



The Walton Centre
NHS Foundation Trust

Excellence in Neuroscience 

Annual Report and Accounts 2021/22



The Walton Centre NHS Foundation Trust

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

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This report was approved and adopted by the Board of Directors on 20 June 2022. The Trust's 2021/22 accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

Foreword from Chair

Welcome to The Walton Centre NHS Foundation Trust's Annual Report for the period 1 April 2021 to 31 March 2022. This report sets out the key developments at the Trust during this period, as well as details of our performance and ongoing strategy.

I have been honoured to be a Non-Executive Director at The Walton Centre for nine years, and recently the Acting Chair before stepping down at the end of March 2022.

In February 2022, our former Chair, Janet Rosser, sadly passed away after a short illness. Janet was a highly-effective Chair, who was a constant source of leadership and stability during her time as Chair of The Walton Centre, particularly during the Covid-19 pandemic. Max Steinberg has been appointed as the Trust's new Chair, and joins two new Non-Executive Directors, Professor Paul May and Ray Walker on our Board. I wish Max, Paul and Ray the very best of luck for their time at The Walton Centre, particularly driving the new three-year Trust Strategy.

It has been challenging to develop this new strategy with our stakeholders and partners given the ongoing limitations posed by the Covid-19 pandemic, however we have carried out a comprehensive engagement and consultation process and are confident we have an excellent blueprint for the Trust's future.

Covid-19 has of course continued to bring challenges inside and outside the healthcare sector. Visiting has been limited over the past year, but I'm delighted we have recently been able to welcome family and friends back into the hospital to see their loved ones. We have also had enormous success with the vaccination programme, protecting ourselves, patients, colleagues and families.

Finally, I'd like to thank all the staff, the governors, and volunteers who make The Walton Centre such a special place to be a part of. It's been an enormous privilege to serve this great institution and I wish everyone all the best for the future.



Seth Crofts, Acting Chair
31 March 2022

Performance Report

Statement from the Chief Executive

My first year as the Chief Executive Officer of The Walton Centre has brought a lot of proud moments as well as challenges. Once again, the past year has brought considerable challenges across healthcare due to the ongoing Covid-19 pandemic. However, due in no small part to the vaccination programme, we are now moving through our recovery roadmap and have optimism that we are moving forward.

Despite the changes brought about due to the pandemic, The Walton Centre has continued to innovate and lead the way to improve treatment and care for our patients and their families.

An enhanced stroke service which will deliver lifesaving treatment 24 hours a day, seven days a week was implemented in late 2021. The Walton Centre now provides a full thrombectomy service around the clock, dramatically changing the lives of stroke patients across Cheshire and Merseyside. We hope this will significantly change the outlook for hundreds of stroke patients in our communities.

We also introduced the Rapid Access to Neurology Assessment (RANA) service. RANA, developed by clinicians at The Walton Centre, provides patients with direct access to expert neurologists when they visit Emergency Departments with neurological signs and symptoms.

RANA was introduced in February 2021 to support the system further as part of The Walton Centre's mutual aid offer during the Covid-19 pandemic. In the first two months the service reviewed 27 patients from Trusts across Cheshire and Merseyside, saving approximately 32 bed days.

In December 2021, The Walton Centre was awarded Centre of Excellence status by the Tessa Jowell Brain Cancer Mission, alongside Clatterbridge Cancer Centre NHS Foundation Trust and the North Wales Cancer Treatment Centre. We treat over 500 brain tumour patients a year at The Walton Centre and this award recognises the dedicated compassionate and holistic care we provide to them and their families, as well as the clinical trial and research opportunities we offer.

We are proud that the transfer of spinal services, from Liverpool University Hospitals NHS Foundation Trust, as part of regional plans to standardise services and deliver high-quality sustainable care across Cheshire and Merseyside has now taken place and we have welcomed seven surgeons to our spinal team.

This year, The Walton Centre was named in the top 20 centres for organ donation. Our specialist teams work with staff across the Trust and the families of donors to ensure their wishes are carried out and people waiting for transplants get the best chance possible. We developed the Organ Donation Passport, a document which gives relatives and loved ones of a patient who is about to donate their organs the chance to tell staff involved more about who they are as a person.

Research is vital to the development of treatment and care, The Walton Centre is involved in leading clinical trials, in collaboration with partners across the UK. We were the first Trust in the world to screen patients for a research study looking at a new treatment in generalised Myasthenia Gravis and the third Trust in the UK to recruit patients to a headache trial looking at treatment for patients with chronic migraines and medication overuse.

Personally, I was delighted to be appointed Chief Executive of The Walton Centre in June 2021. This is an outstanding trust with a long history of providing highly specialist care. We have fantastic staff across the whole organisation who are committed to working together to be even better and come out of the Covid-19 pandemic even stronger.

We have all faced challenges we could not have imagined, both professionally and personally. I'd like to thank every single member of staff for their compassion, resilience and dedication, without which we would not be able to provide such wonderful treatment and care for all our patients and their families.

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

Overview

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 areas we serve and through the Cheshire and Merseyside Major Trauma Centre Collaborative and Cheshire and Merseyside Rehabilitation Network.

Key issues, opportunities and risks

The key issues and risks facing the Trust have been assessed and steps taken to mitigate these, which included identifying key drivers of change to support the successful delivery of our objectives. The Annual Governance Statement contained within this report (pages 72 to 87) outlines the Trust's approach to risk, the detail of significant risks and how it manages these. The past year has continued to be dominated by the Covid-19 pandemic and managing the safety and wellbeing of staff and patients while delivering high-quality patient and family-centred care. We will refresh our Risk Management Strategy in 2022/23 to ensure we continue to have a clear risk management process and will continue to engage with partners in the development of those mitigation plans that cannot be implemented without collaboration. Details of the strategic risks updated for 2022/23 are also included within the Annual Governance Statement.

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.

Vision, objectives and values

The Trust published its five-year strategy in 2018. At the end of 2021 it was recognised that the pace of change in the NHS was accelerating due to the impact of the Covid-19 pandemic and the changes in infrastructure brought about by the forthcoming Health and Care Bill. The Board therefore took the decision to develop a new strategy for the Trust. A fully inclusive approach to engagement and consultation has taken place with both internal and external stakeholders. The new strategy will set out the ambitions for The Walton Centre for the next three years (2022-25) and will be published in the summer of 2022. It will inform the decisions for the continuing journey to maintain the outstanding rating of The Walton Centre and as the place of choice for neurosciences across Cheshire, Merseyside, North Wales, Isle of Man, and in some cases, national services.

The Trust's vision - 'Excellence in Neurosciences' - remains the same and is underpinned by a set of shared values developed by the staff of The Walton Centre known as The Walton Way.



- 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 the Trust does. These values are now deeply embedded across the organisation and continue to be demonstrated by staff throughout the Trust.

The new strategy will focus on the core purpose of delivering high-quality care as an outstanding Trust, but also ensure that The Walton Centre is a key player in the new Integrated Care System for Cheshire and Merseyside. The Trust will need to play its part in developing equitable and collaborative healthcare services that deliver improved health outcomes for the populations of Cheshire and Merseyside, as well as delivering specialist services across the north west, Wales and the Isle of Man.

From the new Trust Strategy, an operational delivery plan will be developed with the principal risks to the delivery of the strategy articulated in the Board Assurance Framework (BAF). The BAF details the main risks to the delivery of the strategy and is subject to review by the Board of Directors.

Performance summary

The Trust operates as the hub for a network of services provided in hospitals and community locations across Merseyside, Cheshire, North Wales, Isle of Man and the wider north west in 34 locations and across the developing spinal surgery network. This includes hosting and chairing a number of networks for Cheshire and Merseyside: Critical Care, Complex Rehabilitation and Major Trauma. Trust services also include 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: Neurosurgery and Neurology.

Neurosurgery Division

- | | |
|--|---|
| <ul style="list-style-type: none"> • Neurosurgery • Theatres • Pain Management Programme • Day Case Unit | <ul style="list-style-type: none"> • Anaesthetics • Critical Care • Pain Medicine • Cancer Services • Major Trauma Service |
|--|---|

Neurology Division

- | | |
|---|---|
| <ul style="list-style-type: none"> • Neurology • Neurological long-term condition pathway development and management such as headache, epilepsy, multiple sclerosis, Parkinson's disease • The Cheshire and Merseyside Rehabilitation Network (CMRN) | <ul style="list-style-type: none"> • Neuropsychology • Neurophysiology • Neuro Ophthalmology • Therapy Service • Outpatient services • Neurology day cases • Orthotics • Regional neuro myelitis optica service |
|---|---|

- Neuropsychiatry
- Neuroradiology
- Thrombectomy service

The Trust continued to restore elective activity following the Covid-19 pandemic during 2021/22 as well as transforming how services are delivered. Video technology continued to be utilised for easier access to outpatient appointments for patients. The Trust also began a number of quality improvement initiatives including the roll out of a Patient Initiated Follow Ups (PIFU) which empowers patients to manage their own care and to arrange appointments when required.

The Rapid Access to Neurology Assessment (RANA) service was introduced, enhancing our acute Neurology provision to the wider system by providing direct access to an expert neurologist to discuss patients presenting to Emergency Departments with neurological signs or symptoms, with access to The Walton Centre onsite ambulatory clinic or ring-fenced neurology assessment beds. This service has allowed the Trust to offer mutual aid and support to other providers in Cheshire and Merseyside. 2021/22 saw the start of the transfer of spinal services from Liverpool University Hospitals NHS Foundation Trust to The Walton Centre as part of regional plans to standardise services and to deliver high quality sustainable care. This transfer is due to complete in April 2022.

Thrombectomy continued to be delivered, with the implementation of a 24/7 service from October 2021, supporting more patients to receive lifesaving treatment and avert significant life-changing disability.

Therapy services

Therapy services encompass five groups of Allied Healthcare Professionals (AHPs) 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.

During 2021/22 Therapy services responded flexibly to support the Trust pandemic recovery plan. We successfully turned challenges into opportunity by introducing a number of changes to how outpatient care is delivered. In adopting a hybrid model of care, staff utilised a blend of technology solutions and agile working to achieve best outcomes for service users. A surprisingly high number of patients living with neurological conditions have adapted easily to video and telephone clinics, with many now choosing this as their preferred delivery of care.

Complex rehabilitation

The Walton Centre is both the host and provider of the Cheshire and Merseyside Rehabilitation Network (CMRN), commissioned by NHS England and local Clinical Commissioning Groups (CCGs) in January 2013 to integrate complex rehabilitation services along the whole pathway, from hyper acute to community services 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 NHS Foundation Trust (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 Hospitals NHS Trust (Level 2 Spoke Unit)

- Wirral University Teaching Hospital NHS Foundation Trust (Level 2 Spoke Unit)
- Oak Vale Gardens (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. It is delivered by multidisciplinary teams at each service level with rehabilitation consultants, nurses and therapists to improve medical, physical, cognitive, communicative and behavioural outcomes.

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.

Research and Development

The Neuroscience Research Centre (NRC) is responsible for working in partnership with organisations to lead and undertake academic and commercial research in all aspects of neurological, neurosurgical and pain conditions to provide our patients with opportunities to participate in and benefit from research studies.

The NRC delivers clinical research to tackle health inequalities, boost economic recovery and improve the lives of the patients in the care of the Trust.

The NRC works closely with internal departments, including Finance, Pharmacy and Radiology to achieve its key objectives. External collaboration takes place with strategic partnerships such as that with Liverpool Health Partners; these relationships reinforce The Walton Centre's position in high level regional groups, allowing for the tangible strengthening of links with academic, industry and clinical partners.

Covid-19 has continued to have an impact on research. The national recovery programme has had some success in restarting studies that were suspended due to the pandemic and the team endeavoured to maintain key aspects of the research function throughout the pandemic. This included the completion of remote patient visits and study closeouts, supporting sites and team members with the setup and realistic assessment of capacity and recruitment targets for studies, and the continuing recruitment of patients to existing studies where possible.

Clinicians from the Trust have led UK research into the neurological manifestations of Covid-19 and Professor Tom Solomon was recognised for this contribution in this area with the award of a CBE. The department has continued to strengthen collaborations with The Brain Charity, spinal and stroke departments. The long-standing TONIC (Trajectories of Outcome in Neurological Conditions) study also continues to grow, with a new phase seven trial in collaboration with a major pharmaceutical company currently in setup. This is a national study that examines the factors that influence quality of life in patient with neurological conditions. Finally, the NRC was the first site globally to screen patients for the EFC17262 (URSA) research study, looking at the effect of the drug Tolebrutinib in generalised Myasthenia Gravis.

Innovation

Innovation is central to the Trust maintaining its position as an 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, focused 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, but the Trust continued work where possible. The Trust continued to work with staff to specify innovations to support a range of activities, working with companies to implement and evaluate new technologies and developing funding applications to support new innovation programmes.

Innovation activities during 2021/22:

- Virtual Engagement Rehabilitation Assistant (VERA) – This is an interactive digital platform that supports personalised rehabilitation. With university and commercial partners, the Trust completed prototype development and is conducting a complex pilot clinical study to evaluate the implementation of the prototype
- 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. A successful pilot clinical study was conducted with the Trust's commercial partner to evaluate a prototype and additional funding is now being sought to implement ERNST
- Spinal Improvement Partnership (SIP) - A new mechanism to provide reports to medtech companies on implanted spinal devices to improve quality and patient safety is close to being finalised
- Neurology Chatbot – A digital chatbot (conversational agent) is in development with a commercial partner to facilitate patient interactions with the Trust and support their care. Subject to Trust approvals, this should be deployed in 2022/23.

Transformation 2021/22 projects

These projects are designed to improve the quality of care and experience offered to patients and their families:

- Timely Discharge: Reviewing the way take home prescriptions are managed to support discharge and improving the efficiency of nurse/therapy handover. Increasing the number of patients who can be discharged on the same day after surgery
- Patient Initiated Follow-up (PIFU) Programme: Gives patients and carers the flexibility to arrange their follow-up appointments as and when they need them. This is an opt-in scheme for patients and allows them to advise when they require an appointment rather than the Trust setting a date
- E-Roster Programme: Partial roll-out in year to support effective planning and deployment of all staff to optimise service delivery and clinical safety. It supports staff wellbeing with flexible access to rotas, advance publication and improving the fairness of shift allocations. It enables managers to monitor staff annual leave within set parameters and will also improve payroll accuracy
- Bed Repurposing Programme: Funded by the Elective Restoration Programme to expand the RANA programme. This has enabled the relocation of Lipton Ward so that hyper-acute patients are cared for in a better environment, implementation of a five-day short stay ward and allowing for the expansion of same day admissions and discharges.

Performance analysis

Performance indicators are set to ensure the Trust delivers its vision, objectives and values as well as achieving regional and national standards. During 2021/22 the Trust delivered the following activity:

2021/22 activity

Table 1

Activity	2017/18	2018/19	2019/20	2020/21	2021/22
Day cases	12,602	12,559	11,877	6,862	9,369
Inpatients	5,429	5,483	5,141	3,444	4,544
Inpatient and day case	18,031	18,042	17,018	10,306	13,911
Outpatients	135,721	144,681	140,878	121,566	148,102
Key diagnostic tests	26,143	26,325	26,425	20,176	24,474

The Trust increased its activity in 2021/22 following a drop in activity through the first year of the Covid-19 pandemic. However, levels have not yet recovered across all areas to 2019/20 levels. Outpatient appointment numbers were the exception to this which as 2019/20 levels were exceeded.

The Walton Centre Board receives an Integrated Performance Report (IPR) which contains key performance indicators (KPIs), historical analysis and external benchmarking. The KPIs reviewed at Board are supported via performance reports presented at Committee and divisional-level meetings. Performance reports are complemented with a suite of dashboards for use across the whole Trust meaning information consistent flows through all levels of the organisation.

Performance against national standards

All standards were achieved despite the ongoing unprecedented challenges associated with Covid-19.

Table 2

Performance Indicator	2019/20	2020/21	2021/22	2021/22
			Target	Performance
Referral to treatment time, 18 weeks in aggregate, incomplete pathways*	N/A	N/A	92%	N/A
All cancers: 62 days wait for first 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	98.6%	100%	94%	100%
All cancers: Maximum waiting time of 31 days from diagnosis to first treatment	100%	100%	96%	100%
All cancers: 28 day faster diagnosis	N/A	N/A	75%	98.75%
All cancers: Two week wait from referral date to date first seen	98.9%	89.9%	93%	100%
Diagnostics: six week wait			1%	0.30%
Incidence of Clostridium difficile	7	7	8	8

* 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.

Sustainability

The Trust is currently working to develop a Sustainability Green Plan 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.

Being an anchor institution also commits the Trust to actively reducing its carbon footprint and minimising the negative impacts on the environment through the delivery of healthcare to the local population. The Trust has drafted a new Sustainability Plan (2022-25) which takes account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. Once the Integrated Care System have shared their plan and further comments from stakeholders are received this will be adopted by the Trust.

Under current plans the Trust's emissions projections to 2030 would be 4.286TCO₂. Further reductions are being reviewed for effectiveness.

The Trust is an active participant in the Cheshire and Merseyside Health and Care Partnership Sustainability Group and the Liverpool City Region Cycling Alliance.

In the past year the Trust has:

- Installed new Combined Heat and Power (CHP) district heating network, as part of a Tri-Trust scheme with two other local Trusts, facilitated via the Carbon Energy Fund (CEF)
- Begun the installation of plate heat exchangers for the provision of improved energy efficiency for heat and hot water systems
- Replaced the main Walton Centre boilers with higher efficiency dual fuel boilers
- Replaced lights with more efficient LED lighting to large areas within The Walton Centre
- Installed remote monitoring systems in each of the Trust's oil tanks which can be read via a web-based system
- Implemented a scheme to replace desktop PCs with Laptops producing estimated savings equivalent to in excess of 1.3m vehicle miles worth of CO₂
- Began a programme of reducing the use of nitrous oxide as an anaesthetic gas, with a view to full removal in the near future
- Extended the use of Microsoft Teams for meetings saving travel time and associated emissions.

Social, community and human rights disclosures

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. The Trust annually reviews its Modern Slavery Statement and actively works to ensure suppliers adhere to the same standards. This is published on the Trust website. The Trust is an anchor institution which means it is committed to addressing health inequalities and adopted the NHS Pledge in April 2022. This commits the Trust to support local people, the local economy and increase social value in the local area.

Equality of service delivery

The Walton Centre is a public sector organisation that aspires to serve all members of the population that it serves. Therefore, equality of access to services is a priority and as challenges emerge we proactively seek to support individuals and improve processes.

The Trust closely monitors any feedback relating to protected characteristics and these are reported quarterly into the Quality Committee, with the details of each issue and the outcome of any action taken. Further there is an emphasis upon any lessons learned. In the last year, concerns related to disability were received and a disability working group is now being developed to focus on our practises with the aim of implementing improvement in the services we provide to patients with enhanced need. The actions from this group will be reported to the Sharing and Learning Group led by the Chief Nurse. Other priority areas are gender and religion. Patient stories are shared at Trust Board and other groups/committees detailing the experience of patients in varying formats including anonymised, verbal and in person and are a powerful way of hearing the impact of the experience of our patients

Financial performance

The main factors in reaching the conclusion that the Trust remains a going concern as stated in the overview are:

- The Trust is in excellent financial health and has a track record of delivering financial targets in line with NHS England/Improvement (NHSE/I) requirements
- 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 2022/23 and commissioner allocations have been set for the remainder of 2022/23. 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 99 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 2021/22

The Trust delivered a breakeven position for the financial year ending 31 March 2022. This position includes non-recurrent Elective Recovery Fund (ERF) income of £2,813k for delivery of activity above national trajectory targets. In response to the continued Covid-19 pandemic, the normal national 2021/22 financial regime for the NHS was suspended with key changes being made to the financial framework which included:

- Delay of annual 2021/22 business planning, with financial plans being set at six-monthly intervals
- Continued suspension of Payment by Results (PbR) for the financial year, with income being based on block values determined nationally based on 2020/21 Q3 levels plus an inflationary uplift

- Allocation of system funding to Cheshire and Merseyside Health and Care Partnership, which was distributed to all organisations to cover costs in relation to Covid-19, growth and CNST
- Setting of system level financial targets (Cheshire and Merseyside Health and Care Partnership)
- Capital resource limits set at a system level for 2021/22
- Creation of ERF from April 2021, for delivery of activity above national trajectory targets.

It was not possible to identify and deliver recurrent efficiency savings during 2021/22 as a result of the continued pressures faced by the organisation in responding to Covid-19. Nationally, no efficiency factor was applied to contract inflationary uplifts.

The Trust was not able to deliver all of its planned activity in 2021/22 as a result of activities to support the regional response to the Covid-19 pandemic. During the periods where it was possible to deliver activity between waves of the pandemic, the Trust continued to face significant challenges with regard to patient acuity, which required one to one therapeutic specialist care (and sometimes more).

Table 3 sets out the reconciliation of the annual accounts to the Trust's Normalised Trading Surplus for the year ended 31 March 2022.

Table 3

	Foundation Trust £000
Surplus/(deficit) from continuing operations	(94)
Normalising adjustments:	
Capital donations I&E impact	113
Adjusted financial performance surplus/(deficit) for the period	19
Adjusted financial performance excluding PSF, FRF and MRET	19

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 2021/22 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 £4.4m 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 2022 with a valuation date of 31 March 2022. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards (2022), the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FRM). The values in the report have been used to inform the measurement of property assets at valuation in the financial statements.

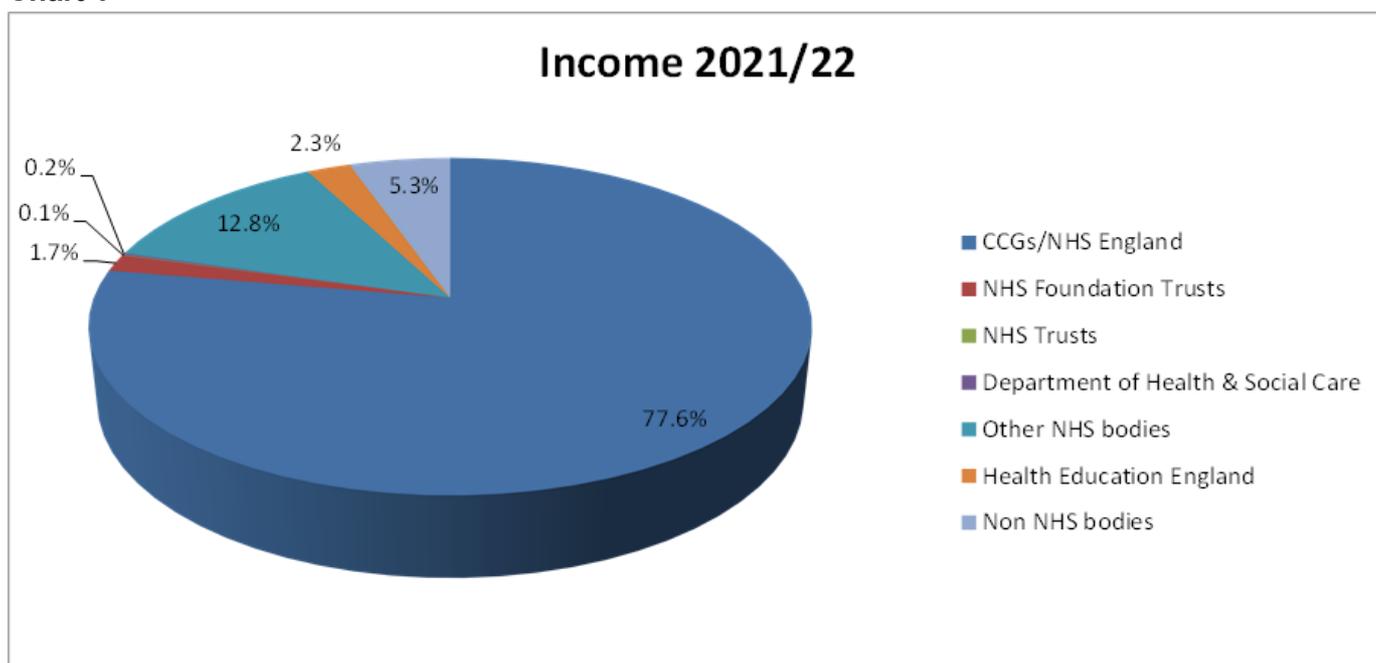
Income

In 2021/22 Trust income (turnover) increased by £15.6 million from the previous year (year ending 31 March 2021) which represents an 11% increase. The Trust receives the largest element of its income from NHS England for the provision of Specialised Prescribed Services. The Trust received £124.1million from NHS England/CCGs in the year ending 31 March 2022, an increase of 12.7% on the previous financial year. This reflects additional funding received for the expansion of thrombectomy services as well as increased income received for devices which were previously part of a 'zero cost model' where costs were paid centrally by NHS England. These are now paid for by the Trust with associated income being received.

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 2020/21 due to a decrease in excluded high cost drugs and devices usage as a result of the pandemic.

Income from other sources

Chart 1



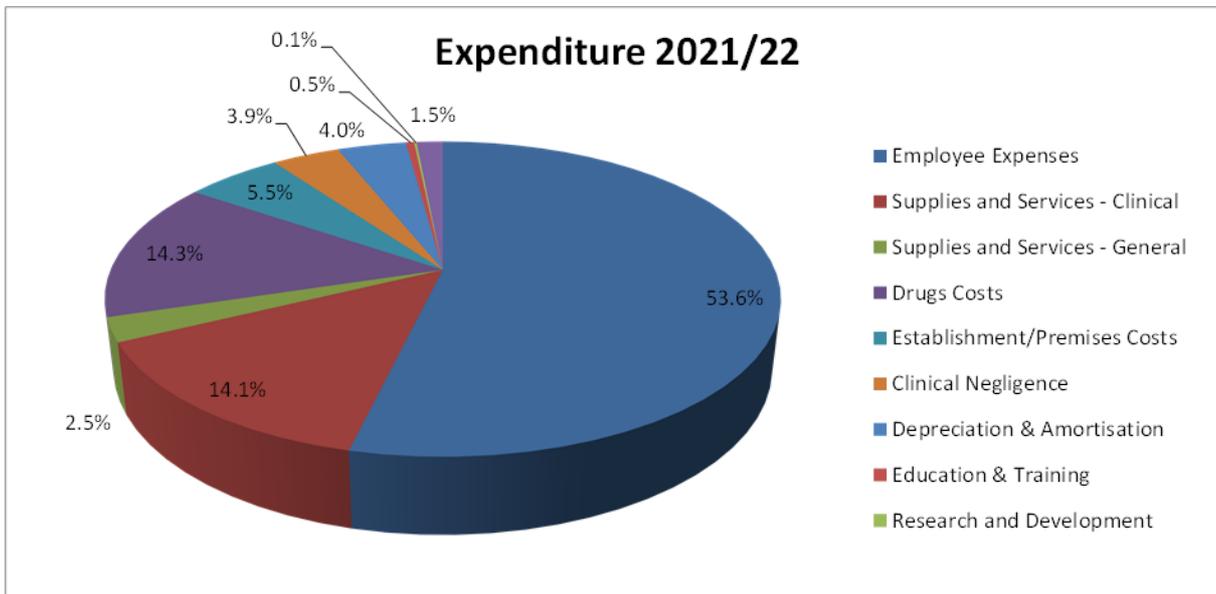
Expenditure

In line with the growth in income (turnover), the Trust has seen an increase in operating expenses of £17.1 million (12.46%) compared to the previous year.

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 £82.7 million on staffing during 2021/22 which was an increase of £2.2 million (2.7%) on the previous year. There was also increase in Clinical Negligence Scheme for Trusts (CNST) costs of £0.9m. Drugs costs increased by £5.6m (36.2%) during 2021/22, whilst clinical supplies and services increased by £5.3m (32.2%). Both of these were driven by activity increases in the year as the Trust started to resume and recover services following Covid-19, as well as a move from the 'zero cost model' of funding for devices (where costs were paid for centrally by NHS England). Costs for these items are now incurred by the Trust with matching income received.

Main components of expenditure

Chart 2



Exit packages

There were two exit packages paid in 2021/22 compared to one in the previous year.

Compensation schemes 2021/22

Table 4

Reporting of compensation schemes - exit packages 2021/22			
Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
£10,000 - £25,000	0	1	1
£50,001 - £100,000	0	1	1
Total number of exit packages by type	0	2	2
Total cost (£)	£0	£74,000	£74,000

Compensation schemes 2020/21

Table 5

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

Other non-compulsory departure payments

Table 6

Exit packages: other (non-compulsory) departure payments	2021/22		2020/21	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Contractual payments in lieu of notice	2	74	1	23
Total	2	74	1	23
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)

Due to the continuation of the pandemic, no national recurrent efficiency factor was applied to tariff in 2021/22. The Covid-19 pandemic also made it difficult to deliver recurrent efficiency savings in 2021/22 as the Trust responded to the pandemic and tried to recover planned activity. There will, however, be a requirement to deliver recurrent efficiency savings in 2022/23 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 Chief Nurse, 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 £10.9m in 2021/22. Expenditure during the year included replacement of a CT 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 2021/22 for a number of initiatives such as repurposing ward spaces/ beds within the Trust, projects to develop the digital maturity of the organisation (digital aspirant funding), and diagnostic digital capability funding. 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.

Capital investment

Table 7

Capital - 2021/22	
Division	£'000
Estates	2,065
IM&T	3,651
Neurology	2,587
Neurosurgery	2,495
Donated Assets	143
Total Capital	10,941

Forward look

Following two years of six-monthly planning cycles, 2022/23 financial planning will return to a 12 month planning cycle as the NHS moves to a recovery and restoration phase following the pandemic. System (Cheshire and Merseyside) financial planning and targets will be maintained in 2022/23. Income will remain on a 'block' basis with funding being allocated for achievement of national activity targets (Elective Recovery Funds – ERF). There is also a national requirement to identify and deliver recurrent efficiency savings in 2022/23.

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: returning to pre-pandemic performance levels necessary to meet patient demand and continue to deliver access targets and financial plans whilst ensuring that the Trust is following national Infection Control guidance.
- Workforce retention: recruitment, retention and succession planning of the right workforce at the right time to deliver the recovery in planned activity as well as the growth in demand and increasing complexity of patients. The relative stability of the workforce through Covid-19 was impacted by increased sickness levels and staff isolation followed by an increased turnover of staff in the second half of the year
- Workforce health and wellbeing: looking after staff who have been through a challenging two years of the pandemic and supporting them remains a priority. Further details on this work can be found on page 58.
- Healthcare acquired infections: continued control of infections and management of newly emerging infections including further variants of Covid-19
- Changes in healthcare infrastructure: The Health and Care Bill, which is due to formally come into place on 1 July 2022, is significantly changing the way the Trust relates with its commissioners and how it is funded. There remains some uncertainty about how this will impact the Trust and how it will be funded in the future which increases the complexity of financial planning
- Patients: the impact of the pandemic on waiting lists has been significant and waiting times have increased. The Trust continues to manage the potential risks to long waiting patients through clinical assessment

Financial risks

The main financial risks facing the Trust are:

- Future financial plans assume a level of Elective Recovery Fund (ERF) income will be received for achieving national activity targets. If this level of activity is not achieved income will be clawed back, with there being no floor on the level of income that can be clawed back.
- Delivery of efficiency savings to ensure the financial plan is achieved. Delivery of recurrent efficiency savings has historically been a challenge for the organisation. The requirement to deliver efficiencies will remain a challenge.
- Inflation/increases in costs over and above national planning assumptions. Due to a number of external factors inflationary increases for both utilities and other goods and services are increasing above levels assumed within national planning assumptions. This will create additional cost pressures for the organisation.
- Capital plans are set at Cheshire and Merseyside Health and 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 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 for the system but it is currently unclear as to how this mechanism will work.



Jan Ross
Chief Executive
20 June 2022

Accountability report

Directors' report

The Board of Directors is a unitary board, which means that both the Non-Executive Directors and the Executive Directors are collectively responsible for the actions they take. The Council of Governors discharge the Trust's accountability to its local population by holding the Non-Executive Directors to account for the performance of the Board.

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:

- Seven Non-Executive Directors, including one appointed as Chair
- Up to six Executive Directors, including the Chief Executive

The Board of Directors sets the strategic direction and organisational culture of the Trust 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. During 2021/22 the Board engaged with its staff, stakeholders, Governors and the local community to develop a new Trust Strategy for 2022-25 which is expected to be approved by the Board in spring 2022.

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 Care Quality Commission (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. Decisions reserved for the Council of Governors as set out in statute are contained within the Trust's Constitution.

The Board of Directors provides effective leadership of the Trust within a robust framework of internal controls and risk management processes and further details of this can be found in the Annual Governance Statement (page 68 to 80). The Board of Directors delegates operational management to the Executive Team and has established a Board Committee and governance structure to enable it to receive assurances that it is discharging its responsibilities and that services are well led focusing on integrated quality, operational and financial governance.

The Trust's Executive Team provides organisational leadership and takes appropriate action to ensure that the Trust delivers its strategic and operational objectives. It maintains arrangements for effective governance throughout the organisation, monitors performance in the delivery of planned results and ensures that corrective action is taken where necessary.

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, commerce, risk, 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. Where a Non-Executive Director has not met the independence criteria suggested in the NHS Foundation Trust Code of Governance the Audit Committee have reviewed whether they consider the Non-Executive Director remains independent and concluded in 2021/22 that they had no concerns. The Trust

continued to ensure that all Board Directors and Deputy Directors met the criteria of the Fit and Proper Persons Test.

The collective performance of the Board is assessed through annual Board evaluation, Board Development Days and the Board of Directors meetings. A review of each Board meeting was undertaken at the end of each Board meeting.

The Board's engagement programme, which included Director walkabouts, was disrupted by the pandemic in 2020/21 and in 2021/22. It is anticipated this will be revised and reintroduced in 2022/23 when it is appropriate to do so.

All Board members undergo annual performance appraisals. The Chair carries out the appraisals for the Non-Executive Directors, liaising with Governors to seek their views; the Senior Independent Director carries out the appraisal for the Chair by meeting collectively with Non-Executive Directors and then separately with the Lead Governor and Chief Executive before reaching a conclusion. This is then reported to regulators NHS Improvement and NHS England. The outcomes of both the Chair and the Non-Executive Directors' appraisals are reviewed at the Governors' Nominations Committee which makes a recommendation to the Council of Governors. The Chief Executive carries out the annual performance appraisal for the Executive Directors. Summary outcomes are submitted to the Remuneration Committee.

Members of the Board of Directors during 2021/22 were as follows:

Non-Executive Directors

Janet Rosser, Chair

Term of office: April 2020 to October 2021

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. She then moved on to work for a publishing house, writing and editing corporate based law books and updates. Janet retired from her post in October 2021 due to illness and sadly passed away in February 2022. She was passionate about The Walton Centre and was dedicated to ensuring that it remained an outstanding Trust.

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

Current term: Nov 2019 to Oct 2021

Seth was Pro Vice-Chancellor and Dean for the Faculty of Health, Social Care and Medicine at Edge Hill University until he retired in August 2021. He is a registered nurse in both Adult and Mental Health Nursing with 39 years of nursing experience. He is an experienced strategic 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 both in the UK and internationally. 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. Seth was Acting Chair from August 2021 and finished his term of office on 31 March 2022.

Su Rai, Non-Executive Director, Senior Independent Director

Current term: 1 Aug 2019 – 31 July 2022

Su 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 Teaching Hospitals NHS Trust. Other roles have included a 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. She 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 is a Transformation Consultant and Executive Coach who established her own firm, Kinetic People Limited, in 2008. Her early career was in HR with Co-operative 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.

Professor Paul May – Non-Executive Director

Current term: 1 Jan 2022 – 31 Dec 2025

Paul was appointed as Merseyside's first Paediatric Neurosurgeon (based at the old Walton Centre Rice Lane site) in 1991 and remained in practice there until September 2021. He established the paediatric neurosurgical service at Alder Hey Children's NHS Foundation Trust and brought supraregional specialist craniofacial services to the city in 1997. Paul served as the first Chair of the Neurosurgical Clinical Reference Group for NHS England and, from 2013 to 2019, chaired the Trauma Programme of Care Board for NHS England. In 2016 he was elected as President of the Society of British and Irish Neurosurgeons. In January 2020 he was appointed as Director of Clinical Academic Development to the University of Liverpool and is currently the National Clinical Lead for Adolescent and Paediatric Neurosurgery in the Getting it Right First Time (GIRFT) programme.

Ray Walker - Non-Executive Director

Current term: 1 Jan 2022 – 31 Dec 2025

Ray is a Registered Nurse (Adult and Mental Health) with over 40 years of operational and strategic experience in a diverse number of roles across the NHS, the Department of Health, Health Education England and the university sector. He has held a number of senior positions including Executive Director of Nursing at Mersey Care NHS Foundation Trust and Chief Nurse for the North of England at Health Education England. Whilst in his leadership roles he actively contributed to shaping the national nursing agenda as a Member of the Prime Minister's Commission on the future of nursing and as chair of the national safe, sustainable and productive staffing guidance (mental health).

Professor Nalin Thakkar – Non-Executive Director

Term of office: 1 Jan 2019 – 31 Dec 2021

Nalin is 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.

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 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. David also holds governance and practitioner roles within not-for-profit organisations aiming to improve the structural and fire safety of high-rise buildings and is a volunteer debt adviser within a community-based debt advice centre.

Executive Directors

Jan Ross, Chief Executive Officer

Jan joined the Trust in 2018, becoming the CEO in 2021. She has overall responsibility for the people, finance and performance of the organisation and is the accountable leader both at a local and national level. She qualified as a nurse in 1995 and has extensive experience in a variety of senior nursing and operational roles across the NHS. Notably, she has led the Trust through the pandemic and into the recovery phase playing a prominent role at system level.

She is engaged across the wider health system and is strongly committed to both healthcare and the wider economy across Cheshire and Merseyside. This has been recognised in her selection to become a member of the Health and Life Sciences Board for the Liverpool City Region. Jan's approach is based upon engagement and collaboration across the whole workforce to create the conditions in which people can thrive. Staff that feel valued and developed are essential to delivering world class healthcare.

Dr Andy Nicolson, Medical Director and Deputy Chief Executive

Andy is the Medical Director and the Deputy Chief Executive having been a Board member at the trust since 2016. He was appointed a Consultant Neurologist at The Walton Centre in 2005 and has a special interest in Epilepsy. He is the responsible officer for all medical revalidation and Chair of the Clinical Effectiveness Group. As Deputy CEO, he leads on strategic development for the Trust and his approach is based upon the engagement and empowerment of key stakeholders, especially those delivering the services directly to patients.

At regional level, Andy is Chair of the Neuroscience Network reporting directly into the Integrated Care Board. In addition, he represents Medical Directors on the Cheshire and Merseyside Diagnostic Delivery Board and he is also Chair of the regional Rehabilitation Network (CMRN). He is passionate about improving health outcomes through collaboration and partnership working.

Mike Burns, Chief Finance Officer

Mike has been with the Trust since 2012, becoming the Chief Finance Officer in 2016. His portfolio includes responsibility for Finance, Capital, Procurement, Informatics Services and Commercial Development. He qualified as a Chartered Management Accountant (CIMA) in 2001 after gaining a BSc Hons in Economics. He has a strong background in financial services, retail, banking, regeneration and business development, including several years in consultancy with Deloitte.

Mike has worked at regional level within the NHS and is the chair of the Liverpool Health Partners Business Planning Group (LHP), an active member of LHPs Finance Risk and Performance Committee and a Deputy Chair of the Towards Excellence, Finance Accreditation Group. He has a strong personal commitment to staff development (especially professional qualifications) that have been recognised within the financial community and is also a mentor for the North West Finance Equality, Diversity and Inclusion Scheme.

Lisa Salter, Chief Nurse

Lisa joined The Walton Centre in 2017, becoming the Chief Nurse in 2018. Her portfolio includes responsibility for the largest staff groups within the workforce including Nursing and all Allied Health Professionals (AHPs). She is the Trust lead on Safeguarding, Infection Prevention, Patient Experience and Governance. Lisa holds a diploma in renal medicine, a BSc Hons in Clinical Management and an MSc in Healthcare Leadership and Management. She has also completed several leadership and coaching programmes throughout her career.

In addition to chairing many internal groups, Lisa is the chair of the Deputy Directors of Nursing Group across Cheshire and Merseyside (C&M) and the chair of the Pressure Sore Working Group (C&M). Lisa is an active member of the National Disabled NHS Directors Network. She is passionate about driving up standards for patients and families within the trust and across the wider health economy. Lisa is a high profile and visible leader who is consistently focused upon ensuring the personalised nature of care.

Lindsey Vlasman, Acting Chief Operating Officer

Lindsey joined the Trust in April 2018 and has been in her Executive role since November 2021. Her portfolio includes responsibility for the overall performance of services to patients, Estates and Facilities. She is also the trust lead for Emergency Preparedness, Resilience and Response. Lindsey qualified as a nurse in 1997 and has held a variety of senior nursing and operational roles across the Cheshire and Merseyside region.

Lindsey has a BSc Hons in Health and Social Care Practice, an MSc in Advanced Nursing Practice and an MSc in Healthcare, Leadership and Management. She is currently on the prestigious Aspiring Directors Programme in the north west. She has a strong commitment to engagement and team working which underpins her successful approach to service improvement and efficiency.

Mike Gibney, Chief People Officer

Mike has been a Board member at The Walton Centre since 2013. His portfolio includes responsibility for Human Resources, Organisational Development, Fundraising, Medical Education, Research, Innovation and Digital/Information Technology. He joined the NHS in August 2009 through the Gateway to Leadership Scheme. Prior to joining The Walton Centre he worked for five years in commissioning and has extensive experience in local government, including nine years with social services. Mike is qualified to Master's level in Human Resource Management and a Fellow of the Chartered Institute of Personnel and Development.

He currently undertakes a number of regional roles including the Management Side Chair of the North West Staff Partnership Forum, the co-Chair of the Strategic Workforce Group with Liverpool City Council and is on the Board for the North West Innovation Agency. His collaborative approach to leadership has enabled him to work across traditional boundaries both within the public and private sector.

Changes to Board Membership during 2021/22

There were a number of changes to the Board during 2021/22:

- Janet Rosser, Chair, retired due to ill health in October 2021
- Seth Crofts, Acting Chair, retired on 31 March 2022
- Professor Nalin Thakkar, Non-Executive Director, retired on 31 December 2021
- Professor Paul May, Non-Executive Director, was appointed with effect from 1 January 2022
- Ray Walker, Non-Executive Director, was appointed with effect from 1 January 2022

- Jan Ross, Director of Strategy and Operations was appointed to the role of Chief Executive in May 2021 having acted as Interim Chief Executive since 21 April 2021 when she replaced Hayley Citrine in that role
- Michael Woods acted as Interim Chief Operating Officer from to May to November 2021
- Lindsey Vlasman was appointed as Acting Chief Operating Officer from November 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 online:

<https://wcft.mydeclarations.co.uk/home>.

The Board of Directors and Committees

A total of ten meetings were held in 2021/22 and Table 9 shows the attendance at Board meetings during this period. No meetings were held in the months of August 2021 and January 2022.

Table 8

Trust Board Attendance 2021/22											
Members:	Apr	May	Jun	Jun	Jul	Sept	Oct	Nov	Dec	Feb	Mar
Janet Rosser	✓	✓	✓	✓	✓	A	A				
Seth Crofts	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Su Rai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nalin Thakkar	✓	✓	✓	✓	✓	A	✓	A	✓		
David Topliffe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Karen Bentley	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul May										✓	✓
Ray Walker										✓	✓
Hayley Citrine	✓										
Mike Burns	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mike Gibney	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓
Andy Nicolson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jan Ross	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lisa Salter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Michael Woods			✓	✓	✓	✓	✓	✓			
Lindsey Vlasman									✓	✓	✓

KEY: ✓ = Present A = Apologies

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.

The Board's development programme in 2021/22 linked to the relevant KLOE areas as the Trust laid the foundation to conduct an external review against the Well Led Framework later in 2022.

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 2021 to 31 March 2022. The most recent inspection was reported in August 2019 and resulted in an overall rating of Outstanding. The Trust developed an action plan in response to the report and this will be formally closed off in April 2022.



Last rated
19 August 2019

The Walton Centre NHS Foundation Trust

The Walton Centre



	Safe	Effective	Caring	Responsive	Well led	Overall
Medical care (including older people's care)	Good	Good	Outstanding	Good	Good	Good
Critical care	Good	Good	Outstanding	Good	Good	Good
Outpatients and diagnostic imaging	Good	Not rated	Outstanding	Good	Good	Good
Rehabilitation services	Good	Outstanding	Good	Outstanding	Good	Outstanding
Surgery	Good	Outstanding	Good	Good	Outstanding	Outstanding

Quality performance

The full Quality Report for 2021/22 will be published on the Trust's website by 30 June 2022. This section is intended to provide an overview of patient care activities during the reporting period.

The Trust's Quality Strategy aims to improve on the quality of care provided for patients and their families and reduce avoidable harm. It is informed through the concerns and risks identified through the Care Quality Commission (CQC) inspection in 2019, reported 'never events', intelligence data and consultation with patients, staff and key stakeholders.

The Trust is committed to embracing improvement across a wide range of issues to achieve excellence in all areas of care. The Trust focused on the three domains of quality, patient safety and clinical effectiveness.

Despite the pandemic, The Walton Centre prioritised patient and staff safety however this meant that not all of the quality priorities could be achieved. The following section includes progress against the nine improvement priorities for 2021/22.

Patient safety

- Reduce pressure ulcers (10% reduction) – not achieved. The Trust had an additional pressure ulcer in 2021/22 compared to the previous year.
- Redevelop Pain Management Programme (PMP) (develop online programme) – achieved. The PMP successfully responded to the pandemic and operated as an online programme.
- Improve patient flow across the Trust (review pathways, streamline meetings, manage delays) – achieved. Discharge prescriptions are now being written the day before discharge, a review of the nurse and therapy handover was conducted, a standardised ward round review was developed and daily bed meetings introduced to review current and following days position

Clinical effectiveness

- Introduce Patient Initiated Follow Up (offer patients/carers flexibility to arrange their follow-up) – achieved. PIFU has been rolled out to the majority of specialities in neurology and currently being rolled out across neurosurgery
- Increase outpatient appointment slot utilisation (increase number of appointments and reduce waiting times) – achieved. All clinics were changed from 3.5 hours to four hours were possible to increase slot utilisation.
- Implement inventory management system (inventory visibility on stock holding and expiry) – not achieved. With the Health Procurement Liverpool collaboration, the Trust plan to review all inventory management systems across sites as various systems are utilised.

Patient experience

- Improve wellbeing and equality of Black and Asian Minority Ethnicity (BAME) staff and patients (prioritise the wellbeing of BAME patients and staff in relation to its Covid-19 response and post systems recovery) – achieved. The Trust participated in the steering group 'Getting Under the Skin' which was a piece of research headed by the Cheshire and Merseyside Health and Care Partnership. Risk assessment and risk mitigating actions were undertaken in response to health inequalities associated with the pandemic. The Trust also consulted with NHS colleagues on how best to tackle health inequalities in relation to race and ethnicity which gave the Trust a better understanding of areas

that were not performing as well as expected and put into place improvements in reasonable timeframes

- Provide mental health first aid (MHFA) training (roll out MHFA training to 40 staff) – partially achieved. Twenty nine staff completed the MHFA training and an additional 25 staff attended a taster session
- Improve start time of theatre lists and same day discharges (maximise the utilisation of theatres ensuring lists start on time. Review how the Trust can set up a designated area for same day discharge – partially achieved. Due to the pandemic and requirements to place patients on three different pathways to maintain patient and staff safety start time of theatres have been protracted. The same day admission and discharge area is being supported through the bed repurposing project which is currently in progress (due for completion in July 2022).

Performance against quantitative metrics, specific to aspects of safety, effectiveness and patient experience are routinely measured to assure the Trust Board regarding the quality of patient care provided.

Key patient safety indicators 2021/22

Table 9

Clostridium Difficile	8
MRSA Bacteraemia	0
Ecoli	11
Minor and Moderate Falls	30
Never Events	2

The Board committees analyse key quality performance indicators as part of the Integrated Performance Report and report to the Board. Delivery of quality indicators is monitored through groups that report into Quality Committee or the Clinical Effectiveness Services Group. The Trust meet with the Care Quality Commission (CQC) and NHS England/Improvement on a quarterly basis to determine standards of quality across the Trust and any lessons learned that can be shared from The Walton Centre or other organisations.

This year the Trust has seen an improvement in the accessible data compliance for patient information. This is a positive step following the provision of a new Trust website.

The Trust moved from ninth position to eighth in the ranking of the CQC patient survey (2021), out of 76 Trusts. The Trust was rated as ‘Better Than Expected’ because patients answered positively about their care across the entire survey and this was significantly above average Trust scores. The elements that are noted to require further improvement are monitored via the Quality Committee.

The complaints process was reviewed this year by MIAA and received high assurance. This is a positive outcome for the team as well as patients and their loved ones as it demonstrates that the processes are correct and supportive. The Trust benchmarks its data with other Trusts and is performs significantly better.

All Trust targets were met for complaints management. Feedback is provided to divisions and teams as well as the Board from the learning from complaints, concerns as well as compliments to ensure that all aspects of feedback is utilised at divisional and Board level. This can be through reports to Board, posters in clinical areas or through circulation of the Governance Bulletin which also includes learning from incidents, coronial inquests and enquiries.

The Trust has introduced Patient Support Assistants this year which is a new role across the Trust to offer a seven-day service to patients and families with the aim of improving communication and support to patients and their families especially during visiting restrictions. This service aims to mitigate concerns at the earliest opportunity and escalate any that require resolution to the Patient Experience Team to resolve.

Staff have a mobile phone available for patients to use in order to support them communicating with family members and will also advocate and provide information to signpost patients to support groups and charities. The Trust worked with The Brain Charity this year to trial a remote service for inpatients to communicate with their family and friends using an iPad provided by The Walton Centre Charity.

Following patient feedback a three month project took place to address issues to improve communication with patients and their families which included reviewing the process for cancelling appointments and a new letter sent to patients when added to the waiting list. An initiative was introduced to acknowledge all inpatients who have a birthday especially during restricted visiting, they receive a visit/card/small gift supported by The Walton Centre Charity from the Patient Experience Team.

The introduction of Friends and Family Test poster containing QR codes has enabled patients to scan and leave their feedback in real time. Inpatients are supported in doing this via the Patient Experience Team mobile if they do not have a device.

Stakeholder relations

The Walton Centre continually seeks feedback from patients and their loved ones/carers regarding their experience and outcomes. The Trust use both positive and less favourable patient and family stories to understand how services are functioning and where improvements are required. Every Quality Committee meeting and Board meeting starts with a story from a patient or staff member about their experience at the Trust whether positive, negative or neutral. The Trust collaborates with Health Watch, The Brain Charity, Neurological Alliance and others (as part of the Patient Experience Group) to seek feedback to enable the Trust to strengthen and change service delivery as required.

Engagement events were held during the year in partnership with Healthwatch to gain feedback from patients and families and groups representing them including the MS Society and Spinal Association to provide feedback on services. Many health partners, local community and patient groups were also consulted as part of the development of the new Trust strategy.

The Walton Centre is part of the Cheshire and Merseyside Integrated Care System. The partnership is focused on improving the health of the population, delivering care more efficiently and also coordinated the regional response to the Covid-19 pandemic. The Trust is committed to working collaboratively and productively within these partnership arrangements.

The Trust worked collaboratively within the system to establish a 24/7 thrombectomy service for Cheshire and Merseyside at the Trust to improve outcomes for patients suffering a stroke and to transfer spinal surgery for Cheshire and Merseyside to a single site at The Walton Centre. The Trust also supported the Head of Patient Experience Network to produce and introduce the Carer's Passport in Cheshire and Merseyside which was developed with the engagement and contributions of carers and their networks throughout Cheshire and Merseyside.

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 CMRN 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 which was pivotal to providing mutual aid between Trusts during Covid-19 and the Neurosciences Programme Board for Cheshire and Merseyside.

Disclosure to Auditors

For every individual that is a director at the time that this report was approved:

- So far as the director is aware, there is no relevant audit information of which the Trust's auditor is unaware
- The director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information
- A director is regarded as having taken all the steps that they ought to have taken as a director in order to do the things mentioned above
- Made such enquiries of his/her fellow director and of the company's auditors for that purpose
- Taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

Other disclosures

Some disclosures relevant to the Directors' Report have been included elsewhere in the Annual Report as outlined below:

- Better payment practice code - page 38
- NHS Improvement's Well Led Framework - page 30
- Information on fees and charges – included in the accounts

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

Board committees

The Board of Directors has three statutory committees: Audit Committee, Remuneration Committee and The Walton Centre Charity Committee. There are four additional Committees: Quality Committee, Business Performance Committee, Research, Innovation and Medical Education (RIME) Committee and the Strategic BAME Advisory Committee (SBAC). 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 and SBAC which is chaired by the Chief Executive. The powers and functions of each Committee are set out in formal Terms of Reference which are approved at least annually 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 - below
- Charity Committee - page 37
- Other Committees - Annual Governance Statement, page 72

Audit Committee – Annual Report

The role of the Audit Committee is to provide, to the Board of Directors, an independent and objective review of the establishment and maintenance of effective systems of integrated governance, risk management and internal control across the whole of the organisation’s activities (both clinical and non-clinical). It also provides assurance on the independence and effectiveness of both external and internal audit and ensures that standards are set and compliance with these is monitored. The Audit Committee is significantly instrumental in reviewing the integrity of the Annual Accounts, and related External Auditor’s Reports. In addition, it reviews the Annual Governance Statement prepared by the Chief Executive, in their role as the Accounting Officer, along with related internal audit reports.

Composition of the Audit Committee

The Audit Committee operates in accordance with the Terms of Reference agreed by the Board of Directors. It has met on five occasions during the last financial year and details of each member’s attendance at meetings are provided below. The committee membership should comprise at least three Non-Executive Directors, including one with “recent and relevant financial experience”. The Chair of Audit Committee is a qualified accountant. In addition to the above members, standing invitations are extended to the Chief Financial Officer, Company Secretary, the Chief Executive (for specific items), Internal Auditors, External Auditors, Local Counter Fraud Specialist and Deputy Chief Finance Officer. Other officers of the Trust may be invited to the committee to answer any points which may arise.

Audit Committee Attendance 2021/22

Table 10

Members	Job title	Attendance summary
Su Rai (Chair)	Non-Executive Director	5 of 5
Seth Crofts	Non-Executive Director	4 of 4
David Topliffe	Non-Executive Director	5 of 5
Ray Walker	Non-Executive Director	1 of 1

An Assurance Report from the Chair of the Committee is considered at the Board of Director’s meetings following each Audit Committee meeting with the Committee Chair bringing any significant matters to the attention of the Board. In discharging its duties, the Committee meets its responsibilities through utilising the work of Internal Audit, External Audit and other assurance functions, along with assurances from Trust officers (where required) and directing and receiving reports from the auditors and counter fraud specialists. The Committee members also meet with the internal and external auditors, without Executive Directors or managers of the Trust, at least once in the year.

Audit Committee activities

During 2021/22 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 counter 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 maintain revised, remote working approaches in undertaking their respective work. Effective communication and a collaborative approach resulted in the audit work on the 2020/21 financial statements being completed on time.

Financial

The Audit Committee endorses the accounting policies in operation at the Trust and used to review both the annual accounts and the external audit review of the accounts. The Audit Committee reviewed the accounting policies for 2021/22 in January 2022. It reviewed the 2020/21 annual accounts at its meeting on 24 June 2021 and subsequently recommended their adoption to the Board of Directors.

The Committee also considered and recommended to the Board of Directors for approval, updated Standing Financial Instructions (SFI) and the Scheme of Reservation and Delegation (SORD). It received reports on losses and special payments, bad debts, aged debt and waivers.

Internal Audit

The Internal Audit Service is provided by Mersey Internal Audit Agency (MIAA). Their role is to provide an independent and objective internal audit service, providing an opinion to the Accounting Officer, the Board of Directors and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed purpose. The Internal Audit Plan was driven from the risks set out in the Trust's Board Assurance Framework, as well as areas specifically identified by the Executive Directors for audit review and was approved by the Audit Committee in April 2021.

The Audit Committee was assured that all audits would consider the impact of key developments in the sector and take account of the national audit requirements set out in NHS Improvement's Audit Code and associated guidance as well as comply with the International Standards on Auditing (ISA). This process will be repeated in April 2022 for the 2022/23 programme.

MIAA delivered the audit plan 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 2021/22. There were no significant issues raised during 2021/22.

Recommendations made are tracked by the Committee to ensure that they have been actioned. In addition, MIAA provided briefing notes which confirmed that the Trust's Assurance Framework is structured to meet the NHS requirements and that the (non-compulsory) process for Exit Interviews is appropriate.

Counter fraud

As with the Internal Audit Service, MIAA is the service provider for the Local Counter Fraud Specialist (LCFS). The committee is fully supportive of counter fraud work within the Trust and regularly reviews the risk of fraud and work completed. The committee receives and approves an annual proactive work plan, regular progress reports against the work plan and a final annual report detailing all proactive and reactive work undertaken by the LCFS. Further detail on the Trust's anti-fraud work is covered in the counter fraud section of this report on page 68.

The Audit Committee reviews arrangements annually that allow staff of the Trust, and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters. There were no conflicts of interest that

needed to be addressed by the auditor or the Audit Committee during the year and the committee received a report on the Trust's compliance with NHS England conflicts of interest guidance and approved a new Managing Conflicts of Interest Policy.

External audit

The provision of external audit services is currently delivered by Grant Thornton who were appointed by the Council of Governors in April 2021 for a period of two years. Their work focused on the audit and opinion on the financial statements for 2020/21 and 2021/22. In April 2021, the committee approved an External Audit Plan for the completion of the Annual Report and Accounts for the year 2020/21. In addition, regular update reports and briefings have been received as appropriate in accordance with the requirements of the Audit Code.

The auditors provide challenge questions to the Trust in their regular briefings across a range of topics and, where appropriate, request a response from the Trust.

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 18 January 2022 and the committee considered the effectiveness of service providers against criteria which included Quality of Outputs, Quality of Engagement, Independence and 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 fee paid for external audit services for the year ended 31 March 2022 was £94,000 (excluding VAT). Grant Thornton UK LLP did not provide any non-audit services to the Trust in the period 1 April 2021 to 31 March 2022.

Su Rai

Chair, Audit Committee
24 April 2022

The Walton Centre Charity Committee (WCCC)

The Walton Centre Charity, for which the Trust is a Corporate Trustee, continued to raise awareness and funds during the year under review. The income was £380k which is £149k less than the previous year. This was to be expected considering the very different landscape which has emerged following the pandemic.

The new environment includes a shift in how people work and socialise, and many aspects of the economy has been severely affected. The direct impact on the Charity was the cancellation early in the year of the Golf Day and Hope Mountain Hike due to Covid-19 restrictions. However, in November, the 10th Anniversary Jan Fairclough Ball was able to go ahead, and the Charity used the opportunity to launch an appeal for a Neuro VR Simulator (training tool for neurosurgeons).

In 2021/22 expenditure on charitable activities was £638k (2020/21: £685k) covering areas such as improved facilities for patients, their families and staff; research and development; innovation and new technology. Projects and initiatives supported include the refurbishment of junior doctor's accommodation, staff rest areas, software for the robotic arm and running costs of the Home from Home unit. The Charity also supported staff with enhanced training opportunities to ensure they remain at the centre of clinical and research developments for the benefit of all patients.

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 2021/22.

Table 11

	2021/22	
	Number	£'000
Better Payment Practice Code - Measure of Compliance		
Non-NHS Payables		
Total bills paid in the year	15,078	54,291
Total bills paid within target	13,703	50,428
Percentage of Non-NHS invoices paid within target	90.9%	92.9%
NHS Payables		
Total bills paid in the year	1,300	32,476
Total bills paid within target	733	24,503
Percentage of NHS invoices paid within target	56.4%	75.4%
Total		
Total bills paid in the year	16,378	86,767
Total bills paid within target	14,436	74,931
Percentage of invoices paid within target	88.1%	86.4%

In 2021/22, £1,300 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.

NHS Improvement's System Oversight Framework

NHS England and Improvement, incorporating the former Foundation Trust regulator, Monitor, is the regulator for health services in England and has a role to protect and promote the interests of patients.

NHS England and Improvement's NHS Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at 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 segmented 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 is in segment 1 which is the highest possible rating. This segmentation information is the Trust's position as at 31 March 2022. There is no proposed enforcement action being taken or proposed. Current segmentation information for NHS Foundation Trusts is published on the NHS Improvement website.

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 2021/22
- Accounting policies for pensions and other retirement benefits are set out in the Remuneration Report on page 40
- 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 pages 40-53
- Details of sickness absence data can be found in the Staff Report on page 60.



Jan Ross
Chief Executive
20 June 2021

Remuneration report

The Trust has two Committees that deal with the remuneration of those who are not on the national Agenda for Change structure:

- Remuneration and Appointments Committee – Board Committee, comprised of the Chair and other Non-Executive Directors
- Nominations and Remuneration Committee – Committee of the Council of Governors and the Chair

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is responsible for considering both the appointment and remuneration of the Chair and other Non-Executive Directors and making recommendations to the Council of Governors for their approval. The Committee also considers outcomes from the appraisals of the Chair and other Non-Executive Directors.

Members of the Committee during 2021/22 were:

- Seth Crofts, Acting Chair (Chair of Committee from November 2021)
- Barbara Strong, Public Governor
- John Kitchen, Public Governor
- Louise Pate, Staff Governor
- Ella Pereira, Stakeholder Governor (Chair to November 2021)
- Jan Vaughan, Stakeholder Governor

The Committee met on three occasions during the year, to consider proposals for the appointment of the Acting Chair and the substantive appointment to Chair. The Committee also considered the appointment and reappointment of Non-Executive Directors and the appraisal of the Acting Chair.

In January 2022 the Senior Independent Director Su Rai, chaired the meeting to discuss the appointment of the Chair following the declaration of a conflict of interest in the agenda from Seth Crofts, Acting Chair.

Committee attendance - Nominations Committee 2021/22

Table 12

Member's name	Title	Attendance
Seth Crofts	Acting Chair	2 of 3
Su Rai	Senior Independent Director	1 of 1
Ella Pereira	Stakeholder Governor	3 of 3
Barbara Strong	Lead Governor	3 of 3
John Kitchen	Public Governor	2 of 3
Louise Pate	Staff Governor	1 of 2
Jan Vaughan	Stakeholder Governor	2 of 2

Remuneration and Appointments Committee

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

- Chief Executive appointment

- Very Senior Manager (VSM) pay arrangements
- VSM Pay Policy
- Executive Director remuneration
- Chief Operating Officer recruitment

In 2021/22 the Committee received a report commissioned from Jane Phillipson of JJO Consulting. This report was designed to assess pay scales taking into consideration job size, NHS and wider industry benchmarking and Executive Director portfolios. This enabled the Committee to set remuneration from 1 January 2022 that recognised appropriately the level of skills and experience required.

As a result of this paper the Committee committed to setting a VSM pay policy for the organisation which sets out how the Trust will approach the setting of remuneration in the future. This was adopted by the Remuneration Committee in March 2022.

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 2021/22 is detailed in the table below:

Committee attendance - Nominations Committee 2021/22

Table 13

Name	Job title	Overall
Janet Rosser	Chair	4 of 5
Seth Crofts	Non-Executive Director / Acting Chair	7 of 7
Su Rai	Non-Executive Director	7 of 7
David Topliffe	Non-Executive Director	7 of 7
Karen Bentley	Non-Executive Director	5 of 7
Nalin Thakkar	Non-Executive Director	4 of 6
Paul May	Non-Executive Director	1 of 1
Ray Walker	Non-Executive Director	1 of 1

The Chief Executive and Chief People Officer attend meetings except where matters being discussed would result in a conflict of interest. Minutes of meetings are recorded by the Corporate Secretary.

Senior Managers Remuneration Policy

In determining and reviewing remuneration for Executive Directors, the Committee takes into account relevant benchmarking with other NHS organisations, guidance from NHS England and Improvement, national inflationary uplifts recommended for other NHS staff and any variation or change to the responsibilities of Directors. For the purposes of the Annual Report Senior Managers are defined as those

in Board positions. In 2021/22 the Remuneration Committee approved a pay policy for the consideration for Very Senior Manager (VSM) pay. The Trust's Equality, Diversity and Human Rights Policy is taken into account by the Committee when considering matters for decision.

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 is six months for either termination by the Trust or for termination by the Director. 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 (six years in total), careful consideration is given to any further re-appointment in the context of independence and objectivity.

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 former members) of the NHS Pension Scheme. This entitles members to a pension based on their service final pensionable salary subject to HM Revenue and 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.

Senior managers at the Trust do not receive performance-related pay or bonuses.

Annual Report on remuneration

Total remuneration (detailed in tables 15 and 16) 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 16) 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 £0 in 2021/22. Reimbursement was made to 0 Directors from a total of 15 Directors. In 2020/21 the total value of expenses claimed was £100 which was lower than previous years due to Covid-19 restrictions. Reimbursement was made to one Director from a total of 15 Directors.

Fair Pay Ratio

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 £32,375 (2020/21: £31,365). The highest paid director is the Medical Director who received £195k-£200k remuneration (Bands of £5,000) (2020/21: £195k-£200k). This is 6.1 times the median remuneration (2020/21: 6.3 times).

Remuneration ranged from £18,546 (2020/21: £18,005) to £199,400 (2020/21: £195,066). This was an increase of 2.2% for the highest paid staff member. The lowest paid employee in 2021/22 was a Band 2 Administration Assistant. In 2021/22, no employees received remuneration in excess of the highest paid director (2020/21, 0 employees).

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the organisation in the financial year 2021-22 was £195-200k (2020/21, £195-£200k). There is an increase between years of 2.22%.

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

For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £18,546 to £199,400 (2020/21 £18,005 to £195,066). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 2.3%.

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

Fair Pay Ratio

Table 14

2021/2022	25th percentile	Median	75th percentile
Salary component of pay	£ 21,777	£31,534	£44,823
Total pay and benefits excluding pension benefits	£ 23,601	£ 32,375	£ 45,899
Pay and benefits excluding pension: pay ratio for highest paid director	8.4:1	6.1:1	4.3:1

Senior manager remuneration (subject to audit)

Table 15

Name	Position	1 April 2021 - 31 March 2022											1 April 2020 - 31 March 2021										
		Salary			Expense Payments (taxable) £	All Pension Related Benefits			Total			Salary			Expense Payments (taxable) £	All Pension Related Benefits			Total				
		£000			(Nearest £100)	£000			£000			£000			(Nearest £100)	£000			£000				
(Bands of £5,000)				(Bands of £2,500)			(Bands of £5,000)			(Bands of £5,000)				(Bands of £2,500)			(Bands of £5,000)						
K Bentley	Non-Executive Director (from 01/11/20)	10	-	15	0	0.0	-	0.0	10	-	15	5	-	10	0	0.0	-	0.0	5	-	10		
M Burns	Chief Finance Officer	125	-	130	0	30.0	-	32.5	155	-	160	125	-	130	0	32.5	-	35.0	160	-	165		
H Citrine	Chief Executive Officer (to 31/03/2021)	5	-	10	0	0.0	-	0.0	5	-	10	185	-	190	0	0.0	-	0.0	185	-	190		
S Crofts	Non-Executive Director; Acting Chair (from 08/08/21 to 31/03/22)	30	-	35	2,500	0.0	-	0.0	35	-	40	10	-	15	0	0.0	-	0.0	10	-	15		
M Gibney	Chief People Officer	105	-	110	0	17.5	-	20.0	125	-	130	105	-	110	0	77.5	-	80.0	185	-	190		
P May	Non-Executive Director (from 01/01/2022)	0	-	5	0	0.0	-	0.0	0	-	5	0	-	0	0	0.0	-	0.0	0	-	0		
A Nicolson	Medical Director / Deputy Chief Executive Officer	195	-	200	0	42.5	-	45.0	240	-	245	195	-	200	0	42.5	-	45.0	235	-	240		
J Ross	Chief Executive Officer (from 01/04/2021); Director of Operations and Strategy 2020/21	145	-	150	0	215.0	-	217.5	360	-	365	115	-	120	0	47.5	-	50.0	165	-	170		
J Rosser	Chair (to 30/01/2022)	35	-	40	0	0.0	-	0.0	35	-	40	45	-	50	800	0.0	-	0.0	45	-	50		
L Salter	Chief Nurse	105	-	110	0	55.0	-	57.5	160	-	165	105	-	110	0	0.0	-	0.0	105	-	110		
S Samuels	Non-Executive Director (to 31/08/20)	0	-	0	0	0.0	-	0.0	0	-	0	5	-	10	0	0.0	-	0.0	5	-	10		
B Spicer	Non-Executive Director (to 30/09/20)	0	-	0	0	0.0	-	0.0	0	-	0	5	-	10	0	0.0	-	0.0	5	-	10		
S Rai	Non-Executive Director	10	-	15	0	0.0	-	0.0	10	-	15	10	-	15	0	0.0	-	0.0	10	-	15		
N Thakkar	Non-Executive Director	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)	10	-	15	400	0.0	-	0.0	10	-	15	5	-	10	0	0.0	-	0.0	5	-	10		
L Viasman	Acting Chief Operating Officer - 2021/22 (from 10/11/21 to 31/03/22); Acting Director of Nursing and Governance - 2020/21 (from 07/09/20 to 10/01/21)	35	-	40	0	30.0	-	32.5	65	-	70	25	-	30	0	7.5	-	10.0	35	-	40		
R Walker	Non-Executive Director (from 01/01/2022)	0	-	5	0	0.0	-	0.0	0	-	5	0	-	0	0	0.0	-	0.0	0	-	0		
M Woods	Acting Chief Operating Officer (from 10/05/21 to 10/11/21)	80	-	85	0	60.0	-	62.5	80	-	85	0	-	0	0	0.0	-	0.0	0	-	0		

- The salary for A Nicolson includes remuneration for his clinical responsibilities. A Nicolson £166,765 (2020/21: £163,185)
- No directors received annual performance-related bonuses or long-term performance-related bonuses in either period
- H Citrine took part in a Pension Contribution Alternative Reward Scheme which was introduced by the Trust in November 2019/20 to support staff affected by 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 and received outstanding annual leave April 2021
- No other payments have been made to people who have previously been Directors in the Trust in either period.

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
20 June 2022

Table 16 Senior manager pension benefits (subject to audit)

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*).

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 2022			Lump Sum at Pension Age Related to Accrued Pension at 31 March 2022			Cash Equivalent Transfer Value at 31 March 2022	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2021	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	Chief Finance Officer	0.0	-	2.5	0.0	-	2.5	30.0	-	35.0	0.0	-	5.0	387	18	349	0
Gibney M	Chief People Officer	0.0	-	2.5	0.0	-	2.5	55.0	-	60.0	0.0	-	5.0	953	29	905	0
Nicolson A	Medical Director / Deputy Chief Executive Office	2.5	-	5	0.0	-	2.5	45.0	-	50.0	95.0	-	100.0	862	41	799	0
Ross J	Chief Executive Officer	10.0	-	12.5	22.5	-	25	45.0	-	50.0	100.0	-	105.0	828	177	627	0
Salter L	Chief Nurse	2.5	-	5.0	2.5	-	5.0	40.0	-	45.0	90.0	-	95.0	751	50	684	0
Vlasman L*	Acting Chief Operating Officer - 2021/22 (from 10/11/21 to 31/03/22); Acting Director of Nursing and Governance - 2020/21 (from 07/09/20 to 10/01/21)	2.5	-	5.0	5.0	-	7.5	25.0	-	30.0	60.0	-	65.0	466	24	391	0
Woods M*	Acting Chief Operating Officer (from 10/05/21 to 10/11/21)	0.0	-	2.5	12.5	-	15.0	45.0	-	50.0	125.0	-	130.0	999	68	849	0

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
- 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 and providing a view on the Trust's strategy. In addition, the Governors would need to approve any increases in private patient income or approving significant transactions were the Trust to enter into a merger, acquisition, separation or dissolution. Governors were consulted on the development of the Trust Strategy in 2021/22 at their meeting in January and through the Governor Strategic Advisory Committee. A meeting was also held for Trust Members.

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 overrule 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, four staff governors and twelve appointed partnership governors.

The 17 elected governors are made up of:

- 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

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.

Council of Governors meetings

All Council of Governors meetings during 2021/22 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 and the Trust Chair took a decision to continue the suspension of the attendance requirement for 2021/22. It is hoped that face-to-face meetings will recommence in 2022/23 when the attendance requirement will be reinstated. There were seven Council of Governors meetings in 2021/22 including three extraordinary meetings which were called to approve the appointments of the Non-Executive Directors, Trust Chair and Chief Executive.

Attendance at meetings of the Council of Governors during 2021/22 and the members of the Council of Governors who served from 1 April 2021 to 31 March 2022 are set out in the table below.

Council of Governors attendance

Table 17

Name of Governor		Type	Date first appointed	End of tenure	Meeting attendance 2021/22
Cheshire					
Alison	Astles	Public	2019	2021	0 of 1
Colin	Cheesman	Public	2012	2021	2 of 2
Robert	Howe	Public	2021	2024	2 of 3
Melissa	Hubbard	Public	2015	2021	0 of 2
Ian	Linford	Public	2021	2024	1 of 3
Thomas	Stretch	Public	2021	2024	2 of 3
Merseyside					
Melissa	Bannister	Public	2021	2022	0 of 3
Doreen	Brown	Public	2015	2021	2 of 2
Rich	Cottier	Public	2018	2021	2 of 2
Jonathan	Desmond	Public	2017	2023	3 of 4
William	Givens	Public	2019	2022	2 of 4
John	Lloyd-Jones	Public	2021	2024	3 of 3
Barbara	Strong	Public	2014	2023	4 of 4
Adrian	Wells	Public	2018	2021	0 of 2
North Wales					
Andy	Burgen	Public	2021	2022	2 of 2
John	Kitchen	Public	2015	2024	4 of 4
John	Taylor	Public	2021	2024	3 of 3
Stan	Winstanley	Public	2018	2021	1 of 2
Rest of England and Wales					
Cameron	Hill	Public	2019	2022	3 of 4
Chris	Sutton	Public	2019	2022	0 of 4
Staff Governors					
Amanda	Chesterton	Staff Clinical	2018	2024	1 of 4
Rhys	Davies	Staff Medical	2016	2022	0 of 4

Carla	Worrall	Staff Non Clinical	2021	2024	2 of 3
Louise	Pate	Staff Nursing	2021	2024	1 of 3
Partnership Governors					
Peter	Clegg	Liverpool University	2015	2024	0 of 4
Stella	Howard	North Wales CHC Joint Committee	2018	2022	1 of 3
Nanette	Mellor	The Brain Charity	2014	2023	3 of 4
Ella	Pereira	Edge Hill University	2014	2023	4 of 4
Jan	Vaughan	Merseyside and Cheshire Clinical Network	2014	2023	1 of 4
Melanie	Worthington	Cheshire and Merseyside Neurological Alliance	2020	2023	1 of 4

The Trust Chair and Chief Executive attend all meetings of the Council of Governors. Other Executive Directors are only required to attend as required by the agenda; in reality Executive Directors attend most meetings. Non-Executive Directors are asked to attend all meetings and the relevant Committee Chairs present an update from each of the Board Committees which allows the governors to hold them to account in relation to the assurances provided. The attendance of Non-Executive Directors ensures that they develop an understanding of the views of governors and members about the Trust as well as allowing the governors to hold them to account for the performance of the Board.

Lead Governor

The NHS Foundation Trust Code of Governance recommends that NHS Foundation Trusts nominate a member of the Council of Governors as the Lead Governor. Barbara Strong has held the role of Lead Governor throughout 2021/22 and was unanimously re-elected for a further year, to January 2023.

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. Providing Governors with development opportunities during 2021/22 was impaired by Covid-19 and was naturally limited to virtual training events.

These included:

- Microsoft Teams training
- Virtual Boardroom meeting papers training
- New Governor induction training
- NHS Providers training offered collectively with other Liverpool NHS Trusts
 - Introduction to the role of Foundation Trust Governor / Holding to Account
 - Effective questioning
 - Increasing membership
- NHS Providers Governor workshops
 - Working in partnership with stakeholders
 - Exploring key governor duties

- NHS Providers Annual Governor Focus conference
- Sharing good practice from the Lead Governors' Association

Governor engagement

A key method of communication, in the absence of face-to-face meeting opportunities and visits to the Trust, was regular online Chair and Governor briefings. These informal meetings provide 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 that the Trust intends to continue to provide deep dives into areas of interest such as Freedom to Speak Up.

In 2021/22 Governors were involved in consultation sessions on the development and content of the new Trust website and the Trust Strategy 2022-25. Governors have regular engagement with local Health Watch representatives through membership of the Patient Experience Group.

The Trust has continued to provide governors with the opportunity to observe virtual meetings of the Board of Directors throughout 2021/22. 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
- Monthly Team Brief
- Coronavirus updates
- NHS Providers News Bulletins

Governor 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. The terms of office for Staff Governors begin and end at the Annual Members' Meeting. Partnership Governors are nominated by their respective organisations. In summer 2021, elections to the Council of Governors were held according to the Trust's constitution.

Council of Governors election results 2021

Table 18

Seat	Turnout	Governors elected
Public: Merseyside	Uncontested	Melissa Jayne Banister
		Johnathan Desmond
		John Lloyd Jones
		Barbara Strong
Public: Cheshire	Uncontested	Robert Howe
		Ian Linford
		Thomas Stretch
Public: North Wales	12.3%	John Taylor
		Andy Burgen
		John Kitchen
Staff: Nursing	14.1%	Louise Pate
Staff: Clinical	26.9%	Amanda Chesterton
Staff: Non-clinical	Uncontested	Carla Worrall

In accordance with guidance published in April 2020 by NHS England/Improvement on revised governance arrangements in response to the Covid-19 pandemic, the Council of Governors had formally agreed to defer 2020 elections until 2021 and approved a 12-month extension to the terms of office for two Governors in the Merseyside public constituency who were subsequently successfully re-elected in 2021. As a result, their current term of office is for a two-year period rather than the usual three-year period.

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 claimed in 2021/22 largely as a result of compliance with pandemic travel restrictions and social distancing guidelines which prevented governors from attending face-to-face meetings, engagement or training events.

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 ambitions of the Trust. Information for prospective members is posted on the Trust's website. In 2021/22 the Trust Membership Strategy was revised with the main objectives being increasing engagement opportunities for existing members and

targeting recruitment for under-represented groups to increase the diversity of the Trust membership. This new strategy will be launched in 2022/23.

Membership

At 31 March 2022, the Trust's membership stood at 6,676 (6,645 on 31 March 2021).

Membership by Constituency

Table 19

Constituency	31 March 2022	31 March 2021
Public Cheshire	712	720
Public Merseyside	2,535	2,565
Public North Wales	1,253	1,267
Public England and Wales	702	706
Public Out of Trust Area	7	6
Staff Nursing	678	642
Staff Medical	134	113
Staff Clinical	262	262
Staff Non-clinical	393	364
Total	6,676	6,645

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 Membership Strategy. The Council of Governors Membership and Engagement Group, chaired by the Lead Governor, has a focus on operationalising and monitoring Governor and membership objectives within the Trust's Membership Strategy. The revised membership application form enables new members to indicate their areas of interest and preferred level of involvement and allows the group to plan targeted engagement activities.

Opportunities for engagement between Governors and members during 2021/22 were significantly limited by the national pandemic situation and the guidance which restricted face-to-face engagement activities. We maintained contact with members via Neuromatters, the Trust's quarterly magazine, which includes a membership section and articles from Governors. Neuromatters is available on the Trust's website and via social media; it is also sent to members by post and email. The Trust held a virtual Annual Members' Meeting in September 2021 with attendance open to all members and Governors

A membership survey is planned for early 2022/23 along with four virtual membership events. The Trust membership has also been invited to the pan-Liverpool Membership events organised by other Liverpool NHS Trusts. The Trust ran its own engagement event in March 2022 to give members the opportunity to input into the Trust Strategy 2022-25.

To enable Members and prospective Members to contact the Membership Manager there is a dedicated email account wcf.membership-DL@nhs.net. Governors can be contacted by email wcf.governors-DL@nhs.net

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 £82.9 million on staffing during 2021/22, which was an increase of £2.2 million (2.7%) on the previous year. The increase in costs was primarily related to increased employer pension contributions and the cost of national pay awards.

The average number of whole time equivalent (WTE) staff has increased by 51 from the previous year (of which there has been an increase of 41 permanent staff and 10 temporary staff). The majority of the increase was due to recruitment of international nurses and senior medical appointments. Tables 20 and 21 show staff costs and average number of employees for 2020/21 and 2021/22.

Staff costs (subject to audit)

Table 20

Staff costs	Group			Foundation Trust		
	Permanent £000	Other £000	Total £000	Permanent £000	Other £000	Total £000
2021/22						
Salaries and wages	56,791	5,078	61,869	56,791	5,078	61,869
Social security costs	6,007	0	6,007	6,007	0	6,007
Apprenticeship levy	283	0	283	283	0	283
Employer's contributions to NHS pension scheme	10,058	0	10,058	10,058	0	10,058
Pension cost - other	60	0	60	60	0	60
Termination benefits	74	0	74	74	0	74
Temporary staff	0	5,141	5,141	0	5,141	5,141
NHS charitable funds staff	165	0	165	0	0	0
Total staff costs	73,438	10,219	83,657	73,273	10,219	83,492
Of which						
Costs capitalised as part of assets	(142)	(612)	(754)	(142)	(612)	(754)
Staff costs	73,296	9,607	82,903	73,131	9,607	82,738
	Permanent £000	Group Other £000	Total £000	Permanent £000	Foundation Trust 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

Average number of employees

Table 21

Average number of employees (WTE basis)						
	Group			Foundation Trust		
	Permanent Number	Other Number	Total Number	Permanent Number	Other Number	Total Number
2021/22						
Medical and dental	198	0	198	198	0	198
Administration and estates	353	14	367	350	14	364
Healthcare assistants and other support staff	257	52	309	257	52	309
Nursing, midwifery and health visiting staff	396	25	421	396	25	421
Scientific, therapeutic and technical staff	180	1	181	180	1	181
Healthcare science staff	28	0	28	28	0	28
Other	10	0	10	10	0	10
Total average numbers	1,422	92	1,514	1,419	92	1,511
Of which:						
Number of employees (WTE) engaged on capital projects	6	10	16	6	10	16
	Group			Foundation Trust		
	Permanent Number	Other Number	Total Number	Permanent Number	Other Number	Total Number
2020/21						
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

Staff profile

On 31 March 2022, the Trust permanently employed whole time equivalents made up of the following groups in Table 22.

Staff numbers

Table 22

Staff group	Headcount	FTE
Add Prof Scientific and Technic	34	29.12
Additional Clinical Services	278	240.17
Administrative and Clerical	393	354.73
Allied Health Professionals	193	170.45
Estates and Ancillary	17	12.56
Healthcare Scientists	31	28.08
Medical and Dental	149	143.04
Nursing and Midwifery Registered	416	383.30
Total	1,511	1,361.46

The total number of staff has marginally increased from numbers in 2020/21.

Equality, Diversity and Inclusion

The Trust demonstrates its overall values and commitment in regards to Equality, Diversity and Inclusion (EDI) via its continued commitment to delivering its Equality, Diversity and Inclusion Five-Year Vision, which will be reviewed and refreshed in 2022/23 prior to launching a new vision in 2023. The current document can be viewed using the following link:

<https://www.thewaltoncentre.nhs.uk/Downloads/Equality-Diversity-Inclusion/EDI%20Vision%205%20Year%20Vision%202017.pdf>

Equality Impact Analysis

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.

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

On 31 March 2022, the Board of Directors comprised of:

- Four male and two female Non-Executive Directors (including the Trust's Chair)
- Three male and three female Executive Directors
- Twelve Board members are recorded as White and one Board member is recorded as coming from a Black, Asian or minority ethnic background.

Race and Disability Equality Standards

The Trust demonstrates its continuing commitment to race equality via its compliance with the NHS Workforce Race Equality Standards (WRES) and to disability via the Workforce Disability Equality Standards (WDES). These standards provide a number of indicators and corresponding action to drive improvements. Further details about the Board's composition can be found in the Trust's WRES Report which is available on the Trust's website:

<https://www.thewaltoncentre.nhs.uk/Downloads/Equality-Diversity-Inclusion/WRES%20Report%202021.pdf>

<https://www.thewaltoncentre.nhs.uk/Downloads/Equality-Diversity-Inclusion/WDES%20Report%202021.pdf>

In addition to the WDES, the Trust also takes action to ensure that it is giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. The Trust operates guaranteed interviews for all disabled job applicants who meet the specified criteria for the job and the Trust also provides reasonable adjustments for disabled applicants at interview.

For staff who notify the Trust of their disability during their employment at the Trust, reasonable adjustments are provided where required to continue their employment. The Trust make available appropriate training, technology and adjusted work arrangements for

those employees where appropriate. Information on reasonable adjustments is made available to all employees via the staff intranet pages.

Gender pay gap

The Trust demonstrates its continuing commitment to gender equality via its compliance with the Government gender pay gap reporting requirements. The Trust reports and publishes its gender pay gap on an annual basis. This reporting allows the Trust to understand the average difference in pay between male and female staff. It also allows the Trust to take actions to close the gender pay gap. The Trust has again met its gender pay gap reporting obligations and the results and planned action are published in the Gender Pay Gap Report 2021 which can be found on the Trust's website, at the link below:

<https://www.thewaltoncentre.nhs.uk/Downloads/Equality-Diversity-Inclusion/Gender%20Pay%20Gap%20Reporting%202020%20to%202021.pdf>

Navajo Charter Mark

The Trust demonstrates its continuing commitment to equality for LGBTIQ+ patients and staff by its participation in the Navajo Charter Mark Scheme. In 2021 the Trust successfully completed reaccreditation and gained the privilege of holding the Navajo Charter Mark for a further two years, which is a signifier of good practice, commitment and knowledge of the specific needs, issues and barriers facing the LGBTIQ+ community.

New work in 2021/22

The Trust has started two new areas of EDI work in 2021. The Strategic Black Asian and Minority Ethnic (BAME) Advisory Committee (SBAC), which reports directly into the Board, has received analysis on patients, by ethnicity, to see where there may be inequalities in care and this work is now being expanded to examine health inequalities in terms of both race and the indices of social deprivations. This will give the Trust further insight into health inequalities relating to both patients and staff. The second new line of EDI work is aimed at ensuring that the Trust can provide equitable services and employment opportunities to armed services personnel, their families and veterans. In 2021/22 the Trust has been networking with other Trust's across north west England to ensure progress in respect of equality for veterans.

EDI governance and oversight is provided via the Trust's EDI Steering Group and the Strategic BAME Advisory Committee, further monitoring and oversight is provided by the Trust's Business Performance Committee and the Trust Board. The Trust's EDI performance is facilitated by a number of further policies and guidance documents which include the following:

- Equality Diversity and Human Rights Policy
- Transgender Policy
- Tailored Reasonable Adjustment Template

Staff engagement

Elements include:

- Established staff communications and engagement methods including a daily safety huddle, the weekly email bulletin to all staff - Walton Weekly - and weekly Chief Executive blog; 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
- Regular staff listening events
- Investors in People accreditation
- Investors in People Wellbeing award
- Participation in Pulse Survey

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 the usual staff health and wellbeing days, which involved face-to-face contact, were replaced by a series of online 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 2021/22 collaboration between the Trust and the Occupational Health Service resulted in successful delivery of flu and Covid-19 vaccination programmes.

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. NOSS provide a 24/7 telephone service for staff and following staff feedback a number of onsite workshops were provided for staff to receive face to face support.

Staff 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 ongoing staff engagement comprising face to face sessions (limited during 2021/22 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 2021/22 to include additional activities in direct response to staff feedback/requests, including face to face counselling workshops, support sessions for managers and staff and the training of 29 Mental Health First Aiders.

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, a staff benefits and wellbeing platform, was introduced during 2021/21. 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's Health and Wellbeing Strategy has been reviewed during 2021/22 and a regular newsletter introduced to capture all the activities. One of the Non-Executive Directors was appointed as a Wellbeing Guardian in 2021/22 to ensure that staff wellbeing remains high on the agenda for the Board.

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.

Our NHS People

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

- [Website and app](#) - Information, and access to group and 1-1 support direct to 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
- [Silver Cloud](#) - Mental health modules for stress, resilience, sleep and anxiety
- Apps - free access to mental health apps including [Unmind](#), [Headspace](#), [Sleepio](#) and [Daylight](#)

Education and organisational development

The Trust ensures that education, training and development opportunities are provided 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. Developments over 2021/22 included:

- Accredited as an Intermediate Life Support training centre, with 82 staff receiving training since September 2021

- 353 medical students from the University of Liverpool completed four-week placements and feedback was widely positive about the support and teaching quality they received
- The uptake of apprenticeships increased in 2021/22, with 29 members of staff commencing a range of clinical and non-clinical apprenticeships, including converting five existing Health Care Assistant vacancies into rolling apprenticeships
- As an approved Kickstart provider, the Trust employed four individuals who were at risk of long-term unemployment on a six-month contract across a number of departments.

The Walton Centre has a long history of supporting and developing its staff to access external professional development and the Trust benefited from a number of training grants from Health Education England for a range of educational activities, including staff Covid-19 recovery and the purchase of a wide range of clinical skills equipment. The Trust also delivered a further cohort of both The Walton Centre’s standalone Master’s Neuroscience Module and the Rehabilitation Masters Module, both attended by a range of internal and external staff.

Internal leadership development options include our established Building Rapport – The Walton Way management programme aimed at all staff with a management or supervisory role. The programme covers softer management skills including staff support and development and coaching conversations, a focus on equality and diversity and mental health awareness, as well as more practical elements including recruitment and policies. Furthermore, the Trust is accredited to deliver the Leadership Academy Mary Seacole programme and supported a number of staff to attend the course in 2021/22. The Trust continues to promote a coaching culture and staff are able to benefit from access to internal workplace coaching, working with our trained coach practitioners.

Staff sickness

The following table details sickness absence for the period as at 31 March 2022:

Table 23

Staff sickness absence	2020/21	2021/22
Days lost (long-term)	23,766	26,282
Days lost (short-term)	10,467	13,114
Total days lost	34,233	39,396
Average staff service years	6.69	6.79
Average calendar days lost	18.29	16.13
Total staff employed in period (headcount)	1509	1526
Total staff employed in period with no absence (headcount)	630	485
Percentage staff with no sick leave	41.75%	31.78%

The total number of days lost due to sickness has continued to increase in comparison with the previous year, primarily as a result of the numerous waves of Covid-19. The total number

of staff employed by the Trust has increased over the past year as has the staff service years.

Of the 39,396 days lost to sickness, 6,649 were specifically due to Covid-19 related sickness a decrease from 8,941 days in the previous year. The broader issue of absence from work due to the impact of the pandemic should also be noted. An additional 2,508 days were lost to Covid-19 related special leave, principally due to isolation requirements compared to 17,137 the previous year.

NHS Digital staff sickness figures January to December 2021

Table 24

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average Full Time Equivalent (FTE) 2021	FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
1,344	19,134	14.2	490,669	31,040

The figures from NHS Digital are in line with the Trust's own figures for this period.

Staff turnover

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.

However, it should be noted that there was a predictable increase in movement of staff across the local health economy once the requirement for lockdown was reduced.

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>

Turnover 2021/22 (all staff groups)

Table 25

	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022
Turnover Rate (FTE)	0.42%	1.66%	1.36%	1.15%	1.86%	1.67%	1.84%	0.90%	1.32%	1.51%	1.18%	1.39%
Turnover Rate FTE (12month)	11.03%	12.26%	12.91%	12.60%	12.68%	13.77%	14.60%	14.73%	14.78%	15.37%	15.78%	16.23%

Turnover (Nursing staff)

Table 26

	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022
Turnover Rate (FTE)	0.26%	1.04%	1.73%	1.77%	0.87%	1.34%	1.66%	1.40%	0.41%	1.29%	0.90%	0.78%
Turnover Rate FTE (12m)	11.16%	11%	12.62%	13.51%	13.59%	14.72%	15.22%	15.75%	14.21%	13.90%	14.03%	13.71%

Number of individuals who retired early on ill-health grounds during the period of reporting

During the period 1 April 2021 to 31 March 2022 there were no instances of early retirement on the grounds of ill-health.

Staff Survey

The 2021 survey was distributed to all staff between September and December 2021. The survey is a key element of the organisations overall approach to staff engagement. The Walton Centre NHS Foundation Trust had 600 staff take part in the survey compared to 548 in the previous year. This was a response rate of 41% an increase of 2% from last year.

Scores relating to the seven elements of the People Promise replaced the old theme scores (with the exception of Staff Engagement and Morale).

There are seven People Promises within the survey which are:

- We are compassionate and inclusive
- We are recognised and rewarded
- We each have a voice that counts
- We are safe and healthy
- We are always learning
- We work flexibly
- We are a team

The two themes, which were also reported prior to 2021, are:

- Staff engagement
- Morale

The Trust scored significantly better in 16 questions than the benchmarking sector, significantly worse in three and 80 questions showed no significant difference.

Staff engagement

Staff engagement is measured across three sub scores:

- Motivation,
- Involvement
- Advocacy

Overall staff engagement is measured as an average across these three scores. Staff engagement scores fall between 0 and 10, where the higher the score, the more engaged the staff.

Presented in the chart below are the range of overall staff engagement scores across the Acute Specialist sector, shown in ranking order. The Trust's organisation's score is 7.30 and its position within the sector is marked orange. The blue bars represent the scores of other organisations within the sector.

Chart 3



Morale

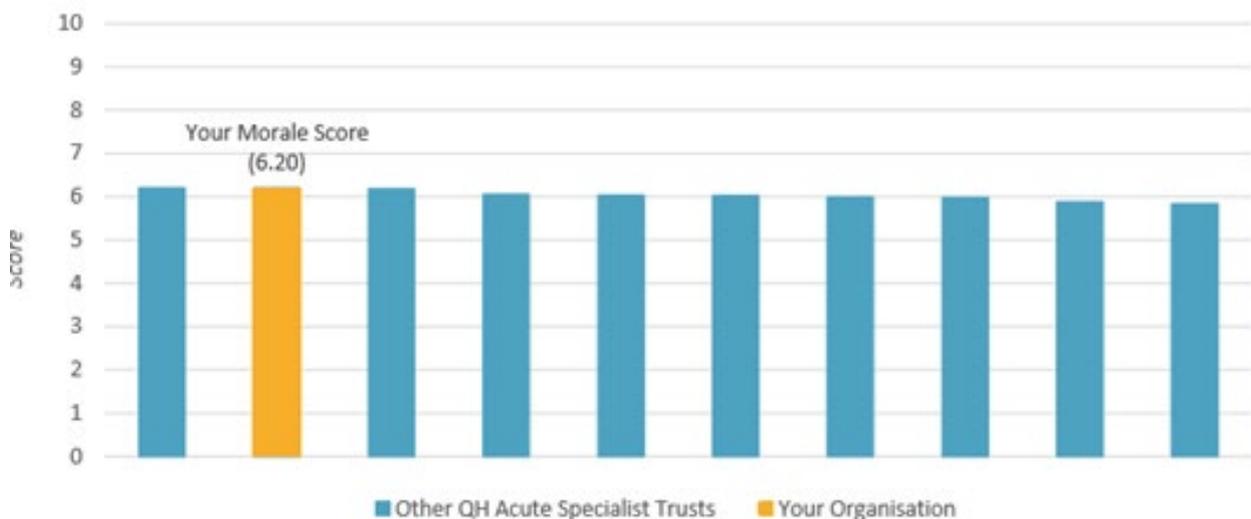
Although morale as a theme score has been maintained from previous years, it has been recalculated this year to include additional questions in the measure. Previously the score was calculated as the average of two sub-scores: stress and intention to leave. For 2021 the theme is calculated from the average of three sub-scores:

- Stressors (similar to the previous stress sub-score but incorporating an additional question)
- Thinking about leaving (identical to the previous Intention to leave sub-score)
- Work pressure (new)

Morale is measured as an average across these three scores. Morale scores fall between 0 and 10, where the higher the score, the higher the morale amongst staff.

Presented in the chart below are the range of morale scores across the Acute Specialist sector, shown in ranking order. The Trusts score is 6.20 and its position within the sector is marked orange. The blue bars represent the scores of other organisations within the sector.

Chart 4



Areas to celebrate

- We each have a voice that counts - highest score
- We are safe and healthy - highest score
- I have unrealistic time pressures - best score
- Team working

Areas to improve

- We are always learning - appraisals
- Care of patients is my organisation’s top priority - 91% to 84%
- Recommend as a place to work - 78% to 68%
- Enough staff - 50% to 39%

Next steps

- Participation in regular NHSE/I People Pulse survey
- Need to continually refresh ‘successful’ initiatives

- Health and wellbeing front and centre
- Create genuine lasting improvements for staff

Staff Survey results from previous years

Table 27

	2020		2021	
	Trust	Benchmark group	Trust	Benchmark group
Equality, diversity and inclusion	9.3	9.2	9.3	9.2
Health and wellbeing	6.8	6.5	6.5	6.3
Immediate managers	7.1	7.1	7.3	7.1
Morale	6.6	6.4	6.6	6.4
Quality of appraisals	N/A	N/A	5.7	5.8
Quality of care	8.1	7.9	7.9	7.9
Safe environment – bullying and harassment	8.5	8.4	8.4	8.3
Safe environment – violence	9.3	9.8	9.2	9.8
Safety culture	7.2	7.0	7.7	7.0
Staff engagement	7.6	7.4	7.6	7.5
Team working	7.0	6.8	7.1	6.9

As the themes of previous years have now been replaced with the elements of the people promise it is not valid to compare this year’s results to previous years. Table 27 above shows the 2020 and 2021 results.

Trade Union Facility Time

In line with the Trust’s Partnership Agreement with its recognised staff representative bodies, in 2021/22 the Trust provided the following supported time for its recognised staff representative bodies per week;

Relevant union officials

Table 28

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
9.0	7.5

Percentage of time spent on facility time

Table 29

Percentage of time	Number of employees
0%	
1-50%	9
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Table 30

Total cost of facility time	£22,751
Total pay bill	£82.055 million
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

Paid Trade Union activities

Table 31

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	17.61%
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Off-payroll arrangements

Details of highly paid and/or senior off-payroll engagements during 2021/22 are included in tables 32 – 34 below.

Off-payroll worker engagements as at 31 March 2022

Table 32

	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	0
for between one and two years at the time of reporting	0
for between two and three years at the time of reporting	0
for between three and four years at the time of reporting	0
for four or more years at the time of reporting	0

All off-payroll workers engaged at any point during the year ended 31 March 2022

Table 33

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

For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022

Table 34

	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 Chief Finance Officer 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 a Counter 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 Chief Finance Officer is the executive lead for counter fraud matters.

Disclosures set out in the NHS Foundation Trust Code of Governance

Statement of Compliance with the Code

The Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012 and provides guidance and best practice advice for Trust's in discharging their statutory duties.

An NHS Foundation Trust is required to provide a specific set of disclosures in its Annual Report and it is recommended that it should consider how to apply the provisions in the best interest of patients. An annual review of the Code of Governance is undertaken by the Audit Committee and includes the identification of any areas for further development. The Audit Committee reviewed the compliance status on 26 April 2022 and confirmed that the Trust had fully implemented all sections of the Code in 2021/22 with the exception of the following.

Exceptions to compliance with the Code of Governance

Table 35

Code section	Code provision	Trust position
A.5.4	The roles and responsibilities of the council of governors should be set out in a written document. This statement should include a clear explanation of the responsibilities of the council of governors towards members and other stakeholders and how governors will seek their views and keep them informed.	The Constitution sets out the roles and responsibilities of the Council of Governors. The Membership Strategy is under review and a will be published early in 2022 following the publication of the revised Trust Strategy.
B.2.6	Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist only of a majority of governors. If only one nominations committee exists, when nominations for non-executive, including the appointment of the chairperson or a deputy chairperson, are being discussed, there should be a majority of governors on the committee	The Nominations and Remuneration Committee of the Council of Governors is made up of five governors and the Chair of the Trust. Terms of Reference are in place outlining its membership and remit. The interview panel for the Chair in March 2022 included three Governors and three Board Directors plus an external Chair and an ED&I observer. Therefore, there was not a majority of

	and also a majority governor representation on the interview panel.	Governors on the Chair's interview panel but this was felt to be an appropriate mix and still within the spirit of the provision.
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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
- 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
20 June 2022

Annual Governance Statement 2021/22

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 2022 and up to the date of approval of the annual report and accounts.

The Trust does not always directly deliver services, where it is more cost-effective to contract with third party suppliers, for example payroll, which is supplied by St Helens and Knowsley Teaching Hospitals NHS Trust. Contract meetings are held to discuss performance and achievement of Key Performance Indicators against the contract. Services, such as payroll would be externally audited as required and a statement about the outcome would be shared with the Trust's auditors.

Capacity to handle risk

The Trust has 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 and will be reviewed in 2022/23 once the new Trust Strategy is launched.

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 and NHS Improvement and other regulatory bodies in respect of risk and governance. The Chief Executive has delegated the following responsibilities to Executive Directors:

- The Chief Finance Officer has responsibility for financial governance and associated financial risk, information governance and cyber security
- The Chief People Officer has responsibility for digital risk as well as workforce governance and risks
- The Chief Nurse has delegated authority for quality, risk management, clinical governance 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 Chief Operating Officer is responsible for operational performance, emergency planning, estates and facilities

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 system of internal controls which includes oversight of risk, data quality, information governance systems and processes within the Trust. This also includes the processes for finance, governance, ensuring compliance with Care Quality Commission registration requirements and Clinical Audit.

Training

To ensure that the Trust's approach to risk management is successfully implemented and maintained, staff of all levels, are trained to identify and manage risk in a way that is appropriate to their authority. This focuses on ensuring that they have the awareness, knowledge and guidance to carry out their duties safely and effectively. All staff are required to attend corporate induction on commencement of employment at the Trust and then regularly update their knowledge and skills via an ongoing mandatory training programme which is monitored by the People Group. Training programmes are aligned to statutory requirements, best practice and Trust policy. Emergency resilience training is also delivered to all senior managers who undertake on-call duties and table-top exercises are conducted to test the robustness of the Trust's Major Incident Plan. Compliance with mandatory training is reported to the Board of Directors and managers on a monthly basis.

The Governance Team have 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. To ensure a consistent approach to root cause analysis, investigation focussed training sessions are provided to relevant members of staff. Training in the use of Datix (the Trust's electronic risk management system) is also provided to staff as required. There is also an accessible, specialist system lead based centrally with the Governance Team.

The Trust continues to monitor the system for managing its policies and procedural documents to ensure appropriate guidance is available for all staff. Staff have access to all approved Trust policies, procedures and guidance in one location on the intranet. Trust

policies are also cascaded to all staff via Trust communications and other reporting mechanisms.

Developing a risk aware and risk sensitive culture continues to be an ongoing aim for the Trust. 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 Chief Nurse. The Trust aims to minimise adverse outcomes to the organisation, staff, estate and, particularly, the patients who use its services, through adequate supervision and training, appropriate delegation, continuous review of processes and the sharing of lessons learned and best practice via Trustwide and divisional governance systems.

Good practice and lessons learned from a variety of local and national sources on incidents, complaints, concerns, claims and audits are shared through a range of methods, including newsletters, service improvement work, education and training programmes, and through the divisional governance arrangements. Lessons and shared learning are also identified through, for example, the Quarterly Governance and Risk Management Reports which are considered through the governance structure and the Governance Bulletins.

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, mitigations 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 Trust aims to embed its evaluation of risk appetite more closely to its principal risks in 2022/23.

Quality

Quality drives the Trust's strategy and the Board of Directors is aware of potential risks to quality via the processes outlined above. The Trust's Quality Strategy (2019-24) aims to improve on the quality of care provided for patients and their families and reduce avoidable harm. It is informed through the concerns and risks identified through the Care Quality Commission (CQC) inspection in 2019, reported 'never events', intelligence data and consultation with patients, staff and key stakeholders. The Board of Directors is assured on progress on delivery of the Quality Strategy through regular reports from the Quality Committee.

The work of the Quality Committee is informed by outputs from a number of management groups including; Quality and Patient Safety Group, Clinical Effectiveness and Services Group, Safeguarding Group, Health, Safety and Security Group, Infection Prevention and Control Committee, Patient Experience Group and Equality, Diversity and Inclusion Group.

Quality is a central element of all Board meetings. Either a patient, family or staff story is used to open each meeting of the Board of Directors, to ensure that the focus on quality of patient and family-centred care remains at the heart of all Board activity and decision making. 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 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 Trustwide daily 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) to ensure that issues and risks relating to the quality of care and the experience of both patients and staff can be escalated. The meetings are chaired by the Chief Nurse 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 during the Covid-19 pandemic. This proved to be a positive development as the arrangements facilitated wider access than was the case with face-to-face meetings and this was continued during 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 in addition to understanding any changes in culture or significant concerns.

Two nationally defined Never Events occurred at the Trust during 2021/22. All serious incidents, including Never Events are investigated using the Trust's Root Cause Analysis serious incident investigation template. These investigations are monitored, reviewed and approved by the Trusts Serious Incident Review Group. Recommendations made from the investigations are tracked through the relevant divisional governance groups. All approved investigations are submitted to the commissioners for review. Feedback or queries from the commissioners are managed by the Trust's Serious Incident Review Group. Data pertaining to never events is also shared with the Care Quality Commission and discussed quarterly, noting lessons learnt.

Care Quality Commission (CQC) registration

The Trust is required to register with the CQC and its current registration status is registered without conditions for the Health and Social Care Act 2008. The Trust is fully compliant with

the registration requirements of the CQC. It monitors this compliance through its governance structure.

At the last CQC inspection of the Trust in 2019, the Trust was rated as 'Outstanding' overall and achieved 'Good' in the Well Led domain. The actions arising from this have formed the basis of an improvement plan agreed by the Board which is monitored by the Quality Committee, with regular updates submitted to the CQC. The action plan is in the process of being closed off with any outstanding work being adopted as business as usual. The full report is available on the CQC website <https://www.cqc.org.uk/provider/RET>.

The Chief Nurse meets with the CQC on a quarterly basis. The Trust continues to ensure that the requirements set out within the Health and Social Care Act (Regulated Activities) Regulations 2015 are being met and annual assurance that the Trust is fully compliant is provided to the Audit Committee.

Data security

The Data Security Protection Toolkit (DSPT) is a national data security standard set by NHS Digital which all NHS organisations are required to meet. The DSPT currently consists of 110 mandatory evidence items and provides assurances in multiple areas of data security including those related to the GDPR and cyber security standards. In 2021/22, the DSPT added requirements from the Cyber Essential Plus certification which provided enhanced assurance in this area. The DSPT consists of an annual online self-certification based on the 10 NHS Data Security Standards, as well as an external audit of several pre-defined key areas. The Trust's DSPT status is published by NHS Digital and is shared with the CQC, as well as being made available for commissioners, partner organisations and the public.

In 2020/21, the Trust reached the standards required and was able to make a satisfactory "standards met" submission. The DSPT submission is usually made by 31 March each year; however, due to the impact of Covid-19, the deadline for the 2021/22 submission was extended to 30 June 2022. The Trust is currently on track to meet this deadline with a second satisfactory "standards met" submission. The DSPT is a Trust-wide responsibility with every member of staff and department having a part to play in the Trust meeting the standard. Progress on the DSPT is monitored through the Trust's Information Governance structure and the Data Security and Protection Toolkit Subgroup.

Data quality and data security risks are managed and controlled via the operational risk register. Risks to data quality and data security are continuously assessed and added to the relevant section of the Risk Register and reviewed by the Information Governance and Security Forum with key updates provided to the Business Performance Committee through a Chair's assurance report.

Cyber security remains a high priority for the Trust and a principal risk. Events in 2021/22 have increased the potential external threat and the Trust has continued to work to mitigate this threat.

The Trust has again maintained its ISO 27001 certification in information security with no additional risks or actions needing to be added following the external annual audit. The Trust's Digital Team are also part of the Cheshire and Merseyside Cyber Collaboration Group and the national Cyber Associate Network, giving the Trust access to information, warnings and tools quickly and efficiently to be as proactive as possible.

The Business Performance Committee have received regular updates through the year and the Audit Committee have a role in ascertaining that the right systems of control are in place.

Strategic risks 2021/22

The principal risks to delivery of the Trust's strategic objectives in 2021/22 were identified by the Board of Directors in April 2021 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
- **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 outcomes and 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 staff 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 not fit for purpose
- **Digital** - If the Trust does not maintain and improve its digital systems through implementation of the Trust's 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 suffer a cyber-attack leading to service disruption, loss of data and financial penalties or loss of income
- **Innovation** – The Trust needs to embed a culture of innovation to underpin its status as a Centre of Excellence, develop/implement ground-breaking patient treatment and attract/ retain a world class workforce.
- **Partnerships** – Establishment of a Cheshire and Merseyside 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, set by the Health and Care Partnership, to the Trust will not support the full capital plan for 2021/22. 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 2021/22 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 and levels of financial efficiencies will not be deliverable before the end of the year.
- **Medical education**– If the Trust does not develop and grow its capacity in line with increasing delivery requirements, there will be an adverse impact on the quality of its medical education and therefore its reputation over the long term.
- **Financial system** - The move to an Integrated Health Care Partnership financial system along with changes to tariffs and population-based commissioning could destabilise the Trust's income base.
- **Infection prevention and control (opened February 2022)** - If hospital acquired infection rates increase then there is a risk to patient safety and experience as the Trust has already exceeded its health care associated infection trajectories for hospital acquired infections i.e. MSSA, C. difficile, Klebsiella, E.coli.

The Board of Directors closed the 2021/22 BAF on 7 April 2022 and will set new principal risks for 2022/23 in line with the new Trust Strategy.

The Board Committees receive delegated powers by the Board of Directors, as specified in their Terms of Reference, to focus on particular areas on behalf of the Board including the scrutiny of operational and principal risks. The Business Performance Committee's focus is on 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.

Quality Committee focuses on all aspects of quality in respect of clinical care and regulatory standards of quality and safety. This includes infection prevention and control and patient and family experience.

Audit Committee is responsible for providing assurance to the Board of Directors on the effectiveness of the Trust's systems 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.

Research, Innovation and 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 Strategic BAME Committee was set up in 2020, in response to the impact of the Covid-19 pandemic on Black, Asian and Minority Ethnic Staff and to oversee the strategic approach to fairness and equality for BAME staff and communities.

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. A report from the Chair of the Remuneration Committee can be found in the accountability section of this report on page 41.

Membership of both the Audit Committee and Remuneration Committee is comprised solely of Non-Executive Directors. The Board and Committees review their effectiveness on completion of each meeting and in 2021/22 formal effectiveness reviews took place for each Committee with the aim of identifying any areas for development and where practice could be strengthened.

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 and that Directors understand their own accountability for governing the Trust.

The Board of Directors maintains oversight of the Trust's performance by consideration of an Integrated Performance Report (IPR) at each meeting. Quality Committee and Business Performance Committee, routinely review relevant aspects of Trust performance in accordance with terms of reference approved by the Board. The Board set the strategic direction for the Trust and monitor progress against that.

The Chair and Chief Executive provide visible leadership in developing a healthy culture for the organisation and ensure this is reflected and modelled in the individual Directors' and the Board's behaviour and decision making.

Non-Executive Directors are responsible for bringing independence, external perspective and constructive challenge. They hold the Executive Directors to account for delivery of the Trust's strategy, offer purposeful 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 the delivery of the strategy and acts as the Trust's Accountable Officer in the establishment of effective performance management arrangements. 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 Executive Management Team meets weekly 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 (SoRD) and Standing Financial Instructions (SFIs) on an annual basis and through this and through 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 2021/22.

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.

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 is reviewed and approved by the Board of Directors annually; the statement evidences the current arrangements in place to mitigate risks to compliance and to ensure 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.

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 (BAF). Risks are escalated via departmental risk registers to the Corporate and Divisional Risk Registers in line with the Risk Management policy. The Board 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. 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 Chief Nurse and the Medical Director, prior to being confirmed by the Chief Finance Officer. In addition, Business Cases for proposed service developments must include a full risk assessment and Equality Impact Assessment (EIA) prior to be considered for approval.

The Board of Directors maintains a Board Assurance Framework (BAF) which reviews the principal risks to achieving the Trust's strategic objectives as set out above. Each principal risk is aligned to a Board 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 BAF includes links to high-scoring operational risks on the corporate and divisional risk registers and provides an effective focus on strategic and reputational risk. Gaps in assurance or controls are highlighted which gives the Board confidence that systems and processes are operating in a way that is safe and effective. The complete Board Assurance Framework is a dynamic tool that is reviewed quarterly by the Board of Directors for consideration, challenge and assessment of the Trust's risk and control environment and any risks to compliance with the Trust's licence.

The Trust provides information and assurance to the public on its performance against its principal risks and objectives in a number of different ways, including:

- Trust Members are represented by a Council of Governors that includes public, staff and stakeholder Governors
- The Council of Governors receives regular updates on the status of the Board objectives and uses these and other information such as CQC ratings, to hold the Non-Executive Directors to account for the performance of the Board
- Consultation with the public is undertaken when developing new services and where key changes are proposed to existing services which may impact on them
- The Trust has an agreed process to advise and engage with overview and scrutiny committees when there are proposed changes that might impact on service users
- Healthwatch is represented on the Trust's Patient Experience Group.

Workforce strategies

The Trust has in place a comprehensive People Strategy (2019-24) to drive focus and delivery in a number of areas such as workforce planning, retention, equality, diversity and inclusion, health and wellbeing, 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 NHS Improvement's 'Developing Workforce Safeguards' (2018), 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 six-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 providing similar services. 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 Chief Nurse and presented to relevant committees and Trust Board prior to their monthly submission to NHS England and then published on 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 a local 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.

Controls are in place to ensure that all the Trust's staff have the appropriate skills and expertise to perform their duties. This includes the provision of appropriate training and knowledge of the relevant policies and guidance which ensure that the data used to assess the quality of the Trust's performance is reliably collected and prepared by staff. The Information and Data Quality Group supports the management and improvement of data quality across Trustwide clinical systems. In addition, an ongoing programme of work through internal audit systematically reviews the underlying data quality.

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

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

Well-led

The Trust maintains a strong focus on integrated quality, operational and financial governance, the requirements for which is identified in NHS Improvement's well-led framework. We recognise that this provides the necessary structure for its services to be well led and to be able to demonstrate strong leadership, system working and quality improvement within a positive culture focused on patient safety.

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 and Delegation
- Established commissioning and planning processes and compliance with new planning arrangements being established by the forming Integrated Care Systems
- 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 with established key performance indicators and metrics within the Integrated Performance Report
- Support by internal and external audit to ensure economic, efficient and effective use of resources

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 Board Committees.

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 Executive Directors hold regular performance review meetings with the Clinical Divisions and escalates any matters of concern at Executive Management Team meetings.

The Hospital Management Group, chaired by the Chief Executive, provides oversight of the implementation of Trust strategies and objectives, reviews business cases 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. Efforts to ensure value for money and the effective use of resources are supported by the Trust's internal audit service and the risk-based Internal Audit Plan for 2021/22. 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 Chief Finance Officer, who has nominated responsibility for information risk. The Data Protection Officer (DPO) oversees Data Protection compliance and provides independent advice to the Trust.

The Trust uses the Datix Incident Report Form to capture data breaches reported by all levels of staff.

During 2021/22, a total of 116 breaches were reported. Of these, four were classed as externally reportable to the Information Commissioners' Office (ICO):

- A patient received a letter relating to another patient
- Discharge paperwork was handed to the wrong patient
- A patient received a letter relating to another patient along with their own letter
- Bundle of eleven clinic letters that should have been sent to the Trust was sent to a patient as the patient's address was visible through the window of the envelope

The ICO notified the Trust that all cases were closed with no further action required due to the remedial actions taken by the Trust.

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 and support users to avoid issues reoccurring. This involves regular monitoring and communication with staff so they are fully aware of their roles and responsibilities regarding Data Quality and are encouraged to follow best practice.

The Data Quality team ensure that data and information are monitored and reviewed regularly. There are data quality checks covering key areas of the patient's journey to ensure that data is accurate, valid and complete.

Data quality is monitored through a monthly Information and Data Quality Assurance Group (IDQAG) chaired by the Head of Information and Business Intelligence and includes representatives from key areas. It escalates by exception to the Business and Performance Committee (BPC) which reports to the Trust Board. The group monitors Key Performance Indicators of the Data Quality Maturity Index (DQMI), and develops targeted action plans on key issues and monitors those plans through to completion. IDQAG ensures that best practice is followed for the recording and capture of Trust data.

The Trust has a Data Quality Maturity Index (DQMI) score of 98.7% for December 2021 which reflects this strong culture.

Referral to Treatment (RTT) validators work closely with service managers to proactively manage 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.

Data Quality is regularly reviewed by Internal Audit as part of their annual cycle of audits. The most recent audit was the Trust's RTT data collection reporting process where 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 and Patient Safety Group or the

Capital Management Group, report assurance, which may be positive or negative, and escalate issues to a Board Committee which 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 2021/22. My review has been informed by:

- Board reviews of the Board Assurance Framework (BAF), the review of key performance indicators and the receiving of escalations from committees and groups
- Positive Internal Audit review of the effectiveness of the overall system of internal control. 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
- Outcomes from the 2021/22 Clinical Audit programme
- 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

The Head of Internal Audit Opinion for the period 1 April 2021 to 31 March 2022 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. The internal audit annual assessment of the BAF concluded that it 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 2021/22 and an agreed plan for 2022/23 is in place. The outcomes from this programme provide me with further assurance on the effectiveness of internal controls.

Where recommendations were made as part of the reviews undertaken during 2021/22, most notably in relation to complex discharge process and management, the Trust has made good progress in implementing these. The Audit Committee sought and gained assurance that management actions to address these weaknesses would be progressed. It also received updates on overdue actions through the recommendations tracking process within the Trust reducing the number of these substantially through the year.

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 2021/22. 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.

The Trust faced a number of challenges in 2021/22, not least the management of services during the continued pandemic and the restoration of services which had been suspended. The Trust continued with the changes that had been made to Standing Financial Instructions which were approved by the Board in recognition that the Trust might have to enter into arrangements at short notice. I am satisfied that if the Trust deviated from normal practice, this was driven by clinical need and was appropriate in the circumstances prevailing at the time. I am satisfied that Board members were sighted on the increased risks that may have been involved in these transactions and received information on a regular basis concerning significant transactions.

Conclusion

My review confirms that The Walton Centre NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. There were no significant control issues identified in 2021/22 and where weaknesses were noted, the Trust developed and implemented appropriate action plans to deliver the required improvements.

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

Jan Ross
Chief Executive
20 June 2022

Section 3 – Auditor’s Report

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 2022, which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Statements of Cash Flows¹ 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 2021 to 2022.

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 2022 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 2021 to 2022; 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's 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 2021 to 2022 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's 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 this 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 2021/22 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 70 and 71, 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 2021/22, 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 2021 to 2022).

- 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 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, 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 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 land and building valuations, asset lives, income and expenditure accruals; 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. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as 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 team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and/or expenditure recognition, and the significant accounting estimates related to land and building valuations, asset lives and income and expenditure accruals.

- Our 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 England'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 2022.

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 December 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 – Certificate

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

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.

Sarah L Ironmonger

Sarah Ironmonger, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor Manchester

22 June 2022

Section 4 – Financial Accounts

The Walton Centre NHS Foundation Trust

Accounts for the period ending 31 March 2022

The following presents the accounts for the Walton Centre NHS Foundation Trust for the period ending 31 March 2022.

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 'A. Ross', enclosed within a thin black rectangular border.

Signed

Chief Executive 20 June 2022

STATEMENT OF COMPREHENSIVE INCOME

2020/21			2021/22	
Foundatio n Trust	Group		Foundation Trust	Group
£000	£000	Note	£000	£000
130,498	130,498	Operating income from patient care activities	148,206	148,206
9,810	10,077	Other operating income	7,790	7,924
(136,960)	(137,404)	Operating expenses	(154,025)	(154,447)
3,348	3,171	OPERATING SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS	1,971	1,683
		Finance Costs		
5	26	Finance income	21	51
(605)	(605)	Finance expenses	(567)	(567)
(1,175)	(1,175)	PDC Dividends payable	(1,538)	(1,538)
(1,775)	(1,754)	Net Finance Costs	(2,084)	(2,054)
3	3	Other gains/(losses)	19	19
1,576	1,420	Surplus/(deficit) for the year from continuing operations	(94)	(352)
1,576	1,420	SURPLUS/(DEFICIT) FOR THE YEAR	(94)	(352)
		Other comprehensive income Will not be reclassified to income and expenditure:		
403	403	Revaluations	4,431	4,431
0	168	Fair value gains/(losses) on equity instruments designated at fair value through OCI	0	86
1,979	1,991	TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	4,337	4,165
		Surplus/(deficit) for the period attributable to:		
1,576	1,420	The Walton Centre NHS Foundation Trust	(94)	(352)
1,576	1,420	TOTAL	(94)	(352)
		Total comprehensive income/(expense) for the period attributable to:		
1,979	1,991	The Walton Centre NHS Foundation Trust	4,337	4,165
1,979	1,991	TOTAL	4,337	4,165

STATEMENT OF FINANCIAL POSITION

31-Mar-21		31-Mar-22				31-Mar-22	
Foundation Trust	Group			Note	Foundation Trust	Group	
£000	£000	Non-current assets			£000	£000	
869	869	Intangible assets		10	1,025	1,025	
86,164	86,164	Property, plant and equipment		11.3	95,147	95,147	
0	1,162	Other investments/financial assets		12	0	1,248	
420	420	Receivables		14.1	434	434	
87,453	88,615	Total non-current assets			96,606	97,854	
		Current assets					
1,157	1,157	Inventories		13.1	1,616	1,616	
7,102	7,182	Receivables		14.1	5,005	5,008	
35,689	36,369	Cash and cash equivalents		15	40,723	41,373	
43,948	44,708	Total current assets			47,344	47,997	
131,401	133,323	Total Assets			143,950	145,851	
		Current liabilities					
(25,098)	(25,159)	Trade and other payables		16	(31,099)	(31,311)	
(1,612)	(1,612)	Borrowings		17.1	(1,619)	(1,619)	
(245)	(245)	Provisions		18.1	(66)	(66)	
(814)	(814)	Other liabilities		19	(520)	(520)	
(27,769)	(27,830)	Total current liabilities			(33,304)	(33,516)	
103,632	105,493	Total assets less current liabilities			110,646	112,335	
		Non-current liabilities					
(23,708)	(23,708)	Borrowings		17.1	(22,283)	(22,283)	
(701)	(701)	Provisions		18.1,18.2	(699)	(699)	
(24,409)	(24,409)	Total non-current liabilities			(22,982)	(22,982)	
79,223	81,084	Total assets employed			87,664	89,353	
		Financed by					
		Taxpayers' equity					
30,513	30,513	Public Dividend Capital		25	34,617	34,617	
2,947	2,947	Revaluation reserve		21	7,378	7,378	
45,763	45,763	Income and expenditure reserve			45,669	45,669	
		Others' equity					
0	1,861	Charitable fund reserves		27	0	1,689	
79,223	81,084	Total taxpayers' and others' equity			87,664	89,353	

The Notes on pages 100 to 137 form part of these accounts.

The financial statements and notes on pages 96 to 137 were approved by the Board on 20th June 2022 and signed on its behalf by:



Chief Executive
20th June 2022

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

	Total Group equity	Charitable fund reserves	Group Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total Taxpayers equity	Foundation Trust		
							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 2021 - brought forward	81,084	1,861	30,513	2,947	45,763	79,223	30,513	2,947	45,763
Deficit for the year	(352)	(42)	0	0	(310)	(94)	0	0	(94)
Revaluations	4,431	0	0	4,431	0	4,431	0	4,431	0
Fair value gains/(losses) on equity instruments designated at fair value through OCI	86	86	0	0	0	0	0	0	0
Public dividend capital received	4,104	0	4,104	0	0	4,104	4,104	0	0
Other reserve movements	0	(216)	0	0	216	0	0	0	0
Taxpayers' and others' equity at 31 March 2022	89,353	1,689	34,617	7,378	45,669	87,664	34,617	7,378	45,669

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

	Total Group equity	Charitable fund reserves	Group Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total	Foundation Trust		
							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 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

STATEMENT OF CASH FLOWS

2020/21			2021/22	
Foundation Trust £000	Group £000		Foundation Trust £000	Group £000
		Cash flows from operating activities		
3,348	3,171	Operating surplus/(deficit)	1,971	1,683
		Non-cash income and expense:		
4,860	4,860	Depreciation and amortisation	6,095	6,095
(306)	(127)	Income recognised in respect of capital donations	(143)	0
1,720	1,691	(Increase)/decrease in receivables	2,084	2,084
76	76	(Increase)/decrease in inventories	(460)	(460)
8,008	8,008	Increase/(decrease) in trade and other payables	2,431	2,431
252	252	Increase/(decrease) in other liabilities	(294)	(294)
83	83	Increase/(decrease) in provisions	(178)	(178)
0	(60)	Movements in charitable fund working capital	0	228
(1)	(1)	Other movements in operating cash flows	2	2
18,040	17,953	NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	11,508	11,591
		Cash flows from investing activities:		
5	5	Interest received	21	21
(835)	(835)	Purchase of Intangible Assets	(338)	(338)
(8,175)	(8,175)	Purchase of property, plant and equipment	(7,103)	(7,103)
3	3	Sales of property, plant and equipment	156	156
179	0	Receipt of cash donations to purchase capital assets	143	0
0	(5)	NHS charitable funds: net cash flows from investing activities	0	30
(8,823)	(9,007)	Net cash generated from/(used in) investing activities	(7,121)	(7,234)
		Cash flows from financing activities:		
2,959	2,959	Public dividend capital received	4,104	4,104
(1,396)	(1,396)	Movement in loans from the Department of Health and Social Care	(1,396)	(1,396)
(52)	(52)	Capital element of finance lease rental payments	(58)	(58)
(610)	(610)	Interest on loans	(578)	(578)

		Interest paid on finance lease liabilities		(4)	(4)
	(8)			(1,421)	(1,421)
	(1,094)	PDC Dividend paid			
		Net cash generated from/(used in) financing activities		647	647
	(201)	Increase/(decrease) in cash and cash equivalents		5,034	5,004
	9,016	Cash and Cash equivalents at 1 April	15	35,689	36,369
	26,673	Cash and Cash equivalents at 31 March	15	40,723	41,373
	35,689				

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 2021/22, 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 (FRoM) 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 financial targets 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 2021/22 and CCG allocations have been set for the remainder 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 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 99 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
- 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. It is management's assumption that the estimates in the financial statements are unlikely to have a material change in the next 12 months.

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 2022.

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 provider of neuroscience services and sees patients with neurological associated conditions referred from all over the country.

1.6 Revenue

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied.

The main source of revenue for the Trust is contracts with commissioners in respect of healthcare services. In 2021/22, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. 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.

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 2022 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 (2022) the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FRM). 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 1.30% (2020-21: negative 0.95%) in real terms.

Clinical negligence costs

NHS Resolution (the trading name of the NHS Litigation Authority NHSLA) 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
- 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'

- '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
- 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 2021/22.

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust has assessed that there will be a nil impact on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital.

- IFRS 17 Insurance Contracts – application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted.

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)

2020/21 £000	Foundation Trust and Group	2021/22 £000
	Acute services	
109,981	Block contract / system envelope income*	121,038
15,179	High cost drugs income from commissioners (excluding pass-through costs)	17,155
1,601	Other NHS clinical income	3,395
	Community services	
616	Block contract / system envelope income*	939
	All trusts	
64	Private patient income	33
0	Elective recovery fund	2,335
2,882	Additional pension contribution central funding**	3,063
175	Other clinical income	248
130,498	Total income from activities	148,206
	Of which:	
130,498	Related to continuing operations	148,206

*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.

**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

2020/21			2021/22		
Foundation Trust £000	Group £000		Foundation Trust £000	Group £000	
5	5	Car parking	2	2	
9	9	Catering	12	12	
67	67	Clinical excellence awards	216	216	
346	346	Other	367	367	
427	427	Total	597	597	

Note 2.4 Operating lease income

2020/21 £000	Foundation Trust and Group	2021/22 £000
	Operating Lease Income	
706	Lease receipts recognised as income in the period	679
706	TOTAL	679
	Future minimum lease receipts due	
403	- not later than one year;	374
1,311	- later than one year and not later than five years;	1,455
16,937	- later than five years.	16,593
18,651	TOTAL	18,422

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.

Note 3.1 OPERATING EXPENSES (by type)

2020/21			2021/22	
Foundation Trust £000	Group £000		Foundation Trust £000	Group £000
79,380	79,548	Staff and executive directors costs	81,497	81,662
896	896	Employee expenses - research & development	893	893
306	306	Employee expenses - education & training	348	348
116	116	Remuneration of non-executive directors	139	139
16,368	16,368	Supplies and services - clinical (excluding drugs costs)	21,645	21,645
3,896	3,896	Supplies and services - general	3,802	3,802
16,167	16,167	Drug costs	22,022	22,022
130	130	Consultancy costs	22	22
907	907	Establishment	1,153	1,153
6,304	6,304	Premises	7,383	7,383
107	107	Transport (including patient travel)	266	266
4,845	4,845	Depreciation on property, plant and equipment	5,913	5,913
15	15	Amortisation on intangible assets	182	182
7	7	Movement in credit loss allowance: contract receivables/contract assets	58	58
32	32	Change in provisions discount rate(s)	15	15
89	90	Audit fees payable to the external auditor		
		audit services- statutory audit	113	116
69	69	Internal audit costs	75	75
5,032	5,032	Clinical negligence	5,949	5,949
185	185	Legal fees	45	45
41	41	Insurance	45	45
147	147	Research and development	220	220
426	426	Education and training	713	713
104	104	Rentals under operating leases	104	104
575	575	Car parking & security	605	605
16	16	Losses, ex gratia & special payments	8	8
326	326	Other services, eg external payroll	351	351
0	275	Other NHS Charitable fund resources expended	0	254
474	474	Other	459	459
136,960	137,404	TOTAL OPERATING EXPENSES	154,025	154,447

		Of which:		
136,960	137,404	Related to continuing operations	154,025	154,447

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

Note 3.2 Employee Benefits

2020/21			2021/22	
Foundation Trust	Group		Foundation Trust	Group
£000	£000		£000	£000
61,354	61,354	Salaries and wages	61,869	61,869
5,651	5,651	Social security costs	6,007	6,007
270	270	Apprenticeship levy	283	283
9,473	9,473	Employer's contributions to NHS pensions	10,058	10,058
53	53	Pension cost - other	60	60
23	23	Termination benefits	74	74
4,088	4,088	Temporary staff (including agency)	5,141	5,141
0	168	NHS charitable funds staff	0	165
80,912	81,080	Total staff costs	83,492	83,657
		Of which		
(330)	(330)	Costs capitalised as part of assets	(754)	(754)
80,582	80,750		82,738	82,903

Note 4 Retirement Benefits

Foundation Trust and Group

PENSION COSTS

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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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 also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially 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.

HMT published valuation directions dated 7 October 2021 ([see Amending Directions 2021](#)) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

Note 5 Retirements due to ill-health

Foundation Trust and Group

During the period 1 April 2021 to 31 March 2022 there were no early retirements due to ill health.

Note 6.1 Operating leases

2020/21 £000	Foundation Trust and Group	2021/22 £000
104	Minimum lease payments	104
<u>104</u>	TOTAL	<u>104</u>

Note 6.2 Arrangements containing an operating lease

2020/21 £000	Foundation Trust and Group	2021/22 £000
	Future minimum lease payments due:	
104	- not later than one year;	127
0	- later than one year and not later than five years;	127
<u>104</u>	TOTAL	<u>254</u>

Note 7.1 Finance income

Foundation Trust 2020/21 £000	Group 2020/21 £000		Foundation Trust 2021/22 £000	Group 2021/22 £000
0	21	NHS charitable fund investment income	0	30
5	5	Bank interest	21	21
<u>5</u>	<u>26</u>	TOTAL	<u>21</u>	<u>51</u>

Note 7.2 Finance Expenditure

Foundation Trust 2020/21 £000	Group 2020/21 £000		Foundation Trust 2021/22 £000	Group 2021/22 £000
		Interest expense		
599	599	Interest on capital loans from the Department of Health and Social Care	566	566
8	8	Interest on finance lease obligations	4	4
<u>607</u>	<u>607</u>	Total interest expense	<u>570</u>	<u>570</u>
(2)	(2)	Unwinding of discount on provisions	(3)	(3)
<u>605</u>	<u>605</u>	TOTAL	<u>567</u>	<u>567</u>

Note 8 Gains/(Losses) on disposal

2020/21	Foundation Trust and Group	2021/22
£000		£000
3	Gain on disposal of property, plant and equipment	138
0	Loss recognised on return of donated COVID assets to DHSC	(119)
3	Total gains / (losses) on disposal of assets	19

Note 9 Impairments

Foundation Trust and Group

During the period 1 April 2021 to 31 March 2022 there were nil impairments (2020/21 nil).

Note 10 Intangible assets

Foundation Trust and Group	Software licences (purchased)	
	2020/21	2021/22
	£000	£000
Valuation/Gross cost at 1 April	613	1,448
Additions - purchased	835	318
Additions - assets purchased from cash donations/grants	0	20
Gross cost at 31 March	1,448	1,786
Amortisation at 1 April	564	579
Provided during the year	15	182
Accumulated amortisation at 31 March	579	761
Net Book Value at 31 March	869	1,025

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 - 2021/22

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 2021	112,968	1,380	65,118	0	37,358	8,373	739
Additions - purchased	10,432	0	2,010	55	4,211	4,156	0
Additions - leased	48	0	0	0	48	0	0
Additions - assets purchased from cash donations/grants	123	0	0	0	123	0	0
Revaluations	2,606	320	2,286	0	0	0	0
Disposals/derecognition	(206)	0	0	0	(206)	0	0
Valuation/Gross cost at 31 March 2022	125,971	1,700	69,414	55	41,534	12,529	739
Accumulated depreciation at 1 April 2021	26,804	0	0	0	20,543	5,810	451
Provided during the year	5,913	0	1,825	0	2,898	1,150	40
Revaluations	(1,825)	0	(1,825)	0	0	0	0
Disposals/derecognition	(68)	0	0	0	(68)	0	0
Accumulated depreciation at 31 March 2022	30,824	0	0	0	23,373	6,960	491

Note 11.2 Property, Plant and Equipment - 2020/21

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 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 11.3 Property, plant and equipment financing

Foundation Trust and Group	Total	Land	Buildings excluding dwellings	Assets Under Construction	Plant & Equipment	Information Technology	Furniture & Fittings
Net book value 31 March 2022	£000	£000	£000	£000	£000	£000	£000
Owned	93,625	1,700	69,372	55	16,699	5,570	229
Finance lease	105	0	0	0	105	0	0
Owned - donated	1,417	0	42	0	1,356	0	19
Total net book value at 31 March 2022	95,147	1,700	69,414	55	18,160	5,570	248
Net book value 31 March 2021	£000	£000	£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

Note 11.4 Economic life of property, plant and equipment

Foundation Trust and Group	Min Life Years	Max Life Years
Buildings excluding dwellings	40	51
Plant & machinery	3	35
Information technology	4	15
Furniture & fittings	5	25

Note 12 Other investments

31-Mar-21	Foundation Trust and Group	31-Mar-22
£000		£000
967	Carrying value of investments at 1 April	1,162
27	Acquisitions in year	0
168	Movement in fair value through OCI	86
<u>1,162</u>	Carrying value of investments at 31 March	<u>1,248</u>

Note 13.1 Inventories

31-Mar-21	Foundation Trust and Group	31-Mar-22
£000		£000
<u>1,157</u>	Consumables	<u>1,616</u>
1,157	TOTAL Inventories	1,616

Note 13.2 Inventories Recognised in Expenses

31-Mar-21	Foundation Trust and Group	31-Mar-22
£000		£000
<u>7,642</u>	Inventories recognised in expenses	<u>11,838</u>
7,642	TOTAL Inventories recognised in expenses	11,838

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 2021/22 the Trust received £228k of items purchased by DHSC (£1,633k 2020/21) and £11,610k of items purchased by other providers (£6,009k 2020/21).

Note 14.1 Trade receivables and other receivables

31-Mar-21			31-Mar-22	
Foundation			Foundation	
Trust	Group		Trust	Group
£000	£000	Current	£000	£000
6,063	6,063	Contract receivables	4,136	4,136
(347)	(347)	Allowance for impaired contract receivables / assets	(396)	(396)
958	958	Prepayments (non-PFI)	914	914
49	49	VAT receivable	0	0
379	379	Other receivables	351	351
0	80	NHS charitable funds receivables	0	3
7,102	7,182	Total current receivables	5,005	5,008
		Non-current		
420	420	Other receivables	434	434
420	420	Total non-current receivables	434	434
		Of which receivable from NHS and DHSC group bodies:		
		Of which are receivables from NHS and DHSC group bodies	3,454	3,454
3,470	3,470	Non-current	434	434
420	420			

Note 14.2 Allowances for credit losses - 2021/22

Foundation Trust and Group	Contract receivables and contract assets £000
Allowances as at 1 Apr 2021 - brought forward	347
New allowances arising	58
Utilisation of allowances (write offs)	(9)
Allowances as at 31 Mar 2022	396

Note 14.3 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
Reversals of allowances	8
Utilisation of allowances (write offs)	(87)
Allowances as at 31 Mar 2021	347

Note 15 Cash and cash equivalents

31-Mar-21			31-Mar-22	
Foundation			Foundation	
Trust	Group		Trust	Group
£000	£000		£000	£000
26,673	27,624	At 1 April	35,689	36,369
9,016	8,745	Net change in year	5,034	5,004
35,689	36,369	At 31 March	40,723	41,373
		Comprising:		
200	880	Cash at commercial banks and in hand	240	890
		Cash with the Government Banking		
35,489	35,489	Service	40,483	40,483
35,689	36,369	Cash and cash equivalents as in SoFP	40,723	41,373
35,689	36,369	Cash and cash equivalents as in SoCF	40,723	41,373

Note 16 Trade and other payables

31-Mar-21			31-Mar-22	
Foundation			Foundation	
Trust	Group		Trust	Group
£000	£000		£000	£000
		Current		
2,293	2,293	Trade payables	2,556	2,556
		Capital payables (including capital		
2,548	2,548	accruals)	6,000	6,000
11,677	11,677	Accruals (revenue costs only)	16,649	16,649
814	814	Social security costs	861	861
0	0	VAT payables	236	236
856	856	Other taxes payable	861	861
37	37	PDC dividend payable	154	154
6,873	6,873	Other payables	3,782	3,782
		NHS charitable funds: trade and other		
0	61	payables	0	212
25,098	25,159	TOTAL CURRENT TRADE AND OTHER	31,099	31,311
		PAYABLES		
		Of which payable to NHS and DHSC group		
6,454	6,454	bodies	4,077	4,077

Note 17.1 Borrowings

31-Mar-21 £000	Foundation Trust and Group	31-Mar-22 £000
	Current	
1,569	Capital loans from the Department of Health	1,557
43	Obligations under finance leases	62
1,612	TOTAL CURRENT BORROWINGS	1,619
	Non-current	
23,636	Capital loans from the Department of Health and Social Care	22,240
72	Obligations under finance leases	43
23,708	TOTAL OTHER NON CURRENT LIABILITIES	22,283

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 2021	25,205	115	25,320
Cash movements:			
Financing cash flows - payments and receipts of principal	(1,396)	(58)	(1,454)
Financing cash flows - payments of interest	(578)	(4)	(582)
Non-cash movements:			
Additions	0	48	48
Application of effective interest rate (interest charge arising in year)	566	4	570
Carrying value at 31 March 2022	23,797	105	23,902

Note 18.1 Provisions for liabilities and charges

Foundation Trust and Group	Current		Non-current	
	31-Mar-22 £000	31-Mar-21 £000	31-Mar-22 £000	31-Mar-21 £000
Pensions - early departure costs	29	30	265	281
Other legal claims	35	27	0	0
Other	2	188	434	420
Total	66	245	699	701

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 2021	946	311	27	608
Change in the discount rate	23	15	0	8
Arising during the year	13	0	13	0
Utilised during the year - cash	(29)	(29)	0	0
Reversed unused	(185)	0	(5)	(180)
Unwinding of discount rate	(3)	(3)	0	0
At 31 March 2022	765	294	35	436
Expected timing of cash flows:				
- not later than one year	66	29	35	2
- later than one year and not later than five years	127	116	0	11
- later than five years	572	149	0	423
TOTAL	765	294	35	436

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. £35,496,262 (2020/21: £28,499,855) is included in the provisions of NHS Resolution at 31 March 2022 in respect of clinical negligence liabilities of the Trust.

The other provision relates to clinician's pensions and relates to the potential liabilities arising from the 2019/20 clinicians pension scheme.

Note 19 Other liabilities

31-Mar-21 £000	Foundation Trust and Group	31-Mar-22 £000
814	Deferred income	520
814	TOTAL OTHER CURRENT LIABILITIES	520

Note 20 Contingencies

The Trust has £36,775 contingent liabilities relating to NHS Resolution cases as at 31 March 2022 (2020/21: £20,025). There have been no contingent assets or other contingent liabilities recognised at 31 March 2022 (2020/21: nil).

Note 21 Revaluation Reserve

Foundation Trust and Group	Total revaluation reserve £000	Property, plant and equipment £000
Revaluation Reserve at 1 April 2021	2,947	2,947
Revaluations	4,431	4,431
Revaluation reserve at 31 March 2022	7,378	7,378

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

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 2022.

Note 22 Capital Commitments

At 31 March 2022 the Trust capital commitments were nil (31 March 2021: nil) 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

- 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 2022 with a fair value of £1,248,000 (31 March 2021: £1,162,000). The book value of these assets is £999,999.

Note 23.3 Financial assets by category

	Foundation Trust and Group		
	Total	Held at amortised cost	Held at fair value through OCI
	£000	£000	£000
Carrying values of financial assets as at 31 March 2022			
Trade and other receivables excluding non financial assets	4,525	4,525	0
Cash and cash equivalents	40,723	40,723	0
Consolidated NHS Charitable fund financial assets	1,898	650	1,248
Total at 31 March 2022	47,146	45,898	1,248

	Total	Held at amortised cost	Held at fair value through OCI
	£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	0
Cash and cash equivalents	35,689	35,689	0
Consolidated NHS Charitable fund financial assets	1,842	680	1,162
Total at 31 March 2021	44,045	42,883	1,162

Note 23.4 Financial liabilities by category

Foundation Trust and Group

	Total	Held at amortised cost
	£000	£000
Carrying values of financial liabilities as at 31 March 2022		
Loans from the Department of Health and Social Care	23,797	23,797
Obligations under finance leases	105	105
Trade and other payables excluding non-financial liabilities	28,987	28,987
Total at 31 March 2022	52,889	52,889
Carrying values of financial liabilities as at 31 March 2021		
	Total	Held at amortised cost
	£000	£000
Loans from the Department of Health and Social Care	25,205	25,205
Obligations under finance leases	115	115
Trade and other payables excluding non-financial liabilities	21,602	21,602
Total at 31 March 2021	46,922	46,922

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 2022 the Trust held £1,269.33 on behalf of patients (31 March 2020: £1,570.90).

Note 27 Related Party Transactions

The Walton Centre NHS Foundation Trust is a public interest body authorised by NHS England and 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 Clinical Commissioning Group (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 (previously Aintree University Hospitals NHS Foundation Trust and Royal Liverpool and Broadgreen NHS Trust)
- 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 £104,040 (2020/21: £102,000) was made to the company to enable it to carry out its objectives.

The Trust's Council of Governors comprise 20 elected Governors, 4 staff Governors, 5 appointed Partnership Governors and 11 public 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 2021/22 and its balance sheet at 31 March 2022 are summarised as:

Charitable Funds summary financial information prior to consolidation

Summary statement of financial activities	2020/21 £'000	2021/22 £'000
Operating income (incoming resources excluding investment income)	529	380
Operating expenditure	(685)	(638)
Net (outgoing)/incoming resources before other recognised gains and losses	(156)	(258)
Fair value gains/(losses) on equity instruments designated at fair value through OCI	168	86

Net movement in funds	12	(172)
Summary balance sheet	31-Mar-21	31-Mar-22
	£'000	£'000
Non-current assets		
Other investments/financial assets	1,162	1,248
Total non-current assets	1,162	1,248
Current assets		
Receivables	80	3
Cash and cash equivalents	680	650
Total current assets	760	653
Current liabilities		
Trade and other payables	(61)	(212)
Total current liabilities	(61)	(212)
Total net assets	1,861	1,689
Unrestricted funds	1,861	1,689
Total funds	1,861	1,689

Note 28 Losses and Special Payments

During the period the Trust made 1 (2020/21: 4) special payment with a total value of £13 (2020/21: £8,664). There were no payments in respect of 2021/22 for claims by third parties by NHS Resolution (2020/21: 2 payments of £8,611). The Trust also wrote off 14 (2020/21: 4) debts with a total value of £8,995 (2020/21: £86,726). No items of stock were written off due to loss, damage or expiry.



The Walton Centre
NHS Foundation Trust

Excellence in Neuroscience 

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