



The Walton Centre
NHS Foundation Trust

The Walton Centre NHS Foundation Trust

Annual Report and Accounts 2020/21

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

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Foreword from Chair and Chief Executive

Welcome to The Walton Centre NHS Foundation Trust's Annual Report for the period 1 April 2020 to 31 March 2021. This report sets out the key developments at the Trust during this period, as well as details of our performance and ongoing strategy.

The impact of the Covid-19 pandemic has been felt in hospitals and health care settings across the UK, and the world, and the past year has seen profound challenges, upheaval and change for everyone at The Walton Centre - our staff, our patients and families and friends. We are incredibly proud of the way our staff rallied together, put our patients' needs first and foremost and looked out for each other. Many staff changed the way they work, whether it was working flexibly from home or moving to a different department to provide support. However, the outstanding treatment and care we have provided for our patients has never wavered and we would like to thank every member of staff for their incredible work over the last 12 months.

Even during the height of the pandemic, staff continued to provide the very best care to our patients. Clinicians at The Walton Centre played a leading role into neurological research in Covid-19 patients. Lead Researcher, Dr Benedict Michael, a consultant neurologist with the Trust, worked with the *CoroNerve* Studies Group, a collaboration between the universities of Liverpool, Southampton, Newcastle and University College London, to study 153 patients treated in UK hospitals during the initial acute phase of the Covid-19 pandemic. The findings, published in June 2020, described a range of neurological and psychiatric complications that may be linked to the disease and provided valuable information for clinicians and researchers taking the next steps in neuroscience Covid-19 research and planning.

Dr Michael was also the co-lead of the Covid-19 Clinical Neuroscience Study which will review 800 UK patients who were admitted to hospital with Covid-19 and had neurological or neuropsychiatric complications, to understand how these problems occur and develop strategies to prevent and treat them. A grant of circa £2 million was awarded to the project by UK Research and Innovation and the Department of Health and Social Care.

Our leading work in neurosurgery also continued with the foundation of the first centre of excellence for spinal services at The Walton Centre. The Centre will give surgeons and medical device manufacturers detailed insight on the long term effectiveness of spinal surgeries and implants through a partnership with Northgate Public Services. New technology, funded by a legacy donation to The Walton Centre Charity, could also transform treatment of spinal patients. The innovative endoscopic equipment, made by RIWOspine, involves 'keyhole' technology, which will allow our surgeons to perform precision spinal procedures. It could mean that patients having certain types of surgery spend less time in hospital.

In January 2021, the Trust commenced its Covid-19 vaccination programme working with Liverpool University Hospitals NHS Foundation Trust to vaccinate staff and their family members, and patients. By mid-April 2021 almost 90% of our staff had received two vaccine doses which was a fantastic effort and will support us as we move out of the pandemic restrictions and work to deliver our recovery and restoration plans.

At the end of the financial year, we said goodbye to Hayley Citrine who had been our Chief Executive since 2018. Having originally joined the Trust in 2014 as Director of Nursing & Quality, Hayley left to take up the position of Chief Nurse for the North West with NHS England / NHS Improvement. Jan Ross, our Deputy Chief Executive and Director of Operations & Strategy, was appointed as Interim Chief Executive with effect from 1 April 2021 and we commenced a recruitment process which will result in a substantive appointment being made in June / July 2021. Other changes at Board level included two of our Non-Executive Directors; Sheila Samuels and Barbara Spicer, leaving the Trust during the autumn of 2020 and we welcomed Karen Bentley and David Topliffe as their replacements on 1 November 2020.

The Walton Centre would not be the hospital it is without its outstanding staff. Their exceptional commitment, professionalism and compassion is commented on by so many of our patients and their families. We would like to take the opportunity to thank them once again for their incredible efforts throughout an extremely challenging year, taking the deep breaths and holding on, and for the ongoing dedication and support they give our patients every single day.



Jan Ross, Chief Executive
24 June 2021



Janet Rosser, Chair
24 June 2021

This report was approved and adopted by the Board of Directors on 24 June 2021. The Trust's 2020/21 accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

Section 1- Performance Report

1.1 Performance Overview

Statement from the Chief Executive

Welcome to The Walton Centre NHS Foundation Trust's Annual Report for the period 1 April 2020 to 31 March 2021. 2020/21, a year like no other, and undoubtedly the most challenging year in the 73 year history of the National Health Service. By the start of the year the Covid-19 pandemic had resulted in an unprecedented situation resulting in major challenges at national, regional and local levels. The country was in 'lockdown' and the level of hospital admissions and, sadly, deaths, was escalating. The challenges facing the Trust were no different from the challenges faced by NHS organisations across the country, with a suspension of business as usual activity to enable operational focus on managing the pandemic situation. In these circumstances it was impossible to prevent a significant impact on staff, patients and the Trust's ability to see and treat patients in a timely manner.

The Trust rapidly transitioned to a 'Command and Control' approach and implemented a Gold, Silver and Bronze Command structure to ensure comprehensive oversight of the situation and facilitate effective and timely decision-making. It was imperative that both the control structure and staff generally had a clear and accurate sight of patient numbers and patient flow and, to this end, our Information Team designed an electronic dashboard which provided live information. The effectiveness of this dashboard was subsequently acknowledged as best practice during a visit by NHS England / NHS Improvement representatives later in the year.

The Trust adopted its own lockdown measures, with staff working remotely, where practicable, to reduce on-site numbers, and the introduction of rigorous social distancing measures to protect staff and patients in the hospital environment. We reviewed our usual governance arrangements with the suspension of non-essential meetings and the streamlining of essential meetings to focus on the fast-changing operational situation. We also made effective use of the available technology to support these arrangements with a move to virtual platforms for meetings. We reviewed these arrangements throughout the year, in the context of the local situation and in response to national guidance, which changed regularly, to ensure that the arrangements in place remained effective, supported good governance and mitigated the risk of an accumulation of routine business matters. However, the use of virtual meetings was maintained throughout the year.

We had to change the way that we worked, both internally within the Trust and externally with our partners in the local and regional health and care system. The situation necessitated a collaborative approach within a regional command structure characterised by mutual aid and support to ensure the best possible levels of care for the patients in our communities. The Trust participated fully in these arrangements. For

example, the Chief Executive had a key leadership role in the regional In-Hospital Cell for much of the year and other Directors and senior managers contributed to various specialist groups established within the Cheshire & Merseyside Health and Care Partnership. Members of staff were redeployed to support clinical services in the Manchester Nightingale facility and, later in the year, our staff played an integral part in establishing and delivering an effective Covid-19 vaccination service in the Aintree Vaccination Hub.

Within the hospital we redeployed clinical staff to areas where their skills could be best used to deliver high quality patient care. For example, clinical staff from Neurophysiology moved to wards and delivered care across all shift patterns of long days and nights. Similarly, our Specialist Nurse teams also moved to wards and the Intensive Care Unit to deliver enhanced care. Non-clinical staff from various disciplines across the Trust provided an extra resource in clinical areas undertaking tasks such as; portering services, cleaning duties and enabling facetime between patients and their families. The way in which staff from across the Trust responded to the situation in a team-centred way was truly heartening and demonstrated just how embedded our 'Walton Way' values are.

The need to limit the number of people on site and comply with social distancing guidelines, thus reducing the risk of infection, meant that we had to take a different approach to Outpatient appointments. Where possible we provided the service through the use of online consultations and telephone calls to ensure continuity of patient care in the safest possible way. Where the patient condition necessitated face to face consultations appropriate measures were put in place to keep both patients and staff safe.

Similarly, containing the spread of infection and complying with social distancing requirements meant that we had to suspend patient visiting, apart from a limited number of exceptional circumstances. Although consistent with the national approach, this was a particularly difficult decision to take as it was contrary to our long-established principles of patient and family centred care where we routinely welcome families into the hospital. However, while difficult, this was absolutely necessary to protect both patients and staff from the risk of infection and we implemented a number of measures to lessen the impact on our patients. These included regular phone calls from a member of staff to family members to provide updates on the patient's condition, the provision of tablet devices and mobile phones to provide the means for patients to connect with their families and a facility for families to send email messages to patients. Our Charity Team also ensured that basic hygiene products, such as toothpaste, shampoo and shaving gel, which ordinarily would be brought in by visitors, were available on the wards for patient use.

Despite the undoubted challenge of the pandemic situation, we were able to maintain an excellent level of operational performance and achieved all of the national cancer standards through the year. The enhanced emphasis on infection prevention and control also contributed to a strong performance against our quality metrics. In addition, the Trust exceeded its financial plan for the year in achieving a £1.5m surplus against a planned deficit position of £1.3m. We also delivered an extensive Capital programme in 2020/21. Further detail on these subject areas can be found in the Performance Overview section on page 39 of the report.

The Trust has worked with Investors in People for a number of years now and achieved accreditation as an Investors in People Gold Employer in May 2017. A reaccreditation assessment was completed in October 2020 and it is pleasing to report that the Trust maintained its Gold Award status. This has added significance given that the assessment involves extensive engagement with staff and was conducted in the context of the Covid-19 pandemic. A culture characterised by openness, trust and empowerment together with deeply embedded core values with staff members seeing themselves as custodians of the Walton Way were identified as strengths during the assessment.

First wave, second wave, third wave; it really was relentless throughout the year. However, at the end of the year, while a national lockdown continued to be in place, the outlook appeared to be more optimistic than at any time in the previous 12 months. The infection rate had significantly decreased, we had no patients who were Covid-positive in the hospital on 31 March 2021, and restrictions were beginning to be eased. We had a roadmap in place, consistent with the national roadmap, to inform a planned return to normal service provision and we were able to welcome visitors back to the Trust, albeit in a limited capacity. Our focus turned to recovery and restoration and plans to increase elective activity and manage the backlog of 52-week breaches that had resulted from the pandemic.

In line with the 2021/22 national priorities, an essential part of our recovery plan relates to our staff. Supporting the health and wellbeing of staff and taking action on recruitment and retention. The scale of the challenge faced by our staff throughout 2020/21 cannot be overstated and, while our people responded to the challenge magnificently, and can be rightly proud of what they achieved, the pressures experienced both within work and their professional lives but also in their home and personal lives are likely to have an impact on individuals; either mentally or physically or both for many months to come. We will do everything within our power to support our people and to maintain staff resilience. This is absolutely essential in our efforts to resume the delivery of high quality patient and family centred care.

Trust History and Statutory Background

The Walton Centre began as two wards in Walton Hospital on Rice Lane, Liverpool in the late 1940s. Neuroscience services in the city of Liverpool grew into a department, including pain management and a critical care unit. In 1992, The Walton Centre was established as an NHS Trust and was subsequently authorised as an NHS Foundation Trust in 2009. The Walton Centre is the only specialist hospital trust in the UK dedicated to providing comprehensive neurology, neurosurgery, spinal and pain management services.

Our specialist staff provide a world-class service in diagnosing and treating injuries and illnesses affecting the brain, spine and peripheral nerves and muscles, and in supporting people suffering from a wide range of long-term neurological conditions. We serve a catchment area of circa 3.5 million people across Merseyside, Cheshire, Lancashire, Greater Manchester, the Isle of Man, North Wales and beyond. While our main hospital site is situated in Fazakerley, Liverpool, services are also delivered through service partnerships with 18 NHS hospitals across the area we serve.

Vision, Objectives and Values

The Trust published its five-year strategy in 2018 following a comprehensive consultation process with internal and external stakeholders. The strategy sets out the Trust's Vision, Purpose, Ambitions and Values as detailed below.

Our Vision is what we strive for and our Purpose is what we do:

- **Vision** - Our vision is Excellence in Neuroscience. We are always striving for outstanding patient outcomes and the best patient, family and carer experience. We will continue to cherish the standards we have achieved, whilst exploring how we can enhance these further, shaping Neuroscience treatment and care for the future
- **Purpose** - Dedicated specialist staff leading future treatment and excellent clinical outcomes for brain, spinal and neurological care nationally and internationally.

Through consultation with staff, patients and partners, we agreed a set of **Ambitions** which will enable us to deliver our **Vision** and achieve our **Purpose**. We will:



These ambitions, which are the key drivers for our work across all areas of the Trust, form the basis of our strategic objectives which are incorporated in the Board Assurance Framework (BAF). The BAF details the principal risks to delivery of these objectives and is subject to regular review by the Board of Directors.

In order to achieve our ambitions, we ensure a learning culture that empowers staff to believe they can make and lead change, be curious and seek continuous improvement. We want all staff to feel comfortable

with being open and honest, treating patients and each other with dignity and respect and we do this through our Walton Way values;



- Caring – caring enough to put the needs of others first
- Dignity – passionate about delivering dignity for all
- Openness – open and honest in all we do
- Pride – proud to be part of one big team
- Respect – courtesy and professionalism, it’s all about respect

The Walton Way values, which were designed with input from our staff, underpin the Trust’s strategy and are at the heart of everything that we do. These values are now deeply embedded across the organisation and were clearly demonstrated by staff throughout 2020/21.

Business Model and Operating Environment

The Trust operates as the hub for a network of services provided in hospitals and community locations across Merseyside, Cheshire, North Wales and the wider North West – The Cheshire and Merseyside Major Trauma Centre Collaborative, Cheshire and Merseyside Rehabilitation Network, our neurology services provided in 34 locations and the developing spinal surgery network. This also includes supporting GPs and hospitals to manage patients with neurological conditions better locally, without referring to the specialist centre. Services are delivered through the Trust’s two Divisions; the Neurosurgery Division and the Neurology Division.

Neurosurgery Division

The Division of Neurosurgery is responsible for:

Neurosurgery	Anaesthetics
Theatres	Surgical Wards
Critical Care	Pain Medicine
Pain Management Programme	Neuroscience Laboratories
Day Case Unit	Cancer Services
Major Trauma Service	Clinical Audit and Outcomes
Advanced Neurosurgery Nurses	Advanced Pain Medicine Nurses

Within the Neurosurgery service there are 20 Consultant Neurosurgeons, 5 Consultant Orthopaedic surgeons and 27 Specialist Nurses working alongside Allied Health Professionals (AHPs) to deliver specialist services at the Centre and at nine satellites sites at partner trusts across Cheshire and Merseyside, Isle of Man and Wales.

Within the Pain Medicine Service there are 7 Consultants in Pain Medicine and 5 Specialist Nurses again supported by AHPs, to deliver a highly specialised pain service on site enhanced by joint specialist clinics working with Liverpool Women's NHS Foundation Trust, Liverpool University Hospitals NHS Foundation Trust (Aintree site) and Alder Hey Children's NHS Foundation Trust.

In common with the rest of the Trust, the Division faced significant challenges during 2020/21 as a result of the Covid-19 pandemic, with a range of service changes being introduced in order to continue to support the delivery of services in line with national and local guidelines, and in order to support the health and wellbeing of staff. Whilst the Division's plans to recover activity after the second wave of the pandemic were on track in Quarter 3, the advent of the third wave in Quarter 4 resulted in a step down of elective activity from mid-January 2021, with the exception of patients who urgently required surgery. The step down formed part of the regional approach to facilitate staffing for critical care surge capacity and support mutual aid initiatives in the Cheshire and Merseyside region. This approach continued through to March 2021.

Division of Neurosurgery

In normal circumstances the Division is one of the busiest neurosurgical units in the country, seeing approximately 9,800 new patients, 3,800 elective patients, and 1,700 emergency inpatients per annum. Clearly 2020/21 was far from a normal year and the Covid-19 pandemic had a significant impact on activity levels across the Division. Under national direction almost all clinical activity was stopped for a period during the early phase of the pandemic, with only priority one surgery being performed. However, despite the considerable challenges of delivering surgical services in a safe manner in the context of the pandemic, it is pleasing to report that our cancer patients did not experience any delays in their surgical treatment with positive levels of performance being maintained throughout the year.

The need to minimise patient and staff exposure in clinical settings rapidly advanced the use of technologies to permit remote consultations. This led to the use of Attend Anywhere, a video consultation platform. Patients have found the use of remote consultation to be incredibly helpful and this is a service that will undoubtedly remain a viable option for selected patient groups in the longer term.

The Divisional focus continues to be patient centred and, in addition to maintaining our existing satellite clinics, a second satellite service was established in North Wales with a fortnightly spinal clinic being launched in January 2021. This has allowed patients to be reviewed locally and has also allowed The Walton Centre to grow as a regional hub by providing on the ground teaching to the local specialist physiotherapy services who are responsible for triaging, managing and referral of spinal patients. In a

similar vein, we have now formally established a service level agreement with Southport and Ormskirk Hospital NHS Trust to allow fortnightly teaching based on case discussions, and to act as a point of contact for local MCAS practitioners.

As part of the Getting It Right First Time (GIRFT) recommendations, we have successfully implemented a single Complex Spinal consultant on-call emergency rota across the whole region. The Division recruited a Spinal Clinical Lead and an Operational Lead in 2020 for the reconfiguration of spinal services across Cheshire and Merseyside. This followed the identification of the Walton Centre as the lead provider for spinal services in the region. A significant programme of work was achieved during 2020/21, with an additional four Spinal Consultants from Liverpool University Hospitals joining the spinal rota, and the development has a forecast completion date of July 2021.

Mr Pigott, Consultant, has remained the past president of Eurospine and raised the profile of the Trust through a landmark address to the G20 conference in a pre-congress presentation promoting spinal health worldwide. Mr Pigott has also been the driving force behind the development of our data collection tool, via Spine Tango, which has been recognised to be of extremely high quality and will form the basis of a spinal improvement partnership with industry which we anticipate will be established during 2021/22.

Research activities continued throughout the year and Professor Jenkinson was appointed as Sir John Fisher / RCS Chair of Surgical Trials at the University of Liverpool in November 2020. His remit is to work across Liverpool and the wider region to increase clinical trials in all surgical specialities. Professor May, in addition to his role as the GIRFT National Clinical Lead for Adolescent and Paediatric Neurosurgery, was appointed as the Director of Clinical Academic Development for the University of Liverpool, and is instrumental in the integrated academic training programme, as well as guiding future research to be more relevant to the local Liverpool population. There were many publications from all areas of subspecialty, but of most significance was the landmark NERVES trial which was published in the Lancet. This work is expected to change the management of 'slipped discs' in the lumbar spine both regionally and nationally.

Our commitment to teaching remains at all levels with Mr Carleton-Bland being recognised by Health Education England, The North West School of Surgery, as a supra-regional educator through a Certificate of Excellence in Education. Mr Carleton-Bland with Mr Tierney, the Practice Education Facilitator for theatres, have successfully established a human factors training programme. Thanks to Mr Tierney's ongoing commitment to education and safety, he was appointed to the Board of The Association for Perioperative Practice.

In line with national and local guidance, the Walton Centre actively sought an electronic solution for emergency referrals made for neurosurgical advice or intervention. On 6 July 2020, the Trust went live with a pilot of ORION cloud, which is a referral system that can be used by external Trusts to refer emergency patients via an online platform. The pilot has been of significant success and is now into its second phase of implementation with three local Hospital Trusts and three Welsh Hospital Trusts now using the platform

as a route to refer patients. The Divisional teams continue to work with ORION cloud and during the year have co-designed functions for electronic MDT outcomes, an emergency referral triage tool and online access to educational material and clinical guidelines endorsed and developed by the neurosurgical teams. The team is currently working towards an electronic solution for critical care transfers for use within the network.

In 2020/21 the Division successfully implemented the Faster Diagnostic Standard, a national initiative to notify patients of their diagnosis within 28 days. This required a whole pathway review of the two week wait cancer standard and we consistently achieved 100% success. Despite the effects of the pandemic, our neuro-oncology team continued to work tirelessly, providing excellent care to this patient cohort, and maintaining the waiting times standard associated with cancer care. In addition, Divisional teams worked collaboratively with Liverpool University Hospitals NHS Foundation Trust on mutual aid arrangements to ensure that patients requiring cancer care were able to continue to access treatment.

Anaesthesia and Critical Care

The Anaesthetic Department maintained their Anaesthesia Clinical Services Accreditation (ACSA) from the Royal College of Anaesthetists (RCoA) in 2019/20. ACSA is the RCoA's peer reviewed scheme which promotes quality improvement and the highest standards of patient experience, patient safety and clinical leadership within anaesthetic services. ACSA accreditation was first awarded to our Anaesthetic department in 2017; the Trust was the eighth in the North of England and the seventeenth in the UK to receive the prestigious accreditation and continues to develop the service for the benefit of patients and staff. The reaccreditation process is scheduled to be completed in November 2021.

In 2020/21 the Department developed a programme of education for the in-house delivery of Immediate Life Support (ILS) which all key staff are able to access. The course will be delivered in the Sid Watkins Building, utilising the recently located Sim Centre. The course is taught and delivered by our existing resuscitation leads, with assistance from the Advanced Critical Care Practitioners in Intensive Care

Our Critical Care department actively received both Covid positive and non-COVID positive patients into the unit as a means of mutual aid to neighbouring Hospital Trusts across the region during the course of the Covid-19 pandemic. A PEER review of the Intensive Care Unit was undertaken in 2020 as part of a scheduled review by the Cheshire and Mersey Critical Care Network (CMCCN). While no immediate concerns were identified during the course of the review, publication of the review outcomes has been delayed as a result of the Covid-19 pandemic. Similarly, the CMCCN had planned to undertake a scheduled Specification review in February 2021 but this was deferred to a later date due to the increased workload of the Network during the pandemic.

A Divisional priority during the year was to review the way in which pre-operative assessment is delivered as part of a wider transformation programme. This review was successfully completed and identified the need for an anaesthetic led generic pre-operative assessment service. The team successfully appointed

into the required nursing posts, funding was identified for an online IT platform to support the service and a phased approach for implementation was initiated.

Pain Medicine

The Covid-19 pandemic posed significant challenges to the Pain Department over the course of 2020/21. At the start of the pandemic, during the first lockdown, several Pain Consultants updated their core skills to provide assistance and clinical support to Theatres & Critical Care. The remaining Pain Consultants adapted their practice to ensure that remote patient consultations could continue. Although most new patients will require face-to-face appointments, it has become evident that a significant number of follow-up appointments may continue to take place remotely, and this has been added to our programme of work for 2021/22.

The Department worked closely with the Service Improvement Team and developed a new Pain Injection Service - Halton Hospital. The procedures take place in a purpose built day-case unit and the service has the potential to improve patient experience and reduce waiting times. Further development and full implementation was unfortunately delayed due to the pandemic situation but we plan to restart the service in May 2021. The Walton Centre is currently the only Pain Service in England that is still able to provide a percutaneous cordotomy service for terminally ill cancer patients with pain that cannot be controlled by drugs.

Dr Sharma remains an elected Board member for the Faculty of Pain Medicine. Miss Johnson, Pain Specialist Physiotherapist, is on the Executive Committee for The Physiotherapy Pain Association and is now a Clinical Research Fellow and PhD student. She has also set up regular educational and research meetings for the department. Mr Tetlow, Lead Occupational Therapist, is a committee member for the Chronic Pain Guidelines which is an advisory Committee to The National Institute for Health and Care Excellence's (NICE) Board. Dr Goebel co-authored ten publications in 2020.

Pain Management Programme (PMP)

Prior to the Covid-19 pandemic, the PMP model was based on groups of patients working together with health professionals to learn to manage their problems and to try to restore their quality of life. It was impractical to continue with this model due to the restrictions imposed during the pandemic and therefore the team developed on-line programmes to deliver the service remotely. Despite the significant logistical and IT challenges, these programmes have been running successfully since Summer 2020 and have enabled those patients with access to the appropriate technology to continue to receive the service. Unfortunately, not all potential participants have the appropriate technology at home, or may not be suitable to participate, and therefore access has been limited. The PMP team is looking forward to restarting the face to face programmes as soon as possible. A huge amount of effort was made across the MDT to ensure high quality care could be provided in this new format (at tertiary level) and the service provides one of the more intensive online PMPs available in the UK.

The team continued to collect a range of PROM data to enable auditing of the online service and the initial analysis demonstrated effective clinical outcomes, although not quite commensurate with face-to-face outcomes in certain key domains, the service will review its continued use of remote clinics (particularly for follow up appointments and long distance patients) as this is seen as an effective and useful additional aspect to our clinical pathway options.

The Pain psychology team led on the development of a Staff Support Helpline in the early stages of the pandemic, which provided quick access telephone-based support to staff who felt that they needed support or were experiencing difficulties at work or at home. The Helpline was launched in April 2020 and ensured that colleagues and teams across the Trust had an immediate avenue of support during the particularly challenging period at the start of the pandemic. We discontinued the service in October 2020 as other avenues of support, such as occupational health and national support services had by then become available. These included an onsite counselling service provided by the Network of Staff Supporters (NOSS), which incorporated a 24/7 telephone helpline service, and access to the VIVUP health and wellbeing platform.

The Neuroscience Laboratories

The Covid-19 pandemic affected both the activity and working practices of the Neuroscience Laboratories throughout 2020/21. While the pandemic situation resulted in a significant reduction of activity in Neuropathology, specialist testing activity referred to the Clinical Neuroimmunology and Clinical Neurobiochemistry laboratories from external hospitals remained relatively high throughout the year. The workforce adapted well to changes in working practice, with remote working introduced where practicable and social distancing measures rigorously implemented following comprehensive risk assessments to protect those members of staff working on site.

The Neuropathology Service is led by two full time Consultant Neuropathologists who also maintain a strong network with the regional North West Neuropathology units, the regional Genomic Laboratory Hub in Manchester and national Neuropathology referral centres. We commenced the recruitment process for a third Neuropathologist at Senior Lecturer level and this new joint position for the Trust and the University of Liverpool will also link with the newly created Liverpool Head and Neck Institute. The successful candidate will be expected to develop and expand the neuropathology research platform, linking in with clinical and academic colleagues to build a first class, world leading department. They will also be working alongside our two Consultant Neuropathologists to develop and expand the clinical service of the department. Our Neuropathologists continued to provide teaching to both undergraduate and postgraduate trainees with sessions during the year delivered both virtually and face to face.

The Neuropathology service is supported by an excellent laboratory team, which is now fully established following the appointment of a new Senior Biomedical Scientist in September 2020. Development of staff is positively encouraged; two of our Biomedical Scientists successfully completed the Institute of Biomedical Science Specialist Diploma during 2020/21 with a further two undertaking Master's Degrees in Biomedical

Science. Two Associate Practitioners are working towards the Institute of Biomedical Sciences Certificate of Achievement and both our Principal Clinical Scientists are working towards FRCPath qualifications.

The Liverpool Neuroscience Biobank at The Walton Centre (LNBW) continued to recruit samples from patients to support research, although sample collection was much reduced in 2020/21 due to the pandemic situation. Sample recruitment will increase as the pandemic situation improves and we plan to expand the Biobank through the procurement of two -80C long term storage freezers. We have applied for UKAS accreditation against ISO20387:2018 Biobanking and this accreditation will provide researchers with assurance that our collection and storage of samples is compliant with the ISO standards and can therefore be trusted to support their research. Pre-assessment took place in March 2021 and the initial assessment will take place later in the year.

Research and development activities continued throughout the year, primarily on a virtual basis, and the pandemic situation meant that, unfortunately, a number of planned research activities had to be deferred. The team did, however, successfully evaluate, verify and introduce into routine use a standardised ELISA method for ganglioside antibodies. UKAS accreditation extension to scope has been applied for. We plan to commence a number of deferred projects as the pandemic situation improves and these include:

- Evaluation of CSF free light chains and comparison with oligoclonal bands as a marker of intrathecal IgG synthesis.
- Methylmalonic Acid (MMA) analysis will be evaluated on a new Waters Xevo TQS micro mass spectrometer as a marker for low vitamin B12.
- Development of an in-house rat brain immunofluorescence as an additional screening method for autoimmune encephalitis will be restarted.

The laboratories upgraded the Technidata Laboratory Information Management System (LIMS) in late 2020 and we plan to implement Associated Analytics software in 2021/22.

Following the publication of the NHSE/I Pathology Quality Assurance Dashboard (PQAD) – Second Edition, The National Pathology Consolidation Programme requested data to be submitted on various pre-defined quality and performance indicators concerning pathology laboratories. The first submission was made in April 2020 with subsequent submissions made on a quarterly basis. The PQAD is also presented quarterly at Quality Committee meetings.

Neurology Division

The Division of Neurology is responsible for:

Consultant Neurologists (currently 46 people in post)	Long term condition pathway development and management such as Headache, Epilepsy, Multiple Sclerosis, Parkinson’s Disease
Hosting and managing the Cheshire and	Neuropsychiatry for CMRN and the main hospital

Merseyside Rehabilitation Network (CMRN)	services
Neuropsychology - outpatient and inpatient	Neurophysiology and Neuro-Ophthalmology
Neuroradiology	Thrombectomy service
Outpatient and Inpatient Therapy Service	Outpatient services
Neurology day cases	Neurology Specialist Nurses and Integrated Neurology Nurses Specialists(INNS)
Clinical Audit	Orthotics
Intravenous Immunoglobulin Database	Regional Neuro Myelitis Optica service

Division of Neurology

The Neurology Division continues to deliver a responsive specialist service to patients; both in the Centre and at partner trusts and community settings via an outreach service. This model of care was chosen as a preferred model by the Association of British Neurologists (ABN) following work undertaken by the Trust as part of the NHS Acute Care Collaboration Vanguard and more recently by the NHSE/I review of Neurology services in England.

The Neurology service provides specialist care to patients across Cheshire, Merseyside, North Wales and the Isle of Man. Our network of satellite clinics operates from 15 acute hospitals, providing both outpatient services and support to inpatients. It is a large and busy neurology service which in 2020/21, saw 68,452 new and follow up outpatients and treated 3,799 inpatients in either The Walton Centre's day case or ward facilities.

The Neurology service is delivered by a multi-skilled professional team. There are 46 consultants and 28 specialist nurses, who work alongside an experienced therapy team to provide the holistic and multidisciplinary care required for our patients. Sub-speciality clinics are also provided in Epilepsy, Movement Disorders, Headache, Neuromuscular, Multiple Sclerosis, Motor Neurone Disease, Vascular and Neuro Myelitis Optica.

There continues to be an increase in demand for our service year on year. As such, robust plans are required for both the Consultant and nursing workforce. Two further consultants were appointed in 2020/21 and an additional 4 nurse specialists were appointed working in the areas of Epilepsy and Headache.

We continue to support neurology service provision at Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust, having initially agreed sub-contract arrangements in 2017/18, with further discussions taking place during 2020/21 to enhance service provision through the addition of an Integrated Neurology Nurse. Our Neurologists support service provision at Ashworth Hospital and we have worked collaboratively with colleagues from Mersey Care NHS Foundation Trust to develop the service for patients with Neurology conditions who are detained under the mental health act.

Following the NHS Acute Care Collaboration Vanguard programme, work has continued on the development and implementation of the Acute Headache pathway, alongside the national development of best practice guidelines for Headache. In the field of Epilepsy, we are supporting the implementation of the National Audit of Seizures in Hospitals (NASH) 3 recommendations which link to the post seizure pathway. The development of a pathway excellence framework for Parkinson's disease has also commenced along with the implementation of the Multiple Sclerosis optimum care pathway. We have senior leadership representation on all related national working groups and this has included work on the future commissioning of Neuropsychiatry.

Requests to share our learning at national events and to support the development of other neurology services across the country have continued, despite the pandemic situation, and our Divisional Director is the founder of a National Neurology Managers Network with two successful meetings held during the year which enabled sharing and learning from good practice.

The Cochrane Epilepsy Group continues to be based in Liverpool which maintains a high national and international profile, with awards of National Institute for Health Research (NIHR) grants and close collaboration with the European Brain Council. There also continues to be major interest in the service delivery of Epilepsy, the genetics of Epilepsy, magnetic resonance imaging (MRI) scanning and the drug treatment of Epilepsy including issues associated with prescribing Valproate in people of child bearing age.

The Neurology Service has continued to develop its core services as part of our strategic service direction. This work is aligned with recommendations from the Getting it Right First Time (GIRFT) programme to improve our ability as a system partner to meet patient healthcare needs and demand. This has been achieved by optimising the performance of our acute neurology model to improve quality, patient experience and operational performance while delivering financial efficiencies across the system. The work has included:

Ambulatory Care

Providing a high-quality patient focussed care pathway that delivers rapid senior assessment whilst avoiding the need for an inpatient stay. This service is currently in place at the Liverpool University Hospitals NHS Foundation Trust (both Royal Liverpool and Aintree sites) and Whiston Hospital, with further sites identified.

Rapid Access to Neurology Assessment (RANA)

This service provides direct access to an expert neurologist to discuss patients presenting at Emergency Departments with Neurological signs or symptoms, with access to the Walton Centre onsite ambulatory clinic or ring fenced neurology assessment beds.

Therapy Services

The Therapy services encompass five groups of Allied Healthcare Professionals (AHP) within a range of multidisciplinary teams. Each group has an identified professional lead to provide assurance of professional competence and accessible support. All staff work to a combined collaborative / interdisciplinary model to deliver safe, effective and holistic patient centred care during all stages of the patient pathway including; major trauma, critical care and acute inpatients via a comprehensive rehabilitation pathway. The Long Term Conditions therapy team provides outpatient care for patients living with long term neurological conditions.

As the pandemic situation developed at the beginning of the year, the Therapies service initiated business continuity plans as part of the Trust's response to the Covid-19 pandemic. The Therapies staff responded swiftly and effectively to support the Trust in fulfilling its mutual aid obligations by redeploying staff and allocating available resources in response to fluctuating clinical demands. The team was integral to the successful transfer and delivery of acute Stroke rehabilitation from a neighbouring Trust and the transfer was achieved with minimal disruption to patient care.

Patient care was disrupted due to the cancellation of outpatient clinics in response to the pandemic situation, but this provided the opportunity to redeploy staff to deliver care where needed in other parts of the organisation. The resumption of outpatient clinics towards the end of 2020 necessitated flexibility and creativity to ensure that patient care was delivered in the safest way possible. Therapy staff adopted a hybrid model of care utilising a blend of technology solutions and agile working to achieve best outcomes for their patients. All Therapy service improvement plans and innovation projects were put on hold as the pandemic situation continued throughout the year. We plan to resume these activities as soon as practicable in 2021/22.

Rehabilitation Therapy

The therapy teams work across the Hyper Acute Unit and the Complex Rehabilitation Unit situated on the Walton Centre site. The teams were actively involved in supporting Trust activities during the pandemic including a relaxation of 'Rehab' criteria to support the mutual aid agenda by offering post-Covid rehabilitation and stroke rehabilitation. The most challenging time for this staff group was during the initial phase of the pandemic when patients had to cut short inpatient rehabilitation and return home earlier than normal to reduce the risk of infection spread. As a consequence, the Complex Community Rehabilitation team experienced increased demand to care for and treat these 'early discharge' patients at home.

A TUPE transfer of locality 1 community team from Bridgewater Community services to the Cheshire and Merseyside Rehabilitation was completed during the first wave of the pandemic in April 2020, although the prevailing situation denied this particular staff group the usual opportunity to meet and engage with the wider Therapies team. However, much was achieved in terms of welcoming the team to the Walton Centre through the introduction of virtual meetings and virtual training opportunities and senior Therapy staff were successfully appointed to lead the team.

Despite the many challenges of the pandemic situation, a culture of enquiry and research activity continued to be encouraged. Education, training, research and innovation are key functions of the wider therapy service and we look forward to a time in the near future when staff will again be able to focus on optimising learning resources and skills for a shared learning approach that is innovative, supportive and aligned to a Neuroscience centre of excellence.

Complex Rehabilitation

The Walton Centre is both the host and provider of the Cheshire and Merseyside Rehabilitation Network (CMRN), commissioned by NHS England and CCGs in January 2013 to integrate complex rehabilitation services from hyper acute to community in the region.

The CMRN works to a collaborative model to deliver safe, effective and holistic patient care and is a unique collaboration of five provider partner organisations to deliver a high quality, co-ordinated and seamless pathway of care. The partner organisations for this service are:

- The Walton Centre (Level 1 Hub Units, Level 2 Spoke Unit and Community Service)
- Liverpool University Hospitals NHS Foundation Trust (Level 2 Spoke Unit)
- St Helens and Knowsley Teaching Hospital (Level 2 Spoke Unit)
- Wirral University Teaching Hospital (Level 2 Spoke Unit)
- Oak Vale Gardens Priory Group (Level 3 Extended Unit)

The CMRN delivers a responsive and coordinated inpatient and community service to patients with complex rehabilitation needs following traumatic illness or injury, regardless of diagnosis. The service is delivered by multidisciplinary teams at each service level with rehabilitation consultants, nurses and therapists to improve medical, physical, cognitive, communicative and behavioural outcomes.

The Network has a strong focus on maximising clinical outcomes, optimising patient flow and occupancy to ensure that we are utilising our resources across the pathway effectively. During 2020/21 we continued to focus on our performance and clinical outcome data to enable increased collaboration and partnership working through the Strategic Board, Operational Committee and Clinical Management Group to respond more effectively and efficiently to operational practice and inform clinical, operational and strategic service improvements.

Education and quality are key functions of the CMRN where a culture of shared learning and continuous improvements is encouraged. The network is actively involved in delivering specialist rehabilitation education through a Masters module in partnership with Liverpool John Moore's University to both network staff as well as staff from external provider organisations across the region. The network Quality Group has continued to develop and deliver a comprehensive plan of several service and network level audits, service

evaluation and research and innovation projects that are aligned to our network values and strategic objectives.

The Network's response to the Covid-19 pandemic throughout the year has been on continuing to provide specialist rehabilitation to those patients requiring it, but where possible adapting their management to minimise inpatient length of stay and optimise patient flow. Capacity created through this approach was subsequently utilised to provide mutual aid to acute providers within the region. This was achieved by flexing admission criteria for inpatient admission and with more targeted support aligned to the Stroke Pathway to facilitate earlier discharge, thus releasing capacity within the Liverpool University Hospitals inpatient bed base. It is planned that collaborations developed through this period will provide a sound foundation for more enhanced partnerships and integrated clinical pathways to be embedded in future service delivery.

In response to Covid-19 restrictions and the associated stringent infection prevention and control protocols, both inpatient and community teams have adapted and flexed working practices using virtual IT platforms to maintain essential communications with families and carers but also to deliver clinical intervention remotely where this could be facilitated effectively.

The Network is now four years into a five-year strategic plan. Recognising that all NHS services are operating in a time of unprecedented change, particularly with the advent of integrated commissioning, the network is positioned to be agile and responsive to this changing landscape. In 2021/22 the focus will continue on working in collaboration and partnership with both provider and existing commissioning partners to ensure that CMRN continues to deliver a model of care that is effective, efficient, sustainable and fit for purpose in the longer term.

Neuropsychology

The Neuropsychology service experienced some challenging times in 2020-2021. Early in the year there was an extended period of time when mainly follow up patients were seen remotely due to the Covid-19 situation, although some patients were seen face to face where there was a clear clinical need to do so. As technology solutions were developed, the service adapted well and was able to provide some Neuropsychological assessment that could be completed remotely via the combined use of Attend Anywhere and a Visualiser that allowed cognitive test materials to be viewed and completed appropriately over video. This enabled the team to restart the non-urgent new patient appointments that had previously been put on hold. Waiting list length was a concern, however, with enhanced focus it gradually improved as the year progressed.

Neuroradiology

During 2020/21 the service completed the procurement and installation of a Siemens ICONO Biplane, as a replacement for 12 year old GE Biplane. Biplane fluoroscopy offers high quality imaging and resolution to provide comprehensive three dimensional views of blood vessels within the brain. Biplanes are essential to support the development of the Thrombectomy service.

In addition, the service also completed the procurement and installation of a second CT scanner, utilising NHS England adapt and adopt funding. Regional system support for this development was integral to the success of the bid for funding. This second scanner will support a reduction in delays in patient pathways, increased complexity of scans (which may require more scan time to complete) and an increase in referrals and CT guided biopsies. The Department also successfully completed recruitment programmes for the appointment of two Consultant Radiologists (1x Diagnostic and 1x Intervention). Neuroradiology continues to be an active member of the Cheshire and Merseyside Imaging Network Programme, leading on the Stroke Imaging Pathway, and providing operational leadership for Consortium Radiology Information System replacement.

The development of the mechanical thrombectomy service for stroke patients across Cheshire and Merseyside has continued with expansion to a seven day service. Mechanical thrombectomy is a momentous development in the treatment of stroke, demonstrating significantly improved outcomes and reduced disability for many stroke survivors. It remains an ambition of NHS England to see this treatment available 24/7 in the future in collaboration with local partners. Work is underway at The Walton Centre to realise this for our population.

Neurophysiology

There were two areas of exciting innovation and development within Neurophysiology during 2020/21. The service has undertaken video ambulatory EEG, within the home setting, for many years. This equipment prevents the requirement for a hospital admission, as all the data can be captured within the home setting. In 2020, equipment was purchased that embraces new innovative technology and incorporates an i-pad device which patients have found easier to use and, in addition, the clinical team have reported excellent technical quality and reliability from the recording systems.

Neurophysiology has four EEG telemetry beds on Chavasse ward which support the epilepsy surgery programme. As a result of the pandemic access to these beds was lost when the ward was required for the treatment of Covid-19 patients. The supplier was able to integrate the full telemetry system (fully integrated computer and infra-red camera) onto a specialised cart. Testing and IT infrastructure installation for this was completed in December 2020. The cart, which is portable, can provide flexibility and responsiveness so that the service can function in a choice of multiple side rooms across a number of wards. The telemetry service will recommence, with the first newly installed cart, as part of the Trust's Recovery and Restoration plan in 2021/22.

Pharmacy

Pharmacy services are provided via a service level agreement with Liverpool University Hospitals NHS Foundation Trust and the service continues to develop year on year. In addition to the standard clinical pharmacy service for inpatients, a pharmacist prescribing service is now well established. Pharmacist prescribers play a key role in the same day admission process for elective surgical patients, contribute to

daily neurosurgical ward rounds and other multidisciplinary clinical rounds, and write discharge prescriptions.

The designated senior neurosciences pharmacist team work closely with other staff within the Trust to deliver medicines governance and safety agendas, and seek to continually develop and improve practice. As the coronavirus pandemic unfolded throughout the year, the team continually adapted their working processes and supported the Trust responses in various ways. For example, preparing clinical guidelines on medicines for Covid-19, supporting the temporary relocation of stroke services and advising on inpatient vaccination. Further expansion of the neurosciences pharmacy team occurred this year following increased funding for governance of homecare medicines and a second pharmacist for neuro-critical care.

1.2 Operational Performance

Performance and activity during 2020/21 were severely impacted by the Covid-19 pandemic. During this period there were activity cancellations by both patients and the Trust and national guidance required all Trusts to limit elective activity to urgent patients only. Our ability to progress patient activity was also constrained by the implementation of rigorous infection prevention and control and social distancing requirements. These factors impacted both bed occupancy levels and performance against key indicators. The Trust is working towards restoring activity to 2019/20 levels over the course of 2021/22 in accordance with national and regional planning requirements.

Summary of Activity

Table 1 and Charts 1 - 3 show activity levels for 2020/21 in comparison with previous years. The impact of the pandemic situation on activity is clearly demonstrated in each case, although it was encouraging that the level of reduction in Outpatient activity was relatively modest with the outturn position representing 86% of the 2019/20 level. Overall, total activity for the year was 82.5% of the level in 2019/20.

Table 1

Activity	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Day cases	13024	12602	12559	11877	6862
Inpatients	5503	5429	5483	5141	3444
Outpatients	131761	135721	144681	140878	121566
Key Diagnostic tests	28229	26143	26325	26425	20176

Chart 1

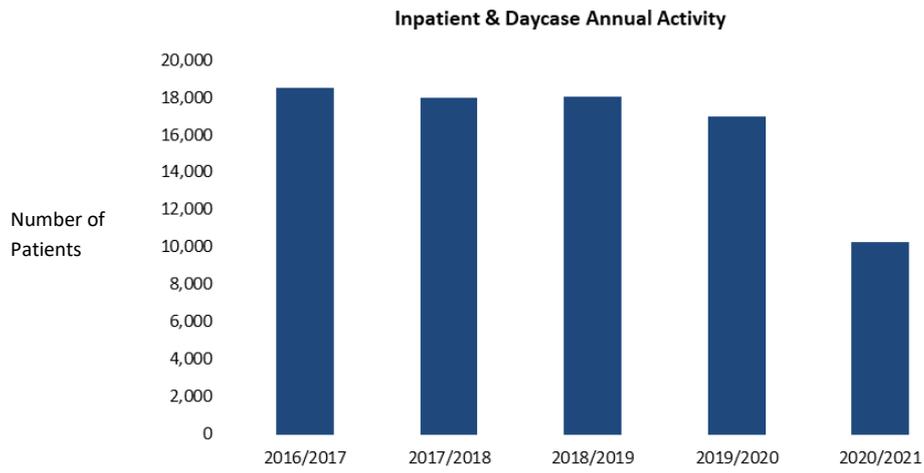


Chart 2

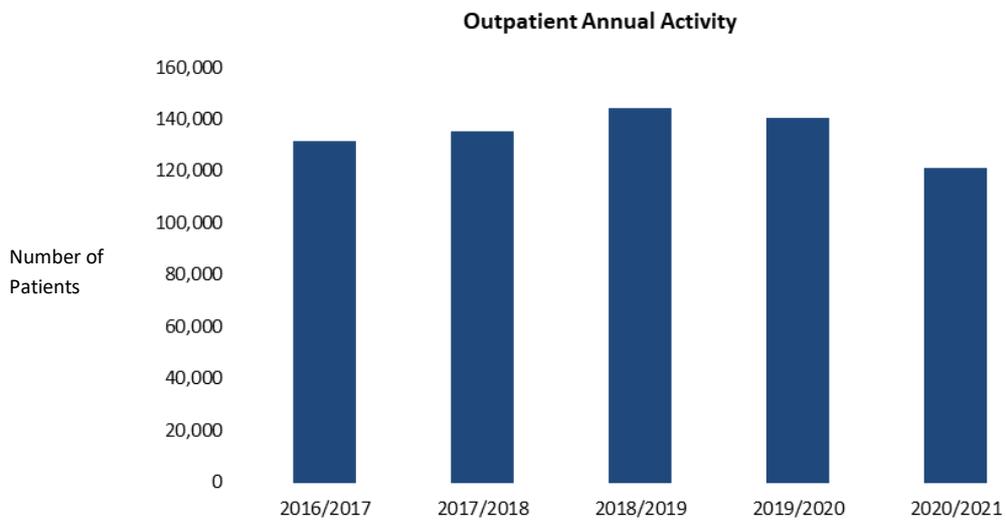
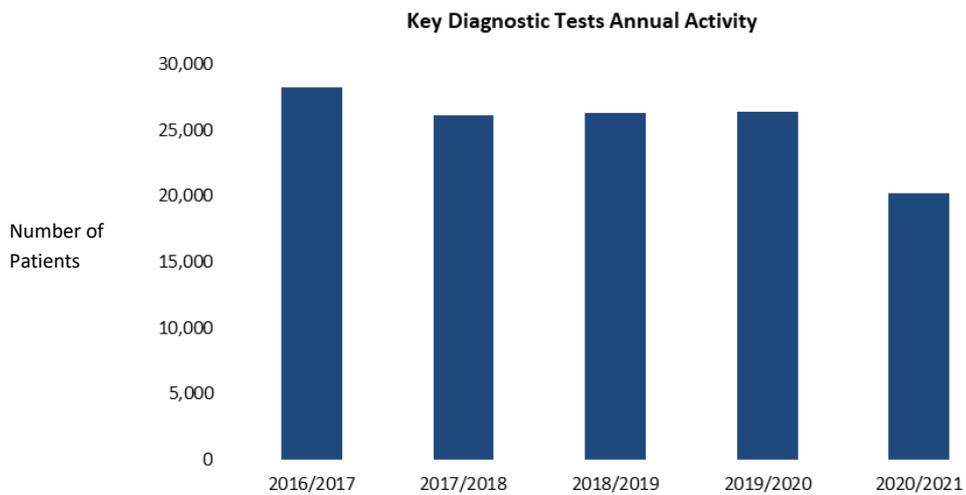


Chart 3



Bed Occupancy Rates

Bed Occupancy is measured by counting the number of open beds occupied at midnight on each day. The following table details bed occupancy rates for the last 3 years, split by quarter and by bed type. Again, the rates for 2020/21 clearly illustrate the effect of the pandemic situation on bed occupancy levels with a general trend of reducing rates for General and Acute beds and Rehabilitation beds being offset by increased occupancy rates for Critical Care beds in Quarter 3 and Quarter 4 2020/21. This increase reflected the Trust's participation in regional mutual aid arrangements to maximise critical care capacity.

Table 2

General & Acute	Q1	Q2	Q3	Q4	Overall
2018/19	83.06%	74.60%	79.99%	86.35%	80.96%
2019/20	77.45%	77.97%	71.91%	73.77%	75.27%
2020/21	54.74%	70.09%	64.42%	58.72%	62.03%
Rehabilitation					
2018/19	82.17%	92.47%	81.39%	81.58%	84.42%
2019/20	76.10%	69.70%	74.54%	75.05%	73.84%
2020/21	48.32%	50.14%	64.38%	76.44%	59.76%
Critical Care					
2018/19	79.23%	82.34%	76.58%	78.22%	79.10%
2019/20	77.25%	81.14%	74.13%	66.98%	74.89%
2020/21	72.38%	78.41%	88.62%	91.48%	82.70%

Performance against National Standards

Table 3 summarises the Trust's performance against national standards during 2020/21 and it is pleasing to report that all standards were achieved despite the unprecedented challenges associated with the Covid-19 situation.

Table 3

Performance Indicator	2018/19	2019/20	2020/21	2020/21
	Performance	Performance	Target	Performance
Referral to treatment time, 18 weeks in aggregate, incomplete pathways*	94.27%	N/A	N/A	N/A
All Cancers: 62 days wait for 1st treatment from urgent GP referral to treatment	100%	100%	85%	100%
All Cancers: Maximum wait time of 31 days for second or subsequent treatment: surgery	100%	98.6%	94%	100%

All Cancers: Maximum waiting time of 31 days from diagnosis to first treatment	99%	100%	96%	100%
All Cancers: 2 week wait from referral date to date first seen	100%	98.9%	93%	98.9%
Incidence of Clostridium Difficile	7	7	8	5
Compliance with requirements regarding access to healthcare for people with a learning disability	Achieved	Achieved	Achieved	Achieved

* Referral to Treatment (RTT) Target. Since August 2019, the Trust has been taking part in field testing the use of an average (mean) wait measure for patients on the referral to treatment waiting list as a potential alternative to the metric of 92% of patients waiting less than 18 weeks as part of an NHS England / NHS Improvement clinically-led review of NHS access standards. As part of this pilot, the Trust has not been required to measure or report performance against the existing 92% target.

Equality of Service Delivery

The Trust has undertaken an analysis of accessibility to our services regarding race and ethnicity via the Strategic BAME Advisory Committee. The analysis indicated that fewer patients from Black, Asian and Minority Ethnic backgrounds were accessing our services in comparison with their proportionate demographic percentage of the population we serve.

Area	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	White	BAME
Liverpool	4.30%	2.86%	2.89%	1.97%	87.98%	12.02%
Merseyside	2.33%	1.16%	1.78%	0.81%	93.92%	6.08%
Cheshire & Merseyside	2.06%	0.80%	1.53%	0.56%	95.06%	4.94%
North West	6.70%	1.53%	1.90%	0.70%	89.18%	10.82%
England & Wales	7.96%	3.56%	2.63%	1.07%	84.78%	15.22%

	Asian or Asian British	Black or Black British	Mixed	Other Ethnic Groups	BAME	White
% Daycase	0.71%	0.35%	0.55%	0.43%	2.03%	97.97%
% Elective	0.53%	0.31%	0.56%	0.62%	2.02%	97.98%
% Non Elective	0.49%	0.53%	0.53%	0.91%	2.46%	97.54%
% Overall	0.65%	0.36%	0.55%	0.52%	2.08%	97.92%

We have taken steps to ascertain the reasons for this disparity with relatively fewer numbers of Black, Asian and Minority Ethnic patients accessing services. The following barriers were identified through networking with voluntary sector organisations such as the Neurological Alliance:

- A lack of knowledge in some newer communities as to how the health system works and how to access health services e.g. refugees and asylums seekers.
- Language can be a barrier for people who have English as a second language. Basic information as to how to navigate the health system can be more difficult to access, resulting in patients not being referred on from primary care in the numbers we might expect.
- Different ways of understanding illness and describing symptoms in some communities leading to greater difficulties in diagnosis of some conditions e.g. in some languages there is no separate word for a neurological condition and a mental health condition.
- Stigma and a reluctance to come forward for diagnosis because of fear of being stigmatised in some communities.
- A greater emphasis in some communities on families taking care of their own family members rather than relying on health care services, leading to later presentation at health services and later diagnosis.

The Trust is continuing to network with the Neurological Alliance and other organisations to find ways to address these barriers e.g. the Trust has participated in the Steering Group of the Cheshire and Merseyside Health and Care Partnerships, community insight research “Getting Under the Skin” which, though primarily aimed at measuring the impact of COVID- 19 on Black, Asian and Minority Ethnic communities, will lead to better mapping of and engagement with these communities in relation to a wide variety of health conditions including neurological conditions.

Disability Patient Accessibility

Disability Accessibility will be enhanced by the introduction of a new Reasonable Adjustments Standard Operating Procedure in 2021, which will help ensure that the Trust continues to identify and accommodate accessibility needs of patients.

Further information on the Trust’s work in these areas can be found in our Equality, Diversity & Inclusion Annual Report which is available on the Trust’s website.

1.3 Quality Performance

Ordinarily, a full Quality Report would be incorporated in the Annual Report & Accounts document. However, this requirement was waived for the reporting period 2020/21 as set out in the NHS Improvement Annual Reporting Manual 2020/21. Instead, the Trust is required to separately publish the annual Quality Report for 2020/21 via its website by 30 June 2021. This section is intended to provide an overview of Quality Performance during the reporting period.

Quality Metrics

The Trust has identified a range of infection control metrics with associated targets and performance against the metrics is routinely monitored by the Quality Committee and the Board of Directors. Performance against these metrics during 2020/21 was as follows:

Metric	2020/21 Target	2020/21	2019/20
MRSA Bacteraemia	Nil	Nil	Nil
CPE	No threshold set	10	4
Clostridium Difficile	5	3	5
E.Coli	11	7	13
Klebsiella Bacteraemia	No threshold set	6	3
Pseudomonas Bacteraemia	No threshold set	3	1
MSSA	8	13	4

As indicated above, the Trust experienced a stepped increase in Meticillin Sensitive Staphylococcus Aureus (MSSA) infections during 2020/21 which were in excess of the target level. A 'deep dive' into the factors driving this increase was commissioned by the Quality Committee and measures to improve performance were identified. Progress on improvements will be monitored by the Infection Prevention & Control Committee with assurance reporting on outcomes to the Quality Committee.

Infection Prevention and Control

Clearly a key focus throughout 2020/21 was on the introduction and maintenance of rigorous infection prevention and control (IPC) measures to prevent the spread of Covid-19 (nosocomial infections). Our IPC team worked tirelessly and effectively throughout the year to implement, monitor and, where necessary, adjust appropriate measures. The measures implemented to mitigate the risk of nosocomial infections included:

- All staff, including office staff, wearing the correct Personal Protective Equipment (PPE) in all areas. Signage was clearly displayed across the Trust with regular compliance inspections undertaken by the IPC team.
- Delivery of training by the IPC team in all clinical areas regarding the safe donning and doffing of PPE.
- The wearing of surgical masks by all patients, including when mobilised out of their bed space e.g. when visiting bathrooms, day rooms or other departments.
- All beds were subject to rigorous 2 metre social distancing spacing. This resulted in an overall reduction of 19 beds across the Trust.
- Risk assessments in clinical areas were completed to ensure 2 metre social distancing compliance
- Suspension of patient visiting

- Routine Covid-19 testing for staff and patients on day 1, day 5 and day 14 of their stay
- Regular communication and updates via a daily safety huddle and daily tactical command meeting in relation to the risk of staff socialising outside work and the need for compliance with national guidance.
- Rapid completion of deep cleaning programmes where required in affected areas.

With regard to assurance on the effectiveness of infection prevention and control arrangements, the Board of Directors adopted the IPC Board Assurance Framework published by NHS England / NHS Improvement. An updated framework was published in October 2020 and the Board of Directors reviewed the Trust's position against the framework on 3 December 2020. The Trust's Informatics Team responded to the situation and successfully developed a Covid dashboard to support IPC decision-making.

Personal Protective Equipment (PPE)

Staff in the Trust used various types of PPE, depending on the nature of the role being undertaken, to protect both the wearer and the patient from the risk of infection. While sourcing PPE proved to be a challenge in the early stages of the pandemic situation, the national and regional arrangements for allocation of equipment worked well and the efforts of our Procurement team and operational managers ensured the availability of sufficient PPE throughout the year.

Covid-19 Vaccination Programme

The Trust has a service level agreement with Liverpool University Hospitals NHS Foundation Trust for pharmacy services. Once the Covid-19 vaccine became available in the UK in December 2020, we worked with our partners on the Aintree Hospital site to establish, staff and operate a major vaccination hub. These arrangements proved to be extremely effective, demonstrated excellent partnership working and by 31 March 2021 circa 81% of Trust staff had received the first dose of the vaccination. We also commenced patient vaccinations in accordance with national guidelines to protect patients in our care.

International Recruitment

The national shortage of registered nurses is widely recognised and the likelihood of nurses choosing to either retire or leave the profession after the pandemic would greatly exacerbate this problem. At the Walton Centre we continually strive to keep vacancy levels at a minimum and, to this end, we worked on a successful international recruitment programme during 2020/21 to recruit 40 nurses. The first cohort of nurses were due to arrive in April 2021, however, this was paused nationally due to the pandemic crisis in India. Once this is reviewed, and the government confirm that recruitment can recommence, we will endeavour to have all nurses in the UK by 31 December 2021. Measures are in place to ensure that these staff are fully supported to quickly become embedded into the workforce and culture of the organisation.

E-Roster

The efficient and effective use of staff in post is a key factor in workforce planning and ensuring good quality care. While the Trust has had an electronic roster system in place for a number of years, a decision was taken during 2020/21 to transition to a new system that has enhanced functionality and can better

monitor staffing levels with a consequent positive impact on patient safety. The system will interface with the Trust's Bank system (where some staff work additional shifts on an ad hoc basis) to ensure that individual members of staff are not working excessive hours. The system significantly enhances general staff planning and facilitates planning for annual leave, study days and the movement of staff between clinical areas where required. Implementation of the system commence in 2021/22 and is scheduled to be completed in the early part of 2022/23.

Violence and Aggression

It is a reality that certain patients, many of whom lack capacity, can exhibit violent and/or aggressive behaviour and this can result in staff being verbally or physically abused. Unfortunately, the number of these types of incidents has been increasing and various interventions have been considered and implemented to address this increase. 'Specialling' arrangements to provide individual patients with additional nursing support are used and staff receive appropriate training to mitigate the risk of such incidents. In 2020/21 we introduced a 'Looking after Staff to Look after Patients (LASTLAP) programme to ensure that staff are able to escalate risks and receive support from both their line manager and the Governance Team (which includes a personal safety trainer and the local security manager).

Nonetheless, these types of incident remain a key issue for the Trust and we commenced benchmarking work with another NHS Trust that has similar patient groups to share learning and identify opportunities to undertake further initiatives to mitigate the risk. Harm to staff and patients is identified as a principal risk in the Board Assurance Framework.

Mental Health Training

The Trust has focused on improving all aspects of our Mental Health Liaison Service in order to reduce waiting times for both inpatients and outpatients. Additional investment has been made to support team working 7 days per week which has increased accessibility, leading to improved response times and a more comprehensive service provision for patients. Delivery of Mental Health Act training commenced in March 2021 and will continue on a weekly basis in order to ensure that all clinical staff have the relevant competencies and awareness for mental health service provision.

The Care Quality Commission carried out an inspection of our Mental Health services in December 2020 which resulted in a positive outcome with a small number of recommended actions to ensure that we are providing the appropriate provision in order for us to safely use the Mental Health Act. We also carried out a review of the On-call Psychiatry service during the year which identified a need to enhance out of hours cover. We subsequently agreed and implemented a service level agreement with Mersey Care NHS Foundation Trust to provide out of hours emergency cover.

Care Quality Commission (CQC)

The Trust is registered with the CQC and current registration status is fully compliant with no conditions. No enforcement action was taken by the CQC against the Trust during the period 1 April 2020 to 31 March 2021. The most recent inspection was reported in August 2019 and resulted in an overall rating of

Outstanding. The CQC is conducting a consultation process to inform decisions on how future visits and reviews will be undertaken. This is likely to include the use of feedback from wider systems on how an individual organisation is functioning as well as continuing to seek patient, family and staff feedback. Regular virtual meetings have been held between CQC representatives and the Director of Nursing & Governance throughout the year to ensure an understanding of service changes and challenges during the pandemic situation.

Transformation Programme

The aim of our Transformation Programme is to enhance service quality and, in the process, improve efficiency. In 2020/21 work on the programme, impaired to an extent by the Covid-19 situation, was focused on three key projects; Outpatients, Theatres and Patient Flow. A summary of work in each of these areas is included below.

Outpatients

The focus of this project is to reduce the number of face to face follow up appointments by one third by 2022, in line with the national outpatient programme objectives, whilst ensuring that decisions made are appropriate to patient experience and patient safety. Redesign of the pre-operative assessment process enables a proportionate approach and a reduction in the number of duplicate pre-operative assess ensuring that patients are seen by an appropriate healthcare professional at the right time. Introduction of Patient-Initiated Follow Up pathways will empower patients to arrange a follow up appointment when needed which will reduce the number of inappropriate or unnecessary appointments. Work has also been undertaken on technological solutions to facilitate the delivery of virtual follow up appointments.

Theatres

The aim of this project is to maximise utilisation of our theatres and enhance the skills and knowledge of our theatre staff. Processes have been developed to ensure that elective theatre lists start on time and implementation of eDCGold, a track and trace solution, facilitates patient level costing with option to undertake safety recalls of theatre products if required. PDSA cycles have been used to streamline processes for Theatre Turnaround times and Recovery and we developed a performance dashboard to show near real time performance against key performance indicators within the theatre setting.

Patient Flow

The focus of the Patient Flow project is to optimise the patient's journey to remove any unnecessary steps from the pathway. This will allow us to deliver care in the right place, at the right time, enabling patients to return to their usual place of care in a timely manner. Work has been undertaken to determine how we can increase the proportion of same day admissions and discharges to improve patient experience and focus groups have been conducted with ward staff to identify factors that can compromise patient flow and develop solutions to address these factors. Planning has also commenced for the implementation of nurse-led discharge within the Trust.

1.4 Financial Performance

Going Concern Disclosure

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

The main factors in reaching this conclusion are:

- The Trust is in excellent financial health with good levels of reserves and has a track record of delivering surpluses
- The Trust has a robust governance structure which includes a Business Performance Committee, a sub-committee of the Board of Directors, which has responsibility to monitor financial performance and oversee the necessary corrective action on behalf of, and in conjunction with, the Board of Directors
- NHS England/Improvement (NHSE/I) have stated that the government has issued a mandate to NHSE/I for the continued provision of services in 2021/22 and commissioner allocations have been set for the first six months of 2021/22. While these may be subject to minor changes as a result of changes to the national financial framework following Covid-19, providers can continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned
- While mechanisms for contracting and payment are not definitively in place, it is clear that NHS services will continue to be funded and government funding is in place for this
- Projected cash balances are sufficient to sustain the capital investment programme and meet short term operating costs. The Trust has sufficient cash headroom to support its plans
- The Trust has sufficient cash reserves to be able to operate for over 100 days if all income flows were to immediately cease
- There is no expectation for short term loans or overdraft facilities
- Auditors' opinions have provided assurance as to the accuracy and reliability of the Trust's financial systems and the robustness of the internal controls
- The Trust does not have evidence indicating that the going concern basis is not appropriate or that there is any prospect of intervention or dissolution within 12 months from the date of approval of these financial statements. In terms of the sustainable provision of services, there has been no indication from the Department of Health and Social Care that the Trust will not continue to be a going concern.

Consideration of risks to the financial sustainability of the organisation is a separate matter to the application of the going concern concept. Determining the financial sustainability of the organisation

requires an assessment of its anticipated resources in the medium term. Any identified significant risk to financial sustainability is likely to form part of the risks disclosures included in the wider performance report, but is a separate matter from the going concern assessment.

Financial Performance 2020/21

The Trust delivered a £1,508k surplus for the financial year ending 31 March 2021. This position includes non-recurrent funding for non-NHS income lost in 2020/21 as a result of the Covid-19 pandemic (£984k) and £1,381K funding from NHSE/I in relation to the costs of covering annual leave not taken as a result of the pandemic. In response to the Covid-19 pandemic, the normal national 2020/21 financial regime for the NHS was suspended with key changes being made to the financial framework which included:

- Suspension of 2020/21 business planning
- Payment by Results (PbR) suspended for the year with income based on block values determined nationally (based on 2019/20 expenditure during the period November 2019 to January 2020). Income was not reduced for the national efficiency target.
- 'Top Up' payments were made in Months 1 - 6 2020/21 to ensure that provider organisations were able to report a breakeven position whilst incurring reasonable additional costs in relation to the Covid-19 response
- All organisations reported a breakeven position for the period 1 April to 30 September 2020
- Additional block funding allocated to organisations (rather than top-up funding) from 1 October 2020 which included anticipated spend relating to Covid-19
- System-level financial targets were set (Cheshire & Merseyside Health & Care Partnership)
- Capital resource limits set at a system level for 2020/21
- Financial regime for Months 7 – 12 2020/21 to continue for at least the first six months of 2021/22.

The Trust was not able to deliver all of its planned activity in 2020/21 as a result of activities to support the regional response to the Covid-19 pandemic (activity was suspended in accordance with national guidance to maximise bed capacity). During the periods where it was possible to resume activity between waves of the pandemic, the Trust continued to face significant challenges with regard to patient acuity, which required one to one therapeutic specialising care (and sometimes more).

It was not possible to identify and deliver efficiency savings during 2020/21 as a result of supporting the Covid-19 response. Nationally, no efficiency factor was applied to contract inflationary uplifts.

Table 4 sets out the reconciliation of the annual accounts to the Trust's Normalised Trading Surplus for the year ended 31 March 2021.

Table 4

	Foundation Trust £000
Surplus/(deficit) from continuing operations	1,576
Normalising adjustments:	
Capital donations I&E impact	(68)
Adjusted financial performance surplus/(deficit) for the period	1,508
Adjusted financial performance excluding PSF, FRF and MRET	1,508

Normalisation

The NHS Improvement Compliance Framework measures Trusts' performance on the underlying or normalised trading position of the Trust after allowing for the adjustment of exceptional items that are one off in nature and not related to the core routine business of the Trust.

Revaluation of Trust Property

During 2020/21 following a review of the Trust's assets, including a revaluation of land and buildings by an independent valuer, an increase in the valuation of £403k was identified. The revaluation is a technical accounting adjustment which has no impact on the Trust's cash position (as it is a non-cash item) or its overall reported performance to NHS Improvement (as the adjustment is normalised) in the financial statements. The valuation exercise was carried out in March 2021 with a valuation date of 31 March 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020, the valuer declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by the Covid-19 pandemic. The values in the report have been used to inform the measurement of property assets at valuation in the financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

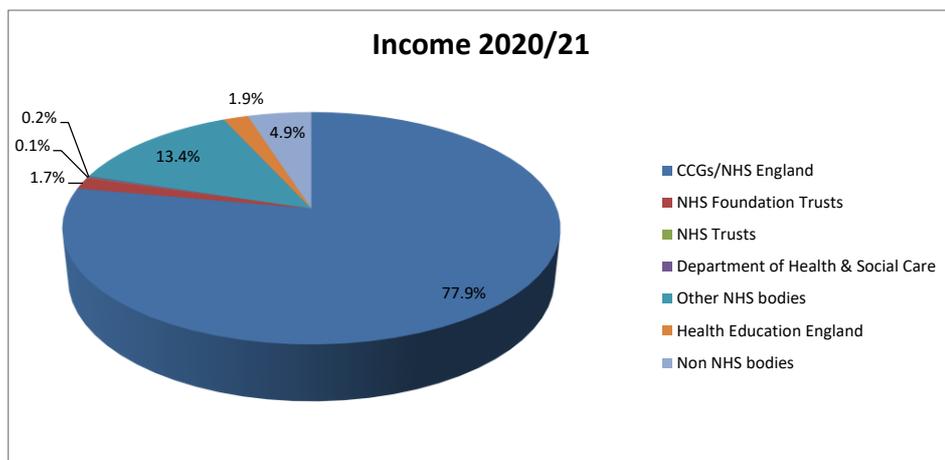
Income

In 2020/21 Trust income (turnover) increased by £4 million from the previous year (year ending 31 March 2020) which represents a 3% increase. The Trust receives the largest element of its income from NHS England for the provision of Specialised Prescribed Services. The Trust received £110.1 million from NHS England/CCGs in the year ending 31 March 2021, an increase of 3.8% on the previous financial year. This reflects additional funding received for the expansion of thrombectomy services.

In addition, the Trust received £18.6 million of income from the Welsh Health Specialised Services Committee (WHSSC) for provision of services to the population of (mainly) North Wales, both through outreach clinics held within hospitals within Wales and for Welsh patients attending The Walton Centre,

either as an outpatient or inpatient. This was a 1.6% reduction of the income received in 2019/20 due to a decrease in excluded high cost drugs and devices usage as a result of the pandemic.

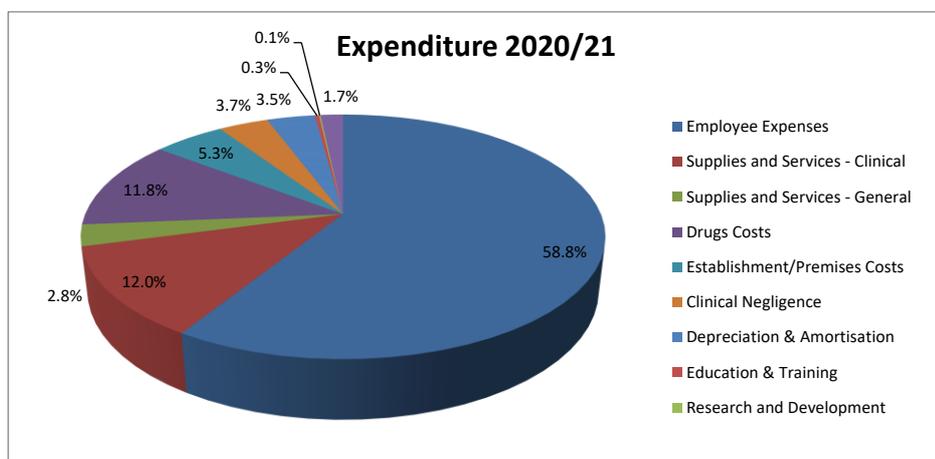
The Trust also receives income from other sources as set out in Chart 4.



Expenditure

In line with the growth in income (turnover), the Trust has seen an increase in Operating Expenses of £7.5 million (5.76%) compared to the previous year. Chart 5 sets out the main components of expenditure incurred by the Trust in 2020/21.

Chart 5



The largest single item of expenditure incurred by the Trust relates to employment of staff to deliver the range of services provided by the Trust. The Trust spent £80.6 million on staffing during 2020/21 which was an increase of £6.6 million (8.9%) on the previous year. There was also increase in Clinical Negligence Scheme for Trusts (CNST) costs of £1.4m. Increased costs incurred in responding to the Covid-19 pandemic were partly offset by reductions in other consumable costs (including high cost drugs and devices) as a result of lower activity levels due to the pandemic.

Exit Packages

There was 1 exit package paid in 2020/21 compared to 1 in the previous year. Tables 5 - 7 show the number and value of exit packages for 2020/21 and 2019/20.

Table 5 (Subject to audit)

Reporting of compensation schemes - exit packages 2020/21			
	Number of compulsory redundancies Number	number or other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
£10,000 - £25,000	0	1	1
Total number of exit packages by type	0	1	1
Total cost (£)	£0	£23,000	£23,000

Table 6 (Subject to audit)

Reporting of compensation schemes - exit packages 2019/20			
	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
£50,001 - £100,000	0	1	1
Total number of exit packages by type	0	1	1
Total resource cost (£)	£0	£55,000	£55,000

Table 7 (Subject to audit)

Exit packages: other (non-compulsory) departure payments	2020/21		2019/20	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Contractual payments in lieu of notice	1	23	1	55
Total	1	23	1	55
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

Delivery of Efficiency (Cost Improvement Programme)

There was no requirement for the Trust to deliver efficiency savings in 2020/21 due to the focus on response to the Covid-19 pandemic. There will, however, be a requirement to deliver recurrent efficiency savings in 2021/22 and the Trust plans to continue its previous quality improvement approach to generating efficiency savings. As in previous years, all identified savings schemes will be subject to a Quality Impact Assessment (QIA), jointly approved by the Medical Director and Director of Nursing and Governance, to ensure that there is no adverse impact on patient safety, quality or experience.

Investment in Trust Infrastructure and Equipment

The Trust delivered a capital programme with an overall value of £8.9m in 2020/21. Expenditure during the year included replacement of an MRI scanner, pipework for the implementation of new heating across the Trust, as well as expenditure on an equipment replacement programme and progression of the Trust's Digital Strategy. Additional national capital funding was made available to the Trust in 2020/21 for a number of initiatives such as improving critical infrastructure, implementation of an e-rostering system, an additional CT scanner and projects to develop the digital maturity of the organisation (digital aspirant funding). Additional capital funding was also allocated to support the Trust's response to the Covid-19 pandemic. Planning for the components of our capital programme is guided by principles of patient safety, business continuity/service delivery and clinical developments in line with the Trust's strategy. Table 8 sets out the major components of the Trust's capital investment expenditure programme for the year ended 31 March 2021.

Table 8

Capital - 2020/21	
Division	£'000
Estates	1,915
IM&T	1,422
Neurology	2,312
Neurosurgery	2,450
Corporate	264
COVID-19	488
Total Capital	8,851

Forward Look

The financial framework introduced from October 2020 was extended for the period 1 April to 30 September 2021. During this period the Trust will receive block funding on the basis of average expenditure incurred during Quarter 3 of 2020/21 (extrapolated for six months) adjusted for inflation. At the present time it is unclear what the financial framework will be post-September 2021, although it is evident that Cheshire & Merseyside system financial plans and targets will be maintained throughout 2021/22.

Risks and Uncertainties

There continues to be a good deal of uncertainty within the NHS and the Trust is managing several risks and issues. These can be broadly categorised into the following main headings:

- **Productivity:** ensuring the performance levels necessary to meet patient demand and continue to deliver access targets and financial plans whilst ensuring that all infection control measures remain in place to manage the Covid-19 pandemic. The delivery of services has changed to take account of social distancing requirements, PPE availability and the willingness of patients to come into hospital

- Workforce: recruitment, retention and succession planning of the right workforce at the right time to deliver the increase in activity as well as the increasing complexity of patients. The availability of staff will also be potentially affected by Covid-19
- Healthcare acquired infections: continued control of infections and management of newly emerging infections
- Future financial framework: at the time of writing the financial architecture for the NHS beyond September 2021 is not known. As such, it is not clear how future commissioning arrangements will work and the form future tariffs will take. This increases the complexity of financial planning and the ability to understand any future potential efficiency requirements
- Patients: impact of the pandemic on waiting lists and waiting times for patients and continuing to manage the potential risks to long waiting patients i.e. those patients waiting over 52 weeks.

Financial Risks

The main financial risks facing the Trust are:

- The current financial framework for contractual payments set by NHSI/E is based on receiving income in line with a comparable period for the last financial year plus 0.5% inflation. The Trust has a devolved administration body and a large contract where this approach may not be followed which could result in an income shortfall.
- Capital plans are set at Cheshire and Merseyside Health & Care Partnership level. The Trust has previously had the flexibility (under NHS Foundation Trust rules) to utilise cash reserves to fund additional or urgent capital schemes if required. This is no longer possible in the context of system planning arrangements which means that the Trust will have to prioritise its investments in-year.
- Delivery of efficiency savings to ensure the financial plan is achieved. Delivery of recurrent efficient saving has historically been a challenge for the organisation. The requirement to deliver efficiencies will remain a challenge especially in the post-pandemic period.
- Delivery of the financial plan to ensure delivery of a Healthcare Partnership system breakeven position. There are uncertainties around funding levels as the Trust is now working as part of the wider regional system. There is currently a principle that all organisations will work to deliver breakeven but it is currently unclear as to how this mechanism will work.

Innovation

Innovation is central to the Trust maintaining its position as the outstanding centre of excellence for Neuroscience in the United Kingdom. The Trust's first Innovation Strategy, approved by the Board of Directors in January 2020, focuses on establishing a culture of innovation and developing a range of initiatives that reflect the scope of services across the Trust as a whole. The Trust has increased its capacity with the appointment of key members of staff in recent years such as; a Clinical Lead for Innovation, a Head of Commercial Engagement and Marketing and an Innovation Co-ordinator.

Progress against the Innovation Strategy was significantly impaired by the Covid-19 pandemic as there was a clear need to focus resources on managing the operational challenges facing the Trust. There was a clear and understandable need for the Clinical Lead for Innovation to prioritise clinical demands and the Innovation Co-ordinator was seconded to support Trust testing and vaccination activities. However, we were still able to progress a number of innovation activities, despite the pandemic situation due, in large part, to a recognition across the organisation of the importance of innovation in helping us to continue to deliver excellent patient care.

Our Innovation activities during 2020/21 included:

- Electronic Routine Nutritional Screening Tool (ERNST) - This digital product will enable patients at risk of malnutrition and obesity to access appropriate care and treatment more efficiently and consistently. Along with our partners, we secured funding to develop a prototype, completed the IT development and designed a pilot clinical study to evaluate the prototype. We plan to commence the pilot study in early 2021/22.
- Virtual Engagement Rehabilitation Assistant (VERA) – This is an interactive digital platform that supports holistic rehabilitation of patients and carers in community and in-patient settings. Again with partners, we secured funding to develop a prototype, progressed IT development and designed and organised a complex pilot clinical study to evaluate the prototype which is scheduled to commence in early/mid 2021/22.
- Spinal Improvement Partnership (SIP) - A new mechanism to provide reports to medtech companies on implanted spinal devices to improve quality and patient safety. The initiative was delayed due to the pandemic impact on spinal surgery, but we resumed negotiations with medtech companies towards the end of 2020/21.
- Chatbots/Artificial Intelligence projects – A range of digital chatbots (conversational agents) are in development to facilitate patient interactions with the Trust and support their care. Initial chatbot and other Artificial Intelligence projects are being defined, with programmes to be initiated in 2021/22 subject to Trust approvals.
- Multitom Rax – The world's first twin robotic X-ray imaging system that enhances both patient care and productivity. It has the capability to performing numerous x-rays in one room and the ability to image in 3D, whilst requiring less patient positioning and transfers. The equipment was installed at The Walton Centre in early 2020. The Trust is the first health care provider in Europe to have a Multitom Rax.
- Movement Analysis Laboratory Business Case - The Trust has been engaging key stakeholders, within the constraints of the pandemic situation, on a proposed and ambitious new improvement for complex rehabilitation services. While our planned levels of engagement with clinical colleagues have been impaired by the pandemic, this initiative will be a primary focus of innovation activity in the coming year.

There were positive signs of a gradual improvement in the Covid-19 situation towards the end of the year, with plans being prepared for a phased recovery and the likelihood of a return to normal business activities over the course of 2021/22. We remain committed to the Innovation agenda and will take the opportunity to review and re-set the aims set out in our Innovation Strategy having taken into account the implications of the pandemic situation.

A handwritten signature in black ink, appearing to read 'J Ross', with a stylized flourish under the 's'.

Jan Ross

Chief Executive

24 June 2021

Section 2 - Accountability Report

2.1 Directors' Report

The Board of Directors is a unitary board, which means that both the Non-Executive Directors and the Executive Directors are jointly and severally responsible for the actions they take. In compliance with the NHS Foundation Trust Code of Governance, the Trust's Constitution provides for the composition of the Board of Directors as follows:

- A Chairperson
- Up to seven Non-Executive Directors
- Up to seven Executive Directors, including the Chief Executive
- One other director (the Director of Workforce and Innovation) attends the Board in a non-voting capacity.

The Board of Directors has collective responsibility for setting the strategic direction and organisational culture; and for the effective stewardship of the Trust's affairs, ensuring that the Trust complies with its licence, constitution, mandated guidance and contractual and statutory duties. The Board of Directors also provides effective leadership of the Trust within a robust framework of internal controls and risk management processes.

The Board of Directors approves the Trust's strategic and operational plans, taking into account the views of the Council of Governors. It sets the vision, values and standards of conduct and behaviour, ensuring that its obligations to stakeholders, including patients, members and the wider public are met. The Board is responsible for ensuring the safety and quality of services, research and education and application of clinical governance standards including those set by NHS Improvement, the CQC, NHS Resolution and other relevant bodies. The Board of Directors has a formal Schedule of Matters Reserved for Board decisions and a Scheme of Delegation.

The unitary nature of the Board of Directors means that Non-Executive Directors and Executive Directors share the same liability and same responsibility for Board decisions and the development and delivery of the Trust's strategic and operational plans. The Board of Directors delegates operational management to the Executive Team and has established a Board Committee structure to enable it to receive assurances that it is discharging its responsibilities. Decisions reserved for the Council of Governors as set out in statute are contained within the Trust's Constitution.

Members of the Board of Directors during 2020/21 were as follows:

Janet Rosser, Chair

Current term: April 2020 to March 2023

Janet was appointed as Chair of the Trust in April 2017. Prior to this, she was a Non-Executive Director and the Deputy Chair of the Trust. After having a family, she qualified as a lawyer in 1987 and trained with a North West firm in property and commercial law, spent some time lecturing undergraduate and post-graduate students before moving to an international law firm spending ten years in the corporate department, embedding new systems of working. She then moved on to work for a publishing house, writing and editing corporate based law books and updates. She is passionate about The Walton Centre and keen to ensure that it remains an outstanding Trust.

Non-Executive Directors

Seth Crofts, Non-Executive Director, Senior Independent Director and Deputy Chair

Current term: Nov 2019 to Oct 2021

Seth is the Pro Vice-Chancellor and Dean for the Faculty of Health and Social Care at Edge Hill University and is also a registered nurse in both Adult and Mental Health Nursing with 33 years of nursing experience. He is an experienced leader of health care education, has worked as a reviewer for the Quality Assurance Agency for Higher Education (QAA) since 2002 and been extensively involved in working to develop professional practice in higher education. He has made a major commitment to developing graduate employability and is currently involved in developing practice in health and social care organisations, with a specific interest in developing leadership skills in senior nurses.

Professor Nalin Thakkar – Non-Executive Director

Current term: 1 Jan 2019 – 31 Dec 2021

Professor Thakkar is Associate Vice-President and Professor of Molecular Pathology at The University of Manchester, Consultant Histopathologist at the Manchester University Hospitals NHS Foundation Trust. He has previously served as a Non-Executive Director of the Health Research Authority, member of Royal College of Pathologists' Ethics Committee and National Research Ethics Advisor.

Su Rai, Non-Executive Director

Current term: 1 Aug 2019 – 31 July 2022

Su Rai is a Chartered Accountant in Practice and established her own firm, Raise Associates, in 2010. Previous to that Su worked with international accountancy practices. In 2012, she became a Non-Executive Director and Chair of the Audit Committee at St Helens and Knowsley Trust. Other roles have included Senior Position at KPMG and Audit Partner in Howarth Clark Whitehill and Mazars. Su has worked with a number of charities and has held the position of Trustee with two charities involved with young people in performing arts and mental health services. Su is also a Past President of The Manchester Society of Chartered Accountants.

Karen Bentley, Non-Executive Director

Current term: 1 Nov 2020 – 31 Oct 2023

Karen Bentley is a Transformation Consultant and Executive Coach who established her own firm, Kinetic People Limited, in 2008. Her early career was in HR with Cooperative Financial Services, where she ultimately led on the people aspects of large change projects across the insurance and banking businesses. In her consultancy work she has supported a wide variety of clients through complex change in diverse industry sectors. She latterly held senior in-house roles in the energy sector as Head of Change at Inenco and Change Director at Electricity North West. Karen also has 12 years of voluntary experience on the Board of a national not-for-profit organisation which champions the human rights of people with learning disabilities.

David Topliffe, Non-Executive Director

Current term: 1 Nov 2020 – 31 Oct 2023

David is a chartered chemical engineer with 37 years of manufacturing experience in the chemical industry, mainly with Royal Dutch Shell. Amongst various senior leadership responsibilities, he has served as a Non-Executive Director within joint ventures and a large trade association, where he chaired the Audit Committee and a Technical Committee. Amongst a number of voluntary roles, David is a street pastor and a debt counsellor within a community-based debt advice centre.

Sheila Samuels, Non-Executive Director, Deputy Chair

Term of Office: 1 Sept 2018 – 31 Jul 2020

Sheila joined the Trust in September 2015 and had a wealth of experience in public sector management and leadership. She had previously held Executive Director Board level roles in local government and the NHS. Since retiring in 2013 after 35 years public service, she undertook a number of consultancy assignments to support public sector and charitable organisations in addressing major organisational challenges. Sheila was initially appointed as a Non-Executive Director in September 2015 and completed her second term of office in July 2020.

Barbara Spicer, CBE Non-Executive Director

Term of Office: 1 Jun 2019 – 30 Sep 2020

Barbara Spicer CBE is Chief Executive of Plus Dane - a housing association working across Merseyside and Cheshire providing homes for close to 30,000 people. Barbara's previous roles included a period in Westminster as interim Chief Executive of the Skills Funding Agency and before that, Chief Executive of Salford City Council, a role she held for eight years. During her time in Salford she led key developments in the city, including the bid to relocate the BBC to Salford Quays at MediaCity UK, creating a development of international significance. Barbara is Social Housing Advisor to the Metro Mayor of Liverpool City Region and was recently appointed to the Northern Housing Consortium Board.

Executive Directors

Hayley Citrine, Chief Executive

Hayley was appointed as Chief Executive from 1 February 2018. Prior to this, Hayley joined The Walton Centre in 2014 as Executive Director of Nursing and Quality following a role as Acting Chief Nurse in her previous organisation. In 2016, the role was extended to include operations and performance as well as nursing and quality, widening her brief. Hayley started her career in the NHS in 1985 and has worked as Deputy Director and Associate Director of Nursing for a number of years following previous experience in a variety of clinical posts at South Manchester University Hospitals Trust, Salford Royal Foundation Trust, Warrington and Halton Hospitals Foundation Trust and East Lancashire NHS Trust. During her career she has also experienced roles in governance and general management which has added to her breadth of knowledge.

Hayley qualified in 1989 and has undertaken a wide variety of clinical training, holds three diplomas, a BA (Hons) in Health Studies and is a Master Practitioner in Neurolinguistic Programming (NLP). She has undertaken a variety of leadership development programmes through the Kings Fund, CASS Business School and NHS leadership programmes.

Jan Ross, Director of Operations and Strategy

Jan Ross was appointed to the Executive Team in January 2019 following an interim appointment period from November 2018. Jan has over 25 years' experience working in the NHS after qualifying as a nurse in 1995. She joined The Walton Centre as the Director of Operations and Strategy after gaining experience in roles at Southport and Ormskirk Hospital NHS Trust, Warrington and Halton Hospitals NHS Foundation Trust, and the Royal Liverpool and Broadgreen University Hospitals NHS Trust. Jan holds a diploma, BA (Hons) and a post-graduate diploma in organisational change, she is a Master Practitioner in NLP and has taken part in a number of leadership development programmes, she completed the Nye Bevan programme in 2017.

Jan is the executive lead for the annual operational plan, operations and performance, the capital programme and emergency resilience and planning. Her responsibilities also include estates and facilities management and service improvement. In addition to her portfolio, Jan was appointed as Deputy Chief Executive from January 2020.

Dr Andrew Nicolson, Medical Director

Andy completed his medical training in Manchester and neurology training mainly in the North West, before he was appointed as a Consultant Neurologist at The Walton Centre in 2005. He has a specialist interest in epilepsy, and remains part of the multidisciplinary team providing epilepsy services at the Trust. He has previously provided outreach neurology services to Liverpool University Hospitals NHS Foundation Trust (The Royal Liverpool Hospital site) and Wirral University Teaching Hospital NHS Foundation Trust (Arrowe

Park Hospital site), and currently runs a community general neurology clinic in Wirral. He was Director of Medical Education 2007-13 and then Assistant Medical Director 2013-16. He was appointed as Medical Director from September 2016.

Mike Burns, Director of Finance and Information Technology

Mike joined The Walton Centre in 2012 as Deputy Director of Finance after previously working for the Strategic Health Authority and Wrightington, Wigan and Leigh Foundation Trust. Prior to this he had worked in a range of sectors including consultancy, financial services, banking and retail. He qualified as a Chartered Management Accountant (CIMA) in 2001 after gaining a BSc (Hons) in Economics. Mike's portfolio includes Finance, Procurement, Information Management and Technology (IM&T) and Corporate Information. He took up the post of Director of Finance in April 2016. Mike extended his portfolio in 2018 to include Information Management and Technology.

Lisa Salter, Director of Nursing and Governance

Lisa completed her nurse training at the Royal Liverpool and Broadgreen Hospital NHS Trust and worked in various wards and departments. In 2009, Lisa moved to Liverpool Heart and Chest NHS Foundation Trust as Matron where she later became Assistant Director of Nursing for Patient Experience making changes for the benefit of both patients and staff. Her final role at the Trust was Divisional Head of Nursing for Surgery and Quality before commencing her role at The Walton Centre in June 2017 as Deputy Director of Nursing and Lead Nurse for Neurosurgery.

Lisa qualified in 1994, holding a diploma in renal medicine, BSc Hons in Clinical Management and an MSc in Healthcare Leadership, the latter being as part of the NHS Leadership Academy. She has also completed several leadership and coaching programmes throughout her career to date. Lisa joined the Trust in June 2017 and was appointed Director of Nursing and Governance in May 2018, having acted into the post since February 2018. Lisa is also the Executive Lead for infection prevention and control, safeguarding, therapies and health and safety.

Lindsey Vlasman, Acting Director of Nursing and Governance

Lindsey completed her nurse training at the Royal Liverpool and Broadgreen Hospital NHS Trust in 1997. On qualification as a staff nurse she moved to Liverpool Heart and Chest Hospital. Lindsey then progressed through different nursing roles within the Trust with the final role as the Divisional Nurse Director of Cardiology. In 2014, Lindsey moved to Warrington District General Hospital to undertake the post of Deputy Divisional Director of Operations prior to taking up a post as Divisional Director of Nursing for Medicine and Emergency Department at Aintree Hospital in 2016. She commenced her substantive role as Deputy Director of Nursing and Governance at the Walton Centre in 2018.

Lindsey qualified in 1997 and holds a Diploma in Adult Nursing, BSc Hons in Health and Social Care Practice an MSc in Advanced Practice and an MSC in Healthcare Leadership, the latter being as part of the NHS Leadership Academy. She has also completed several leadership and advanced practice courses including non-medical prescribing throughout her career to date. Lindsey acted as Director of Nursing and Governance from September 2020 to March 2021.

Mike Gibney, Director of Workforce and Innovation (Non-voting)

Mike joined the NHS in August 2009 through the Gateway to Leadership Scheme. Prior to joining the Walton Centre he worked for 5 years in commissioning and has extensive experience in local government, including nine years in Social Services. Mike is qualified to Masters level in Human Resource Management and a Fellow of the Chartered Institute of Personnel and Development. At The Walton Centre his portfolio includes Human Resources, Training and Development, Communications, Fundraising, Research and, Development and Innovation.

Balance, Completeness and Appropriateness

The Board of Directors considers itself to be balanced and complete, having an appropriate mix of skills and experience in the areas of finance, operational management, governance, law, commerce, education, human resources, medicine, clinical research, diagnostics and nursing. There is a clear separation of the roles of the Trust Chair and Chief Executive, which have been set out in writing and agreed by the Board of Directors.

Changes to Board Membership during 2020/21

There were a number of changes to the Board during 2020/21:

- Mrs Sheila Samuels – term of office ended 31 July 2020
- Mrs Barbara Spicer – term of office ended 30 September 2020
- Mrs Karen Bentley, Non-Executive Director, was appointed with effect from 1 November 2020
- Mr David Topcliffe, Non-Executive Director, was appointed with effect from 1 November 2020.
- Mrs Lindsey Vlasman was appointed as Acting Director of Nursing & Governance September 2020 to March 2021

Meetings of the Non-Executive Directors

In accordance with guidance set out in the NHS Foundation Trust Code of Governance, arrangements have continued during the period for the Chairman and Non-Executive Directors to meet outside of Board meetings.

Directors Register of Interests

In accordance with the Code of Governance, the Board considers that its Non-Executive Directors are independent in character and judgement. The Trust maintains a Register of Directors' interests which is

subject to annual review by the Board of Directors. Access to the register is available on line: <https://wcft.mydeclarations.co.uk/home>.

The Board of Directors and Committees

Prior to 2020/21, the Board of Directors met in public at least 8 times a year. During the year, the Board reviewed its meeting cycle and, in September 2020, agreed an approach based on 10 meetings a year with meetings to be held on the first Thursday of each month. A total of 9 meetings were held in 2020/21 and Table 9 shows the attendance at meetings during this period. No meetings were held in the months of August and October 2020 and January 2021.

Table 9

Members:	Apr	May	Jun	Jul	Sep	Nov	Dec	Feb	Mar
Ms J Rosser	✓	✓	✓	✓	✓	✓	✓	A	✓
Mr S Crofts	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms S Samuels	✓	✓	✓	✓					
Ms B Spicer	✓	✓	✓	✓	A				
Ms S Rai	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof N Thakkar	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr D Topliffe						✓	✓	✓	✓
Ms K Bentley						✓	✓	✓	✓
Ms H Citrine	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Burns	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr M Gibney*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr A Nicolson	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms J Ross	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms L Salter	✓	✓	✓	✓	A	A	A	A	✓
Ms L Vlasman					✓	✓	✓	✓	

KEY: ✓ = Present A = Apologies

*Non-voting

Board Committees

The Board of Directors has three statutory Committees; the Audit Committee, the Remuneration Committee and the Charity Committee. There are four additional Committees; the Quality Committee, Business Performance Committee, Research, Innovation & Medical Education (RIME) Committee and the Strategic BAME Advisory Committee. Each Committee reports directly to the Board by way of Committee chair reporting and urgent matters can be escalated by the Committee Chair to the Board through the Chair's Reports as appropriate. Each Committee is chaired by an independent Non-Executive Director with the exception of the Remuneration Committee which is chaired by the Trust Chair. The powers and functions of each Committee are set out in formal Terms of Reference which are approved by the Board of Directors. These Terms of Reference are subject to annual review by the relevant Committee with outcomes subsequently reported to the Board of Directors for approval. Further details on the work of the Committees can be found at:

- Audit Committee - page 50
- Charity Committee - page 52

- Other Committees - Annual Governance Statement, page 102

Audit Committee

The Audit Committee undertakes detailed scrutiny of the Trust's governance and assurance processes on behalf of the Board of Directors. The Audit Committee is chaired by a suitably qualified Non-Executive Director, Su Rai, with the two other members being the Non-Executive Directors, Seth Crofts and David Topliffe. The Committee met on five occasions during 2020/21 and all meetings were held virtually due to the ongoing pandemic situation. Member attendance at meetings is detailed in Table 10 below:

Table 10

Members:	21 Apr 20	22 Jun 20	21 Jul 20	20 Oct 20	19 Jan 21
Ms S Rai (Chair)	✓	✓	✓	✓	✓
Mr S Crofts	✓	✓	✓	✓	✓
Mr D Topliffe (from 1 Nov 20)					✓
Ms B Spicer (until 30 Sep 20)	✓	✓	✓		

* Appointed from 1 November 2020

**Term of Office ended 30 September 2020

The Director of Finance & IT and the Director of Nursing & Governance also routinely attend meetings together with representatives from the external audit, internal audit and anti-fraud service providers. Other directors and officers are also invited to attend when the Committee is considering a matter that is the responsibility of that director or officer. Members of the Audit Committee also hold periodic meetings with the Trust's internal and external auditors without officers of the Trust present.

Overview of the Year

During 2020/21 the Audit Committee maintained its approach in reviewing the effectiveness of the organisation's systems of governance, risk management and internal control, through a programme of work involving the scrutiny of assurances provided by internal audit, external audit, the local anti-fraud specialist and Trust management. The Committee has an annual cycle of business that is informed by the External Audit Plan, the Internal Audit Plan and the Anti-Fraud Plan for the Trust.

The pandemic situation meant that both External Audit and Internal Audit had to adopt revised, remote working approaches in undertaking their respective work. Effective communication and a collaborative approach with Trust staff resulted in the audit work on the 2019/20 financial statements being completed in advance of the revised submission deadline set by NHS England / NHS Improvement. Likewise, our Internal Audit provider delivered the audit plan year and provided regular progress reports during the year. The positive outcomes from the Internal Audit programme provided the Committee with assurance on the effectiveness of internal controls and contributed to an overall assessment of Substantial Assurance in the Head of Internal Audit Opinion for 2020/21. Outcomes of the reviews completed in the 2020/21 Internal Audit Plan are summarised below:

Title of Audit	Assessment
General Ledger	High Assurance
Accounts Receivable	High Assurance
Budgetary Control	High Assurance
Treasury Management	High Assurance
Accounts Payable	Substantial Assurance
Fit and Proper Persons	Substantial Assurance
ITU / HDU Staffing	Substantial Assurance
Data Quality	Substantial Assurance
Cyber Security	Substantial Assurance

Delivery of the Work Programme

During the period of this report, the key business considered by the Committee was as follows:

- Internal Audit and Anti-Fraud Programmes:
 - Approved the Internal Audit Plan and Anti-Fraud Plan for 2020/21 and monitored delivery of the plans throughout the year
 - Considered the Head of Internal Audit Opinion for 2019/20
 - Reviewed Internal Audit progress reports and recommendations arising from audit reviews
 - Reviewed reports detailing progress with implementation of audit recommendations
 - Reviewed the Internal Audit Charter and outcomes of an Internal Audit Quality Assessment
- External Audit and Financial Reporting:
 - Reviewed the Auditor's report on the 2019/20 Financial Statements
 - Reviewed the 2019/20 Financial Statements and 2019/20 Annual Report and made recommendations to the Board of Directors for signature
 - Considered the Trust's Going Concern Statement as part of the Accounting Policies and Accounts Timetable for the 2020/21 Financial Statements
 - Received updates from the External Auditor on their work throughout the year, including key risks and management's responses to those risks and other issues raised.
- Governance:
 - Considered and recommended to the Board of Directors for approval, updated Standing Financial Instructions and Scheme of Delegation
 - Reviewed compliance with the NHS Foundation Trust Code of Governance
 - Received reports on losses and special payments made during the financial year
 - Received reports on bad debts, aged debt and waivers of Standing Financial Instructions
 - Reviewed the Register of Interests
 - Completed an annual review of Standing Financial Instructions and the Scheme of Delegation
 - Reviewed the Committee's Terms of Reference
 - Reviewed the effectiveness of Internal Audit and External Audit services
 - Considered a Divisional Assurance presentation from the Neurology Division

- Reviewed and approved the Committee's cycle of business for 2021/22
- Significant Issues:
The following significant issues were discussed by the Audit Committee during 2020/21:
 - Valuation of Land & Buildings
 - Management Override of Controls
 - The Trust's Going Concern position
 - Audit implications of a new Code of Audit Practice, published by the National Audit Office, which came into force on 1 April 2020 and applies to audits for 2020/21.

The Audit Committee undertakes an annual review of the effectiveness of both the Internal Audit (including the Anti-Fraud service) and External Audit functions. The review was completed during a meeting held on 19 January 2021 and the Committee considered the effectiveness of service providers against criteria which included; Quality of Outputs, Quality of Engagement, Independence & Objectivity and Value for Money. The Committee was satisfied that the review had identified no concerns in relation to the services provided by the Trust's auditors. The outcome of this review, in respect of the External Audit service provider, informed a recommendation to the Council of Governors on award of contract. At a meeting held on 9 March 2021, the Council of Governors approved award of contract to Grant Thornton UK LLP for a two-year period with effect from 1 April 2021.

The fee paid for external audit services for the year ended 31 March 2021 was £75,000 (excluding VAT). Grant Thornton UK LLP did not provide any non-audit services to the Trust in the period 1 April 2020 to 31 March 2021.

Walton Centre Charity Committee (WCCC)

The role of the WCCC is to ensure the Charity is managed and administered in accordance with the requirements of the Charity Commission and that the Charity produces audited Annual Accounts. It ensures that the Charity has an investment policy in place; that this is reviewed at least annually and that the Committee receives an annual report, as a minimum, from its investment managers/advisors.

The Committee ensures that items of expenditure are approved in line with the objectives of the fund, are charitable in nature, and that the Charity can demonstrate public benefit for its expenditure. Through delegated authority from the Board of Directors, it establishes the strategy, policies, budget, spending priorities and criteria for spending decisions for each fund. The strategy and policies must comply with charity law and the specific objectives of each fund.

In addition, the WCCC oversees all fundraising activities relating to the Charity, ensuring that activities are conducted in accordance with The Code of Fundraising Practice as overseen by the Fundraising Regulator. It develops and recommends fundraising appeals for approval by the Board of Directors in support of the Trust's strategic vision and monitors subsequent fundraising targets.

NHS Improvement's Well-Led Framework

NHS Improvement published its Well-Led Framework in June 2017. The Framework provides a means for trusts to undertake developmental reviews in order to assess their arrangements for effective leadership and governance. The Framework is based on eight Key Lines of Enquiry (KLOE), consistent with those used by the Care Quality Commission for inspection purposes, and outcomes of periodic reviews inform the content of Board-owned development plans to enhance practice, as appropriate, across the range of KLOE subject areas. There is an expectation that trusts will undertake annual development review activities, with the scope determined by the Board of Directors, with an independent external validation being undertaken every three years.

The Trust's plans in this area for 2020/21 were severely impaired by the Covid-19 pandemic and the necessity of an organisational focus on operational matters. However, we commissioned Deloitte LLP to facilitate Board development work on the Well-Led Framework which was delivered in September 2020. The work focused on the key lines of enquiry relating to; Leadership Capacity & Capability, Culture of High Quality Sustainable Care and Roles & Responsibilities to Support Good Governance, with action areas identified for further development work. These actions included arrangements for an externally-facilitated Board Development programme which commenced in March 2021 with activities planned through to December 2021. We plan to undertake a comprehensive self-assessment against all elements of each of the eight KLOE during 2021/22.

There are no material inconsistencies between the Annual Governance Statement, the Corporate Governance Statement and the Annual Report.

Stakeholder Relations

The Walton Centre Foundation Trust is part of the Cheshire & Merseyside Health and Care Partnership. The partnership is focussed on improving the health of the population, delivering care more efficiently and during 2020/21 coordinated the regional response to the Covid-19 pandemic. The Trust is committed to working collaboratively and productively within the partnership arrangements as these develop towards an Integrated Care System (ICS) during 2021/22.

The Trust is part of the Cheshire and Merseyside Major Trauma Network, one of the best performing networks in England in terms of rates of survival and works with the Liverpool University Hospitals NHS Foundation Trust to ensure that more people can survive a major trauma and that the standards and quality of care are consistent across the country.

In addition to this, the Trust is part of the Cheshire and Merseyside Rehabilitation Network. The Network is a partnership between the area's specialist regional inpatient rehabilitation unit from six partner organisations that provide supportive, active and extended specialist rehabilitation care to adults following

traumatic injury or serious illness to enable people to live as independently as possible by maximising their clinical outcomes.

The Trust also hosts the Cheshire and Mersey Critical Care Operational Delivery Network.

Income/Financial Disclosures

The Trust has met the requirement as detailed in Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) i.e. that the Trust's income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes. The Trust receives income for the provision of health services to Wales through the Welsh Assembly Government. There is a small proportion of private patient income (0.05% of total income) and research and medical development income which are utilised to enhance the provision of the Trust's clinical services and the patient experience.

Better Payment Practice Code

The Better Payment Practice Code (BPPC) requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. Table 11 summarises the Trust's performance against the BPPC in 2020/21.

Table 11

	2020/21	
	Number	£'000
Better Payment Practice Code - Measure of Compliance		
Non-NHS Payables		
Total bills paid in the year	21,751	55,152
Total bills paid within target	19,615	52,081
Percentage of Non-NHS invoices paid within target	90.2%	94.4%
NHS Payables		
Total bills paid in the year	1,491	28,539
Total bills paid within target	1,141	25,872
Percentage of NHS invoices paid within target	76.5%	90.7%
Total		
Total bills paid in the year	23,242	83,691
Total bills paid within target	20,756	77,953
Percentage of invoices paid within target	89.3%	93.1%

In 2020/21, £39 interest was paid by virtue of failing to pay within the 30 day period; however no additional liability to pay interest has been accrued. The Directors confirm that the Trust complies with the public sector Better Payment Practice Code unless other agreements have been reached with Suppliers.

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

Disclosures to Auditors

So far as each Director is aware, there is no relevant audit information of which the Trust's auditor is unaware and the Board of Directors has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information, and to establish that the Trust's auditor is aware of that information.

Additional Reporting Information

Additional information or statements which fall into other sections within the annual report are signposted below:

- The Trust did not make or receive any political donations in 2020/21
- Accounting policies for pensions and other retirement benefits are set out in the Remuneration Report on page 58
- Disclosures required under Schedule 7 of the large and medium sized companies and groups (accounts and reports) Regulations 2008 are included in the Remuneration Report on page 56
- Details of sickness absence data can be found in the Staff Report on page 72.

A handwritten signature in black ink that reads "Jan Ross". The signature is written in a cursive style with a large, stylized 'J' and 'R'.

Jan Ross

Chief Executive

24 June 2021

2.2 Remuneration Report

The Trust has two Committees that deal with remuneration:

- The Remuneration Committee – A Board Committee, comprised of the Chair and other Non-Executive Directors
- The Nominations Committee – This is a Committee of the Council of Governors.

Nominations Committee

The Nominations Committee is responsible for considering both the appointment and remuneration of the Chair and other Non-Executive Directors, making recommendations to the Council of Governors for approval. The Committee also considers outcomes from the appraisals of the Chair and other Non-Executive Directors. Members of the Committee during 2020/21 were:

- Janet Rosser, Trust Chair
- Barbara Strong, Public Governor
- Ella Pereira, Stakeholder Governor
- John Kitchen, Public Governor

The Committee met on two occasions during the year, in May 2020 and February 2021, to consider proposals for the re-appointment of a Non-Executive Director, Non-Executive Director succession planning and outcomes of the Chair's Appraisal.

Remuneration Committee

This section of the report includes some elements that are subject to audit. The elements that are subject to audit have been individually identified.

The Trust's Remuneration Committee determines the terms and conditions for Executive and Corporate Directors taking account of benchmarking reports on NHS executive salaries and conditions, and the financial circumstances relating to the Trust. The Committee met on 2 occasions during the reporting period to consider the following business:

- Very Senior Manager (VSM) Pay Arrangements
- Chief Executive Performance and Remuneration
- Planning for Non-Executive Director Recruitment
- Deputy Chief Executive Role
- Pension Contribution Alternative Award Scheme
- Inflationary Pay Award

In determining and reviewing remuneration for Executive Directors, the Committee takes into account relevant benchmarking with other NHS organisations, guidance from NHS England / NHS Improvement, national inflationary uplifts recommended for other NHS staff and any variation or change to the responsibilities of Executive Directors or other very senior managers. With regard to remuneration, the Committee agreed a 1.03% inflationary pay award, consistent with national guidance, for the period 1 April 2020 to 31 March 2021. The Trust's Equality, Diversity and Human Rights Policy is taken into account by the Committee when considering matters for decision.

The Remuneration Committee introduced a four point scale for each of the Executive Director posts in March 2015 (subsequently reviewed in 2018) and salaries are determined in line with this range. In order to ensure that these arrangements remain appropriate, the Committee commissioned an external independent review of Executive Director remuneration during Quarter 4 2020/21. Outcomes from this review will inform Committee consideration of the remuneration arrangements in 2021/22.

All Executive Directors are subject to an annual appraisal which is completed with the Chief Executive. The appraisal for the Chief Executive is completed with the Chair. As with all other staff in the organisation, performance against agreed objectives is reviewed at appraisal meetings together with agreement on objectives for the following year.

Membership of the Committee and attendance at meetings during 2020/21 is detailed in table 12 below:

Table 12

Members Name	Title	Attendance
Janet Rosser	Chair	2/2
Seth Crofts	Non-Executive Director	2/2
Su Rai	Non-Executive Director	2/2
Nalin Thakkar	Non-Executive Director	2/2
Karen Bentley (from 1 November 2020)	Non-Executive Director	1/1
David Topliffe (from 1 November 2020)	Non-Executive Director	1/1

The Chief Executive and Director of Workforce & Innovation attend meetings other than when matters being discussed would result in a conflict of interest. Minutes of meetings are recorded by the Corporate Secretary. The Committee did not receive any external advice or services during the period covered by this report.

Senior Managers Remuneration Policy

In considering the remuneration of Directors, the Committee takes into account the national inflationary uplifts recommended for other NHS staff, any variation in or change to, the responsibility of Executive Directors and relevant benchmarking with other public sector posts.

The service contract for the Chief Executive and Executive Directors is the Contract of Employment. This is substantive and continues unless terminated by notice. The notice period for termination by the Trust is 6 months and for termination by the Director is also 6 months. The contract does not provide for any other payment for loss of office, but does provide for compensation for early retirement and redundancy in accordance with the provisions in section 16 of the Agenda for Change: NHS Terms and Conditions of Service Handbook.

The service contract for Non-Executive Directors is not an employment contract. Non-Executive Directors are appointed for an initial term of up to three years and are eligible to be considered for further terms of appointment up to six years. After serving two three year terms (6 years in total), careful consideration is given to any further re-appointment in the context of independence and objectivity.

All non-medical employees of the Trust including senior managers, are remunerated in accordance with the nationally agreed NHS Terms and Conditions of Employment. Medical staff are remunerated in accordance with the national Terms and Conditions of Service for Doctors and Dentists.

Executive and Corporate Directors' contracts are permanent on appointment and new appointments are subject to a period of six months' probation and are entitled to NHS redundancy payments should their posts be made redundant. In relation to the policy on payments for loss of office for Directors, any payments would be in accordance with their terms and conditions of employment.

Unless otherwise stated, all Executive Directors are either members (or are former members) of the NHS Pension Scheme. This entitles members to a pension based on their service final pensionable salary subject to HM Revenue & Customs limits. None of the Non-Executive Directors are members of the NHS Pension Scheme and the Non-Executive members of the Board of Directors do not receive pensionable remuneration.

Annual Report on Remuneration

Total remuneration (detailed in tables 13 and 14) includes salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

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

The pension benefit table (Table 14) provides further information on the pension benefits accruing to the individual.

Directors' Expenses

The value of expenses claimed by Directors, in accordance with the Trust's Constitution, rounded to the nearest £100, totalled £100 in 2020/21. Reimbursement was made to 1 Director from a total of 15 Directors. In 2019/20 the total value of expenses claimed was £1,500. Reimbursement was made to 5 Directors from a total of 16 Directors.

Fair Pay Multiple - subject to audit

The Trust is required to disclose the relationship between the remuneration of the highest paid Director and the median remuneration of the Trust's workforce. The median remuneration of the employees paid by The Walton Centre is £31,365 (2019/20: £30,401). The highest paid director is the Medical Director who received £195k-£200k remuneration (Bands of £5,000) (2019/20: £185k-£190k). This is 6.3 times the median remuneration (2019/20: 6.2 times).

In 2020/21, no employees received remuneration in excess of the highest paid director (2019/20, 1 employee, a doctor). Remuneration ranged from £18,005 (2019/20: £17,652) to £195,066 (2019/20: £187,201). The lowest paid employee in 2020/21 was a Band 2 Administration Assistant.

In relation to Table 13:

- The salaries and fees for A Nicolson include remuneration for his clinical responsibilities:
 - A Nicolson £163,185 (2019/20: £157,572)
- No directors received annual performance-related bonuses or long-term performance related bonuses in either period
- No payments have been made to people who have previously been Directors in the Trust in either period
- H Citrine took part in a Pension Contribution Alternative Reward Scheme which was introduced by the Trust in November 2019 to support staff affected by the annual and lifetime allowance. The scheme enables staff to be paid the equivalent employer's contributions adjusted for employer's National Insurance contributions on receipt of evidence that they were or would be affected. Evidence was provided and a panel reviewed and confirmed the decision independently
- H Citrine received an additional annual leave allowance in place of inflationary pay uplift.

Table 13 (Subject to audit)

Name	Position	1 April 2020 - 31 March 2021											1 April 2019 - 31 March 2020										
		Salary			Expense Payments (taxable) £	All Pension Related Benefits			Total			Salary			Expense Payments (taxable) £	All Pension Related Benefits			Total				
		£000 (Bands of £5,000)			(Nearest £100)	£000 (Bands of £2,500)			£000 (Bands of £5,000)			£000 (Bands of £5,000)			(Nearest £100)	£000 (Bands of £2,500)			£000 (Bands of £5,000)				
K Bentley	Non-Executive Director (from 01/11/20)	5	-	10	0	0.0	-	0.0	5	-	10	0	-	0	0	0.0	-	0.0	0	-	0		
M Burns	Director of Finance & IT	125	-	130	0	32.5	-	35.0	160	-	165	125	-	130	0	37.5	-	40.0	160	-	165		
E Burraston	Acting Director of Operations and Strategy (from 18/12/19 to 31/01/20)	0	-	0	0	0.0	-	0.0	0	-	0	10	-	15	0	40.0	-	42.5	120	-	125		
H Citrine	Chief Executive	185	-	190	0	0.0	-	0.0	185	-	190	155	-	160	0	0.0	-	0.0	155	-	160		
S Crofts	Non-Executive Director	10	-	15	0	0.0	-	0.0	10	-	15	10	-	15	0	0.0	-	0.0	10	-	15		
M Gibney	Director of Workforce	105	-	110	0	77.5	-	80.0	185	-	190	100	-	105	0	0.0	-	0.0	100	-	105		
A McCracken	Non-Executive Director (to 31/05/19)	0	-	0	0	0.0	-	0.0	0	-	0	0	-	5	100	0.0	-	0.0	0	-	5		
A Nicolson	Medical Director	195	-	200	0	42.5	-	45.0	235	-	240	185	-	190	0	65.0	-	67.5	250	-	255		
J Ross	Director of Operations and Strategy (from 01/01/19); Acting Chief Executive (from 18/12/19 to 31/01/20)	115	-	120	0	47.5	-	50.0	165	-	170	105	-	110	0	32.5	-	35.0	140	-	145		
J Rosser	Chair	45	-	50	800	0.0	-	0.0	45	-	50	45	-	50	1,500	0.0	-	0.0	45	-	50		
L Salter	Director of Nursing and Governance	105	-	110	0	0.0	-	0.0	105	-	110	105	-	110	0	50.0	-	52.5	155	-	160		
S Samuels	Non-Executive Director (to 31/08/20)	5	-	10	0	0.0	-	0.0	5	-	10	10	-	15	300	0.0	-	0.0	10	-	15		
A Sharples	Non-Executive Director (to 31/07/19)	0	-	0	0	0.0	-	0.0	0	-	0	5	-	10	500	0.0	-	0.0	5	-	10		
B Spicer	Non-Executive Director (from 01/06/19 to 30/09/20)	5	-	10	0	0.0	-	0.0	5	-	10	10	-	15	0	0.0	-	0.0	10	-	15		
S Rai	Non-Executive Director (from 01/08/19)	10	-	15	0	0.0	-	0.0	10	-	15	5	-	10	0	0.0	-	0.0	5	-	10		
N Thakkar	Non-Executive Director (from 07/01/19)	10	-	15	0	0.0	-	0.0	10	-	15	10	-	15	0	0.0	-	0.0	10	-	15		
D Topliffe	Non-Executive Director (from 01/11/20)	5	-	10	0	0.0	-	0.0	5	-	10	0	-	0	0	0.0	-	0.0	0	-	0		
L Vassan	Acting Director of Nursing and Governance; 2020/21 (from 07/09/20 to 10/01/21); 2019/20 (from 28/11/19 to 31/01/20)	25	-	30	0	7.5	-	10.0	35	-	40	15	-	20	0	87.5	-	90.0	165	-	170		

Table 14

Pension Benefits (subject to audit)

Name	Position	Real Increase in Pension at Pension Age			Real Increase in Pension Lump Sum at Pension Age			Total Accrued Pension at Pension Age at 31 March 2021			Lump Sum at Pension Age Related to Accrued Pension at 31 March 2021			Cash Equivalent Transfer Value at 31 March 2021	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020	Employer's Contribution to Stakeholder Pension
		(Bands of £2,500)			(Bands of £2,500)			(Bands of £5,000)			(Bands of £5,000)			£'000	£'000	£'000	£'000
Burns M	Director of Finance	2.5	-	5	0.0	-	2.5	25.0	-	30.0	0.0	-	5.0	349	18	307	0
Citrine H	Chief Executive	0.0	-	0.0	0.0	-	0.0	45.0	-	50.0	140.0	-	145.0	854	0	854	0
Gibney M	Director of Workforce	4.5	-	7	0.0	-	2.5	55.0	-	60.0	0.0	-	5.0	905	76	801	0
Nicolson A	Medical Director	2.5	-	5	1.0	-	3.5	45.0	-	50.0	95.0	-	100.0	799	38	729	0
Ross J	Director of Operations and Strategy; Acting Chief Executive (from 18/12/19 to 31/01/20)	2.5	-	5	2.5	-	5	35.0	-	40.0	75.0	-	80.0	627	39	563	0
Salter L	Director of Nursing and Governance	0.0	-	0.0	0.0	-	0.0	35.0	-	40.0	85.0	-	90.0	684	0	678	0
Vlasman L*	Acting Director of Nursing and Governance; 2020/21 (from 07/09/20 to 10/01/21; 2019/20 (from 28/11/19 to 31/01/20)	0.0	-	2.5	0.0	-	2.5	25.0	-	30.0	50.0	-	55.0	391	5	358	0

- H Citrine and M Gibney opted out of the NHS Pension Scheme on the 31 January 2018.
- M Gibney opted back into the NHS Pension Scheme on the 1 April 2019.
- The total accrued pension, lump sum and cash equivalent transfer values represent the total value for each Director. The real increases have been adjusted for directors not in post throughout the period to reflect only the increase attributable to their role as a Director (marked*).



Jan Ross
Chief Executive
24 June 2021

2.3 Staff Report

Staff Analysis

The biggest single item of expenditure incurred by the Trust relates to employment of staff to deliver the range of services provided by the Trust. The Walton Centre spent £81 million on staffing during 2020/21, which was an increase of £6.6 million (8.9%) on the previous year. The increase in costs was primarily related to costs being assumed to cover the cost of annual leave not taken in year as a result of the Covid-19 pandemic together with increased employer pension contributions and the cost of national pay awards.

The average number of whole time equivalent (WTE) staff has increased by 14 from the previous year (of which there has been an increase of 32 permanent staff and a reduction of 18 temporary staff). The majority of the increase was due to expansion of the thrombectomy service during 2020/21. Tables 15 and 16 show staff costs and average number of employees for 2019/20 and 2020/21.

Table 15 – subject to audit

Staff costs	Group			Foundation Trust		
	Permanent £000	Other £000	Total £000	Permanent £000	Other £000	Total £000
2020/21						
Salaries and wages	59,941	1,413	61,354	59,941	1,413	61,354
Social security costs	5,651	0	5,651	5,651	0	5,651
Apprenticeship levy	270	0	270	270	0	270
Employer's contributions to NHS pension scheme	9,473	0	9,473	9,473	0	9,473
Pension cost - other	53	0	53	53	0	53
Termination benefits	23	0	23	23	0	23
Temporary staff	0	4,088	4,088	0	4,088	4,088
NHS charitable funds staff	168	0	168	0	0	0
Total staff costs	75,579	5,501	81,080	75,411	5,501	80,912
Of which						
Costs capitalised as part of assets	(152)	(178)	(330)	(152)	(178)	(330)
Staff costs	75,427	5,323	80,750	75,259	5,323	80,582
2019/20						
Salaries and wages	54,613	1,301	55,914	54,613	1,301	55,914
Social security costs	5,385	0	5,385	5,385	0	5,385
Apprenticeship levy	258	0	258	258	0	258
Employer's contributions to NHS pension scheme	9,042	0	9,042	9,042	0	9,042
Pension cost - other	48	0	48	48	0	48
Termination benefits	57	0	57	57	0	57
Temporary staff	0	4,182	4,182	0	4,182	4,182
NHS charitable funds staff	164	0	164	0	0	0
Total staff costs	69,567	5,483	75,050	69,403	5,483	74,886
Of which						
Costs capitalised as part of assets	(706)	(190)	(896)	(706)	(190)	(896)
Staff costs	68,861	5,293	74,154	68,697	5,293	73,990

Table 16 – subject to audit

Average number of employees (WTE basis)						
2020/21	Permanent	Group	Total	Foundation Trust		Total
	Number	Other		Permanent	Other	
Medical and dental	186	2	188	186	2	188
Administration and estates	344	15	359	341	15	356
Healthcare assistants and other support staff	215	44	259	215	44	259
Nursing, midwifery and health visiting staff	394	21	415	394	21	415
Scientific, therapeutic and technical staff	242	0	242	242	0	242
Total average numbers	1,381	82	1,463	1,378	82	1,460
Of which:						
Number of employees (WTE) engaged on capital projects	4	3	7	4	3	7

2019/20	Permanent	Group	Total	Foundation Trust		Total
	Number	Other		Permanent	Other	
Medical and dental	183	3	186	183	3	186
Administration and estates	331	17	348	328	17	345
Healthcare assistants and other support staff	204	54	258	204	54	258
Nursing, midwifery and health visiting staff	397	25	422	397	25	422
Scientific, therapeutic and technical staff	234	1	235	234	1	235
Total average numbers	1,349	100	1,449	1,346	100	1,446
Of which:						
Number of employees (WTE) engaged on capital projects	18	3	21	18	3	21

Staff Profile

On 31 March 2021, the Trust permanently employed whole time equivalents made up of the following groups in Table 17.

Table 17

Staff Group	Headcount	FTE
Add Prof Scientific and Technic	56	49.55
Additional Clinical Services	263	228.68
Administrative and Clerical	385	346.80
Allied Health Professionals	181	157.19
Estates and Ancillary	17	12.76
Healthcare Scientists	31	28.03
Medical and Dental	143	136.86
Nursing and Midwifery Registered	421	389.96
Total	1,497	1,349.83

The total number of staff has marginally increased from the 2019/20. The small increase has no significant impact on overall equality and diversity at the Trust.

Workforce Diversity – Equality, Diversity & Inclusion (ED&I)

On 31 March 2021, the Board of Directors comprised of:

- Three male and three female Non-Executive Directors (including the Trust's Chair)
- Three male and three female Executive and Corporate Directors

- Ten Board members are recorded as White and two Board members are recorded as coming from a Black, Asian or minority ethnic background.

Further details about the Board's composition can be found in the Trust's WRES Report which is available on the Trust's website:

<http://www.thewaltoncentre.nhs.uk/uploadedfiles/documents/corporate/WRES%20Report%20%202020%20Final.pdf>

The following tables illustrate the diversity of the Trust's workforce as a whole as at 31 March 2021.

Table 18 Gender

Gender	Headcount	Percentage
Female	1159	77.42%
Male	338	22.58%
Total	1497	100.00%

There has been a marginal increase in the percentage of male staff from the 2019/20 level. The gender imbalance, with far more females employed than men, is a product of the national and international tendency for many more women than men to work in the nursing and caring professions in general. Fuller details about the Gender composition of the Trust and equality can be found in the Trust's Gender Pay Gap Report which is published on the Trust website:

<http://www.thewaltoncentre.nhs.uk/uploadedfiles/Gender%20Pay%20Gap%20Report%202020.pdf>

Table 19 Age

Age Range	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61+	Total
Female	0	85	145	171	152	127	123	137	132	87	1159
Male	3	15	41	58	45	39	55	37	26	19	338
Total	3	100	186	229	197	166	178	174	158	106	1497

The age profile of staffing at the Trust has not significantly changed from 2019/20 levels. The most notable figures in relation to age are the relatively low numbers of staff aged 16-20. This level has decreased from 7 in 2019/20 to 3 in 2020/21. The Trust's plans to increase the number of apprenticeships available are likely to help address this age imbalance.

Table 20 Ethnicity

Ethnicity	Headcount	Percentage
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Ethnicity	Headcount	Percentage
A White - British	1268	84.7%
B White - Irish	25	1.67%
C White - Any other White background	41	2.74%
CP White Polish	1	0.07%
CY White Other European	2	0.13%
D Mixed - White & Black Caribbean	1	0.07%
E Mixed - White & Black African	4	0.27%
F Mixed - White & Asian	1	0.07%
G Mixed - Any other mixed background	5	0.33%
H Asian or Asian British - Indian	73	4.88%
J Asian or Asian British - Pakistani	3	0.20%
K Asian or Asian British - Bangladeshi	1	0.07%
L Asian or Asian British - Any other Asian background	11	0.73%
LH Asian British	1	0.07%
LK Asian Unspecified	1	0.07%
M Black or Black British - Caribbean	1	0.07%
N Black or Black British - African	24	1.60%
P Black or Black British - Any other Black background	1	0.07%
S Any Other Ethnic Group	21	1.40%
SC Filipino	1	0.07%
Z Not Stated	11	0.73%
Total	1497	100%

There has been no significant change to the overall race equality composition of the Trust's staff from the 2019/20 figures. Further details about staff race equality composition and actions to increase diversity can be found in the Trust's WRES report which is published on the Trust website:

<http://www.thewaltoncentre.nhs.uk/uploadedfiles/documents/corporate/WRES%20Report%20%202020%20Final.pdf>

Table 21 Religion

Religion	Headcount	Percentage
Atheism	176	11.76%
Buddhism	3	0.20%
Christianity	925	61.79%
Hinduism	35	2.34%
Not Disclosed	139	9.29%
Islam	24	1.60%
Judaism	2	0.13%
Other	113	7.55%
Unspecified	80	5.34%
Total	1497	100%

Table 22 Disability

Disability	Headcount	Percentage
No	1169	78.09%
Not Declared	45	3.01%
Unspecified	238	15.90%
Yes	45	3.01%
Total	1497	100%

There has been a small increase in the number of Trust staff stating that they have a disability from 40 in 2019/20 to 45 in 2020/21. However, the number of staff stating that they have a disability remains much lower than may be expected given that 19% of the UK working age population states a disability. Further details about the staff disability equality composition and actions to increase diversity can be found in the Trust's WDES report which is published on the Trust website:

[http://www.thewaltoncentre.nhs.uk/uploadedfiles/documents/corporate/WDES%20Report%202020%20Final%20\(4\).pdf](http://www.thewaltoncentre.nhs.uk/uploadedfiles/documents/corporate/WDES%20Report%202020%20Final%20(4).pdf)

Table 23 Sexual Orientation

Sexual Orientation	Headcount	Percentage
Bisexual	11	0.73%
Gay or Lesbian	35	2.34%
Heterosexual or Straight	1257	83.97%
Not stated (person asked but declined to respond)	94	6.28%
Other sexual orientation not listed	1	0.07%
Undecided	1	0.07%
Unspecified	98	6.55%
Total	1497	100.00%

In comparison with 2019/20, there has been no significant change in the overall percentage of heterosexual staff and staff with other sexual orientations. This may be because the Trust still has over 12% of staff who either declined to provide a response to the question about their sexual orientation or whose sexual orientation remains unspecified for other reasons. The equality challenge that this comparatively large sexual orientation unknown figure sets for the Trust is to help more staff feel more safe to state their sexual orientation where they do not wish to be recorded as heterosexual. The Trust is taking steps to increase response rates to sexual orientation monitoring in line with its Equality and Inclusion 5 Year Vision which is available on the Trust's website:

<http://www.thewaltoncentre.nhs.uk/uploadedfiles/documents/EDI%20Vision%202017.pdf>

Table 24 Marriage and Civil Partnership

Marital Status	Headcount	Percentage
Civil Partnership	21	1.40%
Divorced	82	5.48%
Legally Separated	8	0.53%
Married	649	43.35%
Single	676	45.16%
Unknown	51	3.41%
Widowed	10	0.67%
Total	1497	100.00%

Information on diversity and inclusion policies, initiatives and longer term ambitions

The Trust has set its own vision to improve equality, diversity and inclusion (ED&I) for both patients and staff. This is an example of the Trust going beyond statutory duties and compliance in its commitment to ED&I. The vision has come from both staff and patients sharing what good practice looks like and how we will know when we have achieved it. Supported by a detailed strategic action plan, the vision is now being delivered by the ED&I Steering Group.

Performance against the internal priorities set by the Trust continue to be monitored through the Quality Committee with an annual review of the vision and progress against the action plan. This vision is guiding the Trust towards making systematic improvements around ED&I this year and in coming years. The Trust has also set up a new Board-level Strategic Black, Asian, and Minority Ethnic (BAME) Advisory Committee which is chaired by the Chief Executive. This Committee will inform the development and provide assurance against the following strategies, associated policies, action plans and annual reports:

- People Strategy related to race equality
- Equality, Diversity and Inclusion Vision and work related to race equality
- Workforce and patient population strategies, policies or plans related to Black, Asian and minority ethnic staff or communities
- The Trust Strategy in relation to race equality

The Trust also has an Equality Diversity and Human Rights Policy to form the policy basis for its ED&I activities. Examples of these activities are included below:

- The Trust has participated in the NHS Employers Partners Programmes and has committed to a new programme with NHS Employers due to start from June 2021. This will be a three month initiative to enhance staff knowledge of, and support for, Neurodiversity.

- The Trust has continued its charter mark and participation in the Department for Work and Pensions' Disability Confident Employer Scheme level 2.
- The Trust has continued its lesbian, gay, bisexual and transgender (LGBT+) competent Navajo Chartermark
- The Trust has maintained membership of the Navajo Health Sub-group to tackle health inequalities for LGBT+ patients, and now has staff trained and approved as Navajo Assessors to share good practice in terms of LGBT+ accessibility
- The Trust has continued to work with its ED&I Champions, who are staff volunteers committed to making ED&I a priority. We want to be a workplace that inspires leadership at all levels, with all staff, where everyone's voice is heard.
- The Trust has engaged with Black Asian and Minority Ethnic staff to foster mutual support. This engagement and the establishment of a new Black, Asian and Minority Ethnic network, were part of an effective response to the added challenges faced by the Trust in relation to the disproportionate effect of the Covid-19 pandemic on Black, Asian and Minority Ethnic communities.
- The Trust designed and produced its own 'We Say No To Racism' badges to help staff to challenge racist behaviour.

Progress against the Workforce Disability Equality Standards

2020/21 was the second year that the Trust took part in the NHS Workforce Disability Equality Standard (WDES). WDES is designed to improve workplace experience and career opportunities for disabled people working, or seeking employment in the NHS. The WDES follows the NHS Workforce Race Equality Standard (WRES) as a tool and an enabler of change. The WDES is a series of evidence-based metrics that provides NHS organisations with a snapshot of the experiences of their disabled staff in key areas. By providing comparative data between disabled and non-disabled staff, the information can be used to understand where key differences lie; and will provide the basis for the development of action plans enabling organisations to track progress on a year by year basis.

The WDES is based on ten evidence-based metrics which took effect from 1 April 2019. The 2020 data is taken from the 2018/19 financial year. The WDES is mandated in the NHS Standard Contract to enable comparisons to be made between NHS trusts. The Trust's WDES metrics data was reported to NHS England prior to the deadline of 1 August 2020. The 2020 WDES report does not show significant change or improvement on the previous year. A key figure which would need to improve for the Trust to have better confidence in the data is the number of staff willing to state that they have a disability which remains much lower than might be expected given the numbers of disabled adults in the UK (see above

and below). There were 1452 staff members employed within the organisation. Of those, the proportion of staff recorded as Disabled on the Electronic Staff Records system (ESR) was 40 (2.72%) this compares with the 2018/19 figure for Disabled staff of 43 which was (3.14%) measured against the then total staff number of 1414. So the number of Disabled staff at the Trust has fallen by 3 while the total number of staff has risen by 38 in this reporting period. This data and the full report is also published on The Walton Centre website: [http://www.thewaltoncentre.nhs.uk/uploadedfiles/documents/corporate/WDES%20Report%202020%20Final%20\(4\).pdf](http://www.thewaltoncentre.nhs.uk/uploadedfiles/documents/corporate/WDES%20Report%202020%20Final%20(4).pdf)

Progress against the Workforce Race Equality Standard

The Workforce Race Equality Standard (WRES) requires Trust's to demonstrate progress against nine indicators of workforce race equality. The indicators focus upon Board of Directors level representation and differences between the experience and treatment of White and BAME staff. In addition to producing and publishing the WRES PDF template and action plan on the Trust website and intranet, the Trust has also been required to submit a return via the NHS England Strategic Data Collection Service system to enable further comparisons to be made between NHS trusts.

The Trust is making clear progress against eight of the nine WRES indicators. The exception relates the indicator on the pay bands for BAME staff and where they work in the Trust. The Walton Centre remains broadly representative in terms of the overall numbers of BAME staff but numbers have fallen slightly and work will need to be done both to ensure that the Trust remains broadly representative and to make BAME representation more equal across the higher pay bands.

As of 31 March 2021 there were 1452 staff employed by the Trust. This figure comprised 1300 (89.5%) White staff and 138 (9.5%) staff with 14 (0.96%) unknown ethnicity. The percentage figure for BME staff marginally increased in this reporting year from (9.41%) to (9.50%). This new figure remains approximately in line with the BME census figures for the North West and is well above the BME census figures for Merseyside. The current figure indicates that the Trust is not underrepresented in the overall numbers of BME staff. The highest percentage of BME staff measured against the total staff is to be found within the Clinical staff and stands at (4.89%). Medical BME staff make up (4.55%) of the whole workforce and Non Clinical BME staff constitute (0.69%). These figures provide no justification for further positive actions to boost the overall numbers of BME staff at the Trust.

However, the comparatively low percentage of staff in the non-clinical workforce and the low numbers of clinical and non-clinical staff at Band 7 and above justifies further positive actions to boost BME staff numbers in these areas. In order to fully understand the significance of the percentages above they need to be examined alongside the Non Clinical, Clinical and Medical staff figures and percentages. As context for all of the above staff race statistics, the Office of National Statistics, 2011 Census, states that 5.5% of the Merseyside population has a Black, Minority Ethnic background (BME) which is lower than the North West average (9.8%).

Source: Census 2011: www.ons.gov.uk

Further data and the full 2020 WRES report is also published on The Walton Centre website: <http://www.thewaltoncentre.nhs.uk/uploadedfiles/documents/corporate/WRES%20Report%20%202020%20Final.pdf>

Equality, Diversity and Inclusion Training for Staff

The Trust carries out mandatory Equality, Diversity and Human Rights training for all new starters, which is refreshed on a three yearly basis. This online training continued throughout 2020/21. Further face to face ED&I training which was originally planned to take place in 2020 was deferred as a result of the Covid-19 pandemic.

Cultural Ambassadors Programme

The Trust has continued to support the Cultural Ambassador Programme having recruited some of our Black and Minority Ethnic (BAME) staff to receive training to be able to support colleagues through various Human Resources processes to ensure fairness e.g. disciplinary, grievance and capability processes. The Trust has however, comparatively few grievances involving BAME staff, so actions to potentially widen the programme out into supporting fairness in recruitment processes have been explored via talks with unions and colleagues from the Cheshire & Merseyside Health & Care Partnership. In advance of launching the expanded programme, the Trust's Equality and Inclusion Lead currently performs the function of advising on fairness in recruitment by participating in the recruitment processes for senior leaders at the Trust.

Navajo Chartermark and Disability Confident Employer

The Trust continued its participation in the Navajo Chartermark scheme which is an indicator of good practice, commitment and knowledge of the specific needs, issues and barriers

facing LGBT+ people in Merseyside. Further progress in this area during 2020/21 was impaired by the constraints associated with the Covid-19 pandemic.

Department for Work and Pensions (DWP) Disability Confident Employer Scheme

The Trust has continued to participate in the Department for Work and Pensions' (DWP) Disability Confident Employer Scheme which commits the Trust to take positive actions to ensure that we have equitable and accessible recruitment processes relating to disability. The Trust has now achieved DWP Disability Confident Level 2, which was one of the Trust's equality objectives for 2020/21. We had also planned to work towards gaining Disability Confident Level 3 in 2020/21. However, Level 3 entails a great deal of engagement and sharing of best practice with partner organisations which was not practical to progress in the context of the Covid-19 pandemic. Consequently, this development was deferred and we now plan to progress to Disability Confident Level 3 in 2021/22.

Gender Pay Gap

The Trust has again met its gender pay gap reporting obligations and the results are published on the Trust's website in the Gender Pay Gap Report 2020:

<http://www.thewaltoncentre.nhs.uk/uploadedfiles/Gender%20Pay%20Gap%20Report%202020.pdf>

Despite the majority of the workforce being female, a higher proportion of the Trust's senior medical roles are filled by men. In addition to this, the high value of Clinical Excellence Awards causes a variation of bonus pay as these are primarily awarded to males, whereas local awards, which are much lower in value, are more likely to be awarded to females as the majority of the workforce. This is consequently leading to a high pay gap. The findings do, however, again reflect a small improvement on the pay by gender for the previous financial years (findings as at 31 March 2017, 2018 and 2019 respectively). The Trust has taken note of the results and has made use of the data to inform action planning aimed at closing the gender pay gap.

Reciprocal Mentoring

The Trust established its Reciprocal Mentoring programme with the aim of tackling the disproportionately low numbers of BAME staff in non-medical senior leadership roles through supporting BAME staff to further their development, while also improving the senior leaders understanding of what it is like to be a BAME employee within the Trust. It proved impractical to run this face to face mentoring programme during 2020/21 due to the pandemic situation. However, work was undertaken to plan a pilot of an online version of

the programme in 2021/22 and we also plan to explore the feasibility of extending the programme to include disabled staff 2021/22.

Equality Delivery System

The Trust's Equality Delivery System (EDS 2) review for 2020 has been undertaken and published on the Trust's website within the Public Sector Equality Duty, Diversity and Inclusion Annual Report 2020. The Trust did not seek to increase its grades on any of the sub-goals in 2020/21 as the Covid-19 pandemic severely restricted the number of ED&I initiatives that could be undertaken.

Equality Impact Analysis

The Equality Impact Assessments/Analysis (EIAs) are undertaken by the Trust in relation to all relevant policies, procedures, strategies and papers that go before the Board of Directors in compliance with the Public Sector Equality Duty (PSED) under the Equality Act 2010. The Trust's Equality and Inclusion Lead continues to offer advice and support to managers on the completion of EIAs.

Engagement

During 2020/21 the Trust engaged with The Neurological Alliance, both locally and on a national level, to address some of the barriers facing Black, Asian and minority ethnic communities in accessing neurological services. The Trust also engaged with the Cheshire and Merseyside Health and Care Partnership to help with a research project into the impact of Covid-19 on BAME communities. Two of the Trust's Directors represent the Trust as members of the North West Black, Asian and Minority Ethnic Strategic Advisory Committee.

Occupational Health

The Trust continues to support a programme of health and wellbeing initiatives for staff and is continually looking to develop and expand the scope of the programme. The circumstances of the Covid-19 pandemic meant that our usual Staff health and wellbeing days, which involved face-to-face contact, were replaced by a series of on-line initiatives.

The Trust's Health and Wellbeing Occupational Health Service continues to be provided through a service level agreement with Liverpool University Hospitals NHS Foundation Trust with key performance indicators for the service being monitored at quarterly review meetings. During 2020/21 collaboration between the Trust and the Occupational Health Service resulted in successful delivery of flu and Covid vaccination programmes with circa 84% of staff receiving a first dose of the Covid vaccination by 31 March 2021. The Trust has

an onsite counselling service which is provided by the Network of Staff Supporters (NOSS) with staff able to access the service by either self-referral or referral via their line manager. The NOSS provided a 24/7 telephone service for staff throughout the pandemic. Following staff feedback during Wave 3 of the pandemic we initiated a programme of onsite workshops which provided the opportunity for staff to receive face to face support.

The following table details sickness absence for the period as at 31 March 2021:

Table 25

Staff Sickness Absence	2019/20	2020/21
Days Lost (Long Term)	22,170	23,766
Days Lost (Short Term)	8,699	10,467
Total Days Lost	30,869	34,233
Average Staff Service Years	7.1	6.69
Average Calendar Days Lost	14.86	18.29
Total Staff Employed in Period (Headcount)	1456	1509
Total Staff Employed in Period with No Absence (Headcount)	539	630
Percentage Staff with No Sick Leave	37.02%	41.75%

The total number of days lost due to sickness increased in comparison with the previous year, primarily as a result of the Covid-19 pandemic with a 20% increase in the number of short term sickness absences. Total days lost increased by 10%. However, there was a noticeable increase in the number of staff with no recorded sickness absence which may be related to a range of staff groups having the opportunity for remote working during the reporting period.

Of the 34,233 days lost to sickness, 8,941 days were specifically due to Covid-19 related sickness. The broader issue of absence from work due to the impact of the pandemic should also be noted. An additional 17,137 days were lost to Covid-19 related special leave, principally due to isolation requirements.

Staff Turnover

Perversely, the Covid-19 pandemic had a positive effect in relation to staff turnover, with a reduction of circa 3% across all staff groups over the course of the year as there was a general reduction in the numbers of staff moving between organisations during the pandemic situation. The level of reduction was slightly higher in the Nursing staff group at 3.7% and a number of initiatives have been put in place, including a comprehensive health and wellbeing offer, to retain staff and to maintain the improved turnover position.

Further information on Trust and NHS workforce statistics is available through NHS Digital at the following web address <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics>

Table 26 – Turnover (all Staff Groups)

	2020/04	2020/05	2020/06	2020/07	2020/08	2020/09	2020/10	2020/11	2020/12	2021/01	2021/02	2021/03
Turnover Rate (FTE)	1.01%	0.55%	0.79%	1.52%	1.65%	0.61%	1.05%	0.74%	1.29%	0.82%	0.72%	0.95%
Turnover Rate FTE (12m)	14.35%	14.05%	13.41%	13.89%	13.59%	13.06%	13.05%	12.73%	12.72%	12.75%	12.18%	11.61%

Table 27 – Turnover (Nursing Staff)

	2020/04	2020/05	2020/06	2020/07	2020/08	2020/09	2020/10	2020/11	2020/12	2021/01	2021/02	2021/03
Turnover Rate (FTE)	1.63%	1.23%	0.21%	0.93%	0.68%	0.07%	1.12%	0.91%	1.92%	1.59%	0.68%	1.29%
Turnover Rate FTE (12m)	15.96%	16.82%	14.70%	15.48%	14.62%	13.18%	13.57%	13.26%	13.51%	14.43%	13.32%	12.28%

Number of Individuals Who Retired Early on ill-health Grounds during the Period of Reporting

During the period 1 April 2020 to 31 March 2021 there were no instances of early retirement on the grounds of ill-health.

Staff Survey

The 2020 survey was distributed to all Trust staff between September and November 2020. The Staff Survey is a key element of the organisation's overall approach to staff engagement. Other elements include:

- Established staff communications and engagement methods including a daily Trust-wide safety huddle, Chief Executive huddle, weekly email bulletin to all staff, a 'Walton Weekly' newsletter; plus a monthly team brief meeting for all heads of department which is led by the Chief Executive
- Quarterly clinical senates draw together clinicians to discuss clinical issues and are well attended from all specialties
- Quarterly staff listening weeks/health and wellbeing days
- Participation in Staff Friends and Family Test

- Regular Executive Walkabouts.

The Walton Centre had 548 staff take part in this survey with a response rate of 39% of all staff compared with a national average response rate of 56% for specialist trusts in England. A comparison of results year on year can be seen in Table 28.

Table 28

	2020		2019		2018	
	Trust	Benchmark Group	Trust	Benchmark Group	Trust	Benchmark Group
Equality, diversity and inclusion	9.3	9.2	9.3	9.2	9.4	9.3
Health and Wellbeing	6.8	6.5	6.5	6.3	6.5	6.3
Immediate Managers	7.1	7.1	7.3	7.1	7.0	7.0
Morale	6.6	6.4	6.6	6.4	6.4	6.3
Quality of Appraisals	N/A	N/A	5.7	5.8	5.4	5.7
Quality of Care	8.1	7.9	7.9	7.9	7.8	7.9
Safe Environment – bullying and harassment	8.5	8.4	8.4	8.3	8.3	8.2
Safe Environment – violence	9.3	9.8	9.2	9.8	9.2	9.8
Safety Culture	7.2	7.0	7.7	7.0	6.8	6.9
Staff Engagement	7.6	7.4	7.6	7.5	7.4	7.4
Team Working	7.0	6.8	7.1	6.9	6.8	6.9

The findings for the 2020 survey are arranged under ten themes:

- Equality, Diversity and Inclusion – **outcome better than the national average**
- Health and Wellbeing – **outcome better than the national average**
- Immediate Managers – **outcome better than the national average**
- Morale – **outcome better than the national average**
- Quality of Care – **outcome better than the national average**
- Safe Environment - bullying and harassment – **outcome better than the national average**
- Safe Environment – violence – **outcome slightly worse than the national average**
- Safety Culture – **outcome better than the national average**
- Staff Engagement – **outcome better than the national average**
- Team Working – **outcome better than the national average**

In the following four themes the Trust had the best score in its benchmarking group:

- Health and Wellbeing
- Quality of Care
- Staff Engagement
- Team Working

Some key highlights of the 2020 survey were as follows:

- Opportunities for flexible working patterns – increase from 60.4% in 2019 to 66.4% in 2020
- In the last 3 months have you come to work despite not feeling well enough? – decrease from 55.7% in 2019 to 39.6% in 2020
- I am able to deliver the care I aspire to – increase from 75.5% in 2019 to 82% in 2020, best in benchmarking group
- Care of patients is my Organisation's top priority – increase from 87.4% in 2019 to 91.8% in 2020, best in benchmarking group

The 2020 Staff Survey asked a series of questions which related to staff experience during the Covid-19 pandemic. Key concerns and highlights from this question set were as follows:

Key Concerns

- Safe environment – violence – for all staff had the lowest score in the benchmarking group
- Team working for shielding staff had the lowest score in the benchmarking group

Key Highlights

- Health and Wellbeing for all staff had the highest score in the benchmarking group
- Morale had the best score in the benchmarking group for those staff working on a specific Covid ward / area
- Staff engagement and team working for all staff had the highest score in the benchmarking group

Whilst the detailed results of the Staff Survey are variable, it is important to recognise that the outcomes are mainly positive in nature. An action plan has been developed to address matters arising from each of the ten themes.

Future Priorities and Actions

The 2021/22 Staff Experience action plan will focus on the less positive themes from the staff survey:

- Relationships with Immediate Managers
- Morale

These areas will be targeted in our various staff engagement events in 2021/22. The Staff Engagement action plan will be refreshed in partnership with Staff Side and progress will be monitored by both the Staff Partnership Committee and Business Performance Committee. Divisional plans will be formulated to support delivery of the overarching Staff Engagement action plan.

Workforce Wellbeing

The Walton Centre's health and wellbeing work is directed by the Staff Experience Action Plan, which is part of the Trust's People Strategy. This is informed by the results of the national NHS Staff Survey, the NHS People Plan and outcomes from on-going staff engagement comprising face to face sessions (limited during 2020/21 due to the Covid-19 pandemic) and regular surveys.

The Trust has continued to offer a range of benefits and support to staff to promote physical, mental and financial wellbeing and an established programme of health and wellbeing activities has been available to all staff. The programme was expanded during 2020/21 to include additional activities in direct response to staff feedback / requests, including face to face counselling workshops and support sessions for managers and staff. The Health and Wellbeing programme is supported by a core group of staff with a senior physiotherapist acting as Clinical Lead. Staff were provided with free access to the VIVUP health and wellbeing platform (see below) and are also able to access occupational health support or the NOSS counselling service.

VIVUP is a new staff benefits and wellbeing platform which was introduced during 2020/21. The platform contains advice on maintaining good health and wellbeing and enables staff to access benefits such as discounts at high street stores and pay for a range of items, such as home electronics or appliances, through a salary sacrifice scheme. The VIVUP system is free of charge to use and can be accessed through both work and home devices.

The Trust has supported the work of Liverpool City Council and is an active member of a working group whose aim is to provide a health and wellbeing offer for all health and social

care staff across the city. The Trust was re-accredited with the Investors in People Gold Standard in 2020 which reflects the strong, supportive culture created for staff.

A multi-dimensional approach to staff health and wellbeing was adopted during the pandemic with initiatives on local and national level and also from charitable perspective. Some examples are as follows:

- **Poster Campaign** – tips on how staff could look after themselves and colleagues with advice for those working from home for the first time
- **Staff Facebook Group** – staff were able to keep informed by joining the Trust's closed group on the Facebook platform
- **Physiotherapy Service** – staff were able to self-refer to this service via Occupational Health
- **NHS Employers Resources** – NHS Employers created a 'hub page' containing links to all their staff wellbeing resources

Our NHS People

The Our NHS People service, which incorporates health and wellbeing initiatives, launched in early April 2020 and means of accessing support during the Covid-19 pandemic included:

- [Website and app](#) - Information, and access to group and 1-1 support direct to your phone, laptop or PC
- Helpline - a free wellbeing support helpline 0300 131 7000, available from 7.00 am – 11.00 pm seven days a week, providing confidential listening from trained professionals and specialist advice - including coaching, bereavement care, mental health and financial help
- Text - a 24/7 text alternative to the above helpline - simply text FRONTLINE to 85258
- [Silver Cloud](#) - Mental Health Modules for Stress, Resilience, Sleep and Anxiety. Use the code NHS2020
- Apps - free access to mental health apps including [Unmind](#), [Headspace](#), [Sleepio](#) and [Daylight](#)

Charity Support

Charitable support to the Trust featured both donations to a dedicated Covid-19 appeal and product / gift in kind donations from community and corporate supporters. The Trust is also a member of the NHS Charities Together and so benefited from the very high profile national fundraising campaign with funding made available for specific objectives related to staff wellbeing, psychological support, food provision and other items identified by staff during the crisis.

A dedicated appeal was set up on the Walton Centre Charity website for supporters who wished to contribute during the Covid-19 pandemic. The objectives of this appeal were consistent with those of the national objectives for NHS Charities Together i.e. to support staff physical and mental wellbeing during the pandemic. It was made clear to prospective donors that any surplus funds from the appeal when the pandemic situation ends would be used to support charitable projects in the hospital which may have been adversely impacted through the cessation of general fundraising activities and initiatives during the pandemic period.

Education and Organisational Development

Supporting the Trust's strategic plan, the organisation continues to be highly committed to promoting excellence in education and training to ensure it delivers the highest calibre of health care staff to care for and support our patients.

The role of the Education team is to support the organisation to provide education, training and development opportunities to develop the current workforce and to support the talent of the future. The Trust maintains a high standard for staff development and is recognised for these efforts in having been re-accredited with Investors in People Gold status in 2020. Some of the education and organisational development initiatives we progressed during 2020/21 included:

- The "Building Rapport - The Walton Way" leadership development programme was initially launched in November 2019 with the aim that all line managers in the organisation would complete the course. At the point that the programme was paused in 2020, in line with the suspension of non-essential training in response to the pandemic, all existing managers had completed part of the course with approximately 50% of managers having completed the full programme. Evaluations received to date have been positive and the impact of this development programme was reflected in outcomes for Line Managers in the Staff Survey. The Building Rapport programme will recommence in Summer 2021 to ensure that all existing managers and any new managers complete the full programme.
- Internal coaching continues to be offered across the organisation to provide support where needed and to help staff achieve their full potential. A range of staff benefitted from coaching opportunities during 2020/21 and feedback remains unanimously positive. Our cohort of internal coaches have continued their own professional development and peer support to ensure they are able to support staff

in the most effective way. In addition, the Building Rapport programme includes a full day coaching element and attendees have cited a greater understanding of coaching and its associated benefits. This has resulted in increased interest from staff wishing to undertake coaching and in managers seeking to adopt a coaching approach in their leadership style.

- Our coaching group has continued to develop connections with Trusts from across Cheshire and Merseyside and we have benefited from a number of reciprocal coaching arrangements as a result. Such arrangements also have a financial benefit through a reduction in expenditure on the procurement of external coaching services. A successful bid to Health Education England resulted in the Trust securing funding to train five consultant educators who have been able to use their newly acquired coaching skills when working with our trainees and students.
- Access to leadership development programmes and various other opportunities provided by the North West Leadership Academy continue to be available to all staff. The Trust has supported a member of staff to become a facilitator on the Mary Seacole development programme which allow us to deliver this programme internally in the future.
- A further two cohorts completed The Walton Centre's standalone 30 credits Masters module (designed and delivered in conjunction with Liverpool John Moore's University) titled 'Acute and Chronic Neurosciences Care and Management'. Available to both internal and external delegates, the module is accessible to a range staff from the multidisciplinary team including; occupational therapists, physiotherapists, pharmacists, psychology, nursing as well as other AHPs. The module is designed and delivered by clinicians who work for The Walton Centre some of whom are both nationally and internationally recognised.
- The Walton Centre continues to provide excellent undergraduate placements for 5th year Selective in Advanced Medical Practice (SAMP) medical students, in partnership with the Liverpool School of Medicine. Every SAMP student who attends The Walton Centre has the breadth of learning opportunities available in the units. Secondly, it gives individual students the option of choosing to be attached to a consultant from any of the sub-specialities including; Neurology, Neurosurgery, Neuroanesthetics and Intensive Care, Pain, Neuroradiology and Neurophysiology for an 8 week block.
- From September 2020, 4th year medical students have attended The Walton Centre for a 4 week Neuroscience block. Although lectures have been delivered virtually, students still have exposure to a range of clinical learning experiences including; Neurology and Neurosurgery lectures, Neurosurgical on-call shadowing, district

general exposure, Neurorehabilitation sessions, small group ward-based teaching, outpatient clinics (including Pain Management) and a series of symptom-based tutorials.

- The Trust has maintained good levels of statutory and mandatory training compliance, despite the limitations of the national pandemic situation, through the introduction of socially distanced study days and transition to virtual training delivery where possible.
- Apprenticeships continue to be supported and developed and our first cohort of Trainee Nurse Associate apprentices graduated in February 2021. Other apprenticeships undertaken during 2020/21 included:
 - Senior Healthcare Support Worker L3 apprenticeship
 - Healthcare Assistant Practitioner L5 apprenticeship
 - Healthcare Science Practitioner L6 apprenticeship
 - Operations Department Manager L5 apprenticeship
 - Senior Leader Master’s Degree apprenticeship

The Walton Centre remains committed to corporate social responsibility but we were unable to support work placements during 2020/21 due to the pandemic situation. However, following a successful application to the Department of Work and Pensions (DWP), the Trust has been approved to host future Kickstart job placements. The Kickstart scheme differs from work placements in that it provides individuals on Universal Credit who are at risk of long term unemployment with a paid job placement for six months (funded by the DWP).

Trade Union Facility Time

In line with the Trust’s Partnership Agreement with its recognised staff representative bodies, in 2020/21 the Trust provided the following supported time for its recognised staff representative bodies per week;

Relevant Union Officials

Number of Employees who were Relevant Union Officials during the Relevant Period	Full-time Equivalent Employee Number
9.0	1504

Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	1.0
1-50%	8.0
51%-99%	-

Percentage of Time	Number of Employees
100%	-

Percentage of Pay Bill Spent on Facility Time

Total Cost of Facility Time	£14,359
Total Pay Bill	£80 million
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.018%

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	4.01%
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Off-payroll Arrangements

Details of highly paid and/or senior off-payroll engagements during 2020/21 are included in tables 29 – 31 below.

Table 29 – Off-payroll worker engagements as at 31 March 2021

	Number
Number of existing engagements as of 31 March 2021	0
Of which, the number that have existed:	
for less than one year at the time of reporting	
for between one and two years at the time of reporting	
for between two and three years at the time of reporting	
for between three and four years at the time of reporting	
for four or more years at the time of reporting	

Table 30 – All off-payroll workers engaged at any point during the year ended 31 March 2021

	Number

Number of off-payroll workers engaged during the year ended 31 March 2021	0
Of which...	
Number assessed as within the scope of IR35	
Number assessed as not within the scope of IR35	
Number of engagements reassessed for consistency/assurance purposes during the year	
Of which: number of engagements that saw a change to IR35 status following review	
Number of engagements where the status was disputed under provisions in the off-payroll legislation	
Of which: number of engagements that saw a change to IR35 status following review	

Table 31: For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed “board members and/or senior officials with significant financial responsibility” during the financial year. This figure must include both off-payroll and on-payroll engagements	15

Countering Fraud and Corruption

The Trust is committed to countering fraud and corruption and engages the services of an Anti-Fraud Specialist (AFS) through contract arrangements with Mersey Internal Audit Agency. The AFS works with the Trust to ensure compliance with the NHS Counter Fraud Authority’s Fraud, Bribery and Corruption Standards. The AFS is actively supported by the Director of Finance and the Audit Committee and produces a work plan at the start of each year which outlines the core activities to be undertaken during the financial year. These activities cover the mandated areas of; strategic governance, inform and involve, prevent and deter and hold to account. The work plan is reviewed and approved by the Audit Committee and the AFS produces periodic progress reports for the Committee throughout the year. The periodic reports culminate in an Anti-Fraud Annual Report to the Audit Committee which provides assurance on outcomes from activities undertaken during the year.

There is clear strategic support for anti-fraud and bribery work at the Trust. There is an Anti-Fraud, Bribery and Corruption Policy and a Raising Concerns Policy in place. The Director of Finance is the executive lead for anti-fraud matters.

2.4 Disclosures set out in the NHS Foundation Trust Code of Governance

Statement of Compliance with the Code

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

An NHS Foundation Trust is required to provide a specific set of disclosures in its Annual Report to meet the requirements of the Code of Governance. An annual review of the Code of Governance is undertaken and includes the identification of any areas for further development. The Audit Committee reviewed the compliance status on 20 April 2021 and confirmed that the Trust had complied with the provisions of the Code in 2020/21.

The Council of Governors

The statutory general duties of the Council of Governors are to:

- Hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors, and
- Represent the interests of the members of the Trust as a whole and the interests of the public.

Other powers include the appointment (or removal) and deciding the remuneration of the Trust's Chair and other Non-Executive Directors, appointment of the external auditors, receiving the Annual Report and Accounts, providing a view on the Trust's forward plan, approving increases in private patient income and approving significant transactions were the Trust to enter into a merger, acquisition, separation or dissolution. Decisions reserved to the Council of Governors are set out in the Trust's Constitution and any amendments to the Constitution must be approved by the Council of Governors. The Council of Governors is unable to veto or over-rule decisions made by the Board of Directors or be involved in the day to day running of the Trust, setting budgets, staff pay or other operational matters.

Structure and Council Members

As detailed in the Trust's Constitution, the Council of Governors consists of 33 governors, 17 elected governors, 4 staff governors and 12 appointed partnership governors.

The Council of Governors is comprised of the following:

- Four public governors from the administrative county of Cheshire
- Eight public governors from the administrative county of Merseyside
- Three public governors from the administrative counties of North Wales
- Two public governors for the rest of England and Wales
- Twelve appointed partnership governors and
- Four staff governors.

The term of office for an elected governor is three years after which a governor is eligible for re-election. An elected governor may not hold office for more than nine consecutive years. The period of office for a partnership governor is three years after which a governor is eligible for re-appointment. A partnership governor may not hold office for more than nine years.

The members of the Council of Governors who served from 1 April 2020 to 31 March 2021 are set out in Table 32.

Table 32

Name of Governor			Type	Date First Appointed	End of Tenure	Meeting Attendance
Cheshire						
Alison	Astles	Public		2019	2022	1 of 4
Colin	Cheesman	Public		2012	2021	3 of 4
Melissa	Hubbard	Public		2015	2021	1 of 4
Rest of England						
Cameron	Hill	Public		2019	2022	3 of 4
Chris	Sutton	Public		2019	2022	3 of 4
Merseyside						
Doreen	Brown	Public		2015	2021	1 of 4
Rich	Cottier	Public		2018	2021	4 of 4
Jonathan	Desmond	Public		2017	2020*	3 of 4
Natalie	Dill	Public		2019	2022	0 of 4
William	Givens	Public		2019	2022	3 of 4
Linda	Griffiths	Public		2019	2020*	0 of 1
Barbara	Strong	Public		2014	2020*	4 of 4
Adrian	Wells	Public		2018	2021	0 of 4
North Wales						
Nicola	Brown	Public		2019	2021	1 of 2
John	Kitchen	Public		2015	2021	3 of 4
Stan	Winstanley	Public		2018	2021	4 of 4
Staff Governors						
Amanda	Chesterton	Clinical		2018	2021	4 of 4
Rhys	Davies	Medical		2016	2022	0 of 4
Partnership Governors						
Ruth	Austen-Vincent	Cheshire & Merseyside Neurological Alliance		2015	2020	0 of 2
Peter	Clegg	Liverpool University		2015	2021	1 of 4
Stella	Howard	North Wales CHC Joint Committee		2018	2021	3 of 4
Nanette	Mellor	The Brain Charity		2014	2023	2 of 4
Ella	Pereira	Edge Hill University		2014	2023	3 of 4
Jan	Vaughan	Merseyside & Cheshire Clinical Network		2014	2023	4 of 4
Melanie	Worthington	Cheshire & Merseyside Neurological Alliance		2020	2023	2 of 2

* Council of Governors elections in 2020 were cancelled as a result of the Covid-19 pandemic. Consequently, the Council of Governors agreed a 12-month extension to the terms of office for those Governors whose term was scheduled to be completed in 2020.

Council of Governors meetings

All Council of Governors meetings during 2020/21 were held virtually in compliance with the prevailing social distancing guidelines which prevented face-to-face meetings. The Trust's Constitution states that the Council of Governors will meet a minimum of four times a year with individual Governors being required to attend a minimum of three meetings each year. Compliance with the attendance requirement proved impractical in the national pandemic situation as a number of Governors were either front line NHS staff, key workers or had contracted Covid-19. The Trust Chair took a decision to suspend the attendance requirement for 2020/21. Attendance at meetings of the Council of Governors during 2020/21 is shown in Table 32 above.

The Trust's Chair and Chief Executive attend all meetings of the Council of Governors. Other Executive Directors attend as required by the agenda. Non-Executive Directors attend all meetings and the relevant Committee Chairs present an update from each of the assurance committees which allows the governors to hold them to account in relation to the assurances provided. The attendance of Non-Executive Directors also ensures that they develop an understanding of the views of governors and members about the Trust.

Lead Governor

The NHS Foundation Trust Code of Governance (Appendix B) requires NHS Foundation Trusts to nominate a member of the Council of Governors as the Lead Governor. Barbara Strong held the role of Lead Governor throughout 2020/21.

Governor Training

Training and development is essential to ensure that Governors understand their role and can contribute effectively to the work of the Council of Governors. Our ability to provide Governors with development opportunities during 2020/21 was impaired by the pandemic situation and was naturally limited to virtual training events. These included:

- Microsoft Teams Training
- New Governor Induction Training
- NHS Providers Governor Workshops
- NHS Providers National Conference for Governors
- Trust Innovation Podcast
- Trust Engagement Event – 'Proposal for a Liverpool NIHR Biomedical Research Centre in Infection
- HSJ Conference – Integrated Care and Strategic Learning in the context of Covid-19
- Sharing good practice from the Lead Governors' Association

A key development in the absence of face-to-face meeting opportunities and the inability of Governors to visit the Trust was the introduction of regular online Chair & Governor briefings. These informal meetings provided a means for Governors to understand the impact of the pandemic on the Trust's normal services and to be kept informed of progress on actions and developments both locally and regionally. These sessions were welcomed by participating Governors and this is a practice which we will look to continue post-pandemic. We also introduced online pre-meets to provide Governors with preparation time in advance of Council of Governors meetings and the Lead Governor established a What's App group to facilitate Governor contact during the pandemic situation.

We have continued to provide Governors with the opportunity to observe virtual meetings of the Board of Directors throughout 2020/21. We also ensured that Governors were able to keep up to date with Trust news and developments through the circulation of the following:

- Relevant 'All User' staff e-mails, Executive blogs and communications
- Walton Weekly
- Monthly Team Brief
- Coronavirus Updates
- NHS Providers News Bulletins
- Governor Engagement Opportunities

Governors Appointments and Elections

All Public and Staff governors are appointed through an election process which is administered by an external Returning Officer on behalf of the Trust. Members are invited to self-nominate and the election process is held in accordance with the Model Election Rules included in the Trust's Constitution. Public and Staff governors are elected for a period of three years beginning and ending at an Annual Members Meeting. Partnership governors are nominated by their respective organisations and also have a three year term of office.

In April 2020 NHS England / NHS Improvement published guidance on revised governance arrangements in response to the Covid-19 pandemic. This guidance included the option for NHS Foundation Trusts to defer Council of Governors elections scheduled to be held in 2020. At a meeting held on 2 June 2020, the Council of Governors formally agreed to defer elections until 2021 and approved a 12-month extension to the terms of office for those Governors in seats where elections had been due to take place in 2020. The extension applied to two Governors in the Merseyside public constituency and it was agreed that,

should the individuals successfully stand for re-election in 2021, their subsequent term of office would be for a two-year period rather than the usual three-year period.

Governors Register of Interests

Governors are required to declare any interests they hold upon appointment and as and when interests may arise. The Register is reviewed annually and was formally reviewed by the Council of Governors at a meeting held on 9 March 2021. The Register is available for viewing by public and can be accessed online at <https://wcft.mydeclarations.co.uk/home>.

Governor Expenses

In accordance with the Trust's Constitution, Governors may claim expenses for attendance at Council of Governor meetings and whilst representing members or the Trust at other events and meetings. No expenses were paid in 2020/21 as a result of compliance with pandemic travel restrictions and social distancing guidelines.

Trust Membership

The Walton Centre is a public benefit organisation and its objective, with respect to membership, is to recruit and develop a diverse, representative and active membership which is engaged with the objectives of the Trust. Information for prospective members is posted on the Trust's website. In 2020/21 the Trust revised its Membership application form to include diversity information which will enable targeted recruitment in underrepresented groups to achieve a representative membership.

Public Constituencies

Anyone aged 16 or over can register for Membership. This is provided they are not eligible to become a Member of the Staff Constituency or otherwise disqualified for Membership as described in the Constitution.

Staff Constituencies

Members of staff are individuals who are employed with a contract of employment which does not have a fixed term, or with a fixed term of at least 12 months. The Staff Constituency also includes individuals who have been employed continuously by the Trust for 12 months. All staff employed by the Trust who are eligible, automatically become Members on appointment, although they can decide to opt out if desired.

Membership

At 31 March 2021, the Trust's membership stood at 6,645 (6,647 on 31 March 2020). Table 33 provides a breakdown of the Trust's membership by constituency.

Table 33

Membership by Constituency		
Constituency	31 Mar 2021	31 Mar 2020
Public Cheshire	720	725
Public Merseyside	2565	2610
Public North Wales	1267	1288
Public England and Wales	706	714
Public Out of Trust Area	6	6
Staff Nursing	642*	403
Staff Medical	113	130
Staff Clinical	262*	432
Staff Non-Clinical	364	339
Total	6645	6647

*Year on year variation resulted from data validation of staff constituency membership.

Membership Development and Engagement

The Trust recognises the importance of Governors being accessible to Members. Council of Governors meetings are meetings held in public and agendas and meeting papers, together with details of how members can contact Governors, are publicised on the Trust's website. Governor photographs are also prominently displayed in the main hospital.

The Council of Governors is responsible for reviewing, contributing to and supporting the membership recruitment and engagement activities set out in the Trust's Communication Strategy. During 2020, the Council of Governors established a Membership and Engagement Group, chaired by the Lead Governor, with a focus on operationalising and monitoring Governor and membership objectives within the Trust's Communication Strategy. The Group endorsed the introduction of a revised membership application form which enables new members to indicate their areas of interest and preferred level of involvement and will allow the Group to plan targeted engagement activities.

Clearly, opportunities for engagement between Governors and members during 2020/21 were significantly limited by the national pandemic situation and our inability to facilitate

normal face-to-face engagement activities. We maintained contact with members via 'Neuromatters', the Trust's quarterly newsletter, which includes a membership section and articles from Governors. The newsletter is generally available on the Trust's website and via social media to promote membership. The Trust held a virtual Annual Members' Meeting in September 2020 with attendance open to all members and Governors.

To enable Members and prospective Members to contact the Membership Manager there is a dedicated email account membership@thewaltoncentre.nhs.uk

Governors can be contacted by email governors@thewaltoncentre.nhs.uk

NHS Oversight Framework

NHS England and NHS Improvement's NHS Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework is based on five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led).

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

The Trust was in Segment 1 throughout 2020/21 meaning that it had maximum autonomy with no support needs identified. This segmentation information is the Trust's position as at 1 May 2021. Current segmentation information for NHS Trusts and NHS Foundation Trusts is published on the NHS Improvement website.

Statement of the Chief Executive's responsibilities as the Accounting Officer of The Walton Centre NHS Foundation Trust

The NHS Act 2006 states that the Chief Executive is the accounting officer of The Walton Centre NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require The Walton Centre NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The Walton Centre NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

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

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

A handwritten signature in black ink that reads "Jan Ross". The signature is written in a cursive style with a large, stylized 'J' and 'R'.

Jan Ross
Chief Executive
24 June 2021

2.5 Annual Governance Statement 2020/21

Scope of Responsibility

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The Walton Centre NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Walton Centre NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Trust has in place a Risk Management Strategy that has been approved by the Board of Directors and is kept under review. The Risk Management Strategy defines the Trust's approach to, and appetite for, risk and risk management, describes the structures and processes for managing risk and sets objectives against which progress can be measured. A copy of the strategy is available on the Trust intranet and website.

Leadership

The Chief Executive has overall responsibility for ensuring that effective risk management systems are in place within the Trust and for meeting all statutory requirements and adhering to guidance issued by NHS England / NHS Improvement and other regulatory bodies in respect of risk and governance. The Chief Executive has delegated the following responsibilities to Executive Directors:

- The Director of Finance has responsibility for financial governance and associated financial risk
- The Director of Nursing & Governance has delegated authority for quality, risk management and complaints and is Executive lead for health and safety, safeguarding and infection prevention and control
- The Medical Director is responsible for all aspects of clinical risk management and clinical governance
- The Director of Operations & Strategy is responsible for emergency planning
- The Director of Workforce & Innovation is responsible for workforce governance and associated workforce-related risk
- All Executive Directors have responsibility for the management of strategic and operational risks within individual portfolios. These responsibilities include maintenance of risk registers and the promotion of risk management to staff within their areas of responsibility.

The Audit Committee has responsibility for the oversight of risk systems and processes within the Trust. The Trust's other assurance committees; Quality Committee, Business Performance Committee and Research, Innovation & Medical Education (RIME) Committee monitor the Trust's Board Assurance Framework (BAF), which details the 'principal risks' to achievement of the Trust's strategic objectives, and have oversight of progress against actions identified for relevant principal risks. The Board of Directors reviews the BAF on a quarterly basis and receives escalated reporting of changes to principal risks from the assurance committees as required.

Training

It is the policy of the Trust to provide and maintain, so far as is reasonably practicable, all plant, systems of work (including safe use, handling, storage and transport of substances and articles), places of work and working conditions, such that they are safe and with minimal risks to employees, as well as to non-employees, and to provide such information, instruction and training as is necessary for this purpose.

To ensure that the Trust's approach to risk management is successfully implemented and maintained, staff of all levels, are appropriately trained in key elements of risk management. All staff are required to regularly update their knowledge and skills and maintain their personal awareness of their responsibilities for risk management via an on-going mandatory training programme which includes training related to; Health and Safety, Fire Safety, Infection Prevention and Control, Safeguarding Children and Vulnerable Adults, Information

Governance and Equality and Diversity. Relevant training is identified via a training needs analysis that is reflected in the Trust's Induction and Mandatory Training Policy.

All new employees of the Trust are required to attend a corporate induction programme that covers key aspects of risk management. In addition, to ensure a consistent approach to root cause analysis, investigation focussed training sessions are provided to relevant members of staff. Emergency resilience training is also delivered to all senior managers who undertake on-call duties and table top exercises are conducted to test robustness of the Trust's Major Incident Plan.

Compliance with mandatory training is reported to the Board of Directors (in addition to the Business Performance Committee) on a monthly basis and monthly reports informing managers of staff who require update training are sent to all Divisional and Departmental Managers.

The Nursing and Governance Directorate has a number of appropriately qualified and experienced staff to lead, support and advise staff at all levels of the organisation with the identification and management of risk. The Trust is an accredited centre for the Institution of Occupational Safety and Health (IOSH) Managing Safely course for senior staff. This is an internationally recognised certificate of competence.

Training in the use of Datix (the Trust's electronic risk management system) is provided to all staff. There is also an accessible, specialist system lead based centrally with the Risk Management Team. Developing a risk aware and risk sensitive culture continues to be an ongoing aim for the Trust. This is to enable risk management and risk management decisions to occur as near as practicable to the source of the risk and facilitate escalation of those risks that cannot be dealt with at the lower level.

All adverse events are recorded and investigated by the Trust utilising the Datix system. Those of a serious nature are considered and signed off via the Serious Incident Group led by the Medical Director and Director of Nursing and Governance. The outcomes of such incidents inform future training plans, policies and wider learning for the Trust. To further encourage a positive safety culture and to ensure learning, the Trust's internal quarterly governance feedback bulletin includes articles on the learning arising from the analysis of claims, incidents and complaints.

The Risk and Control Framework

A framework for managing risks across the Trust is set out in the Risk Management Strategy and Risk Management Policy. This provides a clear, structured and systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes at all levels of the organisation. The Trust applies a principle whereby risks are identified early and are controlled and/or resolved as close as possible to where the risk originated.

The Board of Directors is committed to ensuring that a robust infrastructure is in place to manage risks from operational level to Board level and that where risks crystallise, demonstrable improvements can be put in place. The Risk Management Strategy outlines the Trust's approach to risk, accountability arrangements and the risk management process including identification, analysis, evaluation and approval of the risk appetite.

The Board of Directors maintains a Board Assurance Framework which identifies the principal risks to achieving the Trust's strategic objectives. Each principal risk is aligned to a Board Assurance Committee (or to the Board of Directors itself) and that Committee provides oversight and scrutiny on the effectiveness of controls and assurances relating to the relevant risks. The complete Board Assurance Framework is reviewed quarterly by the Board of Directors for consideration, challenge and assessment of available assurance.

The Trust's Risk Management Policy describes how risks are identified, recorded and managed via the electronic Datix system and how they are quantified, using a standard 5x5 risk scoring matrix. This allows standardisation of risk assessment across the Trust, utilising a common currency. The policy also requires action plans to be prepared and implemented for those risks where additional control measures are required.

Strategic Risks 2020/21

The principal risks to delivery of the Trust's strategic objectives in 2020/21 were identified by the Board of Directors as follows:

- **COVID-19** - If the COVID-19 pandemic continues for an extended period then the Trust may be unable to deliver its strategic objectives leading to regulatory scrutiny and reputational damage
- **Quality Improvement Plan (closed November 2020)** - Failure to achieve the recurrent QIP financial plans in accordance with the Strategic Plan due to conflicting pressures/challenges without adequate mitigations

- **Operational Performance** - If the Trust does not see and treat patients in a timely manner then it will not meet the NHS constitutional standards leading to poor patient experience, regulatory scrutiny and reputational damage
- **Harm to Staff** – Due to the specialist nature of patients with a higher incidence of violence and aggression, if the Trust does not establish effective processes to prevent harm, then staff and/or patients may experience physical harm which could lead to high turnover, sickness absence, litigation and regulatory scrutiny
- **Quality** - If the Trust does not deliver the benefits identified within the Quality Strategy, then excellent patient and family centred care will not be sustained leading to potential harm, poor patient experience and reputational damage
- **Staffing** – If the Trust does not attract, retain and develop sufficient numbers of qualified staff, both medical and nursing, in shortage specialties, then it may be unable to maintain service standards leading to service disruption and increased costs
- **Estates** - If the Trust does not deliver the priorities within the Estates Strategy then the existing estate may not meet the needs of patients or support operational performance leading to poor patient experience and reputational damage and a building/estate that is not fit for purpose
- **Digital** - If the Trust does not maintain and improve its digital systems through implementation of the Digital Strategy, it may fail to secure digital transformation leading to reputational damage or missed opportunity
- **Cyber Security** - If methods of Cyber Crime continue to evolve then the Trust may receive a cyber-attack leading to service disruption, loss of data and financial penalties
- **Innovation** - If the Trust does not identify innovative methods of delivery then it will not maintain its centre of excellence status leading to unwarranted variation, increased costs and an inability to meet the future needs of patients
- **Partnerships** – Establishment of a Cheshire & Mersey Integrated Care System (ICS) will change the external landscape and how the Trust operates and influences within Cheshire and Merseyside with a potential risk that this could have a negative effect on the Trust.
- **Research and Development** – If the Trust does not maintain and grow the Trust's research and development agenda it may negatively impact upon its centre of excellence status leading to loss of income, reduced profile and inability to recruit/retain the most ambitious clinical staff.
- **Capital Allocation (opened November 2020)** – There is a risk that the allocation of capital will not support the Trust's full capital plan for 2020/21. There is therefore

a risk that the Trust will overspend the capital allocation or defer schemes which may result in maintenance and revenue costs or deterioration of the Estate.

- **Financial Plan (opened November 2020)** – If the Trust does not deliver the financial plan for 2020/21 due to changes in the financial framework and the impact of Covid-19 then it will fail to meet its financial duties and may be unable to deliver its strategic objectives leading to regulatory scrutiny.
- **Medical Education (opened March 2021)** – Ensuring the ongoing quality, capacity and capability of Medical Education for the Trust that is sustainable over the longer term.

The Board of Directors reviewed the principal risks set out in the Board Assurance Framework on 1 April 2021 and agreed that the principal risks at that date would constitute the Trust's principal risks for 2021/22 with the addition of the following risk:

- **Health Care Partnership** – The move to an integrated Health Care Partnership financial system, along with changes to tariffs and population-based specialised commissioning could destabilise the Trust's income base.

Risk Environment 2020/21

The Trust's response to the Covid-19 pandemic, managed in accordance with national guidance, reflected changes made to the NHS financial framework and necessitated the implementation of both command and control arrangements and revised governance arrangements to ensure an ongoing focus on the emergency response. Consequently, there was a requirement for the Trust to operate in a different way to normal 'business as usual' practice. The national guidance was clear in stating that financial constraints must not stand in the way of taking immediate and necessary action but that there was no relaxation in fiduciary duties.

The Trust implemented Gold, Silver and Bronze command arrangements in April 2020 to ensure a robust and comprehensive operational focus with the flexibility for timely decision-making. These arrangements, while adapted to reflect the nature of the pandemic at given times, remained in place throughout the year. At its meeting held on 30 April 2020, the Board of Directors approved the implementation of revised emergency powers to facilitate timely decision-making and action under the Command structure arrangements and formally agreed the approach that had been adopted by Trust across a range of governance arrangements in response to national guidance.

In respect of governance arrangements, the agendas for Board of Directors meetings and Board Committee meetings were streamlined to ensure appropriate operational focus and all meetings were held virtually throughout the year. A number of non-essential meetings were suspended in Quarter 1 2020/21. The business cycles for the Board and Committees were closely monitored to ensure that key business matters were progressed and to mitigate the risk of an accumulation of core business items. A 'consent agenda' approach was implemented in Quarter 4 2020/21 as a means of progressing routine business and further mitigating the risk of accumulation.

The command and control arrangements referenced earlier were also applied at a national and regional level to ensure a coordinated response to the pandemic situation. The situation necessitated a collaborative approach characterised by mutual aid and support to ensure the best possible levels of care for patients in our communities. The Trust participated fully in these arrangements and proactively engaged with our partners in the Cheshire & Merseyside Health and Care Partnership throughout the year. The planning and financial framework in 2020/21 differed significantly from the norm with the suspension of commissioning arrangements, block cancellation of elective and non-elective activity and financial allocations arranged on a regional level.

Quality Governance Arrangements

Quality Governance is provided via the Trust's Quality Committee which monitors the delivery of the Trust's Quality Strategy and compliance with Care Quality Commission standards. The work of the Quality Committee is informed by outputs from a number of management groups including; Quality & Patient Safety Group, Safeguarding Group, Health, Safety & Security Group, Infection Control Committee, Patient Experience Group and Equality, Diversity & Inclusion Group.

In September 2019, the Board of Directors approved a Quality Strategy that set out the Trust's ambitions for the five year period 2019-2024 to ensure that quality continues to exceed patient and family expectations, as well as internal and external targets. Progress against the Quality Strategy is monitored by the Quality Committee.

Quality is a central element of all Board meetings. Either a patient or staff story is used to open each meeting of the Board of Directors, to ensure that the focus on quality of patient care remains at the heart of all Board activity and decision making. In addition, the Board of Directors receives a quarterly governance report that contains details of serious incidents which includes near misses, serious case reviews, claims and coroners' inquests. The

Quality Committee also reviews these matters in more detail on a monthly basis, along with complaints and concerns and learning is disseminated via Divisional risk and governance meetings which consider both clinical and non-clinical issues.

The Trust-wide safety huddle supports the escalation of risk as it has representation from all specialties within the organisation. Meetings are held each weekday morning (daily during the pandemic situation) for approximately 20 minutes to ensure that issues and risks relating to the quality of care can be escalated. The meetings are chaired by the Director of Nursing & Governance or a member of the Senior Nursing Team. During 2020/21 the safety huddles were held virtually in order to comply with social distancing guidelines. This proved to be a positive development as the arrangements facilitated wider access than was the case with face to face meetings and we plan to continue this approach in 2021/22.

The Trust has a Raising Concerns at Work Policy in place, the content of which is consistent with national guidance in this area. Staff are aware of the policy and have direct access to the Freedom to Speak Up Guardian and a number of champions. The Guardian reports concerns and themes to the Board of Directors and also meets regularly with the Senior Independent Director to ensure that any matters that may relate to the Chair or Chief Executive can be addressed if required.

No nationally defined 'Never Events' occurred at the Trust during 2020/21.

Embedding Risk Management

Risk Management is embedded within the organisation in a number of ways. All departments within Divisions maintain up to date risk registers via the Datix System and risk is a key agenda item on all meeting agendas. Where new risks are identified, mitigation is considered and agreed and, where appropriate, an entry is made on the relevant risk register or Board Assurance Framework. Risks are escalated via departmental risk registers to the Corporate and Divisional Risk Registers in line with the Risk Management policy. The Board Assurance Committees regularly review high level risks i.e. those risks with a residual risk score of 12 and above, for their respective areas of responsibility.

Management and operational structures are in place to manage the risks that the Trust faces. All groups working within the governance structure are remitted to identify and, where appropriate, escalate risks emerging from the business transacted. Management groups/committees report through the Board Assurance Committees which in turn report to the Board of Directors.

All schemes identified for the Trust's Cost Improvement Programme are subject to rigorous Quality Impact Assessments (QIA) and Equality Impact Assessments (EIA). These assessments serve to identify any risk of a negative impact on patient safety and quality which may arise from individual schemes and completed assessments are subject to joint approval by the Director of Nursing & Governance and the Medical Director. In addition, Business Cases for proposed service developments must include a full risk assessment and Equality Impact Assessment prior to be considered for approval.

Compliance with NHS Foundation Trust Condition 4 (FT Governance)

The Trust has a governance structure in place to support compliance with NHS Foundation Trust Condition 4(8)(b) (Foundation Trust Governance). The Board of Directors recognises its accountabilities and provides leadership within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board has not identified any significant risks to compliance with provider licence condition FT4. This condition relates to the effectiveness of governance structures, the responsibilities of directors and committees and the reporting lines and accountabilities between the Board, its Committees and the Executive Team. The Board is satisfied with the timeliness and accuracy of information to assess risks to compliance with its NHS Provider Licence and the degree of rigour of oversight it has over performance.

The Board of Directors sets the strategic aims for the organisation and ensures that resources are in place to meet its objectives. It receives reports on the principal strategic risks through a combination of assurance reports and reports from the Board Committees. The Board of Directors has three key roles:

- Formulating strategy for the organisation
- Ensuring accountability by: holding the organisation to account for the delivery of the strategy; by being accountable for ensuring the organisation operates effectively and with openness, transparency and candour and by seeking assurance that systems of control are robust and reliable
- Shaping a healthy culture for the Board of Directors and the organisation.

In 2020/21 the Board of Directors comprised of:

- The Chair and 5 other Non-Executive Directors, including a Senior Independent Director
- The Chief Executive and 4 other voting Executive Directors
- 1 non-voting Executive Director

Details of Board members and changes in Board membership during the year are included in the Accountability Report section of the Annual Report & Accounts.

Board Assurance Committees:

- The Audit Committee is responsible for providing assurance to the Board of Directors on the effectiveness of the Trust's system of internal control by means of independent and objective review of corporate governance and risk management arrangements, including compliance with legislation, regulation and guidance governing the NHS. The Committee also has responsibility to maintain oversight of the Trust's general risk management structures and processes.
- The Business Performance Committee is responsible for providing information and recommendations to the Board of Directors in respect of operational, financial and workforce performance and providing assurance that these areas are managed effectively and safely. The Committee maintains an overview of the strategic business environment in which the Trust operates to identify strategic business risks and opportunities. The Committee considers relevant risks within the Board Assurance Framework together with high level risks from the Corporate Risk Register that relate to the remit of the Committee. It reports any areas of significant concern to the Board of Directors and/or Audit Committee as appropriate.
- The Quality Committee is responsible for providing the Board of Directors with assurance on all aspects of quality in respect of clinical care and regulatory standards of quality and safety. The Committee considers relevant risks within the Board Assurance Framework together with high level risks from the Corporate Risk Register that relate to the remit of the Committee. It reports any areas of significant concern to the Board of Directors and/or Audit Committee as appropriate.
- The Research, Innovation & Medical Education (RIME) Committee is responsible for providing the Board of Directors with assurance that there is a comprehensive and integrated approach to research, innovation and medical education. The Committee considers relevant risks within the Board Assurance Framework together with high level risks from the Corporate Risk Register that relate to the remit of the Committee. It reports any areas of significant concern to the Board of Directors and/or Audit Committee as appropriate.

- The Remuneration Committee has two primary responsibilities; it oversees the recruitment and selection of the Chief Executive and Executive Directors and determines the remuneration, terms of service and other contractual arrangements relating to the Chief Executive and Executive Directors. The Committee is also responsible for succession planning in respect of executive appointments and for any disciplinary matters relating to members of the Executive team.

Each Assurance Committee is chaired by a Non-Executive Director and has terms of reference that set out its functions and responsibilities including matters delegated to the Committee by the Board of Directors. Membership of both the Audit Committee and Remuneration is comprised solely of Non-Executive Directors. The Board and Committees review effectiveness on completion of each meeting and in 2020/21 formal effectiveness reviews commenced for each Committee with the aim of identifying any areas for development and where practice could be strengthened. These effectiveness reviews will be completed on an annual basis.

Directors' responsibilities are set out in their job descriptions which identify reporting lines and accountabilities. The Chair leads the Board of Directors and Council of Governors and ensures that the Board develops vision, strategies and objectives whilst understanding that it understands its own accountability for governing the Trust. The Chair provides visible leadership in developing a healthy culture for the organisation and ensures this is reflected and modelled in the individual Directors' own and the Board's behaviour and decision making.

Non-Executive Directors are responsible for bringing independence, external perspective and constructive challenge to strategy development. They hold the Executive Directors to account for delivery of the Trust's strategy, offer purposeful constructive scrutiny and challenge and chair or participate as members of the Board Committees that support accountability. Non-Executive Directors are held to account individually and collectively by the Council of Governors for the performance of the Board of Directors.

The Chief Executive is responsible for leading the strategy development process and for delivery of the strategy and acts as the Trust's accountable officer in the establishment of effective performance management arrangements. The Chief Executive provides visible leadership in developing a healthy culture for the organisation and ensures that this is reflected in their own and the Executive Directors behaviour and decision making. The Executive Directors take a lead role in developing strategic proposals, leading strategy

implementation in functional areas and managing performance in their areas of responsibility. Executive Directors seek to nurture good leadership at all levels.

The Board of Directors maintains oversight of the Trust's performance by consideration of an Integrated Performance Report (IPR) at each meeting. The IPR, the format of which is aligned with the NHS Oversight Framework, details variation against key performance standards and Executive Directors outline improvement plans and mitigating actions. Two of the Board's Committees, Quality Committee and Business Performance Committee, routinely review relevant aspects of Trust performance in accordance with terms of reference approved by the Board.

The Executive Management Team meets weekly (and at times met on a daily basis during the Covid-19 pandemic) and is accountable for the operational management of the Trust. The primary functions of the Executive Management Team include management of organisational governance, investment and disinvestment, performance delivery, horizon scanning, strategy and policy development, interpretation and implementation, and stakeholder and partner engagement.

The Board of Directors reviews its Scheme of Reservation and Delegation and Standing Financial Instructions on an annual basis and through this and review of the Terms of Reference of its committees, confirms that the Trust discharges its statutory functions. The Trust is satisfied that it has been compliant with these functions during 2020/21.

As required under NHS Foundation Trust Condition 4(8), the Board of Directors assures itself of the validity of its Corporate Governance Statement through the review of supporting evidence and details of the risks and mitigations. The Statement, which was reviewed and approved by the Board of Directors at its meeting on 24 June 2021, evidenced the current arrangements in place to mitigate risks to compliance and concluded that there were no material risks. The Trust is also able to assure itself of the validity of the Annual Governance Statement through referral to reports of assurance committees, reports from internal and external auditors and reviews of the Trust's performance against national and local standards.

Workforce Strategies

The Trust has in place a comprehensive People Strategy 2019-2024 to drive focus and delivery in a number of areas such as workforce planning, retention, equality, diversity and inclusion, health and wellbeing and leadership and succession planning. The People

Strategy is aligned to both the NHS People Plan and the Trust's strategic priorities. Progress against the People Strategy is reported to the Board of Directors via the Business Performance Committee.

Workforce planning is an annual process where we review current establishment and incorporate any known changes. Adhering to the principles of safe staffing, as defined in 'Developing Workforce Safeguards' a combination of evidence-based tools and professional judgement are used to develop the workforce plan. Safe and appropriate rotas are then produced to ensure safe staffing in all areas. The Trust is mindful that changes in workforce models and skill mixes require a robust assessment of risk and quality to provide assurance that these changes within the workforce do not adversely impact on patient care.

The nursing workforce is reviewed on a 6-monthly basis in line with national guidance using various tools and data that is triangulated with nurse sensitive indicators to ensure that staffing is appropriate and safe. A benchmarking exercise is also undertaken to ensure that our patient staffing ratios are in line with those of other trusts. Outcomes of the reviews are presented to the Board of Directors on a bi-annual basis. The nursing establishment planned versus actual results are reviewed by the Director of Nursing and Governance and presented to relevant committees prior to their monthly submission to NHS England and the Trust website. The unify return is cross referenced with Friends and Family data, registered nurse to patient ratio, nurse sensitive indicators and occupancy rates.

Supply figures for Junior Doctors are agreed centrally at Health Education England. The process is locally co-ordinated through the Lead Employer, St Helens and Knowsley Teaching Hospitals NHS Trust. The Board of Directors receives reports providing assurance on arrangements for the Trust's junior doctors on a quarterly basis from the Guardian of Safe Working. Policies and processes are in place to enable any concerns to be raised in relation to safe staffing including access to the Trust's Freedom to Speak Up Guardian if necessary.

CQC Registration

The Trust is fully compliant with the registration requirements of the CQC and during Q2 of 2019/20, was subject to a full inspection. The findings and outcome of that inspection was that the Trust was rated 'Outstanding' overall and achieved good in the Well-Led domain. To see the full report go to the CQC website <https://www.cqc.org.uk/provider/RET>.

Conflicts of Interest

The Trust has published via its website an up to date register of interests, including gifts and hospitality for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

NHS Pension Scheme

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

Equality Diversity and Human Rights

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

Carbon Reduction

The Trust has undertaken risk assessments and is currently working to produce a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust secures the economy, efficiency and effective use of resources through a variety of means including:

- A well-established policy framework including Standing Orders, Standing Financial Instructions and a Scheme of Reservation & Delegation
- Established commissioning and planning processes
- An organisational structure which ensures accountability and challenge
- Effective corporate functions supporting the planning and management of resources
- Detailed monthly financial reporting to Board of Directors.

The Trust invests significant time in improving systems and controls to deliver a more embedded range of monitoring and control processes. In-year use of resources is closely monitored by the Board of Directors and the following Board Committees:

- Audit Committee

- Business Performance Committee
- Quality Committee
- Research, Innovation & Medical Education Committee

Day to day management of resources is monitored through the Executive Management Team meetings. The Executive Team takes the lead in planning, delivering and initiating actions for recovery to bring variances back to plan when needed. Throughout the year the Executive Team has regularly reviewed performance against clinical, performance, workforce and financial indicators and has maintained an oversight of high level operational risks. In addition, the Director of Operations and Strategy holds regular performance review meetings with the Clinical Divisions and escalates any matters of concern at Executive Management Team meetings.

During 2020/21 the Executive Team established an Operational Management Board, chaired by the Director of Operations & Strategy, which provides oversight of the implementation of Trust strategies and objectives and provides assurance to the Executive Team that effective performance management continues to ensure delivery of the Trust's plans and operational targets.

The Trust employs a number of approaches to ensure best value for money (VFM) in delivering its services. Benchmarking is used to provide assurance and to inform and guide service redesign to deliver improvements in the quality of services and patient experience as well as financial performance. Our efforts to ensure value for money and the effective use of resources was supported by focussed use of the Trust's internal audit service and the risk-based Internal Audit Plan for 2020/21. The outputs from this Plan provide the Audit Committee and Board of Directors with independent and objective assurance that the Trust's risk management, governance and internal control processes are operating effectively. Value for money is also supported through the engagement of a dedicated, qualified Local Anti-Fraud Specialist.

Information Governance

The Trust has a nominated Senior Information Risk Officer (SIRO) at executive level, the Director of Finance & IT, who has nominated responsibility for information risk. The Data Protection Officer (DPO) oversees Data Protection compliance throughout the Trust and provides independent advice to the Trust.

The programme of work for Information Governance for 2020/21 was progressed through the Information Governance & Security Forum which reports to the Business Performance Committee. The Trust is yet to submit its final assessment for 2020/21 against the Data Security and Protection Toolkit (DPST) with the deadline for submission extended to June 2021 as a result of the Covid-19 pandemic. However, the Trust expects to meet 100% of the mandatory evidence items in addition to completing and meeting all 42 assertions.

The Trust uses the Datix Incident Report Form to capture data breaches reported by all levels of staff. During 2020/21 a total of 76 breaches were reported. Of these, 3 were classed as externally reportable to the Information Commissioners' Office (ICO). The ICO notified the Trust that all cases were closed with no further action required due to the remedial actions taken by the Trust.

The Trust was externally audited in October 2020 for its full accreditation against ISO27001:20013 in relation to Information Security. The Trust successfully retained its accreditation. An internal audit of the 2019/20 Data Security and Protection Toolkit was undertaken in December 2020 - January 2021 and resulted in an assessment of Substantial Assurance, the tenth year in succession that the Trust has achieved this level of rating. A readiness audit was completed in March 2021 in advance of the full 2020/21 audit scheduled for May 2021.

Data Quality and Governance

The Trust maintains effective processes to identify, investigate and resolve any issues that arise in relation to data quality across all of its systems. This involves regular monitoring, performance and incident reporting and the use of audit. Staff are fully aware of their roles and responsibilities regarding Data Quality and are encouraged and engaged in resolving concerns.

Data quality is monitored through a monthly Data Quality Systems Assurance Group (DQSAG) chaired by the Head of IM&T and includes representatives from key areas. It escalates by exception to the Information Governance and Security Forum (IGSF) which reports to the Business Performance Committee. The group monitors internal Key Performance Indicators on all of the Trust's activities, and develops targeted action plans on key issues and monitors those plans through to completion.

Dedicated Patient Administration Systems (PAS) and Data Quality, Clinical Systems, Information and Finance staff ensure that data and information are monitored and reviewed

regularly. The Data Quality Maturity Index (DQMI) with a score of 94.9% for January 2021 reflects this strong culture.

Assurances for Data Quality

All patient demographic and activity data is coordinated from the Trust's PAS which updates both locally developed and off the shelf clinical systems and a Data Warehouse is used for Information and Business Intelligence analysis. There are data quality checks covering key areas on the patient's journey to ensure that data is accurate, valid and complete and users are trained to adhere to our standards in system use before being granted access. Users are made aware of the importance of Data Quality at mandatory induction.

Referral to Treatment (RTT) validators work closely with service managers to proactively manage our RTT pathways and ensure that pathways are recorded accurately in the Patient Administration System (PAS). Pathways are reviewed by exception at Weekly Assurance Meetings to escalate any issues. In terms of data submissions, the Information Team extracts data from PAS, via a data warehouse, and the data is collated prior to submission in accordance with RTT guidance. Data is then submitted following completion of further checks undertaken by Information and RTT validators.

The Trust's RTT data collection reporting process is subject to review by Internal Audit and no issues relating to accuracy of data were identified in the 2020/21 Mersey Internal Audit Agency review which resulted in an assessment of Substantial Assurance.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on 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, the Business Performance Committee, the Research, Innovation and Medical Education Committee, the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process for maintaining and reviewing the effectiveness of the system of internal control is based on a governance structure with subject specific management groups at its foundations. Management groups, for example the Quality & Patient Safety Group or the Capital Management Group, report assurance, which may be positive or negative, and escalate issues to a Board-level Committee. The Board-level Committees review reports from the management groups, initiate further management action where necessary and report outcomes of each meeting to the Board of Directors by means of a Chair's Report.

The Audit Committee has a specific remit in assessing the effectiveness of internal control systems and considers the outcomes of work undertaken by Internal Audit to test system effectiveness at each meeting. The Committee also reviews assurance reports from management on system effectiveness and actions taken to address audit recommendations. The Audit Committee presents a Chair's Report to the Board following each meeting. The Board of Directors considers matters reported through the Committee Chair's Reports at each meeting and either acknowledges assurances provided or determines where remedial action may be required.

In describing the process that has been applied in maintaining and reviewing the effectiveness of the system of internal control I have detailed below some examples of the work undertaken during 2020/21. My review has been informed by:

- The Board Assurance Framework which provides the Trust with evidence of the effectiveness of the controls that manage the principal risks to the organisation's strategic objectives. The Assurance Framework is subject to regular review by the Board of Directors.
- Internal Audit review of the Board Assurance Framework and the effectiveness of the overall system of internal control as part of the Internal Audit Plan agreed by the Audit Committee.
- A positive Head of Internal Audit Opinion 2020/21 which resulted in an overall assessment of Substantial Assurance
- The Trust continues to be registered with the Care Quality Commission without conditions
- Committees within the Board's Committee structure having a clear timetable of meetings, agreed cycles of business and a clear reporting structure which enables matters to be reported and/or escalated in a timely manner
- Regular review of Integrated Performance Reports by the Board of Directors
- Outcomes from the 2020/21 Clinical Audit programme

- Audit Committee review of compliance with the NHS Foundation Trust Code of Governance
- The annual assurance provided to the Board in meeting the conditions of our Provider Licence
- Statements relating to the Trust accounts and financial position
- The NHS Data Protection and Security Toolkit and
- Outcomes of a self-assessment against the NHS Counter Fraud Authority Standards for Providers.

The Head of Internal Audit Opinion for the period 1 April 2020 to 31 March 2021 provided Substantial Assurance that there is a good system of internal control designed to meet the organisation's objectives and that controls are generally being applied consistently. An assessment of the Board Assurance Framework contributes to the overall opinion and the assessment for 2020/21 concluded that the Board Assurance Framework is structured to meet NHS requirements, is visibly used by the organisation and clearly reflects the risks discussed by the Board. This provides me with assurance that there is an effective system of internal control to manage the principal risks identified by the organisation.

The Trust has a comprehensive risk-based internal audit plan in place and this programme was delivered in full during 2020/21. The outcomes from this programme provide me with further assurance on the effectiveness of internal controls. A total of nine reviews were completed during the reporting period, all of which resulted in assessments of either High Assurance or Substantial Assurance. The relevant review areas were as follows:

High Assurance

- General Ledger
- Accounts Receivable
- Treasury Management
- Budgetary Control

Substantial Assurance

- Accounts Payable
- Fit and Proper Persons
- ITU / HDU Staffing
- Data Quality
- Cyber Security

Progress against any recommendations made following reviews to further strengthen systems and controls is subject to regular monitoring by Internal Audit, the Executive Team and the Audit Committee. No Critical or High Risk recommendations were made in 2020/21. The provision of briefings, learning events and benchmarking reports by our Internal Audit service provider have also supported the Trust in strengthening internal control arrangements.

Conclusion

I confirm that the statements made in this report are correct for the period 1 April 2020 through to 31 March 2021, and up to the date of approval of the Annual Report and Accounts, and that no significant internal control issues have been identified.

A handwritten signature in black ink that reads "Jan Ross". The signature is written in a cursive style with a large, stylized 'J' and 'R'.

Jan Ross

Chief Executive

24 June 2021

Section 3 – Auditor’s Reports

Independent auditor's report to the Council of Governors of The Walton Centre NHS Foundation Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of The Walton Centre NHS Foundation Trust (the ‘Trust’) and its subsidiary (the ‘group’) for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Consolidated Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2021 and of the group’s expenditure and income and the Trust’s expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) (“the Code of Audit Practice”) approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Accounting Officer’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and

the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the group and Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Trust and the group and Trust's disclosures over the going concern period.

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

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

The responsibilities of the Accounting Officer with respect to going concern are described in the 'Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements' section of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2020/21 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

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

As explained more fully in the Statement of the Chief Executive's responsibilities as the Accounting Officer set out on pages 86-87, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the group and Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit Committee, concerning the group and Trust's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit, counter-fraud and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

- We assessed the susceptibility of the group and Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraudulent financial report. We determined that the principal risks were in relation to:
 - large and unusual journals that impacted the comprehensive income and expenditure statement made during the year and after the balance sheet date; and
 - accounting estimates and critical judgements made by management.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus with a focus on manual journals that were unusual and high-risk journals;
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The communications between the audit team, management and Those Charged With Governance in respect of potential non-compliance with relevant laws and regulations, including the potential for management override, fraud in revenue and expenditure recognition, and the significant accounting estimates related to property, plant and equipment valuations.
- Assessment of the appropriateness of the collective competence and capabilities of the group and Trust's engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the health sector and economy in which the group and Trust operates
 - understanding of the legal and regulatory requirements specific to the group and Trust including:
 - the provisions of the applicable legislation
 - NHS Improvement's rules and related guidance
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The group and Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.

- the group and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.

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

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accounting Officer

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

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and

commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for The Walton Centre NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

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

Signature: *JD Roberts*

Jon Roberts, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

Date: 25 June 2021

Independent auditor's report to the Council of Governors of The Walton Centre NHS Foundation Trust

In our auditor's report issued on 25 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had:

- Completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 25 June 2021 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2021 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

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

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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

Responsibilities of the Accounting Officer

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

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of The Walton Centre NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

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

JD Roberts

Jon Roberts, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

7 September 2021

Section 4 – Financial Accounts

The Walton Centre NHS Foundation Trust

Accounts for the period ending 31 March 2021

The following presents the accounts for the Walton Centre NHS Foundation Trust for the period ending 31 March 2021.

The accounts have been prepared in accordance with the requirements as set out in paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 (the 2006 Act) in the form which NHS Improvement, the Independent Regulator of NHS Foundation Trusts has, with the approval of the Treasury, directed.

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

Signed

Jan Ross

Chief Executive

24 June 2021

STATEMENT OF COMPREHENSIVE INCOME

2019/20			2020/21	
Foundation			Foundation	
Trust	Group	Note	Trust	Group
£000	£000		£000	£000
128,094	128,094		130,498	130,498
8,180	8,869	2.1	9,810	10,077
(129,502)	(129,832)	3.1	(136,960)	(137,404)
6,772	7,131		3,348	3,171
158	185	7.1	5	26
(645)	(645)	7.2	(605)	(605)
(1,530)	(1,530)	26	(1,175)	(1,175)
(2,017)	(1,990)		(1,775)	(1,754)
2	2	8	3	3
4,757	5,143		1,576	1,420
4,757	5,143		1,576	1,420
(572)	(572)	9, 21	0	0
0	0	21	403	403
0	(4)	12	0	168
0	0		0	0
4,185	4,567		1,979	1,991
4,757	5,143		1,576	1,420
4,757	5,143		1,576	1,420
4,185	4,567		1,979	1,991
4,185	4,567		1,979	1,991

Reconciliation from financial statements to the Trust trading position

Foundation Trust £000		Foundation Trust £000
4,757	Surplus/(deficit) from continuing operations	1,576
	Normalising adjustments:	
200	Capital donations I&E impact	(68)
<u>(106)</u>	Prior year PSF post accounts reallocation	<u>0</u>
4,851	Adjusted financial performance surplus/(deficit) for the period	1,508
<u>3,469</u>	Adjusted financial performance excluding PSF, FRF and MRET	<u>1,508</u>

The Notes on pages 129 to 160 form part of these accounts:

STATEMENT OF FINANCIAL POSITION

31-Mar-20				31-Mar-21	
Foundation				Foundation	
Trust	Group			Trust	Group
£000	£000			£000	£000
49	49	Non-current assets	Note	869	869
82,590	82,590	Intangible assets	10	86,164	86,164
0	967	Property, plant and equipment	11.3	0	1,162
341	341	Other investments/financial assets	12	420	420
82,980	83,947	Receivables	14.1	87,453	88,615
		Total non-current assets			
		Current assets			
1,232	1,232	Inventories	13.1	1,157	1,157
8,946	8,922	Receivables	14.1	7,102	7,182
26,673	27,624	Cash and cash equivalents	15	35,689	36,369
36,851	37,778	Total current assets		43,948	44,708
119,831	121,725	Total Assets		131,401	133,323
		Current liabilities			
(17,340)	(17,385)	Trade and other payables	16	(25,098)	(25,159)
(1,633)	(1,633)	Borrowings	17.1	(1,612)	(1,612)
(243)	(243)	Provisions	18.1	(245)	(245)
(562)	(562)	Other liabilities	19	(814)	(814)
(19,778)	(19,823)	Total current liabilities		(27,769)	(27,830)
100,053	101,902	Total assets less current liabilities		103,632	105,493
		Non-current liabilities			
(25,146)	(25,146)	Borrowings	17.1	(23,708)	(23,708)
(622)	(622)	Provisions	18.1	(701)	(701)
(25,768)	(25,768)	Total non-current liabilities		(24,409)	(24,409)
74,285	76,134	Total assets employed		79,223	81,084
		Financed by			
		Taxpayers' equity			
27,554	27,554	Public Dividend Capital	26	30,513	30,513
2,544	2,544	Revaluation reserve	21	2,947	2,947
44,187	44,187	Income and expenditure reserve		45,763	45,763
		Others' equity			
0	1,849	Charitable fund reserves	28	0	1,861
74,285	76,134	Total taxpayers' and others' equity		79,223	81,084

The financial statements and notes on pages 124 to 160 were approved by the Board on 24 June 2021 and signed on its behalf by:



Jan Ross

Chief Executive

24 June 2021

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

	Group					Foundation Trust			
	Total Group equity	Charitable fund reserves	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total Taxpayers equity	Public dividend capital	Revaluation reserve	Income and expenditure reserve
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	76,134	1,849	27,554	2,544	44,187	74,285	27,554	2,544	44,187
Surplus/(deficit) for the year	1,420	85	0	0	1,335	1,576	0	0	1,576
Revaluations	403	0	0	403	0	403	0	403	0
Fair value gains/(losses) on equity instruments designated at fair value through OCI	168	168	0	0	0	0	0	0	0
Public dividend capital received	2,959	0	2,959	0	0	2,959	2,959	0	0
Other reserve movements	0	(241)	0	0	241	0	0	0	0
Taxpayers' and others' equity at 31 March 2021	81,084	1,861	30,513	2,947	45,763	79,223	30,513	2,947	45,763

Consolidated Statement of Changes in Equity for the year ended 31 March 2020

	Group					Foundation Trust			
	Total Group equity	Charitable fund reserves	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total	Public dividend capital	Revaluation reserve	Income and expenditure reserve
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	70,688	1,467	26,675	3,116	39,430	69,221	26,675	3,116	39,430
Surplus/(deficit) for the year	5,143	478	0	0	4,665	4,757	0	0	4,757
Impairments	(572)	0	0	(572)	0	(572)	0	(572)	0
Fair value gains/(losses) on equity instruments designated at fair value through OCI	(4)	(4)	0	0	0	0	0	0	0
Public dividend capital received	879	0	879	0	0	879	879	0	0
Other reserve movements	0	(92)	0	0	92	0	0	0	0
Taxpayers' and others' equity at 31 March 2020	76,134	1,849	27,554	2,544	44,187	74,285	27,554	2,544	44,187

STATEMENT OF CASH FLOWS

2019/20		2020/21		
Foundation Trust £000	Group £000	Note	Foundation Trust £000	Group £000
6,772	7,131			
			3,348	3,171
4,802	4,802		4,860	4,860
(29)	0		(306)	(127)
3,167	3,166		1,720	1,691
(248)	(248)		76	76
(3,313)	(3,313)		8,008	8,008
21	21		252	252
282	282		83	83
0	9		0	(60)
1	1		(1)	(1)
11,455	11,851		18,040	17,953
158	158		5	5
(31)	(31)		(835)	(835)
(3,914)	(3,914)		(8,175)	(8,175)
2	2		3	3
29	0		179	0
0	40		0	(5)
(3,756)	(3,745)		(8,823)	(9,007)
879	879		2,959	2,959
(1,396)	(1,396)		(1,396)	(1,396)
(50)	(50)		(52)	(52)
(641)	(641)		(610)	(610)
(9)	(9)		(8)	(8)
(1,522)	(1,522)		(1,094)	(1,094)
(2,739)	(2,739)		(201)	(201)
4,960	5,367		9,016	8,745
21,713	22,258	15	26,673	27,624
26,673	27,624	15	35,689	36,369

Accounting Policies

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DHSC GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2020/21, issued by the Department of Health and Social Care. The accounting policies contained in the DHSC GAM follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going concern

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

The main factors in reaching this conclusion are:

- Trust is in excellent financial health and has a track record of delivering surpluses in line with NHSE/I requirements;
- The Trust has a robust governance structure which includes a Business Performance Committee, a sub-committee of the Board, which has responsibility to monitor financial performance and oversee the necessary corrective action on behalf of and in conjunction with the Board of Directors;
- NHS England/Improvement (NHSE/I) have stated that the government has issued a mandate to NHSE/I for the continued provision of services in 2020/21 and commissioner allocations have been set for the 1st 6 months of 2020/21. While these may be subject to minor changes as a result of changes to the national financial framework following Covid-19, providers can therefore continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned;
- While mechanisms for contracting and payment are not definitively in place, it is clear that NHS services will continue to be funded, and government funding is in place for this;
- Projected cash balances are sufficient to sustain the capital investment programme and meet short term operating costs. The Trust has sufficient cash headroom to support its plans;
- The Trust has sufficient cash reserves to be able to operate for over 100 days if all income flows were to immediately cease;
- There is no expectation for short term loans or overdraft facilities;
- Auditors' opinions have provided assurance as to the accuracy and reliability of the Trust's financial systems and the robustness of the internal controls;
- The Trust does not have evidence indicating that the going concern basis is not appropriate or that there is any prospect of intervention or dissolution within 12 months from the date of approval of these financial statements. In terms of the sustainable provision of services, there has been no indication from the Department of Health and Social Care that the Trust will not continue to be a going concern.

Consideration of risks to the financial sustainability of the organisation is a separate matter to the application of the going concern concept. Determining the financial sustainability of the organisation requires an assessment of its anticipated resources in the medium term. Any identified significant risk to financial sustainability is likely to form part of the risk disclosures included in the wider performance report, but is distinct from the going concern assessment.

1.2 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.

1.3 Consolidation

The Walton Centre Charity

The Trust is the corporate trustee to The Walton Centre Charity (the Charity). The Trust has assessed its relationship to the Charity and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the Charity and has the ability to affect those returns and other benefits through its power over the Charity.

The Charity's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the Charity's assets, liabilities and transactions to:

- Recognise and measure them in accordance with the Trust's accounting policies; and
- Eliminate intra-group transactions, balances, gains and losses.

1.4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions 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. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.4.1 Critical judgements in applying accounting policies

In the process of applying the Trust's accounting policies, management has not been required to make any judgements, apart from those involving estimations, which has had a significant effect on the amounts recognised in the financial statements.

1.4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation and impairment of non-financial assets – the Trust assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The key area of uncertainty relates to the Trust's valuation of its land and buildings. Further details are provided in Note 9. The land and buildings were valued by Gerald Eve LLP as at 31 March 2021.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be

deployed as necessary and the emergence of significant further outbreaks are possible until the vaccines are fully deployed.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

1.5 Operating Segments

The Trust operates as a single operating segment. The board of directors, led by the Chief Executive is the chief operating decision maker within the Trust. The Trust is the UK's only specialist neurological centre and sees patients with neurological associated conditions referred from all over the country. It is anticipated that contracts for services will be negotiated with commissioners and monitored on the basis of point of delivery, inpatients, outpatients etc. As an NHS Foundation Trust, all services are subject to the same regulatory environment and standards.

1.6 Revenue

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Healthcare Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the trust's contracts with NHS commissioners included those where the trust's entitlement to income varied according to services delivered. Revenue in respect of services provided was recognised when (or as) performance obligations were satisfied by transferring promised services to the customer, and was measured at the amount of the transaction price allocated to that performance obligation. At the year end, the Trust accrued income relating to activity delivered in that year. For Welsh and Isle of Man patients where a care spell was incomplete at the year end, revenue relating to the partially complete spell was accrued in the same manner as other revenue.

In 2019/20, The PSF Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

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

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty / risk share agreement based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The main source of revenue for the Trust is from NHS England (via the North West Specialised Commissioning Hub) for specialist treatment, Liverpool Clinical Commissioning Group for non-specialist services (as contract lead for the majority of non-specialist CCG activity), Welsh Assembly for patients from Wales and from the Isle of Man, which are government funded commissioners of NHS health and patient care.

Revenue from Research Contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

1.7 Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that the employees are permitted to carry forward leave into the following period where it is deemed to be material.

Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme (the Scheme). 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, in England and Wales. It is not possible for the Trust to identify its share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as a defined contribution scheme. The cost to the Trust of participating in the Scheme is equal to the contributions payable to the Scheme for the accounting period.

Employer's pension cost contributions are charged to the Statement of Comprehensive Income as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the Scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment. The Scheme is subject to a full actuarial valuation every four years and an accounting valuation every year.

1.8 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.

1.8.1 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.9 Property, Plant and Equipment

Capitalisation

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- It is expected to be used for more than one financial year; and
- The cost of the item can be measured reliably.

The asset must:

- Individually have a cost of at least £5,000; or
- Collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Valuation

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

Land and buildings used for the Trust's services or for administrative purposes are measured subsequently at current value in existing use. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the Statement of Financial Position date. Current values in existing use are based on modern equivalent assets basis for existing use on an alternative site valuation. The freehold property known as The Walton Centre NHS Foundation Trust estate was valued as at 31 March 2021 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards (2020) the national standards and guidance set out in the UK supplement (November 2018), the International Valuation Standards, and

IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). The valuation of specialised properties were derived using the Depreciated Replacement Cost (DRC) method.

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 IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and 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. Freehold land is considered to have an infinite life and is not depreciated. Assets in the course of construction are not depreciated until the assets are brought into use. The estimated useful lives and residual values are reviewed each year-end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives or, where shorter, the lease term, unless the Trust expects to acquire the asset at the end of the lease term, in which case the asset is depreciated in the same manner as for owned assets. Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification.

Revaluation gains and losses

Revaluation gains are taken to the revaluation reserve except where, and to the extent that, they reverse a revaluation decrease for the same asset previously recognised in the Statement of Comprehensive Income, in which case it is credited to the Statement of Comprehensive Income. A revaluation loss that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, is charged to the Statement of Comprehensive Income.

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

Impairments

At each Statement of Financial Position date, the Trust reviews its tangible and intangible non-current assets to determine whether there is an indication that any have suffered impairment due to a loss of economic benefits or service potential. If there is an indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

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

An impairment that arises from a clear consumption of economic benefits or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenses to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised. Other impairments must be taken to the revaluation reserve to the extent that the impairment does not exceed the amount in the revaluation reserve for the asset in question, and thereafter to income and expenditure. Reversals of 'other impairments' are treated as revaluation gains.

Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at current value in existing use if they will be held for their service potential, or otherwise at their fair value on receipt. The donation/grant is credited to the Statement of Comprehensive 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.

1.10 Intangible Assets

Recognition

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

Expenditure on research activities is recognised as an expense in the period in which it is incurred and is not capitalised. Intangible assets are capitalised when they have a cost of at least £5,000.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- The project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- The Trust intends to complete the intangible asset and sell or use it;
- The Trust has the ability to sell or use the intangible 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 technical, financial and other resources are available to the Trust to complete the development and sell or use the asset;
- The Trust can measure reliably the expenditure attributable to the intangible asset during its development.

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

Measurement

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

Subsequently, intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of amortised replacement cost (modern equivalent asset basis) and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5. Internally-developed software is held at historic cost to reflect the opposite effects of development costs and technological advances.

Intangible assets not yet available for use are tested for impairment annually.

Amortisation

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

1.11 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the commencement of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Comprehensive [Income / Net Expenditure].

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

The Trust as lessor

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

Income from operating leases is recognised on a straight-line or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in, first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.13 Cash and Cash Equivalents

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

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

1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount as a result of a past event; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Early retirement provisions are discounted using HM Treasury's pension discount rate of negative 0.95% (2019-20: negative 0.50%) in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. The contribution is charged to the Statement of Comprehensive Income. Although NHS Resolution is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed in Note 18 but is not recognised in the Trust's accounts. The excess on these claims payable by the Trust is included in the accounts and disclosed in Note 18 as 'other legal claims.'

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to the Statement of Comprehensive Income when the liability arises.

1.15 Contingencies

Contingent liabilities are not recognised, but are disclosed in Note 20, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Trust's control; or
- Present obligations arising from past events but for which it is not probable that transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.16 Financial Instruments and Financial Liabilities

Recognition and de-recognition

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

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation has been discharged, cancelled or expires.

Classification and measurement

IFRS 9 requires the Trust to classify financial assets and financial liabilities in accordance with how they are subsequently measured. Financial assets must be classified as subsequently measured at:

- 'Amortised cost';
- 'Fair value through other comprehensive income'; or
- 'Fair value through profit and loss'.

The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

Simple debt instruments such as trade receivables and loans, where these are held in order to collect the amount owing and any interest charge, will be classified as subsequently measured at amortised cost. As such, 'amortised cost' is the only category relevant to the Trust.

The Charity investments are measured at fair value.

Financial assets and financial liabilities are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets and financial liabilities not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial liabilities are classified as subsequently measured at:

- 'Amortised cost'; or
- 'Fair value through profit or loss.'

All of the Trust's financial liabilities are categorised as subsequently measured at 'amortised cost.'

Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments. They are included in current assets.

The Trust's financial assets at amortised cost comprise:

- Current investments;
- Cash and cash equivalents;
- NHS receivables;
- Accrued income; and

- Other receivables.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are recognised in the Statement of Financial Position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received.

After initial recognition, these financial liabilities are measured 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 to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

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.

Impairment of financial assets

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

1.17 Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of the establishment of the predecessor NHS Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

An annual charge, reflecting the forecast cost of capital utilised by the Trust, is paid over as PDC dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for:

- Donated assets (including lottery funded assets);
- Average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short-term working capital facility);
- Approved expenditure on COVID-19 capital assets; and
- Any PDC dividend balance receivable or payable.

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts

1.18 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 26 to the accounts.

1.19 Losses and Special Payments

Losses and Special Payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and Special Payments are charged to the relevant functional headings in the Statement of Comprehensive Income on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

Note 28 on Losses and Special Payments is compiled directly from the losses and compensations register which is prepared on a cash basis.

1.20 Accounting standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following Standards and Interpretations to be applied in 2020/21. These standards are still subject to HM Treasury FReM adoption.

IFRS 16 Leases – The Standard is effective 1 April 2022 as adapted and interpreted by the FReM.

- IFRS 17 Insurance Contracts – application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 2.1 OPERATING INCOME (by source)

2019/20			2020/21	
Foundation Trust	Group		Foundation Trust	Group
£000	£000		£000	£000
		Income from patient care activities		
89,774	89,774	NHS England	90,518	90,518
16,308	16,308	Clinical commissioning groups	19,563	19,563
190	190	NHS Foundation Trusts	267	267
44	44	NHS Trusts	0	0
19,210	19,210	NHS other (including Public Health England)	18,650	18,650
142	142	Non NHS: private patients	64	64
44	44	Non-NHS: overseas patients (chargeable to patient)	67	67
372	372	Injury cost recovery scheme	175	175
2,010	2,010	Non-NHS: other	1,194	1,194
128,094	128,094	Total income from patient care activities	130,498	130,498
		Other operating income from contracts with customers		
1,119	1,119	Research and development (IFRS 15)	837	837
2,654	2,654	Education and training (excluding notional apprenticeship levy income)	2,654	2,654
1,488	1,488	Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding (PSF/FRF/MRET)	0	0
0	0	Reimbursement and top up funding	1,812	1,812
1,189	1,189	Income in respect of employee benefits accounted on a gross basis	1,272	1,272
810	810	Other (recognised in accordance with IFRS 15)	427	427
		Other non-contract operating income		
64	64	Education and training (notional apprenticeship levy income)	75	75
29	0	Receipt of capital grants and donations	306	127
63	0	Charitable and other contributions to expenditure	1,721	1,659
764	764	Rental revenue from operating leases	706	706
0	781	Charitable incoming resources (excluding investment income)	0	508
8,180	8,869	Total other operating income	9,810	10,077
136,274	136,963	TOTAL OPERATING INCOME	140,308	140,575
		Of which:		
136,274	136,963	Related to continuing operations	140,308	140,575

All income from activities and the income in respect of education and training arise from the provision of mandatory services set out in the NHS Improvement terms of authorisation.

NHS other includes income for patients from Wales, Scotland and Northern Ireland. Non-NHS other includes income for patients from the Isle of Man and Overseas.

Note 2.2 Operating income from patient care activities (by nature)

2019/20 £000	Foundation Trust and Group	2020/21 £000
	Acute services	
106,961	Block contract / system envelope income*	109,981
14,980	High cost drugs income from commissioners (excluding pass-through costs)	15,179
2,288	Other NHS clinical income	1,601
	Community services	
599	Block contract / system envelope income*	616
	All trusts	
142	Private patient income	64
2,752	Additional pension contribution central funding**	2,882
372	Other clinical income	175
128,094	Total income from activities	130,498
	Of which:	
128,094	Related to continuing operations	130,498

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 2.3 Analysis of Other Operating Income: Other

2019/20			2020/21	
Foundation Trust £000	Group £000		Foundation Trust £000	Group £000
91	91	Car parking	5	5
22	22	Catering	9	9
157	157	Clinical excellence awards	67	67
540	540	Other	346	346
810	810	Total	427	427

Note 2.4 Operating lease income

2019/20 £000	Foundation Trust and Group	2020/21 £000
	Operating Lease Income	
764	Lease receipts recognised as income in the period	706
<u>764</u>	TOTAL	<u>706</u>
	Future minimum lease receipts due	
391	- not later than one year;	403
1,289	- later than one year and not later than five years;	1,311
<u>16,766</u>	- later than five years.	<u>16,937</u>
18,446	TOTAL	18,651

The operating lease income relates to the lease of land to The Clatterbridge Cancer Centre NHS FT to build a radiotherapy and stereotactic surgery centre, the lease of the coffee shops to ISS, and the lease of part of the Sid Watkins building to Mersey Care NHS FT for their brain injury rehabilitation unit. The Trust did not receive any income in Q1 for the lease of the coffee shops as a result of the COVID-19 pandemic.

Note 3.1 OPERATING EXPENSES (by type)

2019/20			2020/21	
Foundation Trust	Group		Foundation Trust	Group
£000	£000		£000	£000
72,825	72,989	Staff and executive directors costs	79,380	79,548
901	901	Employee expenses - research & development	896	896
264	264	Employee expenses - education & training	306	306
122	122	Remuneration of non-executive directors	116	116
17,745	17,745	Supplies and services - clinical (excluding drugs costs)	16,368	16,368
3,722	3,722	Supplies and services - general	3,896	3,896
16,278	16,278	Drug costs	16,167	16,167
72	72	Consultancy costs	130	130
1,027	1,027	Establishment	907	907
5,320	5,320	Premises	6,304	6,304
366	366	Transport (including patient travel)	107	107
4,786	4,786	Depreciation on property, plant and equipment	4,845	4,845
16	16	Amortisation on intangible assets	15	15
99	99	Movement in credit loss allowance: contract receivables/contract assets	7	7
39	39	Change in provisions discount rate(s)	32	32
62	63	Audit fees payable to the external auditor		
66	66	audit services- statutory audit*	89	90
3,607	3,607	Internal audit costs	69	69
76	76	Clinical negligence	5,032	5,032
33	33	Legal fees	185	185
396	396	Insurance	41	41
428	428	Research and development	147	147
104	104	Education and training	426	426
440	440	Rentals under operating leases	104	104
3	3	Car parking & security	575	575
38	38	Hospitality	0	0
330	330	Losses, ex gratia & special payments	16	16
0	165	Other services, eg external payroll	326	326
337	337	Other NHS charitable fund resources expended	0	275
		Other	474	474
129,502	129,832	TOTAL OPERATING EXPENSES	136,960	137,404
		Of which:		
129,502	129,832	Related to continuing operations	136,960	137,404

The external auditors' liability is limited to £2,000,000. Audit fees are shown inclusive of VAT.

* Audit fees payable to the external auditor audit services – statutory audit includes £3k additional fees for 19/20 and a reduction of £7k for the Quality report work cancelled due to the COVID-19 pandemic.

Note 3.2 EMPLOYEE BENEFITS

2019/20			2020/21	
Foundation Trust	Group		Foundation Trust	Group
£000	£000		£000	£000
55,914	55,914	Salaries and wages	61,354	61,354
5,385	5,385	Social security costs	5,651	5,651
258	258	Apprenticeship levy	270	270
9,042	9,042	Employer's contributions to NHS pensions	9,473	9,473
48	48	Pension cost - other	53	53
57	57	Termination benefits	23	23
4,182	4,182	Temporary staff (including agency)	4,088	4,088
0	164	NHS charitable funds staff	0	168
74,886	75,050	Total staff costs	80,912	81,080
		Of which		
(896)	(896)	Costs capitalised as part of assets	(330)	(330)
73,990	74,154		80,582	80,750

Note 4 Retirement Benefits

Foundation Trust and Group

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Note 5 Retirements due to Ill-health

Foundation Trust and Group

During the period 1 April 2020 to 31 March 2021 there were no early retirements due to ill health.

Note 6.1 Operating leases

2019/20 £000	Foundation Trust and Group	2020/21 £000
104	Minimum lease payments	104
<u>104</u>	TOTAL	<u>104</u>

Note 6.2 Arrangements containing an operating lease

2019/20 £000	Foundation Trust and Group	2020/21 £000
104	Future minimum lease payments due: - not later than one year;	104
<u>104</u>	TOTAL	<u>104</u>

Note 7.1 Finance income

Foundation Trust 2019/20 £000	Group 2019/20 £000		Foundation Trust 2020/21 £000	Group 2020/21 £000
0	27	NHS charitable fund investment income	0	21
158	158	Bank interest	5	5
<u>158</u>	<u>185</u>	TOTAL	<u>5</u>	<u>26</u>

Note 7.2 Finance Expenditure

Foundation Trust 2019/20 £000	Group 2019/20 £000		Foundation Trust 2020/21 £000	Group 2020/21 £000
		Interest expense		
635	635	Interest on capital loans from the Department of Health and Social Care	599	599
9	9	Interest on finance lease obligations	8	8
644	644	Total interest expense	607	607
1	1	Unwinding of discount on provisions	(2)	(2)
645	645	TOTAL	605	605

Note 8 Gains/(Losses) on disposal

2019/20 £000	Foundation Trust and Group	2020/21 £000
2	Gain on disposal of property, plant and equipment	3
2	Total gains / (losses) on disposal of assets	3

Note 9 Impairment of assets

2019/20 £000	Foundation Trust and Group	2020/21 £000
	Net impairments charged to operating surplus / deficit resulting from:	
572	Impairments charged to the revaluation reserve	0
572	Total revaluation/net impairments	0

During 2020/21 following a review of the Trust's assets, including a revaluation of land and buildings by the Trust's valuers, a net revaluation of £403,000 was identified:

- £971,000: related to a gain of the Sid Watkins land and building charged against the revaluation reserve; and
- £568,000: related to an impairment of the main site land and building transferred to the revaluation reserve.

In 2019/20, £572,000 net impairment was identified: £1,000,000 related to a net impairment of the Sid Watkins land and building charged against the revaluation reserve; £428,000 related to a net gain of land and buildings charged against the revaluation reserve. There have been no impairments identified on other assets in the Trust (2019/20: none).

Note 10 Intangible assets

Foundation Trust and Group	Software licences (purchased)	
	2019/20	2020/21
	£000	£000
Valuation/Gross cost at 1 April	582	613
Additions - purchased	31	835
Gross cost at 31 March	613	1,448
Amortisation at 1 April	548	564
Provided during the year	16	15
Accumulated amortisation at 31 March	564	579
Net Book Value at 31 March	49	869

Software assets are carried at historic cost and amortised on a straight-line basis over a period of five years. Software assets in use at the Trust have economic lives of between three and five years.

Note 11.1 Property, Plant and Equipment - 2020/21

Foundation Trust and Group	Total £000	Land £000	Buildings Excluding Dwellings £000	Assets Under Construction £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000
Valuation/gross cost at 1 April 2020	106,448	1,380	64,214	145	32,489	7,481	739
Additions - purchased	7,710	0	1,874	0	4,944	892	0
Additions - assets purchased from cash donations/grants	179	0	0	0	179	0	0
Additions - equipment donated from DHSC for COVID response (non-cash)	127	0	0	0	127	0	0
Revaluations	(1,115)	0	(1,115)	0	0	0	0
Reclassifications	0	0	145	(145)	0	0	0
Disposals/derecognition	(381)	0	0	0	(381)	0	0
Valuation/Gross cost at 31 March 2021	112,968	1,380	65,118	0	37,358	8,373	739
Accumulated depreciation at 1 April 2020	23,858	0	0	0	18,421	5,024	413
Provided during the year	4,845	0	1,518	0	2,503	786	38
Revaluations	(1,518)	0	(1,518)	0	0	0	0
Disposals/derecognition	(381)	0	0	0	(381)	0	0
Accumulated depreciation at 31 March 2021	26,804	0	0	0	20,543	5,810	451

Note 11.2 Property, Plant and Equipment - 2019/20

Foundation Trust and Group	Total £000	Land £000	Buildings excluding dwellings £000	Assets Under Construction £000	Plant & Equipment £000	Information Technology £000	Furniture & fittings £000
Valuation/Gross cost at 1 April 2019	102,747	1,570	64,503	167	29,565	6,203	739
Additions - purchased	5,835	0	301	1,224	3,032	1,278	0
Additions - donated	29	0	14	0	15	0	0
Impairments	(2,040)	(190)	(1,850)	0	0	0	0
Reclassifications	0	0	1,246	(1,246)	0	0	0
Disposals	(123)	0	0	0	(123)	0	0
Valuation/Gross cost at 31 March 2020	106,448	1,380	64,214	145	32,489	7,481	739
Accumulated depreciation at 1 April 2019	20,663	0	0	0	16,247	4,044	372
Provided during the year	4,786	0	1,468	0	2,297	980	41
Impairments	(1,468)	0	(1,468)	0	0	0	0
Disposals	(123)	0	0	0	(123)	0	0
Accumulated depreciation at 31 March 2020	23,858	0	0	0	18,421	5,024	413

Foundation Trust and Group	Total	Land	Buildings	Assets	Plant &	Information	Furniture
Net book value 31 March 2021	£000	£000	excluding	Under	Equipment	Technology	&
			dwellings	Construction			Fittings
			£000	£000	£000	£000	£000
Owned	84,395	1,380	65,076	0	15,185	2,487	267
Finance lease	104	0	0	0	27	77	0
Owned - donated	1,538	0	42	0	1,475	0	21
Owned - equipment donated from DHSC and NHSE for COVID response	127	0	0	0	127	0	0
Total net book value at 31 March 2021	86,164	1,380	65,118	0	16,814	2,564	288
Net book value 31 March 2020	£000	£000	£000	£000	£000	£000	£000
Owned	80,772	1,380	64,157	145	12,442	2,346	302
Finance lease	157	0	0	0	45	112	0
Owned - donated	1,661	0	57	0	1,580	0	24
Total net book value at 31 March 2020	82,590	1,380	64,214	145	14,067	2,458	326

The Trust's land and buildings comprise the hospital site on Lower Lane, Fazakerley, Liverpool. The main hospital building was built in 1998 and the Sid Watkins Building was completed in December 2014. The site was revalued as at 31 March 2020 by Gerald Eve LLP as disclosed in Note 1.

Note 11.4 Economic life of property, plant and equipment

Foundation Trust and Group	Min Life	Max Life
	Years	Years
Buildings excluding dwellings	40	52
Plant & machinery	5	15
Information technology	4	10
Furniture & fittings	5	25

Note 12 Other investments

31-Mar-20 £000	Foundation Trust and Group	31-Mar-21 £000
971	Carrying value of investments at 1 April	967
0	Acquisitions in year	27
(4)	Movement in fair value through OCI	168
967	Carrying value of investments at 31 March	1,162

Investments held relate to The Walton Centre Charity

Note 13.1 Inventories

31-Mar-20 £000	Foundation Trust and Group	31-Mar-21 £000
1,232	Consumables	1,157
1,232	TOTAL Inventories	1,157

Note 13.2 Inventories Recognised in Expenses

31-Mar-20 £000	Foundation Trust and Group	31-Mar-21 £000
9,663	Inventories recognised in expenses	7,642
9,663	TOTAL Inventories recognised in expenses	7,642

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £1,633k of items purchased by DHSC and £6,009k of items purchased by other providers.

Note 14.1 Trade receivables and other receivables

31-Mar-20			31-Mar-21	
Foundation Trust £000	Group £000		Foundation Trust £000	Group £000
7,986	7,986	Current		
		Contract receivables	6,063	6,063
(426)	(426)	Allowance for impaired contract receivables / assets	(347)	(347)
573	573	Prepayments (non-PFI)	958	958
44	44	PDC dividend receivable	0	0
330	330	VAT receivable	49	49
439	410	Other receivables	379	379
0	5	NHS charitable funds receivables	0	80
8,946	8,922	Total current receivables	7,102	7,182
		Non-current		
341	341	Other receivables	420	420
341	341	Total non-current receivables	420	420
		Of which receivable from NHS and DHSC group bodies:		
		Of which are receivables from NHS and DHSC group bodies	3,470	3,470
6,767	6,767	Non-current	420	420
341	341			

Note 14.2 Allowances for credit losses - 2020/21

Foundation Trust and Group	Contract receivables and contract assets
	£000
Allowances as at 1 Apr 2020 - brought forward	426
New allowances arising	0
Reversals of allowances	8
Utilisation of allowances (write offs)	(87)
Allowances as at 31 Mar 2021	347

Note 14.3 Allowances for credit losses - 2019/20

Foundation Trust and Group	Contract receivables and contract assets
	£000
Allowances as at 1 Apr 2019 - brought forward	367
New allowances arising	116
Reversals of allowances	(17)
Utilisation of allowances (write offs)	(40)
Allowances as at 31 Mar 2020	426

Note 15 Cash and cash equivalents

31-Mar-20			31-Mar-21	
Foundation			Foundation	
Trust	Group		Trust	Group
£000	£000		£000	£000
21,713	22,258	At 1 April	26,673	27,624
4,960	5,366	Net change in year	9,016	8,745
26,673	27,624	At 31 March	35,689	36,369
		Comprising:		
16	967	Cash at commercial banks and in hand	200	880
26,657	26,657	Cash with the Government Banking Service	35,489	35,489
26,673	27,624	Cash and cash equivalents as in SoFP	35,689	36,369
26,673	27,624	Cash and cash equivalents as in SoCF	35,689	36,369

Note 16 Trade and other payables

31-Mar-20			31-Mar-21	
Foundation Trust	Group		Foundation Trust	Group
£000	£000		£000	£000
		Current		
2,696	2,696	Trade payables	2,293	2,293
2,834	2,834	Capital payables (including capital accruals)	2,548	2,548
8,679	8,679	Accruals (revenue costs only)	11,677	11,677
750	750	Social security costs	814	814
664	664	Other taxes payable	856	856
0	0	PDC dividend payable	37	37
1,717	1,717	Other payables	6,873	6,873
0	45	NHS charitable funds: trade and other payables	0	61
17,340	17,385	TOTAL CURRENT TRADE AND OTHER PAYABLES	25,098	25,159
		Of which payable to NHS and DHSC group bodies		
3,151	3,151		6,454	6,454

Note 17.1 Borrowings

31-Mar-20	Foundation Trust and Group	31-Mar-21
£000		£000
	Current	
1,581	Capital loans from the Department of Health	1,569
52	Obligations under finance leases	43
1,633	TOTAL CURRENT BORROWINGS	1,612
	Non-current	
25,031	Capital loans from the Department of Health and Social Care	23,636
115	Obligations under finance leases	72
25,146	TOTAL OTHER NON CURRENT LIABILITIES	23,708

Note 17.2 Reconciliation of Liabilities Arising from Financing Activities

Foundation Trust and Group	Loans from DHSC £000	Finance leases £000	Total £000
Carrying value at 1 April 2020	26,612	167	26,779
Cash movements:			
Financing cash flows - payments and receipts of principal	(1,396)	(52)	(1,448)
Financing cash flows - payments of interest	(610)	(8)	(618)
Non-cash movements:			
Application of effective interest rate (interest charge arising in year)	599	8	607
Carrying value at 31 March 2021	25,205	115	25,320

Note 18.1 Provisions for liabilities and charges

Foundation Trust and Group	Current		Non-current	
	31-Mar-21 £000	31-Mar-20 £000	31-Mar-21 £000	31-Mar-20 £000
Pensions - early departure costs	30	29	281	281
Other legal claims	27	17	0	0
Other	188	197	420	341
Total	245	243	701	622

Note 18.2 Provisions for liabilities and charges analysis

Foundation Trust and Group	Total	Pensions - early departure costs	Legal claims	Other
	£000	£000	£000	£000
At 1 April 2020	865	310	17	538
Change in the discount rate	32	32	0	0
Arising during the year	93	0	23	70
Utilised during the year - accruals	0	0	0	0
Utilised during the year - cash	(36)	(29)	(7)	0
Reversed unused	(6)	0	(6)	0
At 31 March 2021	948	313	27	608
Expected timing of cash flows:				
- not later than one year	245	30	27	188
- later than one year and not later than five years	157	118	0	39
- later than five years	544	163	0	381
TOTAL	946	311	27	608

The pension provision relates to the anticipated costs for the enhanced element of ill-health pensions for former employees. These entitlements are explained in Note 4.

The provision for legal charges is in respect of legal claims accounted for as described in the accounting policies in Note 1. The figures are provided by NHS Resolution.

£28,499,855 (2019/20: £32,908,723) is included in the provisions of NHS Resolution at 31 March 2021 in respect of clinical negligence liabilities of the Trust.

Note 19 Other liabilities

31-Mar-20 £000	Foundation Trust and Group	31-Mar-21 £000
562	Deferred income	814
<u>562</u>	TOTAL OTHER CURRENT LIABILITIES	<u>814</u>

Note 20 Contingencies

The Trust has £20,025 contingent liabilities relating to NHS Resolution cases as at 31 March 2021 (2019/20: £23,006). There have been no contingent assets or other contingent liabilities recognised at 31 March 2021 (2019/20: nil).

Note 21 Revaluation Reserve

Foundation Trust and Group	Total revaluation reserve £000	Property, plant and equipment £000
Revaluation Reserve at 1 April 2020	2,544	2,544
Revaluations	403	403
Revaluation reserve at 31 March 2021	2,947	2,947

Foundation Trust and Group	Total revaluation reserve £000	Property, plant and equipment £000
Revaluation reserve at 1 April 2019	3,116	3,116
Prior period adjustment	0	0
Revaluation reserve at 1 April 2018 - restated	3,116	3,116
Net impairments	(572)	(572)
Revaluation reserve at 31 March 2020	2,544	2,544

The impairments, reversals and revaluations relate to the impact of the land and building valuations on The Walton Centre carried out by Gerald Eve LLP as at 31 March 2021.

Note 22 Capital Commitments

At 31 March 2021 the Trust capital commitments were nil (31 March 2020: £107,970) in relation to contractual commitments for capital items.

Note 23.1 Financial instruments

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with its commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

The Trust has considered its exposure to the following financial risks:

- **Currency Risk** – the Trust has no overseas operations and the majority of transactions are sterling based. Foreign currency transactions arise from purchases of equipment and supplies from overseas providers and a small proportion of charitable investments. However, these are not significant in value or number of transactions and the Trust therefore has low exposure to currency rate fluctuations;
- **Interest Rate Risk** – the Trust has loans for its capital expansion programme. However, these are at fixed rates with the Independent Trust Financing Facility. The Trust therefore has low exposure to interest rate fluctuations;
- **Credit Risk** – the majority of the Trust’s revenue is from contracts with other public sector bodies. The Trust holds significant cash balances but these are also held through the Government Banking Service. Therefore the Trust has low exposure to credit risk. The Charity uses a commercial bank but its cash balances are not material to the Group. The Charity’s investments are managed through external investment managers. Investments are held in UK multi-asset pooled charity funds. The maximum exposure on receivables at 31 March 2021 is disclosed in Note 14 Trade Receivables and Other Receivables; and
- **Liquidity Risk** – the Trust’s operating costs are incurred principally under contracts with commissioners. Capital expenditure is funded principally for the provision of public sector services. The Trust is not exposed to significant liquidity risk.

Note 23.2 Fair Value of Non-current Financial Assets

The Charity held investments at 31 March 2021 with a fair value of £1,162,000 (31 March 2020: £967,154). The book value of these assets is £999,999.

Note 23.3 Financial assets by category

	Foundation Trust		Total	Group	
	Total carrying value	Held at amortised cost		Held at amortised cost	Held at fair value through OCI
	£000	£000		£000	£000
Carrying values of financial assets as at 31 March 2021					
Trade and other receivables excluding non financial assets	6,514	6,514	6,514	6,514	0
Cash and cash equivalents	35,689	35,689	35,689	35,689	0
Consolidated NHS Charitable fund financial assets	0	0	1,842	680	1,162
Total at 31 March 2021	42,203	42,203	44,045	42,883	1,162
	Total carrying value	Held at amortised cost	Total	Held at amortised cost	Held at fair value through OCI
	£000	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2020					
Trade and other receivables excluding non financial assets	7,956	7,956	7,956	7,956	0
Cash and cash equivalents	26,673	26,673	26,673	26,673	0
Consolidated NHS Charitable fund financial assets	0	0	1,918	951	967
Total at 31 March 2020	34,629	34,629	36,547	35,580	967

Note 23.4 Financial liabilities by category

	Foundation Trust		Group	
	Total	Held at amortised cost	Total	Held at amortised cost
	£000	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2021				
Loans from the Department of Health and Social Care	25,205	25,205	25,205	25,205
Obligations under finance leases	115	115	115	115
Trade and other payables excluding non financial liabilities	21,602	21,602	21,602	21,602
Total at 31 March 2021	46,922	46,922	46,922	46,922
Carrying values of financial liabilities as at 31 March 2020				
	Total	Held at amortised cost	Total	Held at amortised cost
	£000	£000	£000	£000
Loans from the Department of Health and Social Care	26,612	26,612	26,612	26,612
Obligations under finance leases	167	167	167	167
Trade and other payables excluding non financial liabilities	15,004	15,004	15,004	15,004
Total at 31 March 2020	41,783	41,783	41,783	41,783

Note 24 Events after the Statement of Financial Position Date

The Directors are not aware of any event after the Statement of Financial Position date and up to the date that the financial statements were approved which will affect the accounts.

Note 25 Public Dividend Capital

NHS Trusts are required to pay a dividend of 3.5% of their average net relevant assets to the Department of Health. This is calculated on a full financial year. The dividend is payable in two instalments in September and March.

Note 26 Third Party Balances

At 31 March 2021 the Trust held £1,570.90 on behalf of patients (31 March 2020: £1,919.46).

Note 27 Related Party Transactions

The Walton Centre NHS Foundation Trust is a public interest body authorised by NHS England/Improvement, the Independent Regulator for NHS Foundation Trusts. 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 The Walton Centre NHS Foundation Trust.

The Department of Health and Social Care is a related party as the parent department of the Trust. During the period The Walton Centre NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

- NHS England;
- Health Education England;
- NHS Liverpool CCG;
- NHS Cheshire CCG;
- NHS Knowsley CCG;
- NHS South Sefton CCG;
- NHS St Helens CCG;

- NHS Warrington CCG;
- NHS Wirral CCG;
- Liverpool University Hospital NHS Foundation Trust; and
- NHS Resolution.

In addition the Trust has had material transactions with the following central government body:

- Welsh Assembly Government including all Welsh Health bodies.

In 2012/13, Liverpool Health Partners Ltd, a company limited by guarantee, was set up between the University of Liverpool, Liverpool University Hospital NHS FT, Alder Hey Children's NHS FT, The Clatterbridge Cancer Centre NHS FT, Liverpool Women's NHS FT, The Walton Centre NHS FT, Liverpool Heart and Chest NHS FT and Liverpool School of Tropical Medicine. The objects of the company are to advance education, health, learning and research by facilitating world class research among the partners. Each organisation has a single share in the company and the Chief Executives are ex-officio directors of the company. A contribution of £102,000 (2019/20: £100,000) was made to the company to enable it to carry out its objectives.

The Trust's Council of Governors comprise 17 elected Governors, 4 staff Governors and 12 appointed Partnership Governors. Governors are drawn from a range of stakeholders including patient groups, neurological charities, research and academic groups, CCGs, Local Authorities, NHS England NHS Improvement and Wales. Therefore, many, by the nature of their appointment, have interests in organisations with whom the Trust contracts. A register of interests is maintained and declarations of interests are given at each Governor meeting.

Since 2013/14 the Trust has included The Walton Centre Charity as a subsidiary because the Trust has the power to govern the financial and operating policies of the Fund so as to obtain benefits from its activities for itself, its patients or its staff. Transactions between the Trust and the Charity are not material and are eliminated on consolidation. Assets held by the Charity are to be used for charitable purposes only.

The financial activity of the Charity during 2020/21 and its balance sheet at 31 March 2021 are summarised as:

Charitable Funds summary financial information prior to consolidation

Summary statement of financial activities	2019/20 £'000	2020/21 £'000
Operating income (incoming resources excluding investment income)	808	529
Operating expenditure	(422)	(685)
Net (outgoing)/incoming resources before other recognised gains and losses	387	(156)
Fair value gains/(losses) on equity instruments designated at fair value through OCI	(4)	168
Net movement in funds	383	12
Summary balance sheet	31-Mar-20 £'000	31-Mar-21 £'000
Non-current assets		
Other investments/financial assets	967	1,162
Total non-current assets	967	1,162
Current assets		
Receivables	5	80
Cash and cash equivalents	951	680
Total current assets	956	760
Current liabilities		
Trade and other payables	(74)	(61)
Total current liabilities	(74)	(61)
Total net assets	1,849	1,861
Unrestricted funds	1,849	1,861
Total funds	1,849	1,861

Note 28 Losses and Special Payments

During the period the Trust made 4 (2019/20: 7) special payments with a total value of £8,664 (2019/20: £24,166). Of these £8,611 (2019/20: £23,000) related to payments in respect of 2 (2019/20: 3) claims by third parties which are handled by NHS Resolution. The Trust also wrote off 4 (2019/20: 9) debts with a total value of £86,726 (2019/20: £245). No items of stock were written off due to loss, damage or expiry.

