responsibility to ensure that risk management and information governance processes and systems are adequate. To this end, it considers minutes from the Corporate Risk Management Committee, the Clinical Governance Programme Board and the Information Governance Committee. It received reports from both the internal and external auditors regarding progress against the annual plan and also commissioned a range of formal reports and representations from key managers in the Trust to gain assurance and scrutinise adherence to Trust policies and procedures. The Audit Committee reviews financial and clinical assurance on a regular basis and makes specific requests for supporting information in order to be able to provide assurance to the Board of Directors.

**Quality and Safety Committee** - The Quality and Safety Committee is responsible to the Board of Directors for assuring the quality and safety of services. The mission of the Committee is to support the Board of Directors twin goals of delivering an excellent and safe health care service to the people of the Wirral and others who use its services by making safety everybody's business; ensuring there are no avoidable deaths and no avoidable harm and ensuring that the quality of the service is in the upper quartile of comparator services. It has a specific remit for risk management and internal control and safety, quality and patient-centredness of services.

**Corporate Risk Management Committee** - The Corporate Risk Management Committee (CRMC) has senior representation from across the Trust and provides an internal scrutiny role for risk management systems and processes and the mitigation of risk in the Trust. The CRMC is chaired by the Associate Medical Director (Quality

and Safety) who reports directly to the Medical Director. Risk management is co-ordinated at a corporate level via this Committee, however leadership is exhibited at all levels in the Trust to ensure that progress is made with risk mitigation. Of particular importance are the roles of the triumvirate within the clinical Divisions who are accountable for the management of risk in their Divisions.

**Clinical Audit** - The Clinical Governance Leads Network is accountable to the Clinical Governance Programme Board and has delegated authority to ensure clinical governance issues, particularly clinical audit are identified, managed or escalated to promote safe, high quality care. The audit process is facilitated and monitored at divisional level. The clinical audit policy has been reviewed and updated, the forward clinical audit plan agreed and quarterly monitoring is in place.

## 6. Annual Governance Statement - Continued

**Internal Audit** - As part of its assurance function, the Trust internal auditor (Mersey Internal Audit Agency) is asked to raise at the Audit Committee any concerns they have, from their reviews, regarding use of resources. The Trust has a track record of good financial discipline and that is reinforced by its Divisional management structure.

The Audit Committee receives regular update reports from the Trust's internal and external auditors on systems of internal control. The internal audit plan links to the Trust's Board Assurance Framework. The internal audit reports, along with external audit reports and assessments, contribute to the overall assurance received. The areas of significant and limited assurance all have action plans in place to improve controls.

The internal audit programme reviewed the following areas during 2011/12:

- Budgetary Control  
\*\*High Assurance
- Emergency Preparedness  
\*\*Significant Assurance
- Infection Control  
\*\*Significant Assurance
- Patient experience  
\*\*Significant Assurance
- Framework to ensure the Achievement of CQC Outcomes  
\*\*Significant Assurance
- Cost Improvement Programme (CIP) \*\*Significant Assurance
- Divisional Review – Acute Care \*\*Significant Assurance
- Combined Financial Systems review \*\*Significant Assurance

- Human resources ESR Processes  
\*\*Significant Assurance
- E Rostering \*\*Significant Assurance
- Cyclical review of Activity Data Capture  
- Pressure Ulcers\*\*\*Limited Assurance  
- Harm following serious incident investigation \*High Assurance  
- Malnutrition Universal Screening assessment Tool (MUST)  
\*\*\*Limited Assurance
- Root Cause Analysis Management and Reporting \*\*\*Limited Assurance
- Cerner Implementation  
\*\*\*Limited Assurance
- Information Governance Toolkit – in year assessment  
\*\*\*Limited Assurance

This was an interim assessment carried out in October 2011.

*\*High Assurance – Low impact weaknesses that do not affect key controls and are unlikely to impair the achievement of the key objectives.*

*\*\*Significant Assurance – Some weaknesses that could impair the achievement of the key objectives.*

*\*\*\*Limited Assurance – weaknesses in design and/or operation of controls which have a significant impact on the achievement of key objectives.*

*\*\*\*\* No Assurance – Weaknesses in design and/or operation of controls which may put at risk the achievement of key objectives.*

## 6. Annual Governance Statement - Continued

### **The Local Counter Fraud Specialist**

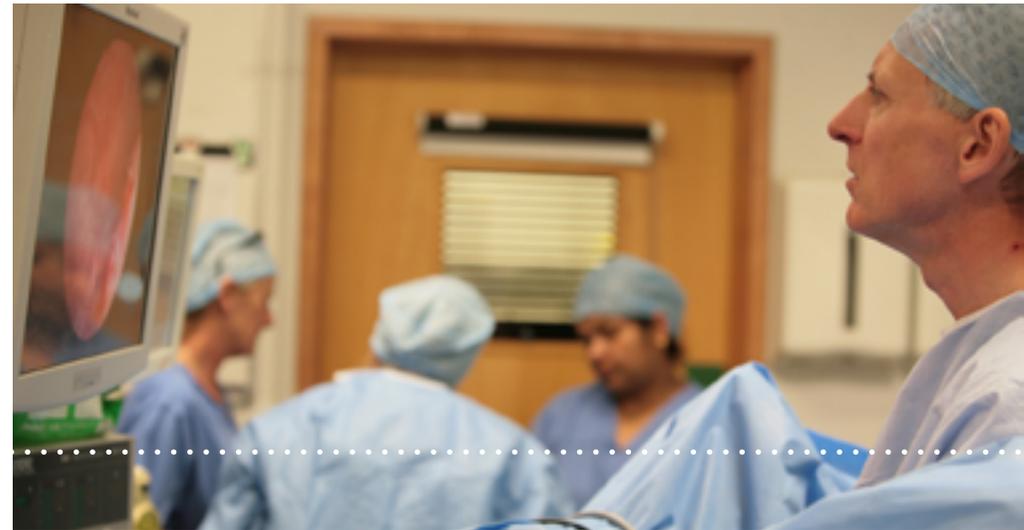
- works with key personnel in the Trust such as human resources and organisational development, security and risk management to ensure that the Trust has appropriate anti-fraud and anti-bribery measures in place. A programme of work is approved annually by the Audit Committee and at the end of each year a report is submitted to them detailing the work undertaken. The Trust has in place a Counter Fraud and Corruption Policy and a Bribery Policy, which is in the process of being ratified, and carries out regular awareness raising sessions with staff and other stakeholders. Consideration is given to anti-fraud and anti-bribery measures for all new policies.

### **Additional Assurance Mechanisms -**

The Trust contributes to the North West Advancing Quality Initiative and the national Safety Express programme. Both these initiatives provide comparative data to support quality improvements in the key areas identified. For example, recent release of year three Advancing Quality data has shown year on year improvement in the process of care for patients with heart attacks, hip and knee replacement, heart failure, stroke and community acquired pneumonia.

We continue to commission external benchmarking to enable service comparisons and in most areas our performance is similar to our peer group.

The Trust has evidence of high levels of incident reporting confirmed again this last year by an independent report from the National Patient Safety Agency, that placed us highest in its cluster (large acute hospital) for incident reporting rates. This indicates a strong and open reporting culture.



## 6. Annual Governance Statement - Continued

The National Patient Survey and Staff Survey results provide feedback to the Trust of areas for improvement and assurance on a broad range of issues. Results of the NHS staff survey 2011 clearly evidence that there remains considerable work to do for this Trust. The Trust has already held a series of action planning meetings with key stakeholders in order to agree the improvements required. Monitoring arrangements have been developed.

**Compliance with Terms of Authorisation** – In accordance with its Authorisation, an NHS Foundation Trust must comply with all healthcare standards and targets (Condition 6). This requires Foundation Trusts to deliver on a wide range of standards (including cancer, infection control, waiting times for planned operations and for patients waiting in A&E, meeting CQC standards etc) while at the same time ensuring that financial plans are met.

The Trust has successfully managed this risk in relation to a wide range of areas with two significant exceptions. The Trust did not meet the waiting times for routine operations, which require us to treat 90% of patients within 18 weeks of referral, until February 2012. The Trust has also faced challenges relating to the storage and security of medicines, where the Trust has not met the standards required by the Care Quality Commission.

As a result, the regulator Monitor has found the Trust to be in significant breach of its Authorisation, and requires us to undertake a review of our governance arrangements, as well as demonstrating that we are able to deliver all national standards in a sustainable way going forward.

### Conclusion

My review confirms that in general the Trust has sound systems of internal control designed to meet the organisations aims, objectives, and policies and that in the main these systems are applied consistently and effectively.

However, during 2011/12 some weaknesses were identified with regard to the design or consistency of application of these systems, particularly in respect of the 18 week Referral to Treatment standards, medicines security and business continuity relating to data systems. Further information relating to these issues is set out in the body of the Annual Governance Statement.

The Trust developed and implemented robust action plans and is in the process of addressing these specific issues. However, in order to provide further learning and assurance, and given that the Trust is in significant breach with its regulator, Monitor, the Trust has commissioned an external review of the organisation's governance structures to identify how they could be improved to ensure greater clarity, integration and rigour.



**Mr David Allison**  
Chief Executive



From Left to Right

**Gill Ayriss**  
Ward Manager

**DR. Colin Pinder**  
Consultant

**Mark Dillan**  
Ward Manager

# 7. Quality Account

## 7. Quality Account

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## 7. Quality Account - Continued

### Part 1: Chief Executive's statement

This is our third Quality Account. It is a yearly report that tells you what standard of care you can expect from us, how we measure those standards and how we plan to make improvements to the care we provide.

Wirral University Teaching Hospital (WUTH) is one of the largest and busiest acute Trusts in the North West of England, offering Accident & Emergency services and a diverse range of acute and non-acute specialties, together with outpatient and day surgery services.

Our aim is to achieve Excellence in Healthcare by delivering excellence in quality, patient experience and safety. Patients are at the heart of everything we do, working for and with them every day; delivering care with dignity and respect. We are dedicated to improving the patient journey and access to our services and committed to developing excellent staff.

This Quality Account brings together all the wide-ranging elements of work relating to service improvement and quality to increase our accountability to the public and the Board of Directors. The development of the Quality Account has provided an opportunity to engage the Board of Directors, Governors, the Local Involvement Network (LINK), commissioners, clinicians, staff and patients in identifying key priorities for improvement.

2011/12 has been a challenging year, including meeting the requirement to achieve a £14m Cost Improvement Programme. Other challenges have included responding to service reviews and the departure of our Chief Executive, Mr Len Richards, in August 2011. We have continued to focus on improving our services and I am particularly pleased to see this reflected in higher ratings in the national patient surveys. We have worked to raise standards in nursing in the Trust, which has resulted in significant progress in a variety of areas, including increasing assistance to patients with eating and drinking and the introduction of regular comfort checks.

There have been other improvements in the quality of care that we provided, as shown by reductions in patient falls, reductions in the development of hospital acquired thrombo-embolic disease (blood clots), and significant reductions in the numbers of hospital acquired infections. We have met all of the national cancer waiting times standards, which cover waiting times to be seen in clinic as well as how long it takes to receive treatment, and we are meeting the required standards for waiting times for patients in our Accident and Emergency Department.

However, despite the very positive progress described above there are important areas, such as waiting times for routine operations, where we have not met all of the national standards, and although we were able to improve in the last quarter of the year this took far too long. We have also faced challenges relating to the way we store and secure our medicines, where we have not met the standards required by the Care Quality Commission.

## 7. Quality Account - Continued

As a result, our regulator Monitor has found the Trust to be in significant breach of its Authorisation, and requires us to undertake a review of our governance arrangements, as well as demonstrating that we are able to deliver all national standards in a sustainable way going forward. As such we finish the year with the challenge of demonstrating that we are able to sustain our position going forward, to give our patients, Commissioners and Monitor the confidence that we will in future deliver against our terms of Authorisation as a Foundation Trust.

The Board of Directors has approved a £11.4m investment in site development to ensure we have the buildings and equipment we need to improve the experience of patients and staff. We have introduced new ways of listening to and acting upon the views of patients and staff through surveys and through Listening Roadshows. Finally, we continue to invest in clinical leadership recognising our commitment to improving clinical engagement in the

operation and development of the services we provide. This Quality Account demonstrates our commitment to delivering care of the highest quality and highlights aspects of our performance in 2011/12 together with the priorities for 2012/13.

I would like to thank our staff and volunteers for their continued dedication and professionalism in working together to ensure the Trust continues to improve the quality of the services we provide.

To the best of my knowledge, the information in this report is accurate.



**David Allison**  
Chief Executive

## 7. Quality Account - Continued

### Part 2.1: Looking forward to 2012/13; what are our priorities?

We have actively sought the views of patients, relatives and carers, governors, staff, Wirral Local Involvement Network (LiNs), the Local Authority Overview and Scrutiny Committee and our commissioners by asking what they thought of our services and what we should focus on when improving quality in 2012/13. We have also analysed our risk management systems, patient experience feedback for the last year and asked our staff. We have used this information to identify themes and areas for improvement to help determine our priorities for next year.

#### 2.1.1 Our priorities for 2012/13 are:

##### Patient Experience Priorities

**Improving complaints handling** – during the last year we have often not responded to complaints within the timescales we have agreed; the reasons for this vary. The response timescale was achieved in 59% of complaints. Complaints involving communication and staff attitude were 52% of the total. We recognise the importance of clear and timely responses to people who have complaints about our services and the need to demonstrate how we will act to avoid similar concerns. We have therefore identified this as a priority for 2012/13.

The targets for 2012/13 are:

- 80% of complaints responded to within the timescale agreed with the complainant
- 10% reduction in complaints about communication and staff attitude from the 2011/12 position.

**Improve on the National Inpatient Survey Results** – this was a priority for 2011/12. We wanted to achieve improvement in the annual Care Quality Commission (CQC) National Inpatient Survey. Whilst we have seen some improvement, this needs further focused work to ensure that the practices and improvements are embedded across all relevant services.

The target for 2012/13 is:

- a composite score in the National Inpatient Survey of 71%.

**Minimise unnecessary in-hospital bed moves** – this was a priority for last year. We have undertaken a piece of work to understand why patients experience too many bed moves but we still have more work to do to ensure that no patient is moved unnecessarily and therefore this will remain one of our priorities. It requires continued work to make sustained improvement. We will define our standard and develop a work programme to reduce unnecessary bed moves.

## 7. Quality Account - Continued

### Safety Priority

**Reduce the in-hospital risk adjusted mortality index (RAMI) rate by 10 points** – the risk adjusted mortality index is a calculation that compares the observed deaths with those that could be expected, based on deaths in similar patients across similar hospitals (our peer group). In deciding the expected rate, calculations are made using information such as age, gender and illnesses patients have, to risk adjust the chance of death. We have achieved a 7 point reduction in our risk adjusted mortality during the year meaning our death rate was 7% fewer deaths than in 2010/11. However, we remain above our peer group average suggesting we can still do better. Maintaining this as a priority will enable us to ensure that the practice improvements are embedded across relevant services.

The target for 2012/13 is:

- 10% from the baseline of 2011/12 and below our peer group for three successive months by year end.

### Clinical Effectiveness Priority

**Achieve goals set out in Safety Express Programme** – this includes learning and improvement in the prevention of avoidable hospital falls, and hospital acquired pressure ulcers, venous thrombo-embolic (VTE) events (blood clots) and urinary tract infections associated with the use of catheters. This was a priority for last year and we have had considerable success. It needs further focused work to ensure that the practices and improvements made are embedded across all relevant services. The aims of the two year programme are that by the end of 2012, we will have achieved:

- 50% reduction in serious harm and death from falls in the hospital
- 80% reduction in category 3 and 4 pressure ulcers developed in the hospital
- 50% reduction in venous thrombo-embolic events
- 50% reduction in urinary tract infections in patients with in-dwelling catheters

### 2.1.2 Monitoring of our Priorities for 2012/13

We will continue to provide a quarterly report on progress with our five priorities to the Board of Directors and internal committees that will be shared with our local commissioners, Wirral Local Involvement Network and the Overview and Scrutiny Committee. Individual priorities are managed and monitored within a range of groups in the Trust. For 2012/13, all priorities will have a work programme in place.

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## 7. Quality Account - Continued

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### 2.1.3 Review of Priorities not included in 2012/13

The two areas listed below will be excluded from the 2012/13 priorities as they have both shown improvements, and have established systems in place to continue to deliver better care with clear monitoring structures within the Trust.

***Deliver the Advancing Quality Initiative*** – this includes improving care of people who have acute myocardial infarction (heart attack), community acquired pneumonia, stroke, hip and knee replacement and heart failure. This initiative has helped to deliver year on year improvements in care within our hospital for three consecutive years. It is now a regional commissioning for quality improvement and innovation (CQUIN) target and external benchmarking processes are in place.

***Increase assistance for patients with eating and drinking and compliance with Malnutrition Universal Screening assessment Tool (MUST) to above 95%.*** Increase assistance for patients with eating and drinking and compliance with Malnutrition Universal Screening assessment Tool (MUST) to above 95%. This aspect of care is considered a key element to the delivery of excellent care. Whilst it is not a priority for the Quality Account this year it continues to have a high profile within the Trust and actions to improve to 100% in all indicators will continue.

We have seen significant improvement in the number of in-patients participating in the local survey and the consistent feedback from patients is that they receive the help they need around drinking and eating (between 89-91%). The use of MUST has increased significantly during the year and compliance with use is between 87-91% over the year. The audit process is being strengthened to ensure there is an audit trail directly linking to the patient. We recognise that assistance with eating and drinking is fundamental to excellent patient care, we believe the significant progress made will be sustainable. This will continue to be monitored and reported monthly within the organisation. Each clinical division also has this as part of their action plan to improve patient experience.

## 7. Quality Account - Continued

The priority below was a priority in 2010/11.

### ***Achieve NHS Litigation Authority –***

The priorities was to work towards achieving NHS Litigation Authority (NHSLA) level 3 which was to be assessed in July 2011. The Level 3 NHSLA assessment occurred in July 2011 and the Trust was assessed against the 50 risk related criterion. The assessment resulted in the Trust maintaining Level 2 accreditation with a score of 35 out of 50 but not achieving the 40 out of 50 we needed for Level 3 accreditation which is the highest level. Given that NHSLA requirements increase year on year, the fact that we maintained Level 2 is a positive achievement which would not have been possible without an enormous amount of hard work and dedication by many people. We will be re-assessed for Level 2 in July 2012 and, if successful, can work towards Level 3 assessment in 2013. Progress is monitored by the Hospital Management Board and the Quality and Safety Committee which reports to the Board of Directors.

### **Part 2.2 Statements of Assurance from the Board of Directors**

The information that follows is a mandatory requirement and all NHS trusts must include it within their Quality Account.

#### **2.2.1 Service reviews**

During 2011/12, the Trust provided and/or subcontracted 66 NHS services (see Appendix 1). 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 2011/12 represents 100% of the total income generated from the provision of NHS services by the Trust for 2011/12. Information covering all services and the three dimensions of quality is brought together in an Intelligent Board Report reviewed by the Board of Directors every month. During the year this report has further developed and includes trends in a wide range of quality indicators from all services including results of assistance with drinking, Learning From Patients' surveys and staff feedback surveys.

In addition, these quality indicators are also on display on a corporate Viswall (a regularly updated visual board of all the key Trust performance indicators). Whilst these are not all speciality-specific it provides assurance about the quality of care given and enables investigation of untoward trends. Services, such as breast screening, had a very positive report in an external Breast Screening Quality Assurance review. The pathology services have successfully retained their Clinical Pathology Accreditation with Cytology/ Colposcopy service also having a very positive Quality Assurance review during this last year.

Each Division has an internal quality and safety structure and processes and this is reviewed and monitored on a quarterly basis by the Chief Executive and Executive Directors.

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## 7. Quality Account - Continued

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

Clinical audit involves improving the quality of patient care by looking at current practice and measuring compliance with standards whether local or national. In 2011/12, 38 national clinical audits and 4 national confidential enquiries covered NHS services that the Trust provides.

During 2011/12, the Trust participated in 89% (34) national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits which it was eligible to participate in during 2011/12, that the Trust participated in, for which data collection was completed during 2011/12 are listed in Appendix 2 alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

The national confidential enquiries which it was eligible to participate in during 2011/12 and that the Trust participated in are noted in table 1 below. The reports of 18 national clinical audits were reviewed by the Trust in 2011/12 and we have taken or intend to take the actions noted in Appendix 2 to improve the quality of healthcare provided.

A number of the national clinical audits do not report in every financial year with some of the final reports of the audits noted as not being due until later in 2012 or 2013 because some audits are run on 2 or 3 yearly cycles. The Trust continues to work to strengthen the clinical audit systems in place to ensure appropriate review of the reports of national audits and develop actions for improvement where required.

## 7. Quality Account - Continued

National Confidential Enquiries Title	Organisation Questionnaire	Case Requirement	Cases Audited
Bariatric Surgery	Complete	Study still in progress	
Cardiac Arrest Procedures	Complete	0	0
Knowing the Risk: A Review of the Peri-Operative Care of Surgical Patients	Complete	6*	0
Are We There Yet?: A Review of Organisational and Clinical Aspects of Children's Surgery	Complete	0	0

Table 1. National Confidential Enquiries

\* participation was not complete as the request for information was sent to an incorrect email address.

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 74 local clinical audits were reviewed by the provider in 2011/12 and the Trust has taken or intends to take the following actions to improve the quality of healthcare provided:

- Clinical Nurse Specialists have completed training in psychological support to enable them to support patients with cancer and their carers.
- We have made changes to theatre booking lists to improve communication with consultants.
- The Uro-oncology nurses identified where delays occurred in the patient's journey. Joint appointments have been created in consultants' clinics for Uro-oncology nurses to see patients alongside consultants and a new history sheet has been developed to streamline nurse assessments and improve the patient journey.
- Laparoscopic appendicectomy guidelines are being developed.
- Delirium Pathway developed to ensure consistent compliance with NICE guidance.
- Interactive Trauma Training will commence in March 2012.

## 7. Quality Account - Continued

### 2.2.3 Participation in Clinical Research

Clinical research includes both clinical trials (which involve studies to investigate new drug treatments or new 'implants' like hip replacements), and laboratory studies in which we look at new tests to help us diagnose illnesses earlier or more effectively. All research must be approved by an NHS Research Ethics Committee, and studies with drug treatments or new implants also have to be approved by the Medicines & Healthcare-products Regulatory Agency.

The number of patients receiving NHS services provided or sub-contracted by the Trust in 2011/12 that were recruited during that period to participate in research approved by a research ethics committee was 507. These patients took part in 33 studies that the National Institute of Health Research (NIHR) had adopted as 'Portfolio' studies because of high quality protocols or potential benefits to patients.

One hundred and forty two (28%) of these patients were recruited into trials involving active treatments; 12 of these were randomised trials, 8 of which were 'Portfolio' commercially-sponsored trials. The conditions being investigated included diabetes, rheumatoid arthritis, leukaemia, myelodysplastic syndrome, sepsis, stroke, pre-term delivery, macular degeneration, glaucoma and childhood wheeze. The Trust was amongst the 'global' top 10 centres for recruitment to the International Stroke Study, "IST-3".

Our involvement in research resulted in 12 publications being accepted in professional journals in the last year. This increased level of participation demonstrates the continuing commitment we have to improving the quality of care offered to our patients.

### 2.2.4 Commissioning for Quality and Innovation

Commissioning for Quality and Innovation (CQUIN) is a sum of money put aside by the Primary Care Trust (PCT) to fund quality improvement; the Trust earns the income by delivering agreed quality targets. A proportion of Trust income in 2011/12 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and local PCT 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 in 2011/12 were developed by NHS Wirral and reflected areas of desired improvement identified nationally, regionally and locally. Further details of the agreed goals for 2011/12 and the following 12 month period are available at: [www.monitor-nhsft.gov.uk/about-nhs-foundation-trusts/nhs-foundation-trust-directory/wirral-university-teaching-hospital-nhs-f](http://www.monitor-nhsft.gov.uk/about-nhs-foundation-trusts/nhs-foundation-trust-directory/wirral-university-teaching-hospital-nhs-f)

## 7. Quality Account - Continued

Indicator for 2011/12	Threshold	Year-end Position
Venous thrombo-embolism (VTE) risk assessment	90% of admitted patients to have been risk assessed for VTE	<b>Achieved</b> Performance has been above 90% in every month throughout 2011/12
Improve responsiveness to personal needs of patients	Achieve a composite score of at least 71% in the National Inpatient Survey 2011/12	<b>Not Achieved</b> Published score for 2011/12 was 67.4%. This was an improvement on 2010/11.
Advancing Quality – to promote clinical effectiveness, safety and patient experience in <ul style="list-style-type: none"> <li>• Acute myocardial infarction</li> <li>• Heart failure</li> <li>• Hip and knee replacement</li> <li>• Pneumonia</li> <li>• Stroke</li> </ul>	Achieve a range of composite scores and patient experience measures	<b>Unknown</b> The definitive result will not be known until September 2012. However, unvalidated data suggests the Trust is on track to achieve all except pneumonia.
Improved trauma care for patients with better outcomes	Membership and data submission to the Trauma Audit and Research Network (TARN)	<b>Achieved</b> Data submission achieved the required standard for improvement
Improvement in discharge communication	Quarterly milestones to be achieved	<b>Achieved</b> Milestones on revised template achieved
Enhanced Recovery Programme (ERP) implementation across 8 pathways	Specific ERP pathways to be implemented, and associated Length of Stay reductions to be agreed.	<b>Achieved</b> Pathways implemented, Length of stay not yet agreed.
Assistance with eating, drinking and personal hygiene	Achieve specified response rate per ward, plus improved survey scores	<b>Achieved</b>
Reducing emergency readmissions	Patients attending A&E within 30 days of previous discharge to have a senior review within 6 hours	<b>Partially Achieved</b> Senior review implemented, but target of 95% was not achieved.

Table 2. CQUINs for 2011/12

## 7. Quality Account - Continued

The amount of income in 2011/12 conditional on achieving quality improvement and innovation goals was £3.44 million. For the year 2010/11 the total associated payment was £3.47 million.

The CQUINs for 2012/13 have been developed with NHS Wirral/GP Clinical Commissioning Groups and again reflect national, regional and local priorities. They are shown in table 3 below:

Goal/Strategic Aim 2012/13	Rationale for Inclusion
VTE prevention	<b>Reduce avoidable death, disability and chronic ill health from Venous-thromboembolism (VTE)</b>
Patient experience - personal needs	Improve responsiveness to the personal needs of patients
Dementia	Dementia screening, risk assessment and referral for specialist diagnosis
NHS Safety Thermometer	Improve the collection of data in relation to pressure ulcers, falls, urinary tract infection in those with a catheter and VTE
Advancing Quality	Improve the quality of service for patients experiencing Acute myocardial infarction, Heart Failure, Hip & Knee Replacement, Pneumonia, Stroke and overall Patient Experience
Trauma Audit Research Network (TARN)	To improve trauma care and outcomes
Urgent Care	To improve performance in Urgent Care Services and to support the implementation of recommendations from Emergency Care Intensive Support Team (ECIST) report and the Clinical Commissioning Group's review of Urgent Care
Discharge Summaries	To improve the quality of discharge summaries by focussed evaluation of 4 key fields
Enhanced Recovery Programme	Implement 5 pathways using the Enhanced Recovery Programme
Lung Assessment Unit (LAU)	Improve data collection to support the continued funding of the LAU

## 7. Quality Account - Continued

Goal/Strategic Aim 2012/13	Rationale for Inclusion
Alcohol	To support Trust staff in delivering brief interventions and improve referral to specialist services
Smoking	Increase stop smoking interventions
Non Elective Flow	Establish the principles of Enhanced Recovery in non-elective areas
Older Persons Rapid Assessment ) (OPRA)	Extend OPRA to urgent care areas
Patient Experience	To improve understanding of patient experience and identify areas for improvement in a number of services – A&E, dementia, and paediatrics
Foot Care for those with Diabetes	Specialist MDT treatment pathways for patients admitted with Diabetes related foot problems, supporting a holistic care approach
Neonatal Unit Hypothermia	Increase the effectiveness of therapeutic hypothermia in neonates
Neonatal Unit Infection	To support the reduction in Coagulase Negative Staphylococcus infection in neonates

Table 3. CQUINs for 2012/13

## 7. Quality Account - Continued

### 2.2.5 Care Quality Commission Registration and Reviews

The Care Quality Commission is the organisation which regulates and inspects health and social care services. The Trust is required to register with the Care Quality Commission (CQC) and its current registration status is that it is 'registered without conditions for the Health and Social Care Act 2008'.

The CQC has undertaken one unannounced inspection of our Trust during 2011/12. This was part of a national review of consent procedures for termination of pregnancy. At the time of writing we are awaiting the outcome.

We have implemented all the minor actions arising from an unannounced visit to Clatterbridge Hospital in March 2011 identified during the visit; this was part of their national review of dignity and nutrition in older people – the CQC report stated no concerns were identified.

The information about Arrowe Park Hospital site that was available on the CQC web site was out of date and the Trust questioned this in November 2011. In order to update the website information the CQC requested we provide documentary evidence for a range of issues. These related to our declared concerns that we may not be fully compliant at the time we first registered with CQC in January 2010. The regulations were:

- 9: care and welfare of people who use services (specifically risk assessments for malnutrition and pressure ulcers)
- 13: medicines management
- 14: meeting nutritional needs
- 16: safety, suitability and availability of equipment (training records for medical devices)
- 18: consent to care and treatment
- 20: records (destruction of obsolete records in accordance with the Data Protection Act).
- 22: staffing;
- 23: supporting staff (completion of annual appraisals);

We also provided updates about how we had responded to CQC alerts about higher-than-expected levels of mortality affecting older patients admitted as an emergency, with a primary diagnosis relating to their respiratory system and older people admitted with urinary tract infections. There was also an alert about higher than expected readmissions following appendicectomy. Issues raised by these alerts included data quality for older people with acute confusion, antibiotic policies and practices, and referral paths within the hospital. Action plans have been put in place for all these issues and are progressing according to plan; with many actions already completed. There is ongoing monitoring of these areas and mortality is now within the expected levels.

## 7. Quality Account - Continued

Following receipt and assessment of this information, CQC issued a compliance report. This stated that we were compliant with seven of the eight regulations they reviewed, but that they had 'moderate concerns' for one – Medicines Management. This related to the findings of our Medicines Storage Audit from July 2011. We had developed a programme of monthly spot checks of the secure storage of medicines, undertaken by Matrons and we are monitoring the results closely. Risk reduction measures have been put in place for areas where refurbishment is required. Although we were compliant with regulations 9 – Care and Welfare, and 14 – Nutritional Needs, we were asked to inform CQC how we would progress towards 100% completion of these risk assessment tools for all inpatients and long term sustainability.

During the year we convened a series of Review Panels for each regulation. These involved the Executive Director with responsibility for the regulation, the Operational Lead for each regulation (a manager who is more closely involved in the detail, but is senior enough to drive forward changes where necessary), and senior members of the Quality and Safety Department. The panels review our evidence of compliance in detail and the results are reported to the Clinical Governance Programme Board, and the Quality and Safety Committee of the Board of Directors.

In December 2011, we revisited all the action points from the review panels to review whether they had been implemented. We have developed a checklist to conduct our own mock inspections against the CQC regulations. The first mock inspection took place in January 2012 and covered Womens' Services. The inspection noticed some good practice points, for example good progress was being made with implementing the Patient Experience Action Plans.

Patients spoke positively about the care they had received, the facilities and the quality of food. There was a good level of staff awareness of issues around safeguarding and consent to treatment. Going forward, these mock inspections will be integrated into the programme of leadership walkrounds which are carried out by our Lead Nurses, Executives and Senior Managers.

The CQC has not taken enforcement action against the Trust in 2011/12. The Trust has not participated in any special reviews or investigations by the CQC during the reporting period other than those noted above.

## 7. Quality Account - Continued

### 2.2.6 Data Quality

The Trust submitted records during 2011/12 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'.

NHS	2009/2010	2010/2011	2011/2012
Admitted patient care	98.3 %	98.5%	97.8%
Outpatients	98.9%	99.3%	98.7%
A&E	96.2 %	96.3%	96.1%
<b>GP Registration</b>			
Admitted patient care	99.5%	99.9%	99.9%
Outpatients	99.9%	100.0%	100.0%
A&E	95.6%	100.0%	100.0%

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 cross-Divisional Data Quality Group meets regularly to review data quality standards and to address issues.

The Trust will be taking the following actions to improve data quality for 2012/13:

- Reducing the rate of clinical communication addressed to incorrect GP practices
- Reducing the rate of diagnostic investigations requested in incorrect 'episodes' of care
- Preparation for Phase 2a of Wirral Millennium (Trust IT system) in November 2012, including and assessment of data quality standards after implementation of the new system.

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## 7. Quality Account - Continued

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### 2.2.7 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 Governance Committee facilitates the work programme that ensures the Trust maintains compliance with relevant information governance legislation and good practice. The Trust Information Governance Assessment report overall score for 2011/12 was 69% and was graded green in the grading scheme.

Information risks either reactive (following incidents) or proactive (following risk assessments), continue to be managed in the same way as all other risks identified in the Trust. Information risks are reviewed by the Information Governance Committee, which reports to the Clinical Governance Programme Board. The Information Governance Committee also continues to report to the Audit Committee to increase the level of assurance on Information Governance systems.

### 2.2.8 Clinical Coding

High quality coded clinical data is essential to provide reliable and effective statistically meaningful data analysis. The Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission. The error rates reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) are not yet reported as we are currently awaiting a finalised report from the Audit Commission.

The services reviewed within the sample were 100 Finished Consultant Episodes (FSE) in General Medicine and random samples of 100 in all services from April to June 2011.

## 7. Quality Account - Continued

### Part 3: Review of Quality Performance

This section of the report tells you how we performed against the six priorities that we set ourselves in 2011/12.

#### 3.1 Our priorities for 2011/12 were:

##### Patient Experience Priorities

**1. Improve on the National Inpatient Survey Results** - Achieve required level of improvement in the annual Care Quality Commission (CQC) National Inpatient Survey – our aim was to improve on our results of last year and the target was a composite score of 71%. We achieved a composite score of 67.4% which shows improvement but we want to retain this as a priority for 2012/13 to improve further.

The key actions undertaken during the year have been:

- We promoted compliance with the Commissioning for Quality and Innovation (CQUIN) questions (that are from the National Patient Survey) in all services. Each ward now has a measure on a quarterly basis which has been a result of a focus on increased response rates to the Learning with Patients Questionnaire that we ask our patients to complete before discharge. This allows the Trust to understand specific areas for improvement and plan actions accordingly.
- Return rates on the monthly Learning with Patients Questionnaires have improved significantly with 96% of patients stating that they were treated with courtesy and respect and 97% of patients stating that they would recommend the hospital to family or friends.
- Our Divisions are continuing to progress action plans to improve patient experience and these are quality assured and monitored by the Clinical Governance Programme Board and through quarterly Divisional reviews.
- An audit conducted by Mersey Internal Audit Agency in October 2011 provided a rating of 'significant assurance' in relation to the Trusts Patient Experience Framework.
- The results of the National Inpatient Survey 2011 indicate that we have achieved a composite score of 67.4% against a baseline of 65.1% in 2010.

## 7. Quality Account - Continued

**2. Increase assistance for patients with eating and drinking** and compliance with Malnutrition Universal Screening assessment Tool (MUST) to above 95%. In quarter 4, the percentage of patients completing the Learning with Patients survey, who stated that they got enough help from staff to eat meals was 91%; whilst 89% of patients reported they received assistance with drinking.

There are two regular audits on the use of MUST in the Trust; one is focused solely on MUST and is carried out on every in-patient at a given time and the second one is extracted from a larger audit that covers a wide range of nursing indicators, is based on a sample of patients in each ward and acts as a 'temperature check' through the year. It is the latter audit used as the indicator for MUST and whilst we did not achieve our target, the use of MUST increased significantly. The whole year compliance was 87%.

The key actions undertaken during the year have been:

- April 2011, was designated as nutrition awareness month in the Trust. There was a drive to improve nutrition for patients that included the Executive Directors assisting at mealtimes and awareness raising initiatives for nursing staff to respond to the visual prompts that are in place to highlight patient needs (i.e. the use of red beakers and red trays for patients who require additional assistance).
- Members of Wirral Local Involvement Network (LINK) were invited to take part in unannounced visits to a number of wards. They focussed on monitoring the assistance with eating and drinking given to patients and these visits will be continuing over the next year.

- The protected mealtime policy has been revised and staff are encouraged to familiarise themselves with the policy. It is really important that as far as possible wards are free from interruptions at mealtimes.
- As part of this policy, and only where appropriate, relatives and carers are encouraged to assist their family member at mealtimes.
- In June 2011 the Care Quality Commission (CQC) published a report on Standards of Nutrition and Dignity for Older Patients following an inspection of 100 Trusts across the country focussing on whether older people are treated with dignity and respect and whether they get food and drink that meets their needs. As one of the first 12 Trusts to be reported on (with the visit at the end of the last financial year), we are very pleased that we met the CQC's essential standards.

## 7. Quality Account - Continued

- A week long workshop was held in October 2011 which focussed on 'Improving the mealtime experience'. This workshop looked at a wide range of issues from assistance at mealtimes through to the food being hot when served. The workshop devised standard work for preparing the patient and their immediate environment for the mealtime and improving the organisation of the ward staff when the food was ready to be served. During the workshop the time taken to distribute meals was reduced to 8 minutes which meant that the food arrived with the patient sooner and therefore remained hot. By reducing the time it takes to distribute the meals it means that we can allocate staff quicker to provide assistance to those patients who need it. The standard work designed during the week is being implemented across all inpatient wards.
- The use of MUST has been monitored by the Executive Team.

**3. Minimise unnecessary in-hospital bed moves** – we will be developing the standard and ways to reduce bed moves initially and then monitor the standard. This was a priority for last year and has not progressed as anticipated and therefore will remain one of our priorities.

The key actions undertaken during the year have been:

- An audit was undertaken in September 2011 to establish the rationale for transferring patients within the Trust on more than 4 occasions. Patients admitted through the Emergency Department will be transferred on 3 or 4 occasions depending on their clinical need. The audit revealed that the following activity increased the number of bed moves for some patients:
  - the impact of the Hydrogen Peroxide Vaporiser (HPV) infection control programme which involves the patients being transferred into an empty ward during cleaning;
  - the use of the winter contingency wards;
  - the impact of eliminating mixed sex accommodation.

- A weekly transfer report has been established to enable the Deputy Director of Nursing to monitor multiple patient transfers. The Care Standards Executive, which is chaired by the Director of Nursing and Midwifery, reviews this monthly.
- A Trust wide project has commenced using Kaizen methodology to improve the management of patient flow across the Trust. One of the objectives of the project is to minimise the number of patient transfers and reduce the time patients wait for a bed. It is likely that the project will take approximately 6 months to complete and implement recommendations.

## 7. Quality Account - Continued

### Safety Priority

#### **4. Reduce the in-hospital risk adjusted mortality index (RAMI) rate by 10 points**

- the risk adjusted mortality index is a calculation that compares the observed deaths with those that could be expected based on deaths occurring in similar hospitals to ours (our peer group). In deciding the expected rate, calculations are made using information such as age, gender and other illnesses patients have, to risk adjust the chance of death.

The Trust has reduced the RAMI by 7 points during 2011/12. The RAMI for 2010/11 was 98, the year end position for 2011/12 is 91. This means there have been 140 fewer deaths than expected during the year.

The key actions undertaken during the year have been:

- All clinical Divisions hold monthly audits on patients who have died. These are undertaken by senior nursing and medical staff to review whether the appropriate evidence based clinical guidance was followed, whether the care of the deteriorating patient was appropriate, including whether patients received critical care services and also whether end of life care was appropriate. Lessons learnt from these audits are shared within the Divisions and also across Divisions to identify areas of common concern.
  - Actions taken to date are additional staff training in the use and interpretation of medical emergency warning score (MEWS) with regular monitoring and action to reinforce the need to escalate concerns about a deteriorating patient. A pilot project where the care pathway is started in the Accident and Emergency department and Medical Assessment wards for patients admitted at the end of their life that will identify if this improves their care.
  - The Trust also reviewed specific groups of patients during the year where our mortality was thought to be higher than expected. A review of patients admitted with urinary tract infection identified that the majority of these patients had significant dementia and did not die because of a urinary tract infection. However, it provided an opportunity to remind staff to use the 'care of the dying pathway' and to support developments to improve services for patients with dementia. A review of older patients with complex respiratory illness identified concerns about how quickly we diagnose and start to treat pneumonia, how we ensure surgical inpatients gain access to medical advice and the use of the care of the dying pathway. Work is ongoing in all these areas with additional training for staff, new prompts and reminders for pneumonia care as well as protocols for urgent inpatient referrals between medicine and surgery.
- This will remain a priority for the Trust in 2012/13.

## 7. Quality Account - Continued

**5. 95% of inpatients discharged will have a completed electronic summary** that complies with the Trust standard template by quarter 4 2011/12 (Jan - Mar 2012).

When patients are discharged from hospital an electronic summary document is produced that should provide sufficient information to hand care back to the General Practitioner (GP). This letter is partly completed automatically with additional notes generated by staff on the ward; this letter should be available at the time of discharge with a copy for the patient and the GP.

The key actions undertaken during the year have been:

- A baseline audit was completed in November 2011 of 160 discharge records to examine the completion of the electronic discharge summary (13 key items of information). The 13 key items were: Admission date, Discharge date, Consultant responsible at time of discharge, Summary of key diagnosis, Details of services provided to include operations and diagnostic procedures, Outcomes of any surgical procedures or diagnostic procedures, Details of medication at time of discharge, Details of any medication started or stopped during admission and why, Any adverse reactions or allergies, Any immediate post discharge requirements from primary care team, Any planned follow up arrangements (OPD, falls referral), Any relevant infection, Who should be contacted in the event of a query.
- The results of the audit were shared with Commissioners and GP colleagues and an action plan produced to address the areas of non-compliance.
- The Discharge Policy was amended to include the changed requirements.
- Laminated guidance for medical and nursing staff has been produced and situated near the computers on all wards to act as a reminder to staff.
- A number of changes have been made to Wirral Millennium (the Trust clinical information system used in the Emergency Department) to improve the quality of letters to GPs for patients who have attended the Emergency Department and are discharged.
- A clinical reference group has been working to standardise and improve the quality of information within the discharge letters. As a result changes to the Trust Patient Clinical Information System (PCIS) are planned to include mandatory fields within the discharge letter and to reduce the amount of free text. This will help ensure accurate and timely discharge letters to GPs.

## 7. Quality Account - Continued

### Clinical Effectiveness Priority

**6. Achieve Goals set out in Safety Express Programme** – this includes learning and improvement in the prevention of hospital falls, pressure ulcers, venous thrombo-embolic (VTE) events (blood clots) and urinary tract infections associated with the use of catheters. This is a two year project, supported by the North West Advancing Quality Alliance (AQuA), looking at how the NHS can deliver efficiency savings whilst maintaining and improving quality. The aims of the programme are that by the end of 2012, participating organisations will have achieved:

- 50% reduction in serious harm and death from falls in the hospital
- 80% reduction in category 3 and 4 pressure ulcers developed in the hospital
- 50% reduction in venous thrombo-embolic events
- 50% reduction in urinary tract infections in patients with in-dwelling catheters

We have received a report on performance in the first year relating to the measures of harm free care in the Trust for the four areas. We have been using this tool on a number of specific wards since February 2011. The report shows that we have seen an overall reduction in the patients being harmed, from 23.6% in February 2011 to 7% in October 2011.

The Safety Express Team is extremely proud of the progress and achievements that have been made throughout the past year and the key actions undertaken during the year have been:

- A work stream established with input from community services and social care and patient representatives.
- Steering group overseeing the project was set up and baseline data collected.

### Hospital falls

- The Trust has been actively working to reduce falls that result in serious harm for the last 18 months and we have seen a reduction in fall fractures to between 2 and 3 a month. It became clear that falls leading to serious harm were more likely to occur on the wards where we had not introduced the 'comfort measures' checklist and falls assessments were missed.
- There has been a reduction in falls that resulted in fractures on the DME wards. It is considered that this may be due to the targeted interventions that include frequent comfort checks on all appropriate patients (this is where a member of staff checks that the patient has drinks available, whether the person needs to visit the toilet and that the immediate area is safe). This initiative has been rolled out to all wards and a similar system is also being used in the A&E department.

## 7. Quality Account - Continued

- Completion and evaluation of the pilot of a range of assistive technologies to reduce falls. This allowed us to determine which technologies are best served to help us reduce falls. Guidance is being developed with the wards to support using assistive technology for specific patients where it may help reduce the likelihood of a fall.
- We have improved the referral process to the Community Falls Prevention Team so that nurses can refer patients on discharge from hospital.
- We have seen a 28% reduction in falls since 2010/11 (1175 v 1628). In 2011/12, there were 31 falls resulting in fracture, a 26% decrease from 2010/11 (42 fall fractures); achieving our year end target.
- We revised how we review and learn from the most serious pressure ulcers (referred to as grade 3 and grade 4 pressure ulcers) so that the cause of the ulcer is thoroughly investigated and the action plans are focussed on improvement and learning. These reviews include a member of the Tissue Viability Team to ensure expert input into the investigations.
- The training needs of ward staff have been assessed and the findings will be incorporated into a revised training programme. For example, every week, each Division has a drop in clinic for any staff with the Tissue Viability Specialists where there is teaching and/or question and answer sessions.

### Preventing Blood Clots or Venous Thrombo-Embolism (VTE)

- We have established a system to report new pressure ulcers using existing electronic information; recent review suggests this overestimates our incidence of new pressure ulcers and has highlighted the need to develop staff knowledge to ensure they are accurately identifying and grading pressure ulcers. Overall, there seems to have been a reduction in pressure ulcer reporting between years and anecdotally, the true number of grade 3 and 4 pressure ulcers has also reduced. However, we do not believe the data are robust enough to report in this Quality Account and we will focus our attention on this in the coming year.
- Compliance with risk assessment of venous thrombo-embolic (VTE) prophylaxis (blood clot prevention) has been above the national target of 90% throughout the year. The annual achievement is 95.4%.
- We are also producing information for Divisions to ensure that appropriate preventive treatment is given to patients to ensure that assessments lead to appropriate care. We have introduced new VTE prevention training for staff and also set up prompts and reminders for staff to ensure that assessments are undertaken.
- We are introducing the 'safety cross' which highlights to staff if new pressure ulcers have developed and provides a visual aid to understanding skin integrity issues on the wards.

## 7. Quality Account - Continued

- We have reviewed our clinical guidance for patients with VTE disease, to ensure it includes the latest evidence-based research so that care given is clinically effective.
- We are monitoring the impact of the work undertaken by reviewing the care of all patients who present with new VTE disease having been in hospital within the previous 90 days and also those patients who have VTE disease where it was not the reason for admission. Examining these groups helps us to identify whether disease was potentially preventable and how we can improve our services to reduce preventable disease in the future.
- We have seen readmissions with VTE disease reduce by over 50%, with 74 readmissions in 2011, against a maximum target of 86 patients.
- We have recorded a reduction in patients discharged with a secondary or subsequent diagnosis of VTE disease; reduced by 46% with 188 patients identified against a maximum target of 172 patients.

- We have seen a reduction in deaths for Wirral residents from VTE disease of almost 25% with 16 deaths recorded. Within this group, the subset of patients who had been an inpatient within 90 days of death has reduced with 4 deaths which is above the 50% reduction target. In total 5 fewer Wirral residents died of VTE disease in 2011 compared to 2010.

### Urinary tract infections associated with the use of catheters

- A catheter surveillance programme is now in place that identifies when a catheter is in place and the length of time it is in place; there are indications that there are reductions in the length of time a catheter is inserted.
- The customised Urinary Catheter Insertion Packs to standardise the process and reduce variation in practice have now been implemented Trust-wide. The successful roll out of this initiative was supported by a comprehensive practitioner education and training package in conjunction with the Clinical Skills Lab Coordinator/ Team, Urology Specialist Nurses,

Infection Prevention & Control and Divisional Surveillance Nurses.

- The existing Urinary Catheter Care Pathway for Adults has been updated and revised to reflect evidence-based, best practice recommendations and these have recently been distributed throughout the organisation.
- The information provided within the current adult Urinary Catheter Patient Information Booklet helps to educate and support in-patients who have a 'short-term' catheter inserted and particularly those with 'long-term' catheters. During any assessment by healthcare workers either in the hospital or community, the unique personal catheterisation details contained within the patient's booklet provides important information (e.g. when a catheter was inserted/requires replacement) and this serves to promote 'seamless care' across the hospital and community. This booklet will be revised and updated this year in order to incorporate further evidence-based, best practice recommendations.

## 7. Quality Account - Continued

### Priority 6 also includes

Deliver the Advancing Quality Initiative – this includes improving care of people who have acute myocardial infarction (heart attack), community acquired pneumonia, stroke, hip and knee replacement and heart failure.

Advancing Quality is about ensuring we provide the right treatment to the right patients at the right time. It involves measuring key actions that are identified good practice in the diseases concerned.

There is normally a 3-6 month time lag in the availability of reports on the key indicators in the Advancing Quality Initiative programme. The most recent validated data available relates to 2010/11 and shows improvement in all areas for the third year running. Unvalidated data relating to 2011/12 generated within the hospital has continued to show improvement in all areas except pneumonia. During 2011/12, new measures have been introduced and these will be more challenging to deliver. Heart failure and Community Acquired Pneumonia continue to be the areas of greatest challenge.

Indicator	2010/2011	Apr- Dec 2011
Acute Myocardial Infarction	99.23	99.62
Heart Failure	82.89	84.42
Hip & Knee Replacement	97.62	99.70
Community Acquired Pneumonia	83.70	80.74
Stroke	89.59	92.54

The key actions undertaken during the year have been:

- We understand that for both Heart Failure and Community Acquired Pneumonia there are significant issues in early assessment and treatment, as well as providing smoking cessation advice. For patients with heart failure some are discharged home rapidly because they do not need to stay in hospital; however, we need to ensure these patients are given the appropriate discharge information and if they need an echocardiogram test, it is performed within 2 weeks of discharge. For patients with pneumonia, it is not always a straightforward diagnosis and choosing and delivering the right antibiotic quickly can be problematic. This initiative is now being led by an

Acute Physician so that immediate early intervention and feedback can be given to support our clinicians to manage patients better.

- There has therefore been a focus in the Acute Care Division to educate all grades of clinical staff.
- We have designed new case note labels to support the data capture, disseminated educational tools and provided feedback on where staff have missed opportunities to deliver the key interventions.
- The Advancing Quality staff have been on the acute wards daily capturing data real time and taking the opportunity to offer advice to the staff caring for these patients.

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## 7. Quality Account - Continued

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- There has also been work to engage other key workers such as pharmacists and ward managers.
- To improve our smoking cessation support we have introduced nicotine replacement therapy onto our wards as routine stock to enable timely delivery and the staff are working with the Health and Wellbeing lead to deliver more smoking cessation advice. Supporting these patients to quit smoking is the best intervention we can offer for their long term health.
- The heart failure process measures have changed and include a more timely investigation to determine whether patients have the disease and the extent of it, using an echocardiogram. The League of Friends has supported the purchase of an additional portable machine. To ensure that the required test is performed before patients are discharged we have protected time slots. This will ensure patients have a firm diagnosis and can be given the appropriate care and information to manage their disease.

- New clinical guidance for the hospital has also been developed to support the educational needs of our staff and ensure we are compliant with best practice.
- The pneumonia quick reference guide has been re-worked to clarify the clinical presentation and support earlier diagnosis and treatment of pneumonia. Considerable work is ongoing to ensure antibiotic timing is improved through developing our guidance and feeding back missed opportunities to clinical staff.
- Advancing Quality is now included in the CQUIN and will continue to be monitored and reported through that structure.

### 3.2 External reviews

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

**Stage 2 of the Baby Friendly Initiative** - The Trust Maternity Services has reached another milestone towards gaining international recognition from the United Nations Children's Emergency Fund (UNICEF) Baby Friendly Initiative in the Community, by passing the second stage of the programme in April 2011. The initiative, set up by UNICEF and the World Health Organisation, is a global programme to improve the care provided for mothers and babies, with the focus in the UK on supporting successful breastfeeding. The Maternity Services has already been awarded its Certificate of Commitment, which recognises that it is dedicated to implementing best practice standards, and Stage 1, where it was asked to develop education programmes for both staff and parents and an auditing tool to monitor standards. Stage 2 centres on staff training and to pass this stage, Midwives and Health Care Assistants had to demonstrate their knowledge and skills in breastfeeding and Baby Friendly standards.

## 7. Quality Account - Continued

### **NHS North West Respiratory Awards**

- The Chronic Obstructive Pulmonary Disease (COPD), pulmonary rehabilitation and home oxygen service based at Victoria Central Health Centre won the first NHS North West Respiratory Awards in the category of Best Oxygen Service. The community service, comprising staff from our Trust and NHS Wirral, was launched in autumn 2009 with the aim of improving the quality of care for patients with COPD and patients in need of home oxygen. So far more than 1,300 patients have benefited from the service and focus groups have shown that patients are extremely satisfied with the service.

### **Patient Environment Action Team**

**(PEAT) Assessment Results 2011** - The Trust received the 2011 PEAT assessment results for environment, food and privacy and dignity for each hospital as follows:

Site Name	Environment Score	Food Score	Privacy & Dignity Score
Arrowe Park Hospital	Excellent	Excellent	Excellent
Clatterbridge Hospital	Good	Excellent	Excellent

**Incident Reporting** - The National Patient Safety Agency figures on incident reporting show we are the second highest reporter in the large acute hospital group with fewer incidents causing harm (less than 1%). This is considered to be indicative of a better and more effective safety culture as we are informed about incidents and can respond and learn from them.

### **Wirral Breast Screening Programme**

- During a visit by the North West Breast Screening Quality Assurance team in 2010, a number of issues were raised and it was agreed that follow up visits should be undertaken to assess progress against key recommendations. These visits have been undertaken and the regional Quality Assurance team has reported that there has been good progress, with the majority of actions completed. In their letter advising the Trust of their findings the Quality Assurance team said "All parties involved with the programme should be commended for their efforts. Senior members of the breast service recognised the issues raised and with enhanced management support have made concerted efforts to try and resolve them."

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## 7. Quality Account - Continued

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**Support to families** - The Neonatal Unit Manager had a paper about Family and Baby (FaB) Support published in *Infant*, a leading journal for neonatal and paediatric professionals. FaB Support is an initiative created by the team, to fill the gap observed in the neonatal service provided to families four to six months after infant discharge from the neonatal unit. The team created a solution to this problem, working in collaboration with the Cheshire & Mersey Neonatal Network, regional Children's Centres, Health Visitors and neonatal community staff. They came up with FaB Support, which following a pilot was a huge success, with excellent feedback from both parents and staff. It has proven to be an invaluable neonatal service, as previously vulnerable families are now supported in a variety of ways, such as: sign posting services, financial advice and psychological support. FaB Support has filled the gap for families dealing with the trauma of an infant being admitted to a neonatal unit and it is now being rolled out nationally.

**Health and Nutrition** - The Catering Department reached the finals in the Health and Nutrition category of the national 2011 Catey Awards. These awards are the 'oscar' of the catering industry and our Catering Department was the only NHS finalist.

## 7. Quality Account - Continued

### 3.3 Local and National Quality Indicators

The indicators in this section have been identified by the Board in consultation with stakeholders and are monitored throughout the year.

Safety measures reported	2008/2009	2009/10	2010/11	2011/12
"Never events" that occurred in the Trust <i>These are a national list of 25 applicable incidents that should never occur (March 2010).</i>	0	1	0	1
Serious Incidents reported, investigated and remain serious	42	57	94	123**
National Patient Safety Agency <i>Rate of patient safety incidents (per 100 admissions) and % resulting in severe harm (NB Figures relate to April- Sept only)</i>			9.7 <1%	7.8 <1%
Clinical outcome measures reported				
Risk Adjusted Mortality Rate Data rebased in 2010/11	81	83	98	91
Summary Hospital-Level Mortality Indicator SHMI value and banding <i>% of admitted patients treatment including palliative care % admitted patients deaths included in SHMI and whose treatment included palliative care</i>			102.8 Band = 2 (as expected)	*
% of admitted patients risk assessed for VTE			45.6%	95.4%
% Emergency Readmissions within 28 days	8.2	8.0	7.6	7.3
Risk Adjusted Length of Stay Data rebased in 2010/11	96	96	112	104

\*This information not available/validated. \*\*The number of serious incidents reported may change as when the investigation is complete if there were no issues of concern identified the incident is re-graded as not serious.

## 7. Quality Account - Continued

Patient experience measures reported				
Number of complaints received by the Trust	356	362	401	422
% complaints responded to within agreed timescale	87%	90%	80%	59%
Average length of stay (days)	3.3	3.2	2.8	2.8
% patients who felt they were treated with dignity and respect (from Learning with patients survey)	88%	90%	98%	99%
Responsiveness to inpatients personal needs (from National Patient Survey)			65.1%	67.4%
Staff respondents who would recommend the Trust to friends or family needing care (from National Staff Survey)			3.31***	3.30***

**Table 7 Local and National Quality Indicators**

\*\*\* This is a scale 1-5 with 1 as unlikely to recommend and 5 as likely recommend.

## 7. Quality Account - Continued

**Complaints** - The percentage of complaints responded to within the agreed timescale is disappointing.

Discussions have taken place with Divisional Leads to consider how best to manage complaint performance and action is underway to address the failing. In addition, a rolling programme of training for key staff responsible for investigating and responding to complaints has been developed. Training will continue throughout 2012. We try hard to ensure that we respond fully to complaints and make early contact by telephone where we can. In a recent survey of people who have made complaints 63% were either very satisfied or satisfied with our response.

It should be noted that the wording of the indicator of 'responding to complaints within 25 working days' has been changed to more accurately reflect the situation as under the NHS National Health Service Complaints Regulations 2009 the terminology is 'within the agreed timescale'. This indicator is a priority for 2012/13.

**Serious Incidents** – the increase in the number of serious incidents is not due to any specific trends and seems to be due to improved reporting and investigation. The Never Event was identified before the patient came to harm.

**Risk Management System** – The risk management system suffered a significant disruption in November when data from April to November was lost. All the data sets were re-input into the system as a matter of urgency. The disruption affected the production of regular aggregated reports to services. It did not affect the way that the Trust reacted and responded to incidents reported, including serious incidents, concerns, complaints, claims and identifying new risks. Our assurance processes were disrupted for a period of time. The disruption was subject to a serious incident review and actions identified to prevent a similar recurrence will be monitored by the Trust. An external review by auditors was also commissioned to assess the strength of controls in place for other systems in use within the Trust.

**Staff Survey** - The Trust recently received the report following the NHS Staff Survey 2011 which was undertaken in Autumn, 2011. The Trust Staff Survey 2011 had a stronger response rate this year (42% compared to 35% last year) and hence the data does provide a stronger initial basis for understanding staffing related issues in different areas of the Trust and across the organisation as a whole.

In comparison to last year the results show the following:

- 2 Significant improvement areas - The key improvement areas being staff appraisals and staff development
- 1 Significant deterioration - The deterioration includes work pressure felt by staff
- 35 Key Findings have remained the same since last years Staff Survey

## 7. Quality Account - Continued

The Staff Survey 2011 indicated that there has been no significant variation in the number of staff that recommends the Trust as a place of work. Out of a scale of 1-5 (with 1 as unlikely to recommend and 5 as likely to recommend) the Trust scored in 2010 - 3.31 and 2011 - 3.30.

The Trust has already held a series of action planning meetings with key stakeholders in order to consider what immediate and longer term the improvements can be made (medical and non-medical staffing groups). Present at the differing 'Action meetings' were Staff Governors; Medical Representation (including Medical Board Chairman); Operational Managers; Trade Union colleagues; Human Resources / Organisational Development colleagues. The group has pulled together key priority areas which the Trust will focus on in order to improve Staff Engagement levels within the Trust. The key priority areas being:-

- Review staffing level based on demand
- Improve communication at all levels, with particular focus on valuing staff contribution.
- Promote a learning culture. Specifically ensuring we learn from experience.
- Develop, implement and promote more effective Staff Engagement Policies.
- Fully involve and empower staff to bring about improvements in service
- The Hydrogen Peroxide Vaporiser (HPV) programme continued intermittently due to bed pressures resulting in the loss of the decant ward on several occasions. HPV cleaning of dirty utility areas was introduced on wards identified to have cases of Clostridium difficile.
- The MRSA strategy continues. At the end of December 2011 a patient developed Meticillin Resistant Staphylococcus Aureus (MRSA) bacteraemia (MRSA in the bloodstream); this follows no cases for 15 months.

### Reducing Hospital Acquired Infection

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

- With the emergence of multi drug resistant gram negative bacteria in the UK, local guidance based on the National Health Protection Agency guidance was approved and distributed throughout the Trust to assist in the proactive management of such organisms. Education regarding these new organisms was delivered at many forums in order to raise awareness to all groups of staff.

## 7. Quality Account - Continued

### National Targets

Achievement against national targets and indicators are set out in table 8 below.

Period	MRSA Bacteraemia Cases	Target	Clostridium Difficile cases	Target
2008/09	10	18*	209	358
2009/10	8	18*	187	260
2010/11	5	6	120	190
2011/12	1	5	68	120

Table 8 Infection Control Maximum Targets for MRSA and Clostridium Difficile cases

\* this was a combined target set for the Trust and the PCT services

As detailed in the previous section, for the key infection control performance indicators the Trust was well below the maximum number of cases allowed. There was single case of MRSA bacteraemia all year, and the number of hospital acquired Clostridium Difficile cases reduced by over 40% from the 2010/11 levels, down to 68.

Against the Cancer standards, the Trust has achieved all the requirements across every quarter of 2011/12, and in many cases performing better than the minimum expected.

The Trust delivered the Referral to Treatment (18 week) standard for non-admitted patients in all quarters across 2011/12. However the standard for admitted patients was not achieved in any quarter. This is a consequence of the growth in waiting lists and waiting times from the end of 2010 into 2011. The Trust implemented a successful recovery plan from November 2011 onwards, which resulted in the standard being achieved in February and March 2012. The Trust is confident the achievement of this standard will be maintained through 2012/13, and is working

with colleagues from local Clinical Commissioning Groups, the North West Cluster, and the Department of Health Intensive Support Team to ensure the achievement is sustainable.

For patients attending the Trust's A&E Department, the waiting time standard of 95% within 4 hours was achieved in every quarter through 2011/12. This performance reflects all A&E services at the Trust's Arrowe Park site, including Wirral Community Trust's All Day Health Centre. For quarter 4, the Trust achieved this 95% standard independently of All Day Health Centre activity.

## 7. Quality Account - Continued

National targets and regulatory requirements	Target	Q1	Q2	Q3	Q4
Clostridium Difficile – maximum number of cases	Max 122	17	18	17	16
MRSA – maximum number of cases	Max 5	0	0	1	0
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Min 96%	100%	99.2%	99.3%	97.8%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment for cancer (two targets)	Min 94% or 98%	100%	95.8%	100%	98.3%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Min 85%	89.5%	87.3%	87.4%	87.1%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	Min 93%	96.1%	96.0%	96.9%	97.0%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all breast symptom referrals	Min 93%	97.3%	96.9%	96.5%	96.7%
Referral to treatment time – admitted patients	Max 23 weeks	29.7	31.6	34.0	31.0
Referral to treatment time – non-admitted patients	Max 18.3 weeks	16.6	17.9	17.5	16.6
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	Min 95%	95.5%	95.5%	96.1%	95.6%

Table 9 National targets and regulatory requirements \*Note final data Monday 21st May 2012

## 7. Quality Account - Continued

### Statement from NHS Wirral Clinical Commissioning Group for WUTHFT 2011/12

We have reviewed the information provided within this Quality Account and checked for accuracy where data is available. We can confirm that the report is accurate and represents a fair account of the Trust's performance in 11/12. As the lead commissioner for the Trust we are committed to a unified and collaborative approach to continuous quality improvement and are assured that our priorities for the Wirral population are reflected in the Trust priorities.

We congratulate the Trust on the progress and achievements realised in the last year particularly as it faced many challenges. We have worked closely with the Trust throughout the year so are aware and have supported them through these improvements, however we would still like to make specific mention of the following areas:

- The CQUIN schemes for 11/12 represented key areas for improvement so it is satisfying that these were mainly achieved.
- The continued reduction in hospital required infection should be commended. In the past 3 years this has seen the number of MRSA cases reduced from 10 to 1 and C-diff from 209 to 68.
- The Trust has been forward thinking and proactive in its adoption of the Safety Express Initiative and has achieved remarkable reductions in the 4 key areas of falls, VTE, UTI infections and pressure ulcers. These areas form one of the national CQUIN objectives for 12/13 and we look forward to continued improvements.
- We recognise the improvement in the National Inpatient Survey Results but note that the target of 71% was not achieved. We would like to see a continued improvement in these results that sees the target being achieved for 12/13.
- Similarly for assistance with eating and drinking we would like to see achievement of the MUST target but note and recognise the work and actions undertaken in 11/12 to improve here. It is encouraging that compliance and use of the assessment tool has increased and we would like to see this continuing for 12/13. We are also pleased at the improved survey scores, via the CQUIN targets, concerning assistance with eating, drinking and personal hygiene.
- Wirral GPs have identified discharge summaries as a key improvement area for the Trust and we commend the work that has happened to date. A collaborative working group has been established by the Trust and commissioners to progress this work in 12/13 and we look forward to the outcomes and changes that this group will make in improving the quality of the content of discharge summaries. Accurate and informative discharge summaries are essential to the domains of patient safety and clinical effectiveness and will also support a reduction in hospital readmissions.

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## 7. Quality Account - Continued

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In summary this quality account has assured us of the high importance placed on quality by the Trust and of their commitment to continuous improvements. The commissioner encourages and will support the Trust to implement the many and wide ranging initiatives to improve the quality of its services. We look forward to working in partnership together throughout 12/13.

Regards



**Dr Phil Jennings**  
Designate Chair

NHS Wirral Clinical Commissioning  
Group, May 2012

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## 7. Quality Account - Continued

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### Commentary by Wirral LINK for WUTHFT 2011/12

Wirral LINK would like to thank WUTHFT for their cooperation during the past year and for the opportunity to comment on a quarterly basis on the Quality Account for 2011/12. The Quality Account for WUTHFT has been put together in a format that is relatively easy to understand. However, an Easy Read version produced before the deadline, for comment by LINK, would be appreciated next year.

Over the last year LINK has carried out 11 Enter & View visits. WUTHFT have welcomed LINK's input on improving patient experience and have included LINK at a strategic, decision making level.

From the Acting CEOs comments it is suggested that the Trust may make some improvements to its Governance.

### Do the priorities of the provider reflect the priorities of the local population?

LINK expressed concern that Clinical Effectiveness was sixth on the list of priorities and felt that it should have been given higher priority. Medicine Management, Care and Welfare of Patients and Nutritional needs are to be placed on the LINKs agenda to monitor over the coming year and note if improved training helps make things better.

Patient experience seems to be improved and it was good to note that the Catering department went for an award. Food appears to be being delivered to wards in a more timely fashion.

Wirral LINK have received some concerns regarding the Eye Department and would ask WUTHFT to consider this Department as a priority for next year.

### Are there any important issues missed in the Quality Account?

Pressure Ulcers are an ongoing concern for Wirral LINK and this will also form part of LINKs monitoring over the coming year.

### Has the provider demonstrated they have involved patients and the public in the production of the Quality Account?

It would seem that patient discharge survey responses have increased and the Trust appear to be getting a good response. However, a concern was noted in the fact that only 61% to 55% of staff would recommend the Trust to their friend and family. The 61% was measured in 2010/11 and 55% measured in 2011/12 and clarification will be sought from the Trust on this issue. What are the trust doing to address this and what areas are being seen by staff as not good enough?

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## 7. Quality Account - Continued

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### Is the Quality Account clearly presented for patients and the public?

Wirral LINK are reasonably happy with the presentation and LINK look forward to viewing the Easy Read version, in the near future.

Finally, Wirral LINK has a very well established and respectful relationship with WUTHFT and looks forward to developing this further in the coming year.



**Diane Hill**  
Chairman

Date: 8th May 2012

## 7. Quality Account - Continued

### Glossary for Quality Account

Abbreviation / term	Definition
AQ	Advancing Quality
CISH	Confidential Inquiry into Suicide and Homicide
COPD	Chronic Obstructive Pulmonary Disease
CQUIN	Commissioning for Quality and Innovation
Composite scores	Composite scores are calculated from data in multiple variables in order to form reliable and valid measures
Confidential enquiries	National reviews that assess the quality of care patients receive
ECIST	Emergency Care Intensive Support Team
ERP	Enhanced Recovery Programme
FaB	Family and Baby – a support programme
FSE	Finished Consultant Episode
HPV	Hydrogen Peroxide Vaporiser
HES	Hospital Episode Statistics
Indicator bundles	A group of indicators to assess quality
IST-3	International Stroke Trial study
Kaizen	A philosophy and practices that focus upon continuous improvement of processes
LAU	Lung Assessment Unit
LINK	Local Involvement Network forum to feedback from local community for the Trust to consider, completes specific projects relating to local health and social services.
MBRRACE-UK	Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries

## 7. Quality Account - Continued

Abbreviation / term	Definition
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
NIHR	National Institute of Health Research
OPRA	Older Persons Rapid Assessment
PCT	Primary Care Trust , NHS Wirral
PCIS	Patient Care Information System – one of the main clinical IT systems in use in the Trust
PEAT	Patient Environment Action Team
PROMS	Patient reported outcome measures that assess improvement in patients' quality of life
RAMI	Risk Adjusted Mortality Index
Safety Express	Safety Express is a single programme which focuses on system re-design of fundamental care processes and behaviours.
SHMI	Summary Hospital-Level Mortality Indicator
TARNS	Trauma Audit Research Network
Viswall	A regularly updated visual board of all relevant key performance indicators
VTE	Venous Thrombo-Embolicism or blood clot in the vein
UNICEF	United nations Childrens Emergency Fund
WUTH	Wirral University Teaching Hospital

## 7. Quality Account - Continued

### Appendix 1 Services Provided by the Trust

#### Diagnostics Division (16)

<b>Radiology</b>	<b>Laboratory Services</b>
Plain Film Imaging Service	Clinical Biochemistry
MRI	Haematology and Blood Transfusion
CT Services	Histopathology/Cytology/Mortuary/Andrology/Immunology
Fluoroscopy	Medical Microbiology
Interventional Services	Point of Care Testing
Breast Screening and Symptomatic Mammography	Phlebotomy
Ultrasound	Infection Control
<b>Pharmacy</b>	<b>Allied Health Professional services</b>

#### Medical Specialities Division (13)

Cardiology	Diabetology and Endocrinology
Clinical Haematology	Respiratory Medicine
General Medicine	Rehabilitation
Gastroenterology	Medicine for the Elderly
Nephrology	Rheumatology
Palliative Care Consultant Service	Stroke Medicine
Genito-Urinary Medicine	

## 7. Quality Account - Continued

### Acute Care (3)

Emergency Medicine	Childrens Emergency Medicine
Acute Medicine	

### Surgical Division (13)

Critical care	Vascular Surgery
Dermatology	Breast Surgery
Ear, Nose & Throat	Upper and Lower Gastro-intestinal Surgery
Oral Surgery	Ophthalmology
Orthodontics	Pain service
Trauma & Orthopaedics	Limb Centre
Urology	

### Womens' and Childrens' Division (9)

Gynaecology	General Paediatrics
Neonatology	School Nursing
Obstetrics	Children's Continuing Care Team
Fertility Services	Milkbank
Pregnancy Counselling	

### Corporate Services (12)

Corporate Nursing and Midwifery includes Patient Experience	Quality & Safety Department includes Research and Development
Hotel Services	Human Resources and Organisational Development
Facilities Management	Finance and Procurement
Information Governance	Executive Management
Information Management and Technology	Kaizen Promotion Office
Bed Management	Outpatient Services

## 7. Quality Account - Continued

### Appendix 2: National Clinical Audits for Inclusion in Quality Accounts 2011/12

Title	Date HQIP Report Last Published	Eligible Y/N	Participation Y/N Number & percentage	Report received & reviewed Y/N/NA	Actions taken and comments
<b>Peri- and Neo-natal</b>					
Perinatal mortality (MBRRACE-UK)	No data	Y	Y (32) 100%	NA	
Neonatal intensive and special care (NNAP)	2010	Y	Y (360) 100%	NA	Breastfeeding rates displayed on in the department. System changed for documenting care with parents. Procedure for identifying Retinopathy of Prematurity currently being devised.
<b>Children</b>					
Paediatric pneumonia (British Thoracic Society)	2010	Y	Y (approx 45) 100%	NA	Data collection ended January 2012 and submitted.
Paediatric asthma (British Thoracic Society)	2010	Y	Y (47) 100%	NA	Report due March 2012
Childhood epilepsy (RCPH National Childhood Epilepsy Audit)	2010	Y	Y (16) 100%	NA	
Diabetes (RCPH National Paediatric Diabetes Audit)	2011	Y	Y (104) 100%	Y	Report received and reviewed December 2011. Annual review structure in place. Nurse led Did Not Attend clinic setup. Funding being sought for future data capture. Report reviewed within Diabetic Multi-Disciplinary Meetings. Submitted to Divisional Clinical Governance Steering Group March 2012.

## 7. Quality Account - Continued

Title	Date HQIP Report Last Published	Eligible Y/N	Participation Y/N Number & percentage	Report received & reviewed Y/N/NA	Actions taken and comments
<b>Acute care</b>					
Emergency use of oxygen (British Thoracic Society)	2011	Y	Y 778 (100%)	Y	Snapshot audit on one day. Action plan in place and being progressed.
Adult community acquired pneumonia (British Thoracic Society)	2010	Y	N	NA	
Non invasive ventilation - adults (British Thoracic Society)	2011	Y	Y 100%	N	
Cardiac arrest (National Cardiac Arrest Audit)		Y	N	NA	Report due 2012.
Severe sepsis & septic shock (College of Emergency Medicine)		Y	Y (30) 100%	NA	Data collection ended Jan 2012 and submitted.
Adult critical care (ICNARC CMPD)		Y	Y (1000) 100%	Y	Quarterly reports received and reviewed in Critical Care business meetings and Clinical Governance Leads Network. Report due 2012.
Potential donor audit (NHS Blood & Transplant)	2011	Y	Y (317) 100%	Y	Last available report Apr 2010 - Mar 2011. Audit discussed at Organ Donor Committee, with six monthly updates to Board of Directors and Clinical Governance Programme Board.
Seizure management (National Audit of Seizure Management)	2011	Y	Y (30) 100%	Y	Report received Jan 2011. Discussed at Clinical Governance meeting Feb 2012.

## 7. Quality Account - Continued

Title	Date HQIP Report Last Published	Eligible Y/N	Participation Y/N Number & percentage	Report received & reviewed Y/N/NA	Actions taken and comments
<b>Long term conditions</b>					
Diabetes (National Adult Diabetes Audit)	2011	Y	N		Data is sent from PCT as Trust no longer manages the adult data base.
Heavy menstrual bleeding (RCOG National Audit of HMB)	Pilot report 2011	Y	Y (200) 100%	NA	Data is sent from PCT as Trust no longer manages the adult data base.
Chronic pain (National Pain Audit)		Y	Y (147) 100%	Y	Report received Jan 2012.
Ulcerative colitis & Crohn's disease (UK IBD Audit)	2012	Y	Y (40) 100%	Y	Data collection ended Sept 2011. Patient and GP survey report due Apr 2012. Report received Feb 2012, for discussion with leads. Meeting to discuss the report is currently being arranged.
Parkinson's disease (National Parkinson's Audit)	2010	Y	Y (26 - all new referrals in 4-month period) 100%	Y	Preliminary Report received Feb 2012. Results currently under consideration. Final report due May 2012.
Adult asthma (British Thoracic Society)	2010	Y	Y (30) 100%	NA	
Elective surgery (National PROMs Programme)	20122011	Y	Y (1251) 85.3%	Y	Data collection ended Sept 2011. Patient and GP survey report due Apr 2012. Report received Feb 2012, for discussion with leads. Meeting to discuss the report is currently being arranged.

## 7. Quality Account - Continued

Title	Date HQIP Report Last Published	Eligible Y/N	Participation Y/N Number & percentage	Report received & reviewed Y/N/NA	Actions taken and comments
Hip, knee and ankle replacements (National Joint Registry)	2011	Y	Y (664) 82%	Y	Low submission rates to the NJR. New administrator entering the data collection forms database to improve this. Audit of 90 day mortality undertaken. 8th Annual Report available covering April 10 - 11. A local protocol was developed for metal on metal hips along with a patient information leaflet and a pre printed consent form. Also patients who have had this type of hip replacement have been identified and are being monitored in clinic on an annual basis with replacement of the prosthesis offered where necessary. This type of prosthesis is no longer used here.
Peripheral vascular surgery (VSGBI Vascular Surgery Database)	2009	Y	Y (22 to date) 100%	NA	Cases submitted Apr 2011 - Feb 2012. Trust is participating in North West AAA Quality Improvement Programme Network to standardise and implement best practice.
Carotid interventions (Carotid Intervention Audit)	2011	Y	Y (55)100%	Y	Report indicates no actions required - audit shows compliance with national recommendations. Next report due Apr 2012.
<b>Cardiovascular disease</b>					
Acute Myocardial Infarction & other ACS (MINAP)	2011	Y	Y (250) 100%	Y	Report received Sept 2011. Cardiology team reviewed the report, no actions required.
Heart failure (Heart Failure Audit)	2012	Y	Y (220 to date) 92%	NA	Data collection on going to June 2012; expected 100% participation

## 7. Quality Account - Continued

Title	Date HQIP Report Last Published	Eligible Y/N	Participation Y/N Number & percentage	Report received & reviewed Y/N/NA	Actions taken and comments
Acute stroke (SINAP)	2011	Y	Y (1559) 100% Ongoing data collection	Y	Quarterly reports received and reviewed by Stroke Team. New observation charts devised and approved for use on Acute Stroke Unit.
Cardiac arrhythmia (Cardiac Rhythm Management Audit)	2011	Y	N	Y	Data collected but due to IT problems unable to submit in time. Work ongoing to resolve the issue.

Renal disease					
Renal replacement therapy (Renal Registry)	2010	Y	Y (283) 100%	Y	Report received quarterly. Discussed with renal team no actions required. Trust in top 10 nationally.

Cancer					
Lung cancer (National Lung Cancer Audit)	2011	Y	Y (283) 100%	Y	Report received January 2012. Discussions with Trust and neighbouring Trust on data quality.
Bowel cancer (National Bowel Cancer Audit Programme)	2009	Y	Y (228) 104.6%	NA	
Head & neck cancer (DAHNO)	2011	Y	Y (32) 84%	Y	2010 report was reissued Jun 11 following amendments. Trust purchased Somerset database, all information is now collected and transferred to DAHNO via the Somerset database. The report highlighted a data collection issue around MDT meetings, this was found to be because the MDT meetings for our patients take place at another hospital (Aintree). 2011 report is due out Apr 2012.
Oesophago-gastric cancer (National O-G Cancer Audit)	2010	Y	Y (46) 46%	NA	Deadline for data submission is Oct 2012; anticipated 100% case participation.

## 7. Quality Account - Continued

Title	Date HQIP Report Last Published	Eligible Y/N	Participation Y/N Number & percentage	Report received & reviewed Y/N/NA	Actions taken and comments
<b>Trauma</b>					
Hip fracture (National Hip Fracture Database)	2010	Y	Y (108) 24%	Y	A fractured neck of femur team review was undertaken to process map the fractured neck of femur pathway. Streamlining of documentation is in process. Development of information leaflet is planned. An administrator for this audit recruited (submission to the database has now risen to over 95% which should be reflected in the next report). Additional Orthogeriatrician and Orthopaedic Consultant recruited to assist in achieving best practice tariff standards. Falls assessment proforma developed.
Severe trauma (Trauma Audit & Research Network)	Quarterly reports 2011	Y	Y (257) 84% NB: Data being validated by TARN	Y	Review at Trauma Board Meetings Main actions taken resulting from TARN are: i) Appointment of dedicated trauma data manager ii) Agreement with radiology re access to CT scanner and CT reporting iii) Development of a Trauma pathway (currently in draft format) iv) Sharing of data with other specialties v) To develop Trust major trauma audits

## 7. Quality Account - Continued

Title	Date HQIP Report Last Published	Eligible Y/N	Participation Y/N Number & percentage	Report received & reviewed Y/N/NA	Actions taken and comments
<b>Blood transfusion</b>					
Bedside transfusion (National Comparative Audit of Blood Transfusion)	2011	Y	Y (8) 25%	Y	Interim report available.
Medical use of blood (National Comparative Audit of Blood Transfusion)	2011	Y	N		
<b>Health promotion</b>					
Risk factors (National Health Promotion in Hospitals Audit)	2011	Y	Y (100) 100%	Y	Interim Report received and full report expected Mar/Apr 2012
End of life					
Care of dying in hospital (NCDAH)	2012	Y	Y (153) 100%	NA	Meeting to review report in progress

## 7. Quality Account - Continued

### Appendix 3: Statement of directors' responsibilities in respect of the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 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) 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 2011-12;

- 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 2011 to June 2012
  - Papers relating to Quality reported to the Board over the period April 2011 to June 2012
  - Feedback from the commissioners dated 10/05/2012
  - Feedback from governors dated 03/02/2012
  - Feedback from LINKs dated 08/05/2012
  - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 06/2011;
  - The latest national patient survey (2011) 24/04/2012
- The latest national staff survey 20/03/2012
- The Head of Internal Audit's annual opinion over the trust's control environment dated 03/2012
- CQC quality and risk profiles dated 10/04/2012
- 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;

## 7. Quality Account - Continued

- 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-nhsft.gov.uk/annualreportingmanual](http://www.monitor-nhsft.gov.uk/annualreportingmanual)) as well as the standards to support data quality for the preparation of the Quality Report (available at [www.monitor-nhsft.gov.uk/annualreportingmanual](http://www.monitor-nhsft.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



Date: 30th May  
Chairman



Date: 30th May  
Chief Executive

## 7. Quality Account - Continued

### Appendix 4

#### **Independent Auditor's Report to the Assembly of Governors of Wirral University Teaching Hospital NHS Foundation Trust on the Annual Quality Report**

We have been engaged by the Assembly 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 2012 (the "Quality Report") and certain performance indicators contained therein.

#### **Scope and subject matter**

The indicators for the year ended 31 March 2012 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- **Clostridium difficile** – all cases of Clostridium Difficile positive diarrhoea in patients aged two years or over that are attributed to the Trust and
- **62 Day cancer waits** – the percentage of patients treated within 62 days of referral from GP.

We refer to these national priority indicators collectively as the "indicators".

#### **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 the Independent Regulator of NHS Foundation Trusts ("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 below; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

We read the Quality Report and considered whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual, and considered the implications for our report if we became aware of any material omissions.

## 7. Quality Account - Continued

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the sources specified below:

The sources with which we shall be required to form a conclusion as to the consistency of the Quality Report are limited to:

- Board minutes for the period April 2011 to May 2012;
- Papers relating to Quality reported to the Board over the period April 2011 to May 2012;
- Feedback from the Commissioners dated 10 May 2012;
- Feedback from LINKs dated 8 May 2012;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 06/2011;
- The latest national patient survey (2011) dated 24 April 2012;

- The latest national staff survey dated 20 March 2012;
- Care Quality Commission quality and risk profiles dated April 2011 to March 2012; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 03/2012.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents. We refer to those sources, (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 Assembly of Governors of Wirral University Teaching Hospital NHS Foundation Trust as a body, to assist the Assembly of Governors of Wirral University Teaching Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2012, to enable the Assembly of Governors to demonstrate that it has discharged its governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Assembly of Governors as a body and Wirral University Teaching Hospital NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

## 7. Quality Account - Continued

### 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;
- Analytical procedures;
- 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; and
- Reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact 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 thereof, 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 nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts/organisations/entities. In addition, 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.

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## 7. Quality Account - Continued

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### 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 2012:

- 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 above; and
- the indicators in the Quality Report subject to limited assurance have 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 Detailed Guidance for External Assurance on Quality Reports.

KPMG LLP, Statutory Auditor  
St James' Square  
Manchester  
M2 6DS

7th June 2012



**Rebecca Barlow**  
HCA Pre Op Assessment

## 8. Accounts

### 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 accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("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 Financial 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.

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.



**David Allison**  
Chief Executive

Date: 30th May 2012

## 8. Accounts - Continued

### Foreword to the Accounts

Wirral Hospital was authorised as an NHS Foundation Trust on 1 July 2007. These accounts for the twelve months ended 31 March 2012 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.



**David Allison**  
Chief Executive

Date: 30th May 2012

## 8. Accounts - Continued

### Statement of comprehensive income for the year ended 31 March 2012

		2011/12	Restated 2010/11
	Note	£000	£000
Operating Income	2 & 3	284,117	280,245
Operating Expenses	4	(277,323)	(274,991)
<b>Operating surplus</b>		<b>6,794</b>	5,254

<b>Finance costs:</b>			
Finance Income	9	371	350
Finance expense - financial liabilities	10	(488)	(302)
Finance expense - unwinding of discount on provisions		(78)	(83)
<b>Surplus for the financial year</b>		<b>6,599</b>	5,219
Public dividend capital dividends payable		(4,254)	(4,302)
<b>Retained surplus for the year</b>		<b>2,345</b>	917

<b>Other comprehensive income / (expense)</b>			
Reduction in reserves due to revaluation losses		(3,336)	(1,558)
Increase in reserves due to revaluation gains		2,162	5,787
Other Reserve movements		(276)	(121)
<b>Total comprehensive income / (expense) for the year</b>		<b>895</b>	5,025

The notes on pages 194 to 258 form part of these accounts.  
All income and expenditure is derived from continuing operations.  
The foundation trust has no minority interest.

## 8. Accounts - Continued

### Statement of financial position as at 31 March 2012

		31 March 2012	Restated 31 March 2011	Restated 1 April 2010
	Note	£000	£000	£000
<b>Non-current assets</b>				
Intangible assets	13	10,061	8,762	5,614
Property, plant and equipment	14	153,872	155,694	151,508
Trade and other receivables	18	4,600	4,750	4,627
<b>Total non-current assets</b>		<b>168,533</b>	169,206	161,749
<b>Current assets</b>				
Inventories	17	3,583	3,738	3,680
Trade and other receivables	18	9,964	8,147	13,617
Cash and cash equivalents	19	26,196	25,627	17,589
<b>Total current assets</b>		<b>39,743</b>	37,512	34,886
<b>Total assets</b>		<b>208,276</b>	206,718	196,635
<b>Current liabilities</b>				
Trade and other payables	20	(31,788)	(29,501)	(27,528)
Borrowings	21	(493)	(475)	(265)
Provisions	24	(1,459)	(1,009)	(641)
Other liabilities	22	(2,896)	(4,368)	(3,664)
<b>Net current assets / (liabilities)</b>		<b>3,107</b>	2,159	2,788
<b>Total assets less current liabilities</b>		<b>171,640</b>	171,365	164,537

## 8. Accounts - Continued

		31 March 2012	Restated 31 March 2011	Restated 1 April 2010
	Note	£000	£000	£000
<b>Non-current liabilities</b>				
Borrowings	21	(6,569)	(7,062)	(4,974)
Provisions	24	(2,578)	(2,459)	(2,516)
Other liabilities	22	(11,503)	(11,749)	(11,974)
<b>Total assets employed</b>		<b>150,990</b>	150,095	145,073

<b>Financed by taxpayers' equity:</b>				
Public dividend capital		<b>68,627</b>	68,627	68,627
Income and Expenditure reserve		<b>33,630</b>	30,523	25,132
Revaluation reserve	25	<b>48,733</b>	50,945	51,314
<b>Total Taxpayers' Equity</b>		<b>150,990</b>	150,095	145,073

The financial statements on pages 187 to 258 were approved by the Board on the 30th May 2012 and signed on its behalf by:



**David Allison**  
Chief Executive

8. Accounts - Continued

Statement of changes in taxpayers' equity for the year ended 31 March 2012

	Public dividend capital (PDC)	Revaluation reserve	Income and Expenditure reserve	Donated asset reserve	Total
	£000	£000	£000	£000	£000
<b>Balance at 1 April</b>	68,627	50,876	22,666	2,904	145,073
Prior period adjustment	0	438	2,466	(2,904)	0
<b>Balance at 1 April 2010 restated</b>	<b>68,627</b>	<b>51,314</b>	<b>25,132</b>	<b>0</b>	<b>145,073</b>
Movements in equity	0	(369)	5,391	0	5,022
<b>Balance at 31 March 2011</b>	<b>68,627</b>	<b>50,945</b>	<b>30,523</b>	<b>0</b>	<b>150,095</b>
<b>Changes in taxpayers' equity for 2011-12</b>					
-Surplus/(deficit) for the year	0	0	2,345	0	2,345
-Impairments	0	(3,336)	0	0	(3,336)
-Revaluations - property, plant & equipment	0	2,162	0	0	2,162
-Asset disposals	0	(132)	132	0	0
-Public Dividend Capital received	0	0	0	0	0
-Public Dividend Capital repaid	0	0	0	0	0
-Other reserve movements	0	(906)	630	0	(276)
<b>Balance at 31 March 2012</b>	<b>68,627</b>	<b>48,733</b>	<b>33,630</b>	<b>0</b>	<b>150,990</b>

## 8. Accounts - Continued

The prior period adjustment relates to the fact that in 2011/12 the accounting treatment for receiving donated assets / donations changed. The donated assets reserve balance has now been eliminated and all subsequent donations are now to be accounted for in the Statement of Comprehensive Income as Income. In accordance with IAS 8, foundation trusts had to apply the new policy retrospectively as if it has been in place since the 1st April 2010, through a prior period adjustment.

In practical terms, the balance on the donated asset reserve as at 1 April 2010 was analysed between amounts representing the remaining historic cost of the original donated assets and amounts representing the cumulative net revaluation gains on donated assets recognised in the donated asset reserve. The net revaluation gains element was transferred to the revaluation reserve and the remaining historic cost element was transferred to the income and expenditure reserve. The in year 2010/11 transactions involving the donated asset reserve were also re-worked to arrive at the total movements in equity figure and the balance at the 31 March 2011.

## 8. Accounts - Continued

### Statement of cash flows for the year ended 31 March 2012

		2011/12	2010/11
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Operating surplus/(deficit) from continuing operations		6,794	5,254
Operating surplus/(deficit) of discontinued operations		0	0
Operating surplus/(deficit)		6,794	5,254
<b>Non-cash income and expense:</b>			
Depreciation and amortisation		7,328	9,916
Impairments		1,138	103
Reversals of impairments		(285)	0
Dividends accrued and not paid or received		(206)	(169)
(Increase)/Decrease in Trade and Other Receivables		(1,667)	5,347
(Increase)/Decrease in Inventories		155	(58)
Increase/(Decrease) in Trade and Other Payables		2,287	1,973
Increase/(Decrease) in Other Liabilities		(1,718)	479
Increase/(Decrease) in Provisions		569	311
Other movements in operating cash flows		(354)	(197)
<b>NET CASH GENERATED FROM/(USED IN) OPERATIONS</b>		<b>14,041</b>	<b>22,959</b>

## 8. Accounts - Continued

<b>Cash flows from investing activities</b>			
Interest received		341	88
Purchase of intangible assets		(2,112)	(3,837)
Purchase of Property, Plant and Equipment		(6,704)	(8,816)
Sales of Property, Plant and Equipment		4	3
Net cash generated from/(used in) investing activities		(8,471)	(12,562)
Public dividend capital received		0	0
Public dividend capital repaid		0	0
Loans received from the Department of Health		0	1,352
Loans repaid to the Department of Health		(265)	(265)
Capital element of finance lease rental payments		(210)	0
Interest paid		(267)	(259)
Interest element of finance lease		(221)	(43)
PDC Dividend paid		(4,262)	(4,471)
Cash flows from (used in) other financing activities		224	1,327
<b>Net cash generated from/(used in) financing activities</b>		<b>(5,001)</b>	<b>(2,359)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>569</b>	<b>8,038</b>
<b>Cash and Cash equivalents at 1 April</b>		<b>25,627</b>	<b>17,589</b>
<b>Cash and Cash equivalents at 31 March</b>	19	<b>26,196</b>	<b>25,627</b>

## 8. Accounts - Continued

### 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 2011/12 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 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.

## 8. Accounts - Continued

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 has no subsidiaries other than its charitable funds. For 2011/12: NHS charitable funds considered to be subsidiaries are excluded from consolidation in accordance with the accounting direction issued by the Department of Health and subsequently Monitor.

Until 31 March 2013, NHS charitable funds considered to be subsidiaries are excluded from consolidation in accordance with the accounting direction issued by Monitor.

### 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.

## 8. Accounts - Continued

### 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 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 2.8% in real terms.

## 8. Accounts - Continued

### 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](http://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.

## 8. Accounts - Continued

### Scheme Provisions as at 31 March 2012

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.

## 8. Accounts - Continued

### 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](http://www.pensions.nhsbsa.nhs.uk).

#### 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.

## 8. Accounts - Continued

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.

Under this approach the Clatterbridge site was treated as two assets; the main hospital and the surplus land which has been identified as land sale area.

The Arrowe Park site has also been treated as two assets – the Main Hospital and the Accommodation Block.

DTZ reviewed the value of the land and buildings of the foundation trust as at the 31 March 2011. This updated valuation was considered necessary given the scale of the capital programme which had been undertaken in 2010/11. The resulting valuation showed a material increase in value and it was considered necessary to reflect this change in the accounts.

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 have both been incorporated in the 2011/12 accounts.

DTZ have also informed the Foundation Trust that there has been no material changes in the indices in the period 1st April 2011 to the 31st March 2012 and hence no valuation has been carried out on land and buildings as at the 31st March 2012.

The foundation trust did not revalue its equipment in the 2011/12 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.

## 8. Accounts - Continued

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'.

## 8. Accounts - Continued

### Impairments

In accordance with the FT Annual Reporting Manual, impairments that are due to a loss 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.

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

### De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once 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.

## 8. Accounts - Continued

In 2011/12 the accounting treatment above is a change from the prior accounting treatment whereby donated assets were similarly capitalised at their fair value on receipt, however, the donation was credited to the donated asset reserve at the same time. The donated assets reserve balance is required to be eliminated and in accordance with IAS 8, foundation trusts have to apply the new accounting policy retrospectively as if it has been in place since the 1st April 2010, through a prior period adjustment.

### **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 IFRIC 12 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:

## 8. Accounts - Continued

- 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 asset;
- 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 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.

## 8. Accounts - Continued

### 1.14 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.

## 8. Accounts - Continued

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.

### 1.15 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.

## 8. Accounts - Continued

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.

### Operating lease

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.

### 1.16 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 2.8% 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.

## 8. Accounts - Continued

### 1.17 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.

### 1.18 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 donated assets and cash held with the Office of the Paymaster General.

### 1.19 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.

### 1.20 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 2011, as envisaged by S519A(3) to (8) ICTA88. This has been further delayed until at least the 2013/14 financial year.

## 8. Accounts - Continued

### 1.21 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.

### 1.22 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).

### 1.23 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.

### 1.24 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.

## 8. Accounts - Continued

### 1.25 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:

- IAS 1 Presentation of financial statements (Other Comprehensive Income) - subject to consultation
- IAS 12 - Income Taxes (amendment) - subject to consultation
- IAS 19 Post-employment benefits (pensions) - subject to consultation
- IAS 27 Separate Financial Statements - subject to consultation
- IAS 28 Investments in Associates and Joint Ventures - subject to consultation
- IFRS 7 - Financial Instruments: Disclosures (annual improvements) - effective 2012/13
- IFRS 9 Financial Instruments - subject to consultation - subject to consultation

- IFRS 10 Consolidated Financial Statements - subject to consultation
- IFRS 11 Joint Arrangements - subject to consultation
- IFRS 12 Disclosure of Interests in Other Entities - subject to consultation
- IFRS 13 Fair Value Measurement - subject to consultation
- IPSAS 32 - Service Concession Arrangement - subject to consultation

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.

## 8. Accounts - Continued

### 2. Revenue From Patient Care Activities

#### 2.1 Analysis of revenue from patient care activities

	2011/12	2010/11
	£000	£000
Elective income	48,726	46,741
Non Elective income	76,334	80,541
Outpatient income	34,750	33,525
A&E income	8,713	8,670
Other NHS clinical income	83,081	78,900
Revenue from protected patient care activities	251,604	248,377
Private patient income	860	1,194
Other non-protected clinical income*	1,332	1,297
Total Revenue from patient care activities	2,192	2,491
	253,796	250,868

The figures quoted for 2011/12 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 10.5% to reflect the expected rates of collection.

## 8. Accounts - Continued

### 2.2 Analysis of revenue from patient care activities by source

	2011/12	2010/11
	£000	£000
Primary Care Trusts	248,310	245,628
NHS Trusts	309	0
NHS Foundation Trusts	0	8
Local Authorities	797	939
NHS Other	2,185	1,746
Non-NHS:		
Private patients	857	1,163
Overseas patients (non-reciprocal)	3	31
Injury costs recovery (was RTA)	1,332	1,297
Other	3	56
	<b>253,796</b>	<b>250,868</b>

All the foundation trusts' activities relate to a single operating segment in respect of the provision of healthcare services.

## 8. Accounts - Continued

### 2.3 Private patient cap

	2011/12	2010/11	2002/03
	£000	£000	£000
Private patient income (including non-reciprocal overseas patients)	860	1,194	1,297
Total patient related income	253,796	250,868	156,905
Proportion as a percentage	0.3%	0.5%	0.8%

Section 44 of the National Health Services Act 2006 requires that the proportion of private patient income to the total patient related income of NHS Foundation Trusts should not exceed its proportion whilst the body was an NHS Trust in 2002/03 (Private Patient Cap). The proportion in 2002/03 was 0.8%. The above note shows that the Trust was compliant for 2011/12.

The 2002/03 (Private Patient Cap) has been amended in accordance with the Monitor document "Private Patient Income Cap - revised and updated rules" (published 10 February 2010). As a result, an additional £91k of income has been added to the 2002/03 base year, however, the base percentage of 0.8% remains unchanged.

## 8. Accounts - Continued

### 2.4 Operating lease income

	2011/12	2010/11
	£000	£000
<b>Operating Lease Income</b>		
Rents recognised as income in the period	526	509
Contingent rents recognised as income in the period	-	-
<b>Total</b>	<b>526</b>	<b>509</b>
<b>Future minimum lease payments due:</b>		
<b>on leases of land expiring</b>		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
	-	-
<b>on leases of buildings expiring</b>		
- not later than one year;	448	437
- later than one year and not later than five years;	1,567	1,538
- later than five years.	1,607	1,702
	<b>3,622</b>	<b>3,677</b>

## 8. Accounts - Continued

<b>on other leases expiring</b>		
- not later than one year;	<b>28</b>	22
- later than one year and not later than five years;	<b>30</b>	16
- later than five years.	-	-
	<b>58</b>	38
<b>Total</b>	<b>3,680</b>	<b>3,715</b>

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.

## 8. Accounts - Continued

### 3. Other Operating Revenue

	2011/12	2010/11
	£000	£000
Research & Development	503	495
Education, training and research	9,157	8,933
Non-patient care services to other bodies	9,936	9,441
Reversal of impairments of property, plant and equipment	285	0
Revenue to support Voluntary Severance Scheme Payments	704	1,668
Catering Income	1,260	1,254
Car Parking charges	1,263	1,182
Income generation	506	452
Facilities Management arrangements	655	548
Clinical Tests	376	369
Staff recharges	3,963	3,476
Renal recharges	167	183
X-ray recharges	239	239
Deanery services	11	108
Other revenue	1,296	1,029
	<b>30,321</b>	<b>29,377</b>

## 8. Accounts - Continued

### 4. Operating Expenses

	2011/12	2010/11
	£000	£000
Services from other NHS bodies	2,095	2,110
Executive Directors' costs	1,134	1,101
Non-executive Directors' costs	157	153
Staff costs	196,888	192,060
Supplies and services - clinical - Drugs	16,859	17,060
Supplies and services - clinical - Other	26,318	25,113
Supplies and services - general	5,147	5,290
Establishment	2,910	3,194
Transport	412	495
Premises	9,261	10,046
Provision for impairment of receivables	(212)	361
Depreciation	6,307	9,227
Amortisation of Intangible Fixed assets	1,021	689
Impairments and reversals of property, plant and equipment	1,138	103
Impairments of intangible assets	0	0
Audit fees - statutory audit	58	69
Other auditor's remuneration - further assurance services	130	87
Loss on disposal of property plant and equipment	149	483
Clinical negligence	4,346	4,438

## 8. Accounts - Continued

	2011/12	2010/11
	£000	£000
Insurance costs	302	359
Accommodation costs	531	545
Waste disposal	343	341
Consultancy Costs	123	232
Legal fees	205	303
Training, courses and conferences	770	738
Patient travel	13	11
Car parking & Security	176	173
Other	742	210
	<b>277,323</b>	274,991

## 8. Accounts - Continued

### 5. Operating Leases

#### 5.1 As lessee

	2011/12	2010/11
	£000	£000
<b>Payments recognised as an expense</b>		
Minimum lease payments	301	308
Contingent rents	0	0
Sub-lease payments	0	0
	301	308
<b>Total future minimum lease payments</b>		
Payable:		
Not later than one year	192	272
Between one and five years	294	431
After 5 years	1,605	1,659
<b>Total</b>	<b>2,091</b>	<b>2,362</b>

## 8. Accounts - Continued

### 6. Limitation On Auditor's Liability

	2011/12	2010/11
	£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

	2011/12	2010/11
	£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. Accounts - Continued

### 8. Employee Costs and Numbers

#### 8.1 Employee costs

	Total	2011/12 Permanently Employed	Other	Total	2010/11 Permanently Employed	Other
	£000	£000	£000	£000	£000	£000
Salaries and wages	165,545	165,545	0	163,094	163,094	0
Social Security Costs	12,109	12,109	0	11,284	11,284	0
Employer contributions to NHS Pension scheme	16,906	16,906	0	16,478	16,478	0
Agency / contract staff	3,462	0	3,462	2,305	0	2,305
<b>Employee benefits expense</b>	<b>198,022</b>	<b>194,560</b>	<b>3,462</b>	<b>193,161</b>	<b>190,856</b>	<b>2,305</b>

Included in the employer contributions to NHS Pension scheme is £41k on behalf of the directors of the foundation trust (2010/11 £121k).

## 8. Accounts - Continued

### 8.2 Average number of people employed\*

	Total	2011/12 Permanently Employed	Other	Total	2010/11 Permanently Employed	Other
	Number	Number	Number	Number	Number	Number
Medical and dental	537	408	129	501	368	133
Administration and estates	988	807	181	1,009	833	176
Healthcare assistants and other support staff	563	408	155	585	434	151
Nursing, midwifery and health visiting staff	1,954	1,852	102	1,975	1,877	98
Scientific, therapeutic and technical staff	639	629	10	659	647	12
Bank and agency staff	82	0	82	69	0	69
<b>Total</b>	<b>4,763</b>	<b>4,104</b>	<b>659</b>	<b>4,798</b>	<b>4,159</b>	<b>639</b>

\*Whole Time Equivalent

### 8.3 Employee benefits

	2011/12	2010/11
	£000	£000
Employee benefits	0	0
	0	0

## 8. Accounts - Continued

### 8.4 Retirements due to ill-health

During the year there were 7 (2010/11: 8) early retirements from the foundation trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £284,319 (2010/11: £735,195). 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 2011/12 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 2011/12 year 67 (2010/11: 92) members of staff made use of this scheme at a cost of £1,821k (2010/11: £1,632k).

The tables below discloses the number of staff that has taken part in the scheme by differing cost ranges in the 2011/12 and 2010/11 financial years.

8. Accounts - Continued

2011/12: 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	23	115
£10,001 - £25,000	0	0	20	332
£25,001 - £50,000	0	0	17	626
£50,001 - £100,000	0	0	4	299
£101,000 - £150,000	0	0	1	104
£150,001 - £200,000	0	0	2	345
>£200,001	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>67</b>	<b>1,821</b>

## 8. Accounts - Continued

### 2010/11: 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	33	212
£10,001 - £25,000	0	0	38	594
£25,001 - £50,000	0	0	18	602
£50,001 - £100,000	0	0	3	224
£100,001 - £150,000	0	0	0	0
£150,001 - £200,000	0	0	0	0
>£200,001	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>1,632</b>

Any exit packages in relation to senior managers (should they arise) are not included in this note as these would be disclosed in the remuneration report.

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. Accounts - Continued

### 9. Finance Income

	2011/12	2010/11
	£000	£000
Finance lease revenue	257	259
Interest on bank accounts	114	91
<b>Total</b>	<b>371</b>	<b>350</b>

### 10. Finance Costs - Interest Expense

	2011/12	2010/11
	£000	£000
Loans from the Foundation Trust Financing Facility	267	259
Finance leases	221	43
<b>Total</b>	<b>488</b>	<b>302</b>

### 11. Other Gains and Losses

	2011/12	2010/11
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	(149)	(483)
<b>Total</b>	<b>(149)</b>	<b>(483)</b>

## 8. Accounts - Continued

### 12. Impairment of assets

	2011/12	2010/11
	£000	£000
Other	6,521	0
Changes in market price	341	1,661
Reversal of impairments	(2,673)	0
<b>TOTAL</b>	<b>4,189</b>	<b>1,661</b>

In the 2011/12 financial year, the £6,521k impairment relates to a downward valuation of various buildings following the site strategy review which identified several buildings for demolition in future years. Of this amount £5,383k relates to a reduction in the revaluation reserve for the associated buildings and £1,138k relates to the impairment charged to the statement of comprehensive income.

In the 2011/12 financial year, the (£2,673k) reversal of impairment relates to the upward valuation of various buildings that had been previously impaired following a valuation of all buildings on the 1st April 2011.

Of this amount (£2,388k) relates to an increase in the revaluation reserve for the associated buildings and (£285k) relates to the reversal of impairments income shown in the statement of comprehensive income.

In the 2011/12 financial year, the £341k impairment relates to the downward valuation of a particular class of buildings following a valuation of all buildings on the 1st April 2011. The full £341k relates to a decrease in the revaluation reserve for the associated class of buildings.

In the 2010/11 financial year, the £1,661k impairment relates to a downward valuation of various buildings following the modern equivalent assets valuation.

Of this amount £1,558k relates to a reduction in the revaluation reserve for the associated buildings and £103k relates to the impairment charged to the statement of comprehensive income.

## 8. Accounts - Continued

### 13. Intangible Assets

#### 13.1 Intangible assets

	Software licences (purchased)	Intangible Assets Under Construction	Total
	£000	£000	£000
<b>Gross cost at 1 April 2011 - restated</b>	<b>8,939</b>	<b>559</b>	<b>9,498</b>
Additions - purchased	1,205	1,115	<b>2,320</b>
Additions - donated	0	0	0
Impairments	0	0	0
Reversal of impairments	0	0	0
Reclassifications	0	0	0
Revaluations	0	0	0
Disposals	(376)	0	<b>(376)</b>
<b>Valuation/Gross cost at 31 March 2012</b>	<b>9,768</b>	<b>1,674</b>	<b>11,442</b>
<b>Amortisation at 1 April 2011</b>	<b>736</b>	<b>0</b>	<b>736</b>
Provided during the year	1,021	0	<b>1,021</b>
Impairments	0	0	0
Reversal of impairments	0	0	0
Reclassifications	0	0	0
Revaluation surpluses	0	0	0
Disposals	(376)	0	<b>(376)</b>
<b>Amortisation at 31 March 2012</b>	<b>1,381</b>	<b>0</b>	<b>1,381</b>

## 8. Accounts - Continued

	Software licences (purchased)	Intangible Assets Under Construction	Total
	£000	£000	£000
<b>Net book value</b>			
NBV - Purchased at 31 March 2012	7,374	1,674	<b>9,048</b>
NBV - Finance leases at 31 March 2012	1,013	0	<b>1,013</b>
NBV - Donated at 31 March 2012	0	0	<b>0</b>
NBV total at 31 March 2012	<b>8,387</b>	<b>1,674</b>	<b>10,061</b>

All intangible assets are held at cost less accumulated depreciation 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 of this asset was brought into use during 2010/11, the current asset under construction relates to phase 2 of this project.

The Gross cost at 1 April 2011 has been restated to reflect the re-categorisation of £559k from Software licences (purchased) to Intangible Assets Under Construction, in relation to the Cerner Phase 2 project.

### 13.2 Economic life of intangible assets

#### Intangible assets - purchased

	Min Life	Max Life
	Years	Years
Software	1	10

8. Accounts - Continued

14. Property plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2011</b>	2,005	122,267	12,095	1,866	34,470	97	9,877	3,266	185,943
Additions - purchased	0	2,705	0	578	2,548	10	297	303	6,441
Additions - donated	0	0	0	0	224	0	0	0	224
Impairments	0	(5,724)	0	0	0	0	0	0	(5,724)
Reversal of impairments	0	2,388	0	0	0	0	0	0	2,388
Reclassifications	7	1,946	0	(1,866)	(87)	0	0	0	0
Revaluations	0	903	277	0	0	0	0	0	1,180
Disposals	0	0	0	0	(2,148)	0	(72)	(68)	(2,288)
<b>Cost or valuation at 31 March 2012</b>	<b>2,012</b>	<b>124,485</b>	<b>12,372</b>	<b>578</b>	<b>35,007</b>	<b>107</b>	<b>10,102</b>	<b>3,501</b>	<b>188,164</b>

Accumulated depreciation at 1 April 2011	0	(33)	0	0	19,613	82	8,691	1,896	30,249
Provided during the year	0	2,438	434	0	2,776	4	395	260	6,307
Impairments	0	1,138	0	0	0	0	0	0	1,138
Reversal of impairments	0	(285)	0	0	0	0	0	0	(285)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation surpluses	0	(982)	0	0	0	0	0	0	(982)
Disposals	0	0	0	0	(1,995)	0	(72)	(68)	(2,135)
<b>Accumulated depreciation at 31 March 2012</b>	<b>0</b>	<b>2,276</b>	<b>434</b>	<b>0</b>	<b>20,394</b>	<b>86</b>	<b>9,014</b>	<b>2,088</b>	<b>34,292</b>

8. Accounts - Continued

14.1 Property plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Net book value at 1 April 2011</b>									
NBV - Owned at 1 April 2011	2,005	120,109	12,095	1,866	14,100	15	1,164	1,308	152,662
NBV - Finance lease at 1 April 2011	0	0	0	0	36	0	0	0	36
NBV - Donated at 1 April 2011	0	2,191	0	0	721	0	22	62	2,996
<b>NBV total at 1 April 2011</b>	<b>2,005</b>	<b>122,300</b>	<b>12,095</b>	<b>1,866</b>	<b>14,857</b>	<b>15</b>	<b>1,186</b>	<b>1,370</b>	<b>155,694</b>

<b>Net book value at 31 March 2012</b>									
NBV - Owned at 31 March 2012	2,012	120,010	11,938	578	13,870	21	1,072	1,365	150,866
NBV - Finance lease at 31 March 2012	0	0	0	0	17	0	0	0	17
NBV - Donated at 31 March 2012	0	2,199	0	0	726	0	16	48	2,989
<b>NBV total at 31 March 2012</b>	<b>2,012</b>	<b>122,209</b>	<b>11,938</b>	<b>578</b>	<b>14,613</b>	<b>21</b>	<b>1,088</b>	<b>1,413</b>	<b>153,872</b>

8. Accounts - Continued

14.2 Analysis of property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Net book value</b>									
NBV - Protected assets at 31 March 2012	2,005	115,538	0	0	0	0	0	0	117,543
NBV - Unprotected assets at 31 March 2012	7	6,671	11,938	578	14,613	21	1,088	1,413	36,329
<b>Total at 31 March 2012</b>	<b>2,012</b>	<b>122,209</b>	<b>11,938</b>	<b>578</b>	<b>14,613</b>	<b>21</b>	<b>1,088</b>	<b>1,413</b>	<b>153,872</b>

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.

## 8. Accounts - Continued

### 14.3 Economic life of property plant and equipment

	Min Life Years	Max Life Years
Land	0	0
Buildings excluding dwellings	2	87
Dwellings	27	27
Assets under Construction & POA	0	0
Plant & Machinery	2	20
Transport Equipment	2	7
Information Technology	2	7
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.

8. Accounts - Continued

15. Net Book Value of Assets Held Under Finance Lease

	Software licences (purchased)	Plant & Machinery	Total
	£000	£000	£000
<b>Cost or valuation at 1 April 2011</b>	<b>1,266</b>	<b>439</b>	<b>1,705</b>
Additions - purchased	0	0	0
<b>Cost or valuation at 31 March 2012</b>	<b>1,266</b>	<b>439</b>	<b>1,705</b>
<b>Accumulated depreciation at 1 April 2011</b>	<b>0</b>	<b>403</b>	<b>403</b>
Provided during the year	253	19	272
<b>Accumulated depreciation at 31 March 2012</b>	<b>253</b>	<b>422</b>	<b>675</b>
<b>Net book value</b>			
NBV - Purchased at 31 March 2012	1,013	17	1,030
NBV - Donated at 31 March 2012	0	0	0
<b>NBV total at 31 March 2012</b>	<b>1,013</b>	<b>17</b>	<b>1,030</b>

## 8. Accounts - Continued

### 16. Capital Commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2012	31 March 2011
	£000	£000
Property, plant and equipment	2,367	391
Intangible assets	2,500	3,000
<b>Total</b>	<b>4,867</b>	<b>3,391</b>

The Trust has entered into a contract with Cerner for the provision of a replacement of the Patient Care Information System. The contract value is for £9.5 million, of which £7 million has occurred.

There are a number of other capital contracts which commenced in 2011/12 which are due to be completed in 2012/13 with a total value of £2,367k.

Total capital commitments as at 31st March 2012 are £4,867k (2010/11: capital commitments £3,391k).

## 8. Accounts - Continued

### 17. Inventories

#### 17.1. Inventories

	31 March 2012	31 March 2011
	£000	£000
Drugs	1,065	988
Consumables	2,509	2,739
Energy	9	11
<b>Total</b>	<b>3,583</b>	<b>3,738</b>

#### 17.2 Inventories recognised in expenses

	31 March 2012	31 March 2011
	£000	£000
Inventories recognised as an expense in the period	44,476	43,259
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
<b>Total</b>	<b>44,476</b>	<b>43,259</b>

## 8. Accounts - Continued

### 18. Trade and Other Receivables

#### 18.1 Trade and other receivables

	Current		Non Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	£000	£000	£000	£000
NHS Receivables - Revenue	4,545	3,455	0	0
Other receivables with related parties - Revenue	52	0	0	0
Provision for impaired receivables	(231)	(461)	(239)	(240)
Prepayments (Non-PFI)	1,410	975	0	0
Accrued income	1,249	1,272	0	0
Interest Receivable	38	8	0	0
Finance Lease Receivables	41	38	3,122	3,163
PDC dividend receivable	206	198	0	0
VAT receivable	425	492	0	0
Other receivables	2,192	2,170	1,717	1,827
Other receivables - Capital	37	0	0	0
<b>Total</b>	<b>9,964</b>	<b>8,147</b>	<b>4,600</b>	<b>4,750</b>

The great majority of trade is with primary care trusts, as commissioners for NHS patient care services. As primary care trusts are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary.

8. Accounts - Continued

18.2 Finance lease receivables

	31 March 2012	31 March 2011
	£000	£000
<b>Gross lease receivables</b>	<b>3,163</b>	3,201
<b>of which those receivable</b>		
- not later than one year;	41	38
- later than one year and not later than five years;	196	182
- later than five years.	2,926	2,981
Unearned interest income	5,922	6,178
<b>Net lease receivables</b>	<b>9,085</b>	9,379
<b>of which those receivable</b>		
- not later than one year;	295	295
- later than one year and not later than five years;	1,178	1,178
- later than five years.	4,449	4,705
	5,922	6,178

## 8. Accounts - Continued

### 18.3 Provision for impairment of receivables

	31 March 2012	31 March 2011
	£000	£000
<b>Balance at 1 April</b>	<b>701</b>	471
Increase in provision	<b>167</b>	361
Amounts utilised	<b>(19)</b>	(131)
Unused amounts reversed	<b>(379)</b>	0
<b>Balance at 31 March</b>	<b>470</b>	701

As per note 2.1 the provision for the impairment of receivables includes a provision regarding the NHS Injury Scheme of 10.5% to reflect expected rates of collection.

## 8. Accounts - Continued

### 18.4 Analysis of impaired receivables

	31 March 2012	31 March 2011
	£000	£000
<b>Ageing of impaired receivables</b>		
0 - 30 days	0	170
30-60 Days	0	39
60-90 days	74	3
90- 180 days	109	154
over 180 days	287	335
	<b>470</b>	<b>701</b>

<b>Ageing of non-impaired receivables past their due date</b>		
0 - 30 days	<b>1,328</b>	702
30-60 Days	<b>198</b>	508
60-90 days	<b>75</b>	52
90- 180 days	<b>147</b>	77
over 180 days	<b>21</b>	129
	<b>1,769</b>	<b>1,468</b>

## 8. Accounts - Continued

### 19. Cash and Cash Equivalents

	31 March 2012	31 March 2011
	£000	£000
Balance at 1 April	25,627	17,589
Net change in year	569	8,038
<b>Balance at 31 March</b>	<b>26,196</b>	<b>25,627</b>

<b>Made up of</b>		
Commercial banks and cash in hand	77	50
Cash with the Government Banking Services	26,119	25,577
Other current investments	0	0
<b>Cash and cash equivalents as in statement of financial position</b>	<b>26,196</b>	<b>25,627</b>
Bank overdraft	0	0
<b>Cash and cash equivalents as in statement of cash flows</b>	<b>26,196</b>	<b>25,627</b>

## 8. Accounts - Continued

### 20. Trade and Other Payables

#### 20.1 Trade and Other Payables

	Current		Non Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	£000	£000	£000	£000
Receipts in advance	1,009	1,009	0	0
NHS payables - capital	98	0	0	0
NHS payables - revenue	2,138	3,701	0	0
Other trade payables - capital	2,088	2,206	0	0
Other trade payables - revenue	6,763	6,104	0	0
Social Security costs	1,868	2,033	0	0
Other taxes payable	2,115	1,719	0	0
Other payables	3,209	2,210	0	0
Accruals	12,500	10,519	0	0
<b>Total</b>	<b>31,788</b>	<b>29,501</b>	<b>0</b>	<b>0</b>

Other payables includes:

£2,134,196 outstanding pensions contributions at 31 March 2012 (£2,075,449 at 31 March 2011)

NHS payables includes:

During the year there were 7 (2010/11: 8) early retirements from the NHS Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £284,319 (2010/11: £735,195). The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.

## 8. Accounts - Continued

### 21. Borrowings

#### 21.1 Borrowings

	Current		Non Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	£000	£000	£000	£000
Loans from Foundation Trust Financing Facility	265	265	5,704	5,970
Obligations under finance leases	228	210	865	1,092
<b>Total</b>	<b>493</b>	<b>475</b>	<b>6,569</b>	<b>7,062</b>

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%

The obligations under finance leases include the outstanding borrowings in relation to the Cerner Picture Archiving Communication System (PACS) finance lease of £1,075k.

8. Accounts - Continued

21.2 Finance lease borrowings

	31 March 2012	31 March 2011
	£000	£000
<b>Gross lease liabilities</b>	<b>1,093</b>	1,302
<b>of which liabilities are due:</b>		
- not later than one year;	228	210
- later than one year and not later than five years;	865	1,092
- later than five years.	0	0
Finance charges allocated to future periods	0	0
<b>Net lease liabilities</b>	<b>1,093</b>	1,302
<b>of which those due:</b>		
- not later than one year;	228	210
- later than one year and not later than five years;	865	1,092
- later than five years.	0	0
	<b>1,093</b>	1,302

## 8. Accounts - Continued

### 22. Other Liabilities

	Current		Non Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	£000	£000	£000	£000
Deferred grants income	0	447	0	0
Other Deferred income	2,896	3,921	11,503	11,749
<b>Total</b>	<b>2,896</b>	<b>4,368</b>	<b>11,503</b>	<b>11,749</b>

The obligations under finance leases include the outstanding borrowings in relation to the Cerner Picture Archiving Communication System (PACS) finance lease of £1,075k.

## 8. Accounts - Continued

### 23. Prudential Borrowing Limit

	31 March 2012	31 March 2011
	£000	£000
Total long term borrowing limit set by Monitor	53,000	54,400
Working capital facility agreed by Monitor	18,000	18,000
<b>TOTAL PRUDENTIAL BORROWING LIMIT</b>	<b>71,000</b>	<b>72,400</b>
Long term borrowing at 1 April	7,537	5,146
Net actual borrowing/(repayment) in year - long term	(475)	2,391
<b>Long term borrowing at 31 March</b>	<b>7,062</b>	<b>7,537</b>
Working capital borrowing at 1 April	0	0
Net actual borrowing/(repayment) in year - working capital	0	0
<b>Working capital borrowing at 31 March</b>	<b>0</b>	<b>0</b>

The NHS Foundation Trust is required to comply and remain within a Prudential Borrowing Limit.

This is made up of two elements:

- the maximum cumulative amount of long-term borrowing. This is set by reference to the five ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit.
- the amount of any working capital facility approved by Monitor.

## 8. Accounts - Continued

### Financial Ratios

	2011/12		2010/11	
	Approved	Actual	Approved	Actual
Minimum dividend cover	> 1	3.5	> 1	3.7
Minimum interest cover	> 3	32	> 3	52
Minimum debt service cover	> 2	16	> 2	27
Maximum debt service to revenue	2.5%	0.3%	2.5%	0.2%

The Trust has £18 million of approved working capital facility. The Trust did not draw down any amounts under its working capital facility in 2011/12.

Further information on the NHS Foundation Trust Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the Independent Regulator of Foundation Trusts - which is: <http://www.monitor-nhsft.gov.uk/index.php>

8. Accounts - Continued

24. Provisions

	Current		Non Current	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	£000	£000	£000	£000
Pensions relating to other staff	254	245	2,578	2,459
Other legal claims	598	364	0	0
Other	607	400	0	0
<b>Total</b>	<b>1,459</b>	<b>1,009</b>	<b>2,578</b>	<b>2,459</b>

	Pensions relating to other staff	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2011	2,704	364	400	3,468
Change in the discount rate	(3)	0	0	(3)
Arising during the year	297	598	207	1,102
Utilised during the year	(244)	0	0	(244)
Reversed unused	0	(364)	0	(364)
Unwinding of discount	78	0	0	78
At 31 March 2012	2,832	598	607	4,037

## 8. Accounts - Continued

	Pensions relating to other staff	Legal claims	Other	Total
	£000	£000	£000	£000
<b>Expected timing of cash flows:</b>				
- not later than one year	254	598	607	<b>1,459</b>
- later than one year and not later than five years	1,082	0	0	<b>1,082</b>
- later than five years	1,496	0	0	<b>1,496</b>
	2,832	598	607	<b>4,037</b>

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. Provision has also been made for cases which are ongoing with the Trust's solicitors.

The "Other" Provision relates to staff.

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 2012 was £62,441,333 (£49,790,299 at 31st March 2011).

8. Accounts - Continued

25. Revaluation Reserve

	Revaluation Reserve - intangibles	Revaluation Reserve - property, plant and equipment
	£000	£000
Revaluation reserve at 1 April 2011	0	50,945
Impairments	0	(3,336)
Revaluations	0	2,162
Transfers to other reserves	0	0
Asset disposals	0	(132)
Fair Value gains/(losses) on Available-for-sale financial investments	0	0
Recycling gains/(losses) on Available-for-sale financial investments	0	0
Other recognised gains and losses	0	0
Other reserve movements	0	(906)
Revaluation reserve at 31 March 2012	0	<b>48,733</b>

## 8. Accounts - Continued

### 26. Contingencies

	2011/12	2010/11
	£000	£000
Contingent Liabilities		
Equal pay	0	0
Other	(147)	(135)
Gross value of contingent liabilities	(147)	(135)
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	(147)	(135)
Contingent Assets		
Net value of contingent assets	0	0

A contingent liability of £146,619 exists in 2011/12 for potential third party claims in respect of employer's / occupier's liabilities and property expenses ( 2010/11 £135,100). 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.

## 8. Accounts - Continued

### 27.1 Financial assets by category

	2011/12	2010/11
	Loans and receivables	Loans and receivables
	£000	£000
NHS Trade and other receivables excluding non financial assets	4,545	3,717
Non-NHS Trade and other receivables excluding non financial assets	1,294	0
Cash and cash equivalents (at bank and in hand)	26,196	25,627
	<b>32,035</b>	<b>29,344</b>

### 27.2 Financial liabilities by category

	2011/12	2010/11
	Other financial liabilities	Other financial liabilities
	£000	£000
Obligations under finance leases	1,093	1,302
NHS Trade and other payables excluding non financial assets	2,138	24,740
Non-NHS Trade and other payables excluding non financial assets	17,797	0
	<b>21,028</b>	<b>26,042</b>

## 8. Accounts - Continued

### 27.3 Financial Instruments

#### Liquidity risk

The Trust's net operating costs are incurred under agency purchase contracts with local Primary Care Trusts, 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 has put in place an £18.0 million working capital facility, which to date, due to careful cash management, it has yet to draw on.

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.

## 8. Accounts - Continued

### 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:

#### 2011/12

	Income	Expenditure	Debtors	Creditors
Organisations	£000	£000	£000	£000
<b>Primary Care Trusts</b>				
NHS Wirral	217,988	25	1,529	46
Western Cheshire PCT	25,855	1	271	104
<b>NHS Foundation Trusts</b>				
Clatterbridge Centre for Oncology NHS Foundation Trust	4,037	247	1,662	934
Cheshire & Wirral Partnership NHS Foundation Trust	1,189	27	172	4
Countess of Chester Hospital NHS Foundation Trust	134	3,117	328	1,028
<b>NHS Trusts</b>				
Northwest Ambulance Service NHS Trust	5	1	1	4
Wirral Community NHS Trust	2,363	347	666	32

## 8. Accounts - Continued

	Income	Expenditure	Debtors	Creditors
	£000	£000	£000	£000
<b>Organisations</b>				
<b>Strategic Health Authorities</b>				
NHS Northwest	9,104	55	28	0
<b>Other NHS Bodies</b>				
NHS Litigation Authority	0	4,358	0	6
NHS Business Services Authority (NHS Pensions Scheme)	0	16,910	0	2,134
<b>Other Government Bodies</b>				
HM Revenue & Customs	0	36,525	425	3,956
<b>Charitable Bodies</b>				
Wirral University Teaching Hospital NHS Foundation Trust Charitable Funds	325	0	324	0
	261,000	61,613	5,406	8,248

## 8. Accounts - Continued

### 2010/11

	Income	Expenditure	Debtors	Creditors
Organisations	£000	£000	£000	£000
<b>Primary Care Trusts</b>				
NHS Wirral	220,965	174	1,535	458
Western Cheshire PCT	26,200	10	113	359
<b>NHS Foundation Trusts</b>				
Clatterbridge Centre for Oncology NHS Foundation Trust	4,388	164	1,985	977
Cheshire & Wirral Partnership NHS Foundation Trust	1,498	29	82	2
Countess of Chester Hospital NHS Foundation Trust	362	2,551	202	244
<b>NHS Trusts</b>				
Northwest Ambulance Service NHS Trust	9	834	2	0
<b>Strategic Health Authorities</b>				
NHS Northwest	9,052	1	0	70

## 8. Accounts - Continued

	Income	Expenditure	Debtors	Creditors
	£000	£000	£000	£000
<b>Organisations</b>				
<b>Other NHS Bodies</b>				
NHS Litigation Authority	0	4,438	0	1
NHS Business Services Authority (NHS Pensions Scheme)	0	17,802	0	2,115
<b>Other Government Bodies</b>				
HM Revenue & Customs	0	40,735	492	3,752
<b>Charitable Bodies</b>				
Wirral University Teaching Hospital NHS Foundation Trust Charitable Funds	364	0	262	0
	262,838	66,738	4,673	7,978

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## 8. Accounts - Continued

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### 29. Events After The Reporting Period

There are no events after the reporting period which require disclosure.

### 30. Third Party Assets

The Trust held £4,938 cash at bank and in hand at 31 March 2012 (£9,713 at 31st March 2011) 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 £2,930,016 of unused consignment inventories at the 31 March 2012 (£2,621,972 at 31st March 2011). 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 2011/12 there were 79 cases, on an accruals not cash basis, of losses and special payments (2010/11: 37 cases) totalling £70,499 (2010/11: £75,626) .

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