Mid Cheshire Hospitals **NHS**
NHS Foundation Trust

Annual Report and Accounts 2015/16

Mid Cheshire Hospitals 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

Contents

1. An Introduction to Mid Cheshire Hospitals NHS Foundation Trust

1. Introduction

Mid Cheshire Hospitals has approximately 540 beds provided at Leighton Hospital in Crewe, Victoria Infirmary in Northwich and Elmhurst Intermediate Care Centre in Winsford. We provide a comprehensive range of services to the population of Alsager, Crewe, Congleton, Knutsford, Middlewich, Nantwich, Sandbach and Winsford.

The services we provide include:

➢ Emergency and elective inpatient services
➢ Daycase services
➢ Outpatient services
➢ Diagnostic and therapeutic services
➢ Maternity
➢ Children's health

Mid Cheshire Hospitals has a good reputation of delivering improvements in clinical outcomes, patient experience and transformational efficiencies which was evidenced in the 'Good' rating by the Care Quality Commission, following its last inspection.

The Trust works closely with its commissioners and local authorities to address local health economy challenges to deliver high quality patient care and outcomes.

The Trust's headquarters is based at:

Mid Cheshire Hospitals NHS Foundation Trust,
Leighton Hospital,
Middlewich Road,
Crewe,
Cheshire,
CW1 4QJ.
communications@mcht.nhs.uk

The Trust provides services at the following locations:

➢ Leighton Hospital, Middlewich Road

Crewe, Cheshire, CW1 4QJ

➢ Victoria Infirmary, Winnington Hill,

Northwich, Cheshire, CW8 1AW

➢ Elmshurst Intermediate Care Centre,

Roehurst Lane, Winsford, CW7 2DF

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This report provides us with the opportunity to highlight some of our key achievements made to services and improvements to care and outcomes throughout the year.

Welcome to Mid Cheshire Hospitals NHS Foundation Trust's Annual Report for the period ending 31 March 2016. We are delighted to present this report to you and to outline some of our achievements and challenges during this financial year.

Last year we acknowledged our national award winning 'Midwifery Service of the Year' and fully refurbished Maternity Service. These milestones were celebrated this year by the official opening of the new unit in July 2015 by Cathy Warwick CBE, Chief Executive of the Royal College of Midwives. It is therefore not surprising that we can now report a significant growth in the number of births on the previous three years, up by nearly 200 on 2015/16.

Not only have we been busy in our Maternity Unit but we have also seen record numbers of patients attending our Emergency Department (A&E). Yet again we have seen a year on year increase in attendances to our A&E, with the most considerable rise against the previous year, up by three thousand patient attendances. Regrettably, this meant that our Emergency Department was extremely pressured, especially over the winter period, which resulted in the Trust not achieving the 4 hourly transit time target for the final quarter of the year. Despite this, due to the sheer hard work and commitment of our outstanding staff, the Trust performed favourably against other Emergency Departments within the North West of England.

This Annual Report provides greater detail in relation to the 4 hourly transit time performance and in respect of all other performance targets and standards. However, of note, we are particularly delighted to report that the Trust achieved all

of the national cancer performance targets which was exceptional performance when compared to the national trend, which showed a declining performance across Trusts over the year. This is a real acknowledgment and commendation of the efforts that our staff make day after day on behalf of our patients in ensuring that they receive timely care.

We, like the majority of NHS organisations, are under significant financial pressures. Whilst we have always had a strong record of meeting our financial targets, 2015/16 proved more challenging for us as it did for every Acute Trust. We planned a revised deficit position with Monitor of £8.5 million and ended the year with a normalised deficit of £9million. We are disappointed that we have had to plan and deliver a deficit position and we are working hard with our partners to find a health economy solution through the redesign and re-provision of services.

As a result of the planned deficit position, in 2015 Monitor undertook an investigation into the Trust's finances. We are delighted to note that the investigation concluded that there were no significant governance concerns nor concerns around our operational performance; that financial governance was very strong; and the Trust is comparatively efficient and productive, whilst areas of inefficiency are known and work programmes exist to rectify those issues. As a result we were informed by Monitor that we would not be put in breach of our regulatory licence, which was excellent news.

Last year we celebrated the conclusion of a number of major estate projects such as the opening of the new Critical Care and Operating Theatres and the new Main Entrance. This year, we continued with the

developments of the hospital corridors, installed a second MRI scanner and concluded a major refurbishment of the Day Treatment Centre.

Our staff feel very proud, as do we, of the services that we are able to provide to our patients and the physical environment is now befitting and reflective of the fantastic care that we are able to deliver. Year on year our patient surveys show increased levels of satisfaction with the care and experience that our patients receive. This is further endorsed by the Friends and Family Test results, which show that 95% of patients would recommend the Trust for treatment. More detail about the care that we are able to deliver can be seen in the Quality Report Section of this Annual Report.

Although patient satisfaction levels are increasing we are aware that we do not always get it right for every single patient. During these times our focus is on supporting the patient and their families, supporting staff and ensuring that we learn lessons so that similar issues do not reoccur. Any complaints about our services are taken very seriously and are seen as a valuable source of learning. For example, this year we sought to reduce the number of communication related complaints by 10%. Overall, we saw a reduction of 26% and although we surpassed our planned reduction, we will continue to strive to improve this further. Similarly, we had feedback from patients to say their clinic appointments were being cancelled by the hospital too frequently. As a result, significant developments have taken place which reduced hospital initiated cancellations by 20% last year and a further 11.6% this year. Again, the programme of work continues to ensure such cancellations are avoided.

The care that we provide and the developments that take place within our hospital could not be accomplished without the commitment and dedication of our talented staff. Research evidence suggests that where staff are happy and feel valued the experience and outcomes for patients is also enhanced. As such, we were delighted that again, year on year, we are seeing improvements in our annual national staff survey. Most importantly the improvements we see are in relation to staff feeling engaged; in recommending the hospital as a place to work and to receive treatment; and confirmation that the hospital sees quality and safety as our priority and where our results are amongst the best. It was therefore no surprise that in 2015 Mid Cheshire Hospitals NHS Foundation Trust was voted by the Health Service Journal, Nursing Times and NHS Employers as one of the top 120 Employers in Healthcare out of 450 NHS organisations.

Finally, we, on behalf of the Board, would like to thank all of our staff, whatever their role, for delivering care with passion, commitment and compassion. We would also like to acknowledge and thank our Governors and volunteers who give their time selflessly to support the Trust in delivering excellent care and in continuing on our relentless journey of quality improvement.

Dennis Dunn
Chairman

Tracy Bullock
Chief Executive

3. Strategic Report

3.   Strategic Report

Mid Cheshire Hospitals NHS Foundation Trust (the Trust) was authorised by Monitor, the independent regulator, on 1 April 2008 as a Foundation Trust to provide services to people living in and around Alsagar, Crewe, Congleton, Knutsford, Middlewich, Nantwich, Sandbach and Winsford. The Trust's core purpose is to provide acute, child health, intermediate care and maternity services ensuring patient experience is at the forefront of care.

Our Vision, Mission and Values

The Vision

The Vision for Mid Cheshire Hospitals NHS Foundation Trust is:

"To Deliver Excellence in Healthcare through Innovation and Collaboration"

The Mission

The Mission of Mid Cheshire Hospitals NHS Foundation Trust is to be a provider that:
➢ Is committed to patient-centred care;
➢ Delivers high quality, safe, cost effective and sustainable healthcare services;
➢ Provides a working environment that is underpinned by our values and behaviours; and,
➢ Treats patients and staff with dignity and respect.

Our Strapline…

Strategic Direction

Our Strategic Objectives provide a framework for achieving our Vision and Mission:

1. Maintain independence to maximise local benefit in acute services.
2. Develop wider service provision into the community (closer to home and integrated better with GP and Community Services).
3. Develop provider collaborations and partnerships through stronger integration, with other acute hospitals, where mutual benefits are identified.
4. Develop MCHFT reputation and brand (building on stakeholder feedback and high quality outcomes).

Our Values
➢ Putting Patients First;
➢ Commitment to quality and safety;
➢ Respect, dignity and compassion;
➢ Listening, learning and leading;
➢ Creating the best outcomes together;
➢ Every1Matters.

The Trust developed its values in conjunction with staff and much success has been achieved by the hard work and dedication of our staff to deliver safe, high quality personal care to all patients. Our aims are high and to learn from experiences to ensure reliable, continuous improvement in the quality and safety of our patients.

We Care Because You Matter

3. Delivery of the Annual Plan 2015/16

The purpose of the strategic report is to inform readers of the accounts in order that they can assess how well the directors have performed during 2015/16 to promote the success of the Trust.

Financial and Operational Performance

The Trust's operational performance is measured against national targets with performance against these targets reported to Monitor against arrangements which are set by Monitor's Risk Assessment Framework. The Trust is also regulated by the Care Quality Commission (CQC) who assess the Trust against a set of national safety and quality outcomes on patient safety, clinical, cost effectiveness and governance and also a number of local safety and quality standards which are agreed with our commissioners, Vale Royal and South Cheshire Clinical Commissioning Groups.

Trust activity

Last year we:

- Employed 3,744 members of staff
- Cared for 84,856 patients in our Accident and Emergency department and Minor Injuries Unit
- Performed almost 31,889 operations
- Treated almost 30,558 people using day case procedures
- Carried out 23,046 appointments with patients outside of hospital

A more detailed summary is provided below:

	2015/16	2014/15	2013/14	2012/13	2011/12
Emergency episodes of care requiring the use of a bed	35,617	32,698	32,679	31,270	29,934
Attendances at Accident and Emergency and Minor Injuries	84,856	84,042	82,140	83,320	79,579
Elective episodes requiring a procedure to be performed	31,889	28,581	28,483	28,345	28,659
Total attendances at outpatient clinics	266,698	257,410	254,626	239,210	239,977
Births	2,866	2,672	2,732	2,827	2,879
Requests for medical imaging	220,472	209,841	207,980	192,574	181,457
Average number of beds open in the year	569	562	561	585	569
	2015/16	2014/15	2013/14	2012/13	2011/12
Average % Occupancy					
Overall	90.36%	87.10%	85.70%	87.40%	84.10%
General Medicine	95.50%	87.20%	91.40%	91.80%	89.10%
General Surgery	77.13%	85.72%	84.40%	89.50%	84.60%
Orthopaedics (Ward 9)	76.81%	81.45%	82.52%	86.60%	82.90%

The Trust has made significant progress against its strategic objectives with the delivery of clinical and quality standards during 2015/16. Significant achievements were made against a number of operational and efficiency measures which were related to:

➤ There was an increase in activity across all areas within the 2015/16 financial year. Attendances at the Emergency Department were the highest on record for the hospital, surpassing the previous record set in 2014/15. The number of patients attending the Emergency Department who subsequently required admission also increased by more than 3,000 across the year. Whilst it was disappointing that the Trust did not achieve the 4 hourly standard for the year (93.4%), this was notably better than many hospitals in the region and nationally and can be supported by no patients who had to wait 12 hours or more for an admission and no requests from the Trust for formal diversion of Emergency Department services.

➤ This increase in the emergency care needs was also coupled with an increase in planned care services provided to patients. This was in the form of increased outpatient appointment attendances from approximately 257,000 in 2014/15 to 266,000 in 2015/16. Similarly, the Trust undertook a record number of planned operations in 2015/16, which increased from approximately 28,000 for the previous four years to nearly 32,000. This allowed the hospital to keep waiting times for treatment stable in most specialties, but noting that capacity issues remained in gastroenterology. There have been additional Consultants appointed who will be in post during July and August 2016 which will support an improved position for the second half of 2016/17.

The Trust's maternity services also had an extremely successful 2015/16, supporting expectant mums to deliver an additional 200 babies compared to the previous year.

Theatre Transformation

This programme was established to ensure the Trust achieved the best possible benefits from the new theatre facilities and Treatment Centre redesign during 2015/16. The programme was implemented at specialty level with a number of schemes to improve patient experience, increase efficiency and optimise the number of patients treated. The continued development of a theatre performance dashboard has enabled the clinical teams to identify where opportunities were available and to work with those teams to streamline and improve the patient pathways from

booking to discharge. The theatre computer system was enhanced further to ensure risk is minimised, whilst the replacement equipment ensures the best technology is available to support best practice at all levels. The final stage of the redevelopment programme was completed with the opening of the Surgical Admissions Lounge and a fifth Endoscopy room. The Trust received excellent feedback from patients who have started to use the new facilities.

Outpatients

The Outpatient Transformation Group was established during 2014/15, its priority being to reduce the number of hospital initiated cancellations of outpatient appointments. This had initially been identified as a particular concern from patient feedback and was creating unnecessary activity that could be streamlined if managed in a different way.

Improvements continued with hospital initiated cancellations, with a further reduction of 11.6% from 2014/15. We also saw a 6% reduction in the number of patient complaints received specifically around outpatient appointments.

The introduction of a text reminder system in February 2016 was introduced to send text messages to a patient to remind them of their appointment at seven days and 48 hours prior to their appointment which resulted in a further improvement to the did not attend (DNA) rate from 8.44% in April 2015 (against a peer of 7.60%) to 6.49% in March 2016.

Work was undertaken with specialities to ensure adherence to the Trust's Access Management Policy, improving the patient experience to ensure patients were given 'reasonable' notice of their appointment. Medical Records worked with specialties to provide patients with a minimum of three weeks' notice of their appointment and this will continue in the future.

Monitoring and information tools were further developed to provide increased intelligence to allow divisions to operationally manage their clinic utilisation, cancellation and DNA rates which enabled timely and appropriate action to address any areas of concern.

A specialty booking team for surgery has now been developed as well as a dedicated booking team for patients who are referred to the hospital with suspected cancer. This has enabled a focused

approach to the booking of clinics and has resulted in improved clinic slot utilisation, as well as improved patient experience, with patients only having to speak to one team. A key element of this approach is to facilitate where possible the first outpatient appointment within seven days for patients with suspected cancer. A local target has been set for 80% of patients with suspected cancer to be seen within seven days, which has to be achieved but is monitored on a weekly basis to ensure improvement actions are being implemented.

Access and Flow

The Access and Flow programme was established in June 2015 with a Senior Project Manager appointed from September 2015. The programme replaced the previous Bed Productivity Programme and had an emphasis on achieving the 95% 4 hourly access standard in the Emergency Department.

Key achievements during the year were the establishment of a new site control room, as a 'hub' from which flow across the hospital is managed. The programme also introduced several new concepts which were aimed to ensure patients received timely care at each stage of their patient journey – this includes the introduction of Rapid Assessment and Treatment (RAT) at the front door of the Emergency Department during key times, which has enabled patients to be reviewed by a Consultant and a treatment plan put in place as soon as the patient arrives in the department.

Other key areas of work included a focus on ring-fencing the 'minors' stream in the Emergency Department to ensure consistent flow, re-profiling ENP working times to match demand and the revision to the way wards provided information on planned discharges to the site management team.

2015/16 Consultations

During 2015/16 the Trust, in conjunction with other partners, consulted with local networks, Health and Well Being boards and Overview and Scrutiny Committees of both South Cheshire and Vale Royal on a number of service developments including the introduction of a sustainable hyper acute stroke service as an extension to existing partnership with University Hospitals of North Midlands. Discussions and consultations were positively received and it is anticipated that the implementation programme will begin in July 2016.

Further invitations and discussion took place regarding the utilisation and local delivery of performance standards for the ambulance services. This was a multi provider meeting with Overview and Scrutiny Committees to understand the operational pressures and service improvement being made by all parties to improve ambulance performance across the region.
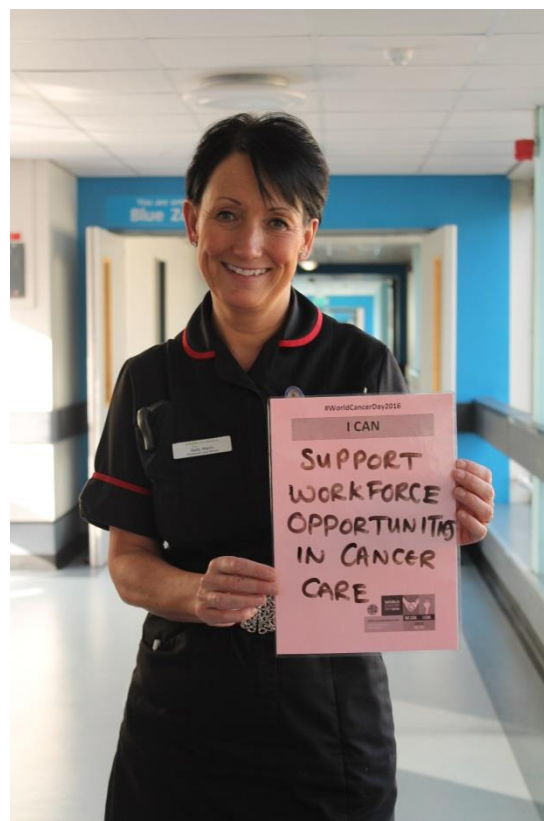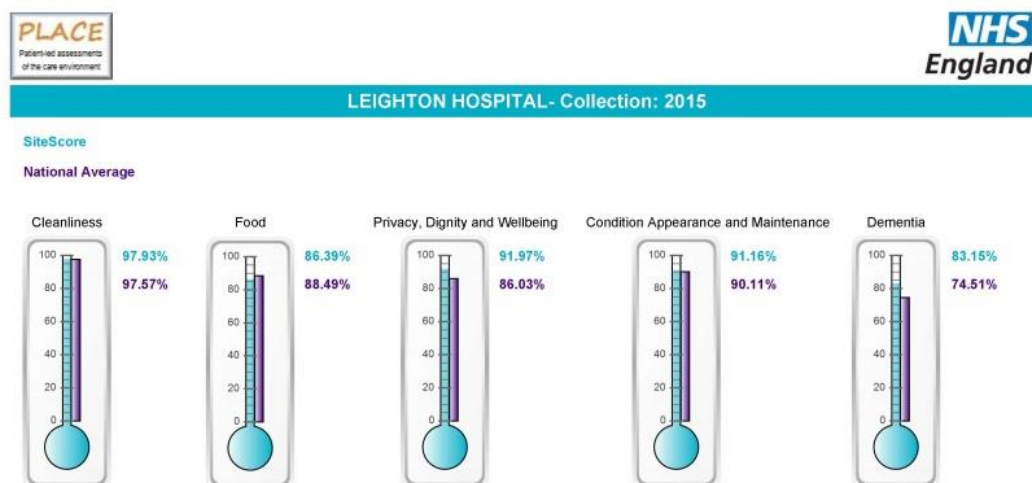

Lead Nurse Sally Mann takes part in 'Talking Hands', an international social media campaign that the Trust took part in as part of World Cancer Day 2016.

Patient Care Environment

Patient-led Assessment of the Care Environment (PLACE) puts patients views at the centre of the process with assessments carried out throughout the Trust's premises against: Privacy and Dignity, Cleanliness, General Building Maintenance and Food. The results of these assessments identify how well hospitals are performing nationally against the areas assessed. A PLACE assessment took place in April 2015. Leighton scored higher than the national average in every category apart from Food. Elmhurst also scored higher than the national average in every category apart from one - Privacy, Dignity and Wellbeing. There is no requirement to PLACE assess Victoria Infirmary as there are no in-patient beds.

Annual assessments and results are reported publicly and the results demonstrate how hospitals are performing across the country on an annual basis. The diagrams below provide a summary of the '*thermometer*' comparators which demonstrates how well our Trust has performed against the national average score:

PLACE Patient-led assessments of the care environment

NHS England

LEIGHTON HOSPITAL- Collection: 2015

SiteScore
National Average

Cleanliness	Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance	Dementia
97.93%	86.39%	91.97%	91.16%	83.15%
97.57%	88.49%	86.03%	90.11%	74.51%

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LEIGHTON HOSPITAL

Collection: 2015

Cleanliness	Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance	Dementia
97.93%	86.39%	91.97%	91.16%	83.15%
97.57%	88.93%	86.03%	90.11%	74.51%

Collection: 2014

Cleanliness	Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance
93.06%	84.43%	88.30%	87.79%
97.25%	89.09%	87.73%	91.97%

Site Score   National Average

ELMHURST INTERMEDIATE CARE CENTRE- Collection: 2015

SiteScore

National Average

Cleanliness	Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance	Dementia
100.00%	91.88%	83.78%	93.66%	90.50%
97.57%	88.49%	86.03%	90.11%	74.51%

Environmental issues

We are committed to the principles of sustainable development, low carbon economy, reductions in the consumption of finite resources and being a good corporate citizen. We recognise the impact of these issues on the local, national and international communities and are determined in our efforts to minimise carbon emission and recognised that the most successful organisations are those that can implement and sustain effective improvement initiatives to increase the quality and patient experience at lower cost.

Health and Safety

The Trust's management of Health and Safety continues to be supported across the Trust with positive delivery of agreed objectives taking place during 2015/16. Online Stress Management training was made available to all Trust Managers and an additional 65 managers attended the Institute of Occupational Safety and Health (IOSH) Managing Safely training.

During 2015/16 the Trust successfully completed:

➢ the upgrade to the main corridors to ensure all of our corridors meet regulatory fire and safety standards;

➢ major refurbishment of the Treatment Centre and development of a Surgical Admissions Lounge meeting all patient privacy and dignity standards;

➢ a second Magnetic Resonance Imager (MRI) in order to cope with the increased demand for non-invasive diagnostics;

➢ a further four X-Ray Diagnostics machines upgraded at Leighton hospital site in order to continue to provide state-of-the-art imaging facilities;

➢ Endoscopy suite remodelled, now featuring a fifth room and separate changing areas including local patient toilets;

➢ Ophthalmology expansion of services at Victoria Infirmary with an Age Related Macular Degeneration (AMD) Injection Suite;

➢ Phlebotomy services extended at Victoria Infirmary with the additional of a third room;

➢ a larger electrical supply to the Leighton hospital site in order to cope with increased demand for electricity caused by site/services expansion. Greater integrity of supply with increased resilience and now served by buried electrical cables (i.e. no overhead lines);

We also have a detailed plan in place to deliver further ward refurbishments in 2016/17.

The new Surgical Admissions Lounge at Leighton Hospital

Key Achievements during 2015/16

Official Opening of Award Winning Maternity Unit

The award-winning Maternity Unit based at Leighton Hospital was officially opened in July 2015 following the completion of a thorough refurbishment project. Professor Cathy Warwick CBE, Chief Executive of the Royal College of Midwives (RCM), attended the event and unveiled a ceremonial plaque to mark the occasion. The Trust's maternity service has received a significant amount of external praise and accreditation since the refurbishment project commenced. In March 2015 it was named as 'Midwifery Service of the Year' by the RCM and awarded UNICEF Level 3 UK. In addition, the service is deemed to be one of the safest in the country after receiving the highest level of accreditation awarded by the Clinical Negligence Scheme for Trusts (CNST) programme.

Trust welcomes first Return to Practice Nurses

In September 2015 the Trust launched a programme in partnership with the University of Chester to encourage trained nurses who have left the profession to consider a return to practice. The programme, which allows former nurses to get paid whilst they train, is designed to fit around the professional and personal needs of individuals and received a large amount of interest from those looking to bring their invaluable skills and experience back into practice. The first group of Return to Practice nurses started at the Trust in February 2016.

Refurbished Treatment Centre Opens

Leighton Hospital's refurbished Treatment Centre opened its doors in July 2015 after a £23million project that also included the creation of 14 Critical Care bays and eight Operating Theatres. The redevelopment of the Treatment Centre has led to a vastly improved environment, including the creation of a Surgical Admissions Lounge, new consulting and examination rooms and more single sex waiting areas.

The Surgical Admissions Lounge (SAL) has become a central point of admission for patients and consists of a mixed sex initial waiting area, two nurse consulting rooms, four male consulting rooms and three female consulting rooms. The SAL has also enabled those patients undergoing procedures in one of the Operating Theatres to be admitted on a staggered time basis linked to their operation time, meaning that their wait is kept to a minimum.

The new facilities have helped the Trust to provide treatment to an increased number of patients requiring Endoscopy and Bowel Screening procedures, as well as improving the efficiency of patient flow and continuity of care during the patient's full hospital journey.

Trust named amongst Top Employers

In Summer 2015 the Trust was named by the Health Service Journal, the Nursing Times and NHS Employers as one of the top 120 places to work for within the NHS, putting it in the top 25% of NHS organisations.

Top: Professor Cathy Warwick CBE unveils a ceremonial plaque at the official opening of Leighton Hospital's refurbished Maternity Unit.

Bottom: Members of staff from the Maternity Unit are pictured with Professor Cathy Warwick CBE

Trust amongst Best Cancer Performers

The Trust was named as one of the country's leading Trusts for the proportion of cancer patients seen and treated within the expected time frames, based on figures from April 2015 to March 2016.

In the first three months of 2015/16, 96.52% of patients who were referred to hospital by their GP with suspected cancer were seen, diagnosed and treated within 62 days. In comparison, the national average for the same period was 82% against an NHS England expectation of 85%.

The Trust also performed better than the national average for the percentage of patients who see a specialist within two weeks of an urgent GP referral (96.73% against an average of 93.62%) and the percentage of patients who begin their first definitive treatment within 31 days of receiving their diagnosis (99.24% against an average of 97.5%).

Cancer Project Scoops National Excellence Award

In November 2015, a project to improve the quality of care provided to patients diagnosed with lung cancer was named as winner of a national award by Macmillan Cancer Support. The project, which is a partnership between Mid Cheshire Hospitals NHS Foundation Trust (MCHFT), NHS South Cheshire and Vale Royal Clinical Commissioning Groups (CCGs) and Cheshire East Council, commenced in January 2014 and has led to a redesign of the lung cancer pathway in the Mid Cheshire region, empowering and supporting patients at all stages of their journey.

The project has seen the further education of GPs and practice nurses, resulting in increased referrals and reduced the proportion of cancers diagnosed through emergency admission (21% to 13%) in a single year. Furthermore, since the project began, the number of patients with access to a lung cancer clinical nurse specialist at diagnosis has risen significantly from 46% to 85%.

Members of the Lung Cancer Project Team collect their Macmillan Cancer Support award

Compliance with Mandatory Standards

The Trust's operational performance is measured against national targets with performance against these targets reported to Monitor against arrangements which are set by Monitor's Risk Assessment Framework. The Trust is also regulated by the Care Quality Commission (CQC) who assess the Trust against a set of national safety and quality outcomes on patient safety, clinical, cost effectiveness and governance and also a number of local safety and quality standards which are agreed with our commissioners, Vale Royal and South Cheshire Clinical Commissioning Groups.

Performance against national targets and regulatory requirements 2015/16

National Targets and Minimum Standards	Target	Target (2015/16)	2015/16	2014/15
Infection Control	Number of clostridium difficile cases (Avoidable) Number of clostridium difficile cases (Unavoidable)	24	33	10
	Number of MRSA blood stream infection cases	0	0	1
Access to Cancer services	% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	99.48%	99.56%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (anti-cancer drug)	98%	100%	100%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	100%	99.79%
	% of cancer patients waiting a maximum of 62 days from urgent GP referral to treatment	85%	91.22%	89.24%
	% of cancer patients waiting a maximum of 62 days from the consultant screening service referral to treatment	90%	97.94%	95.94%
	% of cancer patients waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	96.6	95.38%
	% of symptomatic breast patients (cancer not initially suspected) waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	95.53	95.96%
Access to Treatment	18 weeks Referral to Treatment (patients on an incomplete pathway)	92%	95.02	94.45%
Access to A&E	% of patients waiting a maximum of 4 hours in A&E from arrival to admission, transfer or discharge	95%	93.4%	92.24%
Cancelled operations	% of in-patients who had operations cancelled by the hospital for non-clinical reasons on day of or after admission to hospital	0%	383	303
	% of those patients who had operations cancelled by the hospital for non-clinical reasons on day of or after admission to hospital, and were not treated within 28 days	0%	17	8

The Trust achieved eight out of nine of its regulatory performance indicators for the 2015/16 financial year, with the exception of the 95% four hour access standard for the Emergency Department, against which the Trust achieved 93.40%. Whilst this has been disappointing, the Trust has performed well in comparison to other hospitals and is pleased that more than nine out of 10 patients attending the Emergency Department and Minor Injuries Unit were treated, admitted or transferred within the four hour standard.

The Trust has continued to perform exceptionally well in relation to access standards for planned care, with over 95% of patients waiting less than 18 weeks for their treatment during the course of the year, against a national standard of 92%. This has been against a backdrop of significant growth in demand for the Trust's services in relation to planned care which is aligned with the Trust's strategy of growing market share in this area.

In terms of cancer care, the Trust has achieved and in fact exceeded all national access standards for the year in relation to timeliness of diagnosis and treatment of our cancer patients. This excellent performance was seen at all stages of the pathway, from access to a specialist within 14 days of referral from a General Practitioner, to treatment commencing within 31 days of a diagnosis being made.

The Trust will work throughout 2016/17 to ensure that the high standards delivered to patients, in terms of access to services, are maintained and improved even further.

The Trust's choir, The Nightingales, rehearse at Leighton Hospital's Chapel

Financial Performance

Overview of Charitable activities

In line with the Foundation Trust Accounting Manual, the accounts of the Trust's principal charity have been consolidated with the Trust's Accounts. The Trust's accounts have been separated out throughout the financial statements with the column headed "group" reflecting the consolidated performance.

A summary of the Trust's charitable accounts can be found in note 34 of the accounts, which show a net outgoing in year of £740,000, with retained funds at the end of the year of £1.8million, of which £28,000 is held in cash and £0.5million in Investments. The remaining balance is held in debtors and creditor balances.

The Charitable funds balance has reduced in year by £731,000, predominantly associated with the Charity's contribution to the MRI Scanner which was installed in February 2016 which was funded from a significant appeal.

Overview of the Foundation Trust Performance

There is no doubt that 2015/16 represented a significant financial challenge for the NHS and in particular the hospital providers, with the impact of sustained efficiency expectations coupled with the growing demand and the need to maintain and improve the quality of care delivered. The Trust began the year with an expected operational deficit of £6.5million prior to charitable income to support the Trust's investment in facilities. The Statement of Comprehensive Income shows the final deficit was £10.7million. However, this position has been impacted by a number of exceptional items including:

➢ Revaluation of the Trust's land and buildings which created an impairment charge of £6.2million offset by a reversal of previous revaluation increases to income of £3.6million;

➢ Charitable income of £0.9million of income donated from charitable giving.

Adjusting for these exceptional items gives a comparative normalised position of £9.0million deficit against the initial £6.5million planned deficit.

The key factors driving the variance from the original plan are as follows:

➢ underperformance against elective surgery targets, in particular Orthopaedics and General Surgery where recruitment challenges led to delay in capacity being put into place, and winter pressures again led to a number of elective operations being cancelled due to shortages in bed capacity;

➢ an ongoing dispute with the Trust's main commissioners in respect of the level of emergency admissions has led to a year end provision against bad debts which has significantly impacted the reported deficit;

➢ delay on Delivery of Cost Improvement plans, in particular the introduction of new analysers in pathology and developments in pharmacy. The Pathology analysers are now in place and delivering the expected savings with the major pharmacy scheme now better developed.

Clinical income and other income over performed from the original plan by £4.7million which has led to increased operating costs above plan of £4.9million (net of bad debt provision). A full analysis of movements is as follows:

Analysis of Income

The total income received by the Trust in 2015/16 was £204.3million, which represents an increase of £11.8million (or 6.1%) on 2014/15. Stripping out exceptional items including movement in charitable contributions and reversal of impairments this represents a normalised increase of £12.5million (or 6.7%). An analysis of the movement in the key income streams can be found in the table below:

Analysis of Income

Income source	2015/16 £'000s	2014/15 £'000s	Change £'000s	%
Patient Care Activities	177,441	167,362	10,079	6.0
Education and Training	5,964	5,520	444	8.0
Non Patient Care Services to Other bodies	12,267	10,529	1,738	16.5
Other non-clinical income	4,073	3,791	282	7.4
Sub Total	**199,745**	**187,202**	**12,543**	**6.7**
Charitable Contributions	979	2,250		
Reversal of Impairments	3,589	3,017		
Total	**204,313**	**192,469**		

The increase in income from Patient Care Activities has been significantly driven by the pressure on Emergency admissions, which have increased by 9% compared with the previous year resulting in an increased income of £5.3million (or 11%). The Trust has also delivered an increase in planned operations with £1.6million being generated from additional operations which have increased year on year by 11.6% in order to maintain the 18 week referral to treatment standard.

The funding mechanism by which the Trust receives support for doctors in training has been revised and standardised across the country. The impact of this new education tariff on the Trust's finances has been positive and is a key driver of the increases seen in the Education and Training income.

An additional £2.6million has been received for high cost drugs which is a pass through payment and directly offsets the increase in drugs seen in the expenditure analysis.

The increase in Non-Patient care services to other bodies relates to the Pathology service. The Trust runs the Pathology service across both the Leighton Hospital site and the East Cheshire Hospitals site. In previous years East Cheshire NHS Trust paid directly for the costs of consumables and other non-pay items, however, this financial year the Trust has taken on these elements and made a corresponding increase in the recharges that impact in 2015/16 which was a further increase of £1.4million accounting for the majority of the increase in this heading. This additional cost is also reflected in increases in expenditure which is shown in the table below:

Analysis of Expenditure

Expenditure	2015/16 £'000s	2014/15 £'000s	Change £'000s	%
Employee Expenses - Staff	135,951	128,312	7,639	6.0
Supplies and Services - Clinical	16,663	14,933	1,730	11.6
Drugs	15,991	12,835	3,156	24.6
Premises Costs	8,022	7,354	668	9.0
Clinical Negligence	5,217	3,366	1,851	55.0
Services from NHS bodies	6,202	5,486	716	13.1
Other	18,714	15,852	2,862	18.1
Sub Total	**206,760**	**188,138**		
Impairments	6,197	3,365		
Total	**212,957**	**191,503**		

During the year the Trust employed an average of 3,384 full time equivalent staff, an increase of 134 on the previous year. The average staff cost increased from £39,480 to £40,174, an increase of 1.76%. Wage awards account for 1% of this movement. The remaining small increase is associated with staff moving through incremental gateways and the increased impact of continued shortages in hard to recruit groups in particular registered nurses and certain consultant posts, which has led to increased reliance on agency staff at higher rates of pay. The costs of agency and contract staff have increased in year by £2.0million (or 33%).

The increase in staffing numbers has been predominantly seen in front line professions with an additional 31 nursing and midwifery posts, 29 Health Care Assistants and 15 Consultant posts. In addition the number of equivalent staff undertaking shifts through the Nursing Bank has increased by 25 giving a total increase in Nursing

and Health Care Assistants of 85. This demonstrates the significant progress and planned commitment in increasing the care staff to bed ratios.

The increase in Premises costs is associated with a number of items most significant of which are described below:

➢ an increase in Computer software costs driven by additional applications and the cost impact of the end of the central NHS Microsoft licences arrangement;

➢ Increases in Business Rates;

➢ Increase in engineering contracts associated with the Theatres development;

➢ The costs of Energy have been reasonably static from previous year. However, there has been a 10% increase in the costs of water, primarily on consumption.

Clinical Negligence costs have seen the largest proportionate increase in costs and are primarily associated with a change in the methodology for calculating Provider premiums which resulted in significant shifts in contributions.

The Drugs cost increase has been offset by additional income received from Commissioners for certain high cost drugs which are excluded from the national tariffs. This equates to £2.6million, with the remaining £0.5million increase (4%) being driven by the increased activity.

The change in clinical supplies costs is significantly accounted for by the transfer of costs to the Trust in respect of Pathology Services at East Cheshire and is offset by the corresponding recharge, £1million of the increase is accounted for by this transfer with the balance attributable to activity growth. The services from other NHS bodies is also impacted by this transfer as £0.3million of the increase is associated with the East Cheshire Hospitals send away tests which again are fully offset by income.

Other costs have increased due to increased outsourcing of both Endoscopy and Radiology reporting due to vacancies in clinical staff. In addition, due to the ongoing dispute with commissioners in respect of the emergency admissions, an allowance has been included within the bad debt provision which has significantly

impacted on the year on year movement from the original plan.

Capital expenditure investments

2015/16 has seen the Trust continue to invest in its infrastructure. During the year the final element of the Theatres build was put in place, creating a surgical assessment lounge that avoids patients going to the wards prior to admission to Theatre, which improves the patient journey through the Theatres but also releases additional nursing time to care on the surgical wards.

In total the Trust has seen capital additions in year of £6.1million, with a further £1.1million funded through new finance leases. The key element has been the conclusion of the operating theatres project. Other key developments in year have been:

➢ Completion of the second MRI Scanner improving access times for state of the art diagnostics;

➢ High Voltage substation now in place on the A&E car park which gives greater resilience and certainty of supply future proofing the Trust's energy supply;

➢ Following a successful bid against a SALIX loan, the Trust has implemented a number of energy efficient schemes including LED lighting across the site;

➢ A replacement and standardisation of all infusion pumps across the Trust;

➢ Continued its programme of asbestos removal.

Liquidity and short term investments

Cash balances remained positive during the year with a year-end balance of £0.8million. This is a significant reduction from the previous year driven predominantly by the deficit plan. A working capital facility of £5.7million is now in place to support cash flow in the short term; however, in year cash flow variations were managed through trade creditor balances which increased by £6.5 million in year. This resulted in deterioration in the payment to supplier terms (by value) performance from 91% in 2014/15 to 72%.

Accounting policies for pensions and retirement benefits

The Trust's policy for accounting for pension and retirement benefits provided to staff can be found in the Annual Accounts section of this report.

Details of the remuneration of Trust Directors, including their retirement benefit provision, can be found in the Remuneration Report.

Post balance sheet events

There are no significant post balance sheet events.

Audit information

The existing Auditor (Deloitte LLP) was appointed in December 2015 on an initial two year contract with an option to extend for two further years. Further details on the appointment of the Trust's external auditors can be found in the Directors' Report.

At the time of writing the Annual Report there were no known conflicts of interest that need to be addressed by the Auditor or the Audit Committee.

Cost allocation and charging

The Trust confirms that it has complied with the cost allocation and charging requirements set out in Her Majesty's Treasury Information Guidance

3. Strategic Direction (looking forward to 2016/17)

Looking forward to 2016/17, the Trust has developed a plan that delivers an improved deficit of £0.8million. This position is dependent on the Trust being able to access additional funds available through the "sustainability and Transformation Fund" from which the Trust has been allocated £6.5million. These funds are contingent on a number of factors including delivering the financial control total of £0.8million deficit, achieving the agreed trajectories on access standards, and maintaining agency costs within an agreed ceiling.

The Trust's Annual Plan covering the financial year 2016/17 requires a cost saving of £3.3million to deliver the £0.8million control total. Detailed plans are in place to deliver this through:

- Procurement savings through effective management of non-pay and drug spend by reducing the impact of inflation, appropriate market testing and review of products used;

- Reducing the costs of agency staff through compliance with national agency rates and improving the utilisation of existing staff both through effective rostering and increased use of the Trust's Hospital Bank;

- Improving the flow of patients through the hospital beds to allow growth in activity to be managed in the existing beds.

In developing the Annual Plan for 2016/17 the Trust undertook a robust demand and capacity modelling exercise which highlighted expected gaps in capacity to meet the national access standards. Targeted investments are in place to bridge these gaps in capacity, to ensure that these access targets are maintained.

The financial outlook for the NHS beyond 2016/17 continues to be challenging, with a continued requirement to drive forward efficiencies and reduce public expenditure. Whilst health budgets have not seen the cuts other Government Departments have experienced, the expectation remains that hospital providers will need to continue to deliver efficiencies of 2% per annum over the next five years.

In addition, the growth in activity that is being experienced nationally and locally is placing increased pressure on the Trust's Commissioners who are responsible for paying for the activity undertaken by the Trust. The Trust continues to work with its Commissioners and other providers to develop integrated models of care which can help to reduce the demand on hospital services and deliver high quality services both in and out of hospital.

Approach to Quality

The Trust's improvement methodology is based on the Institute of Healthcare Improvement's (IHI) Model for Improvement. By working in close collaboration with the North West health improvement organisation the Advancing Quality Alliance (AQuA), the Trust has trained 60 front line clinicians in the IHI's Model for Improvement. These clinicians have used these skills to deliver a number of quality improvement projects across the Trust, which are aligned to the Trust's objectives and linked to the Trust's Quality and Safety Improvement Strategy. In 2016/17 the Trust plans to work closely with the two local CCGs to train a cohort of primary and secondary care healthcare professionals in improvement methodology, so that these clinicians can undertake quality improvement projects that benefit the local health economy.

The Trust's quality priorities are identified through collaboration with clinical staff and engagement with key stakeholders, including patients and their families. In 2016/17 the Trust's three quality priorities are:

- Ensuring the prompt recognition and treatment of Acute Kidney Injury (AKI) so that 90% of patients are receiving appropriate care as per the AKI pathway;

- Ensuring the prompt recognition and treatment of sepsis so that 90% of patients are receiving appropriate care as per the sepsis pathway;

- ➤ Reducing the number of in-patient falls, particularly those that result in harm.

Further detail on the Trust's quality plans for 2016/17 can be found in the Quality Report section of this Annual Report.

Seven Day Services

The Trust's risk based approach to investment in the multi-disciplinary teams continues in 2016/17 to make progress towards complying with the four priority clinical standards. Investment in Consultants in the acute specialties will ensure that by the end of 2016/17 all emergency admissions will be assessed by a Consultant within 14 hours of arrival at hospital.

In-patients at the Trust have seven day access to a number of diagnostic investigations which are then reported within the stipulated timescales. Targeted investment in the multi-disciplinary workforce in 2016/17 will allow the Trust to increase the number and availability of investigations seven days a week.

The Trust will continue to work to ensure that its in-patients have timely 24 hour access, seven days a week, to Consultant directed interventions through agreed networked arrangements. Clear protocols are already in place for a number of conditions such as percutaneous coronary intervention and similar arrangements for other conditions such as stroke thrombolysis are planned to be finalised during 2016/17.

The Trust's targeted investment in its Consultant workforce aims to ensure that all patients on the assessment or critical care areas will be reviewed by a Consultant twice each day by the end of 2016/17. In addition to this the Trust also plans to review Consultant job plans and weekly timetables, and implementing separate on call rotas for certain specialties such as cardiology.

Workforce Planning and Links to Clinical and Commissioning Strategies

Financial investment for 2016/17 is prioritised into three areas: safe staffing, role extension, and quality. Also, capacity and demand planning has demonstrated that growth is expected to continue in a number of clinical services. The 2016/17 investments are planned to support the Trust to deliver increased activity and to implement the clinical services strategy.

In respect of commissioning strategies, the Trust is a key player on the Local Health Economy Connecting Care Board and Connecting Care Provider Board which takes the lead in developing integrated health and social care, Integrated Care teams, information technology, and the re-design of urgent care. Key to delivering the transformation programmes are workforce planning across the wider health economy.

The Trust also has a number of key local transformation programmes aimed at improving quality and increasing efficiency and productivity of services. These are:

- ➤ Access and Flow
- ➤ Surgical Transformation
- ➤ Outpatient Rationalisation
- ➤ Medical Workforce Transformation

In addition to the above, significant changes are planned in a number of services; there will be a reconfiguration of the Blood Sciences services (delivered across two Trusts within a collaborative arrangement) and therapy services will return back to the Trust's management. Development of therapy services will facilitate more effective integrated working which will support a reduction in length of stay and consistent, individual discharge planning.

Access and Flow

In 2016/17, the Access and Flow programme will shift attention from solely looking at the achievement of the 95% access standard to focus on the Division of Medicine and Emergency Care providing consistent flow across the defined and funded bed base, containing an estimated 2% growth in non-elective activity within existing resources. This will however continue to contribute to the achievement of the 95% access standard.

The key to achieving this will be the planned roll out of the SAFER patient flow bundle across the medical bed base. This is a tool for managing flow and identifying delays to patients within the hospital. It focuses on the principles of early senior review, patient knowledge about their progress and potential discharge date, discharge planning for early mornings, and systematic review of patients who have had a length of stay exceeding 14 days.

The key performance indicators for the programme are the total number of bed days utilised within the Division in comparison with the growth in non-elective demand. The programme also focuses on ensuring the number of medical outliers is reduced, thereby facilitating elective flow and that delays that are highlighted from roll out of the tool are addressed.

Surgical Transformation

For 2016/17 the key objective is to continue to expend our elective surgical services and to make best use of the new Surgical Admissions Lounge. This will enable patients to be scheduled more in line with the time of their procedure and to allow the surgeon and anaesthetist to be co-located for pre-operative checks. It will enable ward staff sufficient time to discharge previous patients without having to manage new patients until after their procedure has been completed. The new facility has been designed to support a calm and quiet environment for patients and their relatives.

Pathway redesign will continue to include maximising the number of day case procedures, improved scheduling using individual consultant timings (rather than average times) and the introduction of focussed procedure lists where improved utilisation of the theatre session can be achieved. The Trust will also start to develop plans for standardised 6 day elective working and will also work with local partner organisations to increase activity and market share.

The redesign of the Endoscopy Unit will continue to enhance patient experience due to better facilities and the additional procedure room will support the increase in referrals, which in part are due the successful expansion of the bowel screening programmes.

Outpatient Rationalisation

For 2016/17 revised targets have been set against the three key performance indicators (KPI). A fourth KPI has been introduced to monitor the start and finish times of clinics and a new governance structure put in for the OPD Rationalisation Project Group to enable a greater level of scrutiny at specialty level.
A full review of all Outpatient services to encompass both Nursing and Administrative staff will be undertaken to support the delivery of safe, high quality care to patients. Robust capacity and demand modelling will inform the workforce planning with the aim of facilitating greater utilisation of the outpatient rooms available.

A key objective of this coming year is to further improve the quality, safety and effectiveness by increasing the amount of information managed electronically, including referrals, appointments and storage of medical records.

Medical Workforce Transformation

In response to changing service needs a number of new senior leadership and clinician roles are being developed such as Community Geriatricians, Advanced Nurse Practitioners, and GPs with special interest in complex elderly care. The Trust continues to progress the Advanced Practitioner strategy with year on year investment in advanced roles and recently developed Expert Practitioner roles which will support the junior doctor workforce in addressing continued growth and filling roles that are difficult to recruit to.

A new Physicians Associates role is also being introduced to support clinical care on the medical wards. The first cohort is planned to commence training programmes in the Autumn 2016.

The Trust will continue to use a number of innovative solutions to maintain an effective workforce such as investing in a Return to Practice Programme where a number of Qualified Nurses are being supported to return to clinical practice after a period of prolonged leave.

Counter Fraud

Mid Cheshire Hospitals NHS Foundation Trust has established an Anti-Fraud Service provided by KPMG. Our local counter fraud work is in line with standards for providers for Fraud, Bribery and Corruption issued by NHS Protect.

KPMG employ accredited Counter Fraud Specialists who lead on delivering both proactive and reactive work. The Counter Fraud team prepare a risk based plan each year based on risks identified locally, nationally and those arising out of the NHS Protect quality assessment process. Work completed by the Internal Audit team (also provided by KPMG) provides assurance over key financial controls and highlights any areas where the Trust may be exposed to the risk of fraud.

The following provides a summary of the Counter Fraud activities undertaken during the year:

➢ During 2015/16 the Trust worked pro-actively to raise awareness in relation to countering fraud to embed the anti-fraud culture. This included the publication of two Counter Fraud newsletters in October 2015 and April 2016 covering NHS fraud case studies, how to report fraud, information regarding the National Fraud Initiative exercise, Counter Fraud Team contact details, Payroll fraud case studies, details of the KPMG fraud barometer and alerts in relation to known scams.

➢ The Trust's Intranet was updated to include Counter Fraud information including Counter Fraud Team contact details, case studies and fraud prevention tips.

➢ Focused Fraud Awareness Week was held in December 2015 with the LCFS working alongside the Trust's Communications Team to publicise the week.

➢ Throughout Fraud Awareness Week and through all communications the Counter Fraud team's availability has been offered to support divisions as requested.

➢ Counter Fraud Protocols have been developed with Internal Audit, Human Resources and Payroll to ensure they are fit for practice.

➢ Counter fraud strategy is in place to prevent fraud and deter individuals or groups to attempt to commit fraud. In addition to this there are robust policies and procedures in place including the Code of Conduct; Fraud and Corruption Policy; Disciplinary Policy; Whistleblowing (raising concerns) policy; Procurement policies; Patients' Property and Hospitality and Declarations of Interest. The Fraud Policy and Response Plan were updated during the year in line with revised guidance.

➢ Strategic counter fraud plan includes pro-active, risk-based reviews of key fraud risk areas. All reviews identified areas for development and provided action plans for the Trust.

➢ In 2015/16 a targeted audit was carried out against agency and Bank staff usage. Current levels of agency spend were reviewed and data analytics techniques applied to identify trends in spend by area of the Trust and agency. In addition to that systems, processes and controls in place at the Trust in relation to the use of agency staff were tested including pre-employment checks and the authorisation of timesheets, invoices and other associated documentation.

   o (The audit found that the controls upon which the organisation relies to manage workforce utilisation are suitably designed, consistently applied and effective. A number of low and medium level recommendations were developed for consideration by the Trust in respect of, for example, recruitment to the Hospital Bank, e-rostering, and policies and procedures. The recommendations were addressed through the Temporary Staffing Efficiencies Programme which, at the time of the review, was still in the early stages of work).

Principle Risks and Uncertainties

The Trust continues to identify potential risks to achieving its strategic developments as part of its good governance process. The Board maintains an Assurance Framework which enables the identification, analysis and management of risk. Risks that the Board consider to be of particular significance can be found within the Annual Governance Statement but the Trust recognises that there may be other risks or uncertainties that have not yet been identified which could impact on the Trust's future performance.

The Trust has developed a clear risk mitigation strategy to deal with the external volatile environment which we plan to continue to engage with partners in the development of such plans. We continue to maintain a strong delivery against our objectives, regulatory requirements and targets and are confident in delivering these going forward.

The Trust's culture has been built on trust, openness and empowerment with clear lines of accountability and responsibility that have helped us to learn and improve over time. The Annual Governance Statement included within this report outlines the Trust's system for internal control which is designed to manage risk for the organisation.

Statement of Going Concern

Mid Cheshire Hospitals NHS Foundation Trust has prepared its Annual Plan on a going concern basis. After making enquires the directors have a reasonable expectation that the Trust has adequate resources to continue to be in operational existence for the foreseeable future. They will continue to adapt the going concern basis in preparing the accounts. The Trust recognises the significant financial challenges within the NHS and local health economy and the risk this represents to the Trust's going concern statement. The Trust Board remain sighted on these issues and have mechanisms in place to understand and mitigate these risks as far as practicably possible. These accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006.

The Board of Directors at Mid Cheshire Hospitals NHS Foundation Trust understands its responsibility for preparing the Annual Report and Accounts. The Board considers to be fair, balanced and understandable whilst providing necessary information for patients, our regulators and other stakeholders to assess the Trust's performance, its strategy and business model. The Board has included a description of the principle risks and uncertainties that face the Trust which can be found in the Annual Governance Statement.

This Strategic Report is approved by the Directors and signed and dated by the Accounting Officer.

Tracy Bullock
Chief Executive & Accounting Officer
Date: 24 May 2016

4. Accountability Report

4.   Directors' Report

It is the responsibility of the Directors of the Trust to prepare the Annual Report and Accounts. The Board of Directors considers that the Annual Report and Accounts taken as a whole are fair, balanced and understandable, providing the information necessary for the public, patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

Each NHS Foundation Trust has its own governance structure. The basic governance structure of all NHS Foundation Trusts includes:

1. **Membership**
2. **Council of Governors**
3. **Board of Directors**

This structure is set out in the Trust's Constitution and is well developed at the Trust and can be found at: **www.mcht.nhs.uk** or within the NHS Foundation Trust directory: **www.monitor-nhsft.gov.uk**

In addition to the basic governance structure, Mid Cheshire Hospitals NHS Foundation Trust makes use of its Board Committees and Executive Groups which compromise of directors and senior managers as a practical way of dealing with specific issues.

4. Foundation Trust Membership

We involve members, patients, carers and the public in developing our forward plans. Designing services and improving care means that the views of local people are being heard which helps to improve experience for patients, carers, visitors and staff.

Year on year, we strive to maintain and engage with our representative membership, which was originally established in 2008. In association with the Trust's Membership and Communication Strategy the Trust aims to maintain its current membership and engage and communicate more effectively. Our Council of Governors support us by continually engaging with the communities that they represent.

Mid Cheshire Hospitals NHS Foundation Trust membership consists of public, patient, carers, staff and volunteers.

Public members

We have three public member constituencies which cover Cheshire East and part of Cheshire West and Chester Council neighbourhood wards.

A member of the public who is 16 years of age or over and lives in one of the following constituencies can become a member of our Trust:

➢ Congleton
➢ Crewe and Nantwich
➢ Vale Royal

Patient and Carer members

We have one patient and carer member constituency. To be eligible to be a member of this constituent people would have received care or treatment by the Trust or be a relative or principle carer of a patient in the past five years.

Staff and Volunteer members

Staff who join the Trust become a member automatically and people who are registered to undertake individual voluntary work at the Trust are eligible to become a member within this constituency.

This constituency is split into the following classes:

➢ Qualified Nursing and Midwifery staff
➢ Medical Practitioners and Dental staff
➢ Other Professionally Qualified Clinical staff
➢ Clinical Support Staff
➢ Non-clinical Support Staff
➢ Recognised representative of Trade Unions and Staff Organisations
➢ Volunteers

Image: membership leaflet

4. How many members does our Trust have?

The table below includes the Trust's actual and targeted membership for 31 March 2016:

Constituency	Actual 31 March 2016	Target 31 March 2016
Public	4016	4016
Patient and Carers	1232	1232
Staff and Volunteers	3569	3747
Totals	**8817**	**8985**

The following tables provide a breakdown of the current and estimated membership figures for a number of indicators to highlight areas of member representation.

Public Constituency Breakdown	Actual 31 March 2016
Congleton	800
Crewe and Nantwich	1781
Vale Royal	1435

Staff and Volunteer Constituency Breakdown	Actual 31 March 2016
Qualified Nursing and Midwifery staff	897
Medical Practitioners and Dental staff	261
Other Professionally Qualified Clinical staff	195
Clinical Support Staff	890
Non-clinical Support Staff	1032
Recognised representative of Trade Unions and Staff Organisations	10
Other (includes bank staff)	140
Volunteers	144

The Staff and Volunteer Constituency breakdown figures displayed does not include 140 members of staff who are unspecified

Public Constituency	2015/16	2016/17 (estimated)
At year start (1 April)	3,992	4016
New members	134	134
Members leaving	110	134
At year end (31 March)	4,016	4016
Patient and Carers		
At year start (1 April)	1,258	1232
New members	27	27
Members leaving	53	53
At year end (31 March)	1,232	1232
Staff Constituency		
At year start (1 April)	3,415	3569
New members	304	535
Members leaving	150	357
At year end (31 March)	3,569	3747

Public membership	Number of members 31 March 2016	Eligible membership
Age (years)		
0-16	21	132,489
17-21	91	39,137
22+	3702	535,254
Ethnicity		
White	3,404	678,965
Mixed	14	6,923
Asian or Asian British	30	10,157
Black or Black British	21	2,310
Other	5	843
Socio-economic Grouping		
AB	1,182	59,521
C1	1,162	63,510
C2	844	41,313
DE	804	49,195
Gender		
Male	1,690	345,806
Female	2,222	361,074
Unknown	104	n/a

The table above excludes 202 public members with no dates of birth provided; 57 patient members with no date of birth provided; 542 members who withheld ethnic details.

We communicate and engage with members, patients, carers and the public regularly and use a variety of channels to do that. These include:

➢ Membership and Staff Newsletter (all.together)
➢ Mid Cheshire Hospitals NHS Foundation Trust website
➢ E-communications
➢ Social Media – Twitter, Facebook
➢ Local newspapers
➢ 'Meet your Governor' events
➢ Recruitment fairs
➢ Market stalls at stakeholder events
➢ Chief Executive Briefings
➢ Annual Members' Meetings

In addition to this at least annually we ask members for thoughts on our Annual Plan for the year ahead. By doing this it ensures that the Trust's priorities reflect the views of our members, patients, carers, staff, visitors, volunteers and public.

We also work closely with our Partnership Organisations such as Vale Royal and South Cheshire Clinical Commissioning Groups, Cheshire East Council, Cheshire West and Chester Council, Congleton Chamber of Commerce, South Cheshire Chamber of Commerce and Warrington Chamber of Commerce and Industry.

Further information on membership or how to communicate with Governors can be found on our website: www.mcht.nhs.uk/members

Example front cover of the 'All Together' newsletter

Governors Ray Stafford and Janet Roach speak to students at a local careers and employment fair.

4. Council of Governors

The Council of Governors of the Trust consists of 29; two represent Congleton, four represent Nantwich, four represent Vale Royal constituent areas, six represent patient and carers of the Trust, five represent staff, one represents the Trust's volunteers and there are six appointed Governors who represent the views from the Trust's partner organisations.

The Council of Governors collectively has responsibility to support the Trust to consider the views of its members when developing plans and services. They represent members with their local constituent areas to ensure members' views and experiences are being received.

The Council of Governors delegates some of its powers to a Committee of Governors and these matters are set out within the Trust's Constitution, which includes the Membership and Communication Committee and Remuneration Committee. Further details on the workings of the Membership and Communication Committee can be found below and further details on the workings of the Remuneration Committee can be found within the Remuneration Report.

Elections held during the year resulted in a number of changes to the Council of Governors, which is found below:

Constituency	Date of Election	Number of Nominations	Total Eligible to Vote	Turnout (%)
Staff – Non-clinical Support	6.06.2015	1	uncontested	
Public – Vale Royal	9.09.2015	2	1439	17%
Patient and Carers	9.09.2015	12	1237	16%

Tracy Bullock, Chief Executive, speaks at a Council of Governors' meeting

Membership and Communication Committee

The Membership and Communications Committee is a Committee of the Council of Governors and its purpose is:

➢ to maintain the membership of approximately 8,000 members whilst matching the demographics of the constituent areas;
➢ to establish and monitor programmes for the recruitment, development and retention of Members of the Trust;
➢ to establish and develop effective forms of communication with Members;
➢ to establish and develop effective forms of communication among and between Governors;
➢ to establish and develop effective communication channels and plans for Governor engagement with Members and the local community.

Attendance during 2015/16 is included within the table below:

Jerry Park, Chair of Committee	6/7
John Lyons	6/7
Christine Cooper	4/7
Janet Roach	6/7
Barbara Beadle	5/7
Gerry Phillips[1.]	5/6

1.   Gerry Phillips attendance ceased when her term of office ended in January 2016

Composition of the Council of Governors during 2015/16:

Governor	Constituency	Number of Terms	Term Commenced	Term Expires/Expired	Council of Governor Meeting Attendance (four general meetings plus one Extra-ordinary meeting)
Elected Governors					
Barbara Beadle	Crewe and Nantwich Governor	2	1/4/2014	31/03/2017	5/5
Christine Cooper	Crewe and Nantwich Governor	3	1/4/2014	31/03/2017	3/5
Dion Cross	Congleton Governor	1	1/1/2015	31/12/2017	0/5
Gill Fairhurst	Vale Royal Governor	3	1/4/2014	29/02/2016	0/5
Mike Hadfield	Vale Royal Governor	3	1/4/2014	31/03/2017	4/5
Norman Harris	Vale Royal Governor	2	1/4/2014	31/03/2017	1/5
Janet Ollier	Congleton Governor	1	1/4/2014	31/03/2017	4/5
Jerry Park	Crewe and Nantwich Governor	2	1/4/2014	31/03/2017	4/5
Janet Roach	Crewe and Nantwich Governor	1	1/4/2014	31/03/2017	3/5
Katherine Birch	Vale Royal Governor	1	10/9/2015	09/09/2018	2/2
Carl Betteley	Patient and Carer Governor	1	1/4/2014	31/03/2017	3/5
John Lyons	Patient and Carer Governor	3	1/4/2014	31/3/2017	4/5
Gerry Phillips	*Patient and Carer Governor*	*1*	*23/1/2013*	*22/01/2016 (ended)*	*4/5*
Irene Vickers	Patient and Carer Governor	1	1/1/2015	31/12/2017	3/5
Patricia Psaila	Patient and Carer Governor	1	10/9/2015	09/09/2018	3/3
Ray Stafford	Patient and Carer Governor	1	10/9/2015	09/09/2018	3/3
Staff and Volunteer Governors					
Caroline Birch	Staff and Volunteers (Recognised representative of Trade Unions and Staff Organisations)	1	1/4/2017	31/03/2017	3/5
Angela Cunningham	Staff and Volunteers (Clinical Support Staff)	1	1/4/2014	31/03/2017	3/5
Lorna Lakey	Staff and Volunteers (Registered Volunteers)	3	1/4/2008	31/03/2017	4/5
Roger Okell	Staff and Volunteers (Medical and Dental Practitioner)	1	1/4/2014	31/03/2017	3/5
Elizabeth Price	Staff and Volunteers (Qualified Nursing and Midwifery Staff)	1	1/4/2014	31/12/2016	4/5
Andrew Ritchings	Staff and Volunteers (Other Professionally Qualified Clinical)	3	1/4/2008	31/03/2017	3/5
Robert Platt	Staff and Volunteers (Non-clinical Support Staff)	1	10/9/2015	09/09/2018	3/5
Partnership, Appointed Governors					
Paul Colman, South Cheshire Chamber of Commerce and Warrington Chamber of Commerce and Industry					3/5
Councillor Janet Clowes, Cheshire East Council					3/4
Neil Fowler, Manchester Metropolitan University					4/5
Dr Jonathan Griffiths, Vale Royal Clinical Commissioning Group					3/5
Dr Andrew Wilson, South Cheshire Clinical Commissioning Group					1/5
Councillor Tony Lawrenson, Cheshire West and Chester Council					0/4

During 2015/16 the Council of Governors met on five occasions:

➤ Thursday, 30 April 2015
➤ Thursday, 23 July 2015
➤ Thursday, 22 October 2015
➤ Thursday, 15 December 2015 (Extra-ordinary meeting)
➤ Thursday 21 January 2016

Governor attendance at Council of Governor Meetings during 2015/16:

Governor	Constituency	Number of Terms	Term Commenced	Term Expires/Expired
Elected Governors				
Barbara Beadle	Crewe and Nantwich Governor	2	1/4/2014	31/03/2017
Christine Cooper	Crewe and Nantwich Governor	3	1/4/2014	31/03/2017
Dion Cross	Congleton Governor	1	1/1/2015	31/12/2017
Gill Fairhurst*	Vale Royal Governor	3	1/4/2014	29/02/2016
Mike Hadfield	Vale Royal Governor	3	1/4/2014	31/03/2017
Norman Harris	Vale Royal Governor	2	1/4/2014	31/03/2017
Janet Ollier	Congleton Governor	1	1/4/2014	31/03/2017
Jerry Park	Crewe and Nantwich Governor	2	1/4/2014	31/03/2017
Janet Roach	Crewe and Nantwich Governor	1	1/4/2014	31/03/2017
Katherine Birch	Vale Royal Governor	1	10/9/2015	09/09/2018
Carl Betteley	Patient and Carer Governor	1	1/4/2014	31/03/2017
John Lyons	Patient and Carer Governor	3	1/4/2014	31/3/2017
Gerry Phillips	Patient and Carer Governor	1	23/1/2013	22/01/2016 (ended)
Irene Vickers	Patient and Carer Governor	1	1/1/2015	31/12/2017
Patricia Psaila	Patient and Carer Governor	1	10/9/2015	09/09/2018
Ray Stafford	Patient and Carer Governor	1	10/9/2015	09/09/2018
Caroline Birch	Staff and Volunteers (Recognised representative of Trade Unions and Staff Organisations)	1	1/4/2017	31/03/2017
Angela Cunningham	Staff and Volunteers (Clinical Support Staff)	1	1/4/2014	31/03/2017
Lorna Lakey	Staff and Volunteers (Registered Volunteers)	3	1/4/2008	31/03/2017
Roger Okell	Staff and Volunteers (Medical and Dental Practitioner)	1	1/4/2014	31/03/2017
Elizabeth Price	Staff and Volunteers (Qualified Nursing and Midwifery Staff)	1	1/4/2014	31/12/2016
Andrew Ritchings	Staff and Volunteers (Other Professionally Qualified Clinical)	3	1/4/2008	31/03/2017
Robert Platt	Staff and Volunteers (Non-clinical Support Staff)	1	10/9/2015	09/09/2018
Partnership, Appointed Governors				
Paul Colman, South Cheshire Chamber of Commerce and Warrington Chamber of Commerce and Industry				
Councillor Janet Clowes, Cheshire East Council**				
Neil Fowler, Manchester Metropolitan University				
Dr Jonathan Griffiths, Vale Royal Clinical Commissioning Group				
Dr Andrew Wilson, South Cheshire Clinical Commissioning Group				
Councillor Tony Lawrenson, Cheshire West and Chester Council				

*Gill Fairhurst resigned in February 2016

**Councillor Janet Clowes took over from Councillor Dorothy Flood

Lead Governor

John Lyons was re-appointed as Lead Governor with effect from 1 April 2014 for three years until 31 April 2017. In his role as Lead Governor he had attended Board of Director meetings, met with Governors in private, and if necessary was able to meet with the Chairman to raise any issues of concern or seek clarity on any agenda items discussed.

John Lyons, Lead Governor

Declaration of Interests of the Council of Governors

All Governors are required to declare any interests that may result in a potential conflict of interest in their role as Governor of the Trust. The Register of Governors' Interests is held by the Trust Board Secretary and is available for public inspection via the Trust Board Secretary's office, Leighton Hospital.

At every meeting of the Council of Governors there is a standing agenda item which requires Governors to make it known any interest in relation to agenda items and any changes to their declared interests.

4. Board of Directors

The Board of Directors is a unitary Board with collective responsibility for all areas of performance of the Trust such as clinical and operational performance, financial performance, governance and management. The Board is legally accountable for the services it provides at the Trust and operates to the highest of corporate governance standards.

The Board delegates some of its powers to a Committee of directors and these matters are set out within the Trust's Scheme of Delegation. Further details on the workings of the two statutory Board Committees (Nomination and Remuneration Committee and Audit Committee) can be found within the Remuneration Report. In addition to the two statutory Board Committees the Trust has additional Board Committees and Executive Operational Groups which were reviewed and revised during the year.

The Board ensures that the public interests of patients and the local community are represented by working groups in place within and outside of the Trust which is in addition to the Council of Governor Committee structure.

Board Composition and Balance

The Board is satisfied that it has the appropriate balance and knowledge, skills and experience to enable it to carry out its duties effectively. This is supported by the Council of Governors which takes into account the collective performance of the Board.

Board of Director Meetings

The Board met in formal session on 12 occasions during 2015/16. These sessions were held in public apart from where the Board resolved to meet in a private session, by reason of the confidential nature of business to be discussed.

Key responsibilities of the Board include the following:

➢ Sets the strategic direction of the Trust ensuring that the Council of Governor's views are considered;
➢ Ensures that services provided are safe, clean and personal care is provided for patients;
➢ Strives for continuous improvement and innovation whilst ensuring adequate systems and processes are in place to deliver the Trust's Annual Plan;
➢ Measures and monitors effectiveness and efficiency of services;
➢ Ensures that the Trust is compliant with its Licence, as issued by the Trust's Independent Regulator;
➢ Exercises powers of the Trust which are established under statue, which is detailed within the Trust's Constitution;
➢ Ensures robust governance arrangements are in place and supported by an effective assurance framework which supports sound systems of internal control.

All Board members undergo annual performance appraisals. The Chairman carries out the annual performance appraisal for the Non-executive Directors and the Chief Executive. The Senior Independent Director carries out the annual performance appraisal for the Chairman, and meets collectively with Non-executive Directors, separately with the Lead Governor and Chief Executive before completing the Chairman's appraisal process.

The collective performance of the Board is evaluated through discussions and evaluation at Board Away Days and through continuous review of the Board Assurance Framework which is explained further within the Annual Governance Statement.

The Board of Directors' relationship with the Council of Governors and members

The Board works closely with the Trust's Council of Governors. At the Council of Governor's meetings the Chief Executive and Executive Directors attend to provide information to Governors on the performance of the Trust and strategic developments and answer any concerns that the Governors may wish to raise. The Chairman works closely with the Lead Governor to review all relevant matters and the Senior Independent Director and other Non-executive Directors attend each Council of Governor meeting as observers whilst taking part in open discussions.

At each Board meeting there is a standing item that enables the Chairman to report on governor issues and formal report on the workings of the Council of Governors. Although Board meetings are held in public and Governors can and do attend, the Lead Governor attends all Board meetings including any private Board meetings that are held. The Chairman responds to any questions or concerns that Governors may have.

Mr Dennis Dunn MBE JP – Chairman

Dennis is former Pro Vice Chancellor International of the Manchester Metropolitan University and Dean of MMU in Cheshire. A specialist in Business Information Systems, he has advised commercial organisations and universities around the world and is former Chairman of BITWorld. Dennis has served as Expert Advisor to a European Commission funded initiative on lean organisations and is currently Visiting Professor at Huizhou University in China. In the UK Dennis serves on the Boards of a number of organisations and is a member of the Cheshire Business Leaders. He is Cheshire President of the British Red Cross and was appointed as a Deputy Lieutenant of Cheshire in 2015. Dennis was made an MBE by Her Majesty the Queen and awarded Honorary Fellowship of the Manchester Metropolitan University. A former Governor of the Trust before joining the Board of Directors, Dennis was appointed Chairman of MCHFT in July 2014 for a term of three years.

Dame Patricia Bacon - Deputy Chair

Prior to joining the Trust, Patricia worked in Further Education for over 30 years, the last ten of which as Principal of St Helens College. In 2011 Patricia was awarded the DBE in recognition of her contribution to education, both locally and nationally, including 12 months as the elected President of the Association of Colleges. Patricia has extensive experience of corporate governance both regionally and nationally, including seven years as a Non-executive Director of the University Hospitals North Staffordshire NHS Trust. She was appointed on 1 November 2011; the Council of Governors reappointed Pat for a second term of three years to 30 April 2018.

Mr David Hopewell – Senior Independent Director/Chair of the Audit Committee

David is a chartered accountant by profession. He spent several years working with Shell, both overseas and in the UK, before taking up a post at the Government Office North West and moving on to become Resources Director at Cheshire Peaks and Plains Housing Trust. David has also worked as Finance Director for Retrak, a UK charity that supports street children in Africa. He was previously involved with Guinness Northern Counties Housing Association and is currently a Trustee of Safe Child Africa. David was appointed as Senior Independent Director of the Trust in April 2013. David was initially appointed as a Non-executive Director of the Trust on 1 December 2007. The Council of Governors approved further terms of office for him with a final term of three years until 31 January 2019 which was approved by the Council of Governors at a general meeting following an open competition comprehensive recruitment exercise.

Mrs Ruth McNeil – Non-executive Director

Ruth worked in Local Government for 21 years for Manchester City Council of which she was Chief Officer for some 19 years and was responsible for a broad range of customer orientated commercial trading services. Prior to joining local Government, Ruth worked for Shell UK. Ruth's early career was mainly within the hotel and catering industry. In 2007 Ruth retired from full-time work and in October 2008 joined Cheshire Police Authority as an independent Board Member where she was Chair of their Staff Committee.   Ruth was appointed as a Non-executive Director on 1 November 2011; the Council of Governors reappointed Ruth for a second term of three years to 31 October 2017.

Mr John Barnes – Non-executive Director

John is a chartered engineer with over ten years' experience at Board level in a FTSE 50 utility company. These days, John has his own company, offering consultancy in the areas of sustainability, the utility sector, change management and leadership. He is a member of a number of business groups, and is the Interim Executive Chair of the *All Change for Crewe* Partnership Board. John was appointed as a Non-executive Director on 1 February 2013; the Council of Governors reappointed John for a second term of three years to 31 January 2019.

Mr Mike Davis – Non-executive Director

Mike joined the Trust on 1 February 2013 after a career in the business services, facilities management and project finance industries of which 25 years were as Managing Director or CEO of industry leading companies. Between 1997 and 2010 he was closely involved in the design, financing, construction and operation of eight hospital PFI projects and is currently Chairman of three large hospital PFI companies operating in the North West and East Midlands. Mike was appointed as a Non-executive Director on 1 February 2013; the Council of Governors reappointed Mike for a second term of three years to 31 January 2019.

Mr John Church – Non-executive Director (from 1 May 2015)

John had a successful food industry career with blue chip companies including Spillers, Rank Hovis McDougall and Northern Foods. He made a successful move into business consultancy specialising in Strategic Business Planning and Marketing which led to the formation of a buying, selling and business support 'Group Tyre' where he became Chairman. Group Tyre grew to a collective turnover well exceeding £200 million. John was previously Chair of NHS Western Cheshire (Primary Care Trust) and helped lead the recovery from an inherited £42 million deficit to be the Primary Care Organisation of the year in 2010. He was previously Vice Chair of NHS Cheshire, Warrington and Wirral until 2013. In 2012 John became Deputy Chairman of Save the Family and in 2013 became Chief Executive until early 2016 when he was elected as Chairman. John was appointed as a Non-executive Director on 1 May 2015 for a three year term to 30 April 2018.

Independence of Non-executive Directors

The Board of Directors determine whether each director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could affect, directors' judgement. Further details on directors' independence can be found within the Foundation Trust Code of Governance section of this report.

Executive Directors

Tracy Bullock - Chief Executive

Tracy joined the health service in 1983 and gained 18 years clinical experience as a nurse before embarking on a variety of managerial and corporate roles. Additionally, Tracy spent two years periodically seconded to the Commission for Health Improvement/Healthcare Commission to conduct investigations and governance reviews across the country. Tracy subsequently spent four years working nationally, supporting challenged NHS organisations to achieve turnaround and latterly Foundation Trust status. During this time she gained experience working in Acute, Primary Care, Ambulance and Mental Health Trusts. Tracy joined Mid Cheshire Hospitals in October 2006 as the Director of Nursing and Quality and very quickly took on additional responsibilities of Operations and Deputy Chief Executive, before being appointed to the Chief Executive role in October 2010.

Dr Paul Dodds - Medical Director and Deputy Chief Executive

Paul studied medicine at the University of Manchester and was appointed Consultant Physician with an interest in Cardiology at the Trust in 1994. Prior to becoming Medical Director, his managerial roles at the Trust included Chairman of the Medical Advisory Committee, Clinical Director for Medicine and Divisional Clinical Director for Emergency Care.

Denise Frodsham - Chief Operating Officer

Denise has worked in the NHS for over 30 years, including ten years at the Trust in a progressive career which began as the Trust's Associate Divisional Director for Diagnostic and Clinical Support Services before joining the Board of Directors. More recently as the Chief Operating Officer, Denise has been involved in and led the development of the Trust's Strategy and Clinical Services Strategy, progressing a number of service expansion and modernisation programmes to improve quality, efficiency and capacity, as well as reducing costs and increasing income. Denise has a special interest in, and experience of, leading organisational change and working with individuals and teams to improve service delivery and performance.

Wendy Marston - Interim Director of Service Transformation and Workforce

Wendy joined the Trust in February 2015 as the Interim Director of Service Transformation and Workforce. Wendy was previously the Corporate Director Transformation & Resources at Trafford Metropolitan Borough Council with responsibility for Business Support Services, a number of high profile customer facing services, including Libraries, Sport & Leisure and Partnerships, together with the lead corporate responsibility for establishing the 'Reshaping Trafford' transformation programme to deliver new ways of working and £55m of savings over three years.

Wendy has a particular interest in asset based models; working collaboratively with stakeholders on nurturing 'what's strong' rather than 'what's wrong'. Key projects have included the establishment of Locality Partnerships, with 'Community Ambassadors' working alongside statutory partners to form new relationships and deliver different services that focus on community resilience and self-help.

Mark Oldham - Director of Finance & Strategic Planning
Mark joined the NHS in 1989, originally working at Crewe Health Authority. In 1990, Mark began his work at Mid Cheshire Hospitals as it received NHS Trust status. Since then Mark has had a number of promotions internally, giving him exposure to all elements of the NHS financial regime. His notable achievements during this period are a successful business case to build the Trust's Treatment Centre and a significant contribution to achieving Foundation Trust status. Mark is a member of the Chartered Institute of Public Finance Accountants.

Julie Smith - Director of Nursing & Quality (until 31.07.15)
Julie has worked in the NHS for over 20 years in a variety of clinical roles from staff nurse through to matron before moving into general management. Julie held roles regionally and nationally working for both the Modernisation Agency and the Department of Health in areas of quality improvement and redesign of the delivery of clinical services. Before being appointed as Director of Nursing at the Trust, Julie undertook the positions of Deputy Director of Nursing at a large Acute Teaching Hospital and Associate Director of Nursing at NHS East Midlands leading on Patient Experience.

Alison Lynch – Director of Nursing and Quality (from 05.10.15)
Alison was previously the Deputy Director of Nursing, Quality and Patient Experience at Warrington and Halton NHS Foundation Trust before joining the Trust in October 2015. Alison qualified as a nurse in 1988 and has worked in a variety of clinical and managerial roles in both acute and emergency medicine, as well as surgery. She has a passionate interest in the care of the most vulnerable patients as well as advanced practice, and has an MSc in Clinical Nursing from the University of Manchester.

Board of Director Attendance

Executive Directors		Board Attendance 2015/16
Name	**Responsibility**	
Tracy Bullock	Chief Executive	11/12
Dr Paul Dodds	Medical Director/Deputy Chief Executive	12/12
Denise Frodsham	Chief Operating Officer	12/12
Wendy Marsden	Interim Director of Service Transformation and Workforce	12/12
Mark Oldham	Director of Finance and Strategic Planning	11/12
Julie Smith	Director of Nursing and Quality *(to 31.07.17)*	4/4
Alison Lynch	Director of Nursing and Quality *(from 5.10.15)*	6/6

Non-executive Directors		Board Attendance 2015/16
Dennis Dunn	Chairman	11/12
Dame Patricia Bacon	Deputy Chair	10/12
David Hopewell	Senior Independent Director	12/12
Ruth McNeil	Non-executive Director	12/12
John Barnes	Non-executive Director	11/12
Mike Davies	Non-executive Director	12/12
John Church	Non-executive Director *(from 1.05.15)*	9/11

Declaration of Interests of the Board of Directors

The Register of Board Interests is held by the Trust Board Secretary and is available on the Trust's website.

An annual review of the Board of Director's Register of Declared Interests takes place at every meeting of the Board of Directors and its sub-committees there is a standing agenda item which requires Executive and Non-executive Directors to make it known any interest in relation to agenda items and any changes to their declared interests.

Statement as to 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 and
➢ 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; and

➢ Made such enquiries of his/her fellow director and of the company's auditors for that purpose; and
➢ 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.

4.   Remuneration Report

Annual Statement from the Chairman of the Trust's Remuneration Committee

I confirm that I was Chair of the Trust's two Remuneration Committees and present to you the Directors' Remuneration Report for the financial period 2015/16 of behalf of those two Committees.

The Nominations and Remuneration Committee is established by the Council of Governors and deals with Non-executive Directors. The Remuneration Committee is established by the Board of Directors and deals with the remuneration and Terms of Service for Executive Directors and any other such senior managers.

The Remuneration Report includes the following:

➢ Senior Managers' Remuneration policy;
➢ The Annual Report on Remuneration including Directors' service contracts details and Governance requirements including Committee membership, attendance and business conducted during 2015/16.

Major Decisions on Remuneration in 2015/16:

The Trust's Remuneration Committee's aim is to ensure that Executive and Non-executive Directors' remuneration is set appropriately, taking into account relevant market conditions, and that Executive Directors are appropriately rewarded for their performance against goals and objectives linked directly to the Trust's objectives but does not pay more than is needed. After careful consideration of national guidance and benchmarking, the Committee decides what level of increase in remuneration is appropriate. The Committee ensures the increase is fair and reflects benchmarking of Executive pay across the NHS, which showed the Trust paid its Executive team below the national average.

The Nominations and Remuneration Committee:

➢   Two Non-executive Directors had completed one term of three years and the Council of Governors approved a second term of three years;
➢   A Non-executive Director's term of office was approved by the Council of Governors in January 2016 for a further final three years following the completion of a recruitment campaign led by Hays Executive Recruitment via open competition;
➢   The revised performance appraisal process for the Executive Directors and the Chairman.

The Remuneration Committee:

➢   Reviewed the Executive Director complement and agreed an Executive restructure which resulted in a change from the Director of Service Transformation and Workforce (voting member of the Board) to a Director of Workforce (non-voting member of the Board).
➢   Reviewed Executive Director salaries against benchmarking market testing, recent pension tax changes.

The two Remuneration Committees fulfil their responsibilities and report to either the Board of Directors or Council of Governors.

Dennis Dunn
Trust Chairman and Chairman of the Trust's Remuneration Committee
Date: 24 May 2016

4.

Senior Managers' Remuneration Policy

Executive Directors receive a fixed salary which is established at the beginning of each year and determined by benchmarking against NHS organisations throughout the country with the use of NHS Provider benchmarking information, NHS Annual Reports and Accounts and knowledge of job descriptions, person specifications and market pay. Executive Directors are substantive employees and their contracts can be terminated by ether party with six months' notice.

Service Contracts

As described above, all Executive Director contracts contain a six month notice period. Non-executive Directors serve for three year terms and serve a maximum of six years subject to satisfactory performance. Non-executive Directors are not eligible to receive compensation for loss of office. The Council of Governors consider and set terms of office for Non-executive Directors beyond that to meet the needs of the Trust whilst taking into account NHS Improvement's guidance. Non-executive Directors can be terminated by a 75% majority of Governors voting at a Council of Governor general meeting. Further details on each of the Non-executive Directors can be found in the Director's Report within this Annual Report.

Senior Manager Remuneration and Benefits

Pension arrangements for the Chief Executive and Executive Directors are in accordance with the NHS Pension Scheme, the Accounting Policies for Pensions and relevant benefits are set out in two following tables:

5.4 (A)   Senior Manager remuneration and benefits – Emoluments (2015/16)

Name	Title	Salaries and Fees (in Bands of 5K)	Expense Payments (total to the nearest £100)	Performance Pay and Bonuses (in Bands 0f £5K)	Long Term Performance Pay and Bonuses (in Bands 0f £5K)	All Pensions related Benefits (in Bands 0f £2.5K)	Total (bands of £5K)
		£000s	£'s (nearest £100)	£000s	£000s	£000s	£000s
Dunn D	Chairman	55-60	-	-	-	-	**55-60**
Hopewell D	Non-Executive	15-20	-	-	-	-	**15-20**
Church J	Non-Executive (from	10-15	-	-	-	-	**10-15**
McNeil R	Non-Executive	10-15	-	-	-	-	**10-15**
Bacon P	Non-Executive	15-20	-	-	-	-	**15-20**
Barnes J	Non-Executive	10-15	-	-	-	-	**10-15**
Davis M	Non-Executive	10-15	-	-	-	-	**10-15**
Bullock T	Chief Executive	160-165	8,100	-	-	112.5-115	**280-285**
Oldham M	Director of Finance	115-120	8,700	-	-	32.5-35	**155-160**
Smith J	Director of Nursing (31/07/2015)	35-40	1,800	-	-	5-7.5	**40-45**
Frodsham D	Chief Operating Officer	110-115	6,800	-	-	55-57.5	**170-175**
Lynch A	Director of Nursing (From 05/10/2015)	45-50	400	-	-	90-92.5	**140-145**
Marston W	Interim Director of Transformation	85-90	-	-	-	17.5-20	**105-110**
Dodds P*	Deputy Chief Executive Officer & Medical Director	195-200	-	-	-	110-112.5	**310-315**

*An element of Dr P Dodds' remuneration includes payment for clinical work equating to £20,000

5.4 (A)   Senior Manager remuneration and benefits – Emoluments (2014/15)

Name	Title	Salaries and Fees (in Bands of 5K)	Expense Payments (total to the nearest £100)	Performance Pay and Bonuses (in Bands 0f £5K)	Long Term Performance Pay and Bonuses (in Bands 0f £5K)	All Pensions related Benefits (in Bands 0f £2.5K)	Total (bands of £5K)
		£000s	£'s (nearest £100)	£000s	£000s	£000s	£000s
Dunn D	Chairman	45-50	-	-	-	-	45-50
Hopewell D	Non-Executive	20-25	-	-	-	-	20-25
Allen R	Non-Executive (from 01/09/2014 until 31/01/2015)	5-10	-	-	-	-	5-10
McNeil R	Non-Executive	10-15	-	-	-	-	10-15
Bacon P	Non-Executive	10-15	-	-	-	-	10-15
Barnes J	Non-Executive	10-15	-	-	-	-	10-15
Davis M	Non-Executive	10-15	-	-	-	-	10-15
Bullock T	Chief Executive	145-150	600	-	-	-	150-155
Oldham M	Director of Finance	110-115	7,900	-	-	0-2.5	120-125
Smith J	Director of Nursing	100-105	5,200	-	-	2.5-5	105-110
Frodsham D	Chief Operating Officer	105-110	6,900	-	-	2.5-5	115-120
Pitt D	Director of Transformation (until 08/0 2/15)	80-85	-	-	-	0-2.5	85-90
Marston W	Interim Director of Transformation (from 02/02/15)	10-15	-	-	-	-	10-15
Dodds P	Deputy Chief Executive Officer & Medical Director	195-200	-	-	-	(2.5)-(5)	195-200

5.4 (B)   Salary and Pension entitlements of senior managers - Pension Benefits

Name	Title	Real increase in pension at age 60	Real increase in lump sum at age 60	Total accrued pension at age 60 at 31 March 2016	Total accrued lump sum at age 60 at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2016	Cash Equivalent Transfer Value at 1 April 2015	Real Increase in Cash Equivalent Transfer Value	Employers contribution to Stakeholder Pension
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Board Members									
Bullock T	Chief Executive	6	10	64	185	1,113	1,000	50	-
Dodds P	Medical Director	6	18	76	228	1,505	1,358	64	-
Oldham M	Director of Finance	3	1	44	127	725	686	16	-
Frodsham D	Director of Business Development	3	9	38	115	773	697	35	-
Smith J	Director of Nursing (until 31/07/2015)	-	1	34	102	522	497	3	-
Lynch A	Director of Nursing (from 05/10/2015)	4	23	25	100	442	301	33	-
Marston W	Interim Director of Transformation	2	-	2	-	18	2	8	-

5.4 (C) Notes to Senior Managers remuneration and Pension benefits

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. Real Increase in CETV – this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

5.4 (D) Multiple Statement

Group and Foundation Trust

	2016 £000	2015 £000	% change
Highest Paid Director gross cost	**200**	200	**0.00**
Median Total earnings	**25**	25	**0.54**
Ratio	**7.85**	7.89	**(0.54)**

The median total earnings was calculated using the full-time equivalent gross cost of all staff paid through the Trust's payroll in March 2016 which is then annualised.

Governors' Expenses

In accordance with the Trust's Constitution Governors are eligible to claim expenses for such things as travel at rates determined by the Trust. Out of the total Council of Governor membership the total number of Governors that claimed expenses was two Governors at a total amount of £293.15.

Directors' Expenses

Out of the 13 Board members (*seven Non-executive Directors including the Chairman and six Executive Directors including the Chief Executive*) there was a total of 10 Directors that claimed non-audited expenses in 2015/16 at a total amount of £5,990.47. Details of remuneration and benefits in kind are included within the Remuneration table.

Group and Foundation Trust

	Total 2015/16 Number	Other permanent employees Number	Directors Number	Other Number	Total 2014/15 Number
Medical & Dental	**313**	313	-	-	308
Administration & estates	698	692	6	-	670
Healthcare Assistants & other support staff	**525**	525	-	-	496
Nursing, midwifery & health visiting staff	**901**	901	-	-	870
Scientific, therapeutic and technical staff	**156**	156	-	-	153
Healthcare Science Staff	**278**	278	-	-	270
Agency & Contract Staff	**78**	-	-	78	69
Bank Staff	147	-	**-**	147	122
Other	288	288	**-**	-	292
Total average numbers	3,384	3,15**3**	**6**	225	3,250
of which					
WTE engaged on capital projects	7	**7**	**-**	**-**	7

Group and Foundation Trust

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of departures where special payments have been made
<£10,000	- (-)	18(2)	18(-)	-(-)
£10,000 - £25,000	- (-)	- (-)	-(-)	-(-)
£25,001 - £50,000	1(-)	- (-)	1(-)	-(-)
£50,001 - £100,000	1(-)	- (-)	1(-)	-(-)
Total number of exit packages by type	2(-)	18(2)	20(-)	-(-)

Exit package cost band	Cost of compulsory redundancies	Cost of other departures agreed	Total cost of exit packages by cost band	Cost of departures where special payments have been made
	£'000	**£'000**	**£'000**	**£'000**
<£10,000	-(-)	55(14)	55(-)	-(-)
£10,000 - £25,000	-(-)	-(-)	-(-)	-(-)
£25,001 - £50,000	40(-)	-(-)	-(-)	-(-)
£50,001 - £100,000	69(-)	-(-)	-(-)	-(-)
Total cost of exit packages by type	109(-)	55(14)	164(14)	-(-)

The Trust has offered staff a mutually agreed resignation scheme where the Trust may offer a financial package to a member of staff who wishes to leave their employment on voluntary terms. To be eligible the applicant must be permanently employed by the Trust and have a minimum of two years' continuous service. The figures in brackets displayed in the tables above are for 2014/15.

Exit packages: other (non-compulsory) departure payments

	2015/16 Payments agreed	2015/16 Total value of agreements	2014/15 Payments agreed	2014/15 Total value of agreements
	Number	£000	Number	£000
Contractual payments in lieu of notice	18	55	1	6
Exit payments following Employment Tribunals or court orders	-	-	1	8
Total	18	55	2	14

4.

Audit Committee

The Audit Committee provides an independent and objective review of the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives.

The Trust's Non-executive Directors (with the exception of the Chairman) are members of the Audit Committee, which is chaired by David Hopewell, Non-executive. The Audit Committee met on six occasions during the year with the Executive Director of Finance, other Trust officers and our internal and external auditors in attendance.

Attendance during 2015/16 is included within the table below:

David Hopewell	5/6
Pat Bacon	5/6
Mike Davis	5/6
John Barnes	3/6
John Church	3/5[1]
Ruth McNeil	5/6

5. John Church attendance commenced from May 2015 following his appointment as a Non-executive Director of the Trust

During 2015/16 the Audit Committee took part in a self-assessment against the HFMA standards for audit committees and identified no significant issues which needed to be addressed.

The Performance of the external auditors was assessed during the year against the auditing standards and through the tendering of the external audit service.

The procurement of the external auditor service was undertaken under the Consultancy one Framework and all parties to that framework were invited to tender. The tender submissions were assessed based on four criteria:

1. Approach to the External Audit
2. Capacity and capability of Provider including access to wider expertise
3. What additional added value they would bring to the Trust
4. Financial value

The bidders were assessed by a multidisciplinary panel which included governor involvement and the decision was unanimously recommended to the full Council of Governors for approval.

The external Audit fee for the year was £72,000

There were no conflicts of interest that need to be addressed by the Auditor or the Audit Committee during the year.

The Board of Directors will receive confirmation that all aspects of the Audit Committee's terms of reference have been fulfilled through the Audit Committee's annual report.

The Committee met its responsibilities during 2015/16 by:

➢ Reviewing all risk and control related disclosure statements (in particular the Annual Governance Statement and declarations of compliance with the CQC Domain Requirements), together with any accompanying Head of Internal Audit statement, External Audit Opinion or other appropriate independent assurances, prior to endorsement by the Board.

➢ Reviewing the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statement.

➢ Reviewing the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.

➢ Reviewing the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service.

➢ Reviewing the Board Assurance Framework/Risk Register.

➢ Reviewing Losses and Special Payment Reports and reviewing and approving write-offs of non-NHS debtors.

➢ Reviewing the adequacy of systems to secure value for money.

➢ Reviewing the Accounting Policies for 2015/16 Annual Accounts and the Annual Accounts.

➢ Reviewing the 2015/16 Annual Report and Financial Statements before submission to the Board.

The Audit Committee considered the reports of both its internal and external auditors and there were no significant matters during 2015/16.

The Audit Committee reviews arrangements 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.

The Audit Plan was presented to the Audit Committee in April 2016 which confirmed the audits that would be conducted with an understanding of the key challenges and opportunities facing the Trust. The Audit Committee was assured that the audit would consider the impact of key developments in the sector and take account of national audit requirements set out in Monitor's Audit Code and associated guidance as well as compliance with the International Standards on Auditing (ISAs).

The duty to appoint the external auditors lies with the Council of Governors. A panel of Governors, supported by Trust officers and the Chair of the Audit Committee, is established to oversee the procurement of external audit services regarding the appointment and retention of the external auditor. Following the completion of a competitive tendering process, the Council of Governors at an Extra Ordinary Council of Governor meeting held on 15 December 2015, approved the appointment of Deloitte for a period of two years, with an option for this to be extended by a further two years subject to satisfactory performance and mutual agreement.

4. Annual Remuneration Report

Nominations and Remuneration Committee

The Council of Governors has established the Nomination and Remuneration Committee with responsibilities which include consideration of matters in relation to the remuneration and terms of office for Non-executive Directors including the Chairman. Nomination and Remuneration Committee attendance during 2015/16 was as follows:

Dennis Dunn	2/2
John Lyons	2/2
Jerry Park	2/2
Dr Roger Okell	1/2
Mike Hadfield	1/2
Janet Roach	1/1
Cllr Doreen Fluke	1/1
Cllr Janet Clowes	1/1
Tracy Bullock	2/2

Councillor Doreen Fluke was replaced by Councillor Janet Clowes as appointed Governor for Cheshire East Council in September 2016.

The Committee is Chaired by the Chairman of the Trust (or the Senior Independent Director, when the Chairman's nomination is being considered), the Lead Governor, one appointed Governor and three elected Governors. The Chief Executive was also a member of the Committee in 2015/16 but following a review of the Terms of Reference in April 2016 only attends the meeting upon invitation to offer advice when required.

When the Chairman's performance appraisal or remuneration is discussed the Chairman withdraws from the meeting whilst the meeting is then chaired by the Senior Independent Director.

Only members of the Committee are eligible to attend Committee meetings, however, other members of the Board can be invited to attend to offer advice and support the workings of the Committee. The Committee may also invite other individuals to attend as and when required to receive specialist and/or independent advice on any matter relevant to its roles and functions.

During 2015/16 the Council of Governors, through the Nominations and Remuneration Committee, agreed and had oversight on the following:

➢ The re-appointment of a second three year term of office for Mr John Bairns and Mr Mike Davies;
➢ The re-appointment of a further (final) three year term of office for Mr David Hopewell following an extensive recruitment campaign led by Hays Executive Recruitment;
➢ The Non-executive Directors' 2015/16 performance appraisal;
➢ The Chairman's 2015/16 performance appraisal.

The Nomination and Remuneration Committee consult external professional advisers to market-test the remuneration levels of the chairperson and other Non-executives at least once every three years and would do so if they intended to make a material change to the remuneration of a non-executive.

In 2015/16 the Remuneration Committee received services from Hays Executive Recruitment for the Non-executive Director recruitment campaign

Remuneration Committee

The Board of Directors has established a Remuneration Committee with responsibilities which include consideration of matters in relation to the remuneration and associated terms of service for Executive Directors including the Chief Executive.

Attendance during 2015/16 was as follows:

Dennis Dunn	2/2
David Hopewell	2/2
Pat Bacon	1/2
Mike Davis	2/2
John Barnes	2/2
John Church	2/2
Ruth McNeil	2/2

The Committee is Chaired by the Chairman of the Trust. All of the Non-executive Directors and the Chief Executive were members of the Committee in 2015/16. The Chief Executive supports the working of the Committee by providing discussions about the Board composition, succession planning, remuneration and performance of Executive Directors and is not present when discussions take place in relation to her own performance, remuneration or terms of service.

The Committee undertakes periodic reviews of the salary levels of the Executive Directors including the Chief Executive whilst taking into account the overall performance of the Trust as well as individual performance of directors and published benchmark information. The Trust, during 2015/16, agreed a 1% uplift for the Chief Executive, Medical Director/Deputy Chief Executive, Director of Finance and Chief Operating Officer, did not make any bonus payments in relation to performance and did not offer an incentivisation programme.

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Tracy Bullock
Chief Executive
Date: 24 May 2016

4. Staff Report

Our People and Organisational Strategy

➢ Improving staff engagement and culture

➢ Planning our people

➢ Developing our people

➢ Supporting our people

➢ Making a difference to our communities

National NHS Staff Survey 2015

A review of the findings shows the Trust's score for Staff Engagement for 2015 was 3.87 out of 5 (1 indicating that staff are poorly engaged and 5 indicating that staff are highly engaged), demonstrating an increase on the 2014 score and a score that ranked the Trust in the above average category when compared with all Acute Trusts.

In order to meet the Trust's vision to "Deliver excellence in healthcare through Innovation and collaboration," the Trust has a staff engagement policy which details how the organisation engages with staff to ensure a positive experience for patients and staff. We communicate with staff regularly through a variety channels, such as:

➢ **Chief Executive weekly briefings** to all staff on a weekly basis via email on a wide range of topics such as upcoming initiatives, local and national NHS issues including information on matters of concern to staff;

➢ **Chief Executive Sessions** to update staff across the organisation on the Trust's performance, strategy, challenges and opportunities;

➢ **Chief Executive weekly 'drop in' sessions** where staff share experiences of their work or details of any achievements or concerns;

➢ **Fortnightly newsletter** of the main internal news items, with hard copies sent to wards and departments;

➢ **Bi-monthly staff newsletter** which accompanies payslips on key topics such as policy changes, payroll and pension information and health and wellbeing initiatives;

➢ *All Together* **newsletter** 'good news' produced three times a year which provides an overview of some of the major developments within the organisation;

➢ **Bi-monthly newsletter for local GPs** which contains articles such as service improvements.

➢ **Bright Ideas Scheme** which enables both staff and members of the public to submit suggestions for improvements either online via the Trust's website or by telephone or the use of post boxes which are displayed around the Trust's premises.

The Trust also has an *'Employee of the Month'* and *'Team of the Month'* scheme which provides staff with recognition for going above and beyond what is expected.

NHS Survey Results:

Response rate	2014/15		2015/16		Trust improved/deterioration
	Trust	National Average	Trust	National Average	
	65%	65%	60%	64%	Trust deterioration by 5% from previous year

Top Four Ranking Scores	2014/15		2015/16		Trust improved/deterioration
	Trust	National Average	Trust	National Average	
KF30 Fairness and effectiveness of procedures for reporting errors, near misses and incidents	3.77 (KF14)	3.54 (KF14)	3.83	3.70	-
KF8 Staff satisfaction with level of responsibility and involvement	-	-	4.00	3.91	-
KF28 Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month	36%	34%	26%	31%	10% decrease from previous year
KF27 Percentage of staff/colleagues reporting most recent experience of harassment bullying or abuse	16% (KF16) 2% (KF17) 26% (KF18) 24% (KF19)	85% (KF16) 3% (KF17) 29% (KF18) 23% (KF19)	43%	37%	-

There were a number of changes made to the scoring mechanism in the 2015/16 survey in relation to the scores provided in the table above which is explained further below:

- o KF30 – This is a reworded KF for 2015; the Trust scores provided for 2014 relate to KF 14 which is the closest matching KF.
- o KF8 is a new KF for 2015 and there is no like for like comparison to 2014 survey
- o KF27 is a new KF about reporting; previous KFs were about experience only, KF16,17,18 and 19 were the closest matching KFs

Bottom Four Ranking Scores	2014/1515		2015/16		Trust improved/deterioration
	Trust	National Average	Trust	National Average	
KF3 Percentage of staff agreeing that their role makes a difference to patients/service users	92%	91%	89%	90%	3% increase from previous year
KF22. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	16%	14%	16%	14%	Maintained on previous year
KF12 Quality of appraisals	90% (KF7) 41% (KF8)	85% (KF7) 38% (KF8)	2.98	3.05	-
KF Effective team working	3.81	3.74	3.71	3.73	0.10 reduction on previous year

There was one change to the scoring mechanism in the 2015/16 survey in relation to the scores provided in the table above which is described below:

- o KF12 is a new KF; the previous survey had two questions relating to appraisal KF7 and KF8

Action Plans were developed in 2014/15 in response to the Staff Survey results with the aim of improving on the following:

➢ To reduce violence, bullying and harassment towards staff from staff, patients and relatives. *(This improved slightly in 2015)*

➢ To reduce discrimination against staff on the grounds of sexual orientation, age, ethnic background and "other" reasons such as banding and socio economic status. *(This has not improved or deteriorated in 2015 Staff Survey results)*

➢ To improve team working – time for meetings, clear objectives, feedback, role clarity, team identity and autonomy. *(This has improved but there are still areas for improvement in relation to communication and feedback)*

➢ To improve health and wellbeing of staff - resilience, coaching, annual leave, sickness absence. *(This has improved and we have seen positive results in this area in the 2015 results)*

➢ To improve the *quality* of appraisals and number of staff completing Health & Safety training (BEMU, etc). *(This has not shown an improvement in 2015 but in year changes will hopefully reflect in future results)*

2015/16 Staff Survey Result Findings

A review of the findings from the survey established that Staff Engagement for 2015 was high and above average against other national acute NHS providers with scores at 3.87 out of 5 (1 indicating that staff are poorly engaged and 5 indicating that staff are highly engaged).

Other key areas of improvement in 2015 Staff Survey Results included the following:

➢ Frequent opportunities for me to show initiative in my role from 69 – 75%

➢ My immediate manager takes a positive interest in my health and wellbeing 57 - 76%

➢ My training, learning or development has helped me to do my job more effectively from 74-82%

➢ My training, learning or development has helped me to stay up to date with professional requirements from 76-85%

➢ My training, learning or development has helped me to deliver a better patient/service user experience from 68-80%

➢ If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation up from 71 – 75%

➢ I would recommend my organisation as a place to work up from 66-69%

Action Plans developed in response to the 2015/16 Staff Survey results aim to improve on the following:

Action plans are currently in development to address the key areas for improvement. Currently identified areas for improvement include;

➢ Improving the quality of appraisals
➢ Reducing violence, bullying and harassment towards staff
➢ Improving team working and communication
➢ Improving health and wellbeing of staff
➢ Supporting staff to feel safe and secure in reporting unsafe clinical practice

The Trust also plans to hold a number of focus groups with staff across all divisions in May 2016 to gain further in-depth feedback from the Staff Survey questions. The feedback from these groups will be shared widely across the organisation and used to inform new developments and changes to practice. Progress against action plans will be monitored through forums including the Executive Workforce Assurance Group, Divisional Performance Reviews and Divisional Workforce meetings.

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Pictured are two of the year's 'Team of the Month' winners, Domestics (above, January 2016) and Ward 18 (below, September 2015)

As an NHS acute provider we have a range of staff who work for us. The table below provides a breakdown of staff numbers as at 31 April 2015:

Qualified	Code	Occupation Code Name	Female	Male
NB: All Permanent Staff				
		Chairman		1
		Non- Exec Directors	2	5
		Executive Directors	4	1
Qualified nursing, midwifery & health visiting staff (Qualified nurses)				
Qualified	NA*	Nurse Consultant	1	
Qualified	NC*	Modern Matron	16	
Qualified	N0*	Nurse Manager	11	1
Qualified	N1*	Children's Nurse	53	
Qualified	N2*	Registered Midwife	130	
Qualified	N6*	Other 1st Level Nurse	719	84
Qualified	N7*	Other 2nd Level Nurse	4	
Qualified Scientific, therapeutic and technical staff (Qualified ST&T)				
Qualified Allied Health Professionals (Qualified AHPs)				
Qualified	S0F	Manager Radiography (diagnostic)		1
Qualified	S1D	Therapist Orthoptics/ optics	6	
Qualified	S1F	Therapist Radiography (diagnostic)	60	14
Qualified	S2D	Scientist Orthoptics/ optics	4	
Other Qualified Scientific, Therapeutic & Technical staff (Other qualified ST&T)				
Qualified	S0P	Manager Pharmacy	2	1
Qualified	S1X	Therapist Other scientific, therapeutic and technical staff	1	2
Qualified	S2P	Scientist Pharmacy	22	6
Qualified	S4P	Technician Pharmacy	27	3
Qualified	S4R	Technician Dental	2	
Qualified	S4T	Technician Operating theatres	44	12
Qualified Healthcare Scientists				
Qualified	UA*	Consultant Healthcare Scientist	1	
Qualified	U0*	Manager	8	7
Qualified	U2*	Healthcare Scientist	4	
Qualified	U3*	Specialist Healthcare Science Practitioner	23	13
Qualified	U4*	Healthcare Science Practitioner	77	22
Support to doctors and nursing staff				
Unqualified	NF*	Nursing Assistant Practitioner	10	2
Unqualified	N8*	Nursery nurse	4	
Unqualified	N9*	Nursing assistant / auxiliary	35	3
Unqualified	H1A	HCA Acute, elderly, general	531	77
Unqualified	H1B	HCA Paediatrics	3	
Unqualified	H1C	HCA Maternity	37	
Unqualified	H2A	Support worker Acute, elderly, general	22	4
Unqualified	H2B	Support worker Paediatrics	2	1
Unqualified	H2C	Support worker Maternity	6	
Unqualified	G2D	Clerical & administrative Clinical support	464	24
Support to STT staff				
Unqualified	S8*	Student/ Trainee	4	2
Unqualified	S9*	Helper / Assistant	54	16
Unqualified	U5*	Healthcare Science Associate	4	11
Unqualified	U6*	Trainee Healthcare Scientist	1	
Unqualified	U9*	Healthcare Science Assistant	124	20
Unqualified	H1N	HCA Other Scientific, therapeutic & technical	5	
Unqualified	H2M	Support worker Pathology		1
Unqualified	G2C	Clerical & administrative Scientific, therapeutic & technical support	58	
NHS infrastructure support				
Unqualified	G0*	Senior Manager	6	10
Unqualified	G1*	Manager	30	6
Unqualified	G2A	Clerical & administrative Central functions	153	52
Unqualified	G2B	Clerical & administrative Hotel, property & estates	19	13
Unqualified	G3B	Estates (Maintenance & works) Hotel, property & estates	1	37
Unqualified	H2R	Support worker Hotel, property & estates	190	130
Medical & Dental				
Qualified	001	General (Internal) Medicine		1
Qualified	002	Paediatrics	15	9
Qualified	004	Respiratory Medicine	4	1
Qualified	005	Dermatology	4	1
Qualified	007	Cardiology	3	6
Qualified	008	Rheumatology	1	2
Qualified	011	Geriatric Medicine	4	3
Qualified	017	Endocrinology and Diabetes Mellitus	5	2
Qualified	018	Gastro-enterology	3	4
Qualified	021	General Surgery	7	22
Qualified	023	Otolaryngology	1	4
Qualified	024	Trauma and Orthopaedic Surgery	2	14
Qualified	025	Ophthalmology	3	13
Qualified	027	Urology		7
Qualified	030	Emergency Medicine	6	10
Qualified	035	Acute Internal Medicine	2	2
Qualified	040	Obstetrics and Gynaecology	9	4
Qualified	052	General Psychiatry	1	2
Qualified	074	Histopathology	4	2
Qualified	075	Medical Microbiology	2	1
Qualified	080	Medical Virology	2	7
Qualified	091	Anaesthetics	6	21
Qualified	102	Paediatrics		1
Qualified	107	Cardiology	1	
Qualified	121		2	3
Qualified	123			2
Qualified	125			2
Qualified	130			1
Qualified	135			1
Qualified	180			2
Qualified	191			1
Qualified	800	General Practice	5	3

Managing sickness absence

Occasionally staff become ill and managers are expected to provide appropriate and sympathetic support to staff during these times. The management of sickness absence is to reduce costs and maintain the quality of Trust services.

The Trust aims to reduce sickness to a target level of 3.5%. During 2015/2016, absence levels were 3.99% compared to the previous year of 4.14%. Within this figure short-term absence accounted for 1.52% whilst long-term absence accounted for 2.47%. In total, 40.21% of our staff recorded no sickness absence.

To deliver this target and maintain appropriate staffing levels, the Trust has implemented a refreshed sickness absence management system and provided dedicated training to support managers to help staff stay healthy and maintain good attendance.

Sickness absence levels continue to be reported to the Board of Directors and to the Divisional Managers who use this data to review performance across teams and apply interventions to deliver improvements.

Staff Sickness Absence	2015/16	2014/15	2013/14
Days lost –long term	34,705	33,098	25,676
Days lost – short term	20,398	21,443	19,857
Total days lost	55,103	54,541	45,533
Total staff years	3748	3558	3511
Average working days lost (per FTE)	10.06	10.64	8.98
Total staff employed in period (Primary Assignments)	3736	3558	3511
Total staff employed in period with no absence (Primary Assignments)	1493	1261	1344
Percentage staff with no sick leave	39.96%	35.44%	38.28%

Percentage	2015/16	2014/15	2013/14
30 April	3.75	3.79	4.09
31 May	3.92	3.64	3.40
30 June	3.86	3.68	3.20
31 July	4.11	4.17	3.05
31 August	4.29	3.77	2.67
30 September	4.25	3.82	3.02
31 October	4.08	4.55	3.63
30 November	4.06	4.47	3.83
31 December	3.91	4.61	4.03
31 January	3.85	4.80	4.21
28 February	3.85	4.47	3.44
31 March	3.90	3.91	3.73
Overall Percentage	3.99	4.14	3.53

In the year ahead the Trust plans to continue to support staff to improve their health and wellbeing in order to promote better health and prevent sickness absence to ensure overall sickness remains below 3.5%.

The Macmillan Cancer Unit at Leighton Hospital was lit up purple during evenings in November 2015 to raise awareness of pancreatic cancer.

Occupational Health

The Trust hosts Cheshire Occupational Health Service which is a collaborative service delivered in partnership with East Cheshire NHS Trust. The department provides occupational health and wellbeing services to staff in both of these Trusts with clinics held at Leighton and Macclesfield District General Hospitals.

During 2015/16 Cheshire Occupational Health Service has also provided services to a number of other NHS organisations including South Cheshire CCG, East Cheshire CCG, Vale Royal CCG, Cheshire and Mersey Commissioning Support Unit, GP Alliance Board, Dental Practices and The Christies NHS Foundation Trust. We also provide Occupational Health services to small and medium sized private sector organisations and are currently finalising processes to help people stay in or return to work with the Department for Work and Pensions Fit For Work Scheme.

During the year one of our key pieces of work was supporting the Trust in its pilot project to reduce sickness absence which included working with a number of internal departments and external organisations to ensure staff were appropriately supported and the right systems and processes were in place. A review of the pilot exercise is due to be carried out and if it is found that the pilot exercise was successful this will be extended across all divisions in 2017.

Cheshire Occupational Health Service maintains a leading role in the Occupational Health network in Cheshire and Mersey and we plan to continue to explore opportunities to work collaboratively with other NHS Occupational Health units by proposing innovative models of service delivery in the years ahead.

Health and Wellbeing

We acknowledge the importance of staff health and wellbeing and the association between improved wellbeing and improved performance, productivity and engagement.

The Trust has a progressive approach to managing attendance and its attendance policy advises managers of the requirement to make reasonable adjustments when an employee's health becomes a barrier to working in their current role. The Occupational Health department offers support to

staff and managers as appropriate. In such circumstances when staff health conditions determine a change to their current role the Trust's redeployment policy is used to support staff and managers through the process. This policy refers to the required training element that is likely when employees are redeployed.

During 2015, the Health and Wellbeing Steering Group reviewed and re-launched the Trust's Health and Wellbeing Strategy, focusing on the three key areas of Engagement, Effectiveness and Experience.

Inclusion and Equality 2015/16

We recognise that delivering on the equality agenda is essential. The Trust is fully committed to meeting its core requirements of the Equality Act 2010 and Public Sector Duty. The Trust's Equality, Diversity and Human Rights in Employment Policy is the strategic framework in which all standards relating to EDHR in employment are laid out, and the broad standards to which the Trust works to in these matters.

Highlights of our progress towards the achievement of key Equality and Diversity requirements during the year are:

➤ Equality Impact Assessments

All equality impact assessments for our services were updated during the year and published on our website in September 2014. All new policies, processes or services are required to have an equality impact assessment carried out at the outset, and earlier in 2015 this was widened to include cost improvement programmes. The format of the assessments was refreshed and simplified in 2015/16.

➤ Equality Delivery System

The equality delivery system tool is available to NHS organisations to help assess and grade equality performance and to respond to the requirements of the public sector equality duty. Our assessment was completed in October 2014 and presented to Healthwatch on 21 April 2015 and is available on our website at

http://www.mcht.nhs.uk/about-us/equality-and-diversity/equality-and-diversity-document-library/nhs-equality-delivery-system/?assetdet99767=11993

➤ Race Equality Standard

The workforce Race Equality Standard became a mandatory requirement embedded within the NHS contract on 15 April 2015 with the purpose of ensuring collective analysis and use of workforce data to address the under-representation of black, asain and minority ethnic employees. Our initial assessment report was completed and ratified in October 2015 and is available on our website at

http://www.mcht.nhs.uk/about-us/equality-and-diversity/equality-and-diversity-document-library/race-equality-standard/

➤ Bullying and Harassment

In May 2015 a training/briefing session in relation to bullying and harassment was developed and made available to the workforce. Leaflets and posters were produced to raise awareness of both what is and what is not bullying and/or harassment and an awareness raising event was held during the national anti-bullying week in November 2015.

	2015/16	
Age band	**Headcount**	**%**
16-19	15	0.40%
20-29	634	16.92%
30-59	2763	73.72%
60-74	329	8.78%
75+	7	0.19%
Total	3748	100.00%
Ethnic Group	**Headcount**	**%**
White - British & Irish	3323	88.66%
Asian	118	3.15%
White - Other	152	4.06%
Black	34	0.91%
Any Other Ethnic Group	19	0.51%
Mixed	20	0.53%
Not Specified	72	1.92%
Chinese	10	0.27%
Total	3748	100.00%
Gender	**Headcount**	**%**
Female	3018	80.52%
Male	730	19.48%
Total	3748	100.00%
Disabled	**Headcount**	**%**
No	2773	73.99%
Not Declared	882	23.53%
Yes	93	2.48%
Total	**3748**	**100.00%**

	Female	**Male**
Executives and Non-executive Directors	6	7
Trust Senior Leaders (band 8a and above)	109	26
Other Staff	2902	698

Positive about disabled people

The Trust is an approved user and has recently been re-accredited for the "two ticks" symbol.

The Trust's Recruitment policy, Guidance for Recruiting Managers and Recruitment and Selection training makes reference to the commitments of the disability symbol. All Trust managers are required to attend this training prior to participating in recruitment selection activity. The recruitment policy requires all vacancies to be advertised and promoted on the Trust's intranet, and the Trust's in-house recruitment team supports all disabled applicants to enable them to take part in the process and maximise their potential.

All of the Trust policies and services require a equality impact assessment to be carried out which determines what the impact would mean to people with a disability to ensure appropriate adjustments are made with all of the Trust's employment practices monitored against Equality, Diversity and Human Rights metrics.

Training and Career Development

The Trust is committed to train and develop its workforce with ongoing training, career development and promotion for employees which is supported by a variety of policies and applied to all staff, including those with a disability such as: Mandatory and Essential Learning policy, Appraisal Policy, Study Leave policy and Recruitment policy. Yearly appraisals are a mandatory requirement with all employees encouraged to discuss career development with their manager and participate in a develop plan as the means to achieve their potential. The Trust has several in-house management development programmes which are available to staff with reasonable adjustments been made for any disabled employees to participate.

Staff engagement

The Trust appreciates that a highly engaged workforce is crucial to improve the patient experience. A formal agreement is in place with staff organisations that represent staff who are employed at the Trust with consultation methods through the Joint Local Negotiating Committee for Medical Staff and the Joint Consultation and Negotiation Committee for all staff.

There are also six staff governors that represent the views of staff and one volunteer governor on the Council of Governors and in Committees and working groups.

The local staff survey distributed during the year to measure staff satisfaction and monitor specific issues had a 60% response rate which was one of the highest in the country for Acute Trusts.

Volunteer Team

The Trust's volunteer team has an average of 300 registered volunteers, providing help and support across the Trust. We have a new volunteer training and induction programme which continues to provide quality training for the volunteer's role in the hospital setting.

Our volunteers are fully engaged and we continue to support patients and staff across all wards and departments. During 2015/16 volunteers assisted with one of the Trust's major incident exercises, in the World Book Night as well as new areas of involvement. Volunteers continue to provide much needed support on our wards, outpatient areas, chaplaincy, Macmillan and hospital radio to name just a few areas. Our volunteers provide invaluable support to our staff and the hospital and bring a very human and caring service to our patients.

Volunteers bring a wide variety of skills and talents and the Voluntary Services department will continue to find roles to provide interesting and stimulating voluntary placements. The Voluntary Services department is committed to delivering a positive and engaging volunteer programme which volunteers will find rewarding and fulfilling.

Trust's policy on off-payroll arrangements

The Trust limits its use of off-payroll arrangements for highly paid staff. Executive Director approval is required. Staff engaged off-payroll for a duration of longer than six months during 2015/16 can be found in the table below. There were no Board members or senior members of staff with significant financial responsibility engaged off-payroll during the year.

For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months 2015/16.

Number of engagements

	2015/16 Number of Engagement
No. of existing engagements as of 31 Mar 2016 of which:	1
Number that have existed for less than one year at the time of reporting	1
Number that have existed for between one and two years at the time of reporting	-
Number that have existed for between two and three years at the time of reporting	-
Number that have existed for between three and four years at the time of reporting	-
Number that have existed for four or more years at the time of reporting	-

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months

	2015/16 Number of Engagement
Number of new engagements, or those that reached six months in duration between 1 April 2015 and 31 March 2016	1
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	-
Number for whom assurance has been requested	-
Of which:	
Number for whom assurance has been received	-
Number for whom assurance has not been received	-
Number that have been terminated as a result of assurance not being received	-

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016

	2015/16 Number of Engagement
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	14

4. NHS Foundation Trust Code of Governance

Mid Cheshire Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust code of Governance, (2006) and recently updated in July 2014.

The Board of Directors has in place governance policies and procedures that reflect the principles of the NHS Foundation Trust Code of Governance which include:

➢ Integrated Governance Manual, including Standing Orders of the Board of Directors, Standing Orders of the Council of Governors, Scheme of Reservation and Delegation of Powers, and Standing Financial Instructions.

➢ Induction Programme for Executive and Non-executive Directors.

➢ Non-executive Director regular private meetings with the Chairman.

➢ Agreed recruitment process for Non-executive Directors.

➢ Formal induction programme for Governors.

➢ Senior Independent Director in place.

➢ Annual Board of Director and Council of Governor evaluation and development plan.

➢ Register of Interest for Directors and Governors.

➢ Maintained attendance records of Directors and Governors key meetings.

➢ Formal performance appraisal process for Non-executive Directors developed and approved by the Council of Governors.

➢ Formal performance appraisal process for the Chairman led by the Senior Independent Director, developed and approved by the Council of Governors.

➢ Formal performance appraisal process for the Chairman and Non-executive Directors determines individual and collective professional development programmes relevant to their duties as board members.

➢ Regular Governor meetings with the Chairman and Non-executive Directors to review issues reviewed at Board of Directors' meetings.

➢ Quarterly performance report produced by the Chief Executive and provided to the Council of Governors.

➢ Council of Governor Agenda Setting meeting process established.

➢ Membership and Communication Strategy effective through monitoring of implementation plan.

➢ Effective Council of Governor Committee structure in place.

➢ Council of Governors' presentation on performance and achievement delivered at the Annual Members meeting.

➢ Code of Conduct for Governors.

➢ Good quality reports presented to the Board of Directors and Council of Governors.

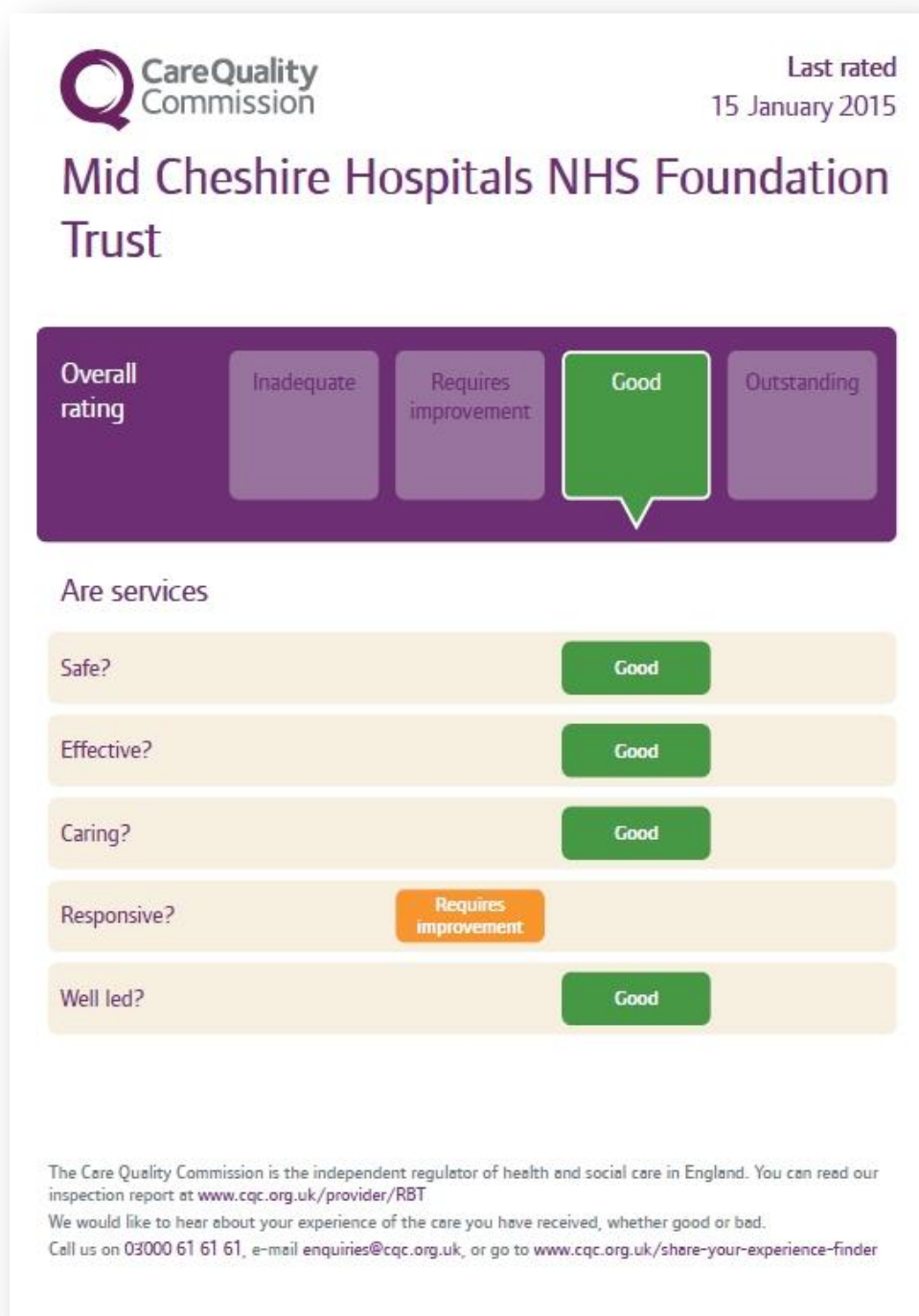➢ Governor led appointment process for the External Auditor of the Trust.

Mid Cheshire Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. With the exception of the following the Trust departed from the Code during 2015/16:

Code of Governance reference	Relating to	Summary of requirement	Explanation
A.5.8	Council of Governors	The council should establish a policy for engagement with the Board of Directors for those circumstances when they have concerns.	The Board recognise that there is no defined policy in place but there are strong working processes in place for Governors to raise concerns through their regular meetings with Non-executive Directors; meetings with the Chairman on an individual basis; private Governor meetings Chaired by the Lead Governor; at the Council of Governors general meetings; through the Senior Independent Director; any Director of the Trust or by contacting the Trust Board Secretary.
B.7.1	Board	At least half of the Board, excluding the chairperson, should compromise Non-executive Directors determined to be independent.	In exceptional circumstances Non-executive Directors can serve longer than six years. The Senior Independent Director was re-appointed by the Council of Governors in January 2016 for a further three years following the completion of a recruitment campaign led by Hays Executive Recruitment via open competition. He had served 8 years as Non-executive Director/Chair of Audit Committee. The Council of Governor's decision was based on the outstanding performance shown at interview and his past contribution and performance whilst taking the views of the Board of Directors into consideration. The reappointment for a further three year maximum term of office was made by the Council of Governors in January 2016 subject to satisfactory annual performance appraisal.

Care Quality Commission

The Care Quality Commission (CQC) has a role to ensure that health and social care services that are provided are done so safely, effectively, compassionately, and are of high quality. The CQC assess services over five core domains: safe, effective, caring, responsive and well-led. The CQC is responsible for monitoring, inspecting and regulating services to ensure they meet core standards of quality and safety and publish their findings to help people choose their care provider. In 2014 the CQC carried out a comprehensive inspection of care provided by our Trust. We were rated as 'Good' with only a small number of Acute Hospital Trusts in England that have achieved this rating.

The Trust has had regard to Monitor's quality governance framework in arriving at its overall evaluation of the organisation's performance, internal control and board assurance framework and any action plans to improve the governance of quality, should it be necessary. More detail around quality governance can be found within the Quality Report.

CareQuality Commission

Last rated
15 January 2015

Mid Cheshire Hospitals NHS Foundation Trust

| Overall rating | Inadequate | Requires improvement | Good | Outstanding |

Are services

Safe?	Good
Effective?	Good
Caring?	Good
Responsive?	Requires improvement
Well led?	Good

The Care Quality Commission is the independent regulator of health and social care in England. You can read our inspection report at www.cqc.org.uk/provider/RBT

We would like to hear about your experience of the care you have received, whether good or bad.

Call us on 03000 61 61 61, e-mail enquiries@cqc.org.uk, or go to www.cqc.org.uk/share-your-experience-finder

4. Regulatory Ratings

Monitor is the regulator for health services in England and has a role to protect and promote the interests of patients.

Monitor assesses and monitors the performance of NHS Foundation Trusts against the Trust's annual plan with the majority of NHS Foundation Trusts assessed on a quarterly basis. NHS Foundation Trusts are assessed against two ratings which form Monitor's Risk Assessment Framework which are: Continuity of Services and Governance.

The Trust has achieved its planned annual risk ratings in 2015/16 but for governance was categorised as 'Under Review' due to financial challenges which were investigated but found to be within agreed control measures.

From a quality governance perspective the Trust would have reported Green for Quarters two and three but Red for Quarters one and four due to not achieving the 4 hourly standard during these periods.

Due to a challenging financial outlook highlighted in the Trust's 2015/16 annual plan submission, Monitor instigated a formal investigation into the Trust's financial position. The investigation was conducted during August and September, where all aspects of the Trust's financial performance were reviewed.

Whilst the Trust's status remains "under review" Monitor has completed its investigation and found that there were no concerns around financial governance and that no further intervention was required at this stage. The next review would be based on the Trust's operational plan for 2016/17. The Trust has submitted the 2016/17 plan in accordance with requirements and this plan delivers the required financial position, accepting the control total allocated and associated funding which is attached to this through the sustainability and transformation fund.

The Trust continues to work within the health economy and across the wider Cheshire and Merseyside Footprint to complete the longer term 5 year sustainability and Transformation Plan.

A summary can be found below of the Trust's rating performance throughout the year and the previous year:

2015/16	Annual Plan	Q1	Q2	Q3	Q4
Continuity of Service rating	2	2	-	-	-
*Financial Sustainability Risk Rating	2	-	2	2	1
Governance rating	Under Review	Under Review	Under Review	Under Review	Under Review

*In 2015/16 Monitor changed their Risk Assessment Framework and from quarter 2 of 2015/16 the calculation to assess a Trust's financial sustainability risk changed from Continuity of Service Risk Rating to Financial Sustainability Risk Rating.

2014/15	Annual Plan	Q1	Q2	Q3	Q4
Continuity of Service rating	3	3	3	2	2
Governance rating	Green	Green	Green	Green	Green

➢ Continuity of Service rating (rated 1-4, 1 represents the highest risk and 4 the lowest risk);

➢ Governance rating (Green when no issues are identified and Red when enforcement action is being taken).

4.   Statement of the Chief Executive's responsibilities as the accounting officer of Mid Cheshire Hospital NHS Foundation Trust

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

Under the NHS Act 2006, Monitor has directed Mid Cheshire Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Mid Cheshire Hospitals NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *NHS Foundation Trust Annual Reporting Manual* and in particular to:

Observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis:

➢   make judgements and estimates on a reasonable basis;

➢   state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;

➢   ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and

➢   prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation trust and to enable him/her to ensure that the accounts comply with the 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 for fraud and other irregularities.

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

Tracy Bullock
Chief Executive
Date: 24 May 2016

4. Annual Governance Statement

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Mid Cheshire Hospitals 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 Mid Cheshire Hospitals 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 Mid Cheshire Hospitals 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 Mid Cheshire Hospitals NHS Foundation Trust for the year ended 31 March 2016 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

During 2015/16, through the Integrated Governance Framework and with support from the Trust's Medical Director / Deputy Chief Executive, I provided leadership in respect of risk management processes, as evidenced through the Risk Management Strategy, Risk Management Policy and the Corporate Governance Handbook. The Risk Management Strategy provides a framework for managing risk across the Trust which is consistent with best practice and national guidance. The Risk Management Policy 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 across the organisation. The Policy sets out the role of the Board of Directors and its sub-committees, together with the individual responsibilities of the Chief Executive, Executive Directors and all staff in managing risk. In particular, the Quality Governance Committee provides the mechanism for managing and monitoring risk throughout the Trust and through to the Board of Directors. The Audit Committee oversees the systems of internal control and the overall assurance process associated with managing risk.

The Board of Directors receive assurance through the Quality Governance Committee and the associated sub groups on all serious untoward incidents, including Never Events, as well as receiving reports on complaints, claims and incidents regularly. The Trust has mechanisms to act upon alerts and recommendations made by all relevant central bodies.

Appropriate and targeted risk management training is delivered as an integral part of the Trust's mandatory training programme. This training is supplemented through the Trust's internal Management Development Programmes, as risk and governance training is part of these programmes. Risk management training is also provided through the induction programme for new staff. The corporate induction programme ensures that all new staff are provided with details of the Trust's risk management systems and processes, and is augmented by local induction organised by line managers. This includes the comprehensive induction of all junior doctors with regard to key policies, standards and practice prior to commencement in clinical areas. All Board members and senior managers attend, as a minimum, the Trust's mandatory training. Additional risk management training is included as appropriate in Board Development Away Days and focuses on key issues, particularly changes in legislation.

The Trust aims to minimise adverse outcomes to the organisation, staff or 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 Trust wide and Divisional governance systems.

The risk and control framework

The framework of risk control established by the Risk Management Strategy and Policy requires all staff to actively participate in the identification and management of risk. The risk control objective is to reduce risks to a reasonable level consistent with the Trust vision "to deliver excellence in healthcare through innovation and collaboration". The process of risk management begins with the systematic identification of risks throughout the organisation via structured risk assessments. Identified risks are documented on the Risk Register and then analysed in order to determine their relative importance using a risk scoring matrix. Measures to control the risk are identified and implemented to reduce the potential for the risk realising harm or damage. Many control measures do not require extra funding and these are implemented as soon as reasonably practicable. However, where risk control requires extra funding then a risk funding process determines how best to use the Trust's financial resources to control that risk. The Board of Directors is kept fully informed of all significant risks and assurance is provided on the plans to mitigate them.

Awareness of, and responsibility for, risk issues are linked explicitly to key objectives in order to build a sustainable risk management culture. There is delegated responsibility for risks at every level in the Trust as defined by the Risk Management Strategy. The key objectives are inherently linked to risks and these are contained within the Board Assurance Framework (BAF). The BAF sets out the principal risks to delivery of the Trust's strategic corporate objectives. The Executive Director with delegated responsibility for managing and monitoring each risk on the BAF is clearly identified. The BAF identifies the key controls in place to manage each of the principal risks and explains how the Board of Directors receives assurance that these controls are in place and operating effectively. The Board of Directors undertakes a formal review of the risks to its key objectives quarterly. The related action plans that have been drawn up are also considered by the Board.

A Corporate Risk Register is maintained and managed that links to the BAF. These risks are reviewed by a number of committees to ensure that risks are being mitigated as appropriate. Incident reporting is actively promoted through staff training and further embedded by the management of incident investigations. Serious incidents undergo a detailed investigation and a root cause analysis, the results of which are shared with the patient and relatives. Lessons learned from incidents, claims and complaints, together with examples of good practice, are disseminated throughout the Trust so that learning can be truly Trust wide.

Data security is crucial for the Trust and any risks to data quality and data security are continuously assessed and added to the Trust's Risk Register. The Trust ensures that it participates in the Information Governance Toolkit and has maintained a Level 2 rating. Internal assurance is provided by the Trust's internal auditors, as well as review by the Trust Information Governance Group, which reports up through the governance reporting processes to the Board of Directors. A Quality and Safety Improvement Strategy has been created which aims to improve the quality of care provided for patients and reduce avoidable harm. The Board of Directors is assured on progress against the metrics within the Strategy via the Quality Governance Committee. The Quality Account, within this Annual Report and Accounts, describes quality improvements and quality governance in more detail.

The Trust continues to be unconditionally registered with the Care Quality Commission (CQC). The last Comprehensive Inspection by the Care Quality Commission was in October 2014, with the report being formally published in January 2015 and which rated the Trust as 'Good'. The Trust continues to ensure that the requirements set out within the Health & Social Care Act (regulated activities) Regulations 2015 are being met and assurance around these are reviewed within a number of Board Committees, brought together within the Quality Governance Committee.

During 2015/16 the Trust's major risks related to:

➢ Failure to deliver high quality clinical care 24/7 – The Trust has recruited additional Consultants in the major acute specialties and has reviewed Consultant job plans to increase on site "out of hours" Consultant presence. The Trust has also recruited to a number of additional roles (e.g. Advanced Nurse Practitioners) to supplement the "out of hours" workforce delivering direct clinical care to patients. The Trust has a Critical Care Outreach Service available 24/7 along with prompt access to diagnostic services, including medical

imaging and pathology. The Trust has implemented an Escalation Policy and there are a number of clinical pathways in place that support the consistent delivery of high quality care.

➢ The sustainability of certain clinical services (i.e. hyper-acute stroke, urology, dermatology and maternity) – In conjunction with local commissioners, the Trust has refreshed its Clinical Services Strategy and outlined the local clinical service requirements. Gaps in local service provision have been addressed through partnership working (e.g. the Stronger Together Programme with the University Hospitals of North Midlands), national and international recruitment initiatives to attract substantive staff, sub-specialty marketing strategies and the use of locum staff where necessary.

➢ The financial stability of the Trust – The Trust has delivered a number of cost improvement programmes and has continued to work on its internal transformation programmes to increase efficiencies. Externally, progress has been made on the Stronger Together Programme with the University Hospitals of North Midlands and the Trust has expressed an interest in playing a lead role in the delivery of Community Services in 2016/17. In view of the Trust's deficit position Monitor undertook an investigation into the Trust's financial position in October 2015. The investigation demonstrated good financial management and governance and that the Trust was highly efficient and productive. However; during 2016/17 the Trust will continue to strengthen its financial position through further efficiency opportunities as highlighted by the Carter Review.

➢ Failure to deliver all key local and national targets and standards – The Trust performed well against most of the local and national standards and targets, particularly the suite of cancer standards and access waiting times, including diagnostics. The standard for patients being admitted or discharged from Accident & Emergency (A&E) within 4 hours of that decision was achieved for Quarters 2 and 3, but not for Quarters 1 and 4. The Trust's Access and Flow Group remains focused on ensuring that compliance with this standard is consistently achieved.

➢ Lack of capital funds to implement the Information Management & Technology (IM&T) Strategy – A lack of capital funds in 2015/16 meant that the Trust was unable to make any significant progress towards implementing its IM&T Strategy. However the Trust used this opportunity to refresh the strategy and now has a clear digital roadmap in place to deliver an Electronic Patient Record once capital funding has been identified.

➢ The effectiveness of management and leadership arrangements within the Medicine and Emergency Care Division which could impact on delivery of the Trust objectives – the Senior Management Team within the Medicine and Emergency Care Division has been changed during 2015/16. As a result the leadership and management of the Division have improved, and the intensive programme of support for the Division from the Executive team has been gradually withdrawn.

The key risks for 2016/17 are:

o The financial sustainability of MCHFT;
o An agreed contract with the Trust's main commissioner is not in place representing a risk that income levels could deteriorate below those anticipated as a result of potential arbitration settlement;
o Not delivering high quality care consistently seven days a week;
o The operational sustainability of the Trust;
o Non-delivery of the IM&T Strategy;
o Non-sustainability of vulnerable clinical services.

The Trust has assessed compliance with the NHS Foundation Trust Condition 4 (FT Governance). The Trust believes that effective systems and processes are in place to maintain and monitor the following conditions:

➢ The effectiveness of governance structures including a robust governance meeting structure, with fully constituted terms of reference and escalation processes;

➢ The responsibilities of Directors and sub-committees as contained within terms of reference that are reviewed annually, as well as work plans that are reviewed at every meeting;

- Reporting lines and accountabilities between the Board, its sub-committees and the Executive team;

- The submission of timely and accurate information to assess risks to compliance with the Trust's licence;

- The degree and rigour of oversight the Board has over the Trust's performance.

These conditions are detailed within the Corporate Governance Statement and the Board of Directors are able to assure itself of the validity of its Corporate Governance Statement under NHS Foundation Trust Conditions 4 (8) (b).

Throughout the year the Chairman, myself and members of the Executive Team have met regularly with public stakeholders, Clinical Commissioning Groups and with partners in the local health economy to engage in discussions where any issues of risk could be highlighted. Clinical Commissioning Group representatives have a seat on key quality, safety and governance committees in the Trust and are also members of the Council of Governors. The Clinical Commissioning Groups are also invited to contribute to the Trust's strategy to ensure that the health economy commissioning intentions are incorporated.

Governors and Members provide vital channels of communication with the general public and are encouraged to bring issues of concern swiftly to the attention of the Trust.

Mid Cheshire Hospitals NHS Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

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

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

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

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

The Board Assurance Framework provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives has been reviewed. My review is also informed by:

- A People and Organisational Development Strategy that ensures frontline services have appropriately trained and educated staff to carry out the appropriate level of clinical care as required.

- A Transformation and People Committee that reviews projects aimed at improving the efficient and effective use of resources.

- A number of other assessments and inspections by regulatory authorities and other third parties which have included, amongst others, the Health Protection Agency, the General Pharmaceutical Council and the United Kingdom Accreditation Service (UKAS).

The financial plan is approved by the Board of Directors and submitted to Monitor. The plan, including forward projections, is scrutinised on a monthly basis by the Performance and Finance Committee, with key performance indicators and metrics reviewed by the Board of Directors. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources. Divisional and Corporate Departments are responsible for the delivery of financial and other performance targets via a performance management framework. This framework includes service reviews with the Executive Team.

Information governance

Whilst there have been low or no impact information governance incidents in 2015/16, one

Level 2 information governance incident occurred in relation to an appointment letter being sent to the incorrect address. This was reported to the Information Commissioner who concluded that the Trust had taken appropriate action and did not take any action against the Trust.

Annual quality report

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

The Annual Quality Account 2015/16 has been developed in line with relevant national guidance. The Trust has a Quality and Safety Improvement Strategy Group, chaired by the Director of Nursing and Quality, which is responsible for the development of the Quality Account and the operational monitoring of the delivery of the Quality and Safety Improvement Strategy. This group has senior representation from the Patient Experience Team, Integrated Governance, performance, nursing, the Information Department and the Clinical Commissioning Groups. Minutes from the group and items for escalation are reported to the Trust's Executive Quality Governance Group.

The Quality Account has also been reviewed by external audit processes and comments have been provided by local stakeholders including commissioners, patients and Healthwatch.

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. This ensures that the data used to assess the quality of the Trust's performance is reliably collected and prepared by staff. Data quality issues are addressed through the Trust's information governance systems in line with its Data Quality Policy.

The Trust assures the quality and accuracy of elective waiting time data through extensive audit and validation processes, training of key staff members and reports from RTT trackers, waiting list coordinators and Business Intelligence Unit

analysts. This informs the monitoring and management of the data by the Performance and Finance Committee. The Trust has also commissioned its internal auditors to review data quality. In relation to this audit it was identified that there was a clear process in place for adding patients onto waiting lists, which included appropriate review by clinical staff. The audit also highlighted that the Divisions perform well when monitoring waiting lists, using the reports run from key systems to identify patients who are waiting with no appointments booked. The audit did identify some areas for improvement resulting in a final report rating of "partial assurance with improvements required". Work to deliver the required improvements has already taken place and includes weekly validation by the corporate informatics team. This highlights significant waits in unexpected specialties which are then promptly escalated to the appropriate Division for resolution.

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, the Executive Directors and the Divisional Senior Management Teams within Mid Cheshire Hospitals NHS Foundation Trust, who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Account attached to this Annual Governance Statement and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Quality Governance Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principle objectives have been reviewed. The Board Assurance Framework and Corporate Risk Register are reviewed at least four times a year and provide the Board of Directors and myself with evidence of the effectiveness of controls in place

to manage the risks to achieving the Trust's principal objectives.

Internal audit provides me with an opinion about the effectiveness of the assurance framework and the internal controls as part of the internal audit plan. Work undertaken by internal audit is reviewed by the Board sub-committees, including the Audit Committee.

My review is also informed by the external audit opinion, inspections carried out by the CQC and other external agencies, and visits of accreditation. In assessing and managing risk, the Trust has well established processes to ensure the effectiveness of the systems of internal control including:

➢ Board of Directors – through the approval and review of the Board Assurance Framework, the review of key performance indicators and the receiving of escalations from committees and groups.

➢ Audit Committee – through the review of the internal audit programme and subsequent receipt of their reports, receipt of external audit reports and assurances gained through management reviews requested by the Audit Committee.

➢ Quality Governance Committee – through the review and management of the Trust's Board Assurance Framework and Risk Register, the scrutiny of serious incidents and the review of the clinical audit work programme.

Conclusion

The Head of Internal Audit has indicated that, based on the work undertaken through the audit programme and other audits within 2015/16, no significant internal control issues have been identified. Where weaknesses have been identified, appropriate plans are in place to deliver the required improvements. These are monitored and assurance sought via the Trust's governance framework.

T Bullock

Tracy Bullock
Chief Executive
Date: 24 May 2016

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF MID CHESHIRE HOSPITALS NHS FOUNDATION TRUST

Opinion on financial statements of Mid Cheshire Hospitals NHS Foundation Trust	In our opinion the financial statements: • give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2016 and of the Group's and Trust's income and expenditure for the year then ended; • have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and • have been prepared in accordance with the requirements of the National Health Service Act 2006. The financial statements comprise the Group and Trust Statements of Comprehensive Income, the Group and Trust Statements of Financial Position, the Group and Trust Statements of Changes in Taxpayers' Equity, the Group and Trust Statement of Cash Flows and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.

Certificate	We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Going concern	We have reviewed the Accounting Officer's statement contained page 72 that the Group is a going concern. We confirm that • 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; and • we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence	We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Recognition of NHS Revenue

Risk Description

As described in note 1, Accounting Policies and note 1.5, Critical Accounting Judgements, there are significant judgements in recognition of revenue from partially completed spells.

There are also significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:

- the complexity of the Payment by Results regime, in particular in determining the level of overperformance revenue to recognise

- the judgemental nature of provisions for disputes with commissioners, including in respect of outstanding overperformance income for quarter 4

- the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes and agreement of future year contracts

Details of the Group's income, including £175m of Commissioner Requested Services are shown in note 3 to the financial statements. NHS receivables of £7.2m are shown in note 15 to the financial statements.

The Group earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position. The majority of the Group's income comes from South Cheshire CCG, Vale Royal CCG, Eastern Cheshire CCG and Western Cheshire, increasing the significance of the judgement involved. The settlement of income with Clinical Commissioning Groups continues to present challenges, leading to disputes and delays in the agreement of year end positions.

How the scope of our audit responded to the risk

We evaluated the design and implementation of the controls management has put in place around income recognition.

We tested recoverability of overperformance income and adequacy of provision for underperformance throughout the year, and evaluate the results of the agreement of balances exercise.

We obtained an understanding of the nature of each provision, the basis for the position adopted, and evidence of the historical accuracy of provisions made for disputes with commissioners. We considered this track record in evaluating year-end provisions.

We received from management a paper summarising areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatment adopted.

We assessed the appropriateness of the judgements made in recognising revenue and providing for disputes on the basis of discussion with staff involved, review of correspondence with commissioners and other relevant documentation, and consideration of benchmark information from our knowledge of the local health economy.

We reviewed with management the key changes and any open areas in setting 2016/17 contracts, and consider whether, taken together with the settlement of current year disputes, there are any indicators of inappropriate adjustments in revenue recognised between periods.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee on pages 54-55 of the Annual Report.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality	We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.
	We determined materiality for the Group to be £3.05m (2014/15: £1.9m), which is 1.5% of Operating Income from continuing operations and below 5.5% of Taxpayers' equity (2014/15: 1% of Operating income from continuing operations and below and below 3% of Taxpayers' equity). Operating income for continuing operations was chosen as a benchmark as the Trust is a non-profit organisation, and Operating income from continuing operations is a key measure of financial performance for users of the financial statements. We reassessed the percentage used from 1.0% to 1.5% of Operating Income from continuing operations in 2014/15 in the context of our cumulative knowledge and understanding the audit risks at the Trust and our assessment of those risks for this year.
	We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £153k (2014/15: £97k) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit	• Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level.
	• The focus of our audit work was on the Trust, with work performed at the Trust's head offices in Leighton Hospital directly by the audit engagement team, led by the audit partner.
	• At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.
	• The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and Information Technology systems.

Opinion on other matters prescribed by the National Health Service Act 2006	In our opinion: • the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006, and • the information given in the Performance Report and the Accountability 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 *Annual Governance Statement, use of resources, and compilation of financial statements*	Under the Code of Audit Practice, we are required to report to you if, in our opinion: • the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; • the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or • proper practices have not been observed in the compilation of the financial statements. We have nothing to report in respect of these matters. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

| **Matters on which we are required to report by exception**

Our duty to read other information in the Annual Report | Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

• materially inconsistent with the information in the audited financial statements;

• apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or

• otherwise misleading.

 In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements. |

| **Respective responsibilities of the accounting officer and auditor** | As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team.

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Mid Cheshire Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed. |

Scope of the audit of the financial statements	An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Deloitte LLP

Paul Thomson, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, UK
26 May 2016

5.   Statement on quality from the Chief Executive

I am delighted to introduce the Quality Report for Mid Cheshire Hospitals NHS Foundation Trust for the period of April 2015 to March 2016.

Mid Cheshire Hospitals NHS Foundation Trust (MCHFT) is the organisation that runs Leighton Hospital in Crewe, Victoria Infirmary in Northwich and Elmhurst Intermediate Care Centre in Winsford.

Patient safety and quality are at the heart of everything that we do. As Chief Executive I am incredibly proud of what we, at MCHFT, have achieved so far and, with the Board, I have committed myself to deliver further year-on-year improvements. We hope that you find this Quality Report describes our achievements to date and our plans for the future

Throughout 2014/2015, we have made good progress; progress which has largely been achieved collaboratively as a result of the hard work, commitment and dedication of every single member of staff. We have continued to see and treat an increasing number of patients with more complex needs on both an elective and non-elective basis.   We have continued to build on the successes of our Care Quality Commission rating of 'Good' following the report published in January 2015 and we are proud to continue the excellent work within our maternity services as we were named 'Midwifery Service of the Year' in March 2015.

We officially opened our state of the art Treatment Centre in July 2015 signifying the completion of a £23million project that also included the creation of 14 critical care bays and eight operating theatres which opened in Spring 2014. The redevelopment of the Treatment Centre has led to a vastly improved environment, including the creation of a Surgical Admissions Lounge, new consulting and examination rooms and more single sex waiting areas. There are also a number of specially-chosen finishing touches such as distinct colour schemes for male and female areas and 'sky ceiling' photo panels in waiting areas. We are immensely proud of the new facilities that the Trust has been able to provide in the Treatment Centre; they will enable us to further improve both the quality of care and overall hospital experience that our patients receive in state-of-the-art

facilities for the benefit of both our patients and our staff.

We recognise that providing health care is not without risk and that sometimes patients can be unintentionally harmed in the care of hospitals. You will read throughout this Quality Report of our ambitious aims to further radically reduce harm across our organisation. Our Quality and Safety Improvement Strategy is the vehicle by which we have steered the direction of travel for quality and safety.   The strategy has been refreshed following a period of extensive engagement with our key partners and stakeholders including patients and staff.

We have agreed that we will focus on:

➢ Appropriate nurse staffing levels
➢ Supporting patients with dementia and their carers
➢ Medication
➢ Zero tolerance to never events
➢ Sepsis
➢ Acute Kidney Injury
➢ Reducing pressure ulcers
➢ Reducing inpatient falls
➢ Reducing mortality figures

2015/2016 has been a challenging year for the Trust and we have worked hard to ensure that the patients we support get the right care, when they need it, at the right time and on the most suitable site.

We believe that staff who enjoy their work and have pride in it will provide patients with better care. We are delighted that this year we have a significantly positive improvement in a number of areas in both patient and staff satisfaction scores: importantly we have seen an improvement in staff saying they would recommend us to their family and friends. Our patients agree, with 95% of patients stating that they would recommend the Trust as recorded by the Family and Friends Test.

Patients want to know that they will be provided with the best treatment and care available, based on up-to-date evidence and by well trained staff. This report also demonstrates that the Trust has a number of assurance mechanisms in place which demonstrate how we scrutinise the quality of

the care that we deliver. Examples of these include our extensive audit programme and the nursing acuity tool that is used to ensure the correct staffing is in place.

We are proud that our *C-difficile* infection rates have fallen to eight unavoidable cases this year compared to last year's rates. This is a considerable achievement and reflects the actions undertaken to help reduce healthcare associated infections.

Our work on mortality rates continues to show benefits. We have consistently reported that the Trust has achieved a continued reduction in its mortality rates to remain at expected levels as measured by the Summary Hospital-Level Mortality Indicator (SHMI). The latest publication for the period to June 2015 demonstrates a further reduction in the SHMI to 0.98 and the Trust remains in the 'as expected' range. There has also been a further reduction, against a performance that was already better than peer, in the number of calculated excess deaths for the period.

I hope you will enjoy reading about the many examples of the improvement work that teams across the organisation are pursuing.

We strive to deliver high quality, safe, cost-effective and sustainable healthcare services that meet the high standards that our patients deserve. We want MCHFT to continue to be the health care provider that patients trust to provide those highest standards of care - and the organisation that staff have pride in and are willing always to give of their best.

I am pleased to advise that the Board of Directors has reviewed the 2015/16 Quality Report and confirm that it is a true and fair reflection of our performance. I also confirm that, to the best of my knowledge, the information in the Quality Report is accurate. We hope that this Quality Report provides you with a clear picture of how important quality improvement and patient safety are to us at MCHFT.

Finally, I want to take this opportunity to thank our staff. They do a tough job, sometimes in difficult circumstances, but always keep patients' care as a top priority. I would also like to extend my appreciation to our Governors, Volunteers, Members, Patient Representatives and other Stakeholders who have helped shape our quality programme by taking time out to support and advise us.

Tracy Bullock
Chief Executive
Date: 24 May 2016

Throughout the document, there may be terminology that is not very familiar to readers. Where possible, the Trust has tried to write clearly and in a user friendly way. However, some elements in the Quality Report are prescribed by the Department of Health or Monitor. To help readers, there is a glossary of terms at the back of the document in Appendix 1.

5. Priorities for improvement and statements of assurance From the Board

Priorities for improvement in 2016/17

During 2015/16, the Trust conducted an extensive engagement programme to inform its Quality and Safety Improvement Strategy which describes the key priorities for quality and safety from 2016 to 2018 inclusively.

The overall purpose of the new strategy is to support the delivery of the organisation's vision and mission:

"To deliver excellence in healthcare through innovations and collaboration''

The Trust will be a provider that:

➢ Delivers high quality, safe, cost-effective and sustainable healthcare services

➢ Provides a working environment that is underpinned by values and behaviours

➢ Is committed to patient-centred care

➢ Treats patients and staff with dignity and respect.

The strategy links closely with other key strategies such as the Clinical Services Strategy and the Organisational Development Strategy. It is when these work hand in hand that collectively the Trust can deliver the vision and mission of the organisation.

The strategy is based on what people from Vale Royal, South Cheshire and the surrounding areas told the Trust they wanted from their hospitals. In addition, staff, Governors and other stakeholders also contributed to the development of the strategy through workshops held to discuss and collate opinions.

The values and behaviours developed with Trust staff underpin the delivery and success of the strategy. The Trust recruits and nurtures its staff so that these values and behaviours are observed by all staff.

The subsequent development of the Quality and Safety Improvement Strategy has allowed the Trust to focus its key areas of improvement under the three domains of quality as determined by the Health and Social Care Act 2012.
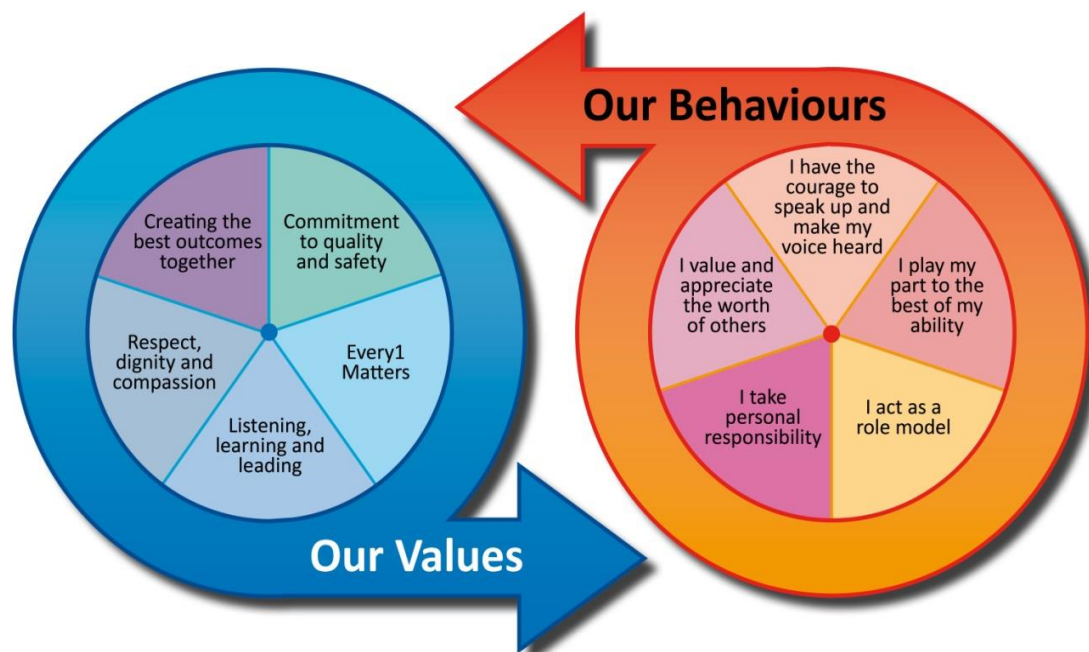
Experience

Appropriate nurse staffing levels
The Trust will ensure it has appropriate levels of nurse staffing and skill mix that meet the needs of its patients.

Supporting patients with dementia and their carers
The Trust will continue to support patients who have concerns about their memory and will work with patients who have dementia and their carers to promote a positive experience whilst in hospital.

Medication
The Trust will ensure the use of safe and effective medication across the organisation.

Effectiveness

Zero tolerance to never events
The Trust will have zero tolerance of Never Events.

Sepsis
The Trust will ensure the prompt recognition and treatment of sepsis, ensuring that 90% of patients are receiving appropriate care as per the sepsis pathway by January 2018.

Acute Kidney Injury
The Trust will ensure the prompt recognition and treatment of Acute Kidney Injury (AKI) ensuring that 90% of patients are receiving appropriate care as per the AKI pathway by January 2018.

Safety

Reducing pressure ulcers
The Trust aims to eliminate avoidable pressure ulcers by January 2018.

Reducing inpatient falls
The Trust aims to reduce in-patient fall incidents by 10% by January 2018.

Reducing mortality figures
The Trust's Summary Hospital-Level Mortality Indicator (SHMI) will remain at or below 100 from April 2015.

The logo for the Trust's Quality and Safety Improvement Strategy is shown below. This has been used to promote awareness of the strategy around the Trust and at public engagement events. The logo has been included on all the Trust's Quality and Safety boards.
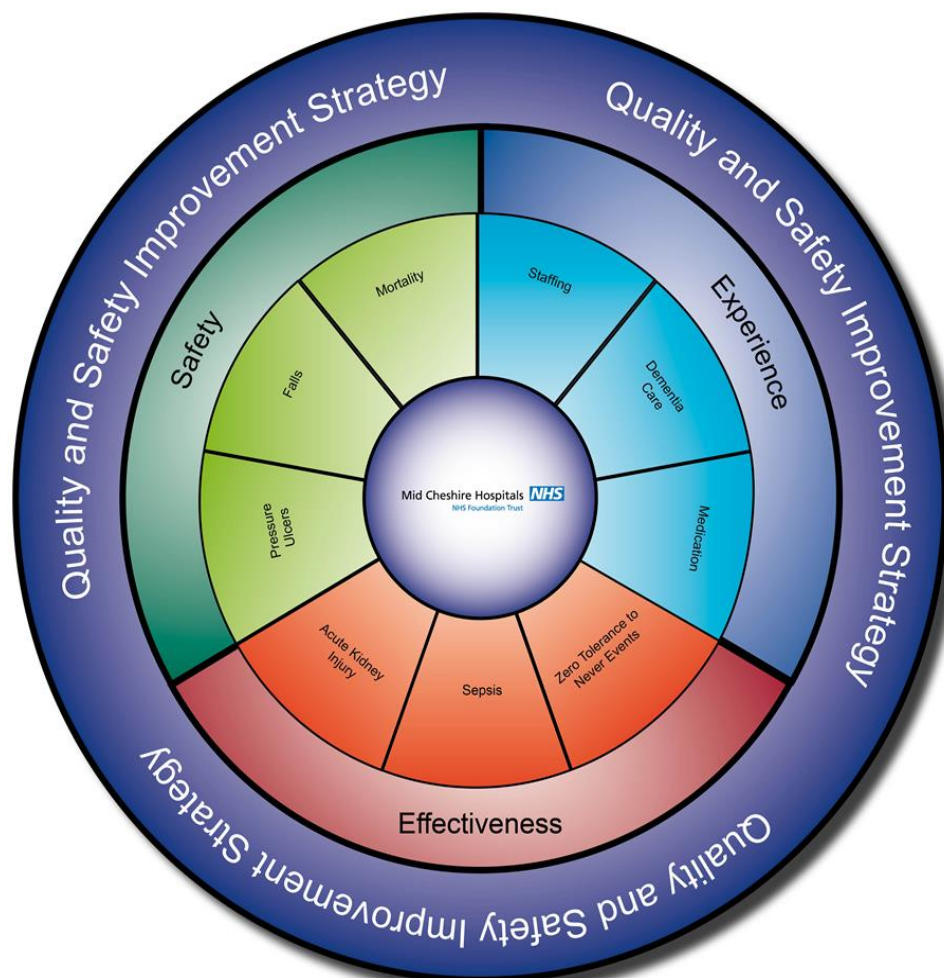
Monitoring and reporting of the Quality and Safety Improvement Strategy

Each element of the strategy has a responsible lead who reports progress each quarter to the Quality and Safety Improvement Strategy Group, which is chaired by the Director of Nursing and Quality. This Group reports directly to the Executive Quality Governance Group.

The Executive Quality Governance Group is responsible for providing information and assurances to the Board of Directors that the Trust is safely managing the quality of patient care, the effectiveness of quality interventions and patient safety. All elements of the strategy have objectives that require both qualitative and quantitative evidence of achievement.

The Executive Quality Governance Group reviews the key areas of improvement in relation to the Quality and Safety

Improvement Strategy to ensure progress is being made in relation to the aims and keys areas identified.

In addition, progress against the key areas of improvement is also included in the annual Quality Report. This report is made available to the public on the Trust's website, on NHS Choices and is also included in the Trust's Annual Report and Accounts.

Review of services

During 2015/16, the Trust provided and/or sub-contracted 39 relevant health services.

The Trust has reviewed all the data available to it on the quality of care in all of these services.

The income generated by the relevant health services reviewed in 2015/16 represents 100% of the total income generated from the provision of NHS services by the Trust for 2015/16.

Feedback from patients

National patient surveys

To improve the quality of services that the NHS delivers, it is important to understand what patients think about their care and treatment. The Care Quality Commission (CQC) uses national surveys to find out about the experience of patients when receiving care and treatment from healthcare organisations.

The Trust reviews all results from national surveys and develops action plans to address any areas of improvement required. The results are shared with staff, including comments made by patients about what has been particularly good about their experience and what could be improved.

National inpatient survey

Between October 2015 and January 2016, a questionnaire was sent to 1,250 adult inpatients who had been admitted to Leighton Hospital. Responses were received from 680 patients which equates to a response rate of 56.8% of completed eligible returns.

Questions in the survey cover the following areas:

➢ The Emergency Department
➢ Waiting to get a bed on the ward
➢ The hospital and the ward
➢ Doctors
➢ Nurses
➢ Care and treatment
➢ Leaving hospital
➢ Overall views and experiences

What has changed since the last inpatient survey?

There has been a statistically significant improvement in the results for 18 questions, which included:

➢ Improving pain control
➢ Patients being involved in decisions about their care and treatment
➢ Doctors answering questions in an understandable way
➢ Patients being given enough information about their condition/treatment
➢ Patients feeling they were well looked after by staff

There were no questions that had a significantly worse response.

Chart 1: statistically different changes in results since last inpatient survey

Statistically significant changes

- Significantly better
- No change
- Significantly worse

18
42
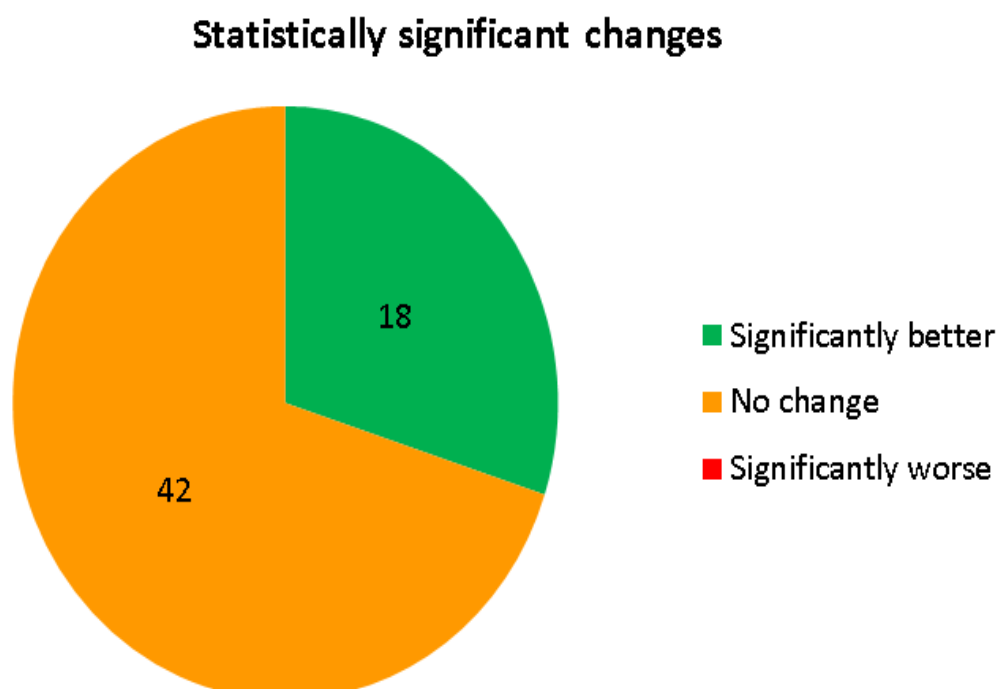
Based on the previous inpatient survey, the Trust agreed to focus on the following areas:

➢ Talking to staff about worries or fears

Patients being able to talk to staff about any worries or fears has seen a **5% improvement** compared to 2014. This has been attributed to awareness raising during customer care training with staff and promotion of the #hellomynameis initiative.

➢ Reducing noise at night

The 'quiet protcol' was relaunched in 2015 with the aim of reducing unnecessary noise at night on the wards. There has been a **5% improvement** and ward staff have worked hard to improve the night time environment for patients, including offering ear plugs and night masks to patients.

Examples of **comments made by patients** from the national inpatient survey have been shared with staff and visitors to the Trust:

Inpatient Survey 2015
General Feedback

Mid Cheshire Hospitals **NHS**
NHS Foundation Trust

Patients were asked what was particularly good about the service they received and these were some of their comments:

The ward was run very competently. Most of the staff were great and nothing was too much trouble for almost everyone. I met some lovely patients and staff.

Very smooth process from first arrival to discharge.

Staff were very reassuring in a very frightening time. The nurses supported junior doctors very well i.e. if junior doctor wasn't quite sure on how to do something the nurses guided them. This did not alarm me as it is a teaching hospital and I felt safe in their care.

Some of the nurses took time to make me a cup of tea at night when I was unsettled and they came and asked if I was OK and if I needed anything.

The staff were all happy and appeared to work well together as a team. This was reflected in the way they treated patients. The patients I was with appeared to respond to this atmosphere too which again bounced back to the staff.

I have never had an emergency admission to hospital and was very scared. I had an overall good experience and related this to the patient experience manager as a compliment.

I received help to overcome a fear of blood tests and since leaving hospital have had no problem with them.

Considering I did not know I was going to be admitted to hospital and hadn't come prepared, the treatment I got was superb, night gown, toothpaste, brush, etc. Staff, doctors, etc. were very helpful and understanding, meals were also good.

The speed with which I was dealt with on admission; The prompt and comprehensive assessment of my injuries; The follow up to that assessment was all positive. Pleasant and helpful staff at all levels.

National maternity survey

The survey questionnaire was sent to mothers giving birth in January and February 2015. Responses were received from 137 patients which equates to a response rate of 46.9% of completed eligible returns. The national maternity survey had previously been carried out in 2013.

Questions in the survey cover the following:

➤ Ante natal care
➤ Labour
➤ Birth
➤ Care in hospital after the birth

What has changed since the last survey?

There has been a statistically significant improvement on four questions which included:

➤ Being treated with kindness

➤ Cleanliness of room

➤ Cleanliness of toilets and bathrooms

➤ Active support and encouragement about baby feeding

Areas the Trust agreed to focus on to improve based on the results from 2013:

➤ Partners to accompany women overnight, for example at induction and on the maternity ward

Partners are now able to stay and women are advised of this option at their ante-natal appointments. Additional comfortable recliners have been purchased and the maternity ward code of conduct is shared with partners who are staying.

Examples of **comments made by patients** from the national maternity survey have been shared with staff and visitors to the Trust. These are shown on the next page.

Chart 2: statistically different changes in results since last maternity survey

Statistically significant changes

- ■ Questions improved since 2013
- ■ Questions unchanged since 2013
- ■ Questions worse since 2013

Maternity Survey 2015

General Feedback

Mid Cheshire Hospitals **NHS** NHS Foundation Trust
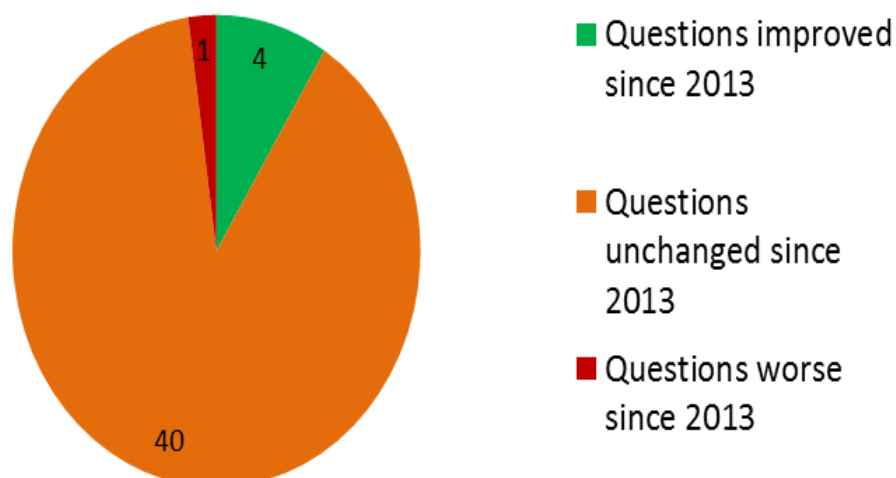
Women were asked what was particularly good about the service they received and these were some of the comments:

The midwives and all healthcare professionals that have been involved from pre-natal to postnatal care have been brilliant and have made the whole pregnancy/baby experience enjoyable.

All elements of care provided by the antenatal team before birth, and the midwives and staff on the maternity ward and labour ward at Leighton Hospital Crewe were absolutely fantastic. Before, during and after pregnancy and birth they were all brilliant and looked after me really well. Always happy to help with any questions. The care provided was excellent.

Excellent one-to-one care with midwife during labour and immediately afterwards with skin to skin.

Very helpful midwives, always there to help you. Hospital staff were very supportive and helpful. Highly recommended. I was a bit nervous in hospital, but the staff were very helpful.

I had the utmost care without being induced right through to giving birth. The midwives and all healthcare professional that have been involved from pre-natal to post-natal care have been brilliant and have made the whole pregnancy/baby experience enjoyable.

The day I went into hospital I could not fault the midwives, they were all very nice and always there with me. I visited triage on 2 occasions due to reduced movement, they saw me straight away and linked me up to a monitor. The midwives that day were brilliant. Many thanks for making my experience that much more pleasant. Very happy patient. Brilliant midwives!

The Maternity Facebook page went live on 22 April 2015 with the aim of promoting Leighton Hospital Maternity Services and making information accessible via social media.

The Facebook page enables marketing of the Maternity Services, raising the profile of the services offered and provides current evidence based information to women and their families.

Public health related posts include the promotion of the flu vaccine over the winter months, up to date guidance relating to the Zika Virus, Safe Sleep Week, No Smoking Day and NHS England Saving Babies Lives Campaign.

The page is also used to post messages of thanks from mothers. Feedback has shown that mothers find the page an easy way of thanking staff during this busy time in their life. All staff mentioned are then put forward for Maternity Employee of the Month and a winner is chosen at random and receives a certificate for their portfolio. All messages are also forwarded to the staff members for them to keep.

The site's first postings during May 2015 reached between 1,100 and 1,900 people (as per Facebook statistics based on the people that like the post and the number of 'Facebook friends' they have). The accredited baby friendly unit post reached 3,500 people, with Cathy Warwick CBE, Chief Executive of the Royal College of Midwives visit to the unit reaching 16,400 people.

The post announcing that partners are welcome to stay overnight on Ward 23 and in the induction bay reached an impressive 27,700 people with 1,100 likes, comments and shares.

A total of 1,954 people have 'liked' the page meaning that the information on the page reaches a wide audience.

Although the page is accesssed mainly by local people, it has been viewed by people from all over the country and rest of the world including Ireland, United Arab Emirates, USA, Canada and Australia.

No complaints or negative feedback have been posted to the site.

Local patient surveys

The Trust has an annual Patient and Public Involvement Programme which includes a variety of methods for patient involvement, including local patient surveys.

In 2015/16, 31 local surveys were undertaken. Local surveys are completed in wards and departments and patients are encouraged to provide feedback in a number of ways, including touch screen kiosks, paper based surveys and one-to-one interviews with staff, volunteers and Governors.

The results collated from these surveys are shared with the relevant teams. Good practice is highlighted and action plans are developed to address any issues which have been identified from the results. The action plans are monitored by the action group for patient experience which meets each month.

A sample of results from randomly selected surveys are highlighted below:

Pharmacy Survey

56 responses were received out of a sample of 85.

The results showed that:
➢ 98% of patients felt that the pharmacy department was easy to find
➢ 100% of patients said the pharmacy staff were approachable
➢ 100% of patients said they were provided with information about the purpose of their medication.

Key issues included:

➢ Contact details for pharmacy if patients had questions when they arrived home
➢ Waiting time / delays in the pharmacy department.

The following changes have been implemented following the survey:

➢ Pharmacy patient helpline cards are inserted in all outpatient medication bags.

➢ A performance board and posters have been designed and displayed in the pharmacy outpatient waiting area. These explain the current average waiting time and give information about the reasons for any delay.

Diabetes Transition Survey

50 responses were received which included 20 completed by the parent/carer and 30 from young people.

The results showed that:
➢ 92% of young people felt the transition process was started and finished at the correct age.
➢ 93% of young people said the transition process was explained clearly to them and they felt involved.

Key issues included:
➢ The need to improve engagement with adult services; and
➢ Implementation of a transition plan.

Poster advertising the Trust's Medicines Helpline

The following changes have been implemented following the survey:

➤ The 'Ready Steady Go' transition plan is being trialled with 6 diabetes patients aged 13-19 years
➤ A keyworker has been identified in adult services
➤ Formal handover sessions between paediatric and adult services have been developed and implemented
➤ Regular meetings are now held between the paediatric diabetes team and the adult diabetes teams

Pain Survey

100 responses were received out of a sample of 100.

The results showed that:

➤ 72% of patients received breakthrough analgesia within 30 minutes

➤ 100% of patients received information regarding pain relief
➤ 95% of patients were satisfied with the way their pain was assessed.
➤ 96% of patients felt listened to.

Key issues included:

➤ The need to standardise pain management and pain scoring.
➤ A lack of patient information regarding post-operative pain relief.

The following changes have been implemented following the survey:

➤ Staff have undergone further training in relation to Patient Controlled Analgesia (PCA), Epidural analgesia and the pain scoring system.
➤ Treatment and condition specific leaflets are now given to patients following surgery and staff record that the leaflets that have been given to the patients.

Friends and Family Test: Patient element

The NHS Friends and Family Test (FFT) is a nationwide initiative to gain feedback from patients about the care and treatment they receive in hospital. Patients are asked whether they would recommend the service they have experienced to their friends and family if they needed similar care or treatment. This is an important indicator of the quality of care they have received.

One of the key benefits of the FFT is that patients can give their feedback in near real time and the results are available to staff more quickly than traditional feedback methods. This enables staff to take swift and appropriate action should any areas of poor experience be identified. The results of the FFT are published online at www.nhs.uk so that patients and members of the public can see how their local services are viewed by those who have used them. The results can provide a broad measure of patient experience that can be used alongside other data to inform patient choice.

The FFT is completed on the adult wards, the emergency department, assessment areas, maternity services, outpatients, day case units and children's services. Every patient that receives treatment in these areas can give feedback about the quality of care they have received.

A child friendly post box (pictured below) has been introduced to encourage feedback from children. The FFT test card for children encourages them to write their own response and draw a picture if they wish.

Responses are anonymous and patients are asked to complete a survey card which can be handed to a member of staff or posted into a confidential post box. Patients attending the emergency department or maternity ward can choose to complete the survey on a touch screen kiosk which has a multi-language option.

My bed was comfortable. I liked the nurses and the TV and my Daddy could stay.

NHS Friends and Family Test

say what it was like for you.

► 00:00   01:40   MENU

Would you recommend NHS services to other people based on the quality of the care you received? This animation shows how your feedback can help improve NHS services

Media last reviewed: 31/10/2014
Next review due: 31/10/2016

How are the results calculated?

The responses from all patients are used to calculate the percentage of patients that would recommend the service ("extreme likely" and "likely"). Patients are also invited to comment on the reason for the answer they give.

Trust results

Nearly 26,000 patients have responded to the Friends and Family Test, with 95% of patients indicating that they are likely to recommend services or treatment to their family or friends.

Most of the written feedback focuses on positive comments from patients about their experiences of the staff who care for them:

'The sheer joy of experiencing the excellent care and attention of all the very professional staff who treated me like royalty and showed me every respect. Thank you so much'.

'Excellent care has been provided to me, both in terms of attending to my condition promptly and treating it, and also the high standard of care given by the nursing team. My stay in hospital could not have been much better'.

'Comfortable and caring atmosphere. Very friendly. Attentive and skilled staff always on hand for care and help. Nothing is too much trouble'.

The Friends and Family Test results are published on the NHS Choices website which also includes flip clips explaining about FFT. The Trust also displays film clips in waiting areas on plasma screens to encourage patients to take part. The results ccan be accessed via the follwing links:

http://www.nhs.uk/Services/hospitals/Overview/DefaultView.aspx?id=505

http://www.nhs.uk/Services/hospitals/Services/Service/DefaultView.aspx?id=208744

95%
of patients say they are likely to recommend the Trust for treatment

(Friends and Family Test)

NHS Choices

Patients can comment about their experience on the NHS Choices website. There were a total of 121 new postings on the NHS Choices website in 2015/16. Leighton Hospital is currently achieving a star rating of 4 stars out of a maximum rating of 5 stars and Victoria Infirmary in Northwich is achieving 4.5 stars out of 5.

Leighton Hospital

Victoria Infirmary

The Trust displays examples of postings on notice boards and takes action following any suggestions for improvement.

Examples of comments posted on NHS Choices include:

Eye Care Centre – '**If you have an eye issue, I would recommend Leighton'.

A&E – 'The treatment she received was thorough and staff were courteous'.

SAU – 'I've been in for surgery and the staff made my stay very welcoming and made me much more relaxed'.

Ward 6 – 'My experience in ward 6 was extremely good, the staff at all levels were magnificent, I can't praise them enough'.

Macmillan Centre – 'The nurses and chemotherapy team are all amazing. Doing such a difficult job on a daily basis, but again showing compassion and care at all times'.

Sexual Health Centre – 'Very pleased with the service and would certainly recommend'.

Treatment Centre – '**I came away from this appointment feeling far better than when I entered the hospital. The consultant and senior sister on duty were exceptionally patient and considerate'.

Ward 10 – 'Wow - absolutely fantastic and I cannot thank you enough for your help, support and class A service in such horrible circumstances'.

Fracture Clinic – 'I cannot fault the speed with which I was seen nor the kind attention of the doctor and team. I want to place on record the wonderful service'.

Michael Heal Unit – 'All the staff without exception were friendly and helpful'.

Other patient and public involvement programme activities

Patient Register Group Meetings

In 2015/16, the Trust held patient register group meetings at local libraries and churches. The group consists of volunteers and members of the public who assist the Trust with various methods of patient and public involvement. The meetings provide an opportunity for the Trust to share news of developments and seek views from members. Areas of interest covered included presentations about the new surgical admissions lounge, the care of the emergency patient and an update on the outpatient department transformation work.

Readers' Panel

The Trust has an active readers' panel of over 70 members. The panel receives draft patient information leaflets by post to check and review and offer comments. The panel reviewed a total of 29 leaflets during 2015/16. Information included domestic abuse, the role of the Eye Care Liaison Officer and use of Efudix cream.

The panel has submitted many suggestions including grammatical changes and diagram or picture changes which are reviewed by the leaflet authors. The panel receives an annual summary which outlines the changes made as a result of their contributions and acknowledges their contribution during the year.

Patient Information Committee

In 2015/16, the Committee reviewed and approved 23 local patient information leaflets and reviewed the patient information policy. The Committee also completed an audit of completed consent forms in 50 sets of patients' notes. The audit is carried out to review the documentation of consent by healthcare professionals and to monitor that information patients are given prior to a procedure or surgery.

Over the last 12 months, the Trust has produced the following leaflets in easy read version:

➢ Making Choices about my health
➢ Getting ready for my visit to hospital
➢ Getting ready to have my operation
➢ Getting ready to go home from hospital
➢ My stay in hospital

Below: An Easy Read guide for getting ready to go home from hospital
There have also been requests for patient information to be translated into other languages and formats. This has included mobile lithotripsy which was transferred onto a CD; induction of labour and hiatus hernia leaflets were translated into Polish and a heart failure leaflet translated into Portuguese.

An Easy Read guide for patients getting ready to go home from hospital

Partnership Working

Staff and students from Petty Pool Vocational College (right) kindly donated their time and energy to tidy up the garden area for the Coronary Care Unit.

The garden is enjoyed by patients and their relatives who benefit from them the opportunity to enjoy some fresh air and to have a brief respite from the ward environment.

Learning Through Collaboration

An event was held to raise awareness for staff of long term conditions. The event, pictured on the right, was supported by the Stroke Association, Parkinson's UK and the Alzheimer's Society.

The event was attended by nearly 100 staff and consisted of a series of presentations from the Paediatric Specialist Nurse for Diabetes; patients and carers talking about dementia and the Hospital Alcohol Liaison Service. There was also the opportunity for staff to talk to expert patients about living with a long term condition.

Staff and visitors being shown around the new Treatment Centre before it opened in July 2015.

Healthwatch

The Trust works closely with Cheshire East and Cheshire West Healthwatch groups to explore opportunities for engaging with 'hard-to-reach' groups. Since April 2015, Healthwatch has carried out a number of enter and view audits. These have included visits to the Emergency Department, Ward 12 and Maternity Services. Healthwatch also supported the Trust with the national Patient Led Assessment of Care Environment (PLACE) audit.

In July 2015, Healthwatch interviewed 91 inpatients on a number of wards for feedback about meals during their stay. The survey highlighted that patients were not always given the opportunity to wash their hands before meal times. Ward staff have been reminded to offer hand wipes if patients are unable to use a washhand basin.

Customer Care Team

The role of the Customer Care Team is to provide on-the-spot advice, information and support for patients and relatives if they wish to raise concerns. The team can also support patients when dealing with issues about NHS care and provide advice and information about local health services. The Customer Care Team aims to respond to patients' concerns and issues in a timely and effective manner, irrespective of whether they have been raised as an informal concern or a formal complaint. The majority of concerns can usually be resolved swiftly by those staff who are caring for patients. However, sometimes patients or a family member may want to talk to someone who is not involved in their care and the Customer Care Team are then able to help.

A poster has been developed and displayed across the Trust which is called 'Tell us what you think'. It provides information on how to contact the team and reinforces that the Trust welcomes feedback in relation to concerns, complaints, advice, information, suggestions and compliments.

The Customer Care Team also receive Ecards from relatives choose to send messages in this way. This year, 56 Ecards were delivered to patients in the Trust.

Compliments

1,727 formal compliments were received by the Trust during 2015/16 which expressed thanks from patients and families about the care received. This is a slight decrease compared with previous years. All compliments are shared with the relevant teams that are mentioned.

Table 1: Overview of compliments received by the Trust

	2013/14	2014/15	2015/16
Number of compliments received	2,112	1,960	1,727

Review of complaints

The Trust adheres to the Local Authority Social Services and National Health Service Complaints Regulations (England) 2009 and follows the Principles of Good Complaint Handling outlined by the Parliamentary and Health Service Ombudsman.

The Trust is committed to providing an accessible, fair and efficient service for patients and service users who wish to express their concerns or make a complaint with regard to the care, treatment or services provided by the Trust. The Trust promotes the Healthwatch advocacy service to anyone making a complaint to highlight independent support available.

The Trust recognises the importance of having a robust and flexible process for the management of complaints to ensure complainants receive a timely and person-centred response to the issues they have raised.

The complaints policy clarifies that the Chief Executive is the 'responsible person' with overall accountability for the complaints process. She ensures compliance with the regulations, that complaints are fully responded to and actions are implemented in the light of the outcome of the complaint review.

The complaints review group is chaired by the Director of Nursing and Quality and has a Governor and patient representative amongst its members. The panel reviews individual cases of closed complaints and follows best practice as recommended by the Patient's Association in monitoring progress against action plans and undertaking detailed reviews.

All complaint meetings are recorded and a copy of the CD is given to the complainant at the end of the meeting. Feedback about this activity has been very positive.

A survey of complainants was undertaken in 2015 to seek the views on how well they felt their concerns had been handled and whether they felt satisfied with the actions taken. The survey showed that complainants felt their complaints were being resolved in a more timely manner with only 32% saying the process took too long (compared to 51% in 2014).

The survey responses did highlight that clarification was required regarding the purpose of the survey, as many responses raised issues with the outcome of their complaint rather than the complaint process itself. This was discussed at the complaints review group which led to further discussions with the Picker Institute's national group to update the survey questionnaire to enable the Trust to meet national standards and recommendations for future surveys.

Some of the key themes of complaints received in 2015/16 focussed on nursing care, medical care and communication. Examples of these are summarised in the table below together with actions taken to address the concerns raised.

Table 2: Examples of complaints and actions taken

Themes	Actions Taken
Treatment Centre – issues have been raised regarding requests for sedation which were not communicated to the appropriate staff prior to an endoscopy	The team has updated the pre endoscopy checklist to ensure all communication regarding sedation is discussed, recorded and acted upon.
Urology - issues regarding information requirements for patients and carers on discharge with regard to catheter care and equipment were highlighted	A catheter passport has been developed which includes information for carers, district nurses and relatives. This also includes what equipment the patient requires and contact numbers for support and advice. This passport is held by the patient and can be utilised for any further admissions or appointments with health care professionals.
Pharmacy – issues were identified regarding delays in providing regular medication for some groups of patients	Work has been carried out to increase the stock levels of medications prescribed by outpatient clinics for patients requiring 8 weeks or more of prescribed drugs which cannot be provided by their GP practice.

The following table shows the number of complaints received by the Trust and referrals to the Ombudsman over the past 3 years:

Table 3: Overview of complaints received by the Trust

	2013/14	2014/15	2015/16
Number of complaints received	228	254	283
Number of requests for review by Ombudsman	3	6	7
Number accepted for review by Ombudsman	1	4	5
Number upheld/partially upheld by Ombudsman	2	1	7*

The complaints upheld / partially upheld by the Ombudsman include those complaints that had been referred to them in previous years.

Staff taking part in equipment training to care safely for patients

A poster has been developed to illustrate improvements that have been made as a result of feedback from patients or their carers. This poster has been shared with staff.

You Said **We Did...** Customer Care Feedback and Action Taken
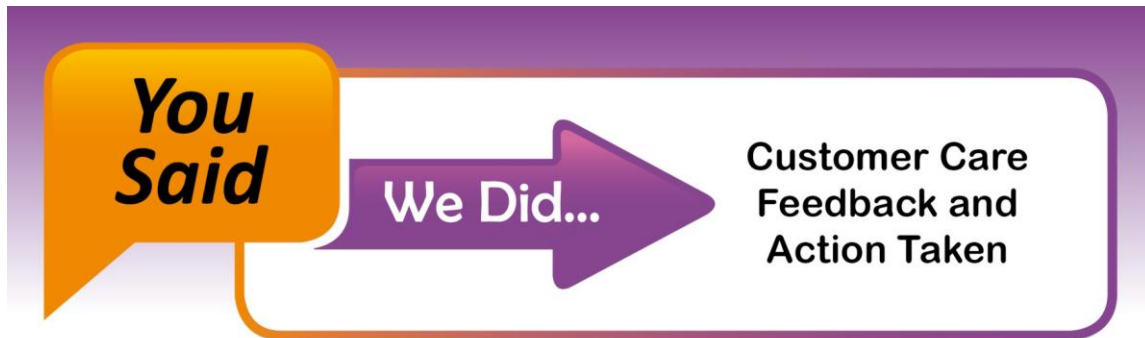
Here are some examples to show how we have responded to feedback from patients …

"The waiting times on display in Pharmacy were out of date. In addition, it was difficult to obtain medication for an 8 week supply of medication."

A real-time position for the display/waiting time has now been implemented. Pharmacy are increasing their stock levels to provide eight week prescription supplies.

"On discharge of a patient, a document was not sent home with the patient when it should have been."

It is now documented in the daily handover book to make sure that patients have all paperwork upon discharge or transfer. This has also been covered in monthly staff training and reminder correspondence has been sent on to the Modern Matrons and Ward Managers.

"Despite no smoking signage being in place around the hospital, patients, visitors and staff continue to smoke in the hospital grounds."

A meeting was held within the Trust to discuss the issue of smoking on Trust premises. E-cigarettes were also discussed. The smoking policy is to be reviewed.

"There is sometimes a wait for patients to be discharged from the hospital once they have been told they can go home."

A discharge coordinator has now been appointed. The purpose of this role is to plan patients discharge arrangement whilst working with all staff to ensure a safe and timely discharge.

You Said, We Did Flyer February 2016

Mid Cheshire Hospitals **NHS**
NHS Foundation Trust

Learning disability access

The Trust has had yet another successful year in relation to enhancing both the patient and carer experience for those with a learning disability (LD) and those caring for them. An area where staff have helped a considerable number of patients is through the use of reasonable adjustments. Reasonable adjustments are required by law to ensure that disabled people receive the same service, as far as possible, as people who are not disabled. This is laid down in the Equality Act 2010 and it is the Trust's duty to respond.

The following case study demonstrates some of the adjustments staff made to ensure that one particularly vulnerable patient was able to access the clinical care he needed. The case study shows the commitment staff have to meeting the needs of patients with a LD plus their recognition of how valuable carers are and how their involvement only enhances the overall experience. The case study is presented in line with the six safeguarding principles (Department of Health, 2011).

Case Study

A was referred to the Dignity Matron by one of the Urology Consultants, for support with **A** coming in for an elective procedure. **A** needed to come into hospital for a flexible cystoscopy and to have his toe nails clipped. Both needed to be done under a general anaesthetic.

Empowerment: **A's** mental capacity was assessed and **A** was found to lack capacity in relation to the planned procedures. **A** was unable to weigh in balance both the cystoscopy and the general anaesthetic. A best interest decision was therefore made. **A** was very much included in the best interest meeting. Terminology was kept clear and simple, with use of pictures and diagrams. **A** was supported by care staff who knew him really well. As **A** had no-one to act on his behalf other than paid carers, an Independent Mental Capacity Advocate (IMCA) was present at the meeting. **A** was given a step by step guide to the day, in easy read, so he could look at the plan at his leisure.

Protection: Staff completed a hospital passport with **A** and brought it into hospital. An all-female team were assigned to **A**, including a female anaesthetist. **A** is needle phobic, therefore the anaesthetist was informed of the need for a gas induction.

Prevention: The carers were with **A** throughout the procedure, especially in the anaesthetic room and recovery. **A** brought in his box of photographs to show to staff. This was an excellent vehicle for conversation and helped minimise the distress for **A.** The visit was led and shaped by information from **A** and his carers. The staff gave clear post-operative instructions so that when there was some post–operative haematuria, carers were expecting it and knew how to manage it.

Proportionality: **A** underwent his procedure first thing in the morning. This meant he was nil by mouth for the least amount of time and could go home as early as possible. Social Care supported the procedure by booking a night carer for the night after the operation to enable **A** to go home the same day.

Partnerships: The best interest meeting included **A's** IMCA, Social Worker, Care Staff, LD Community Nurse and the Dignity Matron from the Trust. The meeting was very person-centred and took a focussed multi-disciplinary approach. **A** wanted to have his toe nails clipped, therefore podiatry attended the theatre once he was asleep to oblige. Liaison took place with the Urology Consultant, Anaesthetist, Treatment Centre staff and Theatre staff.

Accountability: Ongoing collaboration with disciplines involved; ongoing communication with **A** and his carers; treats were provided for **A** post operatively: strawberries and ice cream! The Dignity Matron emailed carers for an update and to check **A** was settled and comfortable back at home.

Outcome - The thank you email says it all!

> *"Everyone who A and indeed Claire* and I met yesterday were brilliant!!*
> *I feel A had a great experience throughout and it was very well orchestrated! Thank you so much for the obviously hard work that had gone into A's visit…*
> *I know A is keen to be supported to send a card to you all…. as a thank you...*

You missed out on your hug…. as he hugged nearly everyone else before we had left the discharge lounge…
He did call out a few times "Thank you girl" and "girl, I like you"… We enjoyed our lunch as well… Thank you and you shouldn't have!
Personally I have not seen A so relaxed during a health appointment…a credit to you and your team…
He was a little distressed upon returning home seeing blood in his urine, but we were given enough information and guidance to expect this and to push fluids, to flush him through….
This was the case and his urine was flushing through clear during the evening….
I left him late afternoon as he was tucking into some strawberries and ice cream, which he was excited about getting from you!
He retired to bed about 11pm last night and slept right through until 8am this morning and he has seemed in good humour and not needed pain relief so far today….
Thank you ever so much to everyone including the toenail cutting services…"

*Name changed

Other examples of adjustments made by staff have included:

➢ Home visits by Consultants where coming into hospital could be very distressing for the patient
➢ Appointment times to suit patient and/or carer
➢ Carers able to accompany the patient into the anaesthetic room and recovery
➢ CT scans performed under general anaesthetic
➢ Bloods / ECG's undertaken on home visits due to patient's anxiety levels
➢ Patient's able to wear their own clothes into operating theatres.

Another important area that the Trust is working hard to improve is the transition of children with a LD into adult services. A

Image: Hospital Passport

transition pathway is in the process of being developed however, in the meantime, the collaboration between paediatrics and adult services is working well. Children with a complex learning disability are flagged to the Dignity Matron around the age of 14. The Dignity Matron will meet the child and their carers and attend meetings and appointments as appropriate. This enables the child and their family to develop an early relationship with someone from adult services and to set up pathways at the earliest opportunity. The Dignity Matron will also refer the child to adult LD community services. This again helps with transition and gives families access to support and guidance at home from adult services.

The Trust has also been instrumental in the development of accessible information. There is now a comprehensive range of leaflets, including a hospital passport (shown above), which are available on wards and in departments as well as on our Trust internet site. The easy read patient information leaflets can be sent out with appointment letters if staff know the patient has a LD or can be used in best interest meetings to enhance a patient's understanding of the proposed treatment plan.

Implementing the Duty of Candour

The Statutory Duty of Candour ensures that all healthcare providers must 'notify anyone who has been subject to an incident which results in moderate harm, serious harm or death' (Department of Health, 2013).

The Trust is committed to being transparent, open and honest when things go wrong with patients and/or their relatives or carers. This is reflected in the Trust's *Being Open* policy.

When an incident is identified as having resulted in moderate harm, serious harm or death, the Trust informs the patient or their relatives or carers as early as possible following the incident.

The patient and/or their relatives or carers are provided with an apology and explanation of the incident and any investigations which will be conducted. The patient and/or their relatives or carers are provided with contact details of a senior member of the Trust to contact if they have any queries. They are also informed that the investigation report (root cause analysis) and resulting action plans and lessons learned will be shared following the review.

Where appropriate, the patient and/or their relatives or carers are involved in the investigation to ensure all lessons are learned. For example, if a patient falls in hospital then the fall is discussed with the patient to establish what they believe could be the cause of the fall and if anything could have been done to prevent the fall from their perspective.

Once the investigation has been completed, the report, action plan and lessons learned are shared with the patient and / or their relatives or carers to ensure that they are satisfied that any lessons learned will help to prevent future incidents.

Progress towards the 'Sign up to Safety' campaign

The Trust is committed to consistently delivering safe care and taking action to reduce harm to patients in its care.

The Trust is supportive of the NHS England national 'Sign up to Safety' campaign which

has the goal to reduce avoidable harm by 50% and save 6,000 lives.

The Trust has officially signed up to the campaign and has committed to taking action in the following five pledges:

Image: Sample from the Easy Read guide for hospital appointments

1)   Put Safety First

The Trust will...

- ensure the Summary Hospital-Level Mortality Indicator (SHMI) will remain at or below 100 from April 2015
- eliminate all avoidable hospital acquired pressure ulcers by January 2018
- reduce inpatient fall incidents by 10% by January 2018
- ensure the prompt recognition and treatment of Acute Kidney Injury (AKI), ensuring that 90% of patients are receiving appropriate care as per the AKI pathway by January 2018
- ensure the prompt recognition and treatment of sepsis, ensuring that 90% of patients are receiving appropriate care as per the sepsis pathway by January 2018
- have zero tolerance of Never Events within the organisation

2) Continually Learn

The Trust will...

- determine the organisation's safety culture, identify areas for improvement and action accordingly to time and target, working in partnership with staff and stakeholders
- continue to develop information systems to support clinical dashboards, improving access to clinical outcome data and acting on these to improve
- use available data to create a dynamic risk profile which will provide an early warning system, reduce risks and support continual improvement
- review and improve action planning processes, accountabilities and responsibilities. Prioritise action plans that are high impact and develop organisation systems for shared learning. Ensure there is a link to learning from safety culture assessment.

3) Honesty

The Trust will...

- always tell our patients and their families/carers if there has been an error or omission resulting in harm
- publish patient safety information on our website
- continue to raise awareness of being open within our staff and ensure that this is included in all our patient safety training

4) Collaborate

The Trust will...

- continue to work with the Advancing Quality Alliance (AQuA) to develop a cohort of staff with quality improvement skills and share benchmarking information to improve quality and safety
- work with partners to share best practice and improve clinical pathways for

patients. These partners include NHS South Cheshire and Vale Royal Clinical Commissioning Group and University Hospitals of North Midlands NHS Trust
- share outcomes from national clinical audits and our participation in research programmes to ensure improvements are implemented across the organisation
- continue to work with AQuA in developing a cohort of patient safety champions within our organisation

5) Support

The Trust will...

- continue the Trust programme of quality improvement training in collaboration with AQuA
- continue to develop our medical staff through the Clinical Leadership Programme
- further develop our programme of patient safety training, educating staff in human factors and why things go wrong
- continue to develop our newly-appointed Consultants through the Consultant Foundation Programme which includes education and support on safety, change and managing behaviours
- work together to respond to feedback from patients and carers and to learn from incidents that occur. We will then ensure we respond to such learning and embed this into practice

The pledges were developed using intelligence of the Trust's performance against qualitative and quantitative indicators together with feedback from staff and patients. The Trust's safety improvement plan is aimed at improving outcomes and effectiveness which means saving lives, improving the quality of life of our patients, speeding up their recovery and reducing readmissions. The commitment of the Trust to the Sign up to Safety' campaign has led to the development of **six** key projects being included in the Trust's quality and safety improvement strategy for the next two years. The six projects will be progressed through the actions described within the following driver diagrams for each project:

Safety Improvement Project One – Mortality

Aim: The Trust's Summary Hospital-Level Mortality Indicator (SHMI) will remain at or below 100 from April 2015

Lead Committee / Group: Hospital Mortality Reduction Group

Project Lead: Medical Director
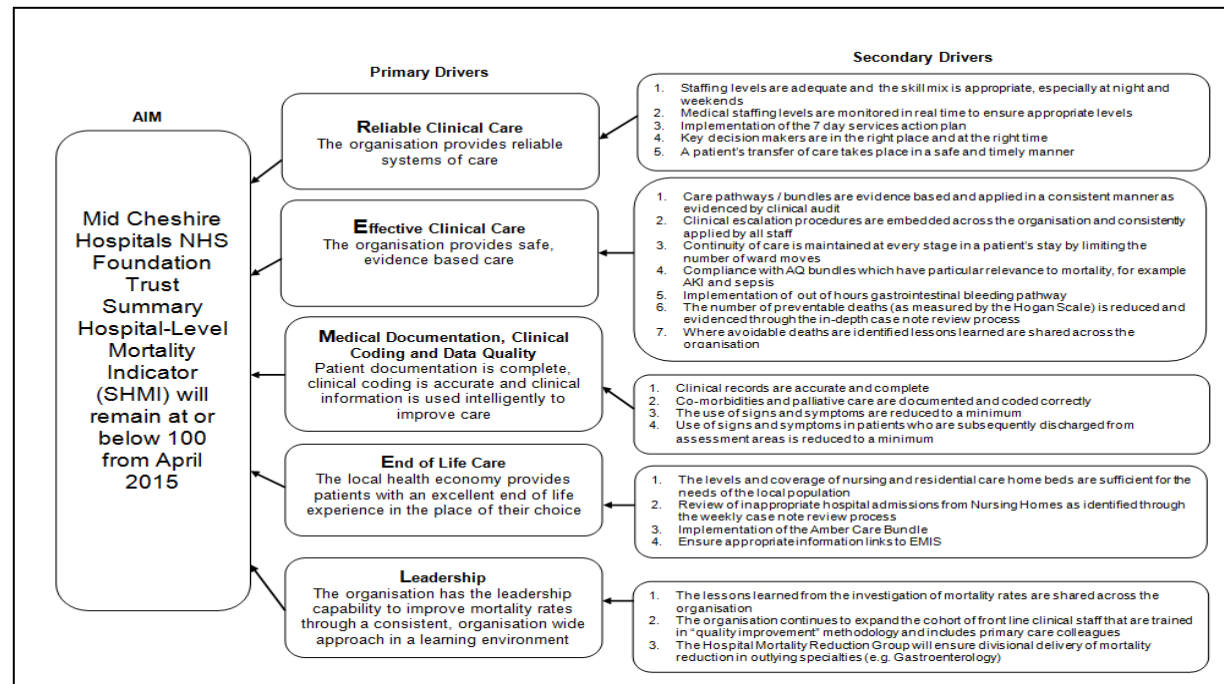
Safety Improvement Project Two – Pressure Ulcers

Aim: The Trust will eliminate all avoidable hospital acquired pressure ulcers by January 2018

Lead Committee / Group: Skin Care Group

Project Lead: Deputy Director of Nursing and Quality
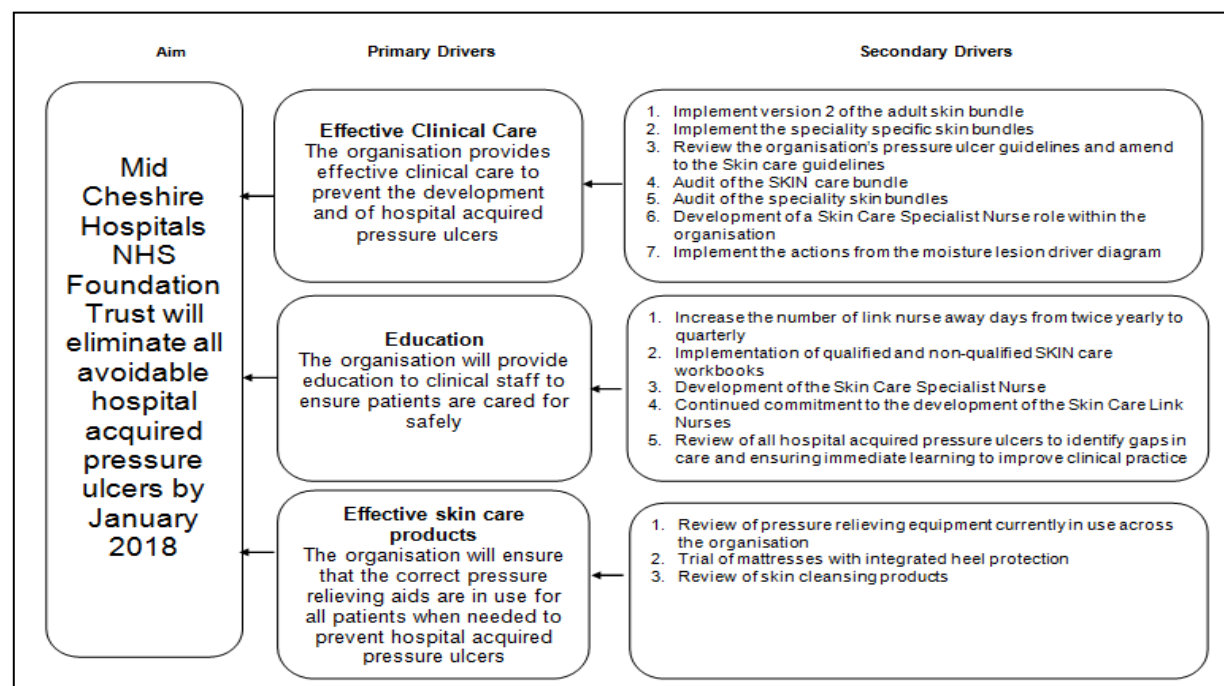
Safety Improvement Project Three – Falls

Aim: The Trust will reduce inpatient fall incidents by 10% by January 2018
Lead Committee / Group: Patient Falls Prevention Group
Project Lead: Professional Lead, Diagnostic & Clinical Support Services Division
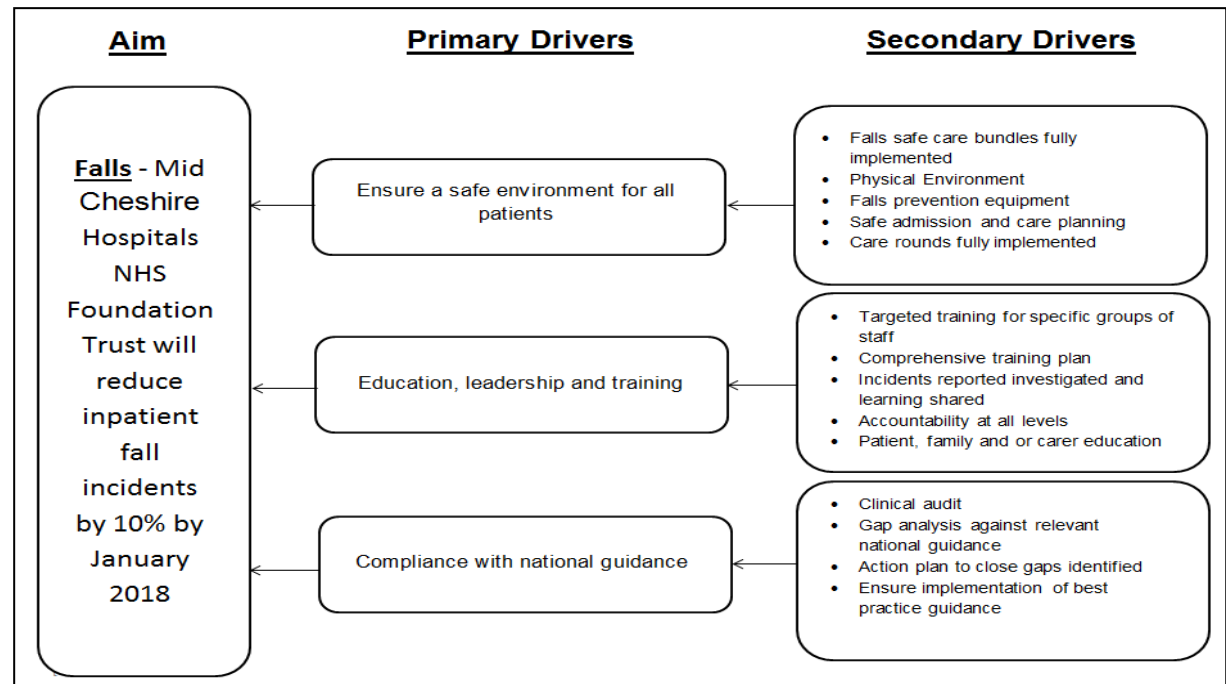
Safety Improvement Project Four – Acute Kidney Injury

Aim: The Trust will ensure the prompt recognition and treatment of AKI, ensuring that 90% of patients are receiving appropriate care as per the AKI pathway by January 2018
Lead Committee / Group: AKI Steering Group
Project Lead: Consultant Nurse, Critical Care Outreach Services
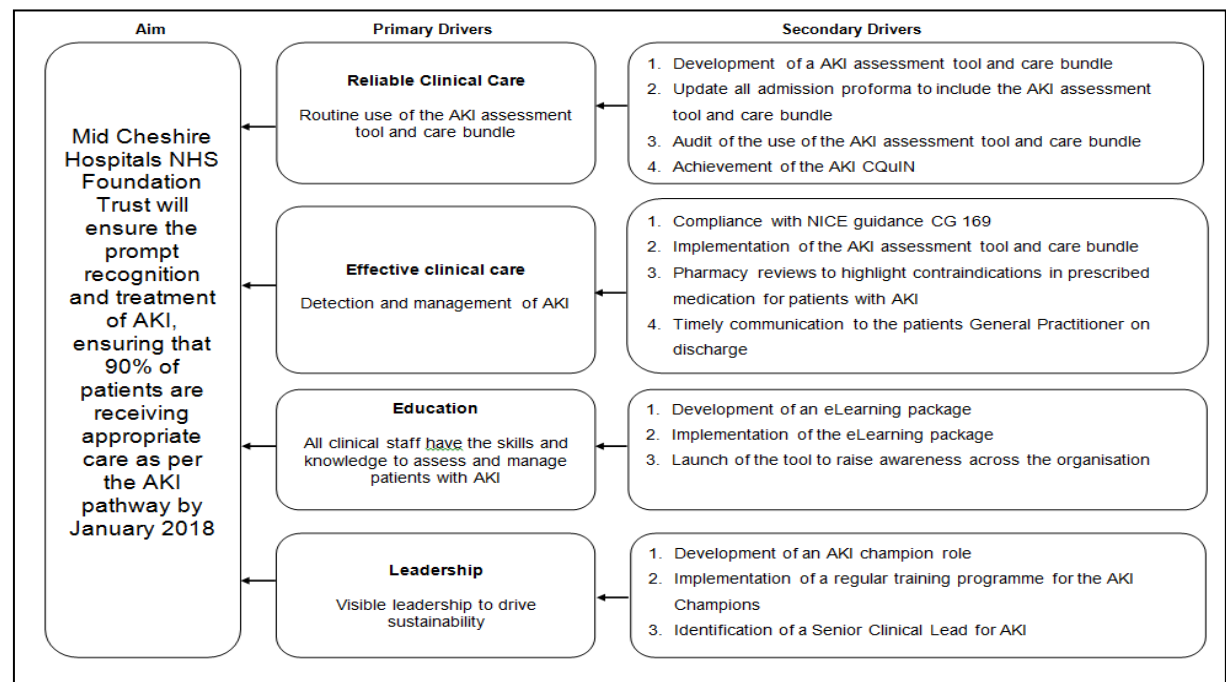
Safety Improvement Project Five – Sepsis

Aim: The Trust will ensure the prompt recognition and treatment of sepsis, ensuring that 90% of patients are receiving appropriate care as per the sepsis pathway by January 2018.
Lead Committee / Group: Sepsis Group
Project Lead: Consultant Acute Physician
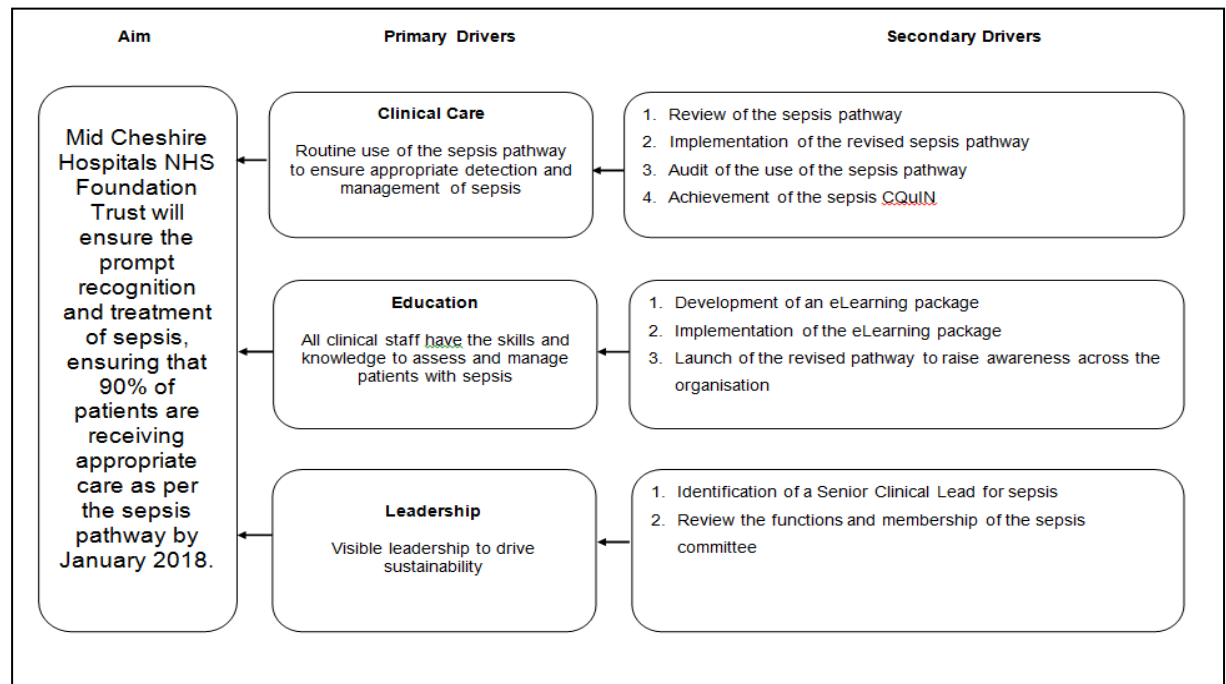
Safety Improvement Project Six – Never Events

Aim: The Trust will have zero tolerance of never events in the organisation
Lead Committee / Group: Executive Quality Governance Group
Project Lead: Patient Safety Lead
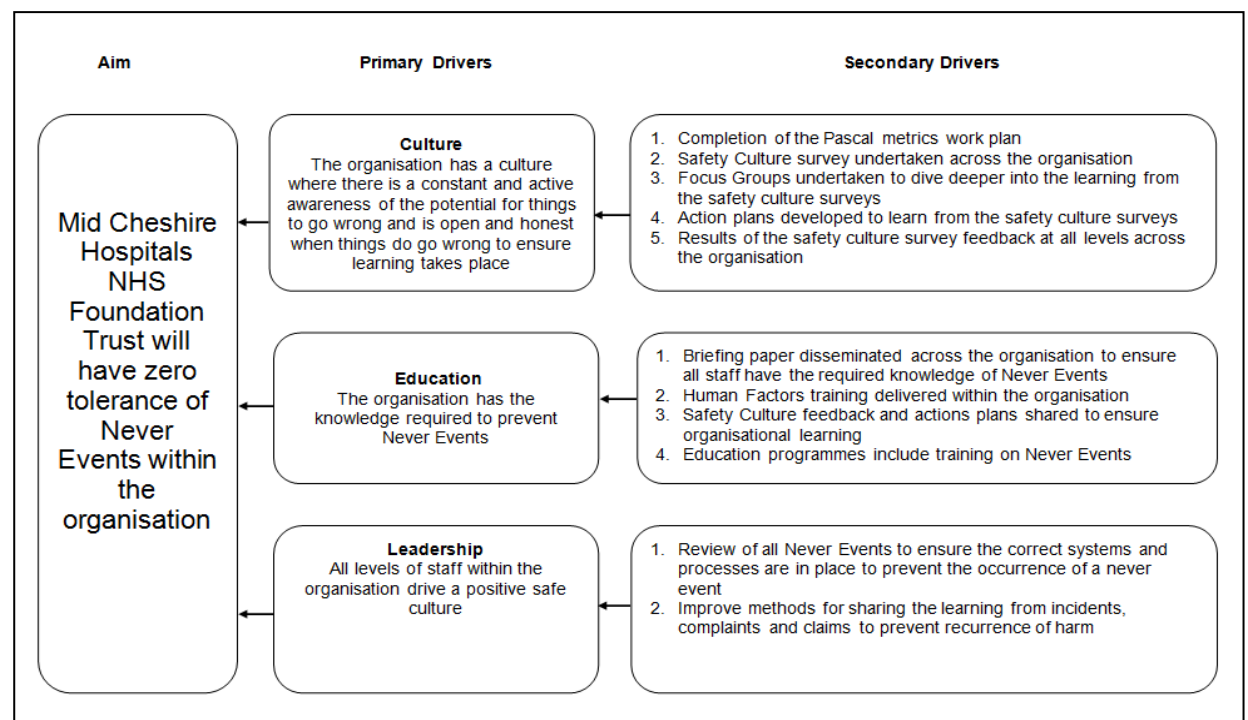
Feedback from staff

The NHS staff survey is undertaken each year and the Quality Report Reporting Arrangements (NHS England, 2016) require the Trust to report the most recent results for the following questions for the Workforce Race Equality Standard:

➤ The percentage of staff who report they have experienced harassment, bullying or abuse from staff in the last 12 months

The Trust scored 25% in 2015 compared to 24% in 2014. This result was in the 'better than average' bracket when compared to all Acute Trusts. The scores for White and Black and Minority Ethnic (BME) staff as required for the Workforce Race Equality Standard are as follows:

Key Finding		2015	2014
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	White	23%	23%
	BME	33%	24%

➤ The percentage of staff who believe the Trust provides equal opportunities for career progression or promotion

90% of staff who completed the staff survey in 2015 believed that the Trust provides equal opportunities for career progression and promotion which maintained the score it obtained in the 2014 staff survey. The national average was 87%. This score put the Trust in the 'better than average' group when ranked against all acute Trusts.

The scores for White and Black and Minority Ethnic (BME) staff as required for the Workforce Race Equality Standard can be found in the table below:

Key Finding		2015	2014
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	White	92%	91%
	BME	79%	63%

Participation in clinical audits and research

Clinical audit evaluates the quality of care provided against evidence based standards and is a key component of governance and quality improvement. The Trust produces an annual programme for clinical audit, incorporating national, regional and local projects, which is informed and monitored using priority levels.

National clinical audits

During 2015/16, 29 national clinical audits and five national confidential enquiries covered NHS services that the Trust provides.

During the same period, the Trust participated in 91% of the national clinical audits and 100% of the national confidential enquiries in which it was eligible to participate.

The national clinical audits and national confidential enquiries that the Trust was eligible to participate in and actually participated in during 2015/16 can be seen in Tables 4 and 5. These tables also show the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table 4: National clinical audit participation 2015/16

National Clinical Audit / Programme	Participation	% Data Submission
Acute coronary syndrome or Acute myocardial infarction (MINAP)	Yes	100%
Adult critical care (Case Mix Programme – ICNARC CMP)	Yes	100%
Bowel cancer (NBOCAP)	Yes	100%
Diabetes (Paediatric) (NPDA)	Yes	100%
Elective surgery (National PROMs Programme)	Yes	100%
Falls and Fragility Fractures Audit Programme: National Hip Fracture Database	Yes	85%
Falls and Fragility Fractures Audit Programme: National Audit of Inpatient Falls	Yes	100%
Head and neck oncology (DAHNO)	Yes	100%
Inflammatory bowel disease (IBD)	Yes	100%
Lung cancer (NLCA)	Yes	100%
Major trauma (The Trauma Audit & Research Network, TARN)	Yes	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)	Yes	100%
Medical and Surgical Clinical Outcome Review Programme NCEPOD: Acute Pancreatitis Study	Yes	100%
Medical and Surgical Clinical Outcome Review Programme NCEPOD: Study of the Care of Patients with Mental Health Problems in Acute General Hospitals	Yes	100%
Child Health Clinical Outcome Review Programme: Chronic Neurodisability	Yes	Data collection in progress
Child Health Clinical Outcome Review Programme: Young People's Mental Health	Yes	Data collection in progress
National Complicated Diverticulitis Audit (CAD)	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	≥50%***
National Heart Failure (HF)	Yes	77%***
National Joint Registry (NJR)	Yes	>90%
National Prostate Cancer Audit	Yes	34%*
Neonatal intensive and special care (NNAP)	Yes	100%

National Clinical Audit / Programme	Participation	% Data Submission
Oesophago-gastric cancer (NAOGC)	Yes	>90%
Rheumatoid and early inflammatory arthritis	Yes	12 data submissions**
Sentinel Stroke National Audit Programme (SSNAP)	Yes	100%
National Diabetes Inpatient Audit (NADIA)	Yes	100%
National Pregnancy in Diabetes Audit	Yes	100%
BTS Emergency Oxygen	Yes	100%
National End of Life Care	Yes	100%
National Comparative Audit of Blood Transfusion programme: Audit of Patient Blood Management in Scheduled Surgery	Yes	100%
National Comparative Audit of Blood Transfusion programme: Audit of Red Cell & Platelet transfusion in adult haematology patients	Yes	100%
Royal College of Emergency Medicine: VTE Risk in Lower Limb Immobilisation	Yes	100%
Royal College of Emergency Medicine: Procedural Sedation in the Emergency Department	Yes	100%
Royal College of Emergency Medicine: Vital Signs in Children	Yes	100%

*   The Trust is only eligible for minimal aspects of this dataset, care is then transferred elsewhere
**   One Rheumatology Consultant participated from the Trust
***   Based on the 2015 Annual Report and an over predicted number of cases for the size of the Trust

Table 5: National clinical audit non-participation 2015/16

National Clinical Audit / Programme	Participation	Reason
National Cardiac Arrest Audit (NCAA)	No	Nurse specialist resource implications
Diabetes (Adult) ND(A)	No	Consultant, specialist nurse and data collection resource implications
National Comparative Audit of Blood Transfusion programme: Lower Intestinal Bleeding and Use of Blood in Haematology	No	Consultant, specialist nurse and data collection resource implications

The reports of 28 national clinical audits were reviewed by the Trust in 2015/16. Table 6 details the actions taken/to be taken to improve the quality of healthcare provided as a result of national clinical audits.

Table 6: National clinical audit participation 2015/16 – actions taken

National Clinical Audit/ Programme	Actions taken/to be taken by the Trust
Adult Community Acquired Pneumonia (CAP)	Work is in progress to increase the numbers of medical and nursing specialists in line with an increased respiratory bed base and moving towards 7 day working. Local results compare favourably to national with a CAP pathway in place that is regularly reviewed.
Acute coronary syndrome or Acute myocardial infarction (MINAP)	Latest report currently under review. Data validation exercises undertaken to ensure accuracy and weekly reviews in place to maintain data validation.
Adult critical care (Case Mix Programme – ICNARC CMP)	Critical Care ward discharge process developed, approved and implemented following an increase in delayed discharges highlighted in ICNARC and local incident reporting.
Bowel cancer (NBOCAP)	Latest report currently under review. Local audit confirms that only 7% of patients have not undergone reversal of a defunctioning ileostomy within 18 months of resection without a clinical reason. Quarterly review of data by individual surgeons introduced to improve accuracy of data.

Elective surgery (National PROMs Programme)	The objective is to ensure that at least 85% of patients receive a pre-operative PROMS questionnaire if they are undergoing surgery for:
	  i. Groin Hernia
	  ii. Varicose Vein Surgery
	  iii. Hip Replacement Surgery
	  iv. Knee Replacement Surgery
	The target was achieved with 95% - 100% of patients receiving a questionnaire.

Falls and Fragility Fracture Audit Programme: National Hip Fracture Database	Sunday morning trauma lists have commenced. Re-audit is currently underway around next day mobilisation by physiotherapy and weekend cover. The bone health assessment tool is incorporated in neck of femur pathway.
Falls and Fragility Fractures Audit Programme: National Audit of Inpatient Falls	Following joint review of national results and local Fallsafe audit, various initiatives are currently being trialled across the Trust, including bay tagging; night placement; patient cohorts; bespoke ward round for patients aged 80 years plus; continence rounds; bay based desk for nursing staff.
Head and neck oncology (DAHNO)	A data collection template and process for sign off at patient tracking meetings has been developed to improve the accuracy of Somerset data and upload to the new national audit. A dental assessment pro-forma and pathway for patients with new diagnosis of head and neck cancer has also been developed.
Inflammatory Bowel Disease (IBD) Programme: Biologics	Latest report is currently under review.
Lung cancer (NLCA)	A proactive collaboration between the Trust, South Cheshire Clinical Commissioning Group and Cheshire East Council's public health team was presented with Macmillan's Team Excellence Award. The MacMillan Lung Cancer Project Team worked together to redesign the lung cancer pathway. Educating General Practitioners (GP) and practice nurses has increased referrals and reduced the volume of cancers diagnosed through emergency admission. In addition, access to a Lung Cancer Clinical Nurse Specialist at diagnosis has increased.

National Clinical Audit/ Programme	Actions taken/to be taken by the Trust
Major trauma (Trauma Audit & Research Network, TARN)	Work has been undertaken around the use of tranexamic acid in trauma as part of the Trust's major trauma guidelines for adults and children to reduce blood loss in patients with both normal and exaggerated fibrinolytic responses to surgery. Continued partnership working with the Royal Stoke University Hospital in relation to spinal referrals.
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK): Perinatal Confidential Enquiry	Expansion on current practice to review to all term stillbirths using a standardised pro-forma. All members of staff potentially interacting with bereaved parents will have access to basic bereavement skills as part of the divisional training programme through either additional sessions or e-learning.
Falls and Fragility Fracture Audit Programme: National Hip Fracture Database	Work underway to examine the potential for a full time ortho-geriatrician appointment to further improve outcomes as demonstrated nationally.
MBRRACE-UK: Perinatal Mortality Surveillance	Recommendations relating to lessons learned, governance and reporting have already been implemented within the Trust. Adaptations to the maternity Medway system around smoking history, age and education to ensure complete and accurate information in care is reflected by MDRRACE-UK nationwide.
MBRRACE-UK: Saving Lives Improving Mothers Care	Report published December 2015 and an action plan is in development.
Medical and Surgical Clinical Outcome Review Programme NCEPOD: Sepsis Study	Latest report currently under review in conjunction with the Trust's sepsis group, Advancing Quality and National CQUIN data. Sepsis champions and pathway in place but currently under further development.
Medical and Surgical Clinical Outcome Review Programme NCEPOD: Gastrointestinal (GI) Haemorrhage Study	Partnership working with the University Hospital North Midlands (UHNM) agreed and pathways (including GI bleeding pathway) in place. Resourcing issues around substantive clinical posts in gastroenterology currently being addressed, which will enable further advancements and compliance with national guidance.
National Emergency Laparotomy Audit (NELA)	A local audit has been instigated to further progress work around antibiotic therapy, time from operation decision to theatre for emergency surgical patients and critical care admission post emergency laparotomy. A business case is under development for a surgical geriatrician role in-conjunction with Division of Medicine and Emergency Care.
National Joint Registry (NJR)	Work has been undertaken to support specific staff for data inputting to support new digital annual reporting, interactive clinical activity reports and the new NJR Quality Data Provider certification.
National Prostate Cancer Audit (NPCA)	Clinical Nurse Specialist (CNS) training has taken place in relation to complete psychological support and development of the service. Feasibility work is underway to explore the establishment of a joint Surgeon, Oncologist and CNS service for patients to access. Improved quality of data collection and data submission has been evidenced through adherence to data specification.
Neonatal intensive and special care (NNAP)	Work has been undertaken to promote breastfeeding, with the Trust achieving Baby Friendly Initiative programme status in 2015.
Oesophago-gastric cancer (NAOGC)	Ongoing work is taking place in relation to specialist MDT review at UHNM and technology for the Trust to link in as patient advocate to address variations in patient management and appropriate access to early endoscopy to enable early cancer detection.
Rheumatoid and Early Inflammatory Arthritis	Work is planned to modify the referral pathway to include early inflammatory arthritis in choose and book and to educate GPs around referral pathways. A business case is to be developed and agreed with commissioners for a best practice tariff clinic.

National Clinical Audit/ Programme	Actions taken/to be taken by the Trust
Sentinel Stroke National Audit Programme (SSNAP)	Work is ongoing towards provision of a seven day specialist ward round rota following development of a seven day working business case. Acute stroke protocols for best practice have been amended in line with service plans. The Trust is working with the commissioners to develop referral guidelines for access to psychological care. A review of inter-disciplinary therapy standards is in progress to evidence the requirement for therapy input as part of the service plans.
National Pregnancy in Diabetes Audit (Nov15)	The Trust is performing better than the country as a whole. Progress has been made in working with GP's to enhance the preparation of women with diabetes for pregnancy and as part of the diabetes multidisciplinary team to further improve glycaemic control.
Fitting Child (Care in Emergency Departments) 14-15	Further education is being provided in relation to thorough and complete history taking. A patient safety leaflet has been developed as information for parents.
Mental Health (Care in Emergency Departments)	Clinical pathway have been developed and implemented for the assessment and management of patients presenting to the Emergency Department (ED) with mental health related conditions, including relevant supporting information to guide clinical assessment and management.
Older People (Care in Emergency Department)	Work is in progress to review appropriate tools for assessing cognitive impairment, which will be incorporated into ED documentation with relevant training for ED staff.
BTS Emergency Oxygen	Report awaited
National End of Life Care	Report awaited
National Heart Failure (HF)	Report awaited
National Complicated Diverticulitis Audit (CAD)	Report awaited

The Ward Manager and Specialist Nurse from the gastroenterology team welcoming patients to the Trust

Local clinical audits

The reports of 142 local clinical audits and 0 regional audits were reviewed by the Trust in 2015/16. 38% of these audits were re-audits.

Table 7 highlights some examples of the actions taken by the Trust as a result of local clinical audits to improve the quality of healthcare provided.

Table 7: Examples of actions taken following local clinical audits

Local Project	Actions taken / to be taken by the Trust
Monitoring of Shoulder Dystocia	Overall, there was excellent care provided for women who delivered following a shoulder dystocia, with good outcomes for mothers and babies. Previously, it had been difficult to ascertain how long each manoeuvre had been performed for; but following an update in the shoulder dystocia proforma to include this as mandatory data, both data collection and practice have improved
Adherence to NICE Clinical Guidance on the Diagnosis and Management of Colorectal Cancer	The audit demonstrated that both NICE and local cancer guidelines are being followed appropriately and that the introduction of a colorectal pathway has helped to reduce waiting times. Patients listed directly have a reduced time to diagnosis in comparison to those seen initially in clinic. Identifying patients that can be scoped directly at first contact decreases time to treatment (potentially by up to 15 days) thus improving patient care. Electronic referral forms with clear criteria which are fully completed by GPs are essential for direct listing.
Self-administration of Medicines at Elmhurst Intermediate Care Centre	Historically, all patients at Elmhurst had medicines administered during drugs rounds in the same manner as patients in hospital. The project has evidenced that, since this initiative was established two years ago, all patients are routinely assessed for the ability to self-administer medicines during their stay in the rehabilitation setting. This is advantageous in re-gaining their confidence and independence before discharge home and aims to reduce the number of re-admissions.
Re-audit of the Diagnosis, Prevention and Management of Delirium	The audit demonstrated the need for a more extensive education programme for trainee doctors and senior clinicians which has been taken forward through trainee doctor induction, education sessions, consultant meetings and dementia champions. The medical pro-forma has been updated to combine the delirium risk factor assessment to the abbreviated mental test assessment. Work is on-going with dementia specialist nurse and matrons to ensure effective use of the dementia tools.

Participation in clinical research

The number of patients receiving NHS services provided or sub-contracted by the Trust between April 2015 and February 2016 that were recruited to participate in research approved by a research ethics committee was 330.

Recruitment figures are uploaded centrally usually in the month following the date of recruitment and are then verified by the Clinical Research Network North West Coast before being distributed to Trusts. There has been a transition in the national and regional platforms used to collect this data which has caused a delay in receiving the figures for March 2016.

The following chart shows the numbers of patients recruited to clinical trials over the past nine months. There were, on average, 30 patients recruited each month.

Chart 3: Numbers of patients recruited to clinical trials
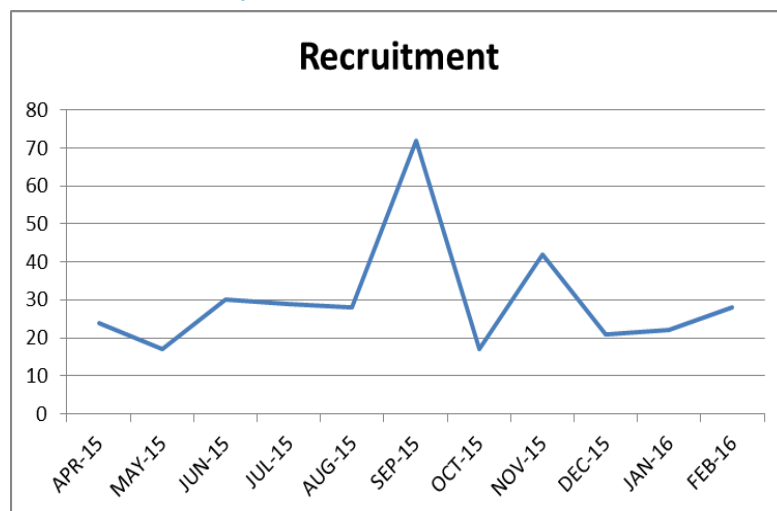
There were nine clinical research staff participating in research approved by a Research Ethics Committee during the reporting period. Participation in clinical research demonstrates the Trust's commitment to improving the quality of care offered and contributing to wider health improvements. Clinical staff keep up to date with the latest possible treatment possibilities and active participation in research leads to successful patient outcomes.

The Trust was involved in conducting 150 active clinical research studies during the reporting period including, but not limited to, the following areas:

- Cancer
- Cardiovascular
- Congenital Disorders
- Diabetes
- Eyes
- Ears
- Generic Health Relevance and Cross Cutting Themes
- Infection
- Inflammatory and Immune System
- Injuries and Accidents

- Medicines for Children
- Musculoskeletal
- Oral and Gastrointestinal
- Primary Care
- Renal and Urogenital
- Reproductive Health and Childbirth
- Respiratory
- Skin
- Stroke

Commissioning for Quality & Innovation framework (CQUIN)

A proportion (2.5%) of the Trust's income in 2015/16 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2015/16 and for the following 12 month period are available online at: http://www.mcht.nhs.uk/information-for-patients/why-choose-us/quality/

The financial value of the 2015/16 CQUIN scheme for the Trust was £3,798,574. The total amount the Trust received in payment for the CQUIN scheme was £3,392,013.

The financial value of the 2014/15 CQUIN scheme for the Trust was £3,855,822.

For 2015/16, there were four national CQUIN goals which focussed on Acute Kidney Injury, Sepsis, Dementia Care and Urgent & Emergency Care.

The Trust and the Clinical Commissioning Groups (CCGs) for Vale Royal and South Cheshire agreed a further sixteen goals. The North West Specialised Commissioning Group (SCG) negotiated two goals in relation to neonatal services provided at the Trust.

Table 8 briefly describes the goals included in this year's CQUIN and the Trust's performance against each of the CQUIN goals.

Key for Table 8 (CQUIN results for 2015/16):

Achieved – green tick
Partially Achieved – orange tick
*Off track but recoverable** - smiley face
(*applies only to advancing quality CQUIN where data is delayed by 4 months)
Not achieved – red cross

Table 8: CQUIN results for 2015/16

Goal No.	Goal Name	Description of Goal	Financial Value of goal (£)	Status
1.	Acute Kidney Injury (AKI)	Diagnose AKI and provide follow up information to GPs on discharge	370,333.17	✓
2.	Sepsis: Part 1: Screening	Ensure appropriate sepsis screening tool in place and utilised	185,166.59	✓
	Part 2: Antibiotic administration	Initiation of intravenous antibiotics within one hour of presentation for those patients with suspected severe sepsis or septic shock	185,166.59	✓
3	Dementia: Part 1: Find, assess, investigate, refer and inform (FAIRI)	The proportion of patients aged 75 and over to whom the case finding question is applied following an emergency admission; the proportion of those identified as potentially having dementia who are appropriately assessed; the number referred onto GP services and those who have a written plan of care on discharge which is shared with the patient's GP	222,199.90	✓
	Part 2: Staff training	Appropriate training is available to staff	37,033.32	✓
	Part 3: Supporting carers	Ensure carers feel supported	111,099.95	✓
4	Urgent and Emergency Care	Improving the recording of diagnoses in the emergency department of patients with mental health needs	370,333.17	✓
5	Advancing Quality (AQ): Acute Myocardial Infarction	Implement the AQ care pathway for Acute Myocardial Infarction	15,000	🙂
6	Advancing Quality (AQ): Heart Failure	Implement the AQ care pathway for Heart Failure	15,000	✓
7	Advancing Quality (AQ): Hip and Knee Replacement	Implement the AQ care pathway for Hip and Knee Replacement	15,000	✓
8	Advancing Quality (AQ): Pneumonia	Implement the AQ care pathway for Pneumonia	15,000	🙂
9	Advancing Quality (AQ): Chronic Obstructive Pulmonary Disease (COPD)	Implement the AQ care pathway for COPD	15,000	✗
10	Advancing Quality (AQ): Hip Fracture	Implement the AQ care pathway for Hip Fracture	15,000	🙂
11	Advancing Quality (AQ): Sepsis	Implement the AQ care pathway for Sepsis	15,000	🙂
12	Advancing Quality (AQ): Acute Kidney Injury	Implement the AQ care pathway for Acute Kidney Injury	15,000	🙂
13	Advancing Quality (AQ): Diabetes	Implement the AQ care pathway for Diabetes	15,000	🙂

Goal No.	Goal Name	Description of Goal	Financial Value of goal (£)	Status
14	Advancing Quality (AQ): Alcoholic Liver Disease	Implement the AQ care pathway for Alcoholic Liver Disease	15,000	✖
15	Advancing Quality (AQ): Patient Experience

Part 1: Hip and Knee Replacement

Part 2: Heart Failure

Part 3: Sepsis | Engage with patients to elicit their views about their experiences to inform the development of the service:
Patients on the elective hip or knee pathway

Patients on the heart failure pathway

Patients following the sepsis pathway | 188,364

188,364

188,364 | ✔

✔

✔ |
| 16 | Transition for young people with Diabetes | Review the transition pathway to improve patient experience and ensure the delivery of effective quality care for young people and their families | 188,364 | ✔ |
| 17 | Person centred care for patients who have a diagnosis of cancer of unknown primary (CUP) | Develop self-care pathways and the provision of information to support self-care/self-management for patients to manage their care | 188,364 | ✔ |
| 18 | Cancer survivorship risk stratification | Patients ending acute treatment for cancer are to be stratified into the following categories:
Supported self-management
Shared care
Complex case management | 188,364 | ✔ |
| 19 | Discharge:
Part 1:Patient Experience

Part 2:Discharge Documentation

Part 3:E-discharge Correspondence

Part 4: Complex Discharge | Understand patients'/carers' views of the discharge process

Review and develop existing documentation used in discharge planning

Improve the quality of correspondence between GPs and Acute Physicians

Review the process of discharge of patients with complex care needs through the use of patient stories | 188,364

188,364

188,364

188,364 | ✔

✔

✔

✔ |
20	Integrated care record	Implementation of the integrated digital care record	188,364	✔
21	Neonatal Specialised Commissioning: Neonatal Admissions	Improve learning from avoidable term admissions (≥ 37 week gestation) into neonatal units	47,621	✔
22	Neonatal Specialised Commissioning: Neonatal Critical Care	Reduce clinical variation and identify service improvements by ensuring data completeness in the audit questions identified	47,621	✔

It can be seen that, of the 22 goals, the Trust has achieved, or has plans to achieve, the majority of CQUIN goals. There are some challenges with the implementation of elements of the Advancing Quality (AQ) care pathways for chronic obstructive pulmonary disease, pneumonia, acute kidney injury, diabetes, alcoholic liver disease and sepsis. Actions are in place to improve the Trust's position against these elements of the CQUIN. For the Advancing Quality goals (5–14), the Trust has anticipated the final results. The reporting period for the Advancing Quality programme does not close until August 2016.

Feedback from Care Quality Commission (CQC)

The Care Quality Commission have officially rated your local hospital as GOOD

Outstanding - (Good) - Requires Improvement - Inadequate

The Trust is required to register with the Care Quality Commission (CQC) and its current registration status is **unconditional** which means there are no conditions on its registration.

The Care Quality Commission has not taken enforcement action against the Trust during the period April 2015 to March 2016.

In addition, the Trust has not been involved in any special reviews/investigations by the Care Quality Commission during during the period April 2015 to March 2016.

The CQC report following the Comprehensive Inspection of the Trust in October 2014 was published in January 2015 and awarded the Trust an overall rating of "Good". This rating has only been awarded to a small number of acute hospitals in the country and puts the Trust amongst the highest rated in the country.

The inspectors identified that improvements were required to ensure that services were responsive to people's needs but noted some areas of outstanding practice and innovation.

Table 9: Care Quality Commission's rating for the Trust
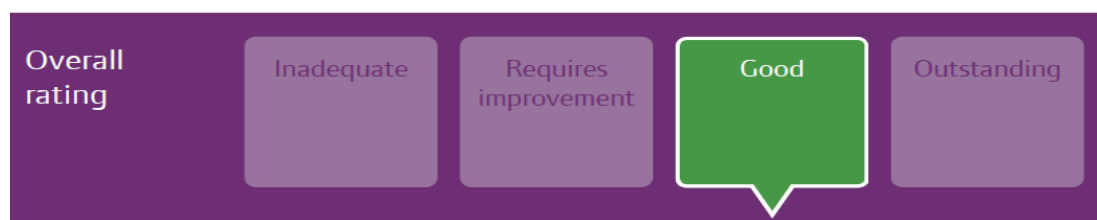
CareQuality Commission

Last rated
15 January 2015

Mid Cheshire Hospitals NHS Foundation Trust

| Overall rating | Inadequate | Requires improvement | Good | Outstanding |

Are services

Safe?	Good
Effective?	Good
Caring?	Good
Responsive?	Requires improvement
Well led?	Good

Specific ratings were published for Leighton Hospital as per the table below:

Table 10: Care Quality Commission's rating for Leighton Hospital
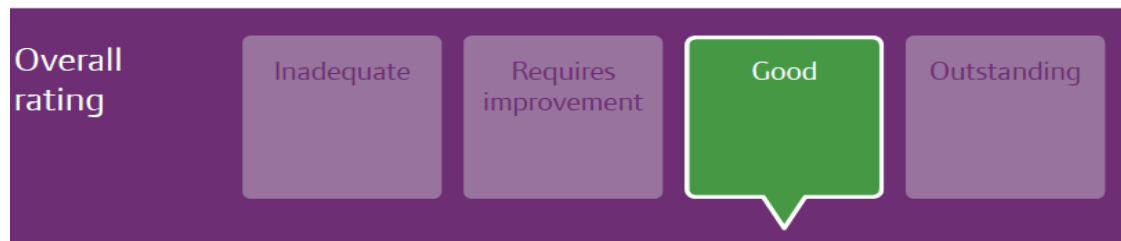
	Safe	Effective	Caring	Responsive	Well led	Overall
Urgent and emergency services (A&E)	Good	Good	Good	Requires improvement	Good	Good
Medical care (including older people's care)	Good	Requires improvement	Good	Requires improvement	Good	Requires improvement
Surgery	Good	Good	Good	Good	Good	Good
Intensive/critical care	Requires improvement	Good	Good	Good	Good	Good
Maternity and gynaecology	Good	Good	Good	Requires improvement	Good	Good
Services for children & young people	Good	Good	Good	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Outpatients	Good	Not rated	Good	Requires improvement	Good	Good

The inspection process was extremely thorough and staff and patients alike can be assured that the services and treatments provided at the Trust are fit for purpose and delivered by highly skilled, caring and committed staff.

Following the comprehensive inspection, an action plan was developed around the key findings which has been submitted to the CQC. The action plan is being monitored through the Executive Quality Governance Group and is progressing within the allocated timescales with a completion date of the end of April 2017.

The actions the CQC highlighted that the Trust must take include:

➢ Ensuring that medical staffing is appropriate and sufficient at all times to provide appropriate and timely treatment of patients, including out of hours. In response to this, the Trust has developed a business plan, primarily as a quality investment, to increase the level of medical cover and to begin to appoint and train alternative staff to support activities arising from current shortfalls in junior medical staff and in readiness for future further reductions expected

from 2016. This business plan was approved in July 2015 and will progress towards 7 day services, recognising the limitations of this investment against the required resources to fully implement a 7 day service.

With regards to the equitable provision of junior doctors, in November 2015 the Medical Director took responsibility for arranging the Medical Directors' Forum meetings for Cheshire and Merseyside. This topic will be included as an agenda item at the meetings. To assist with marketing the Trust and enabling it to actively pursue international recruitment, a microsite has been developed. Additionally, the Trust is working with other providers through a local health economy Provider Board to redesign existing service provision and develop new services to better manage patients outside of the hospital and reduce emergency admissions. The University Hospital of North Midlands (UNHM) is considered a key partner and this view is supported by the Board of Directors of both Trusts.

➢ Improving patient flow and reducing the number of bed moves within the Trust. To progress this action, the patient placement policy has been reviewed, Clinical Site Manager cover has been increased and the access and flow transformation work stream has been developed, which will monitor bed productivity and patient flow.

➢ Clearing a backlog of discharge letters. This action has been completed and monitoring continues to ensure that the improvements made are sustainable.

➢ Ensuring that escalation areas are appropriate environments for the care of patients to provide them with ready access to bathing and toilet facilities. The Trust has subsequently relocated the Primary Assessment Area (PAA) to a ward area with full patient facilities and reviewed its policy for admitting patients to this area.

Additional actions that have been taken throughout the Trust to improve care include:

➢ producing guidance for staff about the availability of clinical supervision and support
➢ the provision of training and documents to ensure that staff are acting in accordance with patients' best interests when they are deemed not to have capacity
➢ the use of e-learning modules for mandatory training
➢ the development of partnership agreements with UHNM for upper gastrointestinal bleeds and stroke thrombolysis
➢ implementation of an updated sudden death checklist for paediatrics
➢ review of readmissions and improvement of theatre utilisation within the surgical division
➢ commencement of the Advancing Quality diabetes pathway and the recruitment of a Diabetic Specialist Nurse
➢ approval of a business case for the additional Consultant anaesthetic sessions required
➢ review of level 3 safeguarding training

The Trust was also randomly selected to participate in a national review of Information Security within the NHS. This report was requested by the Minister for Health and commissioned by the CQC. The review was conducted by the Health and Social Care Information Centre supported by a colleague from an independent auditing/research company. The aim of the review was to conduct informal discussions with a selection of identified staff members, including the Caldicott Guardian and Senior Information Risk Owner, to ascertain the impression of staff about information security within the Trust. The findings of this review were not attributable to individual staff or the Trust but contributed to a general report on information security in the NHS.

Data Quality Assurance

NHS and General Practitioner registration code validity

The Trust submitted records during 2015/16 to the secondary uses service for inclusion in the hospital episodes statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

➢ 99.82% for admitted patient care;
➢ 99.96% for outpatient care;
➢ 99.30% for accident and emergency care.

The percentage of records in the published data which included the patient's valid General Practitioner registration code was:

➢ 100% for admitted patient care;
➢ 100% for outpatient care;
➢ 99.98% for accident and emergency care.

Clinical coding error rate

In 2014/15, the Trust was in the top 20 percentile of Trusts in the payment by results clinical coding audit. This meant that an audit was not required in 2015/16. However, the Trust commissioned an audit to support the Information Governance Toolkit return by the Merseyside Internal Audit Agency (MIAA) Clinical Coding Academy which measures the same indicators as the Payment by Results audit.

The error rates reported for diagnoses and treatment coding (clinical coding) were:

➢ Primary diagnoses incorrect: 9%
➢ Secondary diagnosis incorrect: 9%
➢ Primary procedures incorrect: 4%
➢ Secondary procedures incorrect: 9%

The Trust remains pleased with these results and notes a further improvement on the previous year.

Please note that the results shown should not be extrapolated further than the actual sample audited. A cross section of services was reviewed within this sample.

The Trust will continue to take the following actions to improve data quality:

➢ Deliver the recommendations of the clinical coding audit;
➢ Continue to deliver required training for all accredited coders;
➢ Continually review coding resources and performance.

Information Governance toolkit attainment

The attainment levels assessed provide an overall measure of the quality of data systems, standards and processes within an organisation. The Trust's Information Governance assessment was submitted at the end of March 2016 and had an overall score increase for 2015/16 from 80% to 90%.

There are 45 requirements in total within the toolkit. In order to be graded 'satisfactory', each requirement must be at level 2 or above. The Trust submission in 2014/15 showed 42 requirements were satisfactory and this has increased to 43 for 2015/16. Unfortunately, the Trust remains graded as "not satisfactory" (status: red) due to these unsatisfactory requirements.

To address this, Information Governance is continuing to renew all sharing agreements in place with third parties and to work with all departments to ensure that privacy impact assessments are completed for all relevant projects within the Trust.

At final submission of the Information Governance Toolkit, the Information Governance team had supported the training of 3,715 (98%) staff, students and volunteers over the course of 2015/16. The Trust met its target for the third year running to achieve the toolkit requirement of at least 95% of individuals being trained in information governance.

The Trust has a progressive Information Governance Group which meets quarterly and has an agenda that covers areas of work around the six sections of the toolkit. The outstanding requirements are highlighted at each committee and toolkit leads are required to provide feedback on the progress of requirements.

Performance against quality indicators and targets

National quality targets

Key: Achieved

Not achieved

Table 11: National quality and performance standards

	2013-2014	2014-2015	2015-2016	Target	Achieved?
MRSA bacteraemias	4	1	0	0	✓
Clostridium Difficile infections	26	10 avoidable cases	8 avoidable cases	24	✓
Percentage of patients who wait 4 hours or less in A&E	95.38%	92.3%	93.4%	95%	✗
The percentage of patients waiting 6 weeks or more for a diagnostic test	0.49%	0.37%	0.55%	<1%	✓
Percentage of patients seen within two weeks of an urgent GP referral for suspected cancer	95.56%	95.96%	96.60%	93%	✓
Percentage of patients seen within two weeks of an urgent referral for breast symptoms where cancer was not initially suspected	95.39%	95.47%	95.53%	93%	✓
Percentage of patients receiving first definite treatment for cancer within one month (31 days) of a cancer diagnosis	99.59%	99.55%	99.48%	96%	✓
Percentage of patients receiving subsequent treatment for cancer within 31 days where that treatment is surgery or anti-cancer drugs	99.3% 100%	99.2% 100%	100% 100%	94% surgery 98% drugs	✓ ✓
Percentage of patients receiving first definite treatment for cancer within 62 days of an urgent GP referral for suspected cancer	90.82%	89.34%	91.22%	85%	✓
Percentage of patients receiving first definite treatment for cancer within 62 days of referral from an NHS Cancer Screening Service	94.84%	95.94%	97.94%	90%	✓

National quality indicators

Since 2012/13, all Trusts have been required to report performance against a core set of indicators using data made available to the Trust by the Health and Social Care Information Centre (HSCIC).

For each indicator, the number/percentage/value/score or rate (as applicable) for at least the last two reporting periods should be presented in a table. In addition, where the data is made available by the HSCIC, a comparison should be made of the numbers/percentages/values/scores or rates of the Trust's indicators with:

a) the national average and
b) those Trusts with the highest and lowest figures.

Table 12: The value and banding of the Summary Hospital-level Mortality Indicator (SHMI)

Date	Trust Performance	National Average	95% Upper Limit	95% Lower Limit
July 2013 – June 2014	1.03 As expected	1.00	1.12	0.89
October 2013 – September 2014	1.00 As expected	1.00	1.12	0.90
January 2014 – December 2014	1.00 As expected	1.00	1.12	0.90
April 2014 – March 2015	0.99 As expected	1.00	1.12	0.90
July 2014 – June 2015	0.98 As expected	1.00	1.12	0.90

The data shown in the above table demonstrates that the Trust SHMI for the period to June 2015 was 0.98 and the Trust remained within the 'as expected' range.

The Trust intends to take/has taken the following actions to further improve this result, and therefore the quality of its service, by:

➢ Participating in the national *Sign up to Safety* campaign. As part of the campaign, the Trust's aim is for the SHMI to remain at or below 100 from April 2015. A series of inter-related projects to achieve this are in progress under the primary drivers of:

  o **R**eliable clinical care
  o **Ef**fective clinical care
  o **M**edical documentation, clinical coding and data consistency
  o **E**nd of life care
  o **L**eadership

➢ Including the reduction of the SHMI as an objective within the Trust's Quality and Safety Improvement Strategy 2016/18.

➢ Continuation of the weekly mortality case note review group, which is led by the Lead Consultant for Patient Safety. The group was established to review themes and identify areas for further work in conjunction with the Hospital Mortality Reduction Group.

Table 13: The percentage of patient deaths with palliative care coded at eight diagnosis or speciality level for the Trust

Date	Trust Performance	National Average	Highest Result	Lowest Result
April 2013 to March 2014	1.30%	1.30%	3.10%	0%
July 2013 to June 2014	1.40%	1.30%	3.10%	0%
July 2014 to June 2015	0.9%	1.4%	3.3%	0.0%

Table 14: The Trust's patient reported outcome measures scores (PROMS)

Date	Trust Performance	National Average	Highest Result	Lowest Result
Groin Hernia Repair				
2013-2014	7.5	8.5	23.8	-14.4
2014-2015	8.9	8.7	12.5	0.9
April 15 - Sept 15	7.6	8.8	13.5	0.0
Varicose Vein Surgery				
2013-2014	No data Available	10	31.1	-4.33
2014-2015	No data Available	9.5	15.4	0.2
April 15 - Sept 15	No data Available	10.4	13.0	0.37
Hip Replacement Surgery				
2013-2014	46.8	43.8	72.4	20.4
2014-2015	43.7	43.7	52.4	33.1
April 15 - Sept 15	No data Available	45.4	52.0	0.0
Knee Replacement Surgery				
2013-2014	41	34	61.4	14.4
2014-2015	28.3	31.5	41.8	20.4
April 15 - Sept 15	No data Available	33.4	41.2	0.0

This is an indicator designed to accompany the Summary Hospital-level Mortality Indicator (SHMI) and represents the percentage of deaths reported in the SHMI indicator where the patient received palliative care. The SHMI makes no adjustments for palliative care. This indicator presents the crude percentage rates of deaths that are coded with palliative care either in diagnosis or treatment specialty.

The Trust intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

➢ Reviewing medical documentation, clinical coding and data consistency as part of a series of inter-related projects to continue to reduce the Trust's mortality rates.

The Trust considers that these results are as described because the numbers of patients undergoing varicose vein surgery at the Trust are minimal.

The Trust intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

➢ Comparing the PROMS results with those from the Joint Registry when all results have been published
➢ Continuing to monitor feedback from patients at their follow up clinic appointments

➢ Reviewing the results on a case by case basis for those patients who feel they did not have a good outcome against the outcome recorded in the clinical records.
➢ Continuing to use information leaflets that describe the process and value of the information collected through the use of the PROMS questionnaire
➢ Undertaking phone calls to patients at home 48 hours following discharge from their hip or knee replacement surgery.

The Trust uses a benchmarking software provider to calculate the indicator below and provide peer comparisons relating to readmissions. The Trust changed its provider from CHKS to HED in 2015/16. As a consequence of there being differences in the calculation of the indicator between the two providers, and the peer group not being replicable due to the number of subscribers, the previous year's comparatives have been restated to HED for this indicator. The previous year's comparatives for these indicators has changed as detailed below:

Table 15: The percentage of patients aged 0 to 15 readmitted to hospital within 28 days of being discharged

Date	Trust Performance CHKS	Peer Group Average CHKS	Trust Performance HED	Peer Group Average HED
January 2013 – December 2013	10.9%	11.1%	10.7%	10.7%
January 2014 – December 2014	11.2%	11.6%	11.4%	10.9%
January 2015 – December 2015	12.2%	11.6%	11.4%	10.4%

The Trust recognises that its readmission rates for patients aged between 0 to 15 is higher than peer and intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

➢ Promoting the open access arrangements that are in place which allow the Paediatricians to discharge children and offer 'open' access for a limited time dependent on the child's
➢ diagnosis and where they are on the clinical pathway
➢ Consultant Paediatricians undertaking daily ward rounds seven days a week. They are able to review all patients, make prompt clinical decisions and plan and co-ordinate their follow up care with the multi-disciplinary team
➢ Continuing to develop a Consultant delivered rapid review clinic to avoid re-admissions and to promote an email service for GPs to try and support care in the community
➢ Taking an active part in a regional Vanguard project in terms of reviewing the provision of paediatric services including enhanced services in the community. The commitment to Vanguard hopes to deliver a prevention of admissions and re-admissions.

The Trust uses a benchmarking software provider to calculate the indicator below and provide peer comparisons relating to readmissions. The Trust changed its provider from CHKS to HED in 2015/16. As a consequence of there being differences in the calculation of the indicator between the two providers, and the peer group not being replicable due to the number of subscribers, the previous year's comparatives have been restated to HED for this indicator. The previous year's comparatives for these indicators changed as detailed below:

Table 16: The percentage of patients aged 16 or over readmitted to hospital within 28 days of being discharged

Date	Trust Performance CHKS	Peer Group Average CHKS	Trust Performance HED	Peer Group Average HED
January 2013 – December 2013	7.7%	7.0%	8.1%	7.6%
January 2014 – December 2014	8.0%	7.2%	8.6%	7.7%
January 2015 – December 2015	7.9%	6.8%	7.9%	7.1%

The Trust is pleased to report that its readmission results have improved for the period January 2015 to December 2015 against the same period for the previous year. This improvement has slightly exceeded the improvement seen in the peer group average figure (0.7% reduction versus 0.6% reduction).

It is acknowledged that the percentages continue to exceed the peer group average and the Trust can confirm that there continues to be focussed work undertaken by the clinical divisions on this measure.

The Trust intends to take / has taken the following actions to improve this result, and therefore the quality of its service, by:

➢ Developing action plans to address issues from identified trends in readmission rates
➢ Continuing to review readmissions for patients who have respiratory conditions, cardiac conditions, urology conditions or who have undergone breast surgery. Dedicated matrons are supporting this work and are implementing specific action plans to identify any issues identified
➢ Continuing to progress collaborative working with community services to prevent readmission.

Table 17: The Trust's responsiveness to the personal needs of its patients

Date	Trust Performance	National Average	Highest Result	Lowest Result
2013	75.9	76.9	84.4	57.4
2014	76.1	Not available	Not available	Not available
2015	78.3	Not available	Not available	Not available

The Trust is pleased to note that the responsiveness score to the personal needs of its patients continues to increase.

The Trust intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

➢ Reviewing individual patient care needs every day and making staffing adjustments as required
➢ Increasing the numbers of staff who are seconded from the Trust to undertake nurse training
➢ Ensuring that Trust induction, training and the appraisal process reinforce the importance of the Trust's values and behaviours
➢ Focussing key safety improvement initiatives on the implementation of patient care pathways
➢ Increasing the provision of patient information leaflets.

Table 18: Staff employed by the Trust who would recommend the Trust as a provider of care to their family or friends (scores out of 5)

Date	Trust Performance	National Average	Highest Result	Lowest Result
2013 staff survey	3.79	3.68	4.25	3.05
2014 staff survey	3.86	3.67	4.20	2.99
2015 staff survey	3.89	3.76	4.10	3.30

The Trust is delighted to report that these results are above the national average and considers that these results are as described for the following reasons:

➢ Over the last year there has been focus on communication to staff about their important role in improving the quality of care and services we provide
➢ The Trust's appraisal system looks at values and behaviours
➢ The Trust received positive feedback about staff engagement from the CQC inspectors
➢ Engagement sessions with the Trust's Chief Executive and other members of the Executive Team have taken place which have had quality and patient experience at the heart of those discussions
➢ The Chief Executive delivers weekly briefs that focus on the patient safety and quality agenda
➢ Patient stories are told at Board meetings each month – to ensure that patients are at the heart of all decisions being made by the Board

➢ All internal leadership programmes include a focus on patients – and have had patients deliver presentations to participants about their experiences at the Trust
➢ Patients are on the Trust's judging panels for the Celebration of Achievement evening. Their perspective on what matters has been valued and there is also a public choice category for nominations
➢ Staff focus groups run twice a year to ascertain their views and they are asked if they would they recommend the Trust as a place to receive treatment and any negative responses are discussed.

The Trust intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

➢ Reducing violence, bullying and harassment towards staff
➢ Improving the quality of appraisals
➢ Improving team working and communication.

Table 19: The percentage of patients who were admitted to hospital who were risk assessed for venous thromboembolism (VTE)

Date	Trust Performance	National Average	Highest Result	Lowest Result
January 2015 – March 2015	96.02%	99%	100%	79.23%
April 2015 – June 2015	96.78%	98.9%	100%	86.1%
July 2015 – September 2015	97.19%	99%	100%	75%

The Trust has met the 95% national target for Venous thrombo-embolism (VTE) risk assessment for the previous two years and continues to do so.

The Trust intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

➢ Monthly monitoring of the percentage of patients risk assessed for VTE by the clinical divisions. This is undertaken by the Trust's VTE Group on a quarterly basis to ensure continued compliance with the national target

➢ Implementation of the national guidance issued by the National Institute for Health and Clinical Excellence (NICE) relating to VTE risk assessment to ensure that all relevant patients are assessed on admission for their risk of developing a VTE. The VTE risk assessment has been included in the Trust's admission proformas to ensure this happens

➢ Education for all medical staff on the importance of VTE risk assessment.

Table 20: The rate per 100,000 bed days of cases of Clostidium difficile infection reported within the Trust amongst patients aged 2 or over

Date	Trust Performance	National Average	Highest Result	Lowest Result
2013-2014	14.6	14.7	31.7	0
2014-2015	13.8	15.1	62.2	0
2015-2016	8.38	Not published	Not published	Not published

The Trust is pleased to report a continued reduction in the number of Clostridium difficile infections per 100,000 bed days. In addition, the Trust is also able to report a reduction in the number of avoidable cases of Clostridium difficile. Eight cases were reported this year compared to ten last year, which represents a considerable achievement and reflects the efforts undertaken to reduce healthcare associated infections. The Trust intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

- Maintaining environmental hygiene standards and good hand hygiene at ward level
- Monitoring antibiotic prescribing compliance and share learning with divisions following antibiotic audits performed by Consultant Microbiologists and Antimicrobial Pharmacists
- Maintaining active management of Clostridium difficile cases through weekly

multi-disciplinary meetings ensuring all aspects of patient care are reviewed and actioned where required
- Completing a root case analysis on all Clostridium difficile cases, to highlight any lapses in care and share learning with our community colleagues
- Reviewing the Trust's performance against regional and national data to identify any learning from similar Trusts.

Table 21: The number of patient safety incidents reported within the Trust

Date	Trust Performance	National Average	Highest Result	Lowest Result
October 2013 to March 2014	3016	2185	3790	301
April 2014 to September 2014	2814	2052	4301	908
October 2014 to March 2015	2767	4539	12784	443

The above table shows the total incidents reported for the period of 1 October 2014 to 31 March 2015 compared to the previous data from the NRLS.

The Trust's performance appears to have decreased when compared to previous data. This is because the Trust is now grouped under the "Non Specialised - Acute Trust" category which is part of a pool of 140 other Trusts. In previous NRLS reports, the Trust was grouped under the "Small Acute" pool which contains 28 other Trusts.

Nationally, it is viewed that being a high reporter of incidents is a positive position as it demonstrates a risk aware culture within the Trust and highlights that staff are not afraid to report patient safety incidents. The majority of the incidents reported resulted in no harm to the patient, which again demonstrates a positive risk aware culture within the Trust.

The Trust intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

- Training all staff throughout the Trust about incident reporting. This training ensures that all staff know how to report a patient safety incident and they also understand the importance of incident reporting
- Feedback to all staff on the outcome of the incidents they have reported to demonstrate the changes in practice that have been made as a result of the incident
- Sharing learning from reported incidents via lessons learned flyers and individual patient stories.

Table 22: The number and percentage of patient safety incidents reported within the Trust that resulted in severe harm or death

Date	Trust Performance	National Average	Highest Result	Lowest Result
October 2012 – March 2013	3	16	56	1
October 2013 to March 2014	4	15	60	0
April 2014 to September 2014	3	15	51	0
October 2014 to March 2015	6	23	128	2

The above data demonstrates that, whilst the Trust is a high reporter of patient safety incidents, the Trust is consistently below the national average when its data for patient safety incidents which result in severe harm or death is compared with other organisations. This is a very positive position for the Trust.

The Trust intends to take/has taken the following actions to improve this result, and therefore the quality of its service, by:

➢ Undertaking a full root cause analysis for all incidents which result in severe harm or death. A review meeting held following an incident investigation is always chaired by an Executive lead to ensure that lessons are learned and actions are implemented to prevent a reoccurrence

➢ Reporting all incidents which result in severe harm or death to the Board of Directors to ensure openness within the Trust

➢ Implementing the Trust's *Being Open* policy which ensures that, if an incident occurs which results in severe harm or death, the patient and / or their family are informed and the lessons learned and actions from the root cause analysis are shared with them in line with the Duty of Candour.

5. Review of quality performance

This section of the Quality Report details progress against the second and final year of the Trust's two year quality and safety improvement strategy.

This review of quality performance has been described under the following domains of:

➢ Experience
➢ Effectiveness
➢ Safety
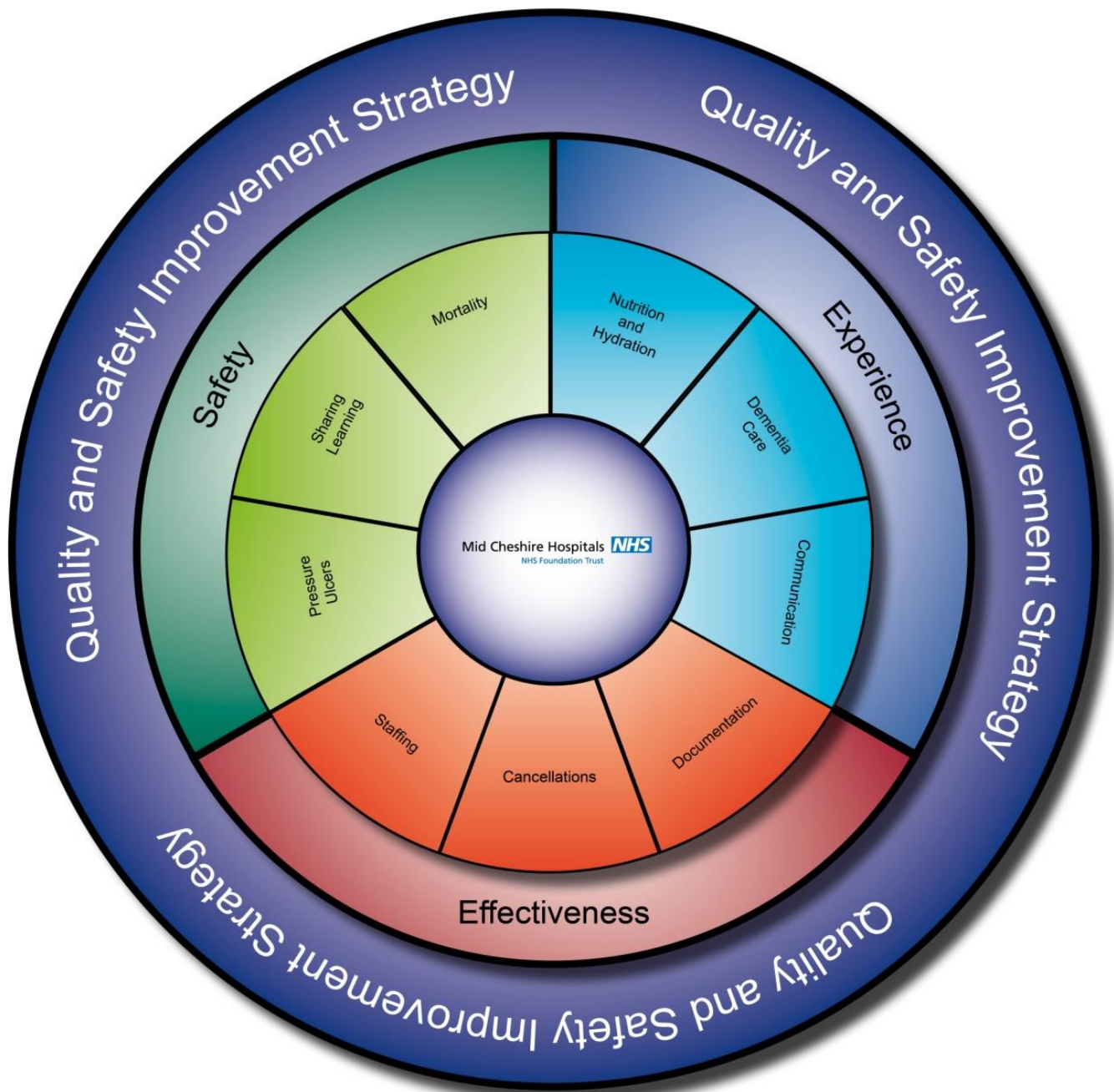
The Quality and Safety Improvement strategy was launched in the Trust at the start of 2014. The logo appears on all the Trust's Quality boards.

The Trust also produced an easy read poster summarising the key aspects of the strategy:

Quality and Safety Improvement Strategy 2014/16

Mid Cheshire Hospitals NHS
NHS Foundation Trust

- Effectiveness -

Improving Documentation

We will make sure we record and share the right information about your care.

Reducing Cancellations

We will reduce the number of times we cancel your outpatient appointments.

The Right Nurse Staffing Levels

We will show you that we have the right number of staff working each day.

- Experience -

Nutrition and Hydration

We will make it easier for for you to eat and drink well while in hospital.

Dementia Care

We will help and support you and your carers with your memory difficulties.

Improving Communication

We will listen to you, your family and your carers.

"They talked me through everything so I knew exactly what was happening."

- Safety -

Reducing Pressure Ulcers

We will work with you to prevent you getting a pressure ulcer while you are in hospital.

Learning From Incidents

We will learn from and act on your comments and feedback.

Reducing Mortality

We will reduce the number of patients who die in our hospital when this is not expected.

Divisions have produced their own posters for the strategy, highlighting to their staff the role they can play in making it work.

In addition, the Student Quality Ambassadors produced a student version to show students the important role they play in providing a quality service to patients.

Quality and Safety Improvement Strategy 2014-2016:
Student involvement

Experience

- Nutrition & Hydration - As student nurses working within the multi-disciplinary team, we can ensure patient nutritional needs are met. Take time to make sure fluid balances and nutritional intake charts are filled in. Assist patients with meals and promote protected mealtimes
- Dementia - Students are currently taking part in dementia friends champion training and will inform fellow students through information sessions. The newly informed students will then be dementia friends. Attend a session if you get chance, there's a free badge!
- Communication - As students, a large part of our course is focussed on communication and this will help improve students' evidence based practice. Encourage the use of the friends and family test.
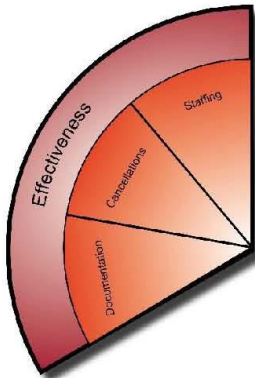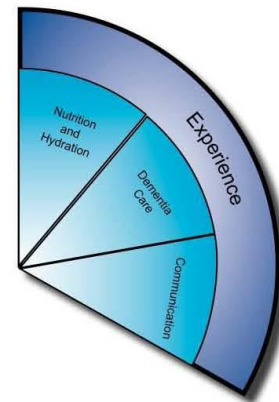
Effectiveness

- Documentation - As students we need to document clearly using a known model and have all documentation countersigned. Share thoughts and ideas to reduce duplication in documentation
- Cancellations - A student can influence patient experience to make it a positive one, which will help reduce future cancellations made by patients
- Staffing - While students hold supernumary status, it is worth noting that when you are asked to involve yourself as part of the team, you should take this as being seen as a valued member of the team. Try and structure your learning opportunities early, allowing advanced notice of your absence from the ward.

Safety

- Pressure ulcer prevention – Make yourself familiar with the skin bundle. Students are in the unique position to spend time honing their skills. Take time to attend to the personal care of your clients, and increase your background knowledge of pressure ulcers. The PEFs run sessions too!
- Sharing learning – Incident reports are reviewed by some ward staff. See if you can do this with them and share ideas for learning in the trust
- Reducing mortality rates – Know your patients' Early Warning Score, report physiological changes to your mentor immediately, remember the 5 Rs
- Be aware of the role of the student in the: EWS policy, Outreach policy, Sepsis pathway
- Work within your limits
- If you are unsure, seek advice.
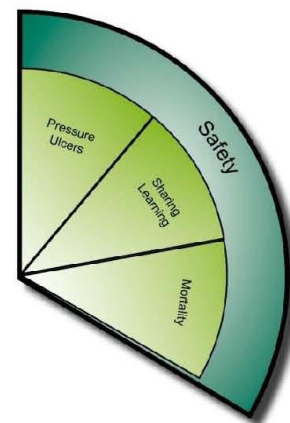
PLEASE BECOME FAMILIAR WITH THE FULL QUALITY AND SAFETY IMPROVEMENT STRATEGY

FOR A FULL COPY CONTACT THE PEF TEAM OR A STUDENT QUALITY AMBASSADOR

Poster showing student involvement in the Quality and Improvement Strategy 2014-2016

Experience:
Improving nutrition and hydration for patients

Aim:

The Trust will continue to provide an environment that promotes healthy nutrition and is tailored to individual patient need.

This is important because:

In 2009, the British Association for Parenteral and Enteral Nutrition estimated that up to 40% of hospital patients are at risk of clinical malnutrition which can lead to poor patient outcomes, hospital acquired conditions and longer lengths of stay. Therefore, the provision of enjoyable and nutritious food and drinks is essential to help patients feel better, maintain their strength and energy and to promote a return to health following illness or surgery.

What progress was made in 2015/16?

➢ The food nutrition and hydration policy for inpatients was updated and has been reviewed by the Nutritional Advisory Group. The policy has had a multidisciplinary review, including input from dietetics, language therapy and catering services to ensure the desired standards are met where food services are provided to patients

➢ An escalation process has been developed and included in the revised food nutrition and hydration policy for inpatients. The escalation process should be used if the number of patients requiring assistance with meals or drinks exceeds the staffing allocation at that time. A flow chart will be promoted with the re-launch of the policy

➢ Current documentation has been reviewed and a new nutritional assessment is being trialled in our assessment areas to enable comprehensive care planning which will ensure patients get access to the extra help or special diet they may require

➢ Protected meal times continue to be promoted across the Trust to improve patient experience

➢ The Chefs and the Catering Manager continue to visit patients on the wards to discuss individual patient preferences and receive instant feedback on food choices and quality

➢ We continue to monitor patient satisfaction in relation to nutrition and hydration with a monthly inpatient survey. The survey focuses on the quality of meals delivered and the assistance given to patients at meal times. The results show that we consistently score between 90 and 100% of patients saying that they rate the hospital food as good or very good, that they were offered food that they enjoyed and that they always receive help from staff at mealtimes if this is required

➢ The national inpatient survey also asks questions about food and mealtimes. The 2015 survey focussed on three questions which achieved the following results:
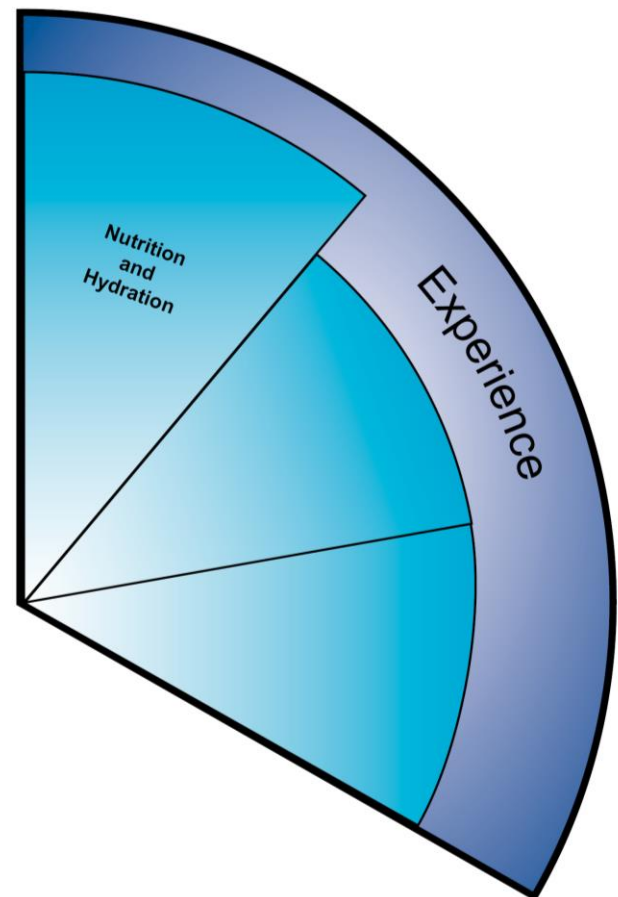
- *How would you rate the hospital food?* The Trust received a 2% increase from 2014 with a mean rating score of 59%. This score placed the Trust in the 'about the same as other Trusts' category
- *Were you offered a choice of food?* The Trust received a mean rating score of 87%, which was the same as 2014. This score placed the Trust in the 'about the same as other Trusts' category
- *Did you get enough help from staff to eat your meals?* The Trust received a 3% increase from 2014 with a mean rating score of 75%. This score placed the Trust in the 'about the same as other Trusts' category
- A hostess service has been implemented on four wards across the Trust which has had a significant impact on reducing food waste across these areas. Positive feedback has been received regarding this service from both patient and staff and the service has demonstrated a quicker meal delivery.

Feedback from patients (taken from the national inpatient survey):

"1st class food - very tasty"
    "Excellent food. Plenty of drinks"

"Food is wonderful (I'm an ex chef!)"

"The hospital food was excellent. Fresh, hot, colourful, seasoned well and an appropriate sized portion"

"The food was the best of four hospital I've been in"

"Food was tasty, plentiful, hot and a varied diet"

Experience: Supporting patients with dementia and their carers

Aim:

The Trust will support patients who have concerns about their memory and work with patients who have dementia and their carers to promote a positive experience whilst in hospital.

This is important because:

The Alzheimer's Society (2013) estimates that dementia affects over 670,000 people in England, yet only around 42% of people with dementia have a formal diagnosis. This is despite the fact that timely diagnosis can greatly improve the quality of life of the person with dementia and enable support to be provided to carers.

The dementia challenge was published by the Department of Health in 2015 and estimated that between 25% and 40% of acute beds are occupied by people with dementia and that their length of stay is longer than people without dementia. Therefore, it is important that we ensure patients in hospital receive appropriate care and provide support to their carers.

What progress was made in 2015/16?

➢ The Trust continued to consistently assess more than 90% of patients aged 75 or over who were admitted as an emergency for memory problems

➢ All patients who believe they may have a memory problem are referred to their GP for further assessment and possible review by a memory specialist and referred for an appropriate specialist clinical assessment

➢ Staff have been trained in undertaking mental capacity assessments and best interest decisions on behalf of patients who lack capacity. This means that patients who lack capacity have equitable access to treatment and reasonable adjustments can be made to enhance the quality of care they receive

➢ Dementia awareness training is mandatory for staff. The training highlights the importance of individualised care for patients whilst supporting their carers. This helps to support decision making and equity of access to treatments. It also helps to safeguard vulnerable adults

➢ Open visiting is encouraged for carers of people living with dementia. This has been positively evaluated by all parties involved

➢ The Trust has continued to work with the Royal Voluntary Service (RVS) to provide a befriending scheme for patients who are elderly and may have memory problems. The scheme encourages volunteers to befriend patients on three wards and engage in activities such as reading, playing card games and simply talking about the past. The project is having a wonderful effect upon the experience of patients and carers at the Trust

➢ Building on the success of this project, the RVS has agreed to support the use of the 'Daily Sparkle' (a short magazine) as a reminiscence aid for use on the wards to optimise engagement

➢ Nurses are working with the Estates and Facilities department to create a dementia friendly garden outside the
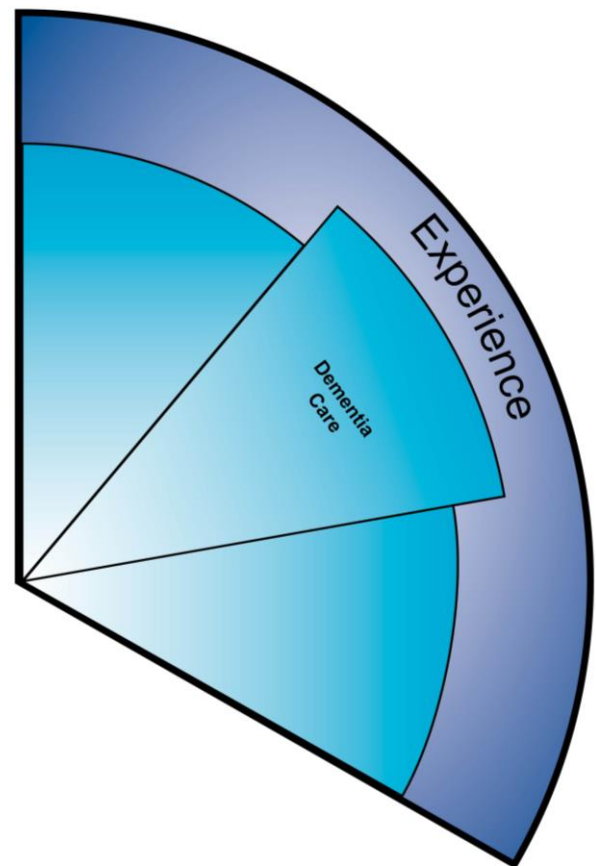
older people's ward. The Trust is planning to involve the "Arts in Hospital" scheme with this initiative

➢ A ward worship initiative has continued on a monthly basis, bringing worship to patients who would otherwise not be able to access services. The patient and their families are invited to ward day rooms to receive prayer and sing hymns

➢ The Dementia Care Bundle has been implemented and audited. This includes a personal support plan and promotes a person-centred approach to care. Feedback about this has been positive

➢ The Trust encourages staff to promote the use of Twiddle-muffs for people with more severe dementia. Local community volunteers are working tirelessly to provide patients with their own individual Twiddle-muff and staff are reporting calming benefits with many patients

➢ The dementia team has maintained their good working relationship with the Alzheimer's Society to gain valuable feedback from people living with dementia and their carers about their experiences of hospital care and to keep them abreast of developments in dementia care within the hospital

➢ The Alzheimer's Society also attend the Dementia Care Pathway Group, which is an operational group driving forward standards in dementia care

➢ The Trust has worked in partnership with the Alzheimer's Society to provide a support group for staff who are also caring for a person living with dementia at home

➢ The Trust has listened to and acted upon the feedback provided by carers in the monthly carer survey. Carer guidelines have been written and are available to staff on the hospital intranet. The guidelines help ensure carers are included in decisions and are supported throughout the hospital journey. The carers' charter is included within these guidelines.

Feedback from patients / carers (taken from the monthly carer survey):

"I was impressed by the compassion shown by all staff and their determination to help me and my wife."

"It was great being able to stay with mum out of visiting times … Staff worked really hard trying to find out about mum…I really appreciated being encouraged to bring photos in.."

"Staff knew dad had dementia - I didn't need to tell anyone – they just knew what to do."

The Daily Sparkle

The Daily Sparkle
Mid Cheshire Hospitals NHS Foundation Trust
Monday 21 March 2016

Today in History

Inside Britain's first cinema

On 21st March 1896, Britain's first cinema opened in Piccadilly Circus in London. It was called the Regent Street Cinema and the first film to be shown was the Lumiere Brothers Moving Picture Show.

It was not a film with a story. It was a collection of very short clips of scenes from everyday life. One showed a train arriving in a station. Another showed employees leaving the Lumiere's factory.

There was no sound of course, but it was a great novelty. It must have seemed like magic to audiences in those days.

The Way We Were

Hand lotion

One of my favourite products was Nulon hand lotion. I loved the smell of it. I always had a bottle of it on my kitchen windowsill. I tried to remember to use it every time I had had my hands in washing up water.

Nulon was pale pink, and quite liquid. It smoothed in very easily. Some hand cream came in tubs. That kind was more solid and difficult to rub in.

My sister always wore rubber gloves for washing up. I didn't get on very well with them and kept dropping things. I relied on my Nulon.

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Experience:
Improving Communication

Aim

The Trust will ensure that staff improve their understanding of patients and their care needs. The Trust will use this knowledge to communicate effectively with patients and involve them in their care.

This is important because:

Inadequate communication is a frequent theme in feedback received from patients and families/carers. It is important that patients are included in discussions about care delivery, what this means and possible alternatives. This will reduce anxiety, ensure that patients feel involved in their care and help them to be better supported to manage their conditions.

The Patient Information Forum (2012) found that 80% of patients wanted to be more involved in decisions about their care and treatment. This aim will also support the principle of 'no decision about me, without me' as described by the Department of Health in 2012.

What progress was made in 2015/16?

The communication group comprised of key staff who were able to influence and improve communication with patients. This was crucial to the success of the group and to ensure that there was optimum staff engagement at ward or department level. The communication group led the implementation of the *'# hello my name is'* campaign with personalised name badges across the organisation. This was combined with a communication campaign to raise the awareness of this simple yet effective concept. The strapline below was designed and shared with staff via the intranet:

**'Communication is the key; it's what we're all about
So read my badge, see my name, there really is no doubt
Let me introduce myself, it's simple but it's true
'#hello my name is…, a very warm welcome to you'**

The success of the campaign led to one of the Trust's matrons being asked to present at a national conference to discuss how the Trust
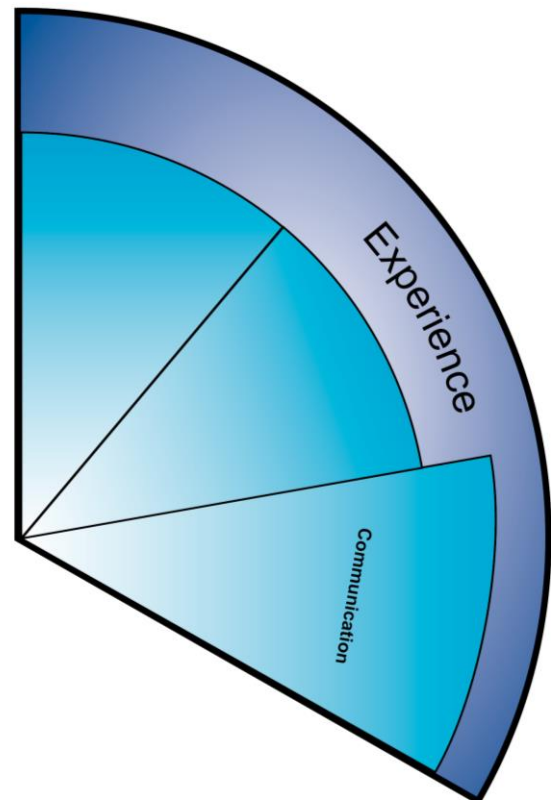
implemented the principles of **'# hello my name is…'**.

The communication group also ensured that all local patient surveys containing communication questions included a question about whether staff introduced themselves by their name.

During these surveys, over 90% of patients reported that staff **always** introduced themselves by name. The remaining patents reported that staff sometimes introduced themselves by name. No patients said that staff never introduced themselves.

A poster that was developed to promote the "#hello my name is…" campaign

Feedback from patients from the communications surveys:

Nice friendly team

Lovely staff calm and reassuring

Very useful, nice to know who's who

Felt great being able to use a person's name rather than their title

Staff were friendly. They were really supportive & introducing themselves was helpful as there are lots of staff

Nice to address by name, don't have to say excuse me

Made the staff seem even more friendly than usual - brilliant!

Made a difference, made me feel welcome

Fantastic staff, polite introduce to, good explanations, made a difference

Made patients feel at ease

Important to know who is looking after

Made you feel calmer

Staff professional friendly, reassuring at a very frightening time

Trust wide communications were also used to raise awareness of the patient information leaflets available on the intranet and encourage the use of EIDO leaflets. The ward managers continue to share this with their staff.

Staff encourage the use of patient boards above the beds to ensure they are up to date and contain the name of the nurse and doctor responsible for each patient. This helps patients and their visitors to know who they can approach to direct any queries. To help improve compliance, the Trust has supported the redesign and purchase of new bespoke patient boards for all ward areas.

The value of the patient passports has been shared with staff and there are now an increasing number of patient passports in place and more are in development.

A Trust site survey reviewed the use and value of the discharge communication checklists which had been developed in 2014. The results showed that not all patients had been shown the checklist and it was recognised that the checklist was not consistently used on the wards. The ward managers have agreed to review the content of the checklist and ensure that the updated version is available in every patient's folder.

Results from the 2015 national inpatient survey showed that the Trust has made some encouraging improvements in relation to communication when compared to 2014.

➢ More patients felt that they were involved in decisions about their care and treatment – a high scoring question (in the top 20% of Trusts)
➢ More patients were told how their operation had gone in an understandable way – a high scoring question (in the top 20% of Trusts)
➢ More patients felt that, for important questions, doctors answered in an understandable way (a significant improvement since 2014)
➢ More patients felt involved in discharge decisions (a significant improvement since 2014)
➢ More patients felt happy about the amount of information they were given on their condition or treatment (a significant improvement since 2014).

Overall, the aim identified in the quality and safety improvement strategy was to reduce the number of complaints relating to communication by 10%.

o The number of formal complaints relating to communication for 2014/15 was 145.

o The number of formal complaints relating to communication for 2015/16 was 110.

o This shows a **reduction** of 35 formal complaints over the year which equates to a reduction of 26%.

o The number of informal complaints relating to communication for 2014/15 was 576.

o The number of informal complaints relating to communication for 2015/16 was 490.

o This shows a **reduction** of 86 informal complaints over the year which equates to a reduction of 15%.

Effectiveness: Improving documentation and reducing duplication

Aim:

The Trust will review and improve its paper documentation so that it is relevant, adds value to care and avoids duplication.

This is important because:

The NHS Institute for Innovation and Improvement (2012) published a report entitled 'patients not paperwork' which included an online survey. 78% of nurses who responded stated that paperwork was difficult and time consuming to complete and 68% felt it added little value to patient care. The report concluded that the effective management of patient records can increase patient safety by reducing errors which generates a more efficient/accurate record. Similarly, the Department of Health (2013) noted that a key to improving the working lives of staff is to reduce the volume of paperwork they are required to complete so that they can focus the majority of their time with their patients.

What progress was made in 2015/16?

Following the successful pilot of the short stay nursing assessment booklet, which was well received by the nursing staff on the Primary Assessment Area, further work has continued as part of the documentation review project. The documentation review project had identified that there was a high volume of nursing and medical paperwork and that many of the questions we asked patients on admission were asked both by the nursing and medical staff.

A new nursing and medical integrated document has now been developed following this work by combining the short stay nursing assessment booklet with an improved medical proforma. The division of Medicine and Emergency Care commenced a trial of this document which started in February 2016 for three months to evaluate the benefits.

The initial benefits identified in the development of this document are as follows:-
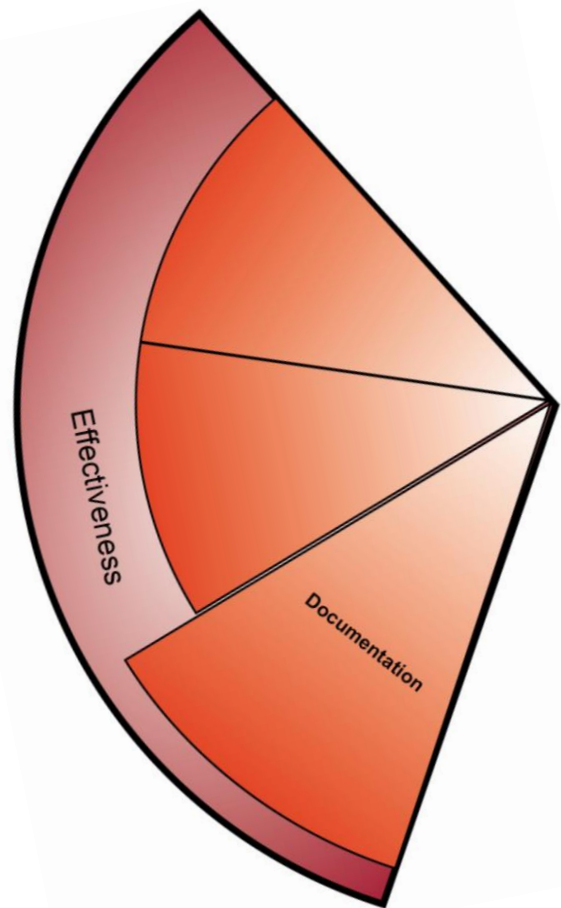
All members of the multidisciplinary team record their assessments and treatment plans in the same document to improve communication within the team. This action removes the need to record the medical plan in both nursing and medical documents and to ensure that the patient's journey is as seamless as possible.

The duplication of questions asked by nursing and medical staff have been removed which supports improved patient experience as patients do not have to repeat information for their assessments.

The document includes the new Infection control risk assessment to allow early identification of any infection risks for patients which ensures prompt advice is sought from the Infection Prevention and Control Team. In addition, the nursing staff can ensure appropriate screening and isolation is facilitated at the earliest opportunity.

A discharge check list is included which prompts staff to identify the intended date for discharge, share this information with the patient and family and ensure discharge

arrangements are organised appropriately. In addition, a carbon copy is available to be given to the patient or carer to ensure they have involvement in the discharge plans and provides a written record of the discharge arrangements.

The nursing assessment for activities of daily living includes ten domains (which has been extended from the short stay document) and signposts staff to care planning to best meet the patient's needs.

The medical section has been redesigned to provide a clear and easy to use template for the medical assessment of patients.

A staff feedback survey was circulated in March 2016 to ensure that staff are involved in this change process and are given the opportunity to comment on any improvements they can suggest to ensure that the document works well for all staff and improve integrated patient care.

Effectiveness:
Reducing cancellations

Aim:

The Trust will reduce the number of hospital initiated outpatient clinic cancellations by 20% by 2016.

This is important because:

The National Outpatient Survey undertaken by the Care Quality Commission in 2011 highlighted that some of the Trust's patients are having their appointments cancelled and changed by the Trust. This is also reflected as one of the top 5 informal concerns raised by patients attending the Trust.

What progress was made in 2015/16?

Improvements in the management of outpatient clinic appointments have continued to affect a reduction in hospital initiated cancellations. Following the success of reducing cancellations by 20% in 2014/15, the Trust has seen a further reduction of 11.6% during 2015/16.

The graph below shows the improvements that have been made in reducing hospital initiated cancellations. Cancellations are measured as a percentage of the number of appointments. The graph shows this year's rates compared with the last two years. It can be seen that cancellation rates continue to fall.
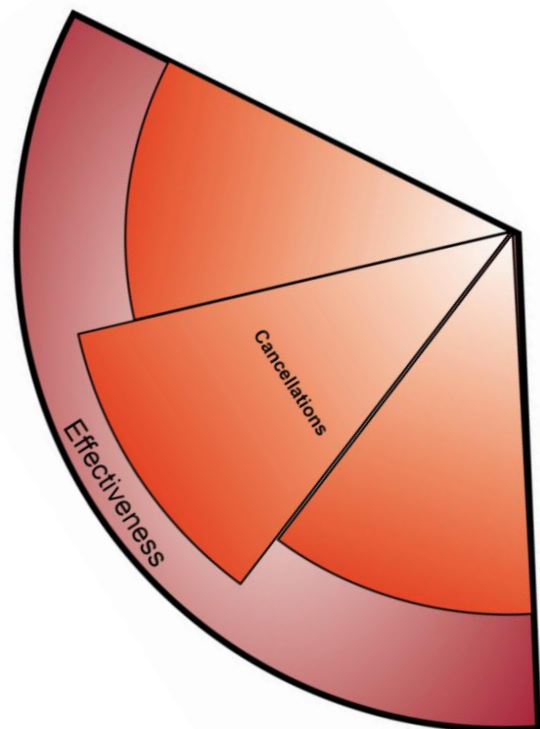
Chart 4: Hospital initiated Outpatient cancellation rates

Hospital Initiated Cancellation Rates

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar

Legend: 2013-14, 2014-15, 2015-16, 2015-16 Tgt (20%Reduction)
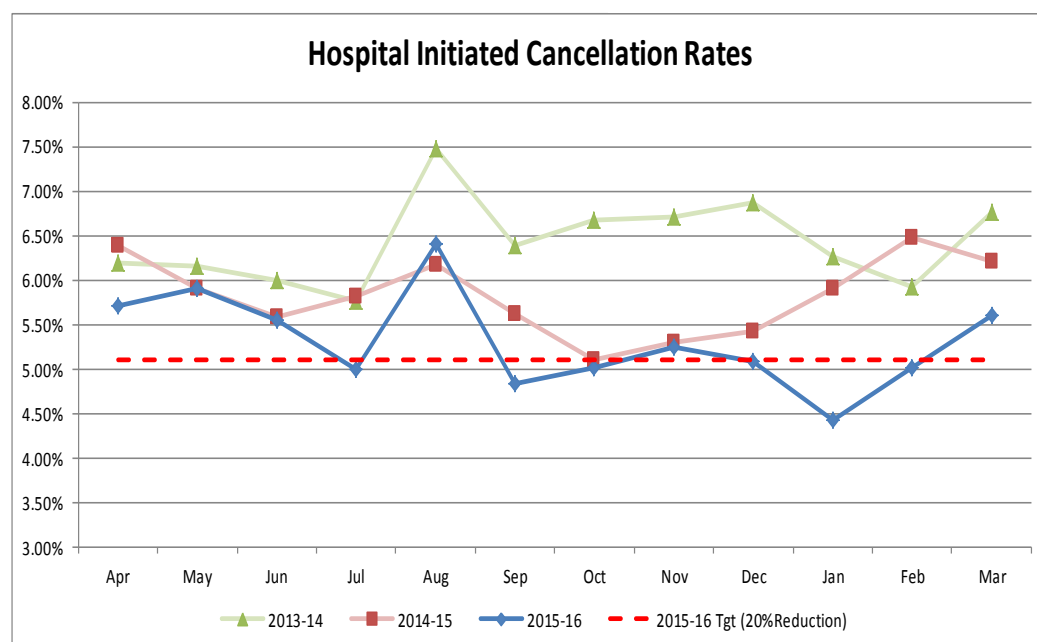
- Work has been undertaken with specialities to ensure adherence with the Trust's access management policy, improving the patient experience and ensuring that patients are given suitable notice of their appointment. Medical Records continue to work with specialties to provide patients a minimum of three weeks' notice of their appointment

- The Trust continues to monitor the number of appointments each specialty cancels or re-books and challenges any specialties as required

- The introduction of a specialty booking team for surgery and a dedicated booking team for patients referred in with suspected cancer have enabled a focused approach to booking of clinics and an improved patient experience as they only have to speak to one team. A key element of this approach is to facilitate, where possible, the first outpatient appointment within 7 days for patients who have a suspected cancer. A local target has been set of 80% of patients to be seen within 7 days and this will be monitored weekly

- For 2016/17, the Trust will monitor the start and finish times of clinics and a new governance structure will be put in place for the outpatients rationalisation project group to enable a greater level of scrutiny at specialty level

- The introduction of a text reminder system in February, which sends a text to a patient reminding them of their appointment both 7 days and 24 hours prior to their appointment, has already resulted in further improvements in the did not attend (DNA) rate.

The following graph shows a reduction in the number of patients who DNA their appointment over the past year. Significant improvements have been made for the most part of the year with the rate being lowest in February and March following the introduction of the text reminder system. In addition, the Trust's figures demonstrate that its performance is better than its peer (similar sized) organisations.

Chart 5: Did not attend (DNA) rates

MCHFT DNA Rate - 12 months to Mar 2016

Effectiveness:
Appropriate nurse staffing levels

Aim:

The Trust will ensure it has appropriate levels of nurse staffing and skill mix that meet the needs of its patients.

This is important because:

Having the right people, with the right skills, in the right place at the right time is essential to ensure patients receive safe, appropriate, timely and responsive care (National Quality Board 2013).

What progress was made in 2015/16?

➢ The staffing boards that were introduced on all inpatient wards from June 2014 continue to be updated on a daily basis. The boards are in a visible location for visitors to the ward and identify the planned and actual staffing numbers on duty that day by shift. The staffing boards also identify the nurse in charge of the shift and highlight the uniforms of the staff who are mostly likely to be working on the ward

➢ Nursing acuity assessment is undertaken across the hospital on a daily basis. This process assesses the needs of patients in a ward and determines how many staff are required

➢ Every six months a formal review of the nurse staffing levels is undertaken by the Director of Nursing using the nursing acuity data. Changes to staffing levels are agreed as a result of this review and a full report is discussed at the public board meetings and published on the hospital website. This year, the reports have highlighted the need for additional investment in nursing staff working on the surgical wards and the paediatric unit. The Trust has agreed to invest in these requirements over the coming year

➢ The staffing levels are recorded on a database by each ward on a daily basis and the results are reported each month to the public board meetings and published on the hospital website. The following data is reported:

  o Day time Registered Nurses monthly expected hours by shift versus actual

monthly hours per shift. The results over the year show an average fill rate of 97% (ranging from 92.8% to 100.4%)

  o Night time Registered Nurses monthly expected hours by shift versus actual monthly hours per shift. The results over the year show an average fill rate of 99.6% (ranging from 98.5% to 101.3%)

  o Day time Healthcare Assistant monthly expected hours by shift versus actual monthly hours per shift. The results over the year show an average fill rate of 99.8% (ranging from 96.4% to 105.1%)

  o Night time Healthcare Assistant monthly expected hours by shift versus actual monthly hours per shift. The results over the year show an average fill rate of 103% (ranging from 98.1% to 106.4%).

➢ Staffing levels are reviewed on a shift by shift basis, or more frequently if required. A clear escalation process is in place if staffing levels fall below plan or activity indicates increased levels of staffing are required.

➢ The Trust's active recruitment plan has also continued its focus on:
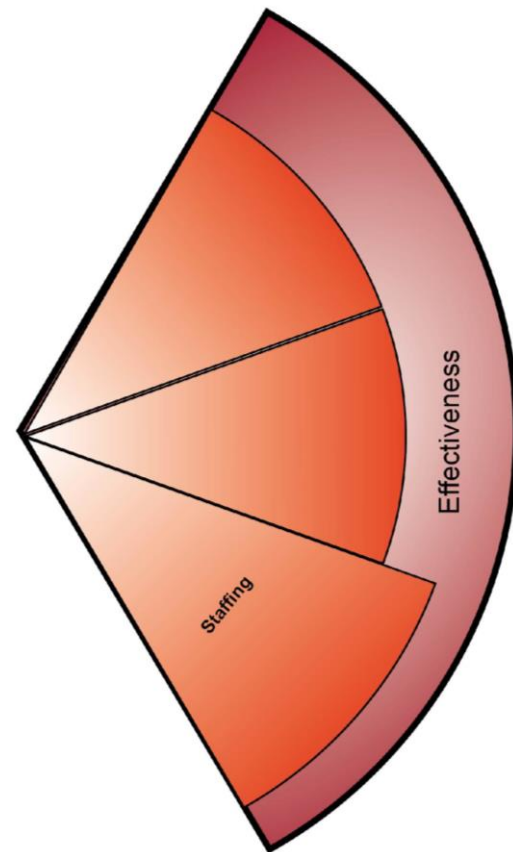
- Successful open days for the recruitment of Healthcare Assistants and qualified nursing staff. These resulted in the recruitment of seven qualified nurses and 71 healthcare assistants (most into permanent roles whilst the remainder joined the Hospital Bank team)
- Open evenings jointly held with Chester University to encourage local students to undertake their nurse training in Crewe
- Overseas recruitment of Spanish, Italian, Greek and Romanian qualified nurses
- Review of shift patterns and updating of the roster policy.

➢ In August 2015, the Trust approved a plan to recruit 6 former nurses to a return-to-practice (RTP) programme with the aim of encouraging local people back into the workforce. The campaign was publicised using posters around the Trust using the strapline 'pick up your PIN' and in local supermarkets, libraries and other establishments. Press releases were published in local newspapers, and further publicity was gained from undertaking radio interviews with two local radio stations. The six trainees commenced their university course on site at Leighton on 5 February 2016 and started their ward based placements three weeks later. The group are continuing with their academic study alongside specific skills training organised by the practice education team. Their qualification date is planned to be July 2016.

The RTP students at the start of their training

➢ Following the success of recruiting two Healthcare Assistants (HCAs) to train for their nursing degree in March 2014 and recruiting eight members of staff in March 2015, the Trust further invested in training a further eleven HCAs who started their nurse training in March 2016. This means that, from March 2016, there are twenty one seconded students undertaking their nurse training, which is fantastic news for the Trust.

Comments from the March 2016 students before they started their nurse training included the following:

"I'm excited, can't wait for placements, ready for the challenge."

"I am feeling apprehensive about the three years ahead and the hard work it will entail but excited about all the new challenges I will experience, resulting in my long term goal of becoming a qualified nurse."

"I am thrilled to be starting my adult nurse training and looking forward to the challenges that lie ahead."

Some of the March 2015 students meeting with the March 2016 students to share experiences: particularly about the first few weeks at university and how to complete assignments

Feedback from patients/carers (taken from the Friends and Family Test, NHS Choices and the national inpatient survey):

'From the moment I arrived in A&E in extreme pain, to after my emergency operation, I feel I had the best treatment and care'.

'If it was within my power I would pay the staff double. I have never seen people work so hard whilst maintaining professionalism, patience and compassion with a smile and great banter. Every person that I have come under the care of has been totally fantastic!'

'I was very happy with my treatment by the consultant. She took the time to explain to me what was happening with my condition and also was happy to speak to my children regarding my situation and care'.

'All the nurses, doctors, consultants were a credit to the hospital. Showing kindness and care throughout my 2 day stay. I felt no stress or concern under their professional care'.

'I had excellent nursing care for 10 days on my ward. They went beyond the call of duty, nothing was too much trouble. A special thank you to my surgeon'.

'I was tremendously impressed by the expertise and care given first by the Stoke Pathway Team, then by all in the Stroke unit at Leighton. Nothing was too much trouble. Even though everyone was busy they still act with kindness and treat us all as individuals'.

'All nursing care was outstanding, every single nurse showed a caring nature. All staff who dealt with my hospital stay made sure to show that they cared about my condition. Nearly all the nurses went out their way to make sure I was comfortable, informed and secure in my visit'.

'My whole experience was fantastic and I would not be scared to go back in hospital again'.

'There was a lot of love and kindness. Some staff really lovely, very caring'.

Pleasant, courteous and helpful nursing and care staff. The duty doctors were particularly caring and supportive, especially on this occasion'.

'I was taken to ward 10 straight from a GP appointment. Upon arrival my bed was ready, staff were there on hand to take my details, give pain relief and examine me. The speed of this was exceptional. I was very scared being told I needed a general anaesthetic for my operation but, as the staff were aware this was my first operation and how scared I was, they were so reassuring and made me feel at ease. The staff on ward 10 - nurses, healthcare staff and other members were fantastic and I hope they really do get the credit they deserve. Wow, absolutely fantastic and I cannot thank you enough for your help, support and class A service in such horrible circumstances. Thanks again, it's very much appreciated!'

Safety:
Reducing pressure ulcers

Aim:

The Trust will eliminate avoidable hospital acquired pressure ulcers by 2016.

What is a pressure ulcer?

A pressure ulcer is "a localised injury to the skin and/or underlying tissue as a result of pressure, or pressure in combination with shear" (National Pressure Ulcer Advisory Panel 2009). There are five categories of pressure ulcer: stages 1, 2, 3, 4 and unstageable

This is important because:

In 2010, the Department of Health estimated the incidence of pressure ulcers in the UK equated to 29,800 acquired in hospital and 20,700 acquired in the community. Pressure ulcers are more likely to occur in patients who are malnourished, elderly, dehydrated, obese or have underlying medical conditions.

Pressure ulcers are challenging to treat and have a detrimental effect on a patient's health and wellbeing (McIntyre et al, 2012).

What progress was made in 2014/15?

➤ During 2015/16, the Trust invested additional funding on a permanent basis to recruit a skin care specialist nurse to work 18.75 hours/week. This nurse works closely with the wards to educate and support staff in the skin care they provide to their patients

➤ The skin care specialist nurse reviews all reported hospital acquired pressure ulcers to ensure all appropriate interventions are in place and to determine the staging of the pressure ulcer. In addition, a ward based mini root cause analysis is undertaken so that staff can understand what led to the development of the pressure ulcer and implement corrective action to eliminate gaps in care
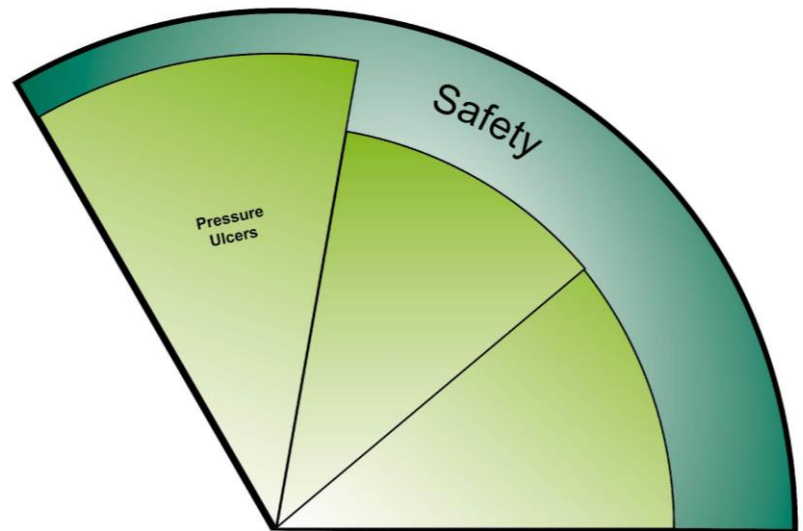
➤ The Trust's skin care group continues to meet monthly and is chaired by an experienced matron. The group co-opts members to join as required, for example this year has seen representation from the emergency department and the plaster room

➤ There has been an increased level of education provided for staff via the skin care specialist nurse which has included awareness raising and education about the management and prevention of pressure ulcers and moisture lesions

➤ In 2015/16, the Trust saw the development of 138 avoidable pressure ulcers out of the 212 hospital acquired pressure ulcers which equates to 65%. Unfortunately, this means there was an increase in hospital acquired pressure ulcers from 2014/15 of 62 pressure ulcers.

Upon review of these incidents, the most common root causes related to patient acuity and failure to document the implementation of planned interventions.

The graph on the following page shows the number of hospital acquired pressure ulcers for 2015/16 compared to 2014/15.

Chart 6: Numbers of hospital acquired pressure ulcers 2015/16 (Data Source: Ulysses, 2016)

Hospital Acquired Pressure Ulcers Resulting in Harm by Month April 2015 to March 2016

Number of Pressure Ulcers

Cumulative Number of Pressure Ulcers

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Serious Incident	1	0	1	0	3	0	1	1	0	3	1	1
Low Harm	11	16	15	21	21	10	13	9	13	23	29	24
Avoidable Ulcers	6	10	9	10	15	3	10	8	9	22	15	21
Cumulative Total 2015/16	12	28	43	59	83	93	106	118	132	162	187	212
Cumulative Total 2014/15	13	26	36	48	56	70	82	103	114	124	136	150

The elimination of avoidable hospital acquired pressure ulcers remains a priority for the Trust and is part of the Quality and Safety Improvement Strategy for 2016/18.

In addition, the Trust will take forward the 'React 2 Red' collaborative which is a national initiative aimed at reducing the development of pressure ulcers in hospitals and the community. This collaborative will be progressed in the Trust through 7 pilot areas which will:

➢ trial alternative pressure relieving mattresses
➢ trial new devices to relieve heel pressure
➢ work closely with continence experts to review training and product reviews. This will include a review of pads, pants and skin protection
➢ undertake a daily proactive review of patients at risk of developing pressure ulcers
➢ utilise the patient and carer education provided by the React 2 Red collaborative
➢ participate in staff training using the literature and pocket guides provided as part of the React 2 Red collaborative
➢ work with the nutritional advisory group to enhance nutritional assessments

➢ implement an e-learning package for pressure ulcer prevention and management
➢ install new headboards with repositioning clocks to help patients, carers and staff work together to reposition vulnerable patients.
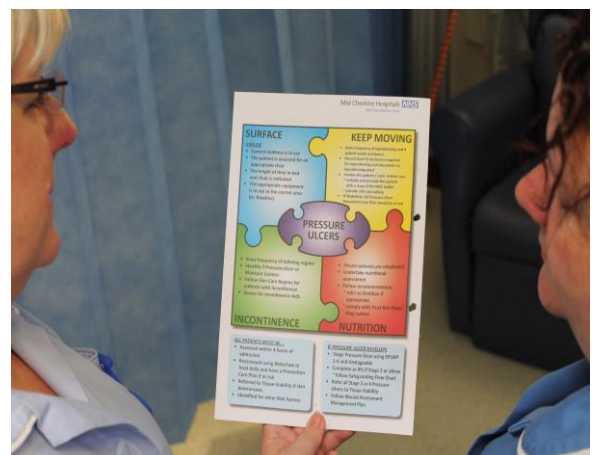
Top: Staff who attended skin care training – and won gift vouchers. Bottom: Staff undergoing training in the use of the SKIN bundle

Safety:

Sharing learning from feedback and incidents

Aim:

All clinical staff will work together to respond to feedback from patients and carers and to learn from incidents that occur. The Trust will then ensure it responds to such learning and embeds this into practice.

This is important because:

In 2011, the Health Service Ombudsman and Care Quality Commission (amongst other organisations) recognised the importance of feedback to help drive improvement in healthcare and strengthen the quality of services for patients and the public.
In the Francis report (2013), it was reported that there was not enough priority given to learning and warning signals available from feedback which could lead to improved patient experiences.

What progress was made in 2015/16?

Following any patient safety incident, a retrospective review of the event is undertaken via a root cause analysis (RCA) to identify how and why an incident occurred. The analysis is then used to identify areas for change, recommendations and sustainable solutions to minimise reoccurrence.

Following an RCA, action plans are developed and monitored locally by the Divisions and by the Integrated Governance Team to ensure that the required actions are fully implemented.

A number of senior managers within the Trust have undertaken root cause analysis training to ensure incidents are being thoroughly investigated using the appropriate techniques.
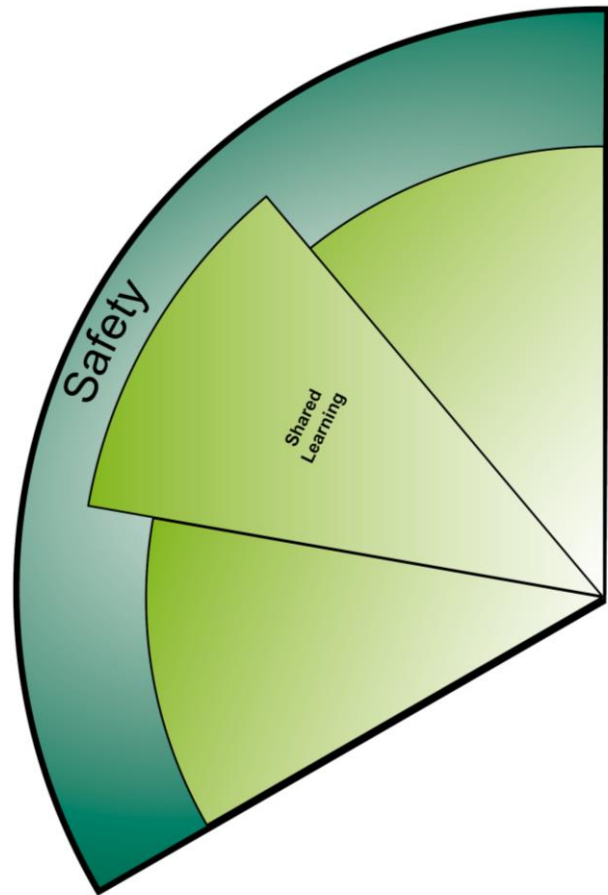
Training on incident reporting and incident management is available to all staff. This includes training on using the online incident reporting system.

Lessons learned are shared across the organisation following all incidents that result in a root cause analysis investigation being undertaken or where trends in incidents are identified. The lessons learned template was reviewed in 2014 to include greater detail on how the incident has impacted on the patient and the organisation.

A further document called an 'episode of care' is produced locally by the department staff enabling new learning from the incident to be shared with the immediate team.

Mid Cheshire Hospitals **NHS**
NHS Foundation Trust

Learning From Our Incidents at MCHFT

What Happened?
Write a brief description of the incident

Patient Background
Write a brief description including the patient's background and history

What we should have done

What we did not do

What was done well?

On-going impact for the patient and their family
Write a brief outcome of how the incident affected the patient and their family

Impact for the Trust
Write a brief outcome of how this incident has impacted on the Trust in terms of quality, finance and reputation

Lessons Learned Poster Produced By   Date:

Document: Learning From Incidents template
Document Owner: Patient Safety Lead

An example of learning from an incident investigation was the development of the SKIN Bundle for all hospital admissions. The aim of the SKIN bundle is to prevent the development of hospital acquired pressure ulcers or the deterioration of existing pressure ulcers on admission.

The Trust has developed "You Said, We Did" posters which are circulated on a monthly basis showing items that have been raised from a formal complaint or informal concern where staff have been able to implement positive changes. The issues can cover a wide variety of subjects and provide information on what the Trust has done to improve services and environments for staff and public users. Examples of this are:

Pressure Ulcer Prevention Skin Bundle

You Said
"The waiting times on display in Pharmacy were out of date. In addition, it was difficult to obtain medication for an 8 week supply of medication."

We Did
"A real-time position for the display/waiting time has now been implemented. Pharmacy are increasing their stock levels to provide eight week prescription supplies."

You Said
"There is sometimes a wait for patients to be discharged from the hospital once they have been told they can go home."

We Did
"A discharge coordinator has now been appointed. The purpose of this role is to plan patients discharge arrangement whilst working with all staff to ensure a safe and timely discharge"

The Trust has a 'Being Open' policy and feedback from incident investigations are shared with the patient or their relatives or carers following all incidents that result in moderate, serious or catastrophic harm.

When an incident is identified as having resulted in moderate harm, serious harm or death the Trust informs the patient or their relatives or carers as early as possible following the incident. The patient and/or their relatives or carers are provided with an apology and explanation of the incident and any investigations that will be conducted.

The patient and/or their relatives or carers are provided with contact details of a senior member of the Trust to contact if they have any queries. They are also informed that the investigation report (root cause analysis) and resulting action plans and lessons learned will be shared following the review.

Once the investigation has been completed the report, action plan and lessons learned are shared with the patient and/or their relatives or carers to ensure that they are satisfied that any lessons learned will help to prevent future incidents.

All staff receive feedback from incidents that they report through the online incident reporting system 'Ulysses Safeguard'. This is a mandatory field within the incident reporting system that must be completed by the manager investigating the incident.

Patient stories are undertaken on a regular basis and shared at Board and ward level. Stories can be in the format of a video clip, voice recording or a letter of compliment. For example, a patient shared their experience of being admitted as an emergency following an accident at work and they praised staff for the teamwork observed and commended the hospital food. Another patient story was shared which featured support given to a patient from the Hospital Alcohol Liaison Service explaining that he now talks to other patients to give them support and understanding. He described the service as life changing for him.

In 2015, 18% of patients surveyed reported they had seen or were given information on how to complain compared to 20% in 2014. Details of how to complain are included in patient bedside folders. In addition, posters are displayed encouraging patients and relatives to provide feedback about their experiences. Leaflets explaining the role of the Customer Care Team are displayed in public areas and ward information racks. Details are provided on how to raise concerns and make compliments or suggestions.

A survey of complainants was undertaken in 2015 to seek the views on how they feel their concerns had been handled and whether they felt satisfied with the actions taken. The survey showed that complainants felt we had made improvements in the time taken to address complaints with only 32% saying the process took too long compared to 51% in 2014 and 39% in 2013.

The Trust has undertaken a staff safety culture survey. The survey was based on the Manchester Patient Safety Framework and staff engagement surveys. The initial survey was conducted between September and November 2014. 675 responses were received, which is approximately 19.3% of staff.

Focus groups were then undertaken with the areas that had the lowest scores. Following the focus groups, action plans were developed based on the focus groups' suggestions on how the safety culture within the organisation could be further improved.

As part of the survey, staff were asked a number of questions including:

➢ The culture in the Trust makes it easy to learn from mistakes. 82% replied positively.

➢ Incidents are handled appropriately within the Trust. 91% replied positively.

➢ If an error occurs I am happy to report it without fear of blame. 80% replied positively.

Safety:
Reducing Mortality Rates

Aim:

The Trust will reduce its mortality rates each quarter so that they reach expected levels as measured by the Summary Hospital-Level Mortality Indicator (SHMI).

What is the SHMI?

The SHMI is a ratio of the observed deaths to the expected number of deaths for a Trust. The expected deaths are based on a number of factors which include age, gender and how a patient was admitted to a Trust.

This is important because:

Measuring mortality rates is important because a high mortality rate may indicate problems with the quality and safety of care provided within an organisation (Care Quality Commission, Intelligent Monitoring, 2013).

What progress was made in 2015/16?

The Trust has achieved a continued reduction in its mortality rates to remain at expected levels as measured by SHMI. The latest publication for the period to June 2015 demonstrates a further reduction in the SHMI to 0.98 and the Trust remains in the 'as expected' range. There has also been a further reduction in the number of calculated excess deaths for the period.
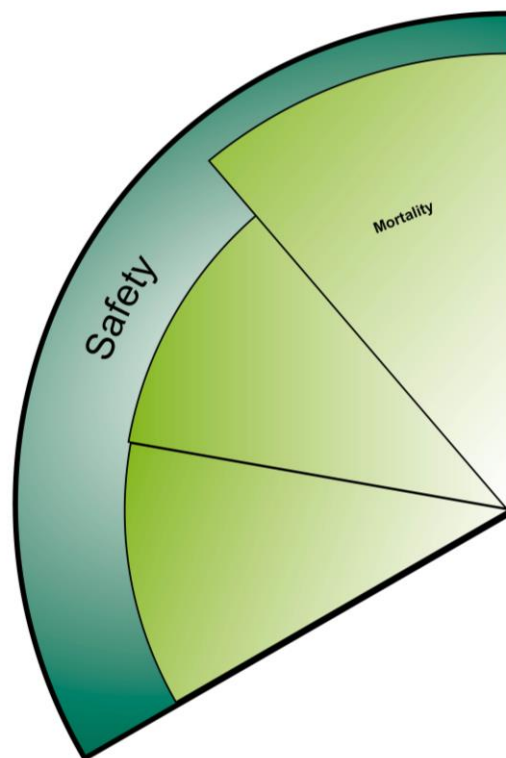
Divisional strategies are being implemented to ensure 7 day working is in place across the organisation for all patents. 7 day working will ensure that patients have access to the appropriate investigations at the right time.

A Clinical Pathway Group has been formed and is chaired by the Deputy Medical Director. The group's responsibilities include reviewing high mortality groups, ensuring that care bundles/pathways are in place and identifying any gaps. The implementation of care bundles and pathways are audited as part of the clinical audit forward plans.
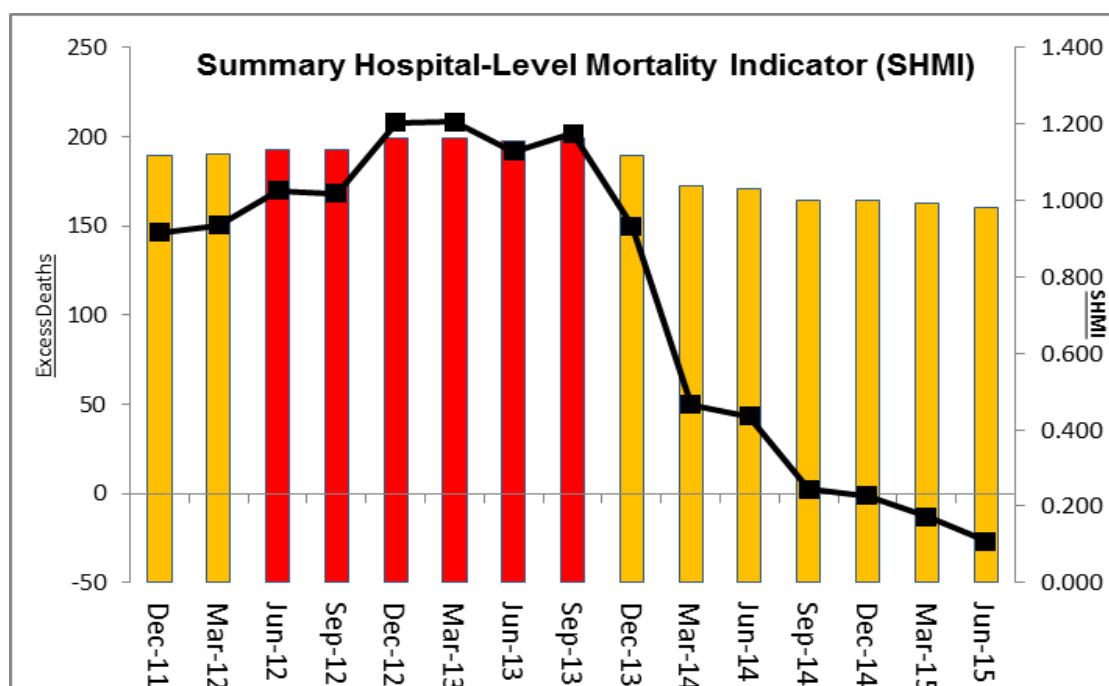
The use of the early warning system is monitored as part of the mortality case note review process. Where potential gaps are identified, learning is disseminated to the clinical teams.

An education programme on mortality, quality and patient outcomes was developed within the organisation. Workshops, which were scenario based, were held and training delivered to medical staff of all grades and senior nurses.

The Medical Director and the Clinical Lead for Patient Safety lead a weekly mortality case note review group, where senior clinicians review deaths that have occurred across the Trust in the previous week. Cases where concerns have been highlighted are then referred for an in-depth mortality case note review. The results of the in-depth case note reviews are presented at the hospital mortality reduction group (HMRG) and learning is disseminated to the clinical teams.

The clinical divisions have introduced divisional reducing mortality groups that are part of the overall Trust's governance structure and report into the divisional boards and the HMRG. These local groups review their divisional mortality data and implement local action plans where trends are highlighted.

Mortality dashboards have been developed and are now used by clinical teams to drive forward improvement action plans at a speciality level. An example of the Trust's mortality dashboard is shown below:

The Trust also developed a reducing in-hospital mortality driver diagram and action plan. The action plan incorporated the recommendations made by the Advancing Quality Alliance (AQuA) following their deep dive review into mortality rates across the local health care community. The action plan has now been closed by the Trust and Clinical Commissioning Groups following the completion of all the actions.

In 2015, the Trust joined the national '*Sign up to Safety'* campaign. One of the six aims chosen by the Trust to progress is that '*Mid Cheshire Hospitals NHS Foundation Trust Summary Hospital-Level Mortality Indicator (SHMI) will remain at or below 100 from April 2015'.*

An example of the Trust's mortality dashboard

Feedback from carers (taken from the bereavement survey):

'We were not sure what to expect over the 10 days my mother was in hospital. When my mother died I felt that if I could have scripted the care and treatment she received I could not have written anything better, and that staff made the worst experience of our family's lives a little less difficult.'

'All the nurses and their assistants, those fetching drinks and ward cleaners – all were caring and showed genuine warmth to mum and would often call in to see how she was when passing during their busy working day. I always found this comforting especially in the last final days.'

'I stayed with my husband in the last days of life. I received good care for him and myself… A bed was provided for me by my husband's bedside.'

'Mum was in hospital for the last 5 days and all the staff were helpful and supportive. They were all wonderful with mum.'

'My feeling was that in the final days the nurses and doctors gave my wife every attention and did their best to save her… The staff were unfailingly kind and helpful… We were given every support as to the procedures to be followed after death which was a great help at this difficult time, especially in registering the death and other practical considerations.'

'The team were helpful and supportive. They were caring and sympathetic. I can't thank them enough for their care.'

'Myself and my family cannot praise the doctors on the ward highly enough for the care and commitment given to our mother during her last days. She was treated with dignity, respect, admiration and affection and we thank them all for their professional and caring attitude. After my mother died staff treated myself and the rest of my family with great sensitivity and understanding.'

Reducing patient falls: Governors' choice of indicator

Inpatient falls are common and remain a great challenge for the NHS. Falls in hospital are the most commonly reported patient safety incidents, with more than 240,000 reported in acute hospitals and mental health trusts in England and Wales every year (NPSA, 2010).

All falls, even those that do not result in injury, can cause older patients and their families to feel anxious and distressed. For those who are frail, minor injuries from a fall can affect their physical function, resulting in reduced mobility and undermining their confidence and independence. Some falls in hospital result in serious injuries, such as hip fracture and serious head injuries, and these injuries can result in death (Royal College of Physicians, 2014).

Tackling the problem of inpatient falls is challenging. There are no single or easily defined interventions which, when implemented on their own, are shown to reduce falls. However, research has shown that multiple interventions performed by the multidisciplinary team and tailored to the individual patient can reduce falls by 20–30%. These interventions are particularly important for patients with dementia or delirium, who are at high risk of falls in hospitals (Royal College of Physicians, 2015).

Chart 8 shows the number of patient falls within the Trust over the 12 month period between April 2015 and March 2016.

Chart 8: Patient falls by month

Chart 8: Patient falls by month

Patient Falls by Month
April 2015 to March 2016

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
■ Serious Incident	0	0	0	0	0	1	0	0	0	3	2	0
■ Moderate Harm	0	1	2	1	2	1	1	0	5	1	1	1
■ Low Harm	61	52	49	60	47	48	48	26	35	22	23	22
■ No Harm	9	9	7	12	16	23	29	61	35	35	45	37
— Cumulative Total 2015-16	70	132	190	263	328	401	479	566	641	702	773	833
— Sign Up To Safety Target	66	132	198	264	330	396	462	528	594	660	726	792

In November 2015, the grading of patient falls was reviewed in line with the Degree of Harm Briefing Paper issued by the National Reporting and Learning System (NRLS).

The NRLS has advised that, if a patient has neurological observations undertaken as a precaution post fall which remain within normal limits, these incidents should not be graded as 'no harm' rather than 'low harm'. This is due to the observations being precautionary rather than observations for a treatment of harm. This has affected the grading of the Trust's patient falls and accounts for the increase in no harm incidents and reduction of low harm incidents from November 2015.

The Briefing Paper also advised that, when a patient fall results in a fractured neck of femur, this should be classed as a 'serious incident' and not a 'moderate incident'. Again, this accounts for the increase in incidents graded as serious from November 2015.

Work being undertaken to reduce the number of patient falls and harm caused

Reducing patient falls is an aim within the Trust's Sign up to Safety Campaign and the Quality and Safety Improvement Strategy 2016-2018. The Trust aims to reduce patient falls by 10% by January 2018.

The Trust has a falls prevention group which meets monthly. The group's membership includes Nurses, Therapists and senior managers from within the organisation. The group monitors all patient falls on a monthly basis. A successful link nurse programme has been rolled out across the Trust to deliver education for staff on falls prevention.

A falls safety collaborative called "One Step Ahead" commenced in the Trust in April 2016. A cohort of wards is receiving focussed input and is trialling fall prevention interventions.

The interventions include:

➢ Cohorting high risk patients in ward bays

➢ Night placement of staff in the ward bay

➢ Ward bay tagging (so that there is always a member of staff in the bay)

➢ Safety Cross (to highlight to all staff on the ward the days when a fall has/has not occurred)

➢ Ditch the desk (to ensure staff members are based in the patient areas rather than the reception desk)

➢ Bay based desk – our most recently refurbished ward has a nurse's station based outside each bay rather than at the centre of the ward. This layout promotes the closer observation of patients and increases contact with patients at their bedside.

These interventions will be trialled and, if successful, will be implemented across the organisation.

National Patient Safety Agency, Slips trips and falls data update, London, NPSA, 2010
Royal College of Physicians, National Hip Fracture Database annual report 2014, London, RCP, 2014
Royal College of Physicians, National audit of inpatient falls Audit report 2015, London, RCP, 2015

Statements from external agencies

Healthwatch Cheshire East

Healthwatch Cheshire East welcomes the opportunity to comment on the Mid Cheshire Hospitals NHS Foundation Trust Quality Report 2015/16.

Healthwatch Cheshire East acts as the champion for the voice of the consumer and as such our comments and views on this report focus on how MCHFT have involved and listened to their consumers views (patients and carers).

We acknowledge the positive response from the Trust to recommendations from our enter and view reports and how things have now changed for the benefit of patient experience. We would also like to acknowledge the importance the Trust have with regard to PLACE visits and improving the patient experience; we are pleased to contribute to this aim as key partners and our recognition in your report highlights this relationship very well and demonstrates the positive working partnership we have.

Healthwatch Cheshire East has received many positive stories from the community praising the treatment and care received from the staff and volunteers at the Trust. We recognise that the Trust and the services it delivers are valued by the local community.

We welcome the recognition and importance the Trust has placed on patient involvement and utilising patient stories to improve service delivery. Within the Quality Priority for 2015/2016, The Trust's, responsiveness to the personal needs of its patients, we have seen a very positive response to patient requests for contact with regard to their negative experiences and the Trust have been very effective in resolving them. We are also pleased to attend regular Patient Experience Meetings to support an improved patient experience across the Trust.

We are keen to work together with MCHFT, South Cheshire CCG and health and social care services to strive towards an holistic service and to support the navigation of integrated care in order to reduce delay, confusion and duplication for the patient and carer by working together to identify gaps in services.
We recognise that there have been significant challenges for the Trust during 2015/2016 and value the relationship that Healthwatch Cheshire East and the Trust have. We look forward to continue working with the Trust during 2016-2017 to enable our community to have a powerful voice helping to shape and improve these services for the future.

Veronica Kitton,
Manager

Healthwatch Cheshire West

Healthwatch Cheshire West values the opportunity to comment on these quality accounts.

MCHFT continues to be the main hospital trust supporting residents of Cheshire West and Chester who live in the Vale Royal Area, indeed some of the facilities owned and operated by MHCHFT lie within our geographical boundary.
In regard to the quality accounts document as produced, Healthwatch Cheshire West is pleased to make the following comments:

➤ We note positive results from inpatient, maternity and pharmacy surveys.

➤ In relation to patient complaints, - responses seem appropriate, however, we have some concern about the upward path of data as presented *'Complaints Table 3'* that seems to indicate a significant increase in complaints year by year. This could be explained by a greater volume of patients using the service, however, no explanation for increase is included only a "*" comment explaining data additions.

➤ We feel that, where mentioned, all areas of concern should be highlighted.

➤ Suggest that information on performance should be presented across the three delivery areas, not as an amalgamation and that information on performance should be consistent in both years and presentation – this does not appear to be the case.

➤ We feel that not everyone reading the account will know what a *'never'* event is and that this requires further explanation. Indeed some other technical language used suggests an appendix should be added.

➤ In order to give balance we feel that sections involving service user comments should also include a selection of 'less than positive' or are these not received?

➤ Case studies seem to be a worthwhile addition to the document giving a 'lived' experience of the service that is easily understood by the reader.

➤ Healthwatch Cheshire West values the added sections on safety including the *"Clear Objectives for Actions Learning and Collaboration"* documentation.

➤ Regarding CQUIN targets:
  o HWCW notes the missed [(9) IAQCP for COPD and (14) IAQP for Alcoholic Liver Disorder]. We note comments in relation to the above missed targets but in relation to future goals feel that more information could be included here, to inform the reader of specific plans and actions to improve performance and additional information on what the 'challenges' as written are?

➤ We feel that the added quality and improvement strategy documents, add a positive value to service. We feel that this is a colourful, bright and clear section of the document that also demonstrates considerable work by committed staff across the hospital.

➤ Results from communications survey are pleasing.

Healthwatch Cheshire West feels that overall the document is positive, well produced and gives a good and fair account of service.

However, in order to encourage more people to view its contents, we would like to see less technical language used in future documents; or if this cannot be avoided, due to subject matter; a simple summary at end or beginning of each section and an appendix of technical words and abbreviations used.

Neil Garbett,
Community Engagement Worker

Council of Governors

The 2015/16 Quality Account was shared with Governors for comment and, as Governor member of the Quality and Safety Improvement Strategy Committee, I am pleased to offer an account of Governor views and feedback.

As has been the case in previous years, the Quality Account offers a fair and balanced assessment of the performance of the Trust. The is rightly a focus upon the notable successes achieved in year and a positive account of the areas where improvements have been achieved, however, this is balanced with an honest accounting of those areas where improvement is still required or where targets have not been met. It is pleasing to note that the former substantially outweigh the latter. What's more, where challenges lie these are fully recognised and appropriate strategies are evidenced.

The contents of the Quality Account tally well with the regular monitoring of performance provided to, and discussed with, Governors both through the Council of Governors' meetings and the various committees and groups upon which we sit. Governors can also offer support to the analyses presented based upon their experiences and interactions with patients, carers and other constituencies. As Governors, we are afforded access to relevant information to fulfil our function and are proactively engaged in the development of strategy to ensure the ongoing achievement.

2015/16 has seen a number of excellent achievements, not least amongst which are the CQC inspection the outcome of which saw the Trust receive a Good rating. This reflects very well the hard work and care offered at all levels of the organisation. National awards have once again been achieved by the Midwifery service. This later coming reflecting the continues success of the service following the facility enhancements of previous years. The ongoing success of the Midwifery Service is all the more notable because of the pressures on this area of work from other providers. It will be interesting to monitor whether similar improvements can be achieved in other areas to have benefitted from more recent estates redevelopment.

There have been positive improvements in patient and staff survey results collected through various means. These have been used by the Trust in feedback loops to patients and service users and featured in a variety of materials to engage the members of the Trust and users of the services. Where complaints are received they are handled fairly and effectively and lessons are learned and used to enhance provision

This year has seen a change in a number of the committee and sub-committee structures through which Governors are able to formally scrutinise quality. It is encouraging to note that despite these changes Governors retain clear sight of quality and are able to scrutinise and review performance statistics, patient and other users' perceptions as well as action plans to address these. The openness of the Trust remains clear as does the commitment to quality. Not all quality targets have been met over the reporting period and some areas where performance has been below that achieved in previous years, COPD, ALD and Pressure Ulcers as examples. However, Governors are assured that these areas are being actively addressed and issues reported transparently.

On behalf of the Council of Governors I am happy to endorse this Quality Account and to commend the Trust for their continuing attention to the delivery of the best quality care possible.

**Professor Neil Fowler,
Governor**

Cheshire East Council Health and Adults Scrutiny Committee

As Chairman of the Committee I am writing to submit its statement to be included in Mid Cheshire Trust's Quality Account 2015/16 following our meeting on 17 May 2016. Please include the information below in the Committee's section of the Quality Account.

The Health and Adult Social Care Overview and Scrutiny Committee reviewed the draft Quality Account at a meeting on 17 May 2016. Overall the Committee was pleased with the content of the Quality Account and believes it provides a good picture of the performance of the Trust.

The Committee was pleased to see that the Trust's financial deficits had been reduced and hopes that financial stability is sustainable in the long term. The Committee also noted the Trust's success in achieving zero MRSA and CDiff cases as well as no 'never events'. The 95% approval rating from the Friends and Family Test is also encouraging.

The Committee notes the Trust's performance on the ED waiting times but understands the pressures facing ED's which we mentioned in the Committee's recent Ambulance Services Report. The Committee noted similar levels of performance when it reviewed East Cheshire NHS Trust's Quality Account.

The Committee is concerned about the length of stays for patients and delayed discharges, which in turn affects ED waiting times and again notes that a similar situation is apparent in East Cheshire. The Committee is aware of some of the external factors that can affect discharges and is considering a scrutiny review of delayed discharge during the 2016-17 municipal year.

The Committee also noted the relatively high rates of readmissions within 30 days and wants to ensure that patients are discharged at the right times and that effective recovery and care services are in place for them. The Committee also recognises a concern about an apparent need for additional intermediate care beds in the community to provide the additional care patients need to enable them to be discharged from hospital on time. The Committee shares the Trust's disappointment with the increase in pressure ulcers cases and supports efforts to improve equipment and staff training to ensure pressure ulcers to not accord while patients are in hospital.

The Committee notes the nurse staffing levels of the Trust and supports efforts to train additional nurses locally in partnership with South Cheshire College and hopes more local young people looking to enter a career in nursing can be supporting into a role at their local Trust.

I hope the comments above are well received by the Trust and that some of the Committee's points above can be address. Thanks to you for your attendance at our meeting. If you have any comments or questions about the Committee's submission please contact James Morley on the address provided.

Yours Sincerely

Councillors Jos Saunders,
Chairman of the Health and Adult Social Care Overview and Scrutiny Committee

South Cheshire and Vale Royal Clinical Commissioning Groups

NHS South Cheshire Clinical Commissioning Group (CCG) and NHS Vale Royal Clinical Commissioning Group (CCG) welcome the opportunity to comment on Mid Cheshire Hospitals Foundation Trust (MCHFT) Quality Account 2015/16.

We can confirm that we have reviewed the content of the Quality Account and this reflects a fair, representative and balanced overview of the quality of care in MCHFT and includes the mandatory elements required.

The Trust is in the second year of their Quality and Safety Improvement Strategy. Therefore it is worth noting that a continued emphasis on the three domains of Experience, Effectiveness and Safety has built on the work undertaken in 2014/15. The priorities identified in the Quality Account have a strong patient focus which underpins the quality agenda and focuses on staff values and behaviours. In particular we would like to highlight the key role Student Quality Ambassadors have played in producing a student version of the Quality and Safety Improvement Strategy. This has emphasised to patients, staff and their peers the contribution student nurses make to delivering high quality care.

The Quality Account describes a number of initiatives around dementia which have been progressed in 2015/16 particularly linked to Department of Health dementia challenge. In particular the collaborative working with the Royal Voluntary Service who provide a befriending service to those patients who are elderly and may have memory problems should be commended. Support for staff who are caring for a person living with dementia at home has also been progressed in partnership with the Alzheimer's Society. The value of these initiatives to patients and carers is evidenced in the Quality Account by the comments from carers about the positive experiences they and their relatives have had.

It is noted that there has been a focus on improving communication which has resulted in a reduction of formal and informal complaints. It is pleasing to note that further work is ongoing to enhance communication for patients and staff with the implementation of the new nursing and medical integrated documentation being piloted across one ward in the Trust. This documentation can be used as a multidisciplinary team record and aids to improve communication across the teams.

MCHFT have continued to implement a number of initiatives to assist in the prevention of pressure ulcers. The investment of a skin care specialist nurse to focus on education and training with nursing staff will ensure that the focus on pressure ulcer prevention is maintained as a high priority throughout the Trust.

It is commendable to note the initiatives that MCHFT have undertaken to reduce their hospital mortality rates have been maintained in 2015/16. The expectation is that in 2016/17 these initiatives will continue with the Trust mortality rate remaining in the 'expected range'.

There has been much more focus on patient experiences and an increased use of modern media which has been reflected in the use of Facebook, which has highlighted awareness around National issues i.e. the update on the flu vaccinations and the Zika virus.

The 'You Said…. We Did' campaign is powerful tool to showcase to patients, carers and staff the improvements that have been made throughout the year and is commendable.

Engagement with patients, carers and stakeholders is well represented in the Quality Account. Of particular note is the dedicated sections given to the Friends and Family Test, NHS Choices and Patient and Public Involvement. This section clearly shows how our local population can provide feedback to MCHFT about their experiences of care, which has led to quality improvement initiatives. It is good to see that the Friends and Family Test has now been implemented as a child friendly initiative. MCHFT has a specific child friendly post box to encourage feedback, inspiring children to write their own response or draw a picture if they wish.

It is good to see collaborative working with Healthwatch Cheshire East and Healthwatch Cheshire West which has facilitated

engagement with 'hard-to-reach' groups. It is pleasing to note that the audits that Healthwatch have undertaken and comments received from patient feedback have been used as evidence in order to drive change.

The results of the Staff survey 2015 showed an improvement in the number of staff who would recommend MCHFT as a place to work which indicates the ongoing work that senior managers are undertaking with the staff.

We look forward to maintaining a strong commissioning relationship with MCHFT in 2016/17. NHS South Cheshire CCG and NHS Vale Royal CCG are committed to working in a collaborative manner to achieve positive experiences for our local population with a provider that has the continued high quality delivery of health care at its core.

NHS Vale Royal Clinical Commissioning Group
NHS South Cheshire Clinical Commissioning Group

Statement of Directors' responsibilities in respect of the quality report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare quality accounts for each financial year.

Monitor has also issued guidance to NHS Foundation Trust Boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS Foundation Trust Boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, Directors are required to take steps to satisfy themselves that:

➢ The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance;

➢ The content of the Quality Report is not inconsistent with internal and external sources of information including:

- Board minutes and papers for the period April 2015 to May 2016
- Papers relating to quality reported to the Board over the period April 2015 to May 2016
- Feedback from the Commissioners dated 26 May 2016
- Feedback from Healthwatch Cheshire East dated 16 May 2016
- Feedback from Healthwatch Cheshire West dated 10 May 2016
- Feedback from the Cheshire East Council Health and Adults Scrutiny Committee dated 26 May 2016
- Feedback from Governors dated 26 May 2016
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 16 July 2015.
- The 2015 national patient surveys
- The 2015 national staff survey
- The Head of Internal Audit's annual opinion over the Trust's control environment dated May 2016
- Care Quality Commission (CQC) intelligent monitoring report dated May 2015.

➢ The Quality Report presents a balanced picture of the Trust's performance over this period;

➢ The performance information reported in the Quality Report is reliable and accurate;

➢ There are proper internal controls over the collection and reporting of the measures of performance included in the quality report and these controls are subject to review to confirm that they are working effectively in practice;

➢ The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions and is subject to appropriate scrutiny and review; and

➢ The Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the quality report.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the quality report.

By order of the Board, signed 24 May 2016:

Dennis Dunn MBE
Chairman

Tracy Bullock
Chief Executive

Dr Paul Dodds
Medical Director and
Deputy Chief Executive

Alison Lynch
Director of Nursing
and Quality

Mark Oldham
Director of Finance

Denise Frodsham
Chief Operating Officer

Dame Patricia Bacon
Non-Executive Director
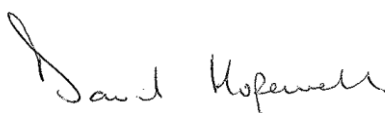
John Barnes
Non-Executive Director

John Church
Non-Executive Director

Mike Davies
Non-Executive Director

David Hopewell
Non-Executive Director

Ruth McNeill
Non-Executive Director

Appendices

Appendix 1 - Glossary and abbreviations

Terms	Abbreviation	Description
Acute Kidney Injury	AKI	AKI is a syndrome that results in a sudden decrease in kidney function or kidney damage within a few hours or few days. AKI causes a build-up of waste products in the blood and makes it hard for the kidneys to keep a balance of fluid in the body. This can also affect other organs such as the brain, heart, and lungs.
Acute Myocardial Infarction	AMI	AMI is commonly known as a "heart attack" which results from the partial interruption of the blood supply to a part of the heart which can cause damage or death to the heart muscle.
Advancing Quality	AQ	A programme which rewards hospitals which improve care in a number of key areas – heart attacks, pneumonia, hip and knee replacements, heart failure and heart bypass surgery – when compared to research which identifies what best care constitutes.
Board (of Trust)		The role of Trust's board is to take corporate responsibility for the organisation's strategies and actions. The chair and non-executive directors are lay people drawn from the local community and are accountable to the Secretary of State. The chief executive is responsible for ensuring that the board is empowered to govern the organisation and to deliver its objectives.
Care Quality Commission	CQC	The independent regulator of health and social care in England. Its aim is to make sure better care is provided for everyone, whether in hospital, in care homes, in people's own homes, or elsewhere.
C.A.S.P.E Healthcare Knowledge Systems	CHKS	An independent company which provides clinical data/intelligence to allow NHS and independent sector organisations to benchmark their performance against each other.
Clinical Commissioning Group	CCG	This is the GP led commissioning body who buy services from providers of care such as the hospital.
Clostridium Difficile	C-diff	A naturally occurring bacterium that does not cause any problems in healthy people. However, some antibiotics that are used to treat other health conditions can interfere with the balance of 'good' bacteria in the gut. When this happens, C-diff bacteria can multiply and cause symptoms such as diarrhoea and fever.
Commissioner		A person or body who buy services.
Commissioning for Quality and Innovations	CQUIN	CQUIN is a payment framework developed to ensure that a proportion of a providers' income is determined by their

Terms	Abbreviation	Description
		work towards quality and innovation.
Dementia		Dementia describes a set of symptoms that may include memory loss and difficulties with thinking, problem-solving or language. Dementia is caused when the brain is damaged by diseases, such as Alzheimer's disease or a series of strokes.
Friends and Family Test	FFT	The NHS Friends and Family Test was created to help service providers and commissioners understand whether their patients are happy with the service provided, or where improvements are needed. It is a quick and anonymous way to give views after receiving care or treatment across the NHS.
Healthcare Associated Infections	HCAI	A generic name to cover infections like MRSA and C-diff.
Health Service Ombudsman		The role of the Health Service Ombudsman is to provide a service to the public by undertaking independent investigations into complaints where the NHS in England have not acted properly or fairly or have provided a poor service.
Hospital Evaluation Data	HED	This is an on-line solution delivering information which enables healthcare organisations to drive clinical performance in order to improve patient care and deliver financial savings
Hospital Episode Statistics	HES	This is the national statistical data warehouse for England for the care provided by NHS hospitals and for NHS hospital patients treated elsewhere. HES is the data source for a wide range of healthcare analysis for the NHS, government and many other organisations and individuals.
Integrated Care System	ICS	The system used by the Trust to record patient activity.
Intensive Care National Audit and Research Centre: Case Mix Programme	ICNARC CMP	The ICNARC CMP is a high quality, clinical database holding over 18 years data relating to patient outcomes from adult, general critical care units in England, Wales and Northern Ireland.
Methicillin-Resistant Staphylococcus Aureus	MRSA	Staphylococcus aureus is a bacterium which is often found on the skin and in the nose of about 3 in 10 healthy people. An infection occurs when the bacterium enters the body through a break in the skin. A strain of this bacterium has become resistant to antibiotic treatment and this is often referred to as MRSA.
Monitor		This is the regulator of NHS Foundation Trusts. It is an independent body detached from central government and directly accountable to Parliament.
National Patient Surveys		Co-ordinated by the CQC, they gather feedback from patients on different aspects of their experience of care they have recently received, across a variety of

Terms	Abbreviation	Description
		services/settings: Inpatients, Outpatients, Emergency care, Maternity care, Mental Health services, Primary Care services and Ambulance services.
National Reporting and Learning System	NRLS	National database that allows learning from reported incidents. All Trusts upload their incident reporting data to this database on a weekly basis
Never Events		Never Events are serious incidents that are preventable as guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and should have been implemented by all healthcare providers. Each Never Event type has the potential to cause serious patient harm or death. However, serious harm or death is not required to have happened as a result of a specific incident occurrence for that incident to be categorised as a Never Event. Never Events include incidents such as: wrong site surgery, retained instrument post operation, wrong route administration of chemotherapy
NHS Choices		NHS Choices (www.nhs.uk) was launched in 2007 and is the official website of the National Health Service in England.
Patient Reported Outcome Measures	PROMs	A programme in which patients complete a questionnaire on their health before and after their operation. The results of the two questionnaires can be compared to see if the operation has improved the health of the patient. Any improvement is measured from the patient's perspective as opposed to the clinicians.
Pressure ulcers		Pressure ulcers are an injury that breaks down the skin and underlying tissue. They are caused when an area of skin is placed under pressure. They are sometimes known as "bedsores" or "pressure sores". Pressure ulcers can range in severity from patches of discoloured skin to open wounds that expose the underlying bone or muscle.
Quality Report		This is a statutory annual report of quality which provides assurance to external bodies that the Trust Board has assessed quality across the totality of services and is driving continuous improvement.
Re-admission Rates		A measure to compare hospitals which looks at the rate at which patients need to be readmitted to hospital after being discharged (leaving hospital).
Risk Adjusted Mortality Rates	RAMI	A measure to compare hospitals which looks at the actual number of deaths in a hospital compared to the expected number of deaths. The risk-adjustment is a method used to account for the impact of individual risk factors such as age, severity of illness (es) and other medical problems that can put some patients at greater risk of death than others.

Terms	Abbreviation	Description
Safer Nursing Care Tool	SNCT	The safer nursing care tool was launched in 2010 by the NHS Institute based on the work undertaken by the Association of UK University Hospitals (AUKUH). It is used to measure patient dependency/acuity to help determine nurse staffing levels on the wards.
Sepsis		Sepsis, also referred to as blood poisoning or septicaemia, is a potentially life-threatening condition, triggered by an infection or injury. In sepsis, the body's immune system goes into overdrive as it tries to fight an infection. This can reduce the blood supply to vital organs such as the brain, heart and kidneys. Without quick treatment, sepsis can lead to multiple organ failure and death
Summary Hospital level Mortality Indicator	SHMI	SHMI is a hospital level indicator which measures whether mortality associated with hospitalisation was in line with expectations. The SHMI value is the ratio of observed deaths in a Trust over a period of time divided by the expected number given the characteristics of patients treated by that Trust. SHMI is not an absolute measure of quality. However, it is a useful indicator for supporting organisations to ensure they properly understand their mortality rates across each and every service line they provide.
Summary Hospital level Mortality Indicator	SHMI	SHMI is a hospital level indicator which measures whether mortality associated with hospitalisation was in line with expectations. The SHMI value is the ratio of observed deaths in a Trust over a period of time divided by the expected number given the characteristics of patients treated by that Trust Depending on the SHMI value, Trusts are banded between 1 and 3 to indicate whether their SHMI is low (3), average (2) or high (1) compared to other Trusts.SHMI is not an absolute measure of quality. However, it is a useful indicator for supporting organisations to ensure they properly understand their mortality rates across each and every service line they provide.
Vanguard		In January 2015, the NHS invited individual organisations and partnerships to apply to become 'vanguard' sites for the new care models programme, one of the first steps towards delivering the Five Year Forward View and supporting improvement and integration of services. Each vanguard site will take a lead on the development of new care models which will act as the blueprints for the NHS moving forward and the inspiration to the rest of the health and care system
Venous Thrombo-Embolism	VTE	This is a blood clot which can develop when a person may not be as mobile as they are usually or following surgery. The blood clot itself is not usually life threatening, but if it comes loose it can be carried in the blood to another part of the body where it can cause problems – this is called a Venous Thromboembolism (VTE).

Appendix 2 - Feedback form

We hope you have found this Quality Report useful. To save costs, the report is available on our website and hard copies are available on request.

We would be grateful if you would take the time to complete this feedback form and return it to:

Clinical Quality and Outcomes Matron
Mid Cheshire Hospitals NHS Foundation Trust
Leighton Hospital
Middlewich Road
Crewe
Cheshire
CW1 4QJ
Email: quality.accounts@mcht.nhs.uk

How useful did you find this report?

Very useful   □
Quite useful   □
Not very useful   □

Did you find the contents?

Too simplistic   □
About right   □
Too complicated   □

Is the presentation of data clearly labelled?

Yes, completely   □
Yes, to some extent □
No   □

If no, what would have helped?

Is there anything in this report you found particularly useful / not useful?

Independent auditor's report to the Council of Governors of Mid Cheshire Hospitals NHS Foundation Trust on the quality report

We have been engaged by the Council of Governors of Mid Cheshire Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Mid Cheshire Hospitals NHS Foundation Trust's quality report for the year ended 31 March 2016 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of Mid Cheshire Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting Mid Cheshire Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Mid Cheshire Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:
- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- The percentage of patients waiting more than 4 hours in Accident & Emergency.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual';
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects

in accordance with the 'NHS Foundation Trust Annual Reporting Manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS Foundation Trust Annual Reporting Manual, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with

- o board minutes for the period April 2015 to May 2016;
- o papers relating to quality reported to the board over the period April 2015 to May 2016;
- o feedback from Healthwatch Cheshire East dated 16 May 2016;
- o feedback from Healthwatch Cheshire West dated 10 May 2016;
- o the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 16 July 2015;
- o the national patient survey dated July 2015;
- o the national staff survey dated 12 December 2015;
- o Care Quality Commission Intelligent Monitoring Report dated May 2016; and
- o the Head of Internal Audit's annual opinion over the trust's control environment dated May 2016.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:
- • evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- • making enquiries of management;
- • testing key management controls;

- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS Foundation Trust Annual Reporting Manual' to the categories reported in the quality report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual'.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Basis for qualified conclusion

The "maximum time of 18 weeks from point of referral to treatment in aggregate — patients on an incomplete pathway" indicator requires that the Trust accurately record the start and end dates of each patient's treatment pathway, in accordance with detailed requirements set out in national guidance. We have tested a sample of 25 pathways which were listed as incomplete at month end, selected on a random basis.

We identified the following errors:
- In 1 case the date of treatment recorded on the system was different to the date of treatment in the patient notes;
- In 3 cases the date of referral recorded on the system was different to the date of referral in the patient notes;
- In 1 case it was determined that the pathway was not a valid RTT pathway and should not have been opened and included in the data;
- In 4 cases we were unable to confirm the date of referral and/or the date of treatment to supporting documentation;
- In 2 cases the patient was reported as an open pathway one month too late based on the date of referral evidence in the patient notes; and

- In 5 cases the patient was reported as an open pathway for one month too long based on the date of treatment evidence in the patient notes.

Our procedures included testing a risk based sample of items, and so the error rates identified from that sample cannot directly be extrapolated to the population as a whole.

As a result of the issues identified, we have concluded that there are errors in the calculation of the "maximum time of 18 weeks from point of referral to treatment in aggregate — patients on an incomplete pathway" indicator for the year ended 31 March 2016. We are unable to quantify the effect of these errors on the reported indicator.

Qualified conclusion

Based on the results of our procedures, except for the effects of the matters described in the "Basis for qualified conclusion" section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:
- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual';
- the quality report is not consistent in all material respects with the sources specified in 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual'.

Deloitte LLP

Deloitte LLP
Chartered Accountants
Leeds
26 May 2016

6. Annual Accounts

6. Foreword to the Accounts

These accounts for the year ended 31 March 2016 have been prepared by Mid Cheshire Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 in the form that Monitor, the Independent Regulator of NHS Foundation Trusts, has, with the approval of the Treasury, directed.

Tracy Bullock
Chief Executive & Accounting Officer
Date: 24 May2016

Statement of Comprehensive Income for the Year ended 31 March 2016

	Note	Group 2015/16 £000	Group 2014/15 £000	Foundation Trust 2015/16 £000	Foundation Trust 2014/15 £000
Operating Income from patient care activities	3	177,441	167,362	177,441	167,362
NHS Charitable Funds: Incoming Resources excluding investment income	4	454	1,280	-	-
Other operating income	4	25,967	23,025	26,872	25,108
Operating expenses	5	(213,233)	(191,720)	(212,957)	(191,503)
OPERATING (DEFICIT)/SURPLUS		(9,371)	(53)	(8,644)	967
Finance Costs:					
Finance Income	8	69	81	45	53
Finance expense – financial liabilities	9.1	(197)	(139)	(197)	(139)
Finance expense – unwinding of discount on provisions	22	(21)	(21)	(21)	(21)
PDC Dividends paid	28	(1,893)	(1,983)	(1,893)	(1,983)
NET FINANCE COSTS		(2,042)	(2,062)	(2,066)	(2,090)
DEFICIT FOR THE YEAR		(11,413)	(2,115)	(10,710)	(1,123)
Other comprehensive income					
Impairments on property, plant and equipment	23	(8,242)	(5,499)	(8,242)	(5,499)
Revaluations gains on property, plant and equipment	23	8,787	5,298	8,787	5,298
Fair Value (losses)/gains on Available-for-sale financial investments	34	(37)	41	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		(10,905)	(2,275)	(10,165)	(1,324)

The notes on pages 195 to 245 form part of these accounts.

All income and expenditure is derived from continuing operations.

*Impact of Property Plant and Equipment valuations

	Group 2015/16 £'000	Group 2014/15 £'000	Foundation Trust 2015/16 £'000	Foundation Trust 2014/15 £'000
Operating Surplus/(Deficit) before adjustments for valuation	(6,763)	401	(6,036)	1,315
Impairment of Property Plant and Equipment	(6,197)	(3,365)	(6,197)	(3,365)
Reversal of previous impairments charged to the Statement of Comprehensive Income	3,589	3,017	3,589	3,017
Net Operating (deficit)/surplus	(9,371)	(53)	(8,644)	967

Operating Expenses include a non-cash adjustments £6,197K and operating income includes Reversal of previous impairments charged to the Statement of Comprehensive Income of £3,589K. The adjustments reflect the changes in the value of the Trust's property, plant and equipment. Accounting standards require that these adjustments are recognised in operating income and expenditure. The underlying operating deficit was £6,763K for the Group and deficit of £6,036K for the Foundation Trust which would leave a net deficit of £8,805K for the Group and £8,102K for the Foundation Trust after interest and dividend charges.

Group Statement of Financial Position as at 31 March 2016

	Note	31 March 2016 £000	31 March 2015 £000
Non-current assets			
Intangible assets	10	**937**	977
Property, plant and equipment	11	**75,767**	74,867
Other Investments	12	**519**	987
Trade and other receivables	15	**335**	380
Total non-current assets		**77,558**	77,211
Current assets			
Inventories	14	**2,978**	2,947
Trade and other receivables	15	**10,144**	7,021
Cash and cash equivalents	24	**792**	7,163
Non-current assets held for sale	13	**-**	-
Total current assets		**13,914**	17,131
Current liabilities			
Trade and other payables	18	**(19,326)**	(13,165)
Borrowings	20	**(1,199)**	(921)
Provisions	22	**(185)**	(213)
Other liabilities	19	**(1,060)**	(999)
Total current liabilities		**(21,770)**	(15,298)
Total assets less current liabilities		**69,702**	79,044
Non-current liabilities			
Trade and other payables	18	**-**	-
Borrowings	20	**(7,290)**	(5,621)
Provisions	22	**(1,645)**	(1,762)
Total non-current liabilities		**(8,935)**	(7,383)
Total assets employed		**60,767**	71,661
Financed by taxpayers' equity			
Public dividend capital		**75,157**	75,146
Revaluation reserve	23	**10,251**	9,709
Income and expenditure reserve		**(25,861)**	(15,154)
Others' equity			
Charitable Fund Reserve		**1,220**	1,960
Total taxpayers' and others'equity		**60,767**	71,661

The financial statements on pages 187 to 245 were approved and authorised for issue by the Board and signed on its behalf on 24 May 2016

Tracy Bullock
Chief Executive & Accounting Officer
Date: 24 May 2016

Foundation Trust Statement of Financial Position as at 31 March 2016

	Note	31 March 2016 £000	31 March 2015 £000
Non-current assets			
Intangible assets	10	**937**	977
Property, plant and equipment	11	**75,767**	74,867
Other Investments	12	**-**	-
Trade and other receivables	15	**335**	380
Total non-current assets		**77,039**	76,224
Current assets			
Inventories	14	**2,978**	2,947
Trade and other receivables	15	**9,488**	6,284
Cash and cash equivalents	24	**764**	6,927
Non-current assets held for sale	13	**-**	-
Total current assets		**13,230**	16,158
Current liabilities			
Trade and other payables	18	**(19,343)**	(13,165)
Borrowings	20	**(1,199)**	(921)
Provisions	22	**(185)**	(213)
Other liabilities	19	**(1,060)**	(999)
Total current liabilities		**(21,787)**	(15,298)
Total assets less current liabilities		**68,482**	77,084
Non-current liabilities			
Trade and other payables	18	**-**	-
Borrowings	20	**(7,290)**	(5,621)
Provisions	22	**(1,645)**	(1,762)
Total non-current liabilities		**(8,935)**	(7,383)
Total assets employed		**59,547**	69,701
Financed by taxpayers' equity			
Public dividend capital		**75,157**	75,146
Revaluation reserve	23	**10,251**	9,709
Income and expenditure reserve		**(25,861)**	(15,154)
Total taxpayers' and others' equity		**59,547**	69,701

Statement of Changes in Taxpayers' Equity as at 31 March 2016 - Group

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total	NHS Charitable Fund Reserve	Group Total
		£000	£000	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2015		75,146	(15,154)	9,709	69,701	1,960	71,661
Retained Surplus/(deficit) for the year		-	(11,615)	-	(11,615)	202	(11,413)
Transfer between reserves	23	-	3	(3)	-	-	-
Fair value loss on Available for sale financial investments	34	-	-	-	-	(37)	(37)
Impairments	23	-	-	(8,242)	(8,242)	-	(8,242)
Revaluations	23	-	-	8,787	8,787	-	8,787
Public Dividend Received		11	-	-	11	-	11
Other reserve movement – charitable funds consolidation adjustment		-	905	-	905	(905)	-
Taxpayers' equity at 31 March 2016		75,157	(25,861)	10,251	59,547	1,220	60,767

Statement of Changes in Taxpayers' Equity as at 31 March 2016 – Foundation Trust

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total
		£000	£000	£000	£000
Taxpayers' Equity at 1 April 2015		75,146	(15,154)	9,709	69,701
Retained deficit for the year		-	(10,710)	-	(10,710)
Transfer between reserves	23	-	3	(3)	-
Impairments	23	-	-	(8,242)	(8,242)
Revaluations	23	-	-	8,787	8,787
Public Dividend Received		11	-	-	11
Taxpayers' equity at 31 March 2016		75,157	(25,861)	10,251	59,547

Statement of Changes in Taxpayers' Equity as at 31 March 2015 – Group

	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total	NHS Charitable Fund Reserve	Group Total
	£000	£000	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2014	**75,146**	(13,864)	9,743	**71,025**	2,911	73,936
Retained deficit for the year	-	**(3,206)**	-	**(3,206)**	1,091	**(2,115)**
Transfer between reserves	-	**(167)**	**167**	-	-	-
Fair value loss on Available for sale financial investments	-	-	-	-	**41**	**41**
Impairments	-	-	**(5,499)**	**(5,499)**	-	**(5,499)**
Revaluations	-	-	**5,298**	**5,298**	-	**5,298**
Public Dividend Received	-	-	-	-	-	-
Other reserve movement – charitable funds consolidation adjustment	-	**2,083**	-	**2,083**	**(2,083)**	-
Taxpayers' equity at 31 March 2015	**75,146**	**(15,154)**	**9,709**	**69,701**	**1,960**	**71,661**

Statement of Changes in Taxpayers' Equity as at 31 March 2015 – Foundation Trust

	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total
	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2014	**75,146**	(13,864)	9,743	**71,025**
Retained deficit for the year	-	(1,123)	-	(1,123)
Transfer between reserves	-	(167)	167	-
Impairments	-	-	(5,499)	(5,499)
Revaluations	-	-	5,298	5,298
Public Dividend Received	-	-	-	-
Taxpayers' equity at 31 March 2015	**75,146**	**(15,154)**	**9,709**	**69,701**

Statement of Cash Flows for the Year ended 31 March 2016

	Group		Foundation Trust	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Cash flows from operating activities				
Operating (deficit)/surplus	(9,371)	(53)	**(8,644)**	967
Non-Cash income and expense				
Depreciation and amortisation	**4,727**	4,195	**4,727**	4,195
Impairments	**6,197**	3,365	**6,197**	3,365
Reversal of impairments	**(**3,589)	(3,017)	**(3,589)**	(3,017)
(Gain)/loss on disposal	**4**		**4**	-
Income recognised in respect of capital donations (cash and non-cash)	(10)	(177)	**(894)**	(177)
Decrease/(Increase) in trade and other receivables	(3,059)	2,204	**(3,048)**	2,207
Decrease/(increase) in Inventories	**(31)**	160	**(31)**	160
(Decrease)/Increase in trade and other payables	5,929	(725)	**5,947**	(725)
(Increase)/Decrease in other current liabilities	61	(71)	**61**	(1,071)
Increase/(Decrease) in provisions	**(166)**	216	**(166)**	216
NHS Charitable Funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	93	(801)	**-**	-
Other movements in operating cash flows	(14)	4	(14)	4
Net cash generated from operations	771	5,300	**550**	6,124
Cash flows from investing activities				
Interest received	45	53	**45**	53
Payments for intangible assets	**(**378)	(246)	**(378)**	(246)
Payments for property, plant and equipment	**(5,933)**	(10,305)	**(5933)**	(10,305)
Receipt of cash donations to purchase capital assets	**10**	153	**844**	153
NHS Charitable funds - net cash flows from investing activities	455	7	**-**	-
Net cash used in investing activities	(5,801)	(10,338)	**(5,372)**	(10,345)
Cash flows from financing activities				
Public dividend capital received	11	-	**11**	-
Loans received from the Department of Health	**1,780**	3,150	**1,780**	3,150
Other Loans received	**222**	-	**222**	-
Loans repaid to the Department of Health	(276)	-	**(**276)	-
Capital element of finance lease rental payments	(877)	(1,229)	**(877)**	(1,229)
Interest Paid	**(76)**	-	**(76)**	-
Interest element of finance lease	**(121)**	(139)	**(121)**	(139)
Public Dividend Capital paid	**(2,004)**	(1,783)	(2,004)	(1,783)
Net cash used in financing activities	(1,341)	(1)	**(1,341)**	(1)
Increase in cash and cash equivalents	(6,371)	(5,039)	**(**6,163)	(4,222)
Cash and Cash equivalents at 1 April	7,163	12,202	**6,927**	11,149
Cash and Cash equivalents at 31 March	792	7,163	**764**	6,927

Notes to the Accounts

1. Accounting Policies and other information

Monitor is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the 2015/16 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

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

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Consolidation

Charitable Funds

The NHS Foundation Trust is the corporate trustee to Mid Cheshire NHS Charitable Fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the

ability to affect those returns and other benefits through its power over the fund.

The charitable fund's financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

1.3 Consolidation (continued)

On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

➢ recognise and measure them in accordance with the Foundation Trust's accounting policies; and

➢ eliminate intra-group transactions, balances, gains and losses.

Charity accounting policies

Incoming Resources
All income is recognised once the charity has entitlement to the income. It is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis where the evidence of entitlement exists, when the charity has sufficient evidence that a gift has been left to it and the executor is satisfied that the gift in question will not be required to be required to satisfy claims in the estate. The recognition of the gift is also affected by the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Therefore a receipt of a

legacy is recognised when it is probable that it will be received. Receipt is normally probable when:

➢ there has been a grant of probate

➢ the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and

➢ any conditions attached to the legacy are either within control of the charity or have been met.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Resources Expended
All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. The financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the accounts when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Resources expended are split into two main categories being the costs of generating funds and the actual costs of charitable activities.

Costs of activities in the furtherance of charitable activities are expenditure incurred on the provision of services or goods. Support costs are an integral and material part of the costs of activities in the furtherance of charitable activities and/or expenditure incurred in paying grants.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

A grant is any payment which is made voluntarily to any institution or to an individual in order to further the charity's objectives, without receiving goods or services in return.

Where VAT is irrecoverable on purchases, the gross cost is charged to the funds.

Investment Fixed Assets
Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of comprehensive income includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains and losses
All gains and losses are taken to the statement of comprehensive income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of comprehensive income.

Contingent liabilities
A contingent liability is identified and disclosed for those transactions resulting from:

➢ a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or

> ➢ a present obligation following a transactions offer where settlement is either not considered probable; or

> ➢ the amount has not been communicated in the transactions offer and that amount cannot be estimated reliably.

Structure of Funds

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund.

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Mid Cheshire Hospitals Charity holds no endowment funds. Other funds are classified as unrestricted funds. Unrestricted funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the donor has made known their non-binding wishes or where the Trustee at its discretion has created a fund for a specific purpose.

The Trustee involves each division, ward, department, and where appropriate staff representatives, in fundraising and decisions regarding expenditure of charitable monies. A Committee of the Trust Board meets regularly and approves all expenditure. Please see Note 34.

Pooling Scheme

Any official pooling scheme is operated for investments relating to all Mid Cheshire Hospitals NHS Foundation Trust Charitable Funds. This was registered with the Charity Commission on 8 April 1998.

Joint Ventures

Joint ventures are separate entities over which the Trust has joint control with one or more other parties. Control is defined as having the power to exercise control or as having a dominant influence so as to gain economic or other benefits.

1.4   Pooled budgets

The Trust has not entered into a pooled budget arrangement.

1.5   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.

1.5.1   Critical judgements in applying accounting policies

There are no critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the entity's accounting policies.

1.5.2   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.

1.5.3   Critical accounting judgements and key sources of estimation uncertainty

Incomplete Spells until activity is fully coded on discharge the level of income calculation is described under note 3.1, income from patient care activities. In addition Ante-natal pathway income has had an adjustment to reflect incomplete pathways as at 31 March 2016, where the Trust has been paid in full for the complete pathway up front. The calculation is described under note 3.1

Provisions The Trust is party to a number of employer and public liability claims which are detailed in Note 22. These are based upon

probabilities of successful claims. However this is limited to a maximum excess of £10,000 in respect of employers' liability and £3,000 for public liability. The total provision as at 31 March 2016 is £69,875.

Employees' Expenses At 31 March 2016 the accrual for outstanding holidays is £288,000. Staff other than Medical Staff are expected to take all annual leave by 31 March. The Medical staff has been based on a percentage of 57% of the total medical staff numbers and increased pro rata.

Valuation of Property, Plant and Equipment
Management has estimated the asset values and useful economic lives of land and buildings using guidance given by the District Valuation Office. The values are determined using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. This considers the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space, efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. In addition, the site of the MEA may not be necessarily in the same location as the existing assets and therefore alternative sites have been considered.

In determining the fair value for non-specialised operational assets Existing Use Value has been used and for specialised operational assets as there is no market based evidence, Depreciated Replacement Cost has been used. The District Valuer has taken into account such factors as deterioration and technical obsolescence when determining the Modern Equivalent Asset valuation. Any deviation in these estimations could significantly impact on depreciation, impairments and the Public Dividend Capital Dividend.

1.6   Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of health care services.

Income relating to patient care spells that are part-completed at the year-end are apportioned across the financial years on the basis of length of stay at the Statement of Financial Position date compared to expected total length of stay/costs incurred to date compared to total expected costs.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Interest income is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

1.7   Expenditure on Employee Benefits

Short-Term Employee Benefits

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

Pension Costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. 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 NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme. Employer's pension cost contributions are charged to operating expenses as and when they become due.

1.7 Expenditure on Employee Benefits (continued)

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.

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.

1.9 Property, plant and equipment

Capitalisation

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

➢ 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, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are and its 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;

➢ 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; and

➢ the cost of the item can be measured reliably.

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

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.

All assets are measured subsequently at valuation. Land and buildings are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. 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. Fair values are determined as follows:

➢ Land and non-specialised buildings – Market based evidence

➢ Specialised buildings – depreciated replacement cost

The Trust uses the District Valuation Office as independent valuers to complete an assessment of the valuation of land and buildings. The Trust had its last full revaluation of the buildings as at 31 March 2014. The Trust, in the most recent valuation as at 31 March 2016, used a MEA alternative site and/or accommodation basis. This considers the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space, efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. In addition, the site of the MEA may not be necessarily in the same location as the existing assets and therefore alternative sites have been considered.

It is the opinion of the qualified external valuer that the market value for existing use of the property has been primarily derived using the depreciated replacement cost approach because

of the specialised nature of the asset means that there are no market transactions of this type of asset except as part of the business or entity.

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.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Revaluation gains and losses

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

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

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance

is charged to the Statement of Comprehensive Income in the period in which it is incurred.

1.10 Intangible fixed assets

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 an asset can be measured reliably.

Intangible assets are capitalised when they have a cost of at least £5,000. Intangible assets acquired separately are initially recognised at cost.

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

Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

➢ the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;

➢ the Trust intends to complete the asset and sell or use it;

➢ the Trust has the ability to sell or use the asset;

➢ how the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;

➢ adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset; and

➢ the Trust can measure reliably the expenses attributable to the asset during development.

There was no such expenditure requiring capitalisation at the Statement of Financial Position date. Expenditure which does meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. NHS Foundation Trusts disclose the total amount of research and development expenditure charged in

the Statement of Comprehensive Income separately.

However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

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

Following initial recognition at cost, intangible assets are carried at depreciated historic cost as this is not considered to be materially different from fair value. Internally-developed software is held at historic cost to reflect the opposite effects of development costs and technological advances. Purchased computer software licences are held at cost less any amortisation and impairment.

1.11 Depreciation, amortisation and impairments

Land and assets under construction are not depreciated.

Otherwise, depreciation and amortisation are charged on a straight line basis to write off the costs or valuation of tangible and intangible non-current assets, less any residual value, over their estimated useful lives. 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.

At each Statement of Financial Position date, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is 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. Intangible assets not yet available for use are tested for impairment annually.

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

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

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

Buildings and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's Professional Valuers.

The estimated life of buildings ranges between 5 to 85 years.

Plant and Equipment are depreciated evenly over the estimated life of the asset, as follows:

➢ Plant and Equipment – 1 to 15 years

➢ Information Technology –1 to 15 years

➢ Furniture & Fittings – 1 to 10 years

1.12 De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

➢ the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;

- the sale must be highly probable ie: management are committed to a plan to sell the asset;

- an active programme has begun to find a buyer and complete the sale;

- the asset is being actively marketed at a reasonable price;

- the sale is expected to be completed within 12 months of the date of classification as "Held for Sale"; and

- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their "fair value less costs to sell". Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

1.13   Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.14   Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the donation/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.

1.15   Revenue government and other grants

Government grants are grants from other Government bodies other than income from Clinical commissioning Groups or NHS Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match expenditure.

1.16   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

Amounts held under finance leases are initially recognised as an asset at the inception of the lease at fair value or, if lower, at the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The asset is recorded as property, plant and equipment with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income.

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.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.17 Private Finance Initiative (PFI) transactions

The Trust has not entered into any PFI transactions.

1.18 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.

1.19 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 three 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.

Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.20 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount

recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury which are 1.37% for 2015/16 (1.30% 2015/16).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arsing from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.21 Clinical Negligence Costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at Note 22 but is not recognised in the Trust's accounts.

Since financial responsibility for clinical negligence cases transferred to the NHSLA at 1 April 2002, the only charge to operating expenditure in relation to clinical negligence in 2015/16 relates to the Trust's contribution to the Clinical Negligence Scheme for Trusts.

1.22 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 the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses as and when the liability arises.

1.23 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 27, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

➢ possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

➢ present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.24 Financial assets

Financial assets are recognised on the Statement of Financial Position when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through income and expenditure, embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the statement of comprehensive income. The net gain or loss incorporates any interest earned on the financial asset.

Available for sale financial assets
Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that does not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the statement of comprehensive income on de-recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of ore or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount

and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.25   Financial liabilities

Financial liabilities are recognised on 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. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or other financial liabilities.

Other financial liabilities
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.26   Value Added Tax

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

1.27   Corporation Tax

The Mid Cheshire Hospitals NHS Foundation Trust is a Health Service body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the 17 exemption in relation to the specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of Corporation Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000pa. Her Majesty's Revenue and Customs have for some time been considering how best to implement the requirement for foundation trusts to pay corporation tax on the profits of certain non-healthcare related activities. A consultation document was issued in August 2008 which put forward the suggestion that the profits from all non-healthcare activities should be aggregated and corporation tax paid thereon. The payment of corporation tax has now been deferred and thus there is no tax liability arising in respect of the current financial year.

1.28   Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the Statement of Comprehensive Income. At the Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Statement of Financial Position date.

1.29   Third Party Assets

Assets belonging to third parties are not recognised in the accounts if, in the opinion of the directors,

a)   the Trust has no beneficial interest in them;

b)   they are of significant value and therefore justify the administrative costs of maintaining separate bank accounts. In all other cases, third party assets are incorporated within the Trust's other asset and a corresponding liability is included in Creditors.

Details of Third party assets are given in Note 31 to the accounts.

1.30 Public Dividend Capital (PDC) and PDC Dividend

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the original NHS Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32 it is not treated as an equity financial instrument.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund Deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.31 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 on a cash basis, including losses which would have been made good through insurance cover had NHS Trusts not

been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, Note 33 is compiled directly from the losses and compensation register which reports on an accrual basis with the exception of provisions for future losses.

1.32 Transfers of functions between NHS bodies / local government bodies

For functions that have been transferred to the Trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net assets/ liabilities transferred is recognised within income/expenses, but not within operating activities. PCT in 2013/14 is recognised with in the income and expenditure reserve.

For property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS/local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

1.33 Going Concern

The use of going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the NHS Foundation Trust to continue as a going concern.

1.34   Accounting Standards that have been issued but have not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted:

Change Published	Published by IASB	Financial year for which the change first applies
IFRS 11 (amendment) – acquisition of an interest in a joint operation	May 2014	Not yet EU adopted. Expected to be effective from 2016/17
IAS 16 (amendment) and IAS 38 (amendment) – depreciation and amortisation	May 2014	Not yet EU adopted. Expected to be effective from 2016/17
IAS 16 (amendment) and IAS 41 (amendment) – bearer plants	June 2014	Not yet EU adopted. Expected to be effective from 2016/17
IAS 27 (amendment) – equity method in separate financial statements	August 2014	Not yet EU adopted. Expected to be effective from 2016/17
IFRS 10 (amendment) and IAS 28 (amendment) – sale or contribution of assets	September 2014	Not yet EU adopted. Expected to be effective from 2016/17
IFRS 10 (amendment) and IAS 28 (amendment) – investment entities applying the consolidation exception	December 2014	Not yet EU adopted. Expected to be effective from 2016/17
IAS 1 (amendment) – disclosure initiative	December 2014	Not yet EU adopted. Expected to be effective from 2016/17
IFRS 15 Revenue from contracts with customers	May 2014	Not yet EU adopted. Expected to be effective from 2017/18
Annual improvements to IFRS 2012-15 cycle	September 2014	Not yet EU adopted. Expected to be effective from 2017/18
IFRS 9 Financial Instruments	July 2014	Not yet EU adopted. Expected to be effective from 2018/19

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

1.35   Accounting standards, amendments and interpretations issued that have been adopted early

The Trust has not early adopted any new accounting standards, amendments or interpretations.

2.   Segmental Reporting

The Trust considers the Board of Directors to be the Chief Operating Decision Maker. The Audit Committee has assessed the Trust's position against IFRS 8 and concluded that the Trust operates in a single healthcare segment. This recommendation was approved by the Board of Directors during its March 2016 meeting.

3.   Income from Activities

3.1   Operating income from patient care activities comprises:

Group and Foundation Trust

	2015/16 £000	2014/15 £000
Elective Income	28,851	27,264
Non Elective Income	52,498	47,175
Outpatient Income	30,672	30,362
A&E Income	7,580	7,171
Other NHS Clinical Income	55,335	52,696
Income from activities(before private patient income)	174,936	164,668
Other non-protected clinical income	1,083	1,160
Private patient income	1,422	1,534
Total Activity Income	**177,441**	167,362

The elective and non-elective income includes the levels of incomplete spells as at 31 March 2016. The calculation is based on all patients who are in a bed at midnight on the 31 March by specialty and point of delivery. This activity is then multiplied by the average spell income for the relevant specialty/point of delivery for that year. The calculation also takes into account any Payment by Results rules with regard to marginal rates and thresholds for non-elective activity. The movement in year impacting on the recognised income is an increase of £77,176. An increase of £41,668 is due to a change in price and an increase of £35,508 is due to a change in volume.

The ante-natal pathway income has had an adjustment to reflect incomplete pathways as at 31 March 2016, where the Trust has been paid in full for the complete pathway up front. This calculation is based on all patients who have started an ante-natal pathway before 31 March 2016 and have not delivered by this date, which is calculated on the basis of the pathway tariff paid at that point multiplied by the percentage of days left of the incomplete pathway based upon on the patient's expected due date. The movement in year impacting the recognised income is an increase of £4,816.

Included in Other NHS Clinical Income is direct access income for Pathology and Radiology, Community Service income, high cost drugs income and income for screening programmes.

Injury Cost Recovery income included in 'Other non-protected clinical income' is subject to a provision for doubtful debts of 21.99% (2014/15 18.9%) to reflect expected rates of collection.

All of the income from activities before private income shown above has arisen from Commissioner requested Services as set out in the Foundation Trusts provider licence.

4. Other operating income

	Group		Foundation Trust	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Education and training	5,964	5,520	5,964	5,520
Received from NHS Charities: Receipt of grants/donations for capital acquisitions - Donation	-	-	-	61
Received from NHS charities: Cash donations / grants for the purchase of capital assets	-	-	894	2,011
Received from NHS charities: Other charitable and other contributions to expenditure	-	-	11	11
Received from other bodies: Receipt of grants/donations for capital acquisitions - Donation	-	24	-	24
Received from other bodies: Cash donations / grants for the purchase of capital assets	-	152	-	152
Received from other bodies: Other charitable and other contributions to expenditure	74	13	74	13
Non-patient care services to other bodies	12,267	10,529	12,267	10,529
Other	3,609	3,184	3,609	3,184
Reversal of impairments of property, plant and equipment	3,589	3,017	3,589	3,017
Staff Recharges	149	273	149	273
Rental Revenue from operating leases	315	313	315	313
NHS Charitable Funds: Incoming Resources excluding investment income	454	1,280	-	-
Total other operating income	26,421	24,305	26,872	25,108

4.1 Operating lease income

Group and Foundation Trust

Operating Lease Income	2015/16 £000	2014/15 £000
Rents recognised in the period	315	313
Total	315	313

Future minimum lease payments due	2015/16 £000	2014/15 £000
On leases of Land expiring		
- Not later than one year;	2	2
- Later than one year but not later than five years;	9	9
- Later than five years.	199	188
Sub Total	210	199
On Leases of Buildings expiring		
- Not later than one year;	303	307
- Later than one year but not later than five years;	532	808
- Later than five years.	-	-
Sub Total	835	1,115
Total	1,045	1,314

The Trust generates income from a small number of non-cancellable operating leases relating to the short term lease of accommodation and the lease of land to non-NHS bodies.

4.2   Overseas visitors (relating to patients charged directly by the Foundation Trust)

	2015/16 Total £000	2014/15 Total £000
Income recognised this year	4	14
Cash payments received in-year (relating to invoices raised in current and previous years)	3	7
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	-	-
Amounts written off in-year (relating to invoices raised in current and previous years)	-	-

5. Operating Expenses

5.1 Group operating expenses comprise:

	Group		Foundation Trust	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Employee expenses - Staff	135,951	128,312	135,951	128,312
Employee expenses - Directors' costs	932	945	932	945
Employee expenses - Non-Executives' Costs	151	130	151	130
NHS Charitable funds - employee expenses	81	65	-	-
Supplies and services - clinical	16,663	14,933	16,663	14,933
Depreciation on property, plant and equipment	4,306	3,832	4,306	3,832
Amortisation of intangible assets	421	363	421	363
Impairments of property, plant and equipment	6,197	3,365	6,197	3,365
Premises - business rates payable to local authorities	743	628	743	628
Premises	7,279	6,726	7,279	6,726
Inventories written down	39	53	39	53
Drug Costs (non-inventory costs)	423	322	423	322
Drug Costs (inventories consumed)	15,568	12,513	15,568	12,513
Clinical negligence	5,217	3,366	5,217	3,366
Other	1,906	2,820	1,906	2,820
NHS Charitable funds: Other resources expended	191	147	-	-
Consultancy services	159	193	159	193
Supplies and services – general	2,592	2,512	2,592	2,512
Printing, stationery, travel & recruitment advertising	1,583	1,465	1,583	1,465
Services from NHS bodies	6,202	5,486	6,202	5,486
Transport (business travel only)	344	349	344	349
Transport (other)	401	409	401	409
Rentals under operating lease	1,149	872	1,149	872
Auditor's remuneration	54	60	54	60
Audit-related assurance services	18	18	18	18
Other Auditor's remuneration	-	3	-	3
Audit services - charitable fund accounts	4	5	-	-
Internal Audit	103	93	103	93
Purchase of healthcare from non-NHS bodies	1,839	562	1,839	562
Provision for impairment of receivables (including provision against Road Traffic income)	1,841	275	1,841	275
Loss on disposal of other property, plant and equipment	4	-	4	-
Legal Fees	47	103	47	103
Hospitality	28	14	28	14
Redundancies	109	-	109	-
Training Courses and Conferences	410	418	410	418
Patient Travel	21	22	21	22
Insurances	150	157	150	157
Other services	86	99	86	99
Change in provisions discount rate(s)	(10)	73	(10)	73
Losses, ex gratia and special payments	31	12	31	12
Total	**213,233**	**191,720**	**212,957**	**191,503**

5.2 Auditor's Remuneration

The analysis of auditor's remuneration is as follows:

	Group		Foundation Trust	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Fees payable to the auditor for the audit of the Trust's annual accounts	54	60	54	60
Audit-related assurance services	18	18	18	18
Audit services - charitable fund accounts	4	5	-	-
Total audit fees	76	83	72	78
Other services	-	3	-	3
Total Non-Audit fees	76	86	72	81

Audit-related assurance services relates to the audit of the Quality Report and the other services relates advice provided on changes to competition regulations

5.3 Operating leases

5.3.1 Arrangements containing an operating lease

	Group and Foundation Trust			
	2015/16 Buildings	2015/16 Plant and Machinery	2015/16 Other	2015/16 Total
	£000	£000	£000	£000
Lease payments	-	1,082	67	1,149
Total	-	**1,082**	67	**1,149**
	2014/15 Buildings	2014/15 Plant and Machinery	2014/15 Other	2014/15 Total
	£000	£000	£000	£000
Lease payments	-	832	40	872
Total	-	**832**	**40**	**872**

There are no significant leasing arrangements included in the above.

5.3.2 Arrangements containing an operating lease

Group and Foundation Trust

Future non-cancellable minimum lease payments due:	2015/16 Buildings	2015/16 Plant and Machinery	2015/16 Other	2015/16 Total
	£000	£000	£000	£000
- Not later than one year;	-	810	302	1,112
- Later than one year and not later than five years;	-	1,133	226	1,359
- Later than five years.	-	245	0	245
Total	-	**2,188**	**528**	**2,716**

Included in other lease arrangements are lease cars. In addition the Trust introduced a car Salary Sacrifice scheme for staff and the commitment is included, however these costs are recovered via a monthly reduction in salary.

Future non-cancellable minimum lease payments due:	2014/15 Buildings	2014/15 Plant and Machinery	2014/15 Other	2014/15 Total
	£000	£000	£000	£000
- Not later than one year;	-	592	222	814
- Later than one year and not later than five years;	-	741	278	1,019
- Later than five years.	-	-	-	-
Total	-	**1,333**	**500**	**1,833**

5.4 (A) Senior Manager remuneration and benefits - Emoluments 2015/16

Name	Title	Gross Pay	Other	Employers Superannuation Contributions	Benefits	Total Emoluments + Benefits	Employers National insurance
		£000s	£000s	£000s	£00s	£000s	£000s
Dunn D	Chairman	55	-	-	-	55	6
Hopewell D	Non-Executive	19	-	-	-	19	1
Church J	Non-Executive (from 1 May 2016)	12	-	-	-	12	1
McNeil R	Non-Executive	13	-	-	-	13	1
Bacon P	Non-Executive	16	-	-	-	16	1
Barnes J	Non-Executive	13	-	-	-	13	1
Davis M	Non-Executive	13	-	-	-	13	1
Bullock T	Chief Executive	160	-	23	81	191	20
Oldham M	Director of Finance	115	-	16	87	140	14
Smith J	Director of Nursing (31/07/2015)	37	-	5	18	44	4
Frodsham D	Chief Operating Officer	112	-	16	68	135	13
Lynch A	Director of Nursing (From 05/10/2015)	49	-	7	4	57	6
Marston W	Interim Director of Transformation	85	-	9	-	94	9
Dodds P	Deputy Chief Executive Officer & Medical Director	180	20	28	-	228	25
Total		879	20	104	258	1,030	103

5.4 (A) Senior Manager remuneration and benefits – Emoluments 2014/15

Name	Title	Gross Pay	Other	ER Super	Benefits	Total Emoluments + Benefits	Employers National insurance
		£000s	£000s	£000s	£00s	£000s	£000s
Dunn D	Chairman	46	-	-	-	46	5
Hopewell D	Non-Executive	20	-	-	-	20	2
Allen R	Non-Executive (from 01/09/2014 until 31/01/2015)	5	-	-	-	5	1
McNeil R	Non-Executive	12	-	-	-	12	1
Bacon P	Non-Executive	14	-	-	-	14	1
Barnes J	Non-Executive	12	-	-	-	12	1
Davis M	Non-Executive	12	-	-	-	12	1
Bullock T	Chief Executive	150	-	21	6	172	18
Oldham M	Director of Finance	113	-	16	79	137	13
Smith J	Director of Nursing	101	-	14	52	120	12
Frodsham D	Chief Operating Officer	106	-	15	69	128	12
Pitt D	Director of Transformation (until 08/0 2/15)	84	17	12	-	113	10
Marston W	Interim Director of Transformation (from 02/02/15)	14	-	2	-	16	2
Dodds P	Deputy Chief Executive Officer & Medical Director	180	20	27	-	227	25
Total		869	37	107	206	1,034	104

6. Staff Costs and Numbers

6.1 Staff Costs

	Group		Foundation Trust	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Salaries and wages	110,029	105,138	110,029	105,138
Social Security Costs	7,359	7,275	7,359	7,275
Employer contributions to NHS Pensions Authority	11,895	11,318	11,895	11,318
Pension cost - other	12	11	12	11
Termination Benefits	109	-	109	-
Agency and contract staff	7,880	5,898	7,880	5,898
NHS Charitable funds staff	81	65	-	-
Total Gross Staff Costs	137,365	129,705	137,284	129,640
Of which				
Costs capitalised as part of assets	(292)	(383)	(292)	(383)
Total Employee benefits excluding Capitalised Costs	137,073	129,322	136,992	129,257
Analysed into Operating Expenses (5.1 Op Ex)				
Employee Expenses - Staff	135,951	128,312	135,951	128,312
Employee Expenses - Executive directors	932	945	932	945
NHS Charitable funds: Employee expenses	81	65	-	-
Redundancy	109	-	109	-
Total Employee benefits excl. capitalised costs	137,073	129,322	136,992	129,257

Staff costs exclude Non-executive Directors. A breakdown of Directors' costs can be found in Note 5.4A to the accounts.

6.2 Average number of persons employed (whole time equivalents)

	Group and Foundation Trust				
	Total 2015/16 Number	Other permanent employees Number	Directors Number	Other Number	Total 2014/15 Number
Medical & Dental	313	313	-	-	308
Administration & estates	698	692	6	-	670
Healthcare Assistants & other support staff	525	525	-	-	496
Nursing, midwifery & health visiting staff	901	901	-	-	870
Scientific, therapeutic and technical staff	156	156	-	-	153
Healthcare Science Staff	278	278	-	-	270
Agency & Contract Staff	78	-	-	78	69
Bank Staff	147	-	-	147	122
Other	288	288	-	-	292
Total average numbers	3,384	3,153	6	225	3,250
of which					
WTE engaged on capital projects	7	7	-	-	7

6.3 Employee Benefits

Other than those disclosed in note 5.4(A), the Trust operates a number of schemes relating to the use of cars. All these schemes apportion costs in such a way to ensure that employees pay a fair rate for private mileage.

6.4 Retirements due to ill-health

During 2015/16 there were no (2014/15: 1) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be zero (2014/15: £77,172). The cost of these ill-health retirements will be borne by the NHS Business Services Authority – Pensions Division.

6.5 Pension costs

6.5.1 NHS Pension Scheme

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 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 are accepted as providing

suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. 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 their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

6.5.2 National Employment Savings Trust

The Pensions Act 2008 requires every employer to automatically enrol eligible workers into a qualifying pension scheme and pay contributions. For those employees who do not wish to be enrolled into the NHS Pension scheme the National Employment Savings Trust (NEST) is offered as an alternative. NEST is a defined contribution pension scheme.

NEST Corporation is the Trustee body that has overall responsibility for running NEST; it's a non-departmental public body that operates at arm's length from government and is accountable to Parliament through the Department of Work and Pensions (DWP).

NEST levies a contribution charge of 1.8% and an annual management charge of 0.3% which is paid for from the employee contributions. There are no separate employer charges levied by NEST.

6.6 Reporting of other compensation schemes - exit packages

Group and Foundation Trust

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of departures where special payments have been made
<£10,000	- (-)	18(2)	18(-)	-(-)
£10,000 - £25,000	- (-)	- (-)	-(-)	-(-)
£25,001 - £50,000	1(-)	- (-)	1(-)	-(-)
£50,001 - £100,000	1(-)	- (-)	1(-)	-(-)
Total number of exit packages by type	2(-)	18(2)	20(-)	-(-)

Exit package cost band	Cost of compulsory redundancies	Cost of other departures agreed	Total cost of exit packages by cost band	Cost of departures where special payments have been made
	£'000	£'000	£'000	£'000
<£10,000	-(-)	55(14)	55(14)	-(-)
£10,000 - £25,000	-(-)	-(-)	-(-)	-(-)
£25,001 - £50,000	40(-)	-(-)	40(-)	-(-)
£50,001 - £100,000	69(-)	-(-)	69(-)	-(-)
Total cost of exit packages by type	109(-)	55(14)	164(14)	-(-)

The Trust has offered staff a mutually agreed resignation scheme where the Trust may offer a financial package to a member of staff who wishes to leave their employment on voluntary terms. To be eligible the applicant must be permanently employed by the Trust and have a minimum of two years' continuous service. The figures in brackets are those for 2014/15.

6.7 Exit packages: other (non-compulsory) departure payments

	2015/16 Payments agreed	2015/16 Total value of agreements	2014/15 Payments agreed	2014/15 Total value of agreements
	Number	£000	Number	£000
Contractual payments in lieu of notice	18	55	1	6
Exit payments following Employment Tribunals or court orders	-	-	1	8
Total	18	55	2	14

There are no non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary.

7. Better Payment Practice Code

7.1 Better Payment Practice Code – measure of compliance

Group and Foundation Trust

	2015/16		2014/15	
	Number	**£000**	Number	£000
Total Trade bills paid in the year	**53,196**	**131,398**	50,845	125,097
Total Trade bills paid within target	**25,008**	**94,532**	45,660	114,179
Percentage of Trade bills paid within target	**47%**	**72%**	90%	91%

The target is to pay both non-NHS and NHS trade creditors within terms agreed with suppliers. In most cases the agreed terms are payment within 30 days of receipt of invoice.

7.2 The Late Payment of Commercial Debts (Interest) Act 1998

The Trust had no interest payable for the year ended 31 March 2016 under the Late Payment of Commercial Debts (Interest) Act 1998.

8. Finance Income

	Group		**Foundation Trust**	
	2015/16 £000	**2014/15 £000**	**2015/16 £000**	**2014/15 £000**
Interest on bank accounts	**45**	53	**45**	53
NHS Charitable funds: investment income	**24**	28	**-**	**-**
Total	**69**	81	**45**	53

9 Finance Costs

9.1 Finance Cost – Interest Expense

Group and Foundation Trust

	2015/16	2014/15
	£000	£000
Interest on obligations under finance lease	**121**	139
Interest on loans from the Department of Health	**76**	-
Total	**197**	139

9.2 Impairment of Assets

Group and Foundation Trust

	2015/16		
	Net Impairment £000	**Impairment**	Reversals
		£000	£000
Unforeseen Obsolescence	-	-	-
Changes in market price	2,608	6,197	(3,589)
Total Impairments charged to operating surplus	2,608	6,197	(3,589)
Impairments charged to the revaluation reserve	8,242	8,242	-
Total Impairments	10,850	14,439	(3,589)

Group and Foundation Trust

	2014/15		
	Net Impairment £000	**Impairment**	Reversals
		£000	£000
Unforeseen Obsolescence	31	31	-
Changes in market price	317	3,334	(3,017)
Total Impairments charged to operating surplus	348	3,365	(3,017)
Impairments charged to the revaluation reserve	5,499	5,499	-
Total Impairments	5,847	8,864	(3,017)

Included in the above is the impact of the revaluation of the premises as at March 2016.

10.   Intangible Fixed Assets

	Software Licences 2015/16 £000	Total 2014/15 £000
Gross cost at 1 April 2015	2,540	**2,540**
Additions purchased	368	**368**
Additions - Donated	10	**10**
Reclassifications	3	**3**
Gross cost at 31 March 2016	2,921	**2,921**
Amortisation at 1 April 2015	1,563	**1,563**
Provided during the year	421	**421**
Amortisation at 31 March 2016	**1,984**	**1,984**
Net book value		
- **Total purchased at 1 April 2015**	977	**977**
- **Total purchased at 31 March 2016**	**937**	**937**

	Software Licences 2014/15 £000	Total 2014/15 £000
Gross cost at 1 April 2014	2,233	2,233
Additions purchased	246	246
Reclassifications	61	61
Gross cost at 31 March 2015	2,540	2,540
Amortisation at 1 April 2014	1,200	1,200
Provided during the year	363	363
Amortisation at 31 March 2015	1,563	1,563
Net book value		
- **Total purchased at 1 April 2014**	1,033	1,033
- **Total purchased at 31 March 2015**	977	977

The reclassification is the transfer from intangible assets under construction to intangibles. All intangible assets relate to purchased software licences.

10.1   Intangible assets financing

	Software Licences 2015/16	Total 2015/16
NBV - Purchased at 31 March 2016	927	927
NBV - Finance leases at 31 March 2016	-	-
NBV - Donated and government grant funded at 31 March 2016	10	10
NBV total at 31 March 2016	**937**	**937**

	Software Licences 2014/15	Total 2015/16
NBV - Purchased at 31 March 2015	977	**977**
NBV - Finance leases at 31 March 2015	-	-
NBV - Donated and government grant funded at 31 March 2015	-	-
NBV total at 31 March 2015	**977**	**977**

10.2 Economic life of Intangible Assets

The economic life of the intangible assets ranges from 3 to 7 years and amortised on a straight line basis.

11. Property, Plant and Equipment

11.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

Group and Foundation Trust

	Land	Buildings Excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and Machinery	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2015	2,600	61,027	2,004	1,890	14,749	4,882	222	87,374
Additions – purchased	-	4,749	10	489	850	66	-	6,164
Additions – leased	-	-	-	-	1,112	-	-	1,112
Additions – Donations of physical assets	-	-	-	-	-	-	-	-
Additions - assets purchased from cash donations / grants	-	-	-	-	-	-	-	-
Impairments charged to revaluation reserve	-	(8,150)	(92)	-	-	-	-	(8,242)
Revaluations	557	3,419	-	-	-	-	-	3,976
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-
Reclassifications	-	1,896	-	(1,906)	10	(3)	-	(3)
Disposals	-	-	-	-	(2,864)	-	-	(2,864)
Cost or valuation at 31 March 2016	3,157	62,941	1,922	473	13,857	4,945	222	87,517
Accumulated depreciation at 1 April 2015	-	-	-	-	9,367	3,078	62	12,507
Provided during the year	-	2,121	82	-	1,451	622	30	4,306
Impairments charged to operating expenses	-	6,187	10	-	-	-	-	6,197
Reversal of impairments to operating income	-	(3,589)	-	-	-	-	-	(3,589)
Revaluation	-	(4,719)	(92)	-	-	-	-	(4,811)
Disposals	-	-	-	-	(2,860)	-	-	(2,860)
Accumulated depreciation at 31 March 2016	-	-	-	-	7,958	3,700	92	11,750
Net Book Value								
NBV - Purchased at 31 March 2015	2,600	59,885	2,004	1,890	1,072	1,690	160	69,301
NBV – Finance Lease at 31 March 2015	-	-	-	-	3,891	114	-	4,005
NBV - Donated at 31 March 2015	-	1,142	-	-	419	-	-	1,561
NBV total at 31 March 2015	2,600	61,027	2,004	1,890	5,382	1,804	160	74,867
Net Book Value								
NBV - Purchased at 31 March 2016	3,157	60,808	1,922	473	788	1,116	130	68,395
NBV – Finance Lease at 31 March 2016	-	-	-	-	4,016	63	-	4,078
NBV - Donated at 31 March 2016	-	2,133	-	-	1,095	66	-	3,294
NBV total at 31 March 2016	3,157	62,941	1,922	473	5,899	1,245	130	75,767

In 2015/16 land and buildings were revalued using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. The District valuer considered the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. The valuation reduced the value of land and buildings by £2,062K. A charge of £2,608K was made to the Operating Expenditure, reflecting the difference between the downward valuation and the balance in the revaluation reserve. The net charge to the revaluation reserve was 546K.

Group and Foundation Trust

	Land	Buildings Excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and Machinery	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2014	**2,600**	**54,784**	**1,829**	**2,053**	**15,489**	**4,844**	**312**	**81,911**
Additions – purchased	-	7,226	111	1,704	165	6	31	**9,243**
Additions – leased	-	-	-	-	1,981	-	-	**1,981**
Additions - donations of physical assets (non-cash)	-	-	-	-	24	-	-	**24**
Additions - assets purchased from cash donations / grants	-	-	-	-	153	-	-	**153**
Impairments	-	(5,276)	(223)	-	-	-	-	**(5,499)**
Revaluations	-	2,892	-	-	-	-	-	**2,892**
Transfers to/from assets held for sale	-	-	-	-	31	-	-	**31**
Reclassifications	-	1,401	287	(1,867)		118	-	**(61)**
Disposals	-	-	-	-	(3,094)	(86)	(121)	**(3,301)**
Cost or valuation at 31 March 2015	**2,600**	**61,027**	**2,004**	**1,890**	**14,749**	**4,882**	**222**	**87,374**
Accumulated depreciation at 1 April 2014	**-**	**-**	**-**	**-**	**10,886**	**2,985**	**147**	**14,018**
Provided during the year	-	2,008	81	-	1,528	179	36	**3,832**
Impairments	-	3,192	142	-	31	-	-	**3,365**
Reversal of impairments	-	(3,017)	-	-	-	-	-	**(3,017)**
Revaluation	-	(2,183)	(223)	-	-	-	-	**(2,406)**
Disposals	-	-	-	-	(3,078)	(86)	(121)	**(3,285)**
Accumulated depreciation at 31 March 2015	**-**	**-**	**-**	**-**	**9,367**	**3,078**	**62**	**12,507**
Net Book Value								
NBV - Purchased at 31 March 2014	2,600	53,642	1,829	2,053	1,329	1,694	156	**63,303**
NBV – Finance Lease at 31 March 2014	-	-	-	-	2,949	165	9	**3,123**
NBV - Donated at 31 March 2014	-	1,142	-	-	325	-	-	**1,467**
NBV total at 31 March 2014	**2,600**	**54,784**	**1,829**	**2,053**	**4,603**	**1,859**	**165**	**67,893**
Net Book Value								
NBV - Purchased at 31 March 2015	2,600	59,885	2,004	1,890	1,072	1,690	160	**69,301**
NBV – Finance Lease at 31 March 2015	-	-	-	-	3,891	114	-	**4,005**
NBV - Donated at 31 March 2015	-	1,142	-	-	419	-	-	**1,561**
NBV total at 31 March 2015	**2,600**	**61,027**	**2,004**	**1,890**	**5,382**	**1,804**	**160**	**74,867**

In 2014/15 land and buildings were revalued using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. The District valuer considered the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. The valuation reduced the value of land and buildings by £549K. A charge of £348K was made to the Operating Expenditure, reflecting the difference between the downward valuation and the balance in the revaluation reserve. The net charge to the revaluation reserve was 201K.

11.2 Economic life of property, plant and equipment

Group and Foundation Trust

	Min Life	Max Life
Buildings excluding dwellings	5	85
Dwellings	20	50
Assets under construction	-	-
Plant & machinery	1	15
Information Technology	1	15
Furniture and Fittings	1	10

Land is treated as having an infinite life.

11.3   Assets held at open market value

At the Statement of Financial Position date there was no land, buildings or dwellings valued at open market value.

12   Other Investments

Group

	Group	Foundation Trust
	NHS Charitable Funds: Other investments 2015/16 £'000	NHS Charitable Funds: Other investments 2015/16 £'000
Carrying Value 1 April 2015 (restated)	987	-
Acquisitions in year - other	91	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	(37)	-
Disposals	(522)	-
Carrying Value 31 March 2016	519	-

	Group	Foundation Trust
	NHS Charitable Funds: Other investments 2014/15 £'000	NHS Charitable Funds: Other investments 2014/15 £'000
Carrying Value 1 April 2014 (restated)	925	-
Acquisitions in year - other	89	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	41	-
Disposals	(68)	-
Carrying Value 31 March 2015	987	-

13. Non-current Assets Held for Sales and Assets in Disposal Groups

There are no non-current assets held for sale or assets in disposal groups for 2015/16 or 2014/15.

14. Inventories

Group and Foundation Trust

Inventory Movements 2015/16	Drugs £000	Consumables £000	Energy £000	Total £000
Carrying value at 1 April	917	1,911	119	2,947
Additions	15,681	8,892	6	24,579
Inventories recognised in expense	(15,568)	(8,911)	(30)	(24,509)
Write down of inventories recognised in expense	(29)	(10)	-	(39)
Carrying value at 31 March	**1,001**	**1,882**	**95**	**2,978**

Group and Foundation Trust

Inventory Movements 2014/15	Drugs £000	Consumables £000	Energy £000	Total £000
Carrying value at 1 April	732	2,221	154	**3,107**
Additions	12,718	10,300	27	23,045
Inventories recognised in expense	(12,513)	(10,577)	(62)	(23,152)
Write down of inventories recognised in expense	(20)	(33)	-	(53)
Carrying value at 31 March	917	1,911	119	2,947

15. Trade and Other Receivables

Group

	2016 £000	2015 £000
Current:		
NHS receivables	7,165	2,761
Provision for impaired receivables	(1,629)	(205)
Prepayments	1,909	1,569
PDC Receivable	231	120
VAT Receivable	333	102
Other receivables	**1,471**	1,918
NHS Charitable funds: Trade and other receivables	**664**	756
Total current trade and other receivables	**10,144**	7,021
Non-current:		
Other receivables	465	469
Provision for impaired receivables	(130)	(89)
Total non-current trade and other receivables	335	380
Total trade and other receivables	**10,479**	7,401

Foundation Trust

	2016 £000	2015 £000
Current:		
NHS receivables	7,165	2,761
Provision for impaired receivables	(1,629)	(205)
Prepayments	1,909	1,569
PDC Receivable	231	120
VAT Receivable	333	102
Other receivables	1,479	1,937
Total current trade and other receivables	9,488	6,284
Non-current:		
Other receivables	465	469
Provision for impaired receivables	(130)	(89)
Total non-current trade and other receivables	335	380
Total trade and other receivables	**9,823**	**6,664**

15.1   Provision for impairment of receivables

Group and Foundation Trust

	2015/16 £000	2014/15 £000
At 1 April	**294**	482
Increase in provision	1,857	285
Amounts utilised	(376)	(463)
Unused amounts reversed	(16)	(10)
At 31 March	1,759	294

Included above is a provision £1,450,000 for disputed charges by two Clinical Commisioning Groups for work completed in 2015/16 and £254,736 which is based on 21.99% on the outstanding receivables from the Compensation Recovery Unit.

15.2   Ageing of receivables

Ageing of impaired receivables	31 March 2016 £000	31 March 2015 £000
0 to 30 days	1,450	-
30 to 60 days	-	-
60 to 90 days	-	2
90 to 180 days	8	13
Over 180 days	301	279
Total	1,759	294

Ageing of non-impaired receivables past their due date	31 March 2016 £000	31 March 2015 £000
0 to 30 days	257	312
30 to 60 days	98	163
60 to 90 days	38	71
90 to 180 days	194	35
Over 180 days	22	38
Total	609	619

16.   Other Financial Assets

The Group and Foundation Trust have no other financial assets as at 31 March 2016 or 31 March 2015.

17.   Other Current Assets

The Group and Foundation Trust have no other current assets as at 31 March 2016 or 31 March 2015.

18.   Trade and Other Payables

18.1 Trade and other payables at the Statement of Financial Position date are made up of:

Group

	31 March 2016 £000	31 March 2015 £000
Current:		
NHS payables	**2,217**	1,680
NHS pensions	**1,659**	1,572
Trade payables capital	**973**	742
Social Security costs	**1,216**	1,161
Other taxes payable	**1,209**	1,166
Other payables	**94**	71
Other trade payables	**8,707**	4,429
PDC dividend payables	**-**	-
Accruals	**3,250**	2,344
NHS Charitable funds: Trade and other payables	**1**	-
Total current trade and other payables	**19,326**	13,165

	31 March 2016 £000	31 March 2015 £000
Non-current:		
Other payables	**-**	-
Total non-current trade and other payables	**-**	-
	19,326	**13,165**

Foundation Trust

	31 March 2016 £000	31 March 2015 £000
Current:		
NHS payables	**2,217**	1,680
NHS pensions	**1,659**	1,572
Trade payables capital	**973**	742
Social Security costs	**1,216**	1,161
Other taxes payable	**1,209**	1,166
Other payables	**94**	71
Other trade payables	**8,707**	4,429
Accruals	**3,268**	2,344
Total current trade and other payables	**19,343**	13,165

	31 March 2016 £000	31 March 2015 £000
Non-current:		
Other payables	-	-
Total non-current trade and other payables	-	-
	19,343	**13,165**

19.   Other Liabilities

Group

	31 March 2016 £000	31 March 2015 £000
Current		
Deferred income	**1,060**	999
Total current liabilities	**1,060**	999

Foundation Trust

	31 March 2016 £000	31 March 2015 £000
Current		
Deferred income	**1,060**	999
Total current liabilities	**1,060**	999

Included in the balance is £877,000 (2014/15:£880,000) relating to Maternity income.

20.   Borrowings

Group and Foundation Trust

	31 March 2016 **£000**	31 March 2015 £000
Current		
Loans from the Department of Health	**306**	210
Other Loans	**56**	-
Obligations under finance lease	**837**	711
Total current borrowings	**1,199**	921
Non-current		
Loans from the Department of Health	**4,347**	2,940
Other Loans	**167**	-
Obligations under finance lease	2,776	2,681
Total non-current borrowings	**7,290**	5,621

The loans from the Department of Health are for the funding of a number of capital schemes. Other loans relate to a loan for the funding of environmental schemes where the funding is provided up front and paid back over the payback period of the scheme.

21.   Finance Lease Obligations

Group and Foundation Trust

Minimum Lease Payments	**31 March 2016** **£000**	31 March 2015 £000
Gross liabilities	**3,924**	3,681
of which liabilities are due		
-not later than 1 year	946	803
-later than 1 year but not later than 5 years	2,727	2,464
-later than five years	251	414
Finance charges allocated to future periods	(311)	(289)
Net lease liabilities	**3,613**	3,392
-not later than 1 year	**837**	711
-later than 1 year but not later than 5 years	2,534	2,282
-later than five years	242	399
	3,613	3,392

All the finance lease obligations are plant and equipment.

22.   Provisions

Group and Foundation Trust

	Current		Non-Current	
	31 March 2016	31 March 2015	**31 March 2016**	31 March 2015
Legal Claims	**70**	92	**-**	-
Pensions	**115**	121	**1,645**	**1,762**
Total	**185**	213	**1,645**	**1,762**

	Legal Claims £000	Pensions £000	Other £000	Total £000
At 1 April 2015	92	1,883	-	1,975
Change in the discount rate	-	(10)	-	(10)
Arising during the year	40	51	-	91
Utilised during the year	(34)	(117)	-	(151)
Reversed unused	(28)	(68)	-	(96)
NHS Charitable funds: movement in provision	-	-	-	-
Unwinding of discount	-	21	-	21
At 31 March 2016	70	1,760	-	1,830

Expected timing of cash flows :				
Not later than 1 year	70	115	-	185
Later than 1 year and not later than 5 years	-	446	-	**446**
Later than 5 years	-	1,199	-	1,199
At 31 March 2016	70	1,760	-	1,830

Provisions for pension benefits are based on tables provided by the NHS Pensions Agency, reflecting years to normal retirement age and the additional pension costs associated with early retirement.

Legal claims consist of amounts due as a result of public and employee liability claims. The values are based on information provided by and the NHS Litigation Authority.

Clinical Negligence

The NHS Litigation Authority (NHSLA) took over the financial responsibility for unsettled clinical negligence Existing Liabilities Scheme (ELS) cases from 1 April 2000.

In respect of the ELS liabilities of the Trust, nothing has been included in the provision of the NHSLA at 31 March 2016 and 31 March 2015 (for which NHSLA is administratively responsible but the Trust has legal liability).

Financial responsibility for all other clinical negligence claims transferred to the NHS Litigation Authority (NHSLA) on 1 April 2002.

£72,356,534 (2014/15: £46,747,688) is included in the provision of the NHSLA at 31 March 2016 in respect of the Clinical Negligence Schemes for Trusts liabilities of the Trust (of which the NHSLA is administratively responsible but the Trust has legal liability). In addition to the clinical negligence provision, contingent liabilities for clinical negligence are given in Note 27.

23. Revaluation Reserve

Movements on reserves in the year comprised the following :

Group and Foundation Trust

	Revaluation Reserve Property, plant and equipment £000	Total 2015 £000
Revaluation reserve at 1 April 2015	9,709	9,709
Impairments	(8,242)	**(8,242)**
Revaluations	8,787	**8,787**
Transfers to other reserves	(3)	(3)
At 31 March 2016	10,251	10,251

Group and Foundation Trust

	Revaluation Reserve Property, plant and equipment £000	Total 2015 £000
Revaluation reserve at 1 April 2014	**9,743**	**9,743**
Impairments	(5,499)	**(5,499)**
Revaluations	5,298	**5,298**
Transfers to other reserves	167	167
At 31 March 2015	9,709	9,709

24.   Cash and Cash Equivalents

Group and Foundation Trust

	Cash and Cash equivalents (excluding charitable funds) 31 March 2016 £000	**NHS Charitable Funds : cash and cash equivalents 31 March 2016 £000**	Cash and Cash equivalents (excluding charitable funds) 31 March 2015 £000	NHS Charitable Funds : cash and cash equivalents 31 March 2015 £000
At 1 April	6,927	236	11,149	1,053
Net change in year	(6,163)	(208)	(4,222)	(817)
At 31 March	764	28	6,927	236
Broken down into				
Cash at commercial bank and in hand	40	28	413	236
Cash with Government Banking Service	724	-	6,514	-
Cash and Cash equivalents as in SoFP and SoCF	764	28	6,927	236

25.   Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were £2,308,000 (2014/15: £66,000). These were the Ward 11 refurbishment £1,282,000, Controlled Temperature Variable Temperature £221,000, Completion of Magnetic Resonance Imaging Scanner £126,000, Ophthalmology Outpatients £286,000, Radiology Information System £228,000, Other Minor Schemes £175,000.

26.   Events after the Reporting Period

There are no post balance sheet events requiring disclosure.

27.   Contingencies

The Trust has received claims to the value below for compensation for alleged public or employer liability. These claims are disputed and the Trust's financial liability, if any, cannot be determined until these claims are received. Where the Trust feels it is unlikely that these claims will be successful the estimates are included in contingencies otherwise they are included in provisions. Other contingent liabilities are in respect of ongoing contractual dispute between the Trust and its main commissioner. The Trust believes that this element of the charge is highly unlikely to materialise given the initial mediation discussions.

A prudent estimate of the amount involved, inclusive of legal cost is:

27.1   Contingent Liabilities

	Group and Foundation Trust		
	NHS Litigation legal claims 31 March 2016 £000	Other 31 March 2015 £000	Total 31 March 2016 £000
Total value of contingent liability	331	3,000	3,331
Payable by NHSLA	(289)	-	(289)
Net contingent liability	42	3,000	3,042

	Group and Foundation Trust		
	NHS Litigation legal claims 31 March 2015 £000	Other 31 March 2015 £000	Total 31 March 2015 £000
Total value of contingent liability	813	-	813
Payable by NHSLA	(749)	-	(749)
Net contingent liability	64	-	64

28.   Public Dividend Capital Dividend

The Trust is required to pay a dividend to the Department of Health at a real rate of 3.5% of average relevant net assets less the average daily cleared Government Banking Service balances. The Trust's public dividend paid in year totals £2,004,000 (2014/15: £1,783,000) which included a receivable of £120,000 from 2014/15, however based on actual average relevant net assets this figure should be £1,893,000 (2014/15: £1,983,000) and a receivable of £231,000 has been recognised.

29.   Related Party Transactions

Mid Cheshire Hospitals NHS Foundation Trust is a public interest body Authorised by Monitor – the Independent Regulator of NHS Foundation Trusts.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the Mid Cheshire Hospitals NHS Foundation Trust.

Other main NHS entities with which the Mid Cheshire Hospitals NHS Foundation Trust are regarded as related parties. During the year the Mid Cheshire Hospitals NHS Foundation Trust had a number of material transactions with other NHS entities which are listed on the following page:

Related Party Transactions (Group and Foundation Trust)

	Income £000	Expenditure £000
Value of Transactions (other than salary) with board members 2015/16		
Value of Transactions with key staff members 2015/16		
Value of transactions with other related parties 2015/16		
Department of Health	0	0
Other NHS Bodies	193,100	12,264
Charitable Funds		
Subsidiaries/Associates/Joint Ventures		
Other	813	19,523
NHS Shared Business Services		
Value of Transactions (other than salary) with board members 2014/15	-	-
Value of Transactions with key staff members 2014/15	-	-
Value of transactions with other related parties 2014/15		
Department of Health		
Other NHS Bodies	180,698	9,607
Charitable Funds	-	-
Subsidiaries/Associates/Joint Ventures	-	-
Other	1,699	20,126
NHS Shared Business Services	-	-

Related Party Balances

	Receivables £000	Payables £000
Value of balances (other than salary) with board members at 31 March 2016		
Value of balances (other than salary) with key staff members at 31 March 2016		
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2016		
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year at 31 March 2016		
Value of balances with other related parties 31 March 2016		
Department of Health	231	0
Other NHS Bodies	7,164	3,092
Charitable Funds		
Subsidiaries/Associates/Joint Ventures		
Other	358	4,094
Value of balances (other than salary) with board members at 31 March 2015	-	-
Value of balances (other than salary) with key staff members at 31 March 2015	-	-
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2015	-	-
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year at 31 March 2015		
Value of balances with other related parties 31 March 2015		
Department of Health	120	-
Other NHS Bodies	2,881	2,548
Charitable Funds	-	-
Subsidiaries/Associates/Joint Ventures		
Other	259	3,912

Included in 'other' are a number of material transactions with other Government departments and other central and local Government bodies. Most of these transactions have been with Her Majesty's Revenue and Customs, NHS Pension Scheme, Cheshire East Council.

The Trust has also received revenue and capital payments from a number of charitable funds, for which the Trust Board acts as Trustee. There are separate audited accounts for charitable funds.

30.   Financial Instruments

FRS29, Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Mid Cheshire Hospitals NHS Foundation Trust actively seeks to minimise its financial risks. In line with this policy, the Trust neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

30.1   Market Risk

30.1(i) Interest-Rate Risk

All of the Trust's financial liabilities carry nil or fixed rates of interest. In addition, the only element of the Trust's assets that are subject to a variable rate are short term cash investments. The Trust is not, therefore, exposed to significant interest-rate risk.

30.1(ii) Foreign Currency Risk

The Trust has negligible foreign currency income or expenditure.

30.2   Credit Risk

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations, as disclosed in Note 3. There is therefore little risk that one party will fail to discharge its obligation with the other. Disputes can arise, however, around how the amounts owed are calculated, particularly due to the complex nature of the Payment by Results regime. For this reason the Trust makes a provision for irrecoverable amounts based on historic patterns and the best information available at the time the accounts are prepared. The Trust does not hold any collateral as security.

30.3   Liquidity risk

The Trust's net operating costs are incurred under annual service agreements contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to the National Tariff procedure cost. The Trust receives cash each month based on an annually agreed level of contract activity and there are monthly payments made to adjust for the actual income due under PBR. This means that in periods of significant variance against contracts there can be a significant cash-flow impact. The Trust presently finances its capital expenditure from internally generated funds or funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the Trust can borrow, both from the Foundation Trust Financing Facility and commercially to finance capital schemes. Financing is drawn down to match the capital spend profile of the scheme concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area.

30.4(i) Financial assets by category

Group

	Total 31 March 2016 £000	Loans and receivables 31 March 2016 £000	Available for sale 31 March 2016 £000
NHS Trade and other receivables excluding non-financial assets	**7,675**	7,675	-
Cash and cash equivalents (at bank and in hand)	**764**	764	-
NHS Charitable funds: financial assets	**692**	692	-
Total	**9,131**	9,131	-

	Total 31 March 2015 £000	Loans and receivables 31 March 2015 £000	Available for sale 31 March 2015 £000
NHS Trade and other receivables excluding non-financial assets	**5,712**	5,712	-
Cash and cash equivalents (at bank and in hand)	**6,927**	6,927	-
NHS Charitable funds: financial assets	**986**	986	-
Total	13,625	13,625	-

Foundation Trust

	Total 31 March 2016 £000	Loans and receivables 31 March 2016 £000	Available for sale 31 March 2016 £000
NHS Trade and other receivables excluding non-financial assets	7,683	7,683	-
Non-current assets held for sale and assets held in disposal group excluding non-financial assets	-	-	-
Cash and cash equivalents (at bank and in hand)	764	764	-
Total	8,447	8,447	-

	Total	Loans and receivables	Available for sale
	31 March 2015 £000	31 March 2015 £000	31 March 2015 £000
NHS Trade and other receivables excluding non-financial assets	**4,975**	**4,975**	-
Non-current assets held for sale and assets held in disposal group excluding non-financial assets	**-**	**-**	-
Cash and cash equivalents (at bank and in hand)	6,927	6,927	-
Total	11,902	**11,902**	-

All financial assets are denominated in Sterling.

30.4(ii) Financial liability by category

Group

	Total	Other financial liabilities
	31 March 2016 £000	31 March 2016 £000
Borrowings excluding finance lease and PFI liabilities	**4,876**	**4,876**
Obligations under finance leases	**3,613**	**3,613**
Trade and other payables excluding non-financial liabilities	**16,900**	**16,900**
Provisions under contract	**1,830**	**1,830**
Total	**27,219**	**27,219**

	Total	Other financial liabilities
	31 March 2015 £000	31 March 2015 £000
Borrowings excluding finance lease and PFI liabilities	**3,150**	**3,150**
Obligations under finance leases	3,392	3,392
Trade and other payables excluding non-financial liabilities	10,838	10,838
Provisions under contract	1,975	1,975
Total	19,355	19,355

Foundation Trust

	Total	Other financial liabilities
	31 March 2016 £000	**31 March 2016 £000**
Borrowings excluding finance lease and PFI liabilities	4,876	4,876
Obligations under finance leases	3,613	3,613
Trade and other payables excluding non-financial liabilities	16,918	16,918
Provisions under contract	1,830	1,830
Total	27,237	27,237

	Total	Other financial liabilities
	31 March 2015 £000	**31 March 2015 £000**
Borrowings excluding finance lease and PFI liabilities	**3,150**	**3,150**
Obligations under finance leases	3,392	3,392
Trade and other payables excluding non-financial liabilities	10,838	10,838
Provisions under contract	1,975	1,975
Total	19,355	19,355

30.4(iii) Maturity of Financial liabilities

Group

	31 March 2016 £000	31 March 2015 £000
In one year or less	**20,698**	11,972
In more than one year but not more than two years	**849**	1,039
In more than two years but not more than five years	**1,394**	2,520
In more than five years	**4,278**	3,824
Total	**27,219**	19,355

Foundation Trust

	31 March 2016 £000	31 March 2015 £000
In one year or less	**20,716**	11,972
In more than one year but not more than two years	**849**	1,039
In more than two years but not more than five years	**1,394**	2,520
In more than five years	**4,278**	3,824
Total	**27,237**	19,355

All financial liabilities are denominated in Sterling.

30.5   Fair Values

There is no significant difference between book values and fair values of the Trust's financial assets and liabilities as at 31 March 2016.

31.   Third Party Assets

Group and Foundation Trust

	2015/16 Money on deposit £000	2014/15 Money on deposit £000
At 1 April	2	1
Gross inflows	10	13
Gross outflows	(12)	(12)
At 31 March	0	2

The Trust held £342 cash at bank and in hand at 31 March 2016 (£1,523 at 31 March 2015) which relates to monies held by the Trust on behalf of patients. This is not included in cash at bank and in hand figure reported in the accounts.

32.   Limitation on Auditor's Liability

The Trust's External Auditor has no liability cap as at 31 March 2016.

33.   Losses and Special Payments

Group and Foundation Trust

	2015/16 Total number of Cases	2015/16 Total value of Cases	2014/15 Total number of Cases	2014/15 Total value of Cases
	Number	£000's	Number	£000's
Losses:				
Cash Losses	-	-	-	-
Fruitless payments and constructive losses	10	11	8	1
Bad debts and claims abandoned	152	238	77	4
Damage to buildings, property and stores losses				
Theft, fraud etc	1	-	4	1
Stores losses	3	38	13	53
Other	1	-	3	-
Total Losses	167	287	105	59
Special payments:				
Compensation under legal obligation	-	-	1	6
ex gratia payments	23	5	23	4
Other	4	15	-	-
Total special payments	27	20	24	10
Total Losses and special payments	194	307	129	69

During 2015/16 there have been no individual cases of fraud, personal injury, compensation under legal obligation and fruitless payment cases, where the net payment exceeds £300,000.

The amounts reported are shown on an accruals basis but excluding provisions for future losses.

34.   Mid Cheshire Charity Summary Statements

Statement of Financial Activities for the Year Ended 31 March 2016

	Un-Restricted £000	Restricted £000	2015/16 £000	2014/15 £000
INCOME				
Donations	252	33	**285**	**218**
Legacies	169	-	**169**	**1,060**
Other Income	-	-	**-**	**2**
Investment Income	22	2	**24**	**28**
TOTAL INCOME	443	35	**478**	**1,308**
EXPENDITURE				
Cost of Raising Funds	67	2	**69**	**71**
Charitable Activities	1,050	62	**1,112**	**1229**
	1,117	64	**1,181**	**1,300**
Net gains/(losses) on investments	(41)	4	**(37)**	**41**
Net Income/(Expenditure)	(715)	(25)	**(740)**	**49**
Transfer between Funds	89	-89	**-**	**-**
NET (OUTGOING) RESOURCES	(626)	(114)	**(740)**	**49**
GAINS ON INVESTMENT ASSETS				
Total Funds Brought Forward	1,846	114	**1,960**	**2,911**
Fund balances carried forward at 31 March 2016	1,846	-	**1,846**	**1960**

Balance Sheet as at 31 March 2016

	Unrestricted Funds 31 March 2016 £000	Restricted Funds 31 March 2016 £000	Total at 31 March 2016 £000	Total at 31 March 2015 £000	Total at 31 March 2014 £000
FIXED ASSETS					
Investments at market value	519	-	**519**	**987**	**925**
CURRENT ASSETS					
Debtors	682	-	**682**	**756**	**1,027**
Cash at bank and in hand	28	-	**28**	**236**	**1,053**
TOTAL CURRENT ASSETS	710	-	**710**	**992**	**2,080**
CREDITORS					
Amounts falling due within one year	(9)	-	**(9)**	**(19)**	**(94)**
NET CURRENT ASSETS	701	-	**701**	**973**	**1,986**
TOTAL NET ASSETS	1,220	-	**1,220**	**1,960**	**2,911**
FUNDS OF THE CHARITY					
Unrestricted income funds	1220	-	**1,220**	**1,846**	**2,810**
Restricted income funds				**114**	**101**
TOTAL FUNDS	1,220	-	**1,220**	**1,960**	**2,911**

Notes

Notes

Mid Cheshire Hospitals **NHS**

NHS Foundation Trust

Mid Cheshire Hospitals NHS Foundation Trust

Leighton Hospital

Middlewich Road

Crewe, Cheshire

CW1 4QJ