NHS

Mid Cheshire Hospitals

NHS Foundation Trust








Annual Report and Accounts

2016 to 2017







Mid Cheshire Hospitals NHS Foundation Trust

Annual Report and Accounts 2016 to 2017

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

Contents

1. Introduction

Mid Cheshire Hospitals NHS Foundation Trust has 571 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, Winsford and surrounding areas.

Since 1 October 2015 the Trust, in collaboration with Cheshire and Wirral Partnership NHS Foundation Trust and the South Cheshire and Vale Royal GP Alliance, has delivered Community Services through the newly established Central Cheshire Integrated Care Partnership (CCICP).

The services we provide include:

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

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 in 2015.

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 are 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
- Community Services at 26 GP medical centres and schools throughout central Cheshire.

Foreword and Overview by the Chairman and Chief Executive

2. Foreword and Overview by the Chairman and Chief Executive

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 2017. We are delighted to present this report to you and to outline some of our achievements and challenges during this financial year.

Each year we acknowledge how challenging the year has been and confirm the following year will be more so and this has held true. However, despite these challenges we have had considerable successes and our staff, Governors and volunteers have never failed to amaze us in their steadfastness to improve services and experience for our patients and visitors. There are so many examples that we could offer and these can all be seen throughout the body of this Annual Report and Accounts so we will highlight just a few of which we are particularly proud.

Our services have remained very busy, especially over the winter period. Despite this the Trust has performed very well, achieving all of its regulator targets and standards except the four-hour transit time target, although this has remained in the top 25% of the country and was achieved in March 2017. The Ambulance turn-around times from the A&E Department are consistently the best in the North West. These achievements have been secured with the support of our external partners and also through the internal successes of our Access and Flow Group. Through the work of this group some of our developments around short stay care and assessments for patients are viewed as a national exemplar.

We know that a diagnosis or potential diagnosis of cancer can be a very worrying time for patients and their families so we are particularly proud of our cancer performance being one of the best in the country. This performance compliments the outstanding care that our patients receive in the purpose built Macmillan Cancer Unit. These are 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.

The NHS continues to be under significant financial pressures and, as such, organisations were given a year-end financial performance target or, Control Total, to reach by 31 March 2017. The Trust's Control Total was revised in March 2017 to support the Trust and Clinical Commissioning Groups to agree a contract settlement for 2016/17. I am pleased to note that, despite the financial challenges facing the Trust and the health economy, the Trust met all its financial obligations. The Trust anticipates that the financial challenges for 2017/18 will be considerable, however we will continue to work with the health economy to make the necessary changes to health and social care in delivering increased patient satisfaction and outcomes whilst living within the financial envelope available to us.

Due to the financial constraints of the NHS, estate projects have been limited in scope. However we are very pleased to have completed a number of projects such as continuing the ward refurbishment programme, creating new Rapid Assessment cubicles in the A&E Department and, through the generosity of our public, installing a second MRI scanner through charitable donations. 2015/16 saw the completion of our new Neonatal Unit following a very successful charitable appeal and subsequently the unit won the Community Group category in the Pride of Crewe Awards for 2016. We continue to be astounded and appreciative of the support and generosity of our public and local organisations in raising significant funds for their local hospital to improve services and the estate for our population.

We are all immensely proud of the services that we are able to provide for our patients and this sense of satisfaction is shared, as demonstrated within our national staff survey results and the patients Friends and Family Test results whereby over 95% of our patients would either recommend or highly recommend our services. 2017 saw the publication of the National Staff Survey results and we were delighted to read that Mid Cheshire Hospitals NHS Foundation Trust had the best overall staff survey results in the country for Acute Trusts. In particular, it was pleasing to note that we were in the top 20% nationally for over 50% of the indicators including staff feeling engaged, recommending the hospital as a place to work and as a place to receive treatment.

None of these fantastic results lead us to complacency. We are on a journey of continued improvement towards excellence and, as such, we constantly strive to learn when we do not get it right and to engage with our staff, patients and public further to hear about their experiences. It is important to us that we understand what it feels like to work in and receive treatment in our hospital; only then can we make sure our improvements are about what really matters.

We strive to perform with the best and some of our developments clearly lead us in that direction. As illustrated above, our staff really matter as does the training they receive, which is testament to the ongoing developments in this area. In March 2017 the Trust received national accreditation for the Human Factors and Simulated Perioperative Crisis Training that we run for our staff. This means that the excellent training that we provide can now be accessed by doctors from all over the UK. It is credit to our staff who developed this training that now ensures other hospitals and their staff can also benefit, which in turn increases patient safety and improves outcomes for our patients.

Finally, we, on behalf of the Board, would like to once again thank all of our staff, whatever their role, for delivering care with passion, commitment and compassion. We would also like to acknowledge and thank volunteers who give their time freely to support the Trust in delivering excellent care. It would be remiss of us not to make a special thanks to our Governors; 2017 saw the end of the terms of office for a number of our Governors and we would like to put on record our thanks to them for their support, challenge, commitment and interest in joining us on our journey of quality improvement, some since we became a Foundation Trust in 2008. We would also like to welcome our new Governors and we very much look forward to getting to know you, your skills and experience and how you wish to contribute to the ongoing development of our Trust and health economy.

Dennis Dunn
Chairman

Tracy Bullock
Chief Executive

Overview of the Trust

Trust History

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 Alsager, 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. Since 1 October 2016 it has joined in collaboration with partners to deliver Community Services.

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 service
- Provides a working environment that is underpinned by our values and behaviours
- Treats patients and staff with dignity and respect

Strategic Direction

Our Strategic Objectives at the beginning of 2016/17 were:

- Quality, Safety and Experience
- Strong Progressive Foundation Trust
- Organisational Delivery
- Workforce Development and Effectiveness
- Fit for Purpose Infrastructure
- Emergency Preparedness

The strategic objectives were reviewed in February 2017 and from April 2017 will be:

- Quality, Safety and Expertis
- To be a Leading Partner in a progressive health economy
- Organisation effectiveness
- Aspiring to excellence in practice through our workforce
- 21st Century infrastructure for transformative health and social care

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 - to learn from experiences to ensure reliable, continuous improvement in the quality and safety of our patients.

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. The principle organisational risks for 2016/17 were defined as:

- Financial sustainability
- Contract Agreement with Commissioners
- Not delivering high quality care consistently across seven days
- Operational sustainability
- Non-delivery of the Information Management & Technology strategy
- Non-sustainability of vulnerable clinical services
- The acquisition of Community Services

Further detail of these risks, which the Board considered to be of particular significance, can be found within the Annual Governance Statement, although 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 and will continue to engage with partners in the development of such plans. The Trust continues to maintain a strong delivery against our objectives, regulatory requirements and targets and the Trust is confident in delivering these going forward.

The Trust's culture is built on trust, openness and empowerment with clear lines of accountability and responsibility that have ensured learning and improvement 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 a gap of £17m in the local health economy and the risk this represents to the Trust's going concern statement. The Board of Directors remain sighted on these issues and the ongoing Capped Expenditure Programme 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: 22 May 2017

Strategic and Performance Report

3.1 Performance Report and Analysis 2016/17

The purpose of the strategic report is to provide Members with information in order that they can assess how well the Directors have performed during 2016/17 to promote the success of the Trust so as to maximise the benefits for Members of the Trust and for the public.

The Trust has made significant progress against its strategic objectives with the delivery of operational, clinical and quality standards during 2016/17.

Trust activity

Last year the Trust:

- Employed 4,549 members of staff
- Cared for 86,000 patients in our Accident and Emergency Department and Minor Injuries Unit
- Performed almost 35,000 operations and day case procedures
- Received over 285,000 attendances in our Outpatient clinics
- Handled over 226,000 requests for diagnostics imaging
- Carried out over 180,000 appointments with patients outside of hospital in the community, including almost 80,000 district nurse and 30,000 physiotherapy appointments

There was an increase in activity across all areas within the 2016/17 financial year. Attendances at the Emergency Department were the highest on record for the Trust. The number of patients attending the Emergency Department who subsequently required admission also remained in excess of 35,000 for the second year running although slightly down from 2015/16, which is encouraging as we progress the Access and Flow transformation programme.

This increased level of emergency care activity was also coupled with an increase in planned care services provided to patients. This was in the form of increased outpatient attendances from approximately 266,000 in 2015/16 to 286,000 in 2016/17. Similarly, the Trust undertook an increased number of planned operations in 2016/17, which rose from the previous year's by a further 3,000 procedures to almost 35,000. This allowed the Trust to keep waiting times for treatment stable in most specialties, with particular progress being made in gastroenterology where the waiting list was reduced from over 27 weeks to 14 weeks through the year following the appointment of additional Consultants.

The Trust's maternity services also had an extremely busy time in 2016/17, supporting expectant mums to deliver over 2,800 babies for the second year running.

The table below details the patient activity as follows:

Key Performance Measures	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Emergency episodes of care requiring the use of a bed	**35,109**	35,617	32,698	32,679	31,270	29,934
Attendances at Accident and Emergency and Minor Injuries	**86,127**	84,856	84,042	82,140	83,320	79,579
Total referrals received	**100,738**	92,278	90,998	84,598	86,842	
GP referrals received	**61,815**	59,049	58,183	50,456	51,665	
Elective episodes requiring a procedure to be performed	**34,787**	31,889	28,581	28,483	28,345	28,659
Total attendances at outpatient clinics	**286,143**	266,698	257,410	254,626	239,210	239,977
Births	**2,836**	2,866	2,672	2,732	2,827	2,879
Requests for medical imaging	**226,880**	220,472	209,841	207,980	192,574	181,457
Average number of beds open in the year	**579**	569	562	561	585	569

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Average % Occupancy						
Overall	**85.27%**	90.36%	87.10%	85.70%	87.40%	84.10%
General Medicine	**91.75%**	95.50%	87.20%	91.40%	91.80%	89.10%
General Surgery	**72.69%**	77.13%	85.72%	84.40%	89.50%	84.60%
Orthopaedics (Ward 9)	**82.40%**	76.81%	81.45%	82.52%	86.60%	82.90%

Compliance with Mandatory Financial and Operational Standards

The Trust's operational performance is measured against national standards with performance against these standards reported to NHS Improvement. These standards are set out in NHS Improvement's Single Oversight Framework. The Trust is also regulated by the Care Quality Commission (CQC) who assesses 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 the Trust's commissioners, Vale Royal and South Cheshire Clinical Commissioning Groups.

Performance against national targets and regulatory requirements 2016/17:

National Targets and Minimum Standards	Target	Target (2016/17)	2016/17	2015/16	2014/15
Infection Control	Number of clostridium difficile cases (Avoidable)	24	3	33	10
	Number of clostridium difficile cases (Unavoidable)	n/a	19		
	Number of MRSA blood stream infection cases	0	3	0	1
Access to Cancer services	% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	99.80%	99.48%	99.56%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (anti-cancer drug)	98%	100%	100%	100%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	100%	100%	99.79%
	% of cancer patients waiting a maximum of 62 days from urgent GP referral to treatment	85%	92.90%	91.22%	89.24%
	% of cancer patients waiting a maximum of 62 days from the consultant screening service referral to treatment	90%	95.40%	97.94%	95.94%
	% of cancer patients waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	98.10%	96.60%	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%	97.90%	95.53%	95.96%
Access to Treatment	18 weeks Referral to Treatment (admitted patients)	90%	89.70%	93.02%	93.09%
	18 weeks Referral to Treatment (non-admitted)	95%	92.60%	93.72%	93.63%
	18 weeks Referral to Treatment (patients on an incomplete pathway)	92%	94.40%	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%	90.20%	93.40%	92.24%
Cancelled operations	Number of in-patients who had operations cancelled by the hospital for non-clinical reasons on day of or after admission to hospital	-	422	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%	40	17	8

The Trust achieved eight out of nine of its regulatory performance indicators for the 2016/17 financial year, the exception being the 95% four-hour transit time standard, against which the Trust achieved 90.2%. Whilst this has been disappointing, it is recognised that timely admission, transfer and discharge from A&E remains a national challenge for the NHS. Despite this, the Trust continues to perform favourably compared to other hospitals, with March's performance of 97.2% confirming the Trust's position as one of the strongest performing A&E Departments in the country.

The Trust has continued to perform strongly in relation to access standards for planned care, with 94.4% 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 growth in demand for the Trust's services in relation to planned care earlier in the year. However, focused management of referrals by primary care has reduced the waiting lists as we move into 2017/18.

In terms of cancer care, the Trust has achieved and exceeded all national access standards for the year in relation to timeliness of diagnosis and treatment of cancer patients. This excellent performance has been 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 2017/18 to ensure that the high standards delivered to patients in terms of access to services are maintained and improved even further with a focus on increasing the number of patients seen for cancer investigations being undertaken in seven days.

Delivery of the 2016/17 Annual Plan

The Trust has made a significant number of achievements against operational and efficiency measures during 2016/17 which related to:

Community Services

Central Cheshire Integrated Care Partnership (CCICP) is a new and innovative collaboration between Mid Cheshire Hospitals NHS Foundation Trust, Cheshire and Wirral Partnership NHS Foundation Trust, and the South Cheshire and Vale Royal GP Alliance, which covers all 30 local GP practices. By working together, the three organisations aim to transform, develop and deliver health care services in the community that are focussed on delivering high quality, safe care in the right place at the right time.

From 1 October 2016 the contract and operational management of community services transferred to the Trust as part of a new partnership. The transition went smoothly and services have continued to be delivered as expected. The principles of CCICP ensure:

- Integrated care
- Person centred care
- Developing services to be centred around Care Community Teams in Winsford, Northwich, Crewe, Nantwich and Rural, and SMASH (Sandbach, Middlewich, Alsager, Scholars Green and Haslington)

Staff who transferred over with Community Services have been positive and are being actively engaged in the transition of services through face-to-face meetings, newsletters, engagement sessions and ongoing support.

To support the delivery of services into the community, the Trust is working with partners to ensure more services are provided out of hospital. For example, the Cardio-Respiratory department has expanded Community Services at Nantwich Health Centre. Building on the existent Echocardiography service, from February 2017 an additional clinic for ECGs and basic lung function tests was introduced. This was in response to patient demand from Nantwich patients who

Right: Central Cheshire Integrated Care Partnership's (CCICP) logo

NHS
Central Cheshire
Integrated Care Partnership

rated the service as excellent. The new service will also be audited for patient experience with the expectation to continue existing services and potentially expand further.

Theatre Transformation

The Theatres efficiency programme was initiated with the objective of increasing efficiency through effective planning and transformation whilst maintaining a high quality service and improving the patient journey. This was managed in 2016/17 through a variety of schemes, from initiatives looking at flow within specific theatre lists such as the high volume cataract lists, to improving theatre scheduling and pre-operative assessment service. The phased timings of arrivals for treatment has been particularly welcomed by patients.
In 2016/17 the Trust has realised an increase in average utilisation of 2.54% across all specialities and improved the number of cases booked per session from 3.15 to 3.50. This project has further opportunities and will continue into 2017/18.

Bowel Screening

The Bowel Cancer Screening Programme, which routinely invites those aged 60 to 74, continues to have a high uptake, 60% for the year 2016. The programme has diagnosed 56 participants with bowel cancers and 332 patients with polyps, many of whom will go on to have surveillance in the future.

The second arm of the Bowel Cancer Screening Programme, the Bowel Scope Programme, which invites those aged 55 years of age for a flexible sigmoidoscopy, continues to be rolled out on an incremental basis. The programme continues to invite patients to the Leighton Hospital site. Under the stewardship of the Trust, the programme has gone live in 2017 at the Countess of Chester Hospital and there are plans to increase the number of lists at Leighton Hospital and start to invite those patients affiliated with Macclesfield District Hospital in 2017/18. Both of these programmes are vital in achieving better outcomes for our population.

Outpatients

The outpatient transformation group was originally established in 2014/15 and aimed to improve outpatient experience by focusing on customer service and efficiency. The programme has monitored improvement against three main performance indicators measured from February 2015 to February 2017:

- Reduction of the number of outpatient appointments cancelled by the Trust by 12.2%
- Reduction of missed appointments by 22.4% between February 2015 and February 2017
- Increase of clinic slot utilisation by 4% between February 2015 and February 2017

Improvements continued throughout the second year, with the introduction of text reminders resulting in a further reduction in the numbers of patients missing their appointments. A publicity campaign was also introduced informing patients of the impact of not attending their appointment.

A full review was carried out of all outpatient letters to streamline the numbers. This has ensured that patients receive only essential information relating to their appointment. The review has provided a standardised approach and a significant reduction in the number of letter templates required. Work in this area will continue to ensure further continuous improvement.

Access and Flow

The Access and Flow programme was established in 2015 to enable a better patient journey through the Trust for medical and surgical patients admitted as an emergency. Key Achievements in 2016/17 for this programme include:

- Three new assessment cubicles in the Emergency Department, providing clinicians with the space to see patients arriving by ambulance immediately, deciding what investigations are needed straight away and getting tests ordered earlier in their journey
- The best ambulance turnaround performance for adult hospitals in the North West
- Opening a new Ambulatory Care Unit and remodelling our assessment unit beds to provide alternatives to being admitted to hospital for some people and facilitate shorter stays. This has received national recognition
- Significant reduction in the number of medical patients placed on surgical wards as ‘outliers’ meaning patients have remained in their specialist ward, which ultimately aims to achieve earlier discharge
- The Trust has been consistently rated in the top quartile of Trusts nationally against the four-hour transit time access standard, although it is recognised that achieving the national standards sustainably is still a challenge. However, a 97% performance in March clearly begins 2017/18 in the right direction
- A reduction in the number of long stay patients through scheduled weekly reviews of all patients who had been in for over seven days
- Enhanced therapy provision on one of our medical wards to cater for patients who require more intensive therapy rehabilitation input.

Ophthalmology

Ophthalmology developments over the year occurred in a number of phases:

During 2016/17, phase one, which involved a joint estates project with the pharmaceutical company Novartis, was successfully completed. This provided the service with two additional clinics rooms. Phase two and three are due to commence in 2017/18 with the addition of two injection rooms and a further clinic room. This will create a separate medical retina suite and waiting area which will improve efficiency and the patient experience in what is recognised as one of the busiest units in the Trust.

The nurse led Intravitreal injection clinics have been successfully implemented, which has supported the service to meet growing demand in a cost effective and efficient manner and has the potential to extend further in the future. The ophthalmology nurses and optometrists delivered services expanded to include clinical expertise in medical retina, glaucoma and general ophthalmology, thus relieving pressures in Consultant delivered clinics.

Seven Day Services

The Trust has been examining the feasibility of enhancing its current services to deliver the NHS standards regarding Seven Day Services by participating in the NHS national audits in order to identify the clinical areas which would need investment. In 2016/17 the Orthopaedic service was developed to provide an additional consultant ward round on weekdays and a ward round on a Saturday and a Sunday to review the new admissions for that day. The Trust is proud of the wide range of services it's staff already delivers over seven days including the Emergency Department, weekend emergency and trauma theatre lists, CT scanning, pharmacy, therapy services, maternity service and our ward nursing teams.

Workforce Transformation

In response to changing service needs a number of new clinician roles have been developed such as Advanced Nurse Practitioners and Physicians Associates. The Trust continues to progress the Advanced Practitioner strategy with year-on-year investment in advanced practitioner roles in many specialities. A new Physicians Associate role is being introduced to support clinical care on the wards. The first cohort has commenced their University of Manchester two-year training programme including clinical placements with the Trust. The Trust has also continued 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 and Midwives are being supported to return to clinical practice after a period of prolonged leave.

The medical workforce transformation programme is a key part of the services the Trust delivers to patients. There are times when the Trust needs to fund additional clinical activity from its medical teams because of increased demand for services. During 2016/17 the Trust has developed plans to lower payments in line with other local providers and reduce the frequency when these payments are needed, for additional clinical activity. The Trust is also examining how the medical workforce can increase and decrease the hours worked to meet the level of demand for services at different times of the year.

Left: Chief Executive Tracy Bullock (centre) takes a tour of an inflatable bowel as part of the screening team's awareness activities

Key Achievements during 2016/17

Pictured: Pete Waterman (left) with Chairman Dennis Dunn outside the new MRI scanner

Trust named as number one in country for Staff Survey results

The Trust was pleased to receive the best staff survey results of all acute trusts in the country for the national 2016 NHS Staff Survey. Further detail on this is contained in section 4.4.

Hyper Acute Stroke Patient Pathway

Partnership working has allowed the Trust to implement a joint pathway for hyper acute stroke patients. The pathway benefits from the “best of both worlds” in allowing on-site time critical stroke thrombolysis at Leighton Hospital along with robust arrangements with the University Hospitals of North Midlands NHS Trust for consultant advice and rapid transfer to the Royal Stoke University Hospital Acute Stroke Unit when required for a short period of intensive intervention and monitoring.

Success for neonatal unit

The neonatal unit won the community group category in the Pride of Crewe Awards 2016. The ceremony, the first of its kind in Crewe, gathered all sections of the community together to recognise world class businesses and local community champions and charities. Presenters told the ceremony: “The Unit at Leighton Hospital saves lives on a daily basis. For every 11 babies born, one will be referred to the unit. When the hospital launched its One in Eleven Appeal to provide £1.5m to improve the unit, the community rallied and raised the money within a year. An incredible achievement and a ringing endorsement from the people of Crewe in this first-class facility and its staff.”

The neonatal unit was also shortlisted to attend the UNICEF headquarters as finalists for the nurse led frenulotomy (tongue tie) services. The nursing team run a one-stop community neonatal clinic in collaboration with the Trust's Infant Feeding Team, which offers a full breast feeding assessment, infant feeding advice, signposting, investigative procedures and referrals to other agencies when needed. Healthwatch Cheshire East visited the

clinic with the South Cheshire and Vale Royal Clinical Commissioning Groups and felt the enthusiasm and passion of the staff was evident. The CCGs commended the staff on the successful development of the frenulotomy service.

Maternity continuity of care

Prior to the National Maternity Review the benefits of continuity of carer had already been recognised, especially for those women who fall into the category of vulnerable families. In the summer of 2015 each of the community antenatal clinics was allocated a named midwife and a buddy midwife, (based on caseload figures), to establish continuity of carer. This would ensure the woman is seen throughout her pregnancy and the post-natal period by these two midwives. One year on, the continuity figures show 96% of women see only two midwives from booking appointment through to discharge to the Health Visitor following delivery.

Accreditation of Simulation

Human Factors and Simulated Perioperative Crisis Training, which was developed at the Trust, has received national accreditation and as a result doctors from all over the UK will be attending the Trust to undergo training through these simulations.

Trust amongst best cancer performers

The Trust has continued to achieve all national cancer standards throughout 2016/17 and has been recognised as one of the highest performing Trusts in England. The focus for “finding out faster” and diagnosing cancer earlier is reflected within the work undertaken by all staff groups to ensure increasing numbers of patients are seen by a specialist or undergo a diagnostic investigation within seven days of referral. This is reflected through the significant pathway work undertaken by the Endoscopy Department who successfully bid for funding from the National Cancer Diagnostic Team to reduce the waiting time for ‘straight to test’ appointments.

The latest National Cancer Patient Experience Survey published in September 2016 highlighted that 96% of patients were given the name of the Cancer Nurse Specialist who would support them through their treatment and 89% of patients found it easy to contact their key worker. The Trust, working in partnership with Macmillan Cancer Support, implemented two new Support Worker roles to help patients navigate their cancer care and treatment. In addition, a number of Clinical Nurse Specialists have been adopted as Macmillan Healthcare Professionals. Patients benefit by being able to access this support from initial diagnosis to living with and beyond cancer.

Second MRI scanner

Following a successful charity appeal, a second MRI scanner was installed at Leighton Hospital and is now operating 24 hours a day, 7 days a week. The success of the scanner appeal, which was launched by record producer Pete Waterman, will allow the Trust to meet the rising demands for the service by doubling the onsite scanning capacity, thus reducing MRI wait times.

Dance on 21B

Ward 21B introduced a dance programme on the rehabilitation unit in November 2016 which has been very popular and will be rolled out to the Elmhurst Intermediate Care Centre, Winsford, in 2017. The project brings social, mental health and creative benefits, particularly for those patients who have dementia. The dancing also reinforces the work the physiotherapists are already doing to get patients more mobile and prevent falls using a collaborative approach.

2016/17 Consultations

During 2016/17 the Trust did not conduct any consultations as there were no proposed changes to services that required public views. However, the Clinical Commissioning Groups (CCGs) for Wirral, Eastern Cheshire, South Cheshire, Vale Royal and West Cheshire led a consultation on proposed changes to services. This included services currently provided by the Trust, including minor cosmetic surgery, surgery for problems with shoulder joints, fertility and sterilisation services. The findings from this consultation will be published in 2017.

Further discussion took place regarding the utilisation and local delivery of performance standards for Delayed Transfers of Care with all stakeholders. This multi provider summit was led by Cheshire East Council’s Overview and Scrutiny Committees to understand the operational pressures and service improvement being made by all parties to improve the timely discharge of patients to safe and appropriate care.

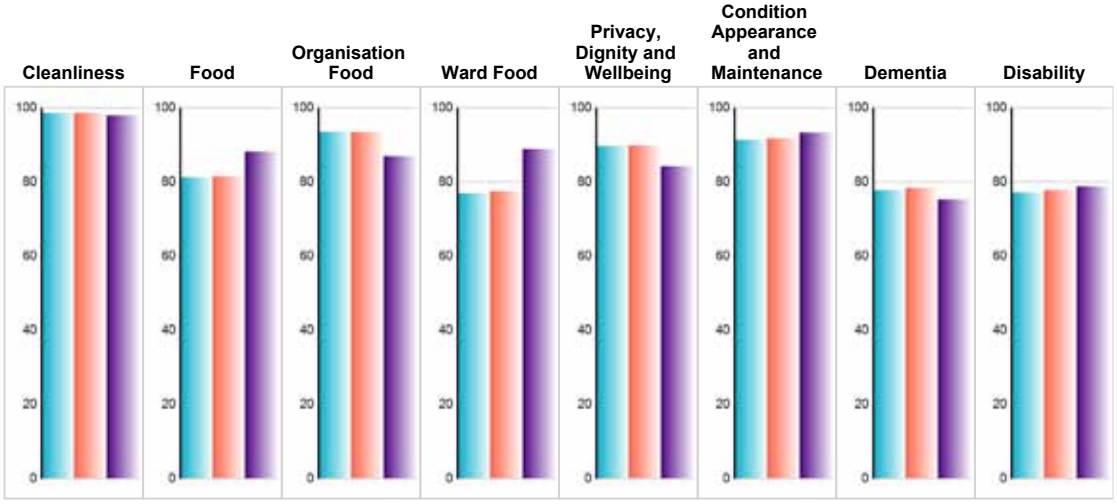
Patient Care Environment

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, Dementia friendly, Cleanliness, General Building Condition and Food. The results of these assessments identify how well hospitals are performing nationally against the areas assessed. Northwich's Victoria Infirmary is included as part of the Leighton PLACE assessment in rotation with other areas of the two sites.

A PLACE assessment took place in April 2016. Leighton Hospital scored higher than the national average in Cleaning, Privacy and Dignity, and Dementia Friendly categories. The hospital scored below national average for General Building Condition but registered an improvement in this category for the second consecutive year. The Food category score was also below national average. A review of the patient meal service has since been carried out and the Trust is investing in a Ward Host/ Hostess food service system. Elmhurst Intermediate Care Centre scored higher than the national average in every category.

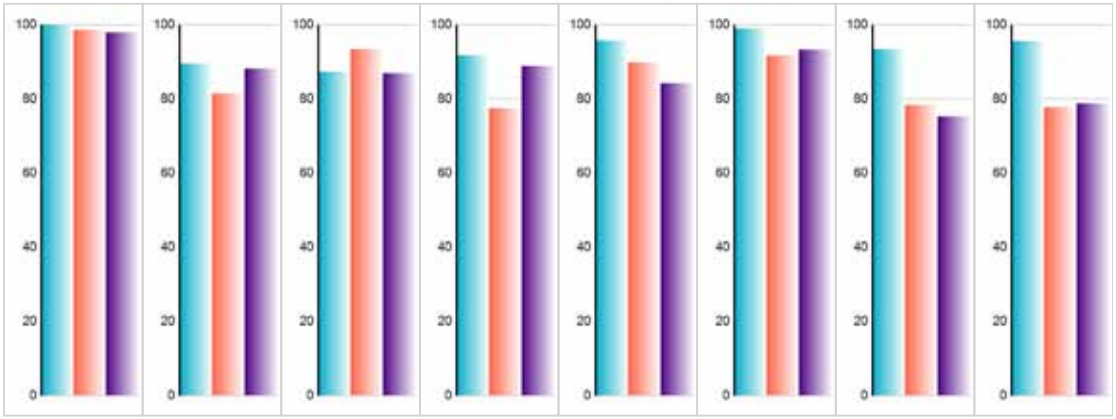
Annual assessments and results are reported publicly and the results demonstrate how hospitals are performing across the country on an annual basis. The diagrams below provide a summary of the 'thermometer' comparators which demonstrates how well our Trust has performed against the national average score.

LEIGHTON HOSPITAL- Collection: 2016



	Cleanliness	Food	Organisation Food	Ward Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance	Dementia	Disability
Achieved Score (Actual)	2929.0000	366.2981	107.2855	259.0126	443.0000	1447.0000	681.9117	430.5335
Available Score (Actual)	2972.0000	451.1258	114.5880	336.5378	494.0000	1582.0000	876.8571	558.3697
Site Score	98.55%	81.20%	93.63%	76.96%	89.68%	91.47%	77.77%	77.11%
Organisation Average	98.60%	81.49%	93.41%	77.48%	89.89%	91.73%	78.32%	77.76%
National Average	98.05%	88.19%	86.96%	88.92%	84.20%	93.34%	75.22%	78.83%

ELMHURST INTERMEDIATE CARE CENTRE- Collection: 2016



	Cleanliness	Food	Organisation Food	Ward Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance	Dementia	Disability
Achieved Score (Actual)	518.0000	185.6133	90.1427	95.4706	67.0000	291.0000	142.8571	107.4789
Available Score (Actual)	518.0000	207.2771	103.2435	104.0336	70.0000	294.0000	152.8571	112.3697
Site Score	100.00%	89.55%	87.31%	91.77%	95.71%	98.98%	93.46%	95.65%
Organisation Average	98.60%	81.49%	93.41%	77.48%	89.89%	91.73%	78.32%	77.76%
National Average	98.05%	88.19%	86.96%	88.92%	84.20%	93.34%	75.22%	78.83%

3.2 Environmental Issues

The Trust is committed to the principles of sustainable development, low carbon economy and reductions in the consumption of finite resources.

In order to deliver the commitments made in the UK within the Climate Change Act 2008 the Trust has, within 2016, developed a Sustainable Development Management Plan (SDMP) for its services and this follows the NHS Sustainable Development Unit (SDU) initiatives to actively raise carbon awareness at every level of the organisation and to achieve zero general waste to landfill by 2020.

The Trust is committed to minimising the impact of its activities on the environment locally, nationally and internationally and be a good corporate citizen. The table below highlights the changes over the last year with regard to waste management.

Definition	Tonne 2015/16	Tonne 2016/17	Disposal Cost 2015/16	Disposal Cost 2016/17
Total amount of waste produced by the Trust	1,155	1,089	£256,782	£247,552
Method of disposal (Landfill)	413	412	£56,990	£66,364
Method of disposal (Heat treated then deep land fill)	431	424	£110,639	£112,752
Method of disposal (Incinerated then deep landfill)	102	76	£52,459	£35,950
Method of disposal (Recycled)	209	178	£36,694	£32,485

Summary Position 2016/17 – Waste Management

- Waste produced has reduced by 5.67%
- Waste going into Landfill has reduced by 0.24%
- Heat treated waste has reduced by 1.5%
- Incinerated waste has reduced by 25%
- Recycling has also reduced by 14.8%

The Trust is committed to meeting overall government (and NHS) carbon reduction targets and minimising the use of finite energy resources. The table below highlights the changes over the last year with regard to finite resources:

Definition	Consumption 2015/16	Consumption 2016/17	Cost 2015/16	Cost 2016/17
Water	180,757 M^3	155,578 M^3	£471,360	£415,392
Electricity	11,092,417 kWh	11,132,597 kWh	£975,651	£934,689
Gas	33,888,723 kWh	36,100,277 kWh	£875,733	£767,488
Oil	171,499 kWh	208,761 kWh	£5,842	£8,973

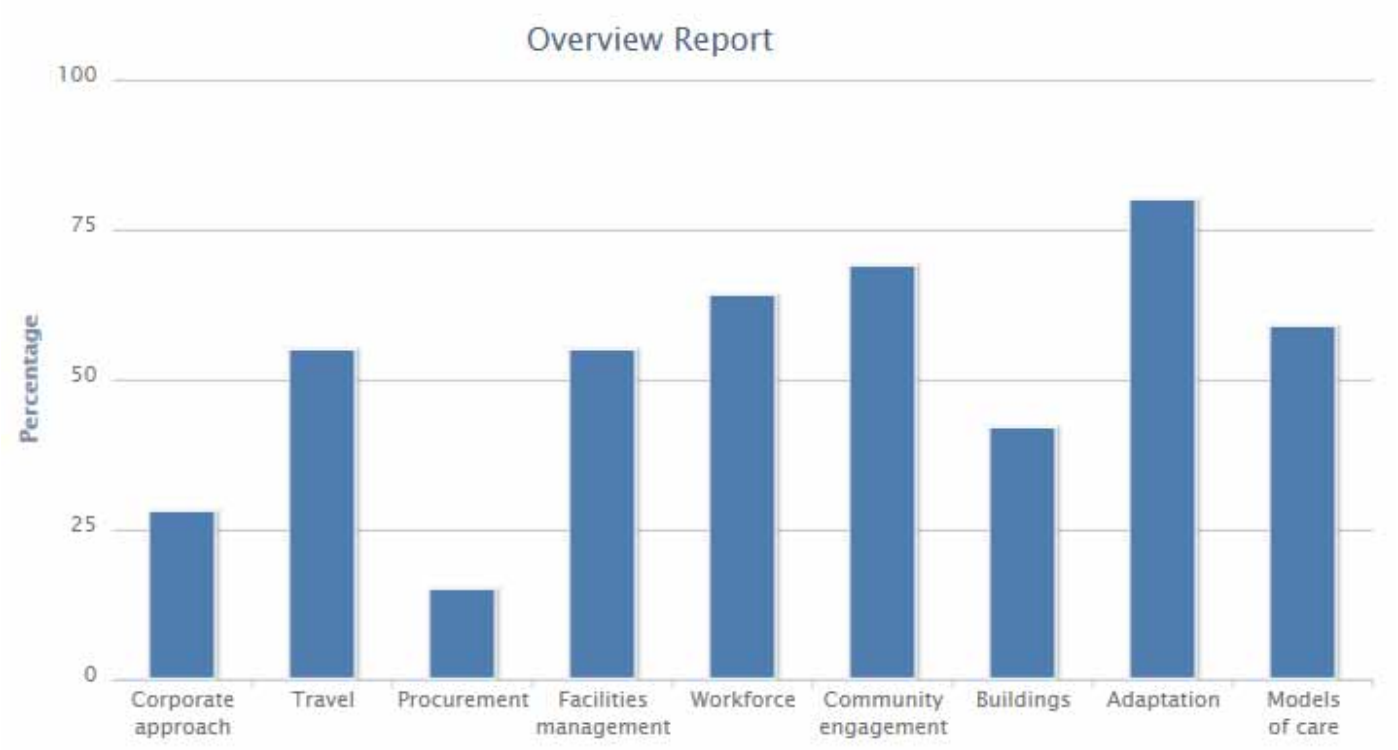
Summary Position 2016/17 – Finite Resources

- Water usage has decreased by 13.93%
- Electricity consumption has increased by 0.36%
- Gas consumption has increased by 6.53%
- Oil consumption has increased by 21.73%

Good Corporate Citizenship

The Trust uses the NHS Good Corporate Citizenship Assessment Model in order to highlight performance alongside other Trusts. The model features eight sub-sections. The overall performance of the Trust has increased, but only slightly since last year.

NHS Resource Sustainable Development Unit (SDU) Good Corporate Citizen Graphical Report 2016:



A Non-executive Director has been nominated to be a Sustainability Champion and a member of the Trust's Sustainability Group as required by the NHS SDU and supported within the Trust's SDMP. This will drive further initiatives within the Trust, thus lifting the Corporate Approach scoring.

Health and Safety

In 2016/17 there were 12 incidents reportable to the Health and Safety Executive (HSE) as required by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR), compared to 12 reported incidents in 2015/16 (including two late reports from the previous year).

The number of Health and Safety incidents reported in 2016/17 increased by 4.5% compared to the previous year (up from 1611 to 1683). This was due to a 4.9% increase in the number of 'No Harm' incidents reported compared to the previous year (up from 1216 to 1276). The rate of 'Harm' incidents reported increased by 3% compared to the previous year (up from 395 to 407), however as a percentage of the overall number of incidents reported this represents a decrease of 0.6% (down from 32.5% of all incidents to 31.9%).

In 2016/17 the following health and safety improvements were made:

- Online Stress Management Training was made available to all Trust Managers with in-house Resilience training also provided
- Following the results of a staff Stress Survey twenty hotspot areas were identified and action plans developed in these areas to improve staff experiences
- Additional two-day Control of Substances Hazardous to Health (COSHH) courses were delivered in 2016/17, as well as drop in sessions and 1-to-1s with COSHH Assessors to enable assessments to be updated in line with regulations
- Following a tendering process, new Asbestos Consultants were appointed to ensure compliance and support the management of Asbestos in the Trust estate over the next two years
- The Trust applied for the Royal Society for Prevention of Accidents Award which compares the Trust against industry standards and international standards and provides a benchmark for the Trust. The Trust was awarded the Gold Award which is awarded to organisations who 'have achieved a very high level of performance, demonstrating well developed occupational health and safety management systems and culture, outstanding control of risk and very low levels of error, harm and loss'.

During 2016/17 the Trust successfully completed the following infrastructure projects to improve the fabric and environment of the hospital for patients, staff and visitors:

- Two ward refurbishments to meet regulatory fire and safety standards:
  1. Ward 11 (Surgical Ambulatory Care Unit) was completed for occupation in December 2016
  2. Ward 16 (Paediatrics) commenced in June 2016 and is due for completion in May 2017
- The former Sexual Health Clinic was converted into a Dermatology unit
- A window replacement programme is underway
- A high voltage electrical sub-station was installed by Scottish Power to support the demands of additional diagnostic equipment and to improve resilience

Pictured: plans for the newly refurbished Paediatric Ward reception

3.3 Financial Performance

Overview of the Foundation Trust Performance

There is no doubt that 2016/17 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 £0.8million after planned support of £6.5million through the Sustainability and Transformation Fund (STF). The Statement of Comprehensive Income shows the final surplus of £1.5 million. However, this position has been impacted by an exceptional redistribution of STF monies through an incentive scheme for those providers able to accept and deliver against their financial control total.

Adjusting for this exceptional item gives a comparative normalised position of £0.6 million deficit against the initial £0.8million planned deficit.

Whilst this position was very close to the initial plan there are a number of compensating factors worthy of note:

- The Trust, in partnership with Cheshire and Wirral Partnership NHS Foundation Trust and the South Cheshire and Vale Royal GP Alliance, was awarded the contract to run a range of community based services across South Cheshire and Vale Royal with an annual turnover of circa £30million. Due to ongoing vacancies created through the transfer from the existing provider, a surplus of £1.2 million was created which is included within the group position above
- A dispute with the Trust's main commissioners in respect of the counting and classification of emergency admissions has led to a year end settlement with a reduction in the CCGs' payment of circa £3.4 million

Delivery of Cost Improvement plans have been on plan in year, however income generating schemes associated with the roll out of the Bowel Screening programme and slippage in recruitment into Orthopaedics have led to a temporary shortfall in this area.

Analysis of income

The total income received by the Trust in 2016/17 was £227.3million, which represents an increase of £23.0million (or 11.2%) on 2015/16. Stripping out exceptional items including the transfer of Community Services (£14.4million) in October 2016, charitable contributions of £0.5million and STF funding of £8.6million represents a normalised increase of £4.0million (or 2.0%). An analysis of the movement in the key income streams can be found in the table below:

Analysis of income table:

Income source	2016/17 £'000s	2015/16 £'000s	Change £'000s	%
Patient Care Activities (Acute)	183,956	177,441	6,515	3.7
Education and Training	6,485	5,964	521	8.7
Non Patient Care Services to Other bodies	9,488	12,267	-2,779	-22.7
Other non-clinical income	3,834	4,073	(239)	(5.8)
Sub Total	**203,763**	**199,745**	**4,018**	**2.0**
Patient Care Activities (Community Services)	13,688	0		
Other Income (Community Services)	722	0		
STF Funding	8,622	0		
Charitable Contributions	496	979		
Reversal of Impairments	0	3,589		
Total	**227,291**	**204,313**		

The increase in income from Patient Care Activities (acute) has been significantly driven by the Trust's drive to deliver against the elective access standards with a year on year increase of £2.6million on the delivery of elective care, pressure from increased patients attending Accident and Emergency, which has increased by 1.5% compared with the previous year resulting in an increased income of £0.7million (or 9%) driven partly from the activity growth but in the main by increases in the national tariff. Higher income received from high cost drugs in particular have also contributed to the increase.

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 continues to be phased in and has been positive and is a key driver of the increases seen in the education and training income.

The decrease in non-patient care services to other bodies relates to recharges for community services previously charged to the original provider but now represents a direct cost of community service provision.

Expenditure analysis

The expenditure for the year is analysed in the table below:

Analysis of Expenditure	2016-17 £'000s	2015/16 £'000s	Change £'000s	%
Employee Expenses - Staff	142,160	135,951	6,209	4.6
Supplies and Services - Clinical	16,646	16,663	(17)	0.0
Drugs	15,969	15,991	22	0.0
Premises Costs	8,269	8,022	247	3.1
Clinical Negligence	6,542	5,217	1,325	25.4
Services from NHS bodies	5,362	6,202	(840)	(13.5)
Other	16,688	18,711	(2,023)	(10.8)
Sub Total	**211,636**	**206,757**		
Community Services Employee Expenses	9,576	0		
Community Services Non Pay Costs	3,800	0		
Release of contract provision	(1,400)			
Impairments	0	6,197		
Total	**223,612**	**212,953**		

During the year the Trust employed an average of 3,741 full time equivalent staff, an increase of 357 on the previous year. The average staff cost increased from £40,174 to £40,560, an increase of 1.0% in line with wage awards for the year. The costs of agency and contract staff have decreased in year by £2.1million (or 26.5%). This is against a targeted decrease of 35% to remain within the Trust's prescribed agency cap. The original cap was established prior to the transfer of Community Services and no adjustment has been made to reflect this additional pressure on agency spending.

Of the increase in average staffing 232 WTE are accounted for by the acquisition of Community Services for which there is no prior year comparator. The change in staffing adjusting for community staff is a net average increase of 125. The increase in staffing numbers has partly been accounted for by the full year impact of Staff Transferring in 2015/16 in respect of Pathology services. Other staffing increases have been seen in front line professions with an additional 19 nursing and midwifery posts, 11 Health Care Assistants and 10 Doctors posts. This demonstrates the significant progress and planned commitment in increasing the care staff to bed ratios in line with dependency indicators.

Clinical Negligence costs have seen the continuing increase in litigation reflecting on the Trust's premiums where a 25% increase on the previous year has been seen.

Clinical supplies costs have remained static during the year reflecting strong procurement processes mitigating the pressure of inflationary increases.

Other costs have decreased due to the transfer of Community Services contract where the costs are now included within the direct costs of community services.

Capital expenditure investments

2016/17 has seen the Trust continue to invest in its infrastructure. During the year the continued refurbishment programmes of the Trust's wards continued with Ward 11 being completed and Ward 16 in progress.

In total the Trust has seen capital additions in year of £5.6million, with a further £3.3million funded through new finance leases. The key elements have been:

- Completion of the second MRI Scanner improving access times for state of the art diagnostics
- Development of Ophthalmology Department to provide further capacity
- Refurbishment of Ward 11 and Ward 16
- A replacement and standardisation of all infusion pumps across the Trust
- Continued programme of asbestos removal

Liquidity and Borrowings

Cash balances remained positive during the year with a year-end balance of £5.8million. This is a significant increase from the previous year which is significantly driven by an additional working capital facility of £3million in place prior to the end of the financial year. Final settlement of the Trust's main contract prior to the year end has contributed to the improved position.

During the year borrowings increased by £9.8 million, of which £8million is in respect of working capital facilities and the balance relates predominantly to increased finance leases to fund equipment replacement.

Payment to supplier terms (by value) performance deteriorated from 72% in 2015/16 to 68% in 2016/17.

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.

Cost 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 Director's 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.

Income Disclosure

As per Section 43(2A) of the NHS Act (amended by the Health and Social Care Act 2012), the Trust confirms that the income from the provision of goods and services for the purpose of the health service in England is greater than income from goods and services for any other purpose. Income from other goods and services has had no adverse impact on the delivery of goods and services for the purposes of the health service in England.

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 £114,000, with retained funds at the end of the year of £1,106,000, of which £158,000 is held in cash and £585,000 in Investments. The remaining balance is held in debtors and creditor balances.

The charitable funds balance has remained reasonably static in year with a small reduction of £114,000.

In the Summer of 2017 the charity will officially launch its third major fundraising appeal, the Dementia Appeal, to raise funds to improve the environment at Mid Cheshire Hospitals NHS Foundation Trust for patients with dementia and cognitive impairments. This will include the development of a dementia-friendly garden connected to Ward 4 at Leighton Hospital.

Pictured: Charity Manager Laura Riddle (left) and Chief Executive Tracy Bullock reveal the new charity logo

To find out more about Mid Cheshire Hospitals Charity visit:
www.mchcharity.org
www.facebook.com/mchcharity

3.4 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 2016/17 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 April 2016 and February 2017 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 March 2017 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 2016/17 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, systems, processes and controls in place at the Trust in relation to pre-employment checks were reviewed

3.5 Strategic Direction (looking forward to 2017/18)

Looking forward to 2017/18, the Trust has submitted a plan that delivers an improved position to a surplus of £698k. 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 just under £6 million. These funds are contingent on a number of factors including delivering the agreed financial control total and achieving the agreed trajectories against the four-hour transit standard.

The Trust's Annual Plan covering the financial year 2017/18 requires a cost saving of £6.3million to deliver the £698k control total. Detailed plans are in place to deliver this.

The plan builds on the Trust's strategic cornerstones of both vertical and horizontal integration. Significant progress has been made in the last 12 months in respect of the vertical integration of services across the catchment area. The Trust, in partnership with the South Cheshire and Vale Royal GP Alliance and Cheshire and Wirral Partnership NHS Foundation Trust, is, with effect from 1 October 2016, now running community services. A systematic review of the service lines and how these can be transformed has already begun, and a path to the realisation of the benefits of the health economy transformation (Connecting Care Programme) is now firmly within our collective control.

The advent of the Five Year Forward View Plan footprints a strategic direction to leverage savings and clinical sustainability from this wider programme across Cheshire and Merseyside. Along with the vanguard work, in particular in Women and Children's services and the existing "Stronger Together" programme with University Hospitals of North Midlands NHS Trust, this will support the progress on horizontal integration both clinically where it is in the patient's best interest, and through back office and clinical support services where delivery at scale and pace can be achieved.

This plan has been developed in line with the operating guidance with due regard to the "Nine must do's" of:

- Sustainability and Transformation Plan implementation
- Deliver on finance through achievement of control totals
- Primary care at scale
- Urgent and emergency care
- Referral to treatment times and delivery of the NHS constitution
- Cancer progress on access and survival rates
- Mental Health
- People with learning disabilities
- Improving quality.

The financial outlook for the NHS beyond 2017/18 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 at least 2% per annum over the next five years.

In addition, the growth in activity that is being experienced nationally and locally in some areas, such as the Emergency Department, 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 quality priorities are identified through collaboration with clinical staff and engagement with key stakeholders, including patients and their families, and are relevant from 2016 to 2018. Therefore, for 2017/18 the Trust's three quality priorities remain:

- Ensuring the prompt recognition and treatment of acute kidney injury (AKI)
- Ensuring the prompt recognition and treatment of sepsis
- Reducing the number of in-patient falls, particularly those that result in harm

In addition to these three quality priorities, the Trust's other "Sign Up To Safety" pledges are

- Mortality – to ensure that the Trust's Summary Hospital-level Mortality Indicator (SHMI) remains below 100
- Pressure Ulcers – to reduce stage 2 avoidable pressure ulcers by 5% per quarter, based on the previous quarter's results, and have zero tolerance to avoidable stage 3 and 4 pressure ulcers
- Never Events – to have a zero tolerance of Never Events within the organisation

The Trust's risk management processes have identified the following top 5 risks to quality:

- Not delivering high quality clinical care 7 days per week
- Acquisition of Community Services
- Financial sustainability of the Trust
- Operational sustainability of the Trust
- The risk of not delivering the Information Management &Technology Strategy with the inherent implications to patient safety and quality of patient care

Each of these risks has an action plan to mitigate the risks to safety and quality.

Further details of the Quality Improvement Plan are in the Quality Account section of this report.

Seven Day Services

The Trust's risk based approach to investment in the multi-disciplinary teams continues in 2017/18 to make progress towards complying with the four priority clinical standards.

Significant work is already taking place to address the priority standards for seven day services which include a focus on the infrastructure, medical staffing, nursing and therapy support to deliver services across seven days.

Through effective job planning, the Trust plans to increase the amount of onsite Consultant presence at the weekend to ensure that all emergency admissions receive a prompt initial review and subsequent ongoing review as appropriate.
The Trust will continue to develop networked arrangements with neighbouring Trusts to deliver Consultant directed interventions (e.g. interventional endoscopy, stroke thrombolysis) out of hours.

Community Services

Following the acquisition of Community Services and the transfer of over 700 staff the focus for 2017/18 will be on improving and integrating services more closely. The three key priority transformation projects are:

- Care Community Teams – shared across five geographical areas
- Musculoskeletal Physiotherapy - improving pathways and routes into the service
- Services which provide alternatives to A&E such as the GP out of hours and the development of specific services to support the frail elderly

Workforce Planning and Links to Clinical and Commissioning Strategies

The Trust has in place a robust People and Organisational Development strategy that focuses on the development and transformation of its workforce over the 2016–2018 period. The strategy is purposefully short-term to enable response and adaption to the changing local and national context and in particular it enables us to ensure that our workforce strategy is able to respond quickly and efficiently to developments with local partners.

The Trust has a clear and well-articulated methodology for the workforce plan which is linked explicitly to the Trust's services and activity levels as well as to the Trust strategy.

The workforce plan is focused primarily at analysing the level of service need and the resources available for the service. However it is important to recognise that at both local and national levels there are a number of workforce challenges that need careful consideration. These include occupations with national shortages, such as Radiographers and

specialist nursing roles, and the age profile of the current workforce.

The workforce plan ensures that the Trust has considered the Trust's workforce needs both now and in the future, taking account of the external drivers and developments which the Trust will need to deliver. During 2017/18 the Trust will be exploring opportunities to deliver efficiencies through collaboration and partnership working.

Transformation

The Trust 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

Access and Flow

In 2017/18, the Trust will build on the achievements of this programme in 2016/17.

The Trust has successfully bid for funding to review and improve the model of care provided for frail elderly patients coming into the hospital. A multi-agency redesign project is taking place to establish a pathway that will enable rapid assessment and links with community teams, allowing care closer to home with appropriate care facilitation.

the medical bed base will reduce the length of stay for patients. 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 seven days.

The Trust will continue to work more closely with community teams through CCICP to avoid hospital admission or Emergency Department attendance and to reduce the number of patients waiting in hospital beds for community services.

Surgical Transformation

As part of the Theatres efficiency programme the Trust is implementing a centralised pre-operative assessment service from June 2017. In addition, there are plans to develop the Surgical Ambulatory Care Unit (SACU) and an enhanced recovery model to widen the success of the medical division into surgery.

Outpatient Rationalisation

The Trust is continuing to work towards delivery of the programme aims with the addition of the following new aims for 2017/18:

- 100% of referrals for a first outpatient appointment received via NHS E-Referral
- Less than 4% of appointment slots having issues with capacity
- 80% of patients referred via the two week cancer target seen within 7 days

Above: the 'Sign up to Safety' logo

Accountability Report

4.1 Director's 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 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. Details can be found at www.mcht.nhs.uk and the national requirements for governance can be found at www.improvement.nhs.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.

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.

Our Council of Governors support the Trust by talking to and interacting with the communities and Members that they represent.

Membership Strategy

Year on year, the Trust strives 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 engage, maintain and develop its membership. In 2016 over 300 members shared their views via an e-survey. We have responded to these views by making changes to membership events and plans for 2017.

In 2016/17 the Trust Membership and Communications Strategy focused on increasing representation from young people and increased the number of 17-21 year-olds by 60%. Work will continue to ensure that membership numbers reflect the local population.

Youth Ambassadors

In March 2017 the Trust launched an innovative new scheme to bring younger Members into closer contact with the Trust. Three Youth Ambassadors will be appointed and start a voluntary twelve month placement in September 2017. This will fit alongside existing study or work commitments.

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

Public members

The Trust has three public Member constituencies which cover Cheshire East and parts 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

There is one patient and carer Member constituency. To be eligible to be a Member of this constituency people would have to over 16 years of age and 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 after twelve months.

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
- Registered Volunteers
- CCICP (Central Cheshire Integrated Care Partnership) from 1 October 2016.

In October 2016, the Council of Governors amended the Trust Constitution (subject to ratification at the next Annual Members Meeting) to create a new constituency for CCICP staff from 1 April 2017. This constituency will be temporary whilst staff adjust to working for the Partnership and being employed by the Trust. From September 2018 CCICP staff will be assigned to their relevant professional constituency.

Membership Figures

The table below includes the Trust's actual and targeted membership at 31 March 2017:

Constituency	Actual 31 March 2017	Target 31 March 2017
Public	3,989	4,018
Patient and Carers	1,222	1,232
Staff and Volunteers	4,972	3,747
Totals	**10,183**	**8,997**

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 2017
Congleton	794
Crewe and Nantwich	1,764
Vale Royal	1,396

Staff and Volunteer Constituency Breakdown	Actual 31 March 2017
Qualified Nursing and Midwifery staff	1,012
Medical Practitioners and Dental staff	347
Other Professionally Qualified Clinical staff	205
Clinical Support staff	1,167
Non-clinical Support staff	1,241
Recognised representative of Trade Unions and Staff Organisations	10
Volunteers	141
Community Services	712
Total	4,835

The Staff and Volunteer Constituency breakdown figures displayed do not include 137 members of staff whose area of work are unspecified.

Public Constituency	2016/17	2017/18 (estimated)
At year start (1 April)	4,018	4,018
New Members	141	150
Members leaving	170	150
At year end (31 March)	3,989	4,018
Patient and Carers		
At year start (1 April)	1,232	1,232
New Members	52	50
Members leaving	62	50
At year end (31 March)	1,222	1,232
Staff Constituency		
At year start (1 April)	3,727	4.900
New Members	1,260	222
Members leaving	15	150
At year end (31 March)	4,972	4,972

Public membership	Number of Members 31 March 2017	Eligible membership
Age (years)*		
0-16	10	132,971
17-21	106	38.752
22+	3,635	538,832
Ethnicity+		
White	3,252	678,965
Mixed	16	6,923
Asian or Asian British	30	10,157
Black or Black British	22	2,310
Other	7	1,380
Socio-economic Grouping**		
AB	1,170	59,521
C1	1,149	63,510
C2	833	41,313
DE	797	49,195
Gender		
Male	1,650	347,138
Female	2,200	363,416
No stated gender	104	n/a

The table to the right ('public membership') excludes the 35 Members who are living out of the Trust area.
*Age breakdown excludes 203 public Members with no dates of birth provided.
+Ethnicity excludes 527 Members who withheld ethnic details.
**Socio-economic excludes 5 Members without data.

We communicate and engage with Members, patients, carers and the public regularly and use a variety of channels to do so. 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
- Careers fairs
- Chief Executive Briefings
- Annual Members' Meetings

In addition to this, at least annually we canvas members for their thoughts and views on the Trust and 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 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

Above: the front cover of March 2017's All Together, the Trust's newsletter for Members.

Council of Governors

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

Governors must exercise leadership, enterprise, integrity and balanced judgement in the discharge of their role and functions within the Trust.

The Council of Governors is responsible for the following statutory duties:

- to hold the Non-executive Directors individually and collectively to account for the performance of the Board of Directors
- to appoint, agree the remuneration and, if appropriate, remove the Chair and other Non-executive Directors
- to approve the appointment of the Chief Executive
- to appoint and, if appropriate, remove the Trust Auditors
- to receive the Trust's Annual Accounts
- to approve any significant transaction, merger, acquisition, separation or dissolution of the Trust
- to approve any amendments to the Trust's Constitution

In addition, the Council of Governors collectively has responsibility to support the Trust to consider and canvas the views of its Members when developing plans and services. They discharge this duty by attending membership events, Meet Your Governor events and feeding views back to the Board through Council of Governors meetings and the annual Governor Planning event. They represent Members with their local constituent areas to ensure Members' views and experiences are being received.

2016/17 Council of Governors Meetings

- Thursday 21 April 2016
- Thursday 21 July 2016
- Thursday 27 October 2017
- Thursday 19 January 2017

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. These are the Membership and Communication Committee and Nominations & Remuneration Committee. Further details on the workings of the Nomination & Remuneration Committee can be found within the Remuneration Report.

Membership and Communications Committee

This 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.

The Committee met six times during 2016/17 and attendance was as follows:

Jerry Park (Chair)	6/6
John Lyons	3/6
Christine Cooper	5/6
Janet Roach	5/6
Barbara Beadle	4/6
Pat Psaila*	2/3

*Pat Psaila joined the committee in October 2016

Composition and Attendance of the Council of Governors during 2016/17:

Governor	Constituency	Terms Served	Term Commenced	Term Expires/ Expired	Meeting Attendance
Elected Governors					
Barbara Beadle	Crewe and Nantwich	2	01/4/2014	31/03/2017	4/4
Christine Cooper	Crewe and Nantwich	3	01/4/2014	31/03/2017	2/4
Jerry Park	Crewe and Nantwich	2	01/4/2014	31/03/2017	4/4
Janet Roach	Crewe and Nantwich	1	01/4/2014	31/03/2017	4/4
Dion Cross+	Congleton	1	01/1/2015	01/05/2016	0/1
Peter Faulkner*	Congleton	1	16/09/2016	15/09/2019	2/2
Janet Ollier	Congleton	1	01/4/2014	31/03/2017	3/4
Katherine Birch	Vale Royal	1	10/9/2015	09/09/2018	1/4
Mike Hadfield	Vale Royal	3	01/4/2014	31/03/2017	1/4
Norman Harris++	Vale Royal	2	01/4/2014	31/12/2016	0/3
Sylvia Regan*	Vale Royal	1	16/09/2016	15/09/2019	2/2
Norma Moores*	Patient and Carer Governor	1	16/09/2016	15/09/2019	2/2
Carl Betteley	Patient and Carer Governor	1	01/4/2014	31/03/2017	3/4
John Lyons	Patient and Carer Governor	3	01/4/2014	31/03/2017	4/4
Irene Vickers	Patient and Carer Governor	1	01/1/2015	31/03/2017	4/4
Patricia Psaila	Patient and Carer Governor	1	10/9/2015	09/09/2018	3/4
Ray Stafford	Patient and Carer Governor	1	10/9/2015	09/09/2018	4/4
Staff and Volunteer Governors (Elected)					
Caroline Birch	Recognised representative of Trade Unions and Staff Organisations	1	01/04/2017	31/03/2017	4/4
Angela Cunningham	Clinical Support Staff	1	01/04/2014	31/03/2017	2/4
Lorna Lakey	Registered Volunteers	3	01/04/2008	31/03/2017	2/4
Roger Okell	Medical and Dental Practitioner	1	01/04/2014	31/03/2017	3/4
Elizabeth Price+++	Qualified Nursing and Midwifery Staff	1	1/04/2014	31/12/2016	1/2
Janet Martin-Jackson*	Qualified Nursing and Midwifery Staff	1	16/09/2016	15/09/2019	2/2
Andrew Ritchings	Other Professionally Qualified Clinical	3	01/4/2008	31/03/2017	1/4
Robert Platt	Non-clinical Support Staff	1	10/9/2015	09/09/2018	2/4
Partnership, Appointed Governors					
Paul Colman, South Cheshire Chamber of Commerce and Warrington Chamber of Commerce and Industry					0/4
Councillor Janet Clowes, Cheshire East Council					2/4
Neil Fowler, Manchester Metropolitan University					2/4
Dr Jonathan Griffiths, Vale Royal Clinical Commissioning Group					1/4
Dr Andrew Wilson, South Cheshire Clinical Commissioning Group					2/4
Councillor Tony Lawrenson, Cheshire West and Chester Council (to October 2016)					0/2
Councillor Stephen Burns, Cheshire West and Chester Council (from December 2016)					1/1

* Elected Governor from 16 September 2016
+ Dion Cross resigned his post in May 2016
++Mr Norman Harris sadly passed away in December 2016
+++ Elizabeth Price stood down from her post following elections in September 2015

Governor Elections 2016

Elections were held between July and September 2016 and four new Governors were elected for a three year term of office beginning on 16 September 2016.

Constituency	Nominations	Eligible Voters	Turnout (%)	Successful Candidate
Staff – Qualified Nursing and Midwifery	1	uncontested		Janet Martin-Jackson
Patient and Carers	3	1224	17.5	Norma Moores
Public- Congleton	1	uncontested		Peter Faulkner
Public – Vale Royal	1	uncontested		Sylvia Regan

Governor Elections 2017

Elections were also held between February and March of 2017 as eleven Governors had signalled their intention to retire at the end of their terms of office on 31 March 2017. Of these, five had served the maximum three terms. The level of interest in serving as a Governor was very positive; ten new Governors were elected following a vote by members and three Governors were re-elected (one uncontested). The newly elected Governors will take their places from 1 April 2017.

Lead Governor

John Lyons was re-appointed as Lead Governor with effect from 1 April 2014 for three years until 31 March 2017. In his role as Lead Governor he has 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. Mr Lyons retired from his post as Governor on 31 March 2017 having served the maximum three terms.

Declaration of Interests of the Council of Governors

All Governors are required to declare annually 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, or by emailing foundationtrust@mcht.nhs.uk.

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

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 key responsibilities of the Board of Directors of the Trust are to:

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

The Board delegates some of its powers to Committees 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 these the Trust has additional Board Committees and Executive Operational Groups which are reviewed annually.

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 are in addition to the Council of Governor Committee structure. These include:

- Patient Information Group
- Complaints Review Panel
- Patient Register Group

Board Composition and Balance

The Board is satisfied that it has reviewed this year the appropriate balance and knowledge, skills and experience to enable it to carry out its duties effectively. This is supported by the discharge of the Council of Governor's duties to consider the collective performance of the Board.

Board of Director Meetings

The Board met in formal session on 14 occasions during 2016/17, 12 scheduled meetings and two extraordinary meetings. 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.

Board Effectiveness and Evaluation

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, meets collectively with Non-executive Directors and separately with the Lead Governor and Chief Executive before completing the Chairman's appraisal process. This is reviewed at the Governor Nominations and Remuneration Committee which makes a recommendation to the Council of Governors. The Council of Governors has the power to remove the Chairman or Non-executive Directors.

The collective performance of the Board is evaluated through discussions and evaluation at Board Away Days, through the Board Effectiveness Survey and through Council of Governor meetings. In addition, in 2016/17 the Trust commissioned Deloittes to conduct a Well Led Review of the Trust which found no concerns. This review is a requirement of NHS regulators. Deloittes is also the external auditor of the Trust.

The Board of Director's 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 formally 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.

If any dispute should arise between the Council of Governors and the Board of Directors, then a disputes resolution process as described in the Trust Constitution would be followed. This process had not been required.

There are regular opportunities for Governors to meet with Directors, formally through Non-executive Director and Governor meetings and informally on a collective or individual basis with either the Chairman or the Senior Independent Advisor. Governors also meet informally as a body four times a year. Concerns can also be raised through any Director of the Trust or through the Trust Board Secretary.

Board of Director's Attendance at Council of Governors Meetings

Board Member	Position	Meeting Attendance
Non-executive Directors		
Mr Dennis Dunn	Chairman	3/4
Dame Patricia Bacon	Deputy Chair	3/4
Mr David Hopewell	Senior Independent Director	1/4
Mr John Barnes	Non-executive Director	1/4
Mr John Church	Non-executive Director	4/4
Mr Mike Davis	Non-executive Director	4/4
Mrs Ruth McNeil	Non-executive Director	3/4
Executive Directors		
Mrs Tracy Bullock	Chief Executive	4/4
Dr Paul Dodds	Medical Director and Deputy Chief Executive	2/4
Miss Estelle Carmichael	Director of Workforce and Organisational Development	3/3
Mrs Denise Frodsham	Chief Operating Officer	1/4
Ms Alison Lynch	Director of Nursing and Quality	2/4
Mr Mark Oldham	Director of Finance and Strategic Planning	3/4

Non-executive Directors

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. Since retiring Patricia has been involved in a Non-executive capacity with schools and colleges and more recently has joined the Cheshire Presidential team of the British Red Cross as Vice President. Patricia is the Chair of Quality Governance Committee. She was appointed on 1 November 2011; the Council of Governors reappointed Pat for a second term of three years to 30 April 2018.

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. In 2015 the Council of Governors approved 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 and is Chair of Transformation and People Committee; 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. Through his own company, John now offers 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 an Independent Non-executive Director at South East Water. John was appointed as a Non-executive Director at the Trust on 1 February 2013; last year the Council of Governors reappointed John for a second term of three years to 31 January 2019.

Mr Mike Davis - Non-executive Director

Mike enjoyed 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 is Chair of the Performance and Finance Committee. 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

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 annually 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 over 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. 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.

Alison Lynch - Director of Nursing and Quality

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.

Mark Oldham - Director of Finance and 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.

Estelle Carmichael - Director of Workforce and Organisational Development

Estelle joined MCHFT in May 2016 as Director of Workforce and OD, having previously held the position of Deputy Director of Workforce and Corporate Development at Derby Teaching Hospitals NHS Foundation Trust.

Estelle is MCIPD qualified and has worked in the NHS for over 15 years in a range of different NHS settings, including some time based in a community Trust and PCTs in Cheshire. She enjoys the challenges that working in the NHS brings and believes in the values of the NHS. Estelle is also keen to ensure that the workforce and OD directorate focus on delivering patient-focused HR solutions as well as involving key partners in developing a strong workforce for MCHFT's future.

Estelle holds postgraduate diplomas in Healthcare Leadership and Personnel Management. She is particularly interested in strategic workforce development and improving the workforce experience in the NHS.

Board of Director Attendance

Executive Directors		Board Attendance 2016/17
Name	**Responsibility**	
Tracy Bullock	Chief Executive	13/14
Dr Paul Dodds	Medical Director/ Deputy Chief Executive	14/14
Denise Frodsham	Chief Operating Officer	14/14
Mark Oldham	Director of Finance and Strategic Planning	13/14
Alison Lynch	Director of Nursing and Quality	14/14
Estelle Carmichael*	Director of Workforce and Organisational Development	10/12

*Estelle Carmichael took up her post on 8 May 2016

Declaration of Interests of the Board of Directors

A review of the Board of Director's Register of Declared Interests takes place at Audit Committee annually. 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.

Any other significant time commitments for the Chairman and Non-executive Directors are assessed as part of the recruitment process and are also reconsidered as part of the annual appraisal and prior to the consideration of any re-appointment for a second term to start in 2017/18. These interests are included on the Register of Board interests which is held by the Trust Board Secretary and is available on the Trust's website: www.mcht.nhs.uk.

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.

Non-executive Directors		**Board Attendance 2016/17**
Dennis Dunn	Chairman	12/14
Dame Patricia Bacon	Deputy Chair	13/14
David Hopewell	Senior Independent Director	12/14
Ruth McNeil	Non-executive Director	13/14
John Barnes	Non-executive Director	12/14
Mike Davies	Non-executive Director	12/14
John Church	Non-executive Director	14/14

4.2 Annual Report on Remuneration

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 2016/17 on behalf of those two Committees.

The Nominations and Remuneration Committee is established by the Council of Governors to assess the performance, appointments and remuneration of Non-executive Directors including the Chairman. The Appointments and Remuneration Committee is established by the Board of Directors and reviews the remuneration, recruitment, appraisal 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 2016/17

Major Decisions on Remuneration in 2016/17

The Trust's Appointments and Remuneration Committees aim to ensure that Executive and Non-executive Directors' remuneration is set appropriately, taking into account relevant market conditions. Executive Directors should be appropriately rewarded for their performance against goals and objectives linked directly to the Trust's objectives, but not paid 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 made no major decisions on remuneration in 2016/17 outside the regular responsibilities of the Committee.

The Remuneration Committee:

- Agreed an Executive restructure including the remuneration for a new part-time Director of Strategic Partnerships role
- Agreed the remuneration for Executive Directors
- Reviewed a KPMG paper on Pension Tax Changes commissioned in 2015/16.

Dennis Dunn
Trust's Chairman and Chairman of the Trust's Remuneration Committees
Date: 22 May 2017

Nominations and Remuneration Committee

The Nominations and Remuneration Committee of the Council of Governors met twice in 2016/17. Attendance from members was as follows:

Dennis Dunn	1/2
John Lyons	2/2
Jerry Park	2/2
Dr Roger Okell	2/2
Mike Hadfield	1/2
Janet Roach	1/2
Cllr Janet Clowes	0/2

The Committee is chaired by the Chairman of the Trust, or the Senior Independent Director when the Chairman's nomination or performance is being considered as the Chairman leaves the meeting at this point. The Committee includes the Lead Governor and five additional Governors representing the spread of constituencies. The membership of this committee was increased to seven in 2016/17 following a review of the Terms of Reference. Following this review the Chief Executive is no longer a formal member of the committee but attends the meeting upon invitation to offer advice when required.

Only members of the Committee are eligible to attend Committee meetings. Other individuals can be invited to attend to offer advice and support the workings of the Committee as and when required to receive specialist and/or independent advice on any matter relevant to its roles and functions.

During 2016/17 the Council of Governors, through the Nominations and Remuneration Committee, agreed and had oversight on the following:

- The Non-executive Directors' 2015/16 performance appraisal in April 2016, including the Chairman
- The Chairman's 2016/17 performance appraisal in March 2017
- The recommendation to the Council of Governors that the Chairman should be appointed to a second term of office from 1 July 2017 to 30 June 2020.

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 Director.

Remuneration Committee

The Board of Directors Remuneration Committee met twice in 2016/17. Attendance was as follows:

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

During 2016/17 the Remuneration Committee had oversight of and:

- Agreed that the Director of Workforce and Organisational Development should have full voting rights as a member of the Board
- Reviewed the Executive Director portfolio and agreed an Executive restructure which resulted in the appointment of a new Chief Operating Officer in January 2017 (to start in post from May 2017). The existing Chief Operating Officer will move into a new part-time role as Director of Strategic Partnerships
- Agreed the annual uplift for the Executive Directors.

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 did not make any bonus payments in relation to performance and did not offer an incentivisation programme.

In 2016/17, following a procurement process, the Remuneration Committee received services from Hays Executive for the Chief Operating Officer recruitment campaign and from KPMG on Pension Tax changes.

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. All other permanent employees of the Trust are subject to Agenda for Change terms and conditions and consultation takes place with staff organisations on any proposals to change these terms and conditions of employment.

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 recommended 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:

Senior Manager remuneration and benefits – Emoluments (2016/17):

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	-	-	-	0-2.5	55-60
Hopewell D	Non-Executive	15-20	-	-	-	0-2.5	15-20
Church J	Non-Executive	10-15	-	-	-	0-2.5	10-15
McNeil R	Non-Executive	10-15	-	-	-	0-2.5	10-15
Bacon P	Non-Executive	15-20	-	-	-	0-2.5	15-20
Barnes J	Non-Executive	10-15	-	-	-	0-2.5	10-15
Davis M	Non-Executive	10-15	-	-	-	0-2.5	10-15
Bullock T	Chief Executive	160-165	8,700	-	-	52.5-55	220-225
Oldham M	Director of Finance	115-120	12,800	-	-	35-37.5	165-170
Frodsham D	Chief Operating Officer	110-115	8,500	-	-	25-27.5	145-150
Lynch A	Director of Nursing	100-105	8,700	-	-	120-122.5	225-230
Carmichael E	Director of Workforce and OD (From 08/05/2016)	80-85	-	-	-	77.5-80	155-160
Dodds P	Deputy Chief Executive Officer & Medical Director	200-205	-	-	-	60-62.5	260-265

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

Name	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	55-60	-	-	-	-	**55-60**
Hopewell D	15-20	-	-	-	-	**15-20**
Church J	10-15	-	-	-	-	**10-15**
McNeil R	10-15	-	-	-	-	**10-15**
Bacon P	15-20	-	-	-	-	**15-20**
Barnes J	10-15	-	-	-	-	**10-15**
Davis M	10-15	-	-	-	-	**10-15**
Bullock T	160-165	8,100	-	-	112.5-115	**280-285**
Oldham M	115-120	8,700	-	-	32.5-35	**155-160**
Smith J	F35-40	1,800	-	-	5-7.5	**40-45**
Frodsham D	110-115	6,800	-	-	55-57.5	**170-175**
Lynch A	45-50	400	-	-	90-92.5	**140-145**
Marston W	85-90	-	-	-	17.5-20	**105-110**
Dodds P*	195-200	-	-	-	110-112.5	**310-315**

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

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 2017	Total accrued lump sum at age 60 at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2016	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	4	2	68	187	1,191	1,113	39	-
Dodds P	Medical Director	4	12	80	240	1,628	1,505	61	-
Oldham M	Director of Finance	3	1	47	128	775	725	25	-
Frodsham D	Director of Business Development	2	6	40	121	835	773	31	-
Lynch A	Director of Nursing (from 05/10/2015)	7	(4)	32	96	580	442	70	-
Carmichael E	Director of Human Resources	5	9	20	52	284	230	25	-

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. There are no performance related pay provisions currently in place.

Multiple Statement:

Group and Foundation Trust

	2017 £000	2016 £000	% change
Highest Paid Director gross cost	**203**	200	**1.37%**
Median Total earnings	**26**	25	**3.05%**
Ratio	**7.72**	7.85	**(1.63%)**

The median total earnings was calculated using the full-time equivalent gross cost of all staff paid through the Trust's payroll in March 2017 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 of 29, no Governors claimed expenses in 2016/17.

Directors' Expenses

Out of the 13 Board members (seven Non-executive Directors including the Chairman and six Executive Directors including the Chief Executive) a total of 10 Directors claimed non-audited expenses in 2016/17 at a total amount of £6615.25. Details of remuneration and benefits in kind are included within the Remuneration table.

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	-(-)	9(18)	9(18)	-(-)
£10,000 - £25,000	-(-)	1(-)	1(-)	-(-)
£25,001 - £50,000	-(-)	-(-)	-(-)	-(-)
£50,001 - £100,000	-(-)	-(-)	-(-)	-(-)
Total number of exit packages by type	-(-)	10(18)	10(18)	-(-)

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	-(-)	14(55)	14(55)	-(-)
£10,000 - £25,000	-(-)	10(-)	10(-)	-(-)
£25,001 - £50,000	-(40)	-(-)	-(40-)	-(-)
£50,001 - £100,000	-(69)	-(-)	--(69)	-(-)
Total cost of exit packages by type	-(109)	24(55)	24(164)	-(-)

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 2016/17.

Exit packages: other (non-compulsory) departure payments:

	2016/17 Payments agreed	2016/17 Total value of agreements	2015/1 Payments agreed	2015/16 Total value of agreements
	Number	£000	Number	£000
Contractual payments in lieu of notice	10	24	18	55
Exit payments following Employment Tribunals or court orders	-	-	-	-
Total	10	24	18	55

Tracy Bullock
Chief Executive
Date: 22 May 2017

4.3 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 2016/17 is included within the table below:

David Hopewell	6/6
Pat Bacon	6/6
Mike Davis	4/6
John Barnes	5/6
John Church	5/6
Ruth McNeil	5/6

During 2016/17 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 £70,686.

There were no conflicts of interest that needed 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 2016/17 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 2016/17.

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).

Tracy Bullock
Chief Executive
Date: 22 May 2017

4.4 Staff Report

Staff Engagement

The Trust's vision to "deliver excellence in healthcare through innovation and collaboration" puts our staff at the heart of delivering good and safe experiences for our patients. We are committed to involving our staff in decision-making and keeping them informed of changes and developments across the organisation. Our Trust induction programme is the first step in helping our new staff to get to know more about the Trust and how we involve and engage them in our decision-making. We also use a range of well-established forums for consulting with and engaging our staff and their representatives, including:

- Regular Executive and Non-executive ward safetly visits
- Executive Director walkabouts
- Regular formal and informal meetings with our Trade Union representatives (Joint Local Negotiating Committee and Joint Consultation & Negotiation Committee
- Weekly CEO briefings
- Regular Trust briefings (Trust Update and Payday Press)
- CEO drop-in surgeries
- CEO engagement events
- Forward Thinking and Expo events
- Bright Ideas Scheme
- All Together newsleter

As a Foundation Trust we also benefit from having seven Staff Governors who make a valuable contribution to the governance and development of the organisation.

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.

Above: members of staff from the Maintanence and Domestic departments win Team of the Month in September 2016

National NHS Staff Survey 2016

We are understandably proud that we have achieved the top ranking for Acute Trusts in the 2016 National Staff Survey. It is particularly pleasing to be able to report that in many areas of the NHS Staff Survey we outperform our peer Trusts. Particular highlights for the Trust are:

- More of our staff would recommend our Trust as a place to receive care or treatment than in 2015
- 93% of our staff feel they make a difference to patients and service users
- Our staff feel that they are able to contribute and make suggestion about improvements at work.

Of the 32 key findings within the staff survey for 2016 we were found to be in the top 20% of Trust responses for over half of the questions asked.

NHS Survey Results:

	2015/16		2016/17		Trust improved/deterioration
	Trust	**National Average**	**Trust**	**National Average**	Trust deterioration by 2% from previous year compared to a 20% national deterioration
Response rate	60%	64%	58%	44%	

The following two tables (below and on page 57) provide an overview of our five highest ranking scores and our five lowest ranking scores:

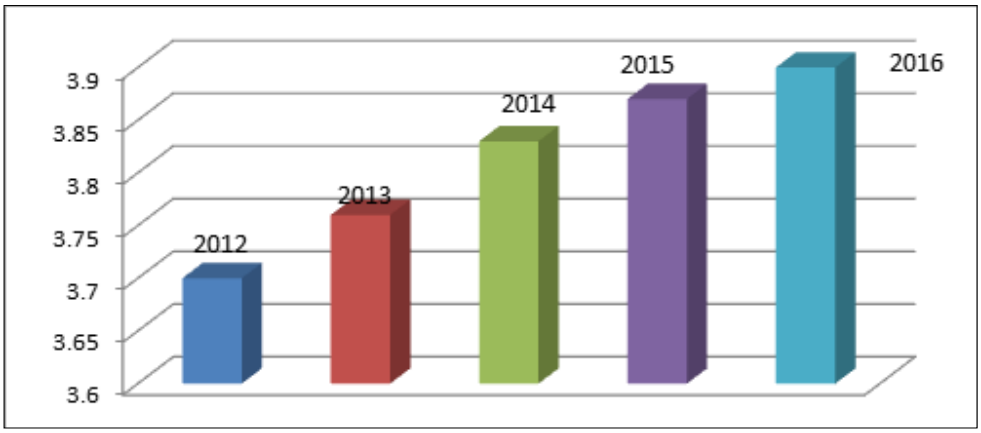
Top 5 Ranking Scores	**2015**	**2016**		**Trust Performance**
	Trust	Trust	Acute Trust Average	
Percentage of staff/colleagues reporting most recent experiences of violence *(higher reporting is good)*	70%	77%	67%	**Improvement – Top performing Trust**
Percentage of staff agreeing that their role makes a difference to patients/ services users	89%	93%	90%	Improvement – Best 20% of Acute Trusts
Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month *(lower score is better)*	26%	25%	31%	Improvement – Best 20% of Acute Trusts
Fairness and effectiveness of procedures for reporting errors, near misses and incidents *(higher score is better)*	3.83	3.86	3.72	Improvement – Best 20% of Acute Trusts
Percentage of staff feeling unwell due to work related stress in the last 12 months *(lower score is better)*	32%	31%	35%	Improvement – Best 20% of Acute Trusts

The Trust is particularly pleased to be able to report that staff genuinely feel that they make a difference for patients on a day to day basis and that they feel our Trust receives reports of errors and near misses in a fair way that encourages our staff to report without fear of repercussion.

Staff Engagement

Over the last 5 years the Trust has seen a significant increase in the levels of engagement reported by our staff. The graph below shows that our score has improved significantly during this time. Staff Engagement is measured on a scale of 1 – 5 with 1 being very disengaged to 5 being highly engaged at work. Our score of 3.9 in 2016 demonstrates that the vast majority of our staff feel engaged or highly engaged.

Staff Engagement Scores:



We credit our excellent scores in this area to the open and honest approach that our Board and senior leadership team take in ensuring that our staff are well-informed about the Trust's performance and key decisions being made as well as actively encouraging our staff to put forward views and ideas about how we can improve the experience of our patients and staff.

Bottom 5 Ranking Scores	2015	2016		Trust Performance
	Trust	Trust	Acute Trust Average	
Quality of Appraisal *(higher score is better)*	2.99	3.02	3.11	Improvement – Worse than average
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months *(lower score the better)*	25%	25%	25%	Equal result in 2015 – Average
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months *(lower score the better)*	16%	15%	15%	Improvement – Average
Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves *(lower score is better)*	57%	56%	56%	Improvement – Average
Quality of non-Mandatory training, learning or development *(higher the better)*	4.05	4.06	4.05	Improvement - Average

Future Priorities and Targets

It is clear that the Trust must focus on those areas where our performance is 'average' to address the issues the staff survey has highlighted for us. It should also be noted that, whilst these are areas that our staff feel we need to improve upon, in all of our bottom ranking scores, we sit at or very close to the national average for Acute Trusts.

We are mindful that there is some significant work to do to ensure our staff feel safe and protected in their workplace and this will be a significant focus for the Trust over the coming year. We have therefore set out the following objectives which will form the basis of our action plan for 2017:

- Enhance staff experience of appraisal through effective appraiser training which will result in our staff feeling valued and supported at work as well as during their appraisal
- Address behaviours that fall below our expectations both in our staff as well as the behaviours of our patients and visitors
- Reduce bullying and harassment in the workplace
- Encourage our staff to report and tackle bullying and harassment with confidence
- Expand our range of health and wellbeing services to support our staff in improving their personal health and resilience

- Undertake a review of non-mandatory training and development to help us understand how we can improve the quality of the programmes we offer our staff.

Action plans will be developed from each of the above objectives that will focus on delivering sustainable improvement in the experience of our staff. The action plans will be regularly reviewed by the Executive Workforce Assurance Group, which is chaired by the Director of Workforce and Organisational Development, to ensure milestones are achieved.

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 1 April 2017:

Staff Group/Role	Female	Male	Grand Total
Add Prof Scientific and Technic	122	30	152
Chaplain	1		1
Optometrist	4		4
Pharmacist	23	6	29
Practitioner	45	14	59
Technician	49	10	59
Additional Clinical Services	899	127	1026
Apprentice	2		2
Assistant/Associate Practitioner	3		3
Assistant/Associate Practitioner Nursing	13	3	16
Dental Surgery Assistant	1		1
Healthcare Assistant	599	72	671
Healthcare Science Assistant	120	24	144
Healthcare Science Associate	4	11	15
Helper/Assistant	120	13	133
Nursing Cadet	17		17
Play Specialist	4		4
Technical Instructor	6	1	7
Technician	10	3	13
Administrative and Clerical	839	126	965
Accountant	15	2	17
Analyst	8	5	13
Apprentice	5	3	8
Chief Executive	1		1
Clerical Worker	480	35	515
Librarian	1	1	2
Manager	26	8	34
Medical Secretary	71		71
Non-Executive Director	2	5	7
Officer	133	29	162
Other Executive Director	3	1	4
Personal Assistant	8		8
Receptionist	18	2	20
Secretary	28	2	30
Senior Manager	34	23	57
Surveyor		3	3
Technician	6	7	13
Allied Health Professionals	292	49	341
Advanced Practitioner	1		1
Chiropodist/Podiatrist	12	5	17
Dietitian	25		25

Dietitian Specialist Practitioner	1		1
Occupational Therapist	43	2	45
Occupational Therapy Specialist Practitioner	2		2
Orthoptist	6		6
Physiotherapist	88	25	113
Physiotherapist Manager	2		2
Physiotherapist Specialist Practitioner	2		2
Radiographer - Diagnostic	60	15	75
Speech and Language Therapist	43	2	45
Speech and Language Therapist Specialist Practitioner	7		7
Estates and Ancillary	235	175	410
Apprentice		1	1
Building Officer		3	3
Cook	1	6	7
Engineer		16	16
Gardener/Groundsperson		1	1
Housekeeper	22		22
Maintenance Craftsperson	1	19	20
Porter	3	51	54
Supervisor	12	6	18
Support Worker	185	72	257
Telephonist	11		11
Healthcare Scientists	113	42	155
Consultant Healthcare Scientist	1		1
Healthcare Science Practitioner	67	20	87
Healthcare Scientist	3		3
Manager	7	6	13
Specialist Healthcare Science Practitioner	34	16	50
Specialist Healthcare Scientist	1		1
Medical and Dental	95	165	260
Associate Specialist (Closed)	2	5	7
Consultant	39	102	141
Foundation Year 1	9	8	17
Foundation Year 2	10	7	17
General Medical Practitioner	7	12	19
Senior House Officer (Closed)	5	1	6
Specialist Registrar (Closed)		1	1
Specialty Doctor	15	22	37
Specialty Registrar	8	6	14
Staff Grade (Closed)		1	1
Nursing and Midwifery Registered	1151	89	1240
Advanced Practitioner	4		4
Community Nurse	130	5	135
Community Practitioner	39		39
Midwife	125		125
Midwife - Manager	1		1
Midwife - Specialist Practitioner	4		4
Modern Matron	25		25
Nurse Consultant	1		1
Nurse Manager	47	3	50
Sister/Charge Nurse	96	14	110
Specialist Nurse Practitioner	30		30
Staff Nurse	649	67	716
Grand Total	**3746**	**803**	**4549**

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 2016/2017, absence levels were 3.98% compared to the previous year of 3.99%. Within this figure, short-term absence accounted for 1.57%, whilst long-term absence accounted for 2.42%. In total, 37.25% of our staff recorded no sickness absence. When benchmarked against 41 other trusts in the North West region, the Trust had the fourth lowest year-to-date sickness absence.

To deliver this target and maintain appropriate staffing levels, the Trust has implemented a refreshed sickness absence management system, targeted support mechanisms 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.

The following table provides an overview of the Trust's sickness absence rates for the 2015 and 2016 calendar years and clearly shows that there is some seasonal fluctuation in absence levels during last quarter of the calendar year.

Staff Sickness Absence – 2-year Comparison (percentage)		
	2015	2016
January	4.80	3.85
February	4.47	3.85
March	3.91	3.90
April	3.75	3.78
May	3.92	3.65
June	3.86	3.68
July	4.11	3.72
August	4.29	3.40
September	4.25	3.43
October	4.08	4.22
November	4.06	4.23
December	3.91	4.64
Annual Absence Percentage	**4.12**	**3.86**

The additional table below has been produced by NHS Improvement to highlight sickness absence rates using the number of days lost to sickness absence as the baseline measure. Mid Cheshire Hospitals NHS Foundation Trust has an average sickness absence level of sick days per FTE with the best performing Trust's achieving between 5 and 6 sick days per FTE.

	Figures Converted by DH to Best Estimates of Required Data Items			**Statistics Published by NHS Digital from ESR Data Warehouse**	
Mid Cheshire Hospitals NHS Foundation Trust	Average FTE 2016	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days recorded Sickness Absence
	3,342	29,125	8.7	1,219,683	47,247

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%.

Occupational Health

The Cheshire Occupational Health Service is a collaborative service delivered in partnership between Mid Cheshire Hospitals NHS Foundation Trust and East Cheshire NHS Trust. During 2016/17, Cheshire Occupational Health Service continued to work closely with colleagues to support the Trust's commitment to improving the health and wellbeing of the workforce, ensuring that:

- staff have access to the information and advice they need to promote positive health and wellbeing
- the service remained compliant with the Safe Effective Quality Occupational Health Service accreditation standards published by the Faculty of Occupational Medicine.

A key project delivered during this period was to support the Trust in delivering the annual influenza campaign. As a result, the Trust succeeded in vaccinating over 75% of its frontline health care workers, thereby helping to also protect patients, friends, family and other staff members. In recognition of this achievement, Mid Cheshire Hospitals NHS Foundation Trust was one of only four Trusts nationally to be shortlisted for the prestigious NHS Employers Best Flu Fighter Team of the Year award.

The Occupational Health Service continued to work closely with Human Resource Managers, line managers and colleagues to reduce sickness absence levels and supported with the implementation and delivery of the trial relating to first day of absence reporting for two divisions within the Trust.

In addition to providing occupational health services to NHS staff at Leighton Hospital and Macclesfield Hospital, Cheshire Occupational Health Service also delivered services to the Christie NHS Foundation Trust, the Clinical Commissioning Groups (Eastern Cheshire, South Cheshire and Vale Royal) and the GP Alliance Board as well as a number of organisations in the private sector.

Health and Wellbeing

The staff Health and Wellbeing strategy for the Trust was launched in 2015 and focuses on the three key strands of engagement, effectiveness and experience. The strategy continued to be implemented and monitored by the staff Health and Wellbeing Group, which comprises members of staff from across the Trust.

The main focus of activity for the group during 2016/17 was to deliver against the Health & Wellbeing Commissioning for Quality and Innovation targets set by the local Clinical Commissioning Group. Actions were therefore centred on the introduction of a range of physical activities for staff, improved access to physiotherapy support for musculoskeletal conditions and the introduction of a range of mental health initiatives for staff. Some examples of the activities delivered included:

- participation in the Active Cheshire Team Games held at Chester Racecourse in September 2016
- a virtual cycling challenge entitled 'Ride to Remember' in support of the Trust's nominated charitable cause, Dementia
- promoting availability of online access for all computer users to complete a workstation assessment
- mindfulness taster sessions offered to staff through the retained Employee Assistance Provider
- increased number of resilience workshop sessions to help managers and staff recognise and deal with signs and symptoms of stress

Above: the Trust's Health and Wellbeing logo

Inclusion and Equality 2016/17

As a Trust we recognise the need to provide services that are appropriate, sensitive and easily accessible for all. As an employer, we consider the needs of individual members of staff and strive to meet those needs where compatible with key service requirements. We seek and listen to the views of patients and their families and of our workforce and their representatives. We also involve other organisations whether from the public, private or voluntary sector.

The Equality, Diversity and Human Rights Policy and Strategy sets out the Trust's aims and goals in relation to Equality, Diversity & Human Rights as well as the strategic means by which these goals will be achieved. The full document is available on our website at:

www.mcht.nhs.uk/equalityanddiversitypolicyandstrategy

All of the Trust's 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.

Equality Delivery System

The Trust is fully committed to meeting its core requirements as set out in the Equality Act 2010 and Public Sector Equality Duty. The Equality Delivery System (EDS2) is available to NHS organisations to help assess and grade equality performance. Our performance against the key standards was completed in May 2016. The overall goal outcomes are summarised below:

EDS2 Goal	Rating
Better health outcomes	Achieving
Improved patient access and experience	Achieving
A representative and supported workforce	Achieving/Excelling
Inclusive leadership	Achieving

The following table provides a summary of the diversity of our workforce as at 7 March 2017:

2016/17		
Age Band	**Headcount**	**%**
<=20 Years	47	1.03%
21-25	301	6.62%
26-30	484	10.64%
31-35	460	10.11%
36-40	466	10.24%
41-45	531	11.67%
46-50	657	14.44%
51-55	740	16.27%
56-60	516	11.34%
61-65	251	5.52%
66-70	75	1.65%
>=71 Years	21	0.46%
Total	**4,549**	**100.00%**
Ethnic Group	**Headcount**	**%**
White – British & Irish	4,006	88.06%
White - Other	167	3.67%
Asian	138	3.03%
Black	43	0.95%
Mixed	29	0.64%
Any other Ethnic Group	21	0.46%
Not specified	134	2.95%
Chinese	11	0.24%
Total	**4,549**	**100.00%**
Gender	**Headcount**	**%**
Female	3,746	82.35%
Male	803	17.65%
Total	**4,549**	**100.00%**
Disabled	**Headcount**	**%**
No	3,387	74.46%
Not Declared	1,040	22.86%
Yes	122	2.68%
Total	**4,549**	**100.00%**

	Female	**Male**
Executives and Non-executive Directors	6	7
Trust Senior Leaders (band 8a and above)	230	189
Other Staff	3,510	608
Total	**3,746**	**803**

Equality and Diversity Highlights

Employee Support Advisor Service

The Employee Support Advisor Service is made up of a team of trained volunteers, Employee Support Advisors (ESAs). They offer help and support to any member of staff across the Trust who would like to discuss any concern, worries or problems they have, whether they be in the workplace or at home. The team provides an informal, supportive and confidential environment in which discussions can take place; they are there to empathise without passing judgement and provide staff with information on the different support options available.

Workforce Race Equality Standard

The Workforce Race Equality Standard assesses the workforce data to address the under-representation of Black, Asian and minority ethnic employees. Our report from 2016 is available on website at:
www.mcht.nhs.uk/about-us/equality-and-diversity/wres

Staff Support Voicemail

The Trust's Staff Support Voicemail, which is available to all Trust staff, was updated in February 2017. The service provides staff with an opportunity to voice any concerns about the way they have been treated by other employees at work, or where they have witnessed other employees being subjected to this behaviour. Available 24/7, the service is completely confidential and any data recorded is anonymous.

Equal Pay Audit

The Trust is mindful of its responsibilities under the Equality Act 2010, which gives women and men a right to equal pay for equal work. An equal pay audit was carried out in 2016 which revealed some variation in the pay received between men and woman and between BME people and white British people, however the analysis of available information did not find it as attributable to any form of discriminatory pay practice, but rather length of service.

Disability Confident

The Trust is now signed up to the government's new Disability Confident scheme (which has replaced the two ticks symbol) and the Trust's recruitment policy, Guidance for Recruiting Managers and Recruitment and Selection training makes reference to the new scheme and what this means in terms of support for disabled people in the workforce. Additionally, the Trust is signed up to the Learning Disability pledge, a scheme whose aim is to increase numbers of people with learning disabilities in the workplace. Throughout 2016/17 the Trust worked with Job Centre Plus to set up work placements aimed at people with learning disabilities and had several successful outcomes in this area.

The Trust has actively supported several employees with disabilities using the government's Access to Work scheme which provides support, expertise and in some cases funding to ensure we have the correct equipment and adaptations in place to retain the person in their role and develop their skills. We actively promote a range of assisted internship opportunities that enable people with physical disabilities or learning disabilities to gain real experience of working in the NHS. Interns receive a tailored induction, work-based training and mentorship support. Upon completion of their placement, interns also receive a reference detailing their achievements and NHS careers advice from a member of the Trust's in-house future workforce team.

Education, Training and Career Development

The Trust is committed to support and develop its workforce with ongoing education, training, career development and promotion for employees. Activities are guided by a variety of policies and applied to all staff, including those with a disability such as: Statutory and Mandatory Training policy, Vocational Training policy, Appraisal and Personal Development Review policy, Study Leave policy, Flexible Working policy and Recruitment policy.

Yearly appraisals are a mandatory Trust requirement, supported by both manager and participant training in which all employees are encouraged to discuss career development with their manager and participate in creating an individual development plan as the means to achieve their potential. The Trust has a range of grade and role specific in-house management development programmes which staff are encouraged to take part in, and we make every effort to ensure that any disabled employees are able to participate fully in all elements of the programmes.

Volunteer Team

The Trust's volunteer team consists of approximately 310 volunteers providing assistance in over 35 different roles. As well as traditional stalwart roles like helping on wards, Chaplaincy, radio and Macmillan, our volunteers also use their skills to garden, do hand massages or support emergency weekend clinics. All volunteer roles have one single aim: improving a patient's experience while they are in the hospital. This can be as simple as greeting someone arriving in outpatients or helping provide directions in the main entrance, to holding a patient's hand in theatre while they undergo cataract surgery under local anaesthetic.

In addition, the Trust continues to partner with outside organisations such as the dementia befriending service provided by Royal Voluntary Services. Various ward areas have been the beneficiaries of garden projects made possible through corporate social responsibility programmes such as Barclays, Reaseheath College and Wesleyan Financial Services. Patient garden areas have also been improved by local civic organisations such as Rotary at Bentley Motors and local Scout troops.

Volunteers bring a wide variety of skills and talents, and the Voluntary Services department will continue to find new and interesting roles to utilise these. The Voluntary Services department is committed to delivering a positive and engaging volunteer programme which volunteers will find rewarding and fulfilling whilst also making a positive and substantial contribution to the patient experience. Further details of the work of our volunteers is included within the Quality Report.

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 2016/17 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 Mar 2017, for more than £220 per day and that last for longer than six months	**2016/17**
No. of existing engagements as of 31 Mar 2017 of which:	0
Number that have existed for less than one year at the time of reporting	0
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 Apr 2016 and 31 Mar 2017, for more than £220 per day and that last for longer than six months	**2016/17 Number of Engagements**
Number of new engagements, or those that reached six months in duration between 1 April 2015 and 31 March 2016	0
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 Apr 2016 and 31 Mar 2017	**2016/17 Number of Engagements**
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.	13

Staff Analysis

The analysis of staff costs are shown below. All staff are permanent except for the Agency and Contract Staff:

	Group		Foundation Trust	
	2016/17	2015/16	**2016/17**	**2015/16**
	£0	£0	**£0**	**£0**
Salaries and wages	**123,482**	110,029	**123,482**	110,029
Social Security Costs	**10,284**	7,359	**10,284**	7,359
Employer contributions to NHS Pensions Authority	**13,477**	11,895	**13,477**	11,895
Pension cost - other	**17**	12	**17**	12
Termination Benefits	**-**	109	**-**	109
Agency and contract staff	**5,748**	7,880	**5,748**	7,880
NHS Charitable funds staff	**68**	81	**-**	-
Total Gross Staff Costs	**153,076**	137,365	153,008	137,284
Of which				
Costs capitalised as part of assets	**-319**	-292	**-319**	-292
Total Employee benefits excluding Capitalised Costs	**152,747**	137,073	152,689	136,992

	Total 2016/17 Number	Other permanent employees Number	Directors Number	Other Number	Total 2015/16 Number
Medical & Dental	**326**	326	-	-	313
Administration & estates	**777**	771	6	-	698
Healthcare Assistants & other support staff	**549**	549	-	-	525
Nursing, midwifery & health visiting staff	**993**	993	-	-	901
Scientific, therapeutic and technical staff	**265**	265	-	-	156
Healthcare Science Staff	**314**	314	-	-	278
Agency & Contract Staff	**87**	-	-	87	78
Bank Staff	139	-	**-**	139	147
Other	291	291	**-**	**-**	288
Total average numbers	**3,741**	**3,509**	**6**	**226**	3,384
of which WTE engaged on capital projects	**6**	**6**	**-**	**-**	7

4.5 NHS Foundation Trust Code of Governance

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.

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:

- Corporate 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
- Trust Constitution in place and standards of conduct for the staff of the Trust in accordance with NHS values and the Nolan Principles of behaviour in public life
- 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 Director's meetings
- Quarterly performance report produced by the Chief Executive and provided to the Council of Governors
- Council of Governor Agenda Setting meetings
- Membership and Communication Strategy effective through monitoring of implementation plan
- Effective Council of Governor Committee structure in place
- Council of Governor's presentation on performance and achievement delivered at the Annual Members meeting
- Annual Forward Plan meeting held with Governors
- 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.

With the exception of the following the Trust followed the Code during 2016/17:

Code of Governance reference	Relating to	Summary of requirement	Explanation
A.5.6	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 Governor's general meetings; through the Senior Independent Director; any Director of the Trust or by contacting the Trust Board Secretary. These methods for raising concerns are detailed in the Corporate Governance Handbook and in the Governor Handbook which is provided to each Governor as part of their induction.
B.7.1	Board of Directors	At least half of the Board, excluding the chairperson, should compromise Non-executive Directors determined to be independent.	It is a recommendation that Non-executive Directors serve no more than six years in order to maintain their independence however the Trust's Council of Governors, with the support of the Board, in 2015 considered that the Senior Independent Director was sufficiently independent to be re-appointed by the Council of Governors in January 2016 for a further three years. This followed a recruitment campaign led by Hays Executive Recruitment via open competition. This judgement of independence is assessed annually through the appraisal process which is overseen by the Governor's Nominations and remuneration Committee. The Council of Governor's decision was based on the outstanding performance shown at interview and his past contribution and performance as Chair of Audit Committee and as a Non-executive Director.

Care Quality Commission

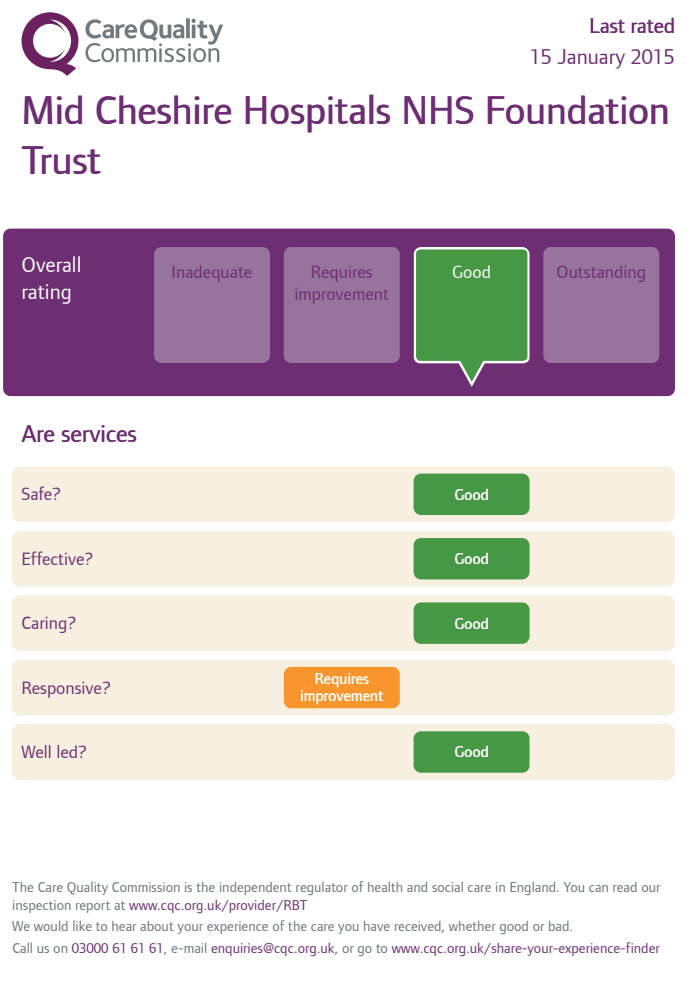
The Care Quality Commission (CQC) has a role to ensure that health and social care services that are provided are done so safely, effectively, compassionately, and are of high quality. The CQC assess services over five core domains: safe, effective, caring, responsive and well-led. The CQC is responsible 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 the Trust. The Trust was rated as 'Good' with only a small number of Acute Hospital Trusts in England that have achieved this rating.

From 2017 CQC will no longer be conducting comprehensive inspections but will instead be conducting focused inspections which will be based on Trust performance, previous inspections, patient feedback and the raising of any concerns.

The Trust has had regard to NHS Improvement's Well Led Framework, which has replaced the Quality Governance Framework, in arriving at its overall evaluation of the organisation's performance and internal control using the Board Assurance Framework and action plans to improve the governance of quality, where necessary. In 2016/17 the Trust undertook an external Well Led Review with Deloitte which raised no concerns.

More detail in regard to quality governance can be found within the Quality Report.

Below: A poster showing the Trust's current rating from the CQC



4.6 Single Oversight Framework and Regulatory Ratings

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

NHS Improvement 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.

From Quarter Two 2016, the previous Monitor's Risk Assessment Framework was replaced by the Single Oversight Framework, which was developed to recognise the wider context of Trust performance to include: Quality of Care (in line with CQC assessments), Finance and Use of Resources (widening the assessment to be meeting financial control totals), Operational Performance (national standards and targets), Strategic Change (using STP and transformation plans) and Leadership and Improvement Capability (Well Led Reviews).

For Quarter Two onwards therefore, the Governance ratings were changed to Segmentation Ratings as detailed within the Single Oversight Framework. These ratings range from 1 (voluntary use of external support on request only) to 5 (Mandated support determined by NHS Improvement).

With regard to the Trust performance during 2016/17, for Quarter One the final remaining 'governance rating' continued to be categorised as 'Under Review' due to financial challenges. As previously report these were investigated by NHSI but found to be within agreed control measures. Confirmation of the decision to take the Trust out of 'Under Review' was received on 28 June 2016.

For Quarter Two onwards 2016/17, the Trust was rated as Segment 2 for Governance (Targeted Support, offered and accepted voluntarily or requested voluntarily by Provider). This was in line with the continued challenge around meeting the four-hour Access Standard.

The Trust has submitted the 2017/8 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. This supports a target Finance and Use of Resources Level 3, and is in line with 2016/17 actual performance.

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

A summary can be found below of the Trust's rating 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

2016/17	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. This further changed for Quarter Two 2016/17 to Finance and Use of Resources.

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

4.7 Statement of the Chief Executive's responsibilities as the Accounting Officer of Mid Cheshire Hospitals 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 NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Mid Cheshire Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of 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 *Department of Health Group Accounting Manual* and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* and the *Department of Health Group Accounting Manual* have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance 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 the *NHS Foundation Trust Accounting Officer Memorandum.*

Tracy Bullock
Chief Executive
Date: 22 May 2017

4.8 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 2017 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

During 2016/17, through the Governance Structure 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 Policy 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 receives 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. 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 Ddvisional governance systems.

The risk and control framework

The framework of risk control is established by the Risk Management Strategy and Policy and requires all staff to actively participate in the identification,

assessment 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. Risk appetite/ acceptable risk is defined in the Risk Management Policy with clearly defined authorities to manage risk and support decision making. 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 Policy. 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 controls and 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 groups to ensure that risks are being mitigated as appropriate.

The Quality Governance Committee is chaired by a Non-executive Director and has delegated authority to provide assurances to the Board in matters relating to risk management, quality, safety and experience performance, including continued compliance with Care Quality Commission (CQC) registration requirements.

The work of the Quality Governance Committee is supported by four Executive led key sub groups:

- Executive Quality Governance Group
- Executive Patient Experience Group
- Executive Safeguarding Group
- Executive Infection, Prevention and Control Group

Specialist groups (e.g. medicines management), patient safety summits and the effective clinical practice group support the Executive led functions. The divisions and Community Services hold local governance meetings ensuring a ward to Board approach of timely escalation, assurances and feedback.

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 achieved a score of 94% with a "Satisfactory" rating in March 2017. 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 Chief Executive and the Director of Nursing and Quality meet with the Care Quality Commission (CQC) on a quarterly basis. The Trust continues to be unconditionally registered with the 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 2016/17 the Trust's major risks related to:

- *Failure to deliver high quality clinical care 24/7* - During 2016/17 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 an Escalation Policy and a number of clinical pathways in place to support the consistent delivery of high quality care. Furthermore, the Trust has continued to develop robust clinical pathways with the University Hospitals of North Midlands to ensure that patients receive appropriate, high quality care "out of hours" (e.g. stroke thrombolysis)

- *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. An earlier Monitor investigation conducted in 2015 demonstrated good financial management and governance and that the Trust was highly efficient and productive. Work continues on the Stronger Together Programme with the University Hospitals of North Midlands and the Trust has been actively engaged at all levels with the Cheshire and Mersey Five Year Forward View programme. As part of a partnership, the Trust acquired the provision of Community Services from 1 October 2016 and during 2016/17 the Trust strengthened its financial position through further efficiency opportunities highlighted by the Carter Review.

- *Lack of capital funds to implement the Information Management & Technology (IM&T) Strategy* – A lack of capital funds in 2016/17 meant that the Trust was unable to make significant progress towards implementing its IM&T Strategy. However, the Trust does have a clear digital roadmap in place to deliver an Electronic Patient Record once capital funding has been identified.

- *The acquisition of East Cheshire Community Services* – Alongside Cheshire and Wirral Partnership NHS Foundation Trust and the local GP Alliance, Mid Cheshire Hospitals NHS Foundation Trust formed the Central Cheshire Integrated Care Partnership to provide East Cheshire Community Services from 1 October 2016. The acquisition of these Community Services presented a risk to the financial and operational sustainability of Mid Cheshire Hospitals NHS Foundation Trust, but the due diligence undertaken as part of the acquisition process ensured the successful transfer of East Cheshire Community Services to the Central Cheshire Integrated Care Partnership.

- *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 and Emergency (A&E) within 4 hours of that decision has not been achieved for the four Quarters in 2016/17. The Trust's Access and Flow Group remains focused on ensuring that compliance with this standard is consistently achieved.

The key risks for 2017/18 are:

- The financial sustainability of MCHFT
- An agreed contract with the Trust's main commissioner. Whilst a 3 year contract commencing 1 April 2015 is in place, this has

not been varied in 2016/17 and no agreed activity schedule is in place representing a risk that income levels could deteriorate below those anticipated whilst noting the results of the Expert Determination Settlement were very satisfactory for the Trust
- The delivery of high quality care consistently seven days a week
- The operational sustainability of MCHFT
- A lack of capital funds to implement the IM&T Strategy
- The 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-groups 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-groups 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 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 review of the Lord Carter Report (February 2016) with reporting and oversight via the relevant Board Subcommittee. Additionally, actions from the recommendations of the speciality specific Getting It Right First Time (GIRFT) reviews have been reported through the Quality Governance Committee and integrated into the Trust's divisional performance review process
- 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 internal audit work programme 2016/17 and associated assurances and progression against areas identified for action.

The financial plan is approved by the Board of Directors and submitted to NHS Improvement. 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

Eight information governance incidents at the Trust have met the Information Commissioners (ICO) reporting threshold during 2016/17. All of the incidents have been fully investigated by the Trust with mitigating actions put in place. The Information Commissioner has responded to seven of the incidents stating no further action is required. The Trust is still awaiting a response from the ICO to one case, as the investigation remains ongoing.

Three incidents involving the Trust and other stakeholders have also been reported to the ICO:

- A member of staff was thought to have breached patient confidentiality. After all the appropriate actions were undertaken, the ICO closed the incident with no further action.
- An external, private company with a Trust contract received an email stating that a computer had been hacked and patient identifiable information removed. The police were contacted and following investigation it was decided that this was probably not the case. After all the appropriate steps had been taken, the ICO closed the case with no further action.
- A service supplier for the Trust reported to the ICO that its IT system had been hacked and that information relating to staff from many hospitals, including Mid Cheshire Hospitals NHS Foundation Trust, had been removed. The staff members have been informed and the ICO is still investigating this incident.

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. NHS Improvement (in exercise of the powers conferred on 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 2016/17 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. The Chief Operating Officer and Director of Operations meet weekly with all Divisions to review performance data, including elective waiting time data, to ensure accuracy. In addition, the Trust operates a monthly Data Quality Committee, to which monthly audits are presented and shared on waiting time data. This ensures the accuracy of waiting time data is monitored, with timely corrective actions put in place as required. The Trust has a Patient Access Policy which has recently been updated with the latest national guidance and regular training takes place with staff on the implementation of this policy and the management of elective pathways.

Data quality issues are addressed through the Trust's information governance systems in line with its Data Quality Policy. In addition, an ongoing programme of work through Internal Audit systematically reviews the underlying Data Quality.

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 Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, 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 2016/17, no significant internal control issues have been identified. The Head of Internal Audit opinion raised the following high risk recommendations:

- A lack of documentation to evidence decision making process and appropriate ratification of the use of Cheshire Medical Imaging
- A need to define clearly the services transferred under the Community Services contract, including the financial value and other resources required
- The inherent risk that should the Community Services increase in scope and size that this increases financial operational and quality risks to Mid Cheshire Hospitals NHS Foundation Trust and therefore the need for appropriate governance controls
- In relation to the data warehouse, the need for a plan for the upgrade of both the SQL server and server operating system to versions which are supported by the provider and for which security patches are available on a regular basis. Also a review to identify additional controls that could be implemented to reduce risk of a serious information security incident or system downtime prior to the upgrade occurring

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.

Tracy Bullock
Chief Executive
Date: 22 May 2017

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL 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 31st March 2017 and of the Group and Trust's income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – 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 that we have audited comprise:

- the Group and Trust Statements of Comprehensive Income;
- the Group and Trust Statement of Financial Position;
- the Group and Trust Statements of Cash Flow;
- the Group and Trust Statements of Changes in Taxpayers' Equity;
- the Statement of Accounting Policies; 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 NHS Improvement – 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.

Summary of our audit approach

Key risks	The key risk that we identified in the current year was revenue recognition.
Materiality	The materiality that we used in the current year was £4.5m which was determined on the basis of 2% of operating income.
Scoping	We focussed our group audit scope primarily on the Trust. Audit work was performed at the Group's head offices at Leighton Hospital directly by the audit engagement team, led by the audit partner.
Significant changes in our approach	In 2015/16 we used 1.5% of operating income as the basis for materiality. We reassessed the percentage used from 1.5% to 2% of operating income in the context of our cumulative knowledge and understanding of the audit risks faced by the Group for this year.

Going concern

We have reviewed the Accounting Officer's statement on page 69 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 Code of Audit Practice and Financial Reporting Council's Ethical Standards for Auditors, and confirm that we are independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards.

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.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

NHS revenue and provisions

Risk description

As described in note 1, Accounting Policies and note 1.5, Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are 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 and Commissioning for Quality and Innovation revenue to recognise, partially completed spells and Sustainability and Transformation Funding which is dependent on the Trust meeting certain financial performance and access standard requirements; and
- the judgemental nature of provisions for disputes, including in respect of outstanding overperformance income for quarters 3 and 4.

	Details of the Group's income, including £194m of Commissioner Requested Services, are shown in note 3.1 to the financial statements. NHS debtors are shown in note 15 to the financial statements. Intra-NHS balances are agreed as part of the NHS Agreement of Balances process. The majority of the Group's income comes from NHS South Cheshire and NHS Vale Royal Clinical Commissioning Groups, increasing the significance of associated judgements. At the time of approval of the financial statements, management had no unresolved commissioner disputes relating to 2016/17 income.
How the scope of our audit responded to the risk	We evaluated the design and implementation of key controls within the payment by results process for recording and reporting revenue, including the estimates and judgements taken by management in terms of recognition of unsettled revenue at year end. We selected a sample of unsettled NHS debt at the year end tested this to subsequent cash receipts. We selected a sample of differences reported on the NHS Agreement of Balances mismatch report and obtained documentary evidence from management to challenge the differences reported. We reviewed correspondence with the Trust's commissioners and board minutes to assess management's assertion that there were no unresolved disputes. We agreed the amount of Sustainability and Transformation Fund income recognised in the year to a letter from NHS Improvement.
Key observations	We have found no evidence of management bias in the revenue recognition policies adopted and are satisfied that revenue is appropriately recognised. We have gained an understanding of the mismatches identified from the NHS Agreement of Balance exercise, and concur with the treatment adopted by the Trust.

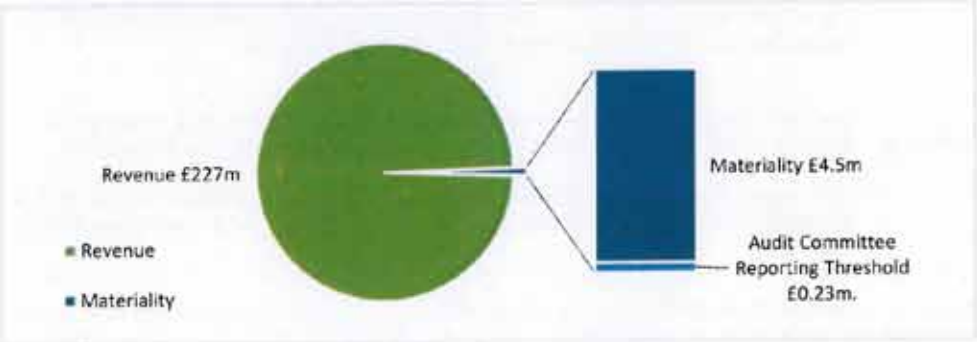
These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality	£4.6m (2016: £3.1m)
Basis for determining materiality	2% of operating income (2016: 1.5% of operating income) In agreement with the Audit Committee, we reassessed the percentage used this year in the context of our cumulative knowledge and understanding the audit risks at the Trust and our assessment of those risks for this year.
Rationale for the benchmark applied	Operating income was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £227k (2016: £153k), 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

The group consists of the Foundation Trust and Mid Cheshire NHS Charitable Fund. Our audit was scoped by obtaining an understanding of the group and its environment, including internal control, and assessing the risks of material misstatement.

Based on that assessment, we focused our group audit scope primarily on the Trust. Component materiality (Trust only) was calculated at £4.5m (2016: £3.1m).

Audit work was performed in the Finance department at Leighton Hospital directly by the audit engagement team, led by the audit partner.

We carried out analytical procedures over the financial information of the charity and performed a review of the consolidation of the charity and Trust into the Group accounts.

The audit team integrated Deloitte specialists bringing specific skills and experience in property valuations and Information Technology systems.

We used data analytic techniques as part of our audit testing, in particular to support profiling of populations to identify items of audit interest, for example in journal testing.

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Directors' Remuneration Report and Staff 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 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.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

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:

We confirm that we have not identified any such inconsistencies or misleading statements.

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group 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.

Respective responsibilities of 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.

Paul Thomson
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds
24 May 2017

Quality Report 2016/17

5. Quality Report 2016/17

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Appendices

Pictured: an aerial view of Leighton Hospital, which actss as the headquarters for Mid Cheshire Hospitals

“Mid Cheshire Hospitals NHS Foundation Trust prides itself on the quality and safety of care it delivers to users and carers.”

Statement on Quality from the Chief Executive

It has been a very eventful year for us all at Mid Cheshire Hospitals NHS Foundation Trust, and I am delighted to share some of that with you through our Quality Account for the period of April 2016 to March 2017.

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 Account describes our achievements to date and our plans for the future.

Throughout 2016/2017 we have continued to make good progress on our Quality Improvement and Safety Strategy; 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.

In March 2017, the Trust delivered all five of the NHS Improvement Standard Oversight Framework performance indicators. Although our overall performance in 2016/2017 for A&E was 90.42%, I am delighted to report that the Trust delivered over 97% of patients admitted, transferred or discharged within the four hour standard.

The Chairman and I were particularly proud in March to have received congratulatory correspondence from the Secretary of State, Mr Jeremy Hunt, when he wrote to us about our bed occupancy rates. Mr Hunt described the Trust as being a real example to others, demonstrating how to improve performance in a short space of time, and most importantly to ensuring our patients get the care they deserve. We made sure that our staff received copies of this letter as it was their hard work and diligence that helped us to achieve such recognition.

MCHFT is proud to continue the excellent work commenced through the acquisition of Community Services through a partnership arrangement with Cheshire and Wirral Partnership NHS Foundation Trust and South Cheshire and Vale Royal GP Alliance. Almost 800 staff were welcomed in to the partnership as part of our teams delivering care in the community.

MCHFT was named nationally as the top acute hospital for the annual staff survey results in 2016. An achievement that every one of our staff can be proud of.

Key achievements in 2016/17 include:

- Mid Cheshire Hospitals Charity supporting us to deliver a second MRI scanner on site at Leighton Hospital
- The development of a medical Ambulatory Care Unit, through being part of the new care models programme – the Acute Medical Model
- The development of a surgical Ambulatory Care Unit, helping to provide the best possible early care for patients referred to surgical services as an emergency, avoiding Accident and Emergency unless necessary
- Improvements in the experience of patients with learning difficulties who attend phlebotomy services, by creating a calming environment and educating staff
- Successful Care Quality Commission visit to paediatrics departments at Leighton Hospital as part of an inspection of Cheshire East Council Safeguarding Children's services
- Accreditation of our Human Factors Simulation Training unit in Theatres

- One of our community nurses named Nurse of the Year 2016
- One of our midwives named Midwife of the Year 2016
- Achievement ROSPA Gold Accreditation in Health and Safety.

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 Account of MCHFT's ambitious aims to continue to 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 throughout the year and with the acquisition of Community Services, we have agreed that we will focus on:

- Appropriate nurse staffing levels
- Supporting patients with dementia and their carers
- Reducing medication that cause harm by 5%
- Zero tolerance to never events
- Sepsis
- Acute Kidney Injury
- Reducing hospital or community acquired avoidable pressure ulcers by 5%, measured quarterly
- Reducing inpatient falls
- Reducing mortality figures

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 program 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 from 8 avoidable infections to 3 avoidable infections during 2016/2017. Overall we had 22 *C-difficile* infections against a target of 24. Importantly, of those, 19 were deemed to have been unavoidable following in-depth analysis with our commissioners. This is a considerable achievement and reflects that actions undertaken to help reduce healthcare associated infections. We have not achieved the target to have no MRSA bacteraemia infections reported during the year and have a number of actions in place to ensure that we do all we can to ensure we achieve this target throughout 2017/18.

The latest publication for our mortality figures to the period to June 2016 demonstrates a SHMI of 101 and the Trust remains in the 'as expected' range.

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 confirm that the Board of Directors has reviewed the 2016/17 Quality Account and confirm that it is a true and fair reflection of our performance. We hope that this Quality Account 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: 22 May 2017

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

Priorities for improvement and statements of assurance from the Board

Priorities for improvement in 2017/18

During 2016/17, the Trust conducted an extensive engagement programme to inform of 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:

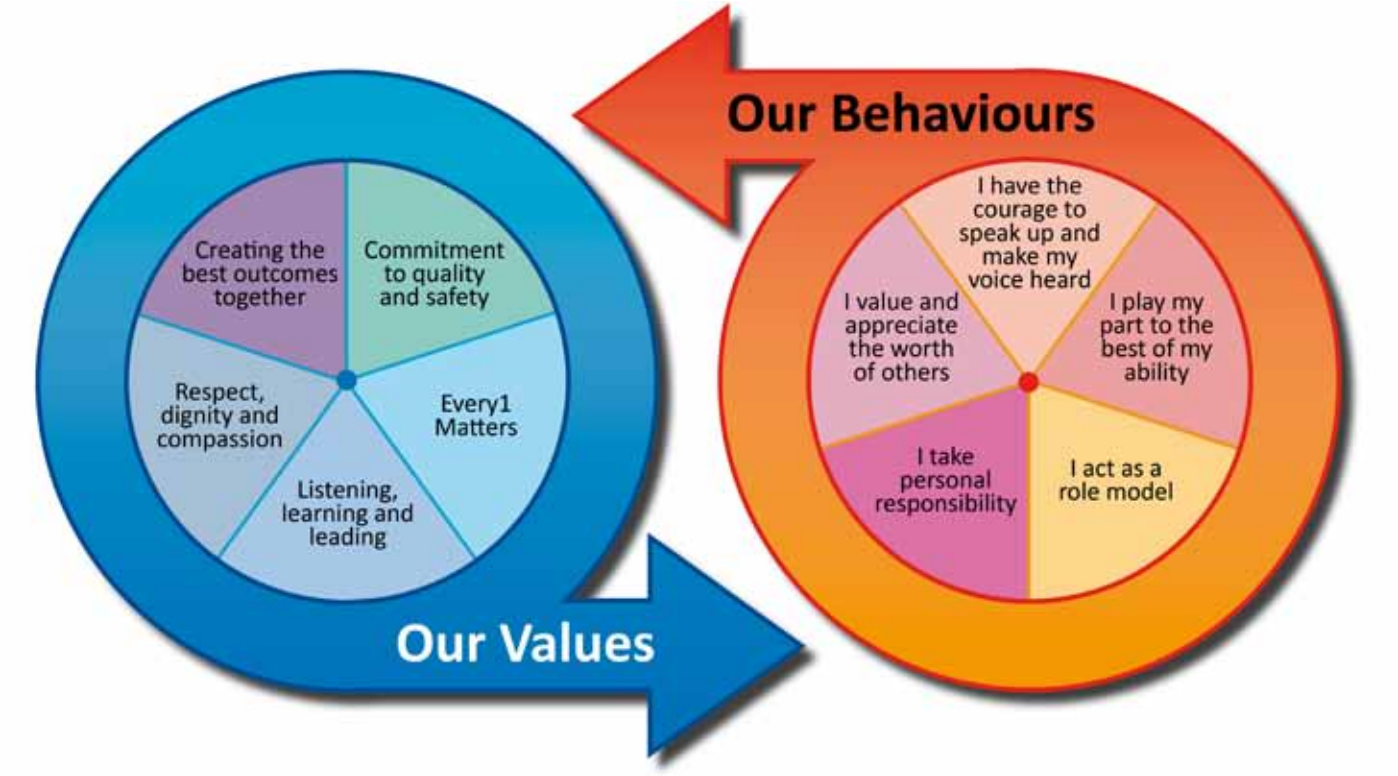
- Delivers high quality, safe, cost-effective and sustainable healthcare services
- Provides a working environment that is underpinned by appropriate values and behaviours
- Is committed to patient-centred care
- Treats patients and staff with dignity and respect.

The strategy links closely with other key strategies such as the Clinical Services Strategy and the People and Organisational Development Strategy 2016 – 2018. 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.

Below: The Trust's values and behaviours



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

Staffing
We will ensure we have appropriate levels of nurse staffing and skill mix that meet the needs of our patients.

Dementia Care
We will continue to support patients who have concerns about their memory and we will work with patients who have dementia and their carers to promote a positive experience whilst in hospital.

Medication
Following a review of our strategy in March 2017, our aim is to reduce medication errors resulting in harm by 10% and ensure the use of safe and effective medication across the organisation.

Effectiveness

Never Events
We will have zero tolerance of Never Events in the organisation.

Sepsis
We 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
We 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.

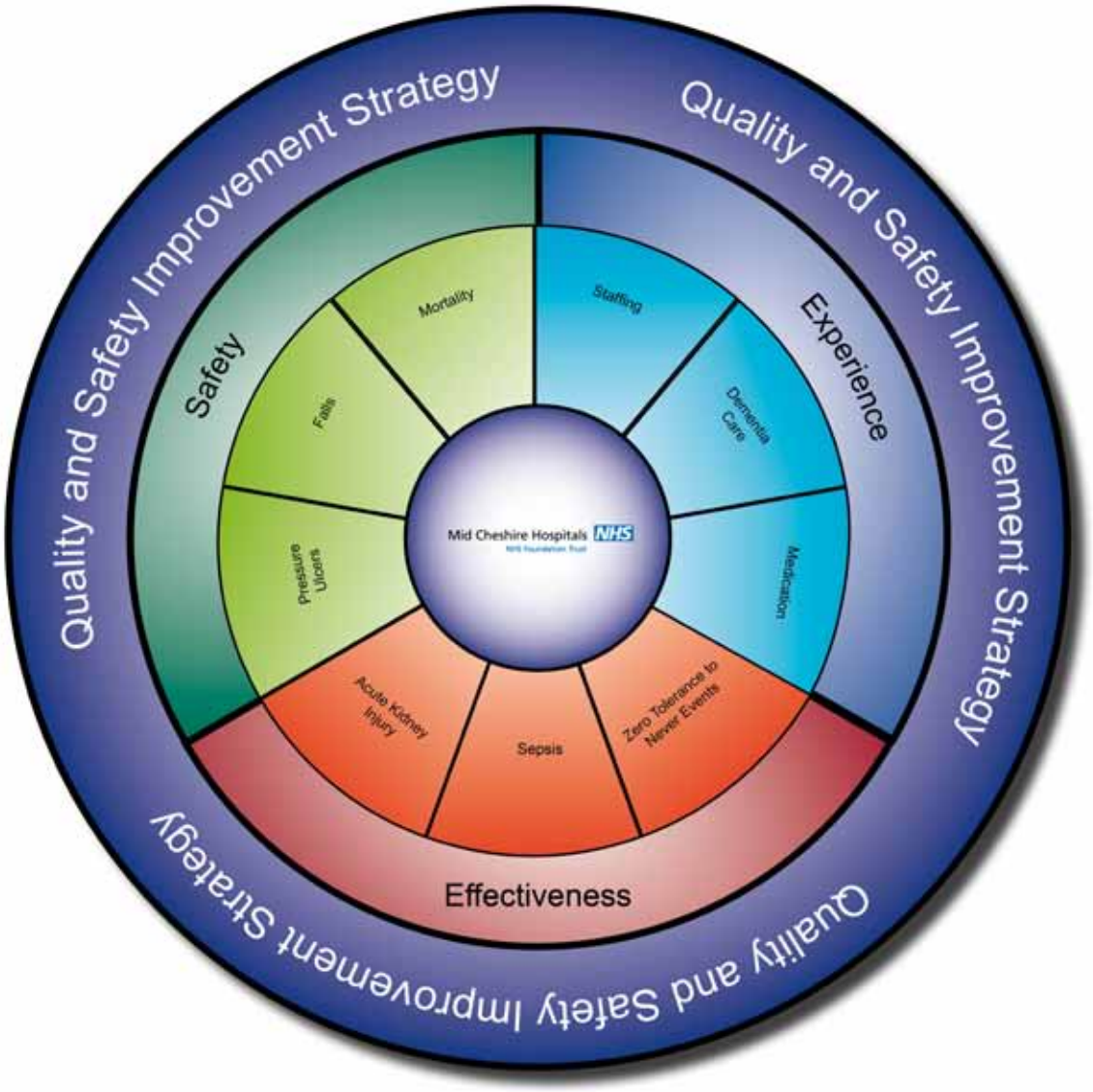
Safety

Pressure Ulcers
Following a review of our strategy in March 2017, our aim, in both the Acute Trust and Central Cheshire IntegratedCare Partnership (CCICP), is to reduce stage 2 avoidable pressure ulcers by 5% per quarter, based on the previous quarter's results and have zero tolerance to avoidable stage 3 and 4 pressure ulcers.

Falls
We will reduce in-patient fall incidents by 10% by January 2018.

Mortality
Our 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 of 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 assurance 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 review 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 key areas identified.

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

Since the Trust entered the Central Cheshire Integrated Care Partnership in October 2016 care is provided throughout community settings via a number of services. This provided the opportunity to refresh the Quality and Safety Improvement Strategy for 2017/18 and include key focus areas for our community teams.

Feedback from patients

National patient surveys

The Trust values and encourages feedback on how all services perform and uses a wide variety of methods including patient satisfaction surveys. The Trust also actively seeks the views and involvement of patients, their carers, our Foundation Trust Members and the wider community in the design and delivery of all services. Their views play a central role in monitoring and driving improvements in the quality, safety and efficiency of our services. The Trust participates in a national annual programme of patient satisfaction surveys. The Care Quality Commission uses the results from the surveys in the regulation, monitoring and inspection of Trusts in England. Results are shared with the relevant teams and good practice is highlighted and action plans are developed to address issues identified from the results

National Inpatient Survey

Between August 2016 and January 2017, a questionnaire was sent to 1250 adult inpatients discharged in July 2016. Responses were received from 681 patients, a 57% response rate. The results include patients' perceptions of:

- the quality of communication between medical professionals (doctors and nurses) and patients
- the standards of hospital cleanliness
- the availability of help to eat when needed
- being involved in decisions about their care and treatment.

What has changed since the last inpatient survey?

There has been an improvement in the results for following questions:

- Patients having enough help from staff to eat their meals
- The number of patients in single sex accommodation on admission had increased
- Communication style of doctors and nurses
- Respect and dignity.

It is unfortunate that a number of patient satisfaction indicators had declined since the previous survey so a working group was held in March with a multi disciplinary group of staff. The working group, including ward managers and matrons with staff from pharmacy and the integrated discharge team, will lead on developing actions to address areas requiring improvement.

Presentations of the results and action plan are delivered to the Trust Board, Governors, and patient register group during the year. Progress against actions will be monitored by local surveys and reported to the Executive Patient Experience Group.

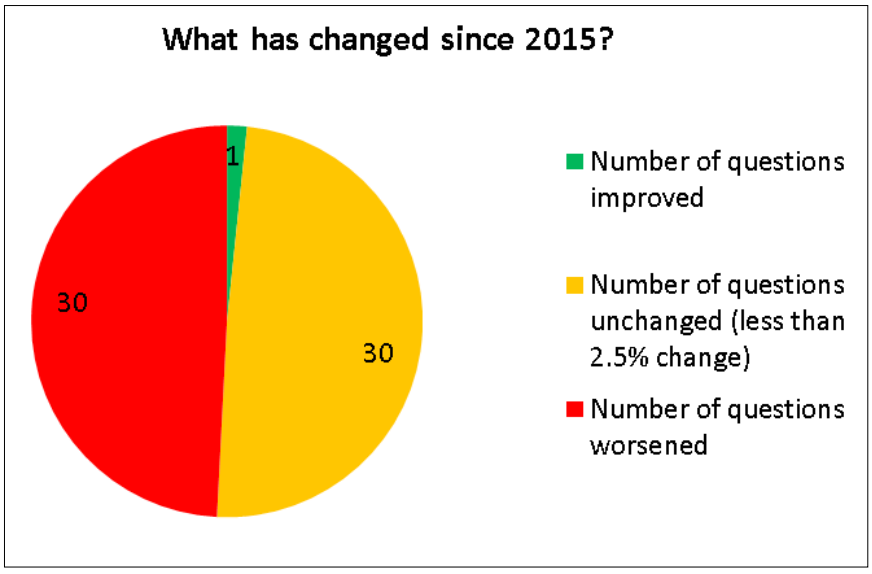
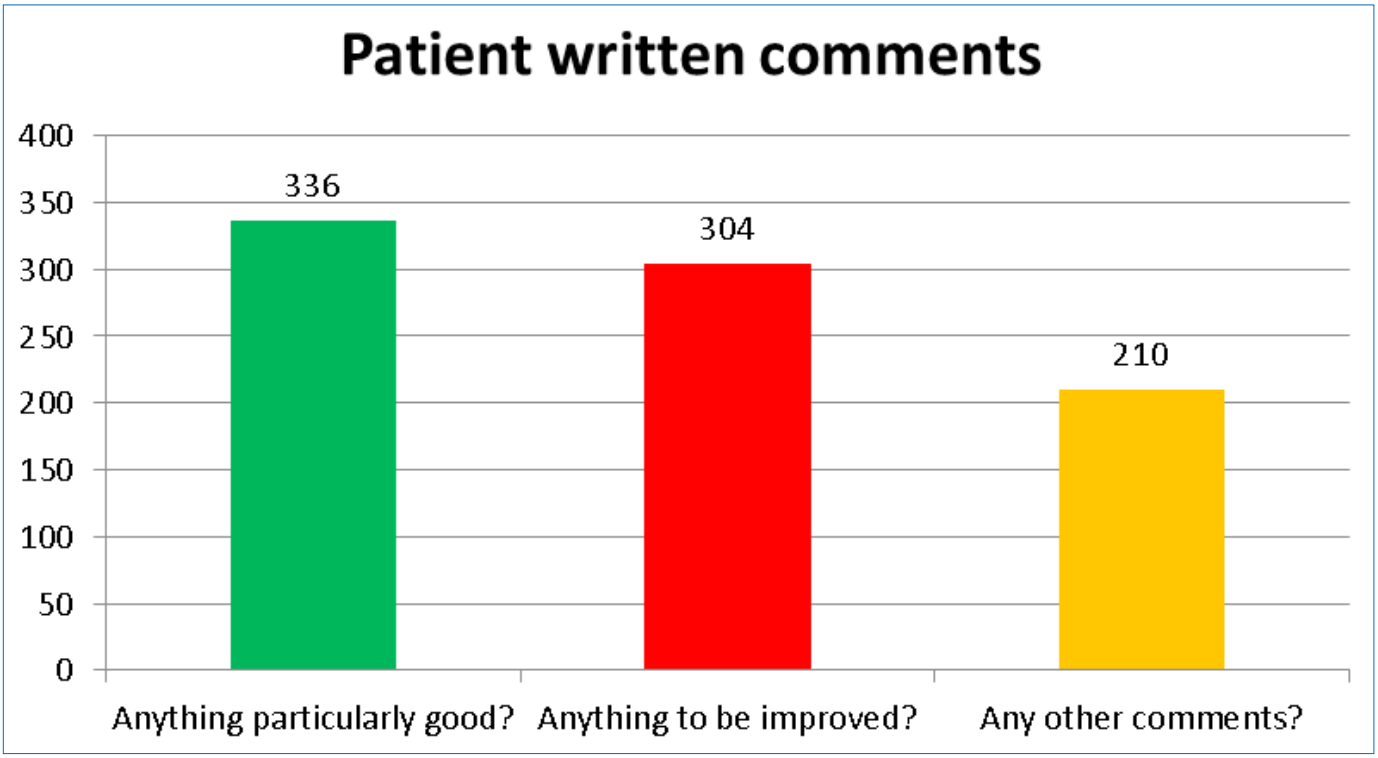


Chart 1: Changes in results since 2015

There were 14 questions with statistically significant worse scores and 0 questions with statistically significant better scores.

Chart 2: Feedback from patient comments



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

- Improving patient information for patients on the ward and at the bedside
- Reducing delays on discharge.

Action taken

All adult inpatients now have a bedside folder which includes information to help during their admission.

A poster which explains what happens in preparing patients for a safe discharge is also now displayed at the bedside. A new information leaflet is being developed to enable patients to record their estimated date of discharge and provides useful details about preparing for leaving Leighton Hospital.

Examples of comments made by patients from the national inpatient survey when asked what was particularly good about their care:

"Attitude of all the nursing staff and auxiliaries. The ENT team very efficient, very thorough and very informative. Once they were involved in my case they arranged for the necessary scans to be done very quickly and the rapid transfer to the Royal Stoke University Hospital for surgery and post-op treatment. They provided continuity of care throughout my stay in hospital."

"I have been in hospital on three separate occasions recently. I was admitted as an emergency and was put at ease and pain relief given. I had prompt attention, was reassured and was told fully and made aware of my complications. On the second occasion I was treated again with great respect and reassured. Finally on the third occasion my operation went well as a day patient. All the staff from attendance to leaving were great and I was fully aware of what was to be done. I had marvellous treatment."

"The nurses were very efficient, caring and interested in how I felt and what I may need. I could find no fault in either nursing staff or doctors. Compassion and helpfulness was there in abundance."

"I have never had a serious operation before and was apprehensive about the whole thing. In the event everything was carefully and fully explained beforehand so I knew what was to happen at each stage and what to expect during my stay in the hospital. Overall I thought the hospital care was excellent."

"I feel that the hospital is very well run. There is a high feeling of pride across all levels of staff from consultants to cleaners. They all maintain a constant level of service from ward to ward and morning to night. The food also deserves praise. The menu was varied, the choice system efficient and the presentation looked 'home cooked' and appetising."

Mid Cheshire Hospitals NHS
NHS Foundation Trust

Your Guide to Discharge

We understand that, if the doctor or healthcare professional has said you can go home today, you will want to leave us as soon as possible. However, we will need to ensure everything is ready for you to go home safely and this may take a little time. We will need to make sure you have the following ...

Medication
After the doctor has completed their ward round he/she will make arrangements with Pharmacy for your medication to take home

Transport
We will advise you when to contact family/friends to arrange transport and may move you to a day room or to our Discharge Lounge while you wait. Alternatively, we will book patient transport

Letter
Have you got your discharge letter? If needed, this will include details on follow-up appointments

Friends and Family Questionnaire
Please take the time to complete a questionnare and post it in the box on the ward. Your feedback is very important to us

Contact details
Do you know who to contact after you leave hospital if you have any concerns? If not, please don't hesitate to ask a member of staff

Property
Please ensure you take all personal items with you when you leave

Above: A copy of the discharge poster, which is displayed at the bedside of patients

National Cancer Survey

The National Cancer Patient Experience Survey 2015 was the fifth repeat of the survey first undertaken in 2010. It is been designed to monitor national progress on cancer care, to provide information and to drive local quality improvements.

The sample included all adult (aged 16 and over) NHS patients with a confirmed primary diagnosis of cancer and included patients discharged after an inpatient episode or day case attendance for cancer related treatment between April and June 2015.

Patients were asked to rate their care on a scale of zero (very poor) to 10 (very good); we were very pleased that our patients gave an average rating of 8.6.

Patient experience at the Trust was:

- Better than the national average in 16 questions
- The same for 6 questions
- Less than 5% below national average in 22 questions
- More than 10% below national average in 5 questions.

The results demonstrated improved scores relating to patient experience for 6 out of the 7 issues actioned in 2015. The following questions are included in phase 1 of the Cancer Dashboard developed by Public Health England and NHS England:

Question	2014 (average score)	2015 (national average)
Patient told they could bring a family member or friend when first told they have cancer	69% (71%)	74% (79%)
Patient had confidence and trust in all ward nurses	64% (66%)	78% (72%)
Always / nearly always enough nurses on duty	51% (56%)	56% (66%)
Patient was able to discuss worries or fears with staff during admission	56% combined (60%)	51% inpatient (52%) 69% day case (70%) / outpatient
Hospital staff gave family or someone close all the information needed to help with care at home	54% (56%)	54% (58%)
Taking part in cancer research was discussed with patient	20% (21%)	18% (28%)
Patient given a care plan	24% (27%)	33% (33%)

The following questions are included in phase 1 of the Cancer Dashboard developed by Public Health England and NHS England:

National Cancer Dashboard	MCHFT Score	National Average Score
Patient definitely involved in decisions about care and treatment	76%	78%
Patient given the name of the CNS who would support them through their treatment	96%	90%
Patient found it easy to contact their CNS	89%	87%
Always treated with respect and dignity by hospital staff	91%	87%
Staff told patient who to contact if worried post discharge	93%	94%
Practice staff definitely did everything they could to support patient	64%	63%

Local patient surveys

The Trust agrees on an annual patient and public involvement programme, which includes a variety of local patient experience surveys undertaken across areas within the Trust.

In 2016/17, a total of 30 local surveys were undertaken. Local surveys are completed by patients in wards and departments. Patients are encouraged to provide feedback for surveys in numerous ways including via touch screen kiosks, paper based surveys and patient interviews.

Three of these local surveys included within the 2016/17 programme are profiled below:

Phlebotomy Patient Satisfaction Survey

The phlebotomy service covers both Leighton Hospital and Victoria Infirmary, Northwich, providing a service to patients 12 years and older. For patients under the age of 12, a specialised service is provided at the Krishnan Chandran Children's Centre.

At the Leighton Hospital site the service covers inpatient wards under the management of the relevant division, where patients are bled on the ward. Outpatient clinics are also available where patients are bled in the phlebotomy rooms based in the outpatient clinic area. The outpatient service is open each day, Monday – Friday from 08:30 and covers until 17:00, with the exception of Mondays where the service is available until 17:45 and Thursdays until 18:45.

At Victoria Infirmary, Northwich, the phlebotomy service is accessible Monday – Friday, 08:30 to 16:30.

The phlebotomy service is also provided at some GP practices via a contract through the CCG, and GPs are encouraged to utilise this service rather than referring patients to the phlebotomy service at the hospital sites.

The Trust sent out 73 surveys to the target population. 50 were returned giving us a response rate of 69%.

We were delighted with the results which indicated that:

- 100% of patients said that the department was easily accessible
- 92% of patients were satisfied with the opening times available
- 96% of patients were satisfied with the cleanliness of the cubicles
- 100% of patients rated staff as being courteous and of a professional manner
- 88% of patients are aware that their GP services operate a phlebotomy service.

Pictured: The phlebotomy waiting area at Leighton Hospital

Key Issues and Actions Taken

- Concerns were raised by patients about operating hours not being convenient to accommodate people who work office hours so we changed our opening times to include two evenings
- Concerns were raised that our waiting room was too hot and a television would be of benefit to patients waiting as waiting times can sometimes be lengthy when clinics are overrunning. We had a television installed in our waiting room
- Concerns were raised around our waiting times and staffing levels. To address this the department lead is training staff in venepuncture to address shortfalls in staffing levels and continues to make service improvements to ensure our patients' overall experience of phlebotomy is of the highest standard.

Endoscopy Unit Patient Postal Survey 2016

The Trust sent out 300 surveys to our target population during the month of August/September 2016. 106 surveys were returned giving us a response rate of 35%.

The results indicated that:

- 91% of patients responded that they had been offered the choice of sedation/Entonox for their procedure
- 94% of patients responded that they were treated politely and with respect in the Endoscopy Unit
- 75% of patients responded that they did not think the service in the endoscopy unit could be improved
- 52% of patients responded that, 'how to withdraw consent,' had been explained to them.

Key Issues and Actions Taken

- 25% of patients responded that it had not been explained to them how they could withdraw their consent. The team has put numerous measures in place to ensure that patients have this information before undergoing the procedure. There is a flow chart displayed in all procedure rooms to guide the nursing staff. Patient information leaflets have been updated to make it more explicit about how to withdraw consent *(www.mcht.nhs.uk/information-for-patients/patient-leaflets/eido-lite/)*.

- 30% of patients who responded said that they did not receive explanations for delays. The team is working hard to ensure that all patients whose treatment is delayed receive a suitable and appropriate explanation. Feedback has been given to staff in endoscopy and the Treatment Centre regarding the communication of delays to patients.

Acute oncology Team (AOT) Survey 2016

The Trust sent out 45 surveys to our target population during 2016 and 26 patients responded giving a response rate of 58%.

The results indicated that:

- 92% of service users felt they had been informed of any problems they may develop as a consequence of their treatment
- 88% of service users felt they were prepared about potential side effects and who to contact should this develop
- 92% of service users felt the AOT spent enough time with them
- 92% of service users had trust and confidence in the AOT
- 82% of service users received an acute oncology patient leaflet.

Key Issues and Actions Taken:

- The Acute Oncology Team were reminded to consistently introduce themselves and explain their role to patients
- The Acute Oncology Team will ensure all patients reviewed will receive an information leaflet informing them about the service
- The Acute Oncology team will review the patient survey for 2017 to reflect on the community aspects of the service and get feedback from patients receiving care and support from the team within a community setting.

94%

of patients say that they are likely to recommend the Trust for treatment (Friends and Family Test)

Friends and Family Test

The NHS Friends and Family Test (FFT) was created to help service providers understand whether patients are happy with the service provided, or where improvements are needed. It is a quick and anonymous way to give patient views after receiving care or treatment across the NHS.

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 on 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 Friends and Family Test is completed on the adult wards, the Emergency Department, assessment areas, maternity services, community services, outpatients, day case units and children's services. Every patient that receives treatment in those areas can give feedback about the quality of care they have received.

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 and in some outpatient areas can choose to complete the survey on a touch screen kiosk which has a multi-language option.

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

Over 32,000 patients have responded to the Friends and Family Test, with 94% of patients indicating that they are likely to recommend services or treatment to their friends or family.

The majority of written comments provided by patients are positive and include the following examples:

Paediatric Day Cases

'Staff are very good. Settled my autistic son very well. Nothing was too much trouble'.

'The information given to my child was excellent and well suited to his age. Communication on the day was excellent, we felt fully informed throughout the day. Lots of distraction on the ward and in theatre to stop him worrying'.

'Pre-op explanation using flash cards. Approach of staff was fantastic and reassuring to us at all times'.

Ward 12

"Everything was checked thoroughly and I felt confident I was in safe hands. Medications were found to address pain and sickness issues quickly. Cleanliness standards were high and food choices fine. I observed a lot of kindness to elderly patients.'

Elmhurst

'*The staff are caring and very efficient, very friendly, fantastic. All my needs were met in spades, fabulous food, I wanted for nothing. I have been very happy here, very sorry to leave, very, very happy here'*.

Ambulatory Care Unit

'*I was impressed with all the care and attention, very professional. Food was good but lots of room for improvement for example more choice'.*

Cardiology

'Very caring, staff answered all questions promptly'.

Ward 13

'*All members of staff, especially all nurses, have gone about their work in a most friendly, caring and professional way, as sometimes they encountered some very difficult situations'*.

Ward 9

'*Very impressed by the efficient process from start to finish, above all that and reassuring words from doctors and staff'*.

Examples of action taken as a result of feedback from the Friends and Family Test include the purchase of new chairs in the Eye Care Centre and signposting for visitors to overflow car parking spaces at peak time.

NHS Choices

The NHS Choices website provides an opportunity for patients to provide comments about their recent experience in hospital. There were a total of 116 new postings on the NHS choices website in 2016/2017.

There have been 85 positive postings and 31 negative.

Leighton Hospital is currently achieving a star rating of 4.5 stars out of a maximum of 5 stars and the Victoria infirmary, Northwich, is achieving 5 stars out of 5.

The Trust, wherever possible, can respond to the posting thanking patients for feedback and providing information on how their comments can be shared with teams or acted on to improve services. Examples of comments posted on NHS choices include:

Medical Imaging
'I attended for a very intimate procedure and naturally concerned and embarrassed but I was treated with the greatest kindness and respect'.

Macmillan Cancer Centre
'The whole process was speedy and efficient in a caring environment, a first class service!'

Children's Ward
'I don't think this ward at Leighton is operating within acceptable levels and as such the care and attention is not where it needs to be for service users to feel confident in their treatment and care'.

Victoria Infirmary
'I was very impressed efficient friendly treatment I received in a clean airy environment'.

Treatment Centre
'Staff were friendly, caring and knowledgeable'.

Orthopaedics
'Everything went like clockwork, from the decision to have the procedure through to discharge'.

A&E
'We got told we have to wait 2 hours to be seen, which we did not mind as it was the middle of the night. 8 hours later we were seen to, 8 hours. I am sorry but this is absolutely horrific, he was in agony and he was just left to wait'.

ENT
'I was very pleasantly surprised by the level of customer service provided to me by both the medical and reception staff'.

Ophthalmology
'I wait months for a referral for my little boy to then get a text less than a day for his appointment with no letter beforehand which I couldn't make due to work commitments. I then call to rearrange to only get the answer machine every time and nobody bothers to call you back!'

ECG
'I attended today to have a stress echo and was so well looked after. Just wanted to say thank you again for all the team being so reassuring and helpful'.

Urology
All nursing staff were polite, explained everything and despite being very busy, were always there when you needed them. The food was much better than I had experienced in the past'.

Leighton Hospital:

Victoria Infirmary:

Order Comms (Pathology) Main Outpatients Department (OPD) Project

ICE Order Comms (Pathology) was successfully implemented in all areas throughout the Trust in 2011 with the exception of Main Outpatients Department (OPD). This was due to infrastructure issues that restricted the installation of cabling to support the printing required for the project.

In 2016 a solution was identified and agreed in consultation with the OPD and Phlebotomy Managers to change the process of how requests are made which would result in all requests being centrally managed and printed in Phlebotomy. Following the successful pilot of ICE Order Comms (Pathology) Requesting in the Diabetes Centre, the system has now been implemented in the Main OPD.

The successful implementation of ICE Order Comms (Pathology) in the main OPD is seen as a key part of the Trust's stepwise introduction of electronic systems. The implementation of this system in Main OPD will be completed by 31 January 17. The paper request forms will no longer be available for routine use in the Main OPD after this date. The implementation of ICE Order Comms within Main OPD has proven to be extremely beneficial to the Trust especially from a quality and safety perspective. The adaption and positive approach to the new process by the Phlebotomy department has been fundamental to the success of the project. There are many benefits to implementing Order Comms Requesting in the OPD, including improvements in patient safety and experience, as well as saving time and money due to the reduction in human error and illegibility. The whole patient flow journey process is vastly improved from the clinic room to Phlebotomy and onwards to Pathology.

Other patient and public involvement programme activities

Experience of Care Week

Staff and volunteers celebrated Experience of Care Week by having a display and inviting patients, visitors and staff to see examples of patient feedback as part of a national initiative. Examples included recent patient survey results and action taken following concerns raised.

Patient Information

Readers' Panel

The Trust continues to have an active panel with over 70 members and they have reviewed 22 leaflets. Members receive information leaflets in draft by post or email to review and comment on. Staff find the process helpful in developing information which they feel confident will meet the needs of patients. Leaflets reviewed by the panel include Pulmonary Embolism, Knee Meniscal Repair and Trabeculectomy Surgery.

Patient Information Group

The group meets on a monthly basis and membership includes patients representatives and a multi-disciplinary group of staff. In 2016/2017, the committee reviewed 20 leaflets and 1 poster. There have been requests from staff and patients for information to be translated or provided in other formats.

The Women and Children's patient information and documentation group has ratified six new comprehensive patient information leaflets including menopause, merional injection instructions, Intrahepatic Cholestasis of Pregnancy Support and Autistic Spectrum Disorder and Sensory Issues. Leaflets produced in other formats:

Easy Read

- Going for a blood test
- Deprivation of Liberty Safeguards (DoLs) and You

Large print

- Pregnancy booklet – Maternity Services
- Treatment and condition specific leaflets including Orthopaedic pre-operative assessment

Other languages

- Information for carers of a child with a gastrostomy button translated from English into Slovakian
- Colorectal letter translated from English into Slovakian
- Breast Feeding information from English into Polish

Accessible Information

The Accessible Information Standard directs and defines a specific, consistent approach to identifying, recording, flagging, sharing and meeting the information and communication support needs of patients, service users, carers and parents, where those needs relate to a disability, impairment or sensory loss.

It is of particular relevance to individuals who are blind, deaf, deafblind and/or who have a learning disability, although it will support anyone with information or communication needs relating to a disability, impairment or sensory loss, for example people who have aphasia, autism or a mental health condition which affects their ability to communicate. By implementing the standard the Trust aims to ensure that individuals with information and communication support needs are able to understand and therefore follow advice or instructions regarding their health. This will result in improvements in patient safety and clinical outcomes due to increasing the ability of patients, service users, carers and parents to recognise the signs and symptoms of diseases and conditions, and therefore take appropriate action, for example skin cancer or stroke; comply with pre- and post-operative advice, and take prescription medication appropriately.

As part of the Trust's launch of the standard an event was held with partnership organisations with advice and information and displays from IRIS – Vision Resource Centre in Crewe, a registered volunteer from Guide Dogs, staff from the Deafness Support Network, Northwich and Trust staff from the JET library and the Patient Information Co-ordinator.

The event was attended by over 40 staff and a guide has been developed for staff to ensure the Trust is achieving the standard.

Pictured: Gilly with her five-year-old boxer, Brann, a Pets as Therapy dog that visits Leighton Hospital

Patient Register Group Meetings

In 2016/2017 the Trust held patient register group meetings in the community. The group consists of volunteers and members of the public. Topics covered have included confidentiality of patient information and Acute Kidney Injury (AKI), Patient Led Assessment of Care Environment (PLACE) and updates on services provided in the Eye Care Centre.

The topics are well received and are a combination of sharing information and also seeking views on services.

Partnership Working

The Trust is very grateful to several companies who have helped with garden projects. Barclays Bank helped to create the Critical Care Garden, Bentley Rotary Club helped in the Macmillan garden and Wesleyan Financial Services tidied up and planted Ward 21b garden area. In addition we had volunteers from Petty Pool College and Nantwich

Pictured: a patient joins Ward Manager Felicity Nixon in a practical dance activity on Ward 21b

Scout Troop come in and help tidy up Coronary Care and Michael Heal Unit gardens.

Pets as Therapy have become regular weekly visitors to the Trust. Visits are made to a wide variety of wards and patients who enjoy chatting with the volunteers and stroking the dogs. Staff are equally delighted to have the dogs visit.

Dance Therapy 'In This Moment'

In THIS Moment has been created in partnership with Cheshire East Council (Cultural Services), Mid Cheshire Hospitals and Mid Cheshire Hospitals Charity and is supported by additional investment from Cheshire East Council Participatory Budgets scheme (Public Health).

The aim of the project is to deliver weekly dance and person-centred creative practice to:

- Enhance the healing environment in the hospital
- Contribute to the prevention of the early onset of Dementia
- Offer people a way to live well with dementia within dementia friendly communities
- Challenge perceptions around dance and who can dance
- Undertake a qualitative enquiry, collecting observations about the project from all stakeholders.

Practical dance activity started on Ward 21b in November 2016. There have been 10 weeks of sessions since November 2016 over which the Trust has engaged with 110 people including 100 patients in attendance of the sessions.

The lead dance artist works on Ward 21b every Thursday. Upon arrival she checks in with the Ward Manager and members of the physiotherapy team. Usually staff have gathered people who are interested in participating in the day room or dining space. Importantly, the dance session is responsive to its environment which means that some weeks the lead dance artist has to wait for the washing and dressing to finish or for people to be assisted along the corridor from their bays.

A Physiotherapy Assistant has also joined in all sessions. This has been invaluable to the service as he knows the participants well and is an enthusiastic advocate for the session. He also holds important information about each individual and their physical condition and will inform the dance artist of any difficulties or issues that may affect the patient's ability to participate in the dance session.

U3A – University of the Third Age Alsager and District

A talk was given by staff from the Integrated Discharge Team as part of an event organised by the U3A which covered the role of the team and the discharge process. Members of the U3A were able to ask questions and gain a greater understanding of plans made for patients when they leave hospital.

St Matthew, Haslington and St Michael All Angels, Crewe Green Branch

Members of the branch have been providing emergency toiletry bags to the Trust for our patients for the last 12 years and delivered the latest donations. The bags are distributed to patients by housekeepers in wards and departments, mainly to patients admitted as emergencies who do not have these items or patients who do not have family members or carers to provide these. The bags are always well received by patients and we appreciate the support from the branch.

Book Club

A book club has been set up for patients on Ward 21b. Members of the Crewe and Nantwich book club come in pairs and attend the ward after the evening meal and meet with patients and the senior librarian from the JET Library and with the Voluntary Services Manager. Volunteers take it in turn to read sections of the story and then have a discussion about the content.

Healthwatch – Cheshire East and Cheshire West and Chester

The Trust has worked closely with both Healthwatch groups during the year. Healthwatch Cheshire East has conducted several Enter and View visits, including to the Frenulotomy Service (tongue-tied). The service is able to perform frenotomies on babies experiencing posterial and anterior ties. Submucosal ties procedures are carried out by ENT (ear nose and throat) clinicians with a 2-4 week waiting time. The frenulotomy service at MCHFT has strong links with external community organisations, such as CHERUBS (a breast feeding support team in Cheshire) and the Infant Feeding Team who are the main referrers into the service. The frenulotomy service is offered on a weekly basis (Fridays) with a current waiting time of 7 days. Each family is offered a 45 minute appointment in which a pre-consultation is provided, the procedure, and support with breast feeding post procedure. During the visit Healthwatch had the opportunity to observe a family and their new born baby boy (4 days old) who had been referred to the clinic by the Infant Feeding Team with a suspected tongue tie. The family were very complimentary of the infant feeding team and noted their daily phone calls had been invaluable. Before the procedure took place, information was provided to the family and images shown to describe what a tongue tie is and advice was given as to what the procedure would entail.

Healthwatch Cheshire East is having regular displays to promote their role and to seek the views of patients.

Royal Voluntary Service befriending programme

The Royal Voluntary Service (RVS) provides a dementia befriending service on wards 4, 7 and 15. Volunteers come in and work one on one with a patient. The volunteers engage in activities to keep the patient engaged and stimulated. This could be simply chatting to the patient, reading the Daily Sparkle together, colouring pictures, completing puzzles or playing board games. The RVS volunteer can also assist with meal times and helping the patient to eat as long as they have completed the patient feeding course. This could be providing encouragement to eat, helping with unwrapping cutlery or actually feeding the patient if they no longer are steady with their own cutlery. There are currently 40 RVS volunteers providing this assistance each coming in for a couple of hours each week.

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 may want to talk to someone who is not involved in their care and the Customer Care Team are then able to help.

The Customer Care Team also receives Ecards from relatives who choose to send messages in this way. This year, 7 Ecards were delivered to patients in the Trust between April and December 2016.

Compliments

1,872 formal compliments were received by the Trust during 2016/17 which expressed thanks from patients and families about the care received. This is a slight increase compared with previous years. All compliments are shared with the relevant teams who are mentioned.

Table 1: Overview of compliments received by the Trust

	2013/14	2014/15	2015/16	2016/17
Number of compliments received	2,112	1,960	1,727	1,872

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. To help raise awareness of this service, the Trust has, this year, developed a new poster to promote support on making a complaint, entitled 'Supporting your Voice in the NHS'.

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. The Trust is also able, with the consent of the complainant, to provide copies of the disc to external bodies such as the Coroner's Office and The Parliamentary Health Service Ombudsman to assist them in their information gathering.

The Customer Care Team is active in seeking the views of their service users and send out surveys to complainants in order to gain feedback. Responses from the surveys last year did highlight that clarification was needed regarding the purpose of the survey. With this in mind, the Customer Care Team developed a new questionnaire to alleviate this problem and to gain further insight into the service they provide.

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.

The newly updated questionnaire is now part of a new initiative where, rather than carrying out an annual survey, complainants are sent a copy of the survey approximately 60 days following closure of their complaint. This allows current feedback to be utilised by the team to initiate immediate changes where a sudden trend is being identified, and also long term improvements to the efficacy of the process.

The initiative was introduced in October 2016 and early analysis is that this is a positive move to receiving feedback on current concerns.

Some of the key themes of complaints received in 2016/17 were on nursing care, delays and communication. Examples of these are summarised in the table below together with actions taken to address the concerns raised.

Themes	Actions Taken
Emergency Department: **When the ED is busy, patients are left on trolleys in the corridor with nobody looking after them or taking responsibility while waiting for medical review or transfer to a ward.**	There is now an extra nurse on each shift in the emergency department to provide additional support to patients.
Eye Care Centre: **Patients attending for cataract day surgery in the treatment centre were experiencing long delays as all patients for the session arrived at once.**	There are now staggered appointment times for patients to arrive for their day surgery. This reduces the overall time spent in the hospital for the procedure.
Women & Children's: **Communication concerns when contacting the triage team following severe post-partum bleeding. Documentation was incorrect and messages not linked from several calls.**	There are now 2 separate log books for antenatal and postnatal calls to ensure continuity when several contacts made. Staff have been informed of the appropriate questions to ask when severe post-partum bleeding is reported.

Table 2: Examples of complaints and actions taken

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

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

	2013/14	2014/15	2015/16	2016/17
Number of complaints received	228	254	283	263
Number of requests for review by Ombudsman	3	6	7	6
Number accepted for review by Ombudsman	1	4	5	6
Number upheld/partially upheld by Ombudsman	2	1	7*	0**

**3 cases have not yet been closed within 2016/17.

Table 3: Overview of complaints received by the Trust

A poster has been developed to illustrate improvements that have been made as a result of feedback from patients or their carers. This poster, entitled "You Said, We Did" is shared with staff in all areas across the Trust.

Pictured: an example of a 'You Said, We Did' poster

Learning disability access

The Trust has had another successful year in ensuring that people with a learning disability (LD) have equitable access to care and services. The Trust continues to make reasonable adjustments (required by law as laid down in the Equality Act 2010) for our most vulnerable patients, which enhance the hospital experience for both patient and carer.

This year we have implemented a phlebotomy clinic specifically for patients with a learning disability.

The clinic is run by specialist staff who have a sound understanding of this unique client group, and has been extremely successful. The clinic runs in the evening so the department is empty, and the time slots available are flexible and appropriate for each individual patient.

Patients attend the clinic with their family and/or carers and bloods are obtained in a very person-centred way. The clinic downloads games and pictures onto an iPad to help relax the patients when the blood is being taken, and refreshments are provided throughout. The Trust works alongside families and carers to find out about the person first, so we can adopt our approach and the environment to suit.

The clinic has been set up with a generous donation from the Prostate Support Group, which enabled the team to buy items such as a television, a CD player and pictures for the walls.

Referrals are taken from families, carers, GPs and members of the LD community services. Feedback so far has been very encouraging, particularly in respect of the flexibility of appointments and the environment itself.

The Trust continues to make reasonable adjustments for LD patients on an individual basis, and the following case study demonstrates our commitment and dedication to getting it right. The case study is presented in line with the six safeguarding principles (Department of Health, 2011).

Case study

This patient story involves patient **A** with a severe learning disability. **A** was undergoing two procedures at the same time.

The procedures were booked, both specialties organised to attend theatre and the mental capacity assessment and best interest checklist completed with the patient. **A's** carers were present at the meeting plus an advocate as there were safeguarding concerns raised in relation to **A's** family. We also involved LD Health Facilitation at this point.

Background
On the day of the operation, **A** failed to attend. **A's** carers were contacted and we were told that they did not know **A** was due to be admitted. Attempts had been made to confirm the date with the carers and messages left for them with all the details. Communication had broken down and the carefully laid plans had failed to come to fruition.

Plan
Despite the obvious difficulties, everyone involved with **A** knew that we needed to get these procedures completed in **A's** best interests. We discussed the requirements again, and a pre-operative assessment (POAC) date was given to **A's** carers, plus a date for the procedures themselves. On the day of the pre-op, **A's** Care Manager telephoned to say that **A** couldn't attend as it would be too much for **A** to come to POAC during the same week as the procedures themselves. This issue had not been raised with us before and left us with the dilemma of having to arrange POAC requirements such as a blood pressure recording, MRSA swab and **A's** weight and height.

Empowerment
A lacks capacity to consent and as such a best interest meeting was held to discuss the planned procedures. Liaison took place with **A's** advocate and **A's** GP.

It was agreed that blood tests would be taken once **A** was asleep as this was notoriously difficult to do under normal circumstances.

Two necessary procedures were to be undertaken under the one general anaesthetic.

Protection
As stated in this safeguarding principle we have a "positive obligation to take additional measures for patients who may be less able to protect themselves".
Reasonable adjustments made for this patient included:

- Being first on a morning theatre list
- Patient's own carer to be present right until **A** asleep, and then straight away once **A** awake in recovery

Pictured (left to right): Dignity Matron Phil Pordes, Gary Steele MBE, Phlebotomy Manager Donna George and Learning Disability Nurse Jill Doran, just some of the staff and volunteers involved in the Trust's Learning Disability Phlebotomy Clinic

- **A** not to wear a hospital gown or bracelet as this would distress **A**
- Pre-med on arrival
- Emlar cream prior to cannula insertion
- Treat post-operatively
- All procedures to be undertaken under the one general anaesthetic
- The LD Health Facilitator visited **A** at home prior to the procedure to obtain a BP recording, take the MRSA swab and record **A's** height and weight.
- Give flu vaccination once asleep.

Prevention
A was supported whilst **A** waited for **A's** pre-med to work. **A** brought in items from home to keep calm and entertained.

A's care staff knew **A** very well and could easily pick up the signs when **A's** levels of anxiety were increasing.

A also had the support of the LD Health Facilitator on the day of the procedure. The facilitator had completed a care plan for **A**, which had been shared with hospital staff prior to **A's** admission. This enabled us to understand **A** in greater depth and be aware of **A's** likes, dislikes and how to minimize **A's** distress.

Proportionality
A was a day case and first on the morning list. This meant that **A** could go home as soon as possible after the procedure. The fact that we were able to undertake two procedures plus obtain baseline bloods and give a flu job under the same anaesthetic, demonstrated our commitment to being least restrictive to **A's** rights.

Partnership
There was effective liaison between hospital staff, **A's** GP, the care staff, advocacy and LD Health Facilitation.

We all worked together to ensure that **A's** procedures were carried out, despite initial setbacks.

The care plan completed by the LD Health Facilitator was particularly helpful

Accountability
Advocacy were involved with **A** because there were safeguarding concerns raised in relation to **A's** family support.

We are accountable to our patients and, as such, aware of the need for an Independent Mental Capacity Advocate to support **A** throughout this admission.

We also were aware that we needed to work with our partner agencies in an open and transparent way to ensure **A** received the treatment **A** required.

Outcome
A's treatment was carried out, as planned, and **A** went home with their carers fairly soon after waking up from the anaesthetic. Communication links with **A's** carers have improved following the initial failings, and I am confident that future interventions will go smoothly.

Implementing the Duty of Candour

The Trust has a contractual duty to be open and honest; the Statutory Duty of Candour ensures that all healthcare providers must 'notify anyone who has been subject to an incident which has resulted 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* (including Duty of Candour) 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 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.

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

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.

In 2016/2017, the Duty of Candour was undertaken for all incidents which resulted in moderate harm, serious harm or death.

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:

1) Put Safety First

We will ...

- ensure the Summary Hospital-Level Mortality Indicator (SHMI) will remain at or below 100 from April 2015
- Following a review of our strategy in March 2017, Our aim, in both the acute Trust and Central Cheshire Integrated Care Partnership (CCICP) is to reduce stage 2 avoidable pressure ulcers by 5% per quarter, based on the previous quarter's results and have zero tolerance to avoidable stage 3 and 4 pressure ulcers
- 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

We 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

We 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 with our staff and ensure that this is included in all our patient safety training.

4) Collaborate

We 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

We 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 Trust identified six areas for improvement to enable the Trust to support the Sign up to Safety campaign.

The six areas chosen by the Trust were:

- Mortality
- Pressure Ulcers
- Falls
- Acute Kidney Injury
- Sepsis
- Never Events

A driver diagram was developed for each of the six chosen areas.

The six aims have been incorporated into the organisation's Quality and Safety Improvement Strategy 2016-2018. The Strategy is monitored by the Quality and Safety Improvement Strategy Group with escalation to the Executive Quality Governance Group. Progress against the six aims can be found in section 3 of the Quality Accounts.

The progress of the Sign up to Safety Campaign is monitored quarterly by the Executive Quality Governance Group.

Feedback from staff

The NHS staff survey is undertaken by all NHS Trusts on an annual basis. The Quality Account Reporting Arrangements require the Trust to report on the responses for the following questions for the Workforce Race Equality Standard:

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

The Trust score in 2016 was 25% which is no change from the 2014 result. This result is consistent with other Acute NHS Trusts and falls within the 'average' bracket. 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	2016
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	White	23%	24%
	Black and Minority Ethnic	33%	19%

The results from 2016 show that there has been a significant reduction of 14% in BME staff who had experienced harassment, bullying or abuse from other staff members. In comparison, there was a slight increase of 1% compared to 2015 in white staff who reported experiencing harassment, bullying or abuse.

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

90% of staff who completed the 2016 staff survey believe that the Trust provides equal opportunities for career progression and promotion. This is a slight increase of 1% from the previous year. The national average was 87%. This result put the Trust in the best 20% of all Acute Trusts in 2016.

The scores for white and BME staff as required for the Workforce Race Equality Standard can be found in the following table:

Key Finding		2015	2016
Percentage of staff believing the organisation provides equal opportunities for career progression and promotion	White	92%	91%
	Black and Minority Ethnic	79%	86%

86% of BME staff reported in 2016 that they feel the Trust provides equal opportunities for career progression and promotion, an increase of 7% compared to 2015. 2016 saw a slight decrease of 1% compared to the previous year for white staff.

Progress Report on Equality and Diversity

Equality and Diversity at Mid Cheshire Hospitals NHS Foundation Trust is led and monitored by the Equality and Diversity Group which meets quarterly. The terms of reference of the group have been revised in 2016 with membership widened to look to include a greater representation across the Trust.

New equality objectives have been identified and agreed for 2016-2020 which are as follows:

- To make our information and services accessible to the people we serve
- To increase support for LGBT staff
- To encourage the recruitment conversion and progression rates of black, Asian and minority ethnic (BME) staff
- To work with partners to identify and implement methods of raising awareness of modern exploitation issues (e.g. forced marriage, female genital mutilation (FGM), human trafficking, modern slavery and child sex exploitation).

Progress has already been made against the objectives and work is currently underway in forging links with community groups in the local area.

In February 2017 the Trust celebrated LGBT History Month (Lesbian, Gay, Bisexual and Transgender) by flying the rainbow flag outside the main entrance at Leighton Hospital. Body Positive Crewe and North Wales also attended an event in February to provide information and raise awareness of issues faced by LGBT people.

The final draft of the Equality and Diversity Annual Report for 2016 is currently being finalised. The report reviews the objectives set for the period 2012-2016. This will be reported to several committees in February/March 2017 for approval and published on the Trust website.

The annual NHS Staff Survey asks NHS employees a broad range of questions seeking their views on and experience of staff satisfaction, training, line management, appraisals and making a difference to patients. Our 2016 staff survey identified that satisfaction levels across all staff have improved year on year and the gap between satisfaction levels between staff with a disability and without is closing with satisfaction levels of staff with a disability improving by 4.6%.

The Trust continues to see a disproportionate conversion within the gender and ethnic diversity strands of the recruitment monitoring information but this has improved in both cases over the course of the past year. There has been a change to the Trust's recruitment policy in that all persons undertaking recruitment activity must now go through Trust recruitment and selection training, and the training itself has an increased focus on diversity and bias. It appears that this is now having a positive impact on our outcomes in these areas.

We are continually looking to improve the equality information that we hold about our patients and staff and this is an ongoing priority. There has been an improvement in the equality data that is recorded for staff, with more staff choosing to disclose equality data compared to previous years.

The Trust Equality Delivery System report for 2016 has now been published and was presented to the Healthwatch Board. This is a tool to help us to understand how equality can drive improvements and strengthen the accountability of services to patients and the public. The Trust continues to be 100% compliant with the specific duties outlined in the public sector equality duty as outlined in the Equality Act 2010.

The Trust continues to ensure the completion of an Equality Impact Assessment (EIA) for each new service and policy. A complete set of EIAs was completed in 2014 as part of the 3 yearly update requirements for all existing services and policies and therefore will be fully reviewed in 2017.

Pictured: The Trust's rainbow flag is raised to mark LGBT History Month in February 2017

Statements of Assurance from the Board

Review of services

During 2016/17 the Trust provided and/or sub-contracted 40 relevant health services.

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

The income generated by the relevant health services reviewed in 2016/17 represents 100% of the total income generated from the provision of relevant health services by the Trust for 2016/17.

Participation in Clinical Audits

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

National Clinical Audit

During 2016/17, 32 national clinical audits and 3 national confidential enquiries (Clinical Outcome Review Programmes) covered NHS services that MCHFT provides.

During that period, MCHFT participated in 97% of national clinical audits and 100% of national confidential enquiries (Clinical Outcome Review Programmes) of the national clinical audits and national confidential enquires (Clinical Outcome Review Programmes) which it was eligible to participate in.

The national clinical audits and national confidential enquiries that the Trust was eligible to participate in during 2016/17 are shown in Table 4.

The national clinical audits and national confidential enquires that the Trust participated in during 2016/17 are shown in Table 6.

The national clinical audits and national confidential enquires that the Trust participated in, and for which data collection was completed during 2016/17, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table 4: National Clinical Audit Participation 2016/17

National Clinical Audit and Clinical Outcome Review Programme	Participation	Data submission
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	100%
Adult Asthma	Yes	16 cases
Asthma (paediatric and adult) care in emergency departments	Yes	100%
Bowel Cancer (NBOCAP)	Yes	75%*
Case Mix Programme (CMP)	Yes	100%
Child Health Clinical Outcome Review Programme	Yes	100%
Diabetes (Paediatric) (NPDA)	Yes	100%
Elective Surgery (National PROMs Programme)	Yes	81%
Endocrine and Thyroid National Audit	Yes	26 cases*
Falls and Fragility Fractures Audit programme (FFFAP)	Yes	83%*
Head and Neck Cancer Audit	Yes	100%
Inflammatory Bowel Disease (IBD) programme	Yes	17 cases*
Learning Disability Mortality Review Programme (LeDeR Programme)	Yes	NA
Major Trauma Audit	Yes	93.2 - 100+%*
Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes	100%
Medical & Surgical Clinical Outcome Review Programme	Yes	100%
National Audit of Dementia	Yes	100%
National Cardiac Arrest Audit (NCAA)	Yes	NA
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	Yes	NA
National Diabetes Audit - Adults	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	102 cases*
National Heart Failure Audit	Yes	42%*
National Joint Registry (NJR)	Yes	100%
National Lung Cancer Audit (NLCA)	Yes	100%
National Ophthalmology Audit	Yes	100%
National Prostate Cancer Audit	Yes	42%**
Neonatal Intensive and Special Care (NNAP)	Yes	100%
Oesophago-gastric Cancer (NAOGC)	Yes	81-90%
Paediatric Pneumonia	Yes	NA
Percutaneous Nephrolithotomy (PCNL)	Yes	19 cases*
Rheumatoid and Early Inflammatory Arthritis	Yes	27 cases*
Sentinel Stroke National Audit programme (SSNAP)	Yes	100%
Severe Sepsis and Septic Shock – care in emergency departments	Yes	100%
Stress Urinary Incontinence Audit	Yes	14 cases*

* Based on most recent report or online data
** Minimal aspects of care then
NA Data submission in progress or due to commence

Table 5: National Clinical Audit Non-Participation 2016/17

National Comparative Audit of Blood Transfusion - Audit of Patient Blood Management in Scheduled Surgery	No	Resource implications

The reports of 23 national clinical audits were reviewed by the provider in 2016/17 and the Trust intends to take the following actions to improve the quality of healthcare provided:

Table 6: National Clinical Audit Participation 2016/17 – Actions

National Clinical Audit	Actions Taken / To Be Taken
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Report awaited. Work undertaken to improve data collection through local audit pro-forma highlighting mandatory fields which has significantly improved the dataset
Bowel Cancer (NBOCAP)	Work underway to improve the enhanced recovery program through identification of a nurse link on colorectal ward, engaging Health Care Assistants with ERAS and stoma care, increased Colorectal Nurse Specialist hours to drive ERAS and improving data capture and completeness.
Case Mix Programme (CMP)	Review of delayed discharges and bed availability in progress. Case outliers discussed through MDT process highlighting any actions required through Trust Critical Care Delivery Group. Data submission and rates of infection remain good.
Diabetes (Paediatric) (NPDA)	Delivery of key care processes remains very good and above national achievement. MCHFT continues to not routinely screen for cholesterol, in keeping with recent NICE guidance and communication with the National Clinical Director the NPDA has confirmed that discussion is underway to remove this from the list of key care processes for future national audits.
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 Work has been undertaken to ensure patients receive a pre-operative questionnaire and ensure compliance with the 85% target.
Inflammatory Bowel Disease (IBD) programme	Improved the care for patients receiving Biologic therapy in line with NICE guidelines with the assistance of the Blueteq database. Further improvements under discussion include a second IBD nurse and a set-up session for patient review on the Planned Intervention Unit when receiving medication.
Major Trauma Audit	Identified as one of the highest performing Trauma units in the country, the 5th highest nationally for data submission. Work continuing to progress where transexamic acid is required within 3 hours of injury.
Maternal, Newborn and Infant Clinical Outcome Review Programme	793B - Standard process pathway to be developed for all late fetal losses, stillbirths and neonatal deaths. Fetal Loss Pack to be updated for babies born between 22+0 and 23+6 week gestation to ensure an electronic adverse incident form is completed and case review is carried out and reported to MBRRACE –UK.
Medical & Surgical Clinical Outcome Review Programme	1815 - Work is in progress to formalise partnership working with UHNM and potentially provide three ERCP lists and an extra hot gallbladder list. A routine nutrition assessment tool is being implemented and changes in practice for alcohol services review of patients admitted with alcohol related pancreatitis.
National Diabetes Audit - Adults	Report under review. Work undertaken to enable participation in National project and submission of secondary care data.

National Emergency Laparotomy Audit (NELA)	The main clinical outcome of thirty day mortality (crude & risk adjusted) is favourable, as is the percentage of patients requiring a return to theatre. Improved communication of risk and ownership of data is being facilitated between surgeons, anaesthetists and critical care as a focus for improving emergency surgery.
National Heart Failure Audit	Work in progress to address data discrepancies in heart failure cases where patients are not seen on the Cardiology Ward, which impacts on Trust data capture and completeness.
National Lung Cancer Audit (NLCA)	Work underway to improve data collection and completeness with reference to Performance Status and CNS contact. Re-audit NOS histological confirmation rates. Establish support worker role to enhance patient experience and facilitate Cancer pathway.
National Prostate Cancer Audit	Report limited to case ascertainment and data completeness due to issues with data extraction by the project host. Work continued locally to improve quality and submission of data.
Neonatal Intensive and Special Care (NNAP)	Education in progress for all clinical staff around reporting every neonatal admission with temperature < 36 C. System for reported incidents to be reviewed and actioned through existing risk governance structure. Local audit of temperature regulation care bundle planned.
Oesophago-gastric Cancer (NAOGC)	To complete audit on temperature monitoring / temperature regulation care bundle
Percutaneous Nephrolithotomy (PCNL)	Work underway to further decrease post-operative stay through comprehensive nephrostomy care and early patient education, suitable post-operative pain management and nephrostomy removal as an outpatient/attendance instead of re-admission.
Rheumatoid and Early Inflammatory Arthritis	Actions in progress include modification of referral pathway to include early inflammatory arthritis in the choose and book, education for GPs around referral pathways and development of a business case agreed with CCG for Best Practice Tariff Clinic.
Sentinel Stroke National Audit programme (SSNAP)	Work ongoing towards provision of a seven day specialist ward round rota following development of a seven day working business case. Training in place for thrombolysis training in line with stroke guidelines. Review of inter-disciplinary therapy standards to evidence requirement for therapy input as part of wide Community Service project.
VTE Risk in Lower Limb Immobilisation in Plaster Cast (CEM 2015-16)	Guideline for the use of low molecular weight heparin in patients with lower limb injuries, based on College of Emergency Medicine guidance, developed, approved and implemented.
Procedural Sedation in the Emergency Department (CEM 2015-16)	Work ongoing around trainee education in the use of the reviewed sedation pro-forma and relevant documentation. The possibility of using a sticker for sedation is under discussion.
Vital Signs in Children (CEM 2015-16)	Good practice demonstrated with patients being assessed by more experienced ED staff and abnormal vital signs were noted and acted upon. Education in progress around neurological assessment for triage nurses and repeat observations within 60 minutes for abnormalities.
National Smoking Cessation Audit (BTS)	The Trust was fully compliant with all measures.

Local Clinical Audits

The reports of 88 local clinical audits were reviewed by the provider in 2016/17 and the Trust intends to take the following actions to improve the quality of healthcare provided:

Local Clinical Audit	Actions Taken / To Be Taken
Exclusion of Lens During routine CT Head exam at MCHFT	Causes of non-compliance of lens of eye not being exposed during head CT were due to suboptimal positioning of head, inadequate equipment and improper planning of the scan. Actions taken included an update to the local protocol and raised awareness of this for all Radiographers and Medical Imaging Assistants; replacement head sponge ordered; the importance of positioning was re-enforced with reminder posters placed in the CT control room; positioning recorded on Soliton radiology system.
Are Central Lines Being Assessed Correctly for their Position on Chest X-ray?	Variability in the position of right internal jugular central line tips, the majority of which were judged to be too high and low compliance with new recommendations suggested in AAGBI guidance. Actions in progress include agreed Critical Care department guidelines on vascular access to include optimum tip position; development of an aide-memoire for trainees on critical care; review of equipment availability with regard to vascular access devices, with particular consideration of the availability of a range of line lengths to enable correct tip position from a range of access sites.
Delay for Hip Fracture Surgery due to Warfarin	22% of the patients sampled had their surgery delayed due to persistently elevated INR results requiring further treatment, which has an impact on patient safety and care. Actions taken included updating the current guideline to recommend giving 2mg Vitamin K immediately to patients on Warfarin irrespective of the INR on admission; bloods sent on admission as normal and further actions recommended per protocol
Delay in Elective Caesarean Section	Delays in lists commencing were predominantly due to emergency cases and midwifery workload. An issue was highlighted in communicating delays to patients. Actions underway include improved documentation of reasons for delay and the potential for electronic collection of data (using Medway); investigate the potential for a 3 day week for elective CS and review of staffing to address delays related to emergency cases taking priority; high risk cases listed on Tuesday and Wednesday only.
Trustwide Falls Audit (Fall Safe Care Bundle)	The results showed that the FallSafe criteria was not all being adhered to and that a re-launch was required across the Trust, which formed part of the Falls Safety Collaborative initiative being implemented piloting new ways of working. Actions taken included Best Practice Action Plans being issued for Ward Managers and Matrons to complete outlining the strategies for improvement specific to their Wards; a FallSafe Awareness Day to re-emphasize the topic of falls; continue to increase knowledge of falls and procedures and actions that should be undertaken to help prevent falls from occurring

Participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by the Trust in 2016/17 that were recruited during that period to participate in research approved by a research ethics committee was 162.

There were 8 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 treatment possibilities and active participation in research leads to successful patient outcomes. The Trust was involved in conducting 154 active clinical research studies during the reporting period including, but not limited to, the following areas:

- Cancer
- Cardiovascular
- Critical Care
- Diabetes
- Eyes
- Generic Health Relevance and Cross Cutting Themes
- Infection
- Inflammatory and Immune System
- Injuries and Accidents
- Paediatrics
- Musculoskeletal
- Oral and Gastrointestinal
- Primary Care
- Reproductive Health and Childbirth
- Respiratory
- Skin
- Stroke

Commissioning for Quality & Innovation framework (CQUIN)

The CQUIN framework was introduced in April 2009 as a national framework for locally agreed quality improvement schemes. These schemes require the development of clear plans and goals through agreement between providers and commissioners.

A proportion of the Trust's income in 2016/17 was conditional on 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 Payment Framework.

Further details of the agreed goals for 2016/17 and for the following 12 month period are available electronically at:

www.mcht.nhs.uk/information-for-patients/why-choose-us/quality

The overall financial value of CQUIN schemes is currently 2.5% of the provider's contract value.

The financial value of the 2016/17 CQUIN scheme for the Trust was £3,510,106. The total amount the Trust received in payment for the CQUIN scheme was £3,026,356.

The financial value of the 2015/16 CQUIN scheme for the Trust was £3,798,574.

For 2016/17, there are **three** national goals which focus on NHS staff health and wellbeing (goal one), Sepsis (goal two) and Antimicrobial resistance and stewardship (goal three).

MCHFT and the Clinical Commissioning Groups (CCGs) for Vale Royal and South Cheshire have agreed a further **nine** goals (goals four to twelve).

Public Health England has agreed **two** goals which relate to the breast and bowel screening programmes (goals thirteen and fourteen).

The North of England Specialised Commissioners has negotiated **three** goals in relation to neonatal services and chemotherapy banding (goals fifteen to seventeen).

Table 7 briefly describes the goals included in this year's CQUIN and the Trust's performance against each of the CQUIN goals.

Key for Table 7 (CQUIN results for 2016/17):

Achieved 

Partially Achieved 

Not achieved 

Goal No.	Goal name	Description of Goal	Financial Value of goal (£)	Status
1.	Introduction of health and wellbeing initiatives - **Option B**	Implementation plan covering physical activity, mental health and improving access to physiotherapy for people with MSK issues.	396,107.00	✓
	Healthy food for NHS staff, visitors and patients	The responses to the 11 questions below will form part of a national data collection. Providers will submit the responses by July 2016 via UNIFY following locally agreed sign off process by the commissioner.	396,107.00	✓
	Improving the uptake of flu vaccinations for frontline clinical staff	Achieving an uptake of flu vaccinations by **frontline clinical staff** of 75% by Q3	396,107.00	✓
2.	ED Sepsis Screening The percentage of patients who met the criteria for sepsis screening and were screened for sepsis **Payment based on 90 % of eligible patients screened for each quarter**	Focussed on incentivising the screening of a specified group of adult and child patients in emergency departments and other units that directly admit emergencies. The ED screening element of the CQUIN requires an established local protocol that defines which emergency patients require sepsis screening. Local adaptation will be needed to reflect the types of Early Warning Score in local use for children and adults.	79,221.00	✗
	ED Sepsis Antibiotic Administration % of patients presenting with severe sepsis, Red Flag Sepsis or septic shock and had an empiric review within three days of the prescribing of antibiotics.	To rapidly initiate intravenous antibiotics, within 1 hour of presentation, for those patients who have suspected severe sepsis, Red Flag Sepsis or septic shock. An empiric antibiotics review is carried out by a competent decision maker by day 3 of them being prescribed	118,832.00	✗
	Acute inpatients Sepsis Screening The percentage of patients who met the criteria for sepsis screening and were screened for sepsis	Total number of patients sampled for case note review who were admitted to the provider's acute inpatient services that met the criteria of the local protocol and were screened for sepsis. The inpatient screening element of the CQUIN requires an established local protocol that defines which inpatients require sepsis screening. Local adaptation will be needed to reflect the types of scoring systems in local use for children and for adults.	79,221.00	✗
	Acute inpatients Sepsis Antibiotic Administration % of patients presenting with severe sepsis, Red Flag Sepsis or septic shock and had an empiric review within three days of the prescribing of antibiotics.	To rapidly initiate intravenous antibiotics, within 1 hour of presentation, for those patients who have suspected severe sepsis, Red Flag Sepsis or septic shock. An empiric antibiotics review is carried out by a competent decision maker by day 3 of them being prescribed	118,832.00	✓

3.	Antimicrobial Resistance and Stewardship Reduction in antibiotic consumption per 1,000 admissions	Reduction of 1% or more of total antibiotic consumption per 1,000 admissions. Reduction of 1% or more of carbapenem per 1,000 admissions. Reduction of 1% or more of piperacillin-tazabactam per 1.000 admissions. Submission of consumption data to PHE for years: 2014/15 to 2016/17.	79,221.00 79,221.00 79,221.00 79,221.00	✓ ✓ ✓ ✓
	Antimicrobial Resistance and Stewardship Empiric review of antibiotic prescriptions	Percentage of antibiotic prescriptions reviewed within 72 hours from agreed sample of 50 antibiotic prescriptions.	79,221.00	✓
Local CQUINs				
4.	Clinical Utilisation Review	Implement CUR initiative	282,749.00	Suspended
5.	Avoidable Admissions	Using available data from identified projects developed on the AQuA quality improvement programme, a progress report will provide an update of the projects the individual work-streams are undertaking that contribute to a reduction in avoidable hospital admissions. Participants to present progress to Commissioners and Trust staff.	79,221.00	✓
6.	VTE Exemplar Site	MCHFT to work towards 100% compliance of VTE Exemplar Centre Criteria	79,221.00	✓
7.	Breast Cancer Survivorship End of Treatment Summary and Care Plan for Primary Breast Cancer and Communication with GPs End of Treatment Summary and Care Plan for Primary Breast Cancer and Communication with GPs	All primary breast cancer patients risk stratified as low risk (supported self-management) and women who are vulnerable i.e. with a diagnosis of long term depression, serious mental illness, dementia or learning disability to ensure there are sufficiently timed clinic slots to ensure all identified women in the cohort receive an extended appointment.	174,287.00	✓
8.	End of Life Care Evaluation & presentation of audit data Education / training plans to use EPaCCS in place	Improve the care of patients who are likely to be in the last year of their life by enhancing communication between primary and secondary care through EPaCCS.	158,443.00	✓

9.	Consultant Advice and Guidance Paediatrics, Orthopaedics and Haematology Dr Alan Adams / Michael Dearden Three prioritised specialties (Paediatrics, Orthopaedics & Haematology) to go live by 1 September 2016	MCHFT will support the roll-out of a Consultant Advice & Guidance solution (selected by the Commissioner) to go live ASAP after 1 April 2016. This will be accessible to all GPs working within NHS South Cheshire CCG and NHS Vale Royal CCG. MCHFT will work with the system supplier to offer Consultant input into at least three prioritised specialties (Paediatrics, Orthopaedics & Haematology) to go live by 1 September 2016.	158,443.00	
10.	SAFER Flow Bundle Qtr. 3- Plan and Implement strategies to improve compliance with the SAFER bundle based on data recorded during quarters 1 and 2.	Implement the SAFER Patient Flow Bundle to improve patient flow and prevent unnecessary waiting for patients to be reviewed.	158,443.00	
11.	Cheshire Care Record (CCR)	To assist in the provision of a Cheshire Care Record (CCR) across the Pioneer footprint of Cheshire, it will provide a view of summary patient data that is read only and cannot be amended or added to by the users. The CCR will be used by Health and Social care professionals to support direct patient care only and incorporates data from the below organisations, linking to the existing West Cheshire Care Record under the IDCR Programme.	158,443.00	
12.	Care Bundles Sepsis Acute Kidney Injury Pneumonia Alcohol Related Liver Disease	Report percentage of all eligible patients to receive all clinical interventions for each clinical condition. Complete action plans to identify gaps and actions to achieve compliance for all measures in each care bundle. Present update at Clinical Quality and Patient Safety Review meeting.	158,443.00	
Specialist Commissioning CQUINs				
13.	Bowel Cancer Screening Programme Review	To undertake a comprehensive review of communications / information available to stakeholders (patients, referrers) at all stages of the NHS screening pathway to identify the full range of resources available, their purpose, content, format and accessibility (languages).	21,982.00	

14.	Neonatal Critical Care – Two year follow up for preterm babies	It is recommended that all preterm babies born more than 10 weeks early (<30 weeks of gestation) should have a follow up evaluation 2 years after their due date (corrected age), to ensure that they are developing normally. Structured assessment at two years of corrected age is important to ensure that any effects of prematurity, e.g. visual impairment and intellectual development, are identified in a timely way to enable the appropriate management has been put in place to optimise outcomes.	25,970.00	
15.	Pre-term babies hypothermia prevention	The aim of this scheme is the prevention of hypothermia in preterm babies (<34 weeks) by routine monitoring within 1 hour of admission, and by taking corrective action. The ambition is for all units to be achieving 95% or more babies with a temperature of greater than or equal to (> =) 36^{o}C in 1 year.	25,970.00	
16.	Nationalised Standardised Dose banding Adult IV Systemic Anticancer Therapy (SACT).	A toolkit has been developed to support CQUIN. Realistic percentage targets will need to set for each of the 19 SACT drugs (9 are applicable to MCHFT) determined by number of doses dispensed (numerator) by number of doses dispensed that match the dose banding (denominator).	25,970.00	
17.	Communication Breast Screening A review of specific resources should take place. This should include a review of the format, target group, content, language and method of delivery	To undertake a comprehensive review of communications / information available to stakeholders (patients, referrers) at all stages of the NHS screening pathway to identify the full range of resources available, their purpose, content, format and accessibility (languages).	21,982.00	

Feedback from the Care Quality Commission (CQC)

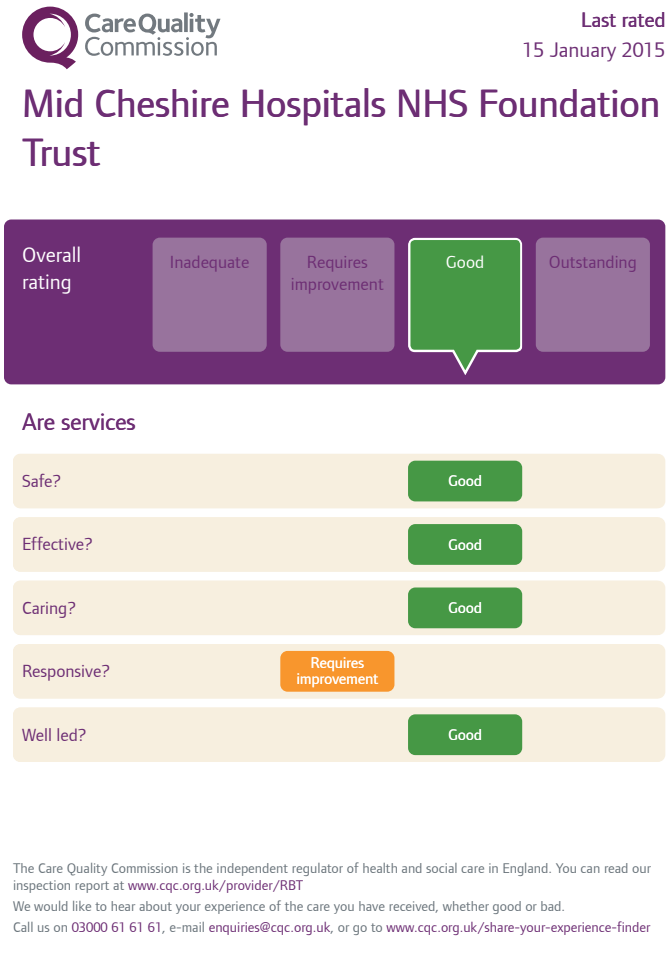
The Trust is required to register with the Care Quality Commission (CQC) and its current registration status is unconditional which means there are no conditions attached to the registration.

The Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

The Care Quality Commission has not taken enforcement action against the Trust during 2016/17.

Following the CQC Comprehensive Inspection in October 2014 the Trust was an overall rating of "Good". 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.

The Trust has updated its registration to include the services provided at Victoria Infirmary in Northwich and Elmhurst Intermediate Care Centre in Winsford. From 1 October 2016 the Trust entered into a partnership (non-legal entity) with Cheshire and Wirral Partnership NHS Foundation Trust and the South Cheshire and Vale Royal GP Alliance to acquire Community Services for Cheshire East, commissioned by NHS South Cheshire CCG and NHS Vale Royal CCG. The Community Services Central Cheshire Integrated Care Partnership (CCICP) has been established. Services are managed and maintained by Mid Cheshire Hospitals Foundation Trust (MCHFT) as the main provider. The application for Community Services was submitted to the CQC on 15 December 2016 and the Statement of Purpose was updated accordingly.



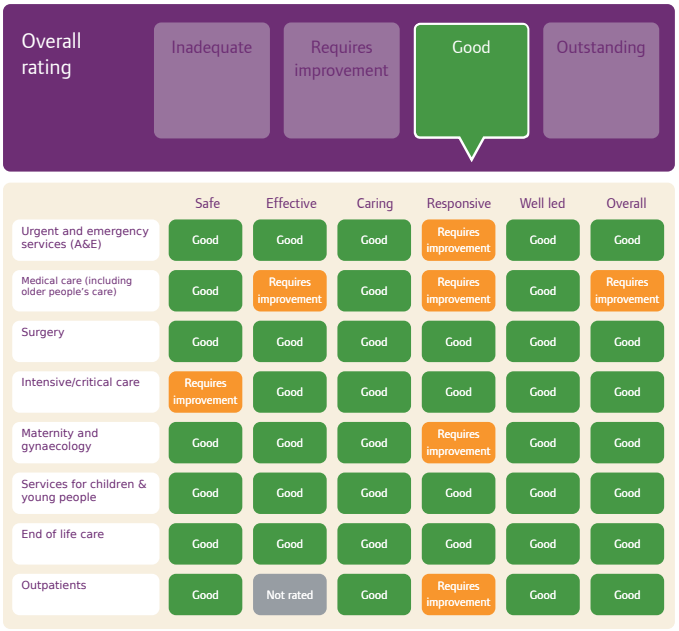
Specific ratings were published for the sites inspected as per the tables below:

CareQuality Commission

Last rated
15 January 2015

Mid Cheshire Hospitals NHS Foundation Trust

Victoria Infirmary



	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

CareQuality Commission

Last rated
15 January 2015

Mid Cheshire Hospitals NHS Foundation Trust

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

Following the comprehensive inspection an action plan was developed around the key findings and has been submitted to the CQC. The action plan is 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 to improve 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 developed a business plan to increase the level of medical cover and began to appoint and train alternative staff to support activities from shortfalls in junior medical staff. This paper was approved in July 2015 and progresses 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 on 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 was developed in March 2015. 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 hospital and reduce emergency admissions. The University Hospitals of North Midlands (UNHM) is considered a key partner and this view is supported by the Board of Directors of both Trusts. Both Trusts' strategies are mutually supportive in that UHNM wish to increase specialist services and can only do this through reducing traditional district general hospital activity, whilst MCHFT has a strategy to increase traditional district general hospital activity and, in return, will support UHNM in further increasing its specialist activity.

- To improve patient flow and reduce the number of bed moves within the Trust 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.

- The backlog of discharge letters has been cleared and monitoring continues to ensure that the improvements made are sustainable.

- Ensuring that escalation areas are appropriate environments for the care of patients and provide them with ready access to bathing and toilet facilities, the Trust has relocated the Primary Assessment Area (PAA) to a ward area with full patient facilities and reviewed its Patient Placement Policy and PAA procedure. The Royal Voluntary Service and British Red Cross provide support for the internal volunteering service and discharge team.

Additional actions which have been taken throughout the Trust to improve care include producing guidance to staff on clinical supervision; provision of training and documents to ensure that staff are acting in accordance with patient's best interests when they are deemed not to have capacity; use of e-learning modules for mandatory training; implementation of an updated sudden death checklist for peadiatrics; development of partnership agreements with UHNM for upper GI Bleeds and Stroke thrombolysis; review of readmissions and improvement of the theatre utilisation within the Surgery & Cancer unit; commencement of the Advancing Quality diabetes pathway and the recruitment of a Diabetic Specialist Nurse; recruitment of a Sepsis Nurse and review of level 3 safeguarding training and implementation of documents and lessons learned from incidents.

The inspection process was extremely thorough and staff and patients alike can be assured that the services and treatments provided at MCHFT are fit for purpose and delivered by highly skilled, caring and committed staff.

Data Quality Assurance

NHS and General Practitioner registration code validity (April 16 – February 17 From NHS Digital SUS dashboard)

The Trust submitted records during 2016/17 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:

- 99.8% for admitted patient care
- 99.9% for outpatient care
- 99.1% 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
- 100% for accident and emergency care.

Clinical coding error rate

In 2016/17, the results from the IG toolkit audit are as follows:

Coding Field	Percentage Correct	IG REQ 505 LEVEL 2
Primary Diagnosis	92.38%	90.00%
Secondary Diagnosis	96.34%	80.00%
Primary Procedure	95.55%	90.00%
Secondary Procedure	92.34%	80.00%

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/individual audits for all clinical 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 Report overall score was 94% and was graded green. 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 2015/16 showed 43 requirements were satisfactory and this has increased to 45 for 2016/17. The Trust is graded as "satisfactory" (status: green) for the first time.

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 in 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 4,314 (97%) staff, students and volunteers over the course of 2016/17. The Trust met its target for the fourth 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 group meeting and the toolkit leads are required to provide feedback on the progress of requirements. Additionally an Information Toolkit Action Group was established to support with the collection of evidence throughout the year.

Performance against quality indicators and targets

National quality targets

	2013-2014	2014-2015	2015-2016	2016-2017	Target	Achieved
MRSA bacteraemias	4	1	0	3	0	✗
Clostridium Difficile infections	26	10 avoidable cases	8 avoidable cases	22 avoidable case	24	✓
Percentage of patients who wait 4 hours or less in A&E	95.38%	92.3%	93.4%	90.24%	95%	✗
The percentage of patients waiting 6 weeks or more for a diagnostic test	0.49%	0.37%	0.55%	0.34%	<1%	✓
Percentage of patients seen within two weeks of an urgent GP referral for suspected cancer	95.56%	95.96%	96.60%	98.12%	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%	97.86%	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%	99.81%	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%	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%	92.86%	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%	95.39%	90%	✓
The maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate- patients on an incomplete pathway				94.37%	92%	✓

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 NHS Digital.

For each indicator the number, percentage, value, score or rate (as applicable) for at least two reporting periods should be presented in a table. In addition, where the required data is made available by NHS Digital, the numbers, percentages, values, scores or rates of each of the NHS foundation trust's indicators should be compared with:

- the national average for the same and
- NHS trusts and NHS foundation trusts with the highest and lowest for the same.

Period	Trust Performance	National Average	95% Upper Limit	95% Lower Limit
October 14 - September 15	98.42	1.00	not avail	not avail
January 15 - December 15	96.84	1.00	1.116	0.896
April 15 – March 16	100	1.00	1.116	0.896
July 15 – June 16	100.61	1.00	1.123	0.891
October 15 - September 16	101.72	1.00	1.127	0.888

Table 8: The value and banding of the Summary Hospital-level Mortality Indicator (SHMI)

The Trust considers that this data is as described for the following reasons:

- The Trust has remained in the 'as expected' range for the reporting period July 2015 to June 2016. The Trust SHMI is currently 1.01.

The Trust intends to take / has taken the following actions to further improve this result, and so the quality of its service, by:

- Participation in the national *Sign up to Safety* campaign. A series of inter-related projects to achieve this are in progress under the primary drivers of:

  Reliable clinical care
  Effective clinical care
  Medical documentation, clinical coding and data consistency
  End of life care
  Leadership

- 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 areas for further work in conjunction with the Hospital Mortality Reduction Group
- The formation of a Trust Mortality Reduction Group. The group consists of members of the Hospital Mortality Reduction Group and Divisional Mortality Groups. The aim of the Trust Mortality Reduction Group is to re-invigorate the Trust's drive to reduce its mortality rates and ensure a uniformed approach to mortality reduction across the Trust
- Implementation of the actions from a gap analysis on the recommendations from the Care Quality Commission Learning, Candour and Accountability report.

Period	Trust Performance	National Average	Highest Result	Lowest Result
October 14 - September 15	0.63%	0.89%	14.11%	0.00%
January 15 - December 15	0.55%	0.92%	14.90%	0.00%
April 15 - March 16	0.54%	0.94%	14.80%	0.00%
July 15 - June 16	0.57%	0.98%	22.40%	0.00%
October 15 - September 16	0.57%	0.99%	21.80%	0.00%

Table 9: The percentage of patient deaths with palliative care coded at either diagnosis or speciality level for the Trust

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 death that are coded with palliative care either in diagnosis or treatment speciality.

Date	Measure	Trust performance	National Average	Highest National Result	Lowest National Result
Groin Hernia					
2014-2015	EQ5D	0.073	0.084	0.154	-0.005
2015-2016	EQ5D	0.088	0.088	0.158	0.022
2014-2015	VAS	0.073	0.084	4.550	-6.351
2015-2016	VAS	0.088	0.088	5.587	-5.867
Hip Replacement					
2014-2015	EQ5D	0.437	0.436	0.524	0.331
2015-2016	EQ5D	0.419	0.439	0.541	0.323
2014-2015	VAS	11.111	11.973	17.310	6.441
2015-2016	VAS	10.832	12.358	19.327	5.160
2014-2015	OXFORD HIP	20.637	21.443	24.652	16.291
2015-2016	OXFORD HIP	20.356	21.637	24.835	17.220
Knee Replacement					
2014-2015	EQ5D	0.283	0.315	0.418	0.183
2015-2016	EQ5D	0.332	0.321	0.396	0.180
2014-2015	VAS	4.168	5.761	15.406	1.133
2015-2016	VAS	4.919	6.191	13.057	0.794
2014-2015	OXFORD KNEE	14.892	16.116	19.581	11.286
2015-2016	OXFORD KNEE	16.316	16.389	19.812	11.890
Varicose Vein					
2014-2015	EQ5D	No Data	0.094	0.154	-0.009
2015-2016	EQ5D	No Data	0.094	0.143	-0.005
2014-2015	VAS	No Data	-0.503	3.938	-5.792
2015-2016	VAS	No Data	-0.451	6.320	-7.861
2014-2015	ABERDEEN	No Data	-8.237	5.700	-16.534
2015-2016	ABERDEEN	No Data	-8.543	3.080	-18.545

Table 10: The Trust's patient reported outcome measures scores (PROMS)

The Trust considers that these results are as described for the following reasons:

- Trust performance data represents the adjusted average health gains which have been calculated using statistical models which account for the fact that each provider organisation deals with patients with different case-mixes
- Data allows for fair comparisons between providers and England as a whole. Random variation in patients mean that small differences in averages, even when case-mix adjusted, may not be statistically significant
- Casemix-adjusted figures are calculated only where there are at least 30 modelled records.

The Trust intends to take / has taken for the following actions to improve this result, and therefore the quality of its service, by:

- Comparing the PROMS results with those from then 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 which 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 and knee replacement surgery.

0-15 28 days readmission		
Date	Trust per HED	Peer Group av HED
Jan 2013 – Dec 2013	10.7%	10.7%
Jan 2014 – Dec 2014	11.4%	10.9%
Jan 2015 – Dec 2015	11.4%	10.4%
Jan 2016 – Sep 2016	12.02%	10.21%

Table 11: The percentage of patients aged 0-15 readmitted to hospital within 28 days of being discharged.

The Trust considers that this data is as described for the following reasons:

- The Trust acknowledges that the readmission rates for patients aged between 0-15 is higher than peer and intends to take actions to improve this results.

The Trust intends to take / has taken the following actions to improve this result, and therefore the quality of its service, by:

- Continuing to promote open access arrangements which enable Paediatricians to discharge children and offer 'open' access for a limited time dependent on the child's diagnosis and clinical pathway
- Consultant Paediatricians undertaking daily ward rounds seven days a week to review, make prompt clinical decisions and plan and co-ordinate their follow up care with the multidisciplinary team
- Continuing to deliver the rapid review clinic to avoid re-admissions. Additionally the implementation of the advice and guidance line to support GP's offering care in the community
- Ensuring an active member of the regional Cheshire & Merseyside Women's and Children's Partnership project to review provision of paediatric services to enhance services in the community to prevent unnecessary admissions and re-admissions.

16 and over 28 day readmission		
Date	Trust per HED	Peer Group av HED
Jan 2013 – Dec 2013	8.1%	7.6%
Jan 2014 – Dec 2014	8.6%	7.7%
Jan 2015 – Dec 2015	7.9%	7.1%
Jan 2016 – Sep 2016	8.18%	7.64%

Table 12: The percentage of patients aged 16 and over readmitted to hospital within 28 days of being discharged.

The Trust recognises that its readmission rates for patients aged 16 and over is higher than peer and has increased for the period of January 2016 to September 2016. The Trust considers that this data is as described for the following reasons:

- For patients over the age of 16 readmission rates have remained static over the past 4 years but above peer, a higher proportion of elderly patients is potentially accountable for this variance from peer data and an increased frail population would be expected to require increased hospital admissions.

The Trust intends to take / has taken the following actions to improve this result, and therefore the quality of its service, by:

- A review has been undertaken of readmission rates by specialty and by consultant to identify underlying themes and practices that result in readmission
- The Trust is developing action plans to address issues from identified trends in readmission rates
- The Trust continues 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
- The Trust has Implemented a flagging system for patients with specific conditions that notifies clinicians when a patient is admitted
- Continuing to progress collaborative working with community services to prevent readmission.

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
2016	75.6	Not available	Not available	Not available

Table 13: The Trust's responsiveness to the personal needs of its patients

The Trust considers that this data is as described for the following reasons:

- Overall, our average score for questions for the National Inpatient Survey have reduced by 2.8%

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
- Ensuring that Trust induction, training and the appraisal process reinforce the importance of the Trust's values and behaviours
- Focusing key safety improvement initiatives on the implementation of patient care pathways
- Improving the discharge process to ensure a safe and timely discharge.

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
2016 staff survey	3.91	3.76	4.10	3.34

Table 14: Staff employed by the Trust who would recommend the Trust as a provider of care to their family or friends (scores out of 5)

The Trust is delighted to report these results, and considers that these results are as described for the following reasons:

- Over the last year there has been continued focus and communication to staff about how important all staff are in improving the quality of care and services we provide
- The Trust's appraisal system also includes the Trust's values and behaviours which are discussed during appraisal
- The Employee of the Month and Team of the Month scheme which provides staff with recognition for going above and beyond what is expected, as well as for displaying the Trust's key values and behaviours
- 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 which 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
- 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.

NB: The below actions are subject to change dependent on the outcome of May's Board meeting where the National Staff Survey Results will be presented and actions for the coming year will be agreed. The suggested actions below are based on the initial analysis of the results by the OD Team.

The Trust intends to take / has taken the following actions to improve this result, and therefore the quality of its service, by:

- Improving the quality of appraisals
- Reducing violence, bullying and harassment towards staff in particular looking at behaviours that fall below our expectations
- Improving local management communication and visibility.

Date	Trust Performance	National Average	Highest Result	Lowest Result
Jan 2015 - Mar 2015	96.02%	99.00%	100.00%	79.23%
Apr 2015 - Jun 2015	96.78%	98.90%	100.00%	86.10%
Jul 2015 - Sept 2015	97.19%	99.00%	100.00%	75.00%
Oct 2015 - Dec 2015	95.22%	96.00%	100.00%	78.52%
Jan 2016 - Mar 2016	95.44%	96.00%	100.00%	78.06%
Apr 2016 - Jun 2016	95.56%	96.00%	100.00%	80.61%
Jul 2016 - Oct 2016	96.52%	96.00%	100.00%	72.14%
Oct 2016 - Dec 2016	96.17%	96.00%	100.00%	76.48%

Table 15: The percentage of patients who were admitted to hospital who were risk assessed for venous thromboembolism (VTE)

The Trust is pleased to note that it has met the 95% national target for venous thromboembolism (VTE) risk assessment for the previous 3 years and continues to do so.

The Trust intends to/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
- Bi-monthly monitoring of the percentage of patients risk assessed for VTE by the Trust VTE Group, to ensure the continued compliance with the national target

- The development and implementation of a gap analysis and action plan to enable the organisation to become an Exemplar VTE Centre
- Regular review of the VTE risk assessment tool to ensure it continues to be compliant with National Institute for Health and Clinical Excellence (NICE) guidance. The tool is included within the Trust admission proforma to ensure it is completed in a timely manner at admission and the appropriate VTE prevention interventions are implemented
- Education for medical staff on induction on the importance of VTE assessment
- Monthly audits of compliance with the completion of VTE assessment and VTE prophylaxis administration. The results are presented to the VTE Group and actions implemented to improve results where required. An example of this is the introduction of a tear off information leaflet for patients which is being included with the VTE risk assessment tool in the admission proforma.

Date	Trust Performance	National Average	Highest Result	Lowest Result
2013-2014	14.6	14.7	31.7	0.0
2014-2015	13.8	15.1	62.2	0.0
2015-2016	22.2	Not published	Not published	Not published
2016-2017	12.2	Not published	Not published	Not published

Table 16: The rate per 100,000 bed days of cases of Clostridium difficile infection reported within the Trust amongst patients aged 2 or over

The Trust is pleased to report a significant reduction in cases of Clostridium difficile infection; from 40 cases to 22 this reporting year, which gives the Trust the lowest rate per 1000,000 bed days for the last four years.

The Trust has, therefore, met its target for this organism for 2016/17; which was 24 cases (22 reported) and a bed day rate of 13.1 (12.2 achieved).

In addition, the number of avoidable cases of Clostridium difficile infection has reduced from eight to three this reporting year, which reflects the efforts taken to reduce healthcare associated infections.

The Trust intends to take the following actions to further improve Clostridium difficile infection rates and focus on the prevention of avoidable cases by:

- Maintaining environmental hygiene standards and good hand hygiene at ward level
- Ensuring robust action planning follows each monthly completion of the revised infection prevention & control audit tool for wards and clinical areas
- Maintaining antibiotic stewardship by continued monitoring of compliance with antibiotic prescribing guidelines (audits performed by Consultant Microbiologists and Antimicrobial Pharmacist)
- Bedside review of all new Clostridium difficile infection cases with the clinical team and Consultant Microbiologist
- Maintaining timely review of all Clostridium difficile infection cases with the Consultant and the multi-disciplinary team to perform a root cause analysis and identify learning from each case
- Developing the collaborative review process with the CCG to further identify learning relating to cases of Clostridium difficile infection across the whole health economy and not just hospital associated cases

Date	Trust Performance	National Average	Highest Result	Lowest Result
Oct 2013 - Mar 2014	3,016	2,185	3,790	301
Apr 2014 - Sept 2014	2,814	2,052	4,301	908
Oct 2014 - Mar 2015	2,767	4,539	12,784	443
Apr 2015 - Sept 2015	3,159	4,647	12,080	1,559
Oct 2015 - Mar 2016	3,116	4,818	11,998	1,499

Table 17: The number of patient safety incidents reported within the Trust

The Trust considers that this data is as described for the following reasons:

- 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:

- The introduction of a bi-weekly Patient Safety Summit in October 2016 which is chaired by the Director of Nursing and Quality and is attended by the Medical Director, Deputy Medical Director, Deputy Director of Nursing and Quality, patient safety team and senior member of the divisional senior management teams. The aim of the Patient Safety Summit is to provide an opportunity for cross divisional learning for all incidents and sharing of immediate learning following all incidents graded moderate and above
- Incident report training for all new staff to the Trust. This training ensures that all staff in the Trust knows 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 through Director of Nursing and Quality safety alerts, lessons learned episodes of care and individual patient stories.

Date	Trust Performance	National Average	Highest Result	Lowest Result
Oct 2012 - Mar 2013	3	16	56	1
Oct 2013 - Mar 2014	4	15	60	0
Apr 2014 - Sept 2014	3	15	51	0
Oct 2014 - Mar 2015	6	23	128	2
Apr 2015 - Sept 2015	6	20	89	2
Oct 2015 - Mar 2016	18	19	94	0

Table 18: The number and % of such patient safety incidents that resulted in severe harm or death.

The Trust considers that this data is as described for the following reasons:

- The Trust has been under the national average for incidents that resulted in sever harm or death until the period October 2015 – March 2016. In November 2015 the Trust implemented the new National Reporting and Learning System guidance which altered the way in which incidents were graded. This has resulted in an increase in the number of moderate and above incidents being reported by the Trust.

The Trust intends to take / has taken the following actions to improve this result, and therefore the quality of its service, by:

- The introduction of a bi-weekly Patient Safety Summit where the sharing of immediate learning following all incidents that resulted in severe harm or death are discussed to prevent reoccurrence
- Undertaking a full root cause analysis for all incidents which result in severe harm or death. A review meeting is held following the incident investigation which 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 (including Duty of candour) 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.

Central Cheshire Integrated Care Partnership (CCICP)

In September 2016 a new local health partnership was awarded a multimillion pound contract to provide a range of community health services for people across South Cheshire and Vale Royal.

Central Cheshire Integrated Care Partnership (CCICP) is a new and innovative collaboration between Mid Cheshire Hospitals NHS Foundation Trust (MCHFT), Cheshire and Wirral Partnership NHS Foundation Trust (CWP), and the South Cheshire and Vale Royal GP Alliance, which covers all 30 local GP practices.

By working together, the three organisations aim to transform, develop and deliver health care services in the community that are focussed on delivering high quality, safe care in the right place at the right time.

From 1 October Community Services transferred to Mid Cheshire Hospitals under the new partnership. The transition has gone well and services have continued to be delivered as expected with no issues raised by stakeholders.

The principles of CCICP are to ensure:

- Integrated care
- Person centred care
- Developing services to be centred around Care Communities

We have started the transformation work which is initially prioritised around three areas

- Care Community Teams
  - Winsford
  - Northwich
  - Crewe
  - SMASH
  - Nantwich and Rural
- MSK Physiotherapy- Focusing on improving routes into (and pathways across) the service
- Work on Front of House

These three clinical work streams are facilitated by further enabling groups that focus on estates, workforce, IT, quality and finance.

Staff have reported feeling engaged in all processes and being able to influence change. This is positive as the work continues as it is essential to harness their experience and good ideas.

Pictured: Debi Allcock collects her 'Nursing in Practice' Nurse of the Year award

Examples of quality practice in CCICP

Keele University pilot trial

A pilot trial at Keele University has investigated the feasibility of giving patients direct access to physiotherapy services, with initial findings indicating that it could offer benefits to patients, GP practices and physiotherapists.

This successful pilot trial highlights the excellent partnership that exists between the academic team at Keele University and the NHS physiotherapy service in Central Cheshire Integrated Care Partnership. It has shown that a full trial is feasible.

The study, Stepping up the Evidence for Musculoskeletal Services (STEMS), is the first randomised clinical trial to be conducted into direct patient access to physiotherapy, and was funded by the Chartered Society of Physiotherapy Charitable Trust.

Community Nurse wins national award

A Crewe-based nurse has been presented with a national award for her outstanding contribution to patient care in the local area.

Debi Allcock, a Paediatric Community Matron at Eagle Bridge Health and Wellbeing Centre, has been named as the 'Nursing in Practice' Nurse of the Year in the latest GP Practice Awards.

The awards are designed to recognise, highlight and reward the hard work and innovation that gets carried out every day in surgeries across the country. Debi was praised for delivering a successful paediatric community matron service, which is designed to help families cope better with their child's health needs and reduce the number of emergency hospital and GP visits.

Debi works closely with families so that they can self-manage their child's condition and are able to recognise and respond to any problems. As part of the service, Debi also keeps those who are involved in a child's care updated and connected. The role was set up in 2007 to reduce emergency hospital admissions, as well as the number of emergency GP appointments that take place.

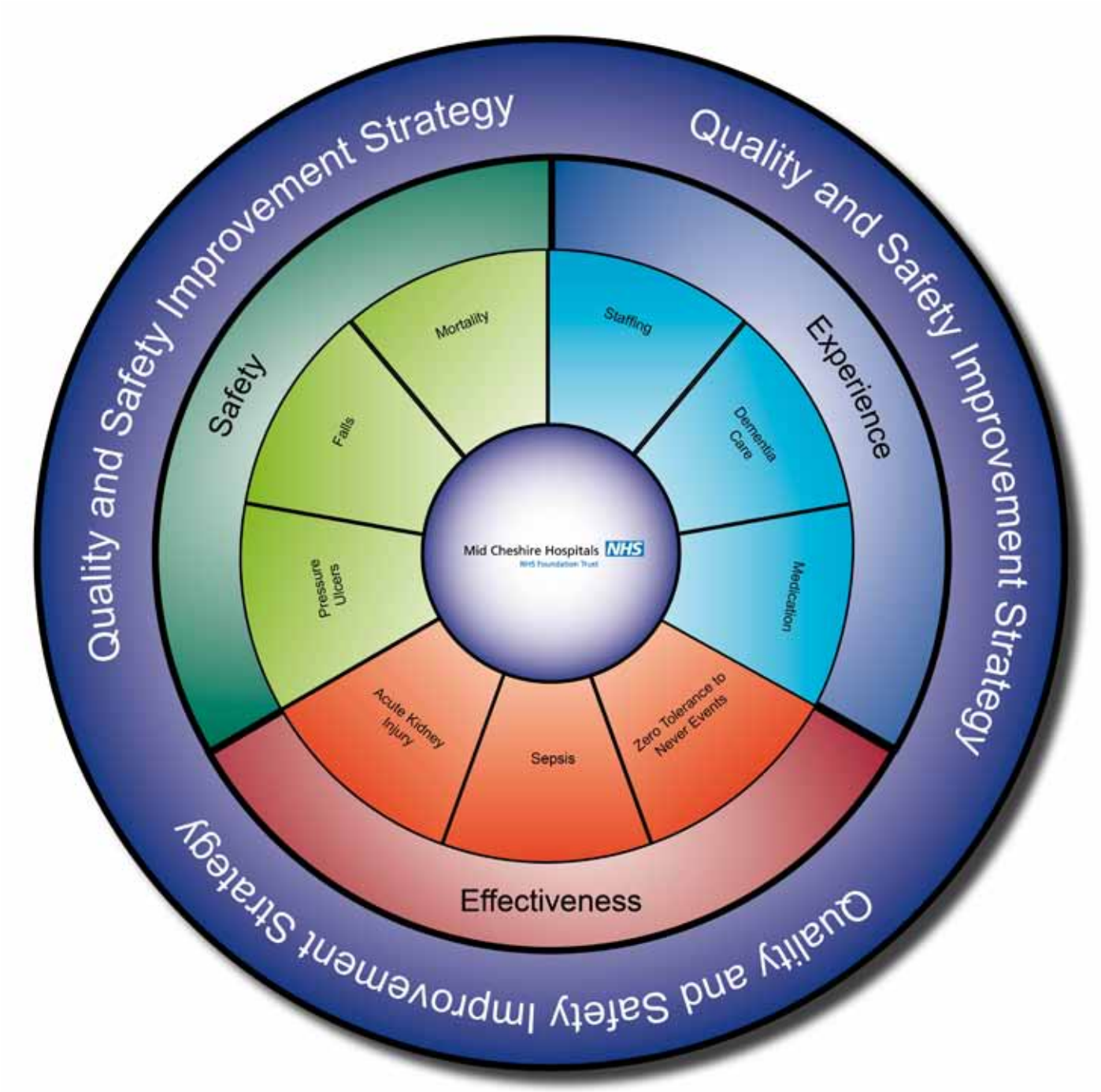
The service provides a 'one stop shop'. Previously, parents may have felt that there was a lack of integration regarding their child's care, but now they feel more confident knowing that someone is an advocate for them and who is talking and guiding them through everything. It is believed that, thanks to Debi's work, more than 70 GP appointments and a number of hospital admissions were avoided over the last year.

Review of quality performance

This section of the Quality Account details progress against the first 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



Experience:
Appropriate nurse staffing levels

What do we want to achieve?

We will ensure we have appropriate levels of nurse staffing and skill mix that meet the needs of our patients. During this element of the strategy, all reference to nurses also applies to midwives.

Why is it important?

We have a duty to ensure staffing levels are adequate. Therefore 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 2016/17?

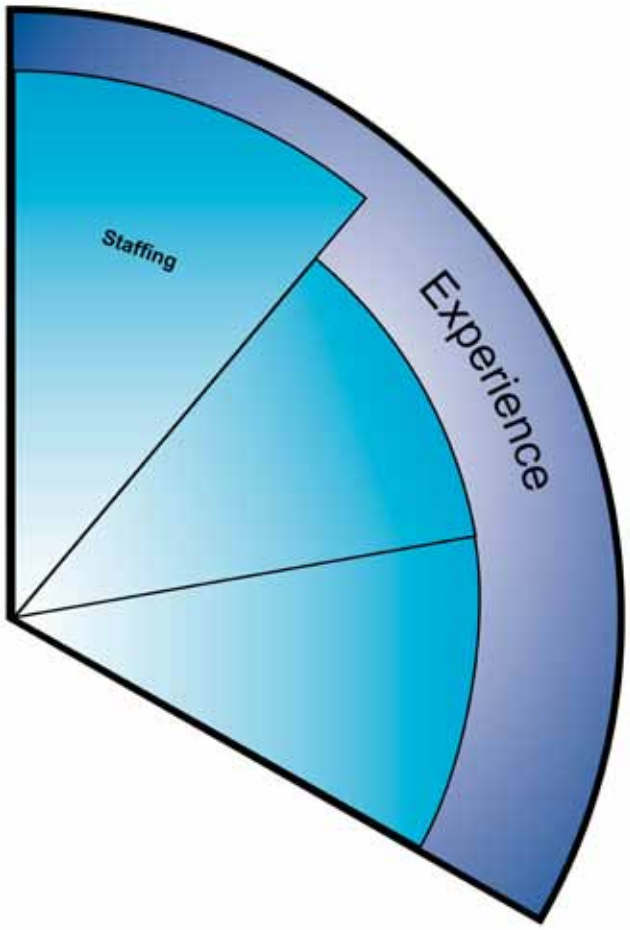
- Staffing boards remain in place in a visible location for staff, patients and visitors. This provides assurance around current and actual staffing levels on a daily basis, identifies the nurse in charge and highlights the uniforms for each professional working in the clinical area

- Nursing acuity assessment is undertaken on a daily basis utilising the Safe Nursing Care Tool (SNCT) which measures the individual dependency of patients and uses generic multipliers to calculate the staffing required

- Every six months formal establishment reviews are undertaken with each division. These meetings are chaired by the Director of Nursing & Quality utilising the real time nursing acuity data. The meetings have full input from the Deputy Director of Nursing and Quality, Heads of Nursing, Head of Midwifery, and Matrons. Whilst focusing on the acuity and dependency results they also take into consideration a wider suite of quality indicators that need to be considered factoring in best practice and expertise to allow more informed decisions around future investment

- Staffing levels are recorded on a database by each ward on a daily basis and results are reported each month to the public board meetings and published on the hospital website

- 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 95%



- 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 99.7%

- 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 98.2%

- 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%

- The staffing database also includes the use of Care Hours Per Patient Day data as a measure over time which the Trust has been using since June 2016. This supports the recently published 'Safe Sustainable and Productive Staffing' (SSPS) paper published in July 2016 by the National Quality Board which aims to support NHS providers to deliver the right staff, with the right skills in the right place at the right time. This data is used in conjunction with the safe staffing acuity tools and the professional judgement of

senior staff to support decision making around staffing

- Staffing is reviewed on a daily basis and there is a robust escalation plan in place to address any staffing levels that fall below plan. This includes completing an SBAR (Situation, Background, Assessment and Recommendation) form for requesting temporary staff that is authorised through the Heads of Nursing and Deputy Director of Nursing & Quality to ensure all options have been considered to safely cover the clinical areas

- The Trust has successfully introduced weekly pay for our Bank staff. This commenced in May 2016. We have also eliminated our agency spend for unregistered nursing except for in an emergency and have reduced our use of agency staff and off framework agencies

- Staff are encouraged to report any incidences where staffing levels fall below agreed levels and the level of impact this has potentially had on patients. All incidences are reviewed at the fortnightly 'Patient Safety Summit' chaired by the Director of Nursing & Quality, with attendance from Medical Director, Deputy Director of Nursing, Heads of Nursing and divisional governance leads

- The Trust is continuing with its recruitment plans and has focused on:
    - Inspirational and ward specific adverts using social media, newspapers, etc.
    - Planned recruitment drives specific to the divisions
    - Close working with the University of Chester and student nurses to improve MCHFT ownership and relationships
    - Flexible working arrangements where possible
    - Overseas recruitment
    - Return to Practice programme with experienced nurses in post. Currently into its 3rd cohort and very positively received.
    - Trust attendance at job fairs and school fairs
    - Offering alternative career pathways to registered staff to encourage retention i.e. ANP and specialist nurse roles

- The Trust has provided monthly re-validation sessions for all staff, led by the Divisional Head of Nurses, Director of Nursing & Quality and Deputy Director of Nursing & Quality. This process has supported staff in preparing for revalidation; understanding the requirements and sharing ideas on how best to approach their own revalidation.

- The results from the Staff Survey show that the Trust has the best results of all Acute Trusts in the country and is in the top 20% for over 50% of the questions answered. We are delighted to report that the Trust was not in the bottom 20% for any of the answers and the overall position shows that staff engagement has continued to improve.

Pictured: members of the Return to Practice programme, which has recently been recognised as 'Return to Practice Course of the Year'

Experience:
Supporting patients with dementia and their carers

What do we want to achieve?

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

Why is this important?

There are over 700,000 people with dementia in England and this figure is expected to increase to around 850,000 by 2021 (Prince & Knapp et al, 2014). However, only 51% 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

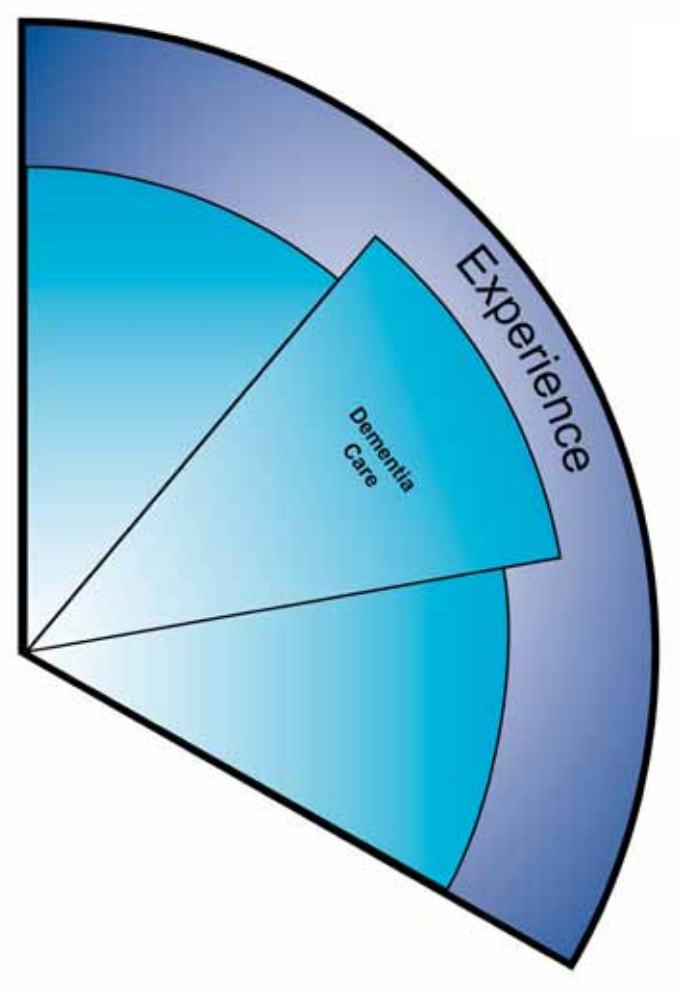
The Department of Health (2015) estimated that 25% of hospital beds are occupied by people with dementia. However, informal reports suggest this is a gross underestimate, with some hospitals stating that 40-50% of their patients have dementia (Alzheimer's Society, 2016). It is recognised that admission to hospital for patients with dementia can have a significant negative impact on the person's physical and mental health and have an emotional impact on carers (Kasterisdis et al, 2015). Therefore, it is important that we ensure patients in hospital receive appropriate care and provide support to carers.

What progress was made in 2016/17?

We have aimed to involve carers from the point of admission and have signed up to John's Campaign, offering open visiting for carers of people with dementia. This fits well with work that is being planned going forward to implement a "Partnership in Care" approach.

Feedback from carers has been integral to enhancing the care we deliver. Open visiting has been well evaluated and comments received from the monthly carer survey and recent National Audit of Dementia have been used to progress plans to improve dementia care within the Trust.

The Trust continues to work closely with external partners:



- The Alzheimer's Society attend our Dementia Care group, provides support for our staff carers every two months and liaise closely with the dementia team around individual patient/carer issues
- The Royal Voluntary Service provide a successful and expanding ward based befriending service supporting people with dementia and have donated items to improve the patient experience
- Partnership working with Dementia UK has culminated in a new Admiral Nursing service within the Trust which will commence in 2017
- Cheshire Dance is currently piloting "In This Moment" – a project exploring the benefits of music, movement and sensory stimulation, particularly for older people with cognitive impairment
- The Dementia End of Life Practice Development team collaborate with the dementia team to deliver training to link staff

Each ward and department has information boards and dementia link staff, as a resource for further information and support. Dementia link sessions

continue quarterly and remain popular.

Recognition of the need to enhance our healing environment has led to exciting discussions and planning around necessary dementia friendly improvements. These have been detailed within a business proposal and funding application and the outcome is awaited.

Dementia training is mandatory for all patient-facing staff. Additionally, all staff at Band 6 and above are required to complete mental capacity training. We have identified gaps in both areas of training which we are working on with the Learning and Development team. We are confident that improvements in this area will be made soon.

We continue to work with Pharmacy to monitor the safe use of antipsychotic medication. Staff are educated in relation to the use of antipsychotics as a last resort and the importance of de-escalation as the first line intervention. There are policies and protocols in place to ensure safe practice and Liaison Psychiatry are available for advice and support 24 hours a day.

Plans are in progress to enhance our assessment and provision of 1:1 care within an Enhanced Care Protocol. This aims to identify those who may need enhanced care and aim to ensure their safety via robust assessment and appropriate resource allocation.

The dementia team, ward staff and Bed Managers work closely to avoid unnecessary ward moves for people with dementia. There have been no recent formal complaints relating to inappropriate discharges (Between 23:00-06:00) of people with dementia. Mechanisms are in place to review any future complaints and share learning as appropriate.

Work is in progress with the clinical audit team to audit readmission rates (within 30 days). This will be used to identify trends, themes and any gaps in service provision that need to be addressed and will help to inform effective discharge planning

The Trust has consistently achieved the 90% target for screening emergency admissions over the age of 75 for memory problems and referring them to their GP for further investigation.

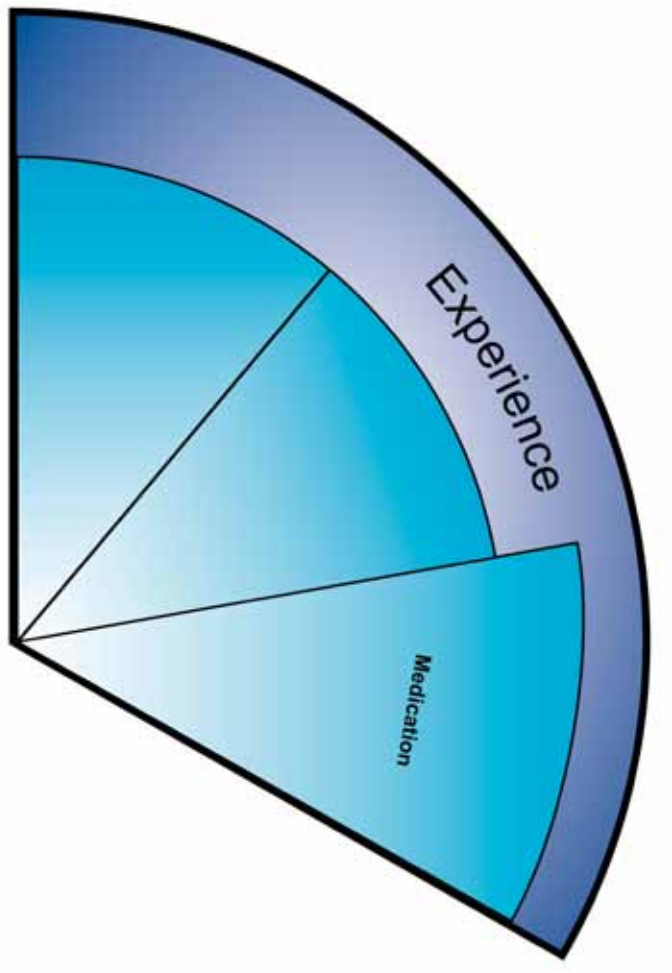
Experience: Medication

What do we want to achieve?

In 2016/17 the aim of our strategy was to ensure safe and effective medication prescribing and administration across the organisation. Following a review of our strategy in March 2017, our aim is to reduce medication errors resulting in harm by 10% and ensure the use of safe and effective medication across the organisation.

Why is this important?

Medicines prevent, treat and manage many illnesses or conditions and are the most common intervention in healthcare (NICE, 2016). However, medication errors have the potential to cause harm to patients and can cause an increased length of stay in an acute care setting (NICE, 2007). Therefore, medicine optimisation will ensure a patient-centred approach to safe and effective medicine use, ensuring patients obtain the best possible outcomes from their medicines whilst minimising patient harm.



What progress was made in 2016/17?

- Wards are undertaking a monthly medication audit, the results of which are monitored through the Trust Operational Safety and Effectiveness Group. These audits include omitted medicines, medication security, prescribing and adherence to the MCHFT Controlled Drug Policy. Results demonstrate 98.7% of medicines are administered when they are due (omitted doses rate is 1.3%)
- Lessons learnt are disseminated through the Safe Medicines Management Group
- The Trust has successfully piloted a Pharmacy Technician administering medicines on Ward 21b. Due to the success of the pilot, Ward 2 has recruited a Pharmacy Technician to support the medication administration round
- Medicines reconciliation target met in 2016:

Criterion 1				**Exceptions**	
Adult patients admitted to Leighton Hospital to have a medication history taken by Pharmacy within 48 hours of admission (Target ≥ 75%)				A – Patients who were discharged within the 48 hour sample time.	
Audit Cycle	**Patients (n =)**	**Exceptions (n =)**	**Frequency**	**Compliance (%)**	**Status**
2015-16 (July 16)	69	34	30/35	**86%**	↓
2015-16 (Jan 16)	94	40	50/54	**93%**	↓
2016-17 (Jul 16)	89	55	34/34	**100%**	↑

Criterion 2				**Exceptions**	
100% of adult patients taking critical medicines to have a medication history performed within 48 hours of admission (Target 100%)					
Audit Cycle	**Patients (n =)**	**Exceptions (n =)**	**Frequency**	**Compliance (%)**	**Status**
2015-16 (Jan 16)	24	0	24/24	**100%**	↔
2016-17 (July 16)	34	21	13/13	**100%**	↔

- All NICE approved medicines are added to the formulary within 90 days of publication
- A self-medication policy is fully implemented at Elmhurst Intermediate Care Centre
- The Trust has introduced a prescribing pharmacist to work on Ward 5. This is proving to support with safe and timely discharging of patients. A surgical admission prescribing pharmacist has also been appointed to support the surgical admissions process
- Pharmacy is taking part in a trial of a new software system to send a patient's discharge prescription to their nominated community pharmacy (with the patient's consent). This will allow the patient to be supported by their community pharmacist once discharged from hospital
- The self-administration of IV antibiotics in the community has commenced. Patients with infections requiring long-term IV antibiotics have been trained on the ward to be able to self-administer their antibiotics. The patient is then issued with the antibiotic in a specially made elastomeric device so it can be safely administered at home without the need of an infusion pump.

Effectiveness:
Zero tolerance to Never Events

What do we want to achieve?

We will have zero tolerance of Never Events in the organisation.

Why is this important?

Never Events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented. They have the potential to cause serious patient harm or death, however this outcome is not required for the incident to be categorised as a 'Never Event' (NHS England, 2015).

Never Events can lead to very serious adverse outcomes and they can damage our patients' confidence and trust in our organisation. We therefore have zero tolerance to Never Events and, by implementing best practice, can reassure our patients that we are doing all that we can to prevent them.

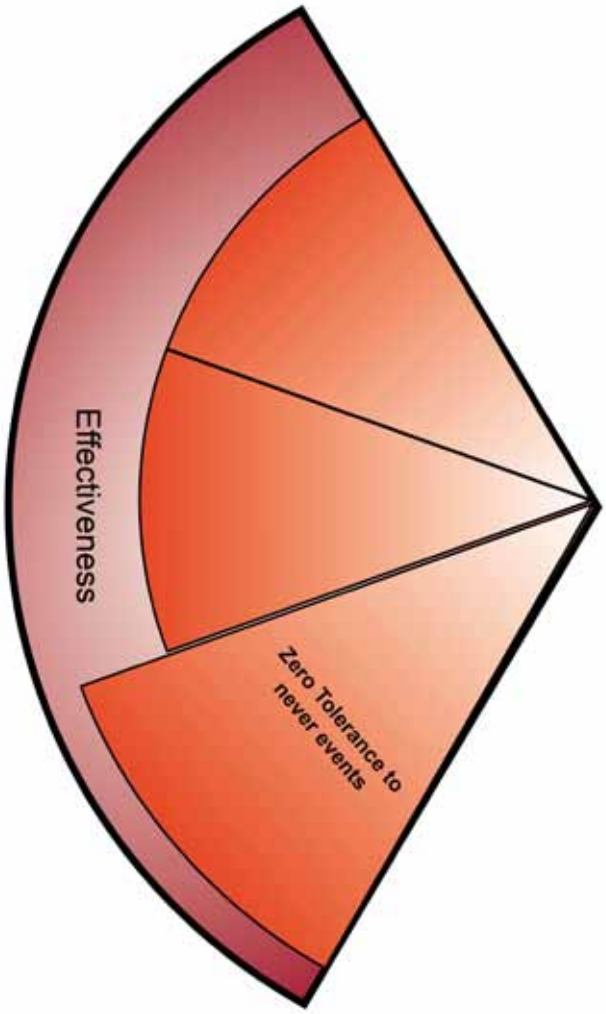
What progress was made in 2016/17?

Over the last three years five Never Events have been reported by the Trust. The details are shown below in Table 19:

Financial Year	Type of Never Event
2014-15	Wrong Route Administration Of Chemotherapy
	Retained Foreign Object Post-Operation
2015-16	Wrong Implant/Prosthesis (Incorrect intraocular lens)
2016-17	Wrong Implant/Prosthesis (Incorrect size hip implant)
	Wrong Site Anaesthetic Block

During 2016/17 two Never Events were reported by the Trust. A comprehensive investigation was undertaken following both cases and action plans developed to prevent reoccurrences.

- A Never Event was reported in April 2016, which related to a wrong size implant being inserted during surgery
- A Never Event was reported in November 2016, which related to a wrong site block prior to surgery.



A briefing paper was disseminated across the organisation to ensure all staff have the required knowledge of Never Events.

A Local Safety Standards for Invasive Procedures Standard Operating Procedure has been developed and approved to ensure the Trust is compliant with the national alert for National Safety Standards for Invasive Procedures (NatSSIPs).

NatSSIPs address many of the underlying causes of Never Events by ensuring that evidence based best practice is implemented. A task and finish group has been formed to implement NatSSIPs. Local Safety Standards for Invasive Procedures are currently in development.

The location of the marking for all orthopaedic surgical procedures has been standardised.

A standard operating procedure is being developed to ensure there is an agreed process for 'stop before you block'. A 'stop before you block' check is being incorporated into the anaesthetic section of the theatre documentation. The 'stop before you block' process is being included in the local induction programme for all staff groups within the theatre department.

To improve the checking of the size of implants prior to surgery a whiteboard has been located in all theatres where the size of implants can be documented prior to opening.

A standard operating procedure has been developed giving guidance on the standardised procedure for the checking of the implant sizes prior to implantation. The standard operating procedure supports the checking process of the implant size. An additional implant "time out" has been introduced in theatres so that the implant size can be clarified with the theatre team prior to it being implanted.

Effectiveness: Sepsis

What do we want to achieve?

We will ensure the prompt recognition and treatment of sepsis, ensuring that 90% of patients are receiving appropriate care as per the sepsis pathway.

Why is this important?

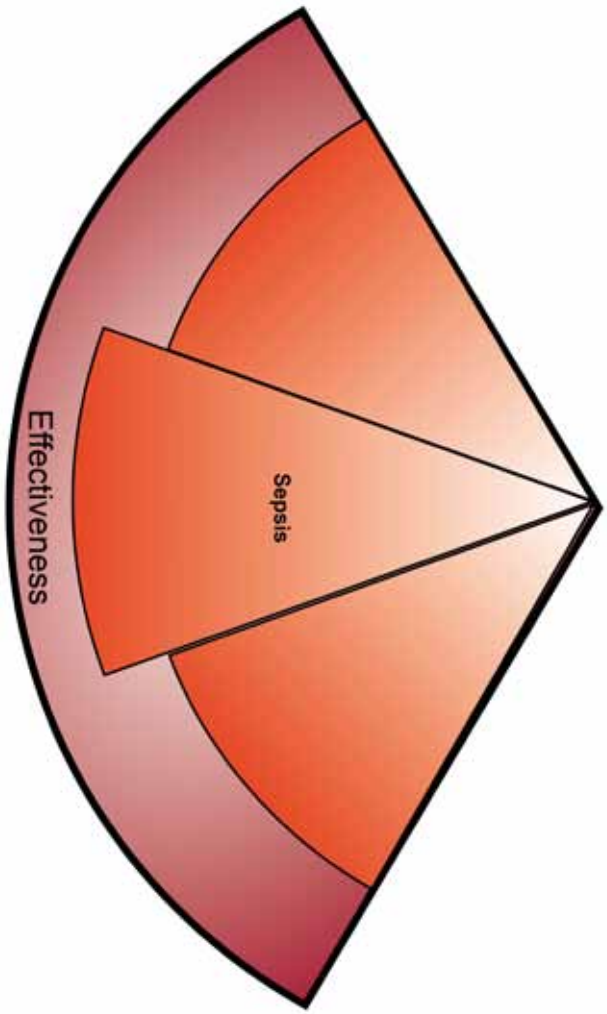
Sepsis is a common and potentially life threatening condition caused by a whole body inflammatory response to an infection which can result in injury to the body's tissues and organs. Sepsis, if not recognised and treated early, can lead to shock, multiple organ failure and death (UK Sepsis Trust, 2015).

Each year it is estimated that, in the United Kingdom, more than 100,000 people are admitted to hospital with sepsis and approximately 37,000 of those will die as a result of the condition. Therefore, timely initiation of evidence-based pathways should improve outcomes for patients with sepsis (NHS Choices, 2014).

What progress was made in 2016/17?

In August 2016 the Trust employed a full time Sepsis Specialist Nurse to support the delivery of care for patients at risk or diagnosed with sepsis.

The role of the Sepsis Nurse has a specific focus on education of screening patients for sepsis and the timely delivery of antibiotics for those patients diagnosed with sepsis as part of the national CQUIN. The Sepsis Specialist Nurse predominately



spent time in the Emergency Department and acute assessment areas when first in post. As a result of this, the number of patients screened for sepsis has increased along with the administration of antibiotics to patients with high risk sepsis features. Plans have now been set to roll out the education of screening and antibiotic administration across the whole Trust.

A sepsis pathway had been reviewed and designed in line with new NICE Guidance; this pathway was then trialled in the Trust but staff felt it did not support the clinical pathway. With this feedback on board, staff from all divisions met at a task and finish group and a new pathway was designed. This pathway was trialled in the Emergency Department and acute assessment area's and is now being rolled out Trust wide.

A new screening tool has also been rolled out in the assessment areas and the Emergency Department to help achieve our national target of 90% for screening for sepsis. The sticker has been designed to screen all new admissions and ticked according to their condition. If a patient is septic the sticker will direct staff to start the new sepsis pathway.

The screening sticker was rolled out in the Emergency Department in mid-December 2016. Table 20 demonstrates an improvement since August 2016 in screening patients with an EWS of 2 or more for sepsis.

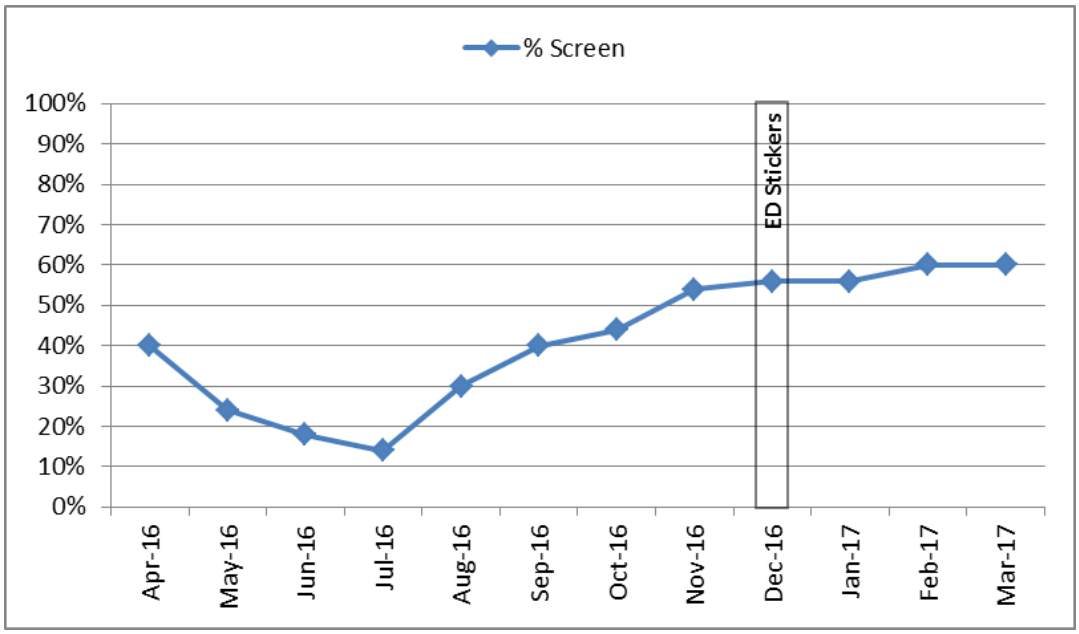


Table 20: National CQUIN Data 2016-17 ED screening

Education continues on the screening of inpatients for sepsis. A sepsis champion link day was held at the end of January 2017 where all champions were invited to take part. The day consisted of education about sepsis, patient stories and scenario work. Champions were also asked to commence a 'train the trainer' programme with their staff on the wards/units, where they are expected to educate staff on recognising sepsis and treating sepsis using the sepsis management plan and screening tool. The Sepsis Specialist Nurse continues to meet with the link nurses to assess how well staff are achieving the training goals and any barriers they may have come across.

Table 21 demonstrates the results of the inpatient screening for 2016-17.

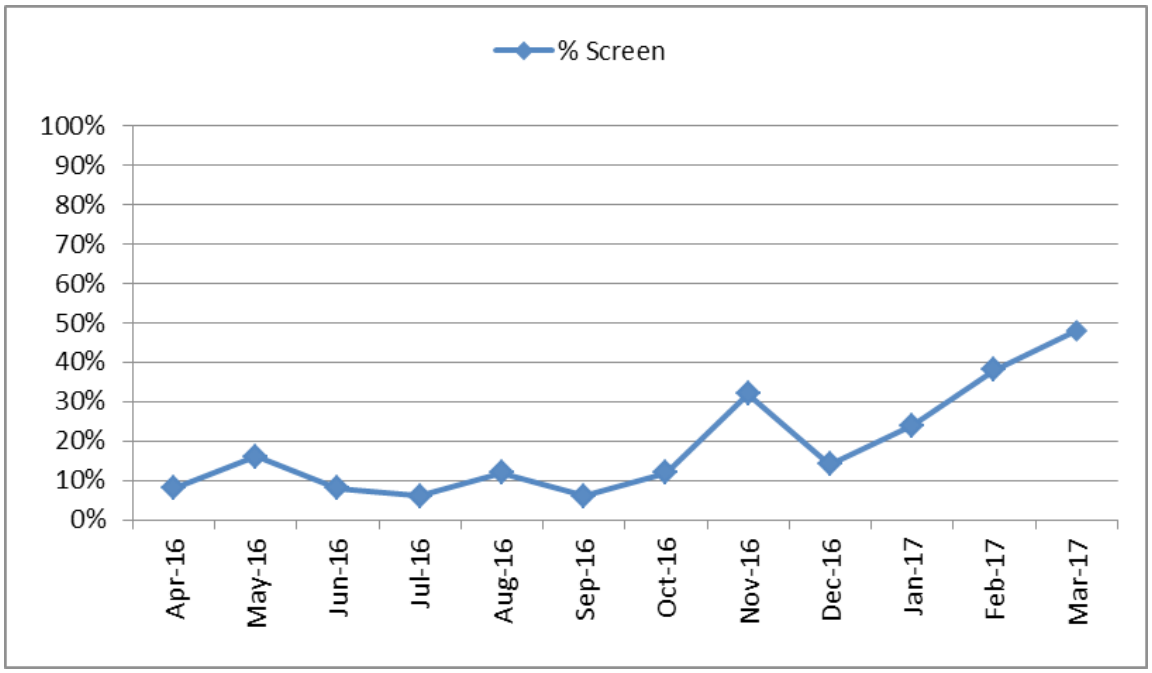
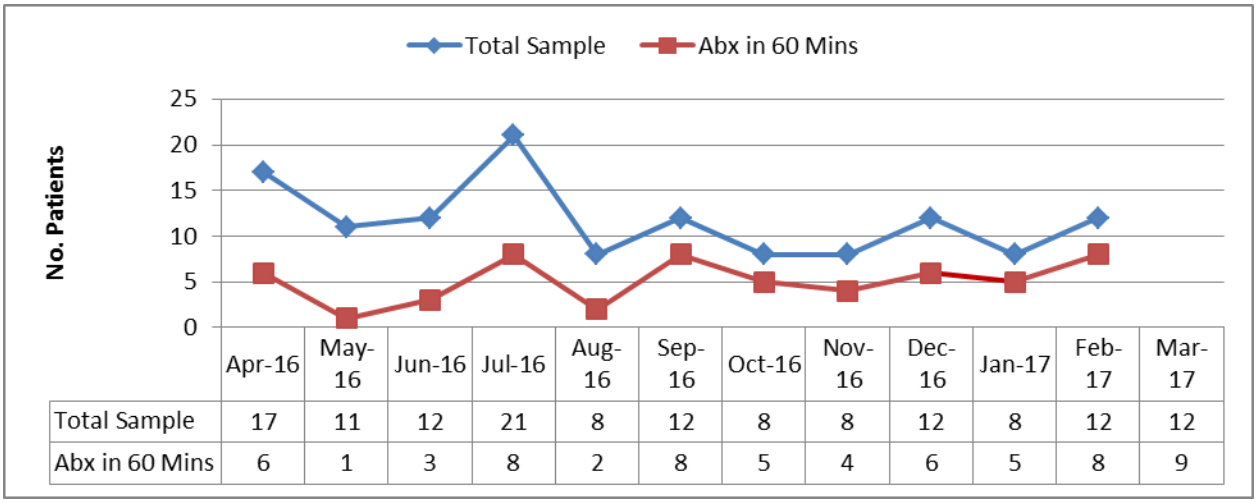


Table 21: National CQUIN Data 2016-17 inpatient screening

The Trust continually audits the pathway monthly to ensure compliance, highlighting areas for improvement and share good practice with staff. The Trust also continues to train staff on recognising the signs and symptoms of sepsis and the delivery of care, emphasising the golden hour to ensure patients get their intravenous antibiotics and recommended care within the hour. As part of her role, the Sepsis Specialist Nurse supports the emergency department and inpatient wards by educating staff about the golden hour and importance of administration of intravenous antibiotics.

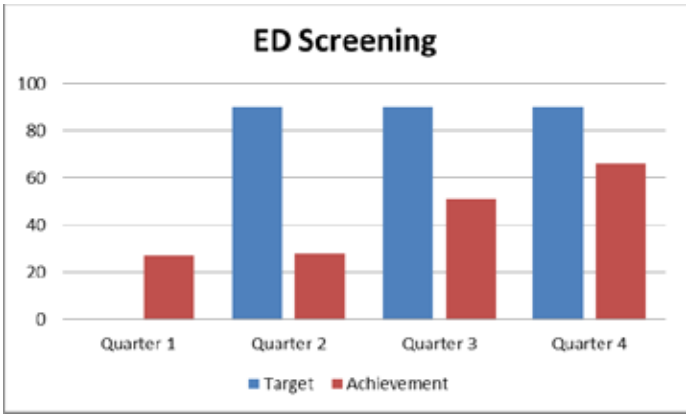
Table 22 demonstrates the results of the antibiotic audits for the emergency department and for inpatients:

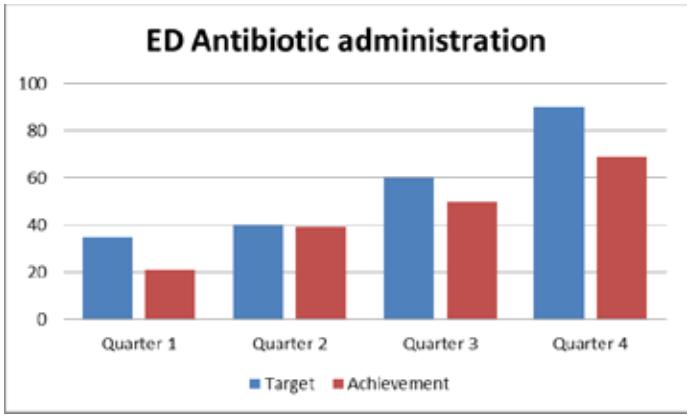


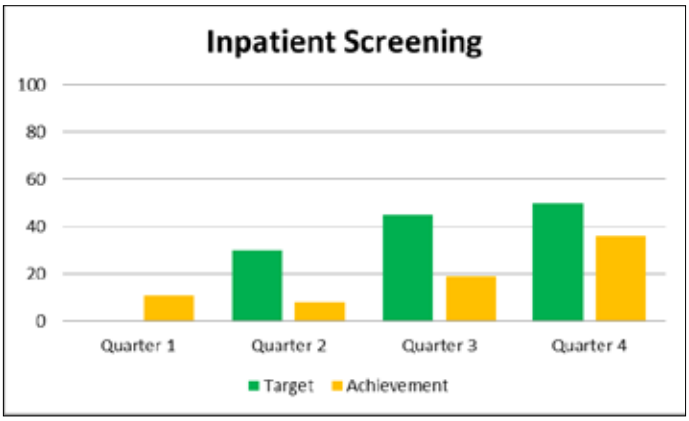
	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
Total Sample	17	11	12	21	8	12	8	8	12	8	12	12
Abx in 60 Mins	6	1	3	8	2	8	5	4	6	5	8	9

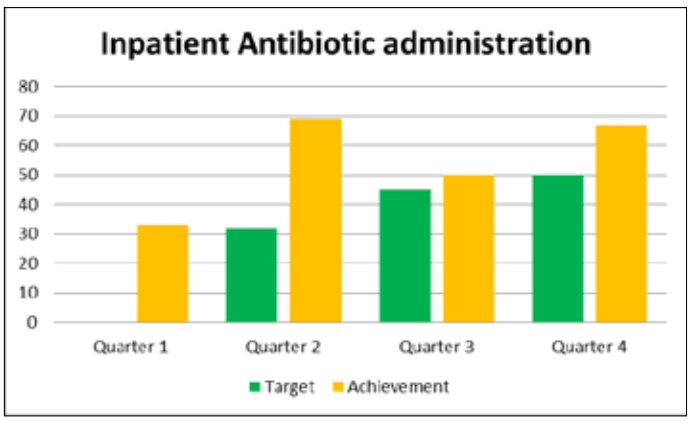
Table 22: National CQUIN Data 2016-17 antibiotic administration

The graphs below demonstrate performance for both screening and antibiotic delivery for the financial year 2016-17 against the targets set for the national sepsis CQUIN:









The Sepsis Specialist Nurse delivers education each month at a Quality Matters Programme which is designed for all new starters, newly qualified staff and staff that wish to refresh their skills and knowledge. The sepsis specialist nurse also delivers education to student nurses and newly qualified nurses as part of

their preceptorship programme. Simulation training has also been introduced to staff with sepsis scenarios. Each scenario is different and includes live actors to help the training have a more realistic approach for staff. The Sepsis Nurse, clinical lead for sepsis, along with the simulation team will be attending different areas of the Trust with simulation scenarios to help spread awareness and education of sepsis care.

Education for doctors is also delivered as part of core medical training programme, through simulation training and at the breakfast teaching meeting. One of the Trust's junior doctors joined the task and finish group and participated with the design of the new pathway.

A monthly sepsis steering committee is held which highlights areas where sepsis care needs to be improved, the agreement of new ideas, signing off new documents and how the Trust is performing against national and local sepsis targets. The meeting includes representatives from each division where information is fed back to the appropriate people. The group also includes a patient representative who has personal experience of sepsis. Their ideas and thoughts are greatly appreciated.

A care pathway meeting is also held once a month to discuss the compliance with pathways and areas for improvement. Each area of the sepsis pathway is discussed and target plans are set with each lead to help highlight areas for improvement, share good practice with staff and check which areas are working well. The Clinical Quality and Outcomes Matron and Sepsis Specialist Nurse both attend this meeting.

The Trust will continue to audit the use of the pathway; this will allow the Trust to identify specific elements of patient care such as timely bloods being taken, administration of oxygen therapy and compliance with fluid balance charts.

Effectiveness: Acute Kidney Injury (AKI)

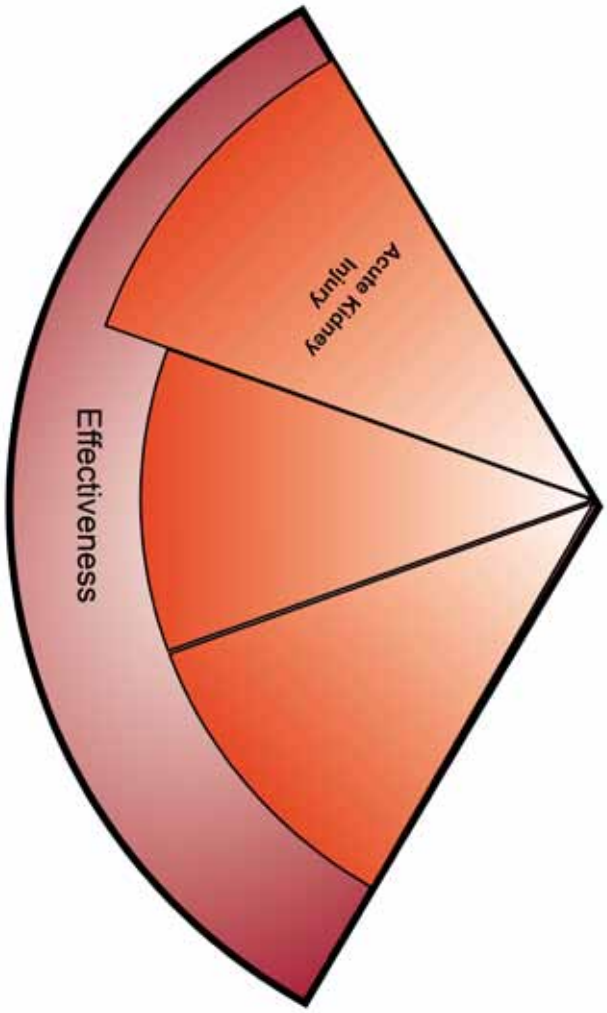
What do we want to achieve?

We will ensure the prompt recognition and treatment of AKI, ensuring that 90% of patients are receiving appropriate care as per the AKI pathway.

Why is this important?

Acute kidney injury is sudden damage to the kidneys that causes them to stop working properly. It is normally a complication of another serious illness that, if not detected in time, can cause irreversible injury to the kidneys. This injury can also be fatal. In the United Kingdom alone, up to 10,000 deaths per year in hospital are associated with AKI (NHS Choices, 2014).

NHS England (2015) states that AKI is a harmful yet common disease that represents a significant risk to patient safety. It is estimated that one in five emergency admissions to hospital are associated with AKI resulting in a major impact on health care services.



What progress was made in 2016/17?

The medical admission proforma and AKI management pathway were redesigned, with the admission proforma having a section for assessing patients for risk factors of AKI. If AKI is detected on the pathology system, then AKI management should be followed according to the AKI management plan / pathway sticker.

Despite redesign, compliance with the pathway remains sub-optimal. Therefore, a multi professional working group is currently working to improve the compliance with the pathway and has enrolled on an AQuA programme to help address the challenges. The working group includes the following professionals:

- Critical Care Consultant (MCHFT Clinical Lead for AKI)
- Critical Care Outreach Lead
- Advanced Nurse Practitioner for Acute Admissions Unit (AMU)
- Pharmacist from AMU
- Senior Sister for Critical Care and Outreach
- Divisional Head of Nursing for Diagnostics and Clinical Support Services.

The working party is currently focusing on pharmacist reviews for AKI stage 3 patients on AMU. The pharmacist review is an important part of the pathway and NICE CG 169 guidance, not only to make sure that potential nephrotoxic medications are withheld, but also to make sure that medications that require dose adjustment in renal impairment are reviewed. It is envisaged that the focus on the pharmacist review will result in improvement in 3 areas of the clinical pathway:

- Increase in the percentage of patients who have a pharmacist review within 24 hours of their first AKI alert.
- Increase in the percentage of patients who should have their ACEi / ARBs discontinued within 24 hours of first AKI alert
- Increase in the percentage of patients who receive an AKI patient leaflet that includes self-management and sick day guidance advice.

To help achieve the referrals to the Pharmacist from ward staff, two new initiatives are being introduced:

1. A kidney shaped sticker will be placed on the prescription charts as a prompt to prescribers, nurses and pharmacists that a patient has AKI
2. A poster for display in medication trolleys will prompt nurses to obtain a pharmacist review of their patients' prescriptions if a diagnosis of AKI has been made.

In addition to the pharmacist review work that is part of the AQuA programme, an audit is about to commence to try to identify why the percentage of patients requiring USS of the renal tract is not achieving 100%. NICE guidance and the AKI pathway state that USS renal tract is only required to be performed within 24 hours if the cause of the AKI is either unknown or if there is a suspicion of renal tract obstruction. The audit will explore the following:

- Timeliness of the request for USS renal tract
- Timing of the performance of the USS renal tract
- Where USS renal tract is reported as normal, whether the patient actually required the scan, for example if the patient's cause of AKI was thought to be pre-renal, such as sepsis or dehydration. This may identify capacity and demand management issues that are impacting the "right patient having the right scan at the right time".

Safety:
Reducing in-patient falls

What do we want to achieve?

We will reduce in-patient fall incidents by 10%.

Why is this important?

Inpatient falls remain a great challenge for the NHS. Inpatient falls are the most commonly reported patient safety incident with over a quarter of a million falls reported in acute trusts in England (NHS England, 2014).

A fall is defined as an unintentional or unexpected loss of balance resulting in coming to rest on the floor, the ground or an object below knee level. A fall is distinguished from a collapse that occurs as a result of an acute medical problem such as an acute arrhythmia, a TIA or Vertigo (NICE CG161).

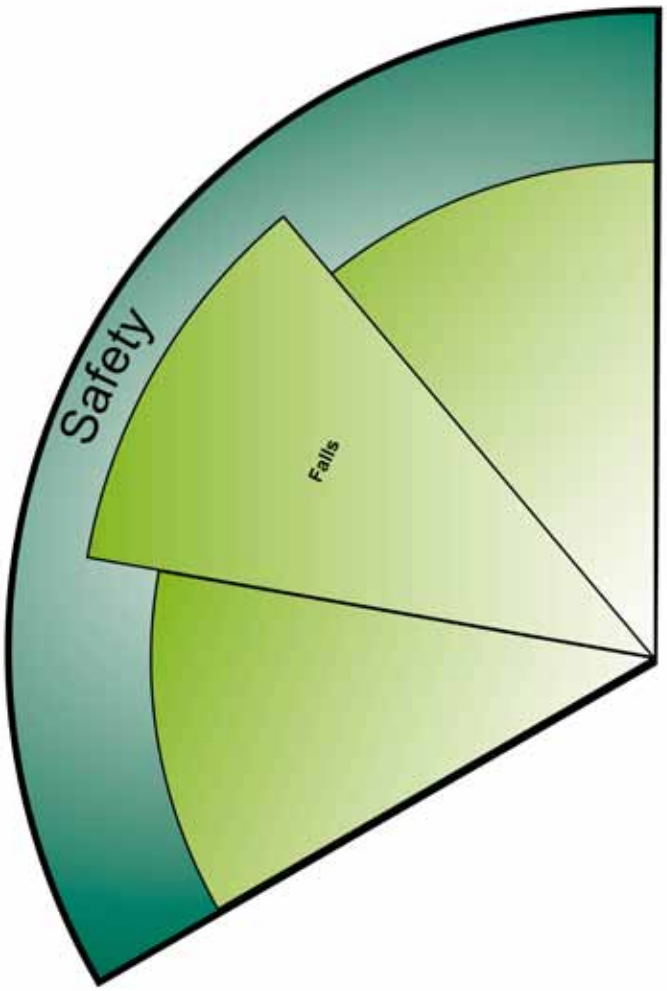
All falls, even those that do not result in injury, can cause patients and their families to feel anxious and distressed through loss of confidence, isolation and independence, irrespective of degree of physical harm. Older patients that fall in hospital are more likely to end up being discharged into social/nursing care homes and/or have care provided by family and friends.

Therefore, it is important to ensure evidence based care plans relevant to each individual patient are implemented to reduce inpatient falls. Research has shown that multiple interventions 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 fall in hospital (National Audit of In-patient Falls Royal College of Physicians, 2015).

What progress was made in 2016/17?

Reducing patients falls is the 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. In the past three years the Trust has seen a reduction in the number of falls by **29.4%**

Year	Number of Falls
2012-13	1149
2013-14	976
2014-15	811



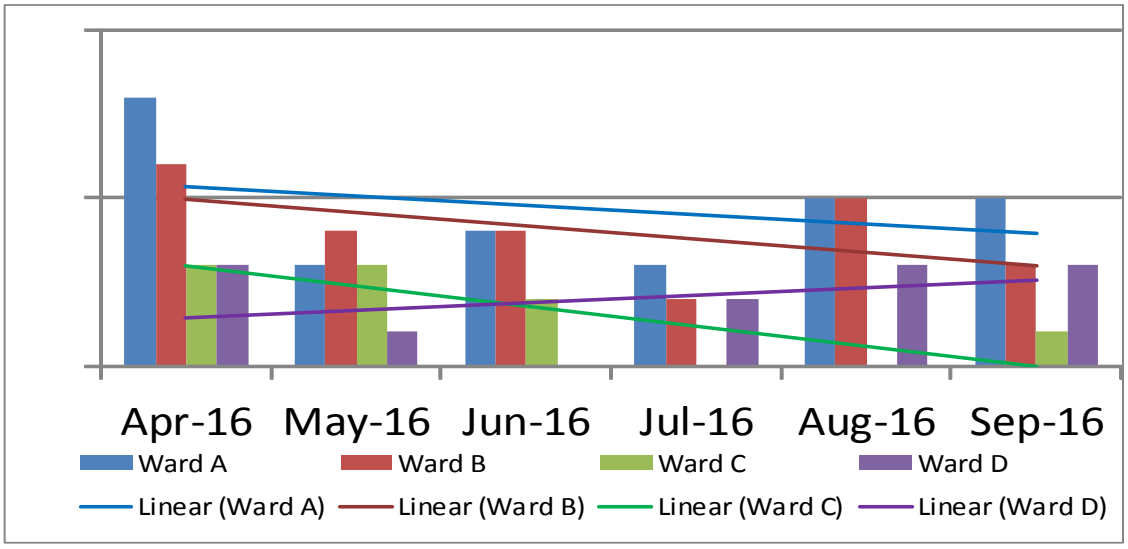
In order to achieve this there have been a number of actions:

- Divisional staffing reviews and consequent investment
- Slipper socks introduced
- Fall sensors
- Falls Lead and co-lead on each ward attend development days
- Falls Lead and co-lead provide local training and education at ward/department level
- For each fall a post fall review is undertaken by the Lead Nurse for Older People
- For each fall requiring an RCA an 'Episode of Care document' is produced that highlights local learning/ change required
- All toilet areas that are on wards that haven't been refurbished have signage that informs patients and staff on the appropriate area to use if the patient has mobility problems
- Care rounds
- Declutter Programme

The intention for MCHFT in 2016/17 is to focus on:

- Further reduction in the number of falls 10%
- A reduction in harm to patients who have fallen.

The falls safety collaborative called 'One Step Ahead' commenced in the Trust in April 2016. A cohort of four wards (Cycle1) received focus input and trialled a number of prevention initiatives. Across all the pilot wards we saw a shift in thinking and a greater focus on the potential for further falls prevention within MCHFT. The most successful wards benefited from clear leadership to drive the message throughout. The data showed a downward trend in all areas.



Following the success of Cycle 1, in November 2016 the Trust fully implemented the 'One Step Ahead' Falls Safety Collaborative across all inpatient wards (Cycle 2).

There were many positive ideas to help reduce falls from cycle 1 and five specific proven changes have now be adopted by all ward areas within the Trust.

The changes are:

- Toilet/commode tagging
- Cohorting higher risk patients
- Staff placement/changes to staff base
- Safety crosses
- Safety check trial

The collaborative has focused on senior nurse leadership for each ward falls team. The collaborative currently meet every two weeks to discuss the impact of the changes and any falls in their area.

Each ward has received a ward specific data pack which includes analysis of their falls data; this includes falls numbers, time of day and location.

The Lead Nurse for older people reviews all patients who have fallen and ensures appropriate interventions are in place. A Root Cause Analysis (RCA) investigation is undertaken where moderate or severe harm has occurred due to a fall. Outcomes of RCAs are shared with staff at ward level, at falls collaborative meetings and the Trust falls group.

Inpatients continue to be assessed for their risk of falls in hospital using the NICE guideline 161. This continues to be monitored via the care indicators. Focus has also been maintained on areas within the FallSafe care bundle that have the highest impact within the organisation; these include falls history, lying/ standing blood pressure and urinalysis.

Care rounds continue in all inpatient areas and trials of assessment notifications at bay entrances are taking place across the divisions highlighting at risk patients.

Four ward areas are also commencing trials of safety check document to support handover. This is designed to structure and prioritise care following handover.

The Trust appointed the Divisional Matron for Surgery and Cancer as the Trust lead for falls prevention. This has ensured senior leadership within the organisation on the reduction and prevention of inpatient falls.

The Trust's Falls Group continues to meet monthly and is chaired by the Lead Nurse for older people or Divisional Matron for Surgery and Cancer. The group has a multidisciplinary, cross divisional review and the terms of reference have been reviewed to extend the group membership within the organisation.

Staff education continues as a priority. Workshops for the Falls Team continue on a twice yearly basis and Falls Prevention training also forms part of the Quality Matters, Preceptorship and HCA Induction programmes. The number of link nurses within each ward has increased to produce a 'falls prevention team' which includes support from both registered nurses and health care assistants. Links have also been developed with the community falls team who now have a representative attending the Falls Group.

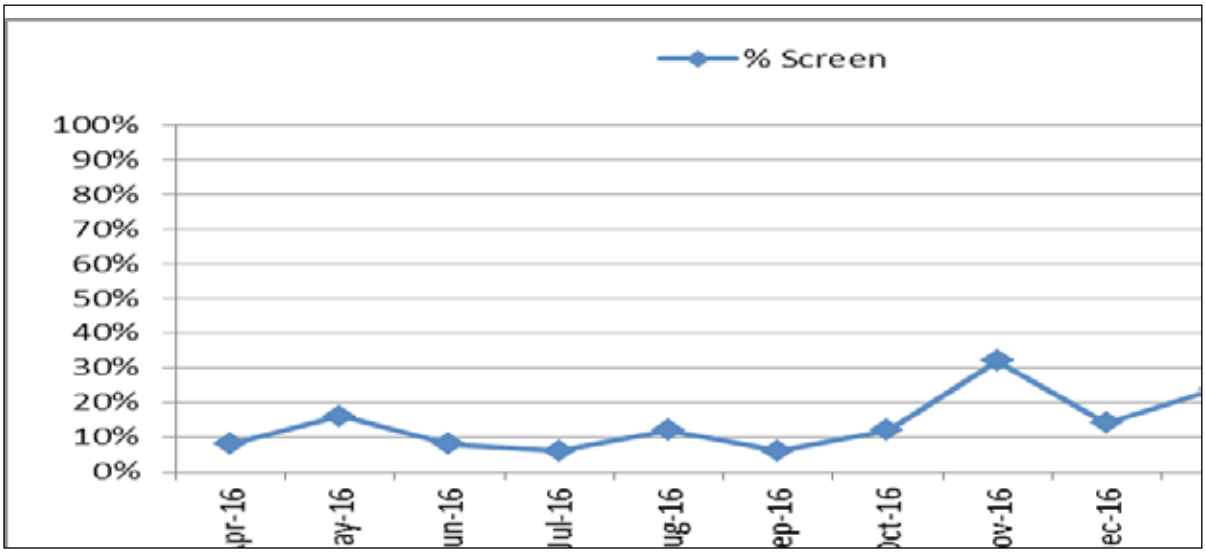
There is now a much improved provision of mobility aids in the ward areas. An improved communication system within the Physiotherapy Department allows for the prompt ordering of aids.

A number of sensor equipment trials are being undertaken within the Trust to support the patient's care journey.

The declutter programme continues on a quarterly basis and is led by Estates and Facilities, supporting wards to ensure ward environments are clutter free and tidy.

The Trust will be participating in the second National Falls audit in May 2017.

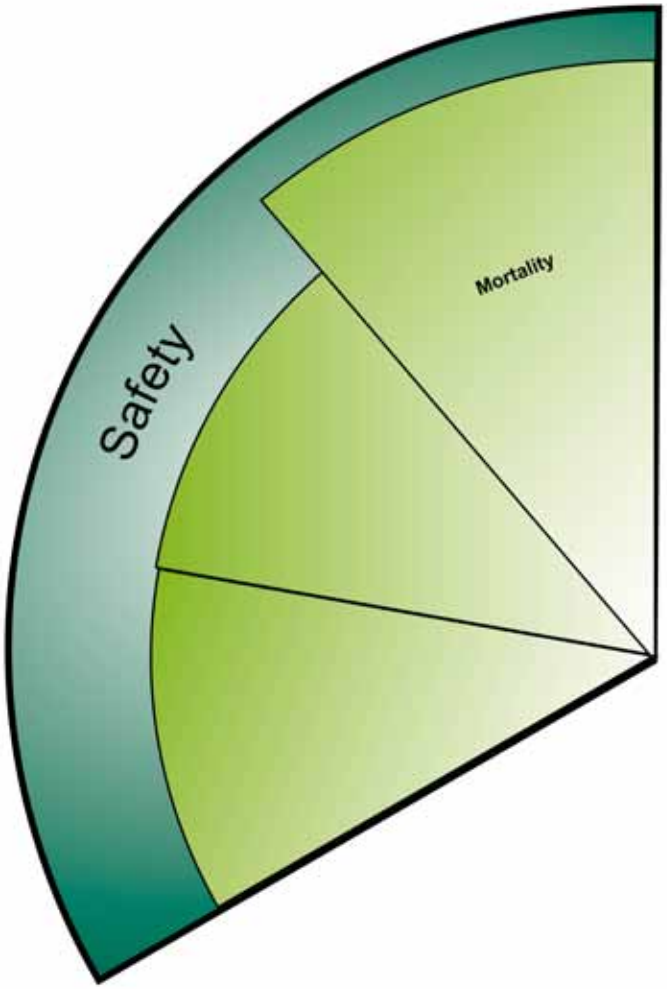
In December 2016, the Trust saw a further reduction in falls with the 10% Sign up to safety target being achieved 12 months ahead of target.



The graph shows the number of falls 2016/17 and a sustained reduction since the implementation in November 2016 of the 'One Step Ahead' Falls Safety Collaborative across all inpatient wards (Cycle 2).

There is an acknowledgement that we are not going to eliminate falls altogether, and we do have to balance the encouragement of independence with the management of risk. However, we know that there are many risk factors that can be mitigated. We are now working hard to sustain the success achieved and reduce the harm caused.

Safety:
Reducing mortality rates



What do we want to achieve?

We will ensure that our Summary Hospital-Level Mortality Indicator (SHMI) will remain at or below 100.

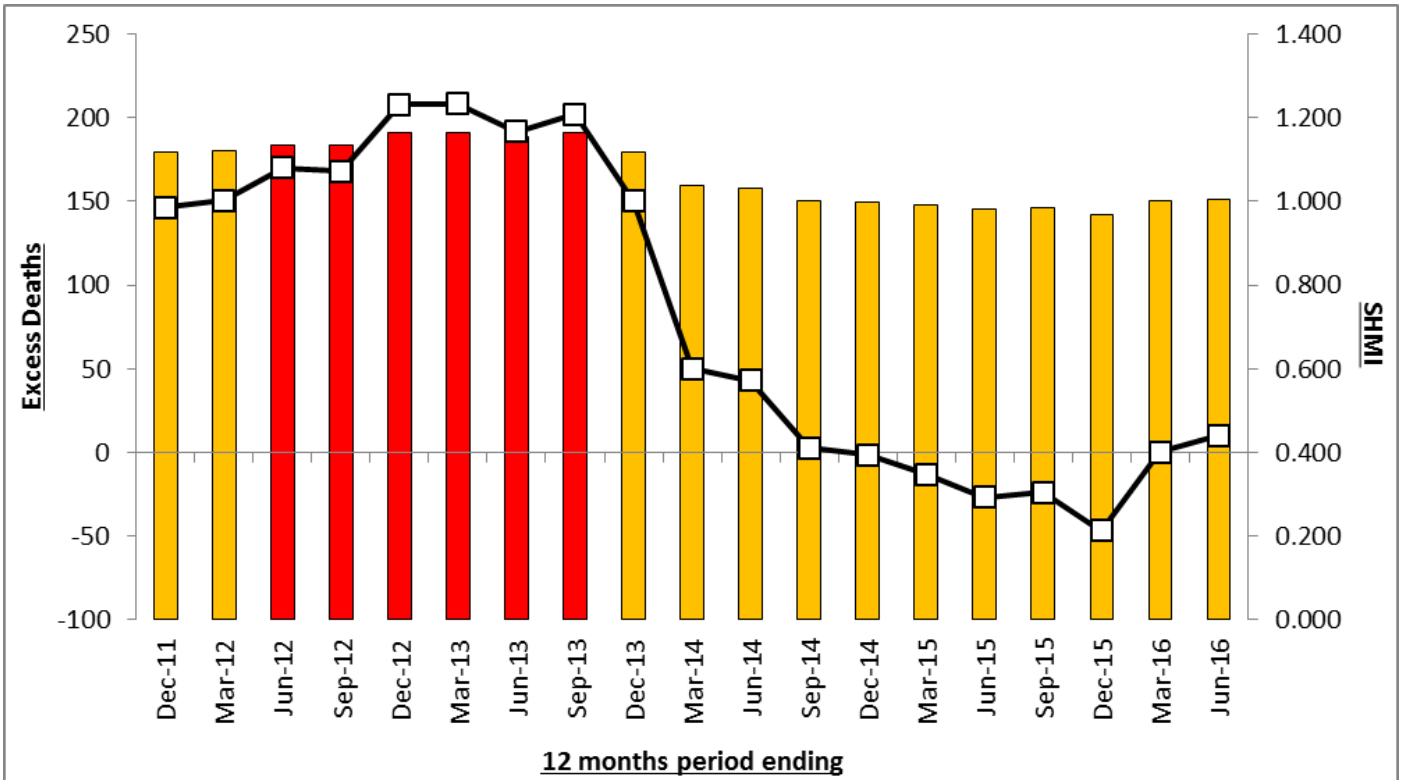
Why is this important?

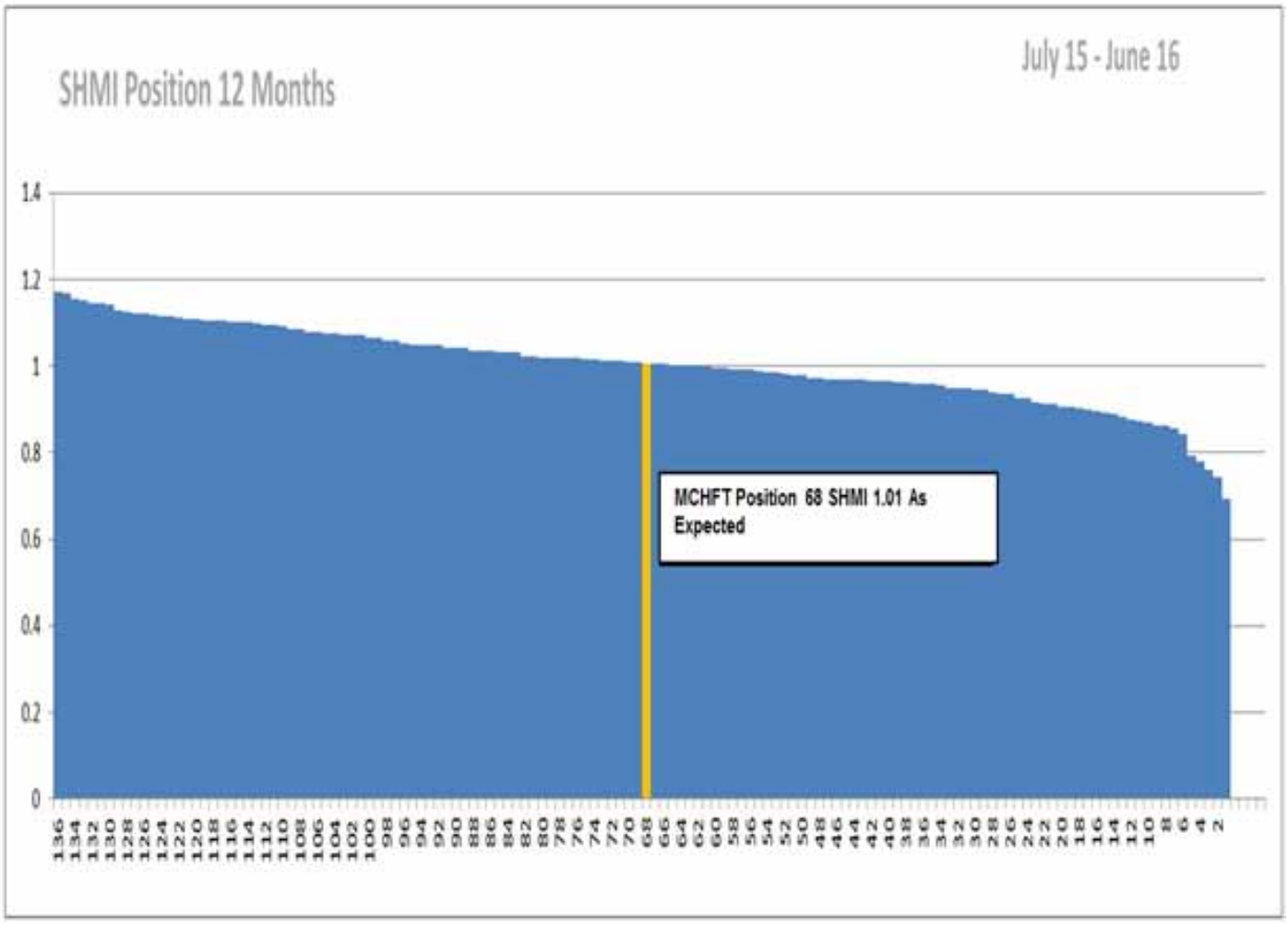
SHMI is an indicator which reports on mortality at Trust level across the NHS in England. It is a ratio of the observed number of deaths to the expected number of deaths for a provider on the basis of average NHS England figures, given the characteristics of the patients treated (Health & Social Care Information Centre, 2011). The SHMI measures mortality both in hospital and within 30 days of a patient's discharge.

This measure is important because a high mortality rate may indicate problems with the quality and safety of care provided (Care Quality Commission: Intelligent Monitoring, 2013).

What progress was made in 2016/17?

The Trust has continued to remain in the 'as expected' range. For the period July 2015 to June 2016, the Trust's SHMI is 1.01 and "as expected.





The Trust's SHMI of 1.01 for the time period July 2015 to June 2016 places the Trust at 68 out of 136 Trusts.

The Trust has a well-established Hospital Mortality Reduction Group (HMRG) led by the Medical Director. This group drives mortality reduction improvement plans within the Trust whilst supporting the clinical divisions to understand their mortality rates and implement their own mortality reduction action plans. In 2016 a Trust Mortality Group (TMG) was developed to re-invigorate the Trust's drive to reduce its mortality rates and ensure a uniformed approach to mortality reduction across the Trust. The TMG will continue to meet quarterly in 2017/2018.

The Trust is participating in the national Sign up to Safety campaign and reducing mortality is one of the Trust's aims. A series of inter-related projects to achieve this are in progress under the primary drivers of:

Reliable clinical care
Effective clinical care
Medical documentation, clinical coding and data consistency
End of life care
Leadership

In 2016 a mortality case note review process standard operating procedure was developed which included the NHSE North (Cheshire and Merseyside) learning disability mortality review process. This was approved by the HMRG and describes the process for the weekly case note reviews and the in-depth case note review process.

All deaths are reviewed weekly, by a senior team of medical staff led by the Lead Consultant for Patient Safety and the Medical Director, to ensure that appropriate care was provided, any identified gaps investigated and learning shared with clinical teams. Where gaps in care are identified the case is referred for an in-depth mortality review. These reviews are undertaken by members of the senior medical team and a senior nurse. The findings of the review are fed back to the HMRG and the patient's clinical teams to ensure learning.

A gap analysis was undertaken in response to the CQC report on learning, candour and accountability. Compliance with the recommendations made in the report will be monitored through the HMRG in 2017.

A mortality report based on the information received from HED has been developed to include speciality level data. The report ensures both corporate and divisional ownership of mortality data. Where trends are identified divisional mortality actions plans are developed using the **REMEL** acronym.

A care pathway group was formed in 2016 and the group continues to lead the work to review and relaunch four priority clinical pathways. The four priority pathways which have been reviewed are:

- Sepsis
- Alcohol related liver disease
- Pneumonia
- Acute Kidney Injury

The pathways were relaunched on 6 September 2016 and an education programme has commenced.

Safety: Reducing pressure ulcers (Governors' choice of indicator)

What do we want to achieve?

Following a review of our strategy in March 2017, our aim, in both the Acute Trust and Central Cheshire Integrated Care Partnership (CCICP) is to reduce stage 2 avoidable pressure ulcers by 5% per quarter, based on the previous quarter's results, and have zero tolerance to avoidable stage 3 and 4 pressure ulcers.

Why is this important?

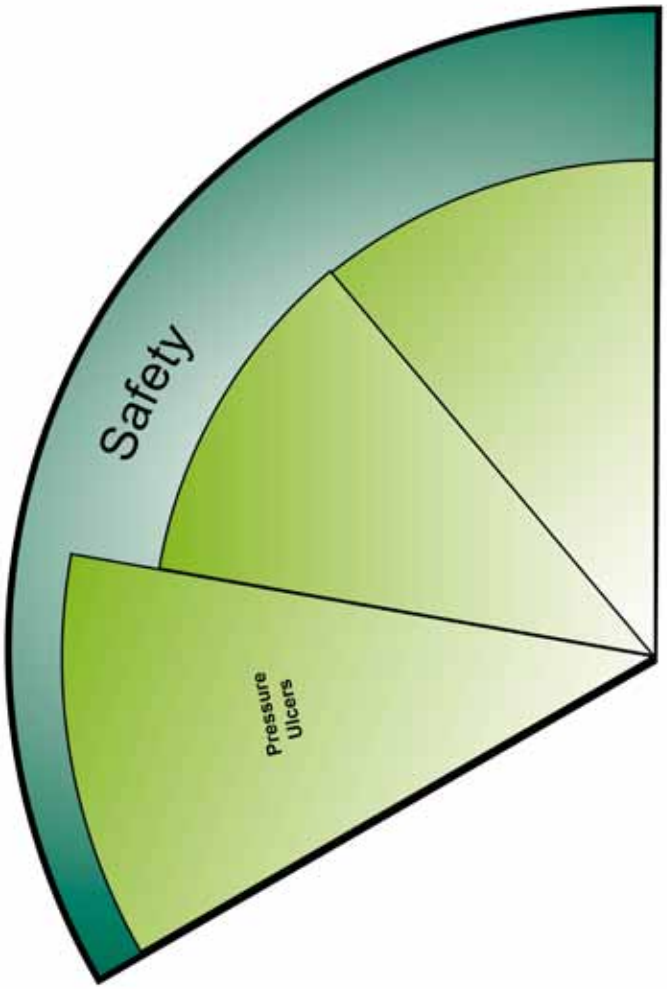
A pressure ulcer is an injury to the skin or underlying tissue caused by pressure, friction or moisture. They can be extremely uncomfortable and, in severe cases, can result in severe harm to patients.

All patients are potentially at risk of developing a pressure ulcer. However, they are more likely to occur in people who are seriously ill, have a neurological condition, impaired mobility, impaired nutrition, poor posture or a deformity (NICE, 2014).

Approximately 186,000 patients develop a pressure ulcer in hospital each year. However, the vast majority of pressure ulcers are avoidable with the right interventions for prevention and treatment (NHS England, 2014).

What progress was made in 2016/17?

Over the last three years the Trust has seen an increase in the number of hospital acquired pressure ulcers, the details seen in Table 23:



Financial Year	Total number of hospital acquired pressure ulcers
2014-15	157
2015-16	215
2016-17	260

In response to the increase the Trust has made significant investment to eliminate the number of hospital acquired pressure ulcers:

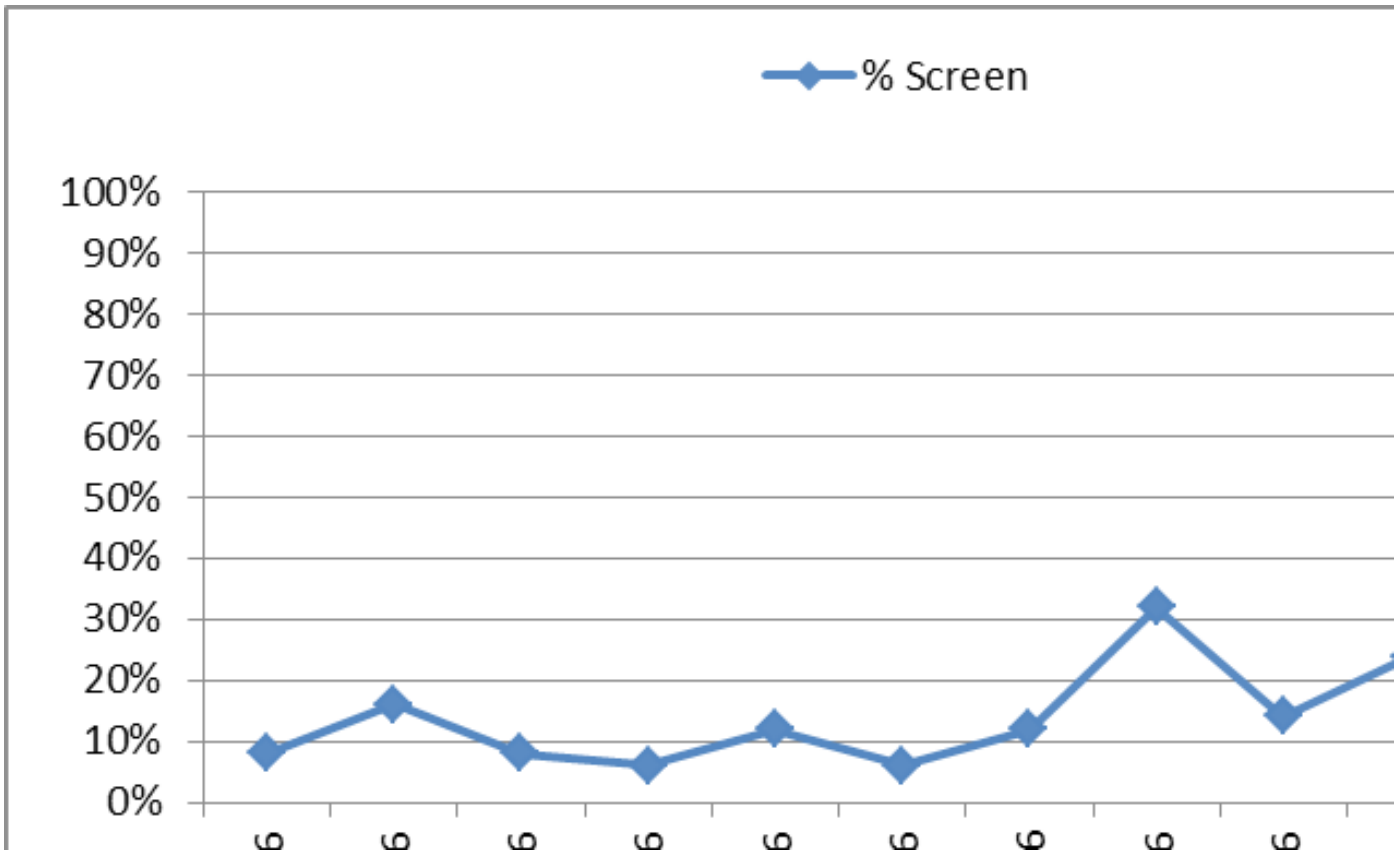
- During 2016/17, the Trust has invested additional funding on a permanent basis to recruit a Tissue Viability Nurse to specifically focus on the elimination of avoidable pressure ulcers. This nurse works closely with the Skin Care Specialist Nurse to provide education and support to staff in the skin care they provide to their patients. The team also provides enhanced support with weekly focus on a target ward. This has raised the awareness of pressure ulcer prevention with the organisation
- The Trust appointed Divisional Head of Nursing for Surgery and Cancer as the Trust lead for pressure ulcer prevention. This has ensured senior leadership within the organisation to focus on the elimination of avoidable pressure ulcers.
- The skin care team review all reported hospital acquired pressure ulcers and moisture lesions 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. Outcomes of the root cause analysis are undertaken by the Ward Manager and Matron for the area to ensure senior support
- The Trust's skin care group continues to meet monthly and is chaired by Divisional Head of Nursing for Surgery and Cancer. The group has a multidisciplinary, cross divisional review and the terms of reference have been reviewed to extend the group membership within the organisation
- Staff education remains a priority within the Trust to eliminate avoidable pressure ulcers. Link Nurse study days have been increased to provide additional training, focusing specifically on the Emergency Department and ward assessment areas. The number of link nurses within each ward has increased to produce a 'link team' which includes support from both registered nurses and health care assistants
- The skin care team has implemented the photographing of all pressure ulcers to ensure accurate documentation within the organisation. This supports the recognition of any deterioration or improvement in reported pressure ulcers
- A number of pressure relieving equipment trials are being undertaken within the Trust to support the patient's care journey. This includes the trials of a hybrid mattress, pressure relieving boots, cushions and sole protectors for the end of beds.
- The Trust's Director of Nursing & Quality chairs the Cheshire and Merseyside Regional Pressure Ulcer Prevention Group which ensures communication of new initiatives from the regional group, including a new root cause analysis review tool and an e-learning training package for health care assistance. This also allows for networking with other experts in pressure ulcer prevention and shared knowledge and learning.

Pictured: The Trust's Pressure Ulcer Prevention Team

In 2016/17, the Trust saw the development of 163 avoidable pressure ulcers out of the 260 hospital acquired pressure ulcers reported which equates to 63%.

Unfortunately, data demonstrates there was an increase in hospital acquired pressure ulcers from 2015/16 of 21%. However, it is recognised that since the commencement of the roles of the Tissue Viability Nurse and Skin Care Specialist Nurse within the Trust, the Trust has seen as reduction of 95.5% in avoidable pressure ulcers since November 2016.

The graph below shows the number of hospital acquired pressure ulcers for 2016/17 compared to 2015/16.



The elimination of avoidable hospital acquired pressure ulcers remains a priority for the Trust as part of the Quality and Safety Improvement Strategy for 2016-18. In addition, The Trust has implemented the **React** 2 **Red** collaborative, a national initiative aimed at reducing the development of pressure ulcers in hospitals and the community. The collaborative has been developed within 6 ward areas within the Trust and then expanded to an additional 2 wards due its success. The Trust is pleased to report that Ward 13, who has participated in the React 2 Red collaborative, has gone 7 months without a hospital acquired pressure ulcer.

The collaborative was implemented to ensure **React** 2 **Red** initiatives were adopted within the **React** 2 **Red** wards. Due to the success of specific initiatives, they have been rolled out Trust wide to all inpatient ward areas, these include:

- Introduction of a safety cross, a visual aid to monitor the number of reported pressure ulcers per month
- Implementation of repositioning boards at the end of each bay, highlighting to all members of the multidisciplinary time the frequency of patient repositioning
- Separating repositioning charts onto clip boards at the end of each patient bed to support the documentation of repositioning.

Annex 1 - Statements from commissioners, local Healthwatch organisations and overview and scrutiny committees

Governors

The Council of Governors (CoG) welcomes the opportunity to comment on the 2016/17 Quality Accounts for Mid Cheshire Hospitals NHS Foundation Trust (MCHFT) and, as Lead Governor, I am pleased to offer an account of Governor views and feedback.

The Trust routinely shares information from performance monitoring, engagement activities, assurance workstreams, quality reviews and inspections with the CoG and it is pleasing to note that the information and discussion presented in the Quality Account echoes the regular monitoring of quality and performance provided to and discussed with Governors - both through the Council of Governor's meetings and the various committees and groups upon which we sit. Governors can also offer support to the analyses presented in the Quality Account based upon their experiences and interactions with patients, carers and other constituencies.

The Quality Account for MCHFT 2016/17 provides a summary of the successes and challenges over the last year and includes an honest and balanced introductory statement by the Chief Executive. The CoG is pleased to see the progress with aspects of the 2015/16 quality priorities and, specifically, the work that has been undertaken in year to ensure that care is delivered in line with National Quality Targets and the focus given to staff experience, patient experience and key outcome measures. There is also recognition within the Quality Account of areas that were not fully achieved and the further actions to be taken to make improvements in care.

During 2016/17 the Trust conducted an extensive engagement programme to inform its Quality and Safety Strategy and the key quality priorities outlined in the Quality Account reflect this programme of work. The CoG welcomes the main themes within the refreshed Quality and Safety Improvement Strategy, noting in particular the renewed focus on staffing (namely that there is a sufficient and skilled workforce in place to deliver care), on ensuring that patients with dementia received appropriate and compassionate care, on reducing pressure ulcers and ensuring that care is as safe as possible. It is clear both from the Quality Account and from wider discussions that patient safety matters, and with the Trust committed to the Sign Up To Safety Campaign the CoG will be keen to see the impact of this in the 6 chosen areas in 2017/18.

The sections on culture, learning and workforce include valuable information about organisational development and the values and behaviours expected of staff across the Trust. It is clear that there is a strong commitment to supporting staff and to ensuring that they feel empowered, engaged and kept up to date with key quality and safety issues. The Chief Executive's engagement sessions, weekly briefs, patient safety summits and changes to the appraisal system are all suggestive of good practice in this area and it will be of interest to see what impact this has in staff's own feedback over time.

The report demonstrates participation in both local and national clinical audits in 2016/17 across the range of services, which reinforces Mid Cheshire Hospitals NHS Foundation Trust's commitment to improve practice through review and action. The audit outcomes and subsequent intended actions are acknowledged and we look forward to seeing these actions convert into improving clinical practice. It would have been useful to have more detailed information about local clinical audit projects, particularly the scope and scale of the audit programme in 2016/17 and of the 88 audits reviewed, what improvements in care had been identified.

It is clear from the examples provided within the Report that the Trust has done some excellent work in engaging with patients and carers and analysing that feedback to get a good understanding

of what is going well and not so well. The Quality Account highlights that a diversity of tools are used to understand patient experience, including: the national inpatient and cancer surveys; the Friends and Family Test (FFT); and complaints and compliments. We also support the involvement of Governors within a variety of inpatient and outpatient settings as an additional way of understanding patient experience at the Trust. Although patient surveys are an important way of gauging experience across the patient population, it is important to supplement this with more qualitative information. It is therefore heartening that Governors at the Trust directly interact with patients and visitors to understand their experiences.

Whilst it is useful to be provided with information on the volume of complaints the Trust has received, we would caution against placing too much emphasis on the slight decrease in complaints received in 2016/17. A decrease in complaints can be indicative of improvements in care and experience, but this is not necessarily the case. Across the country many patients who have had negative experiences do not feed this back. When this happens, important opportunities to listen and improve services are lost. We would therefore ask the Trust to regularly review its complaints system to ensure it is accessible to all patients, including seldom heard and 'hard to reach' groups. If this already takes place at the Trust, we would value more information on this in the Quality Account.

Whilst the draft Quality Account provided to us provides ample detail on how patient feedback is gathered at the Trust, there is limited information on how the Trust engages and involves patients, public, service users and carers when developing or redesigning services. We would therefore value more detail on this in future Quality Accounts.

The CoG notes that the Trust, along with many other hospitals in England, has not met the Emergency Department four-hour wait target. Members have been monitoring this situation and have welcomed the initiatives put in place in an effort to reduce demand and improve processes. We recognise, however, that this is an ongoing challenge and remains an area of concern. Members also observed that several of the CQUIN goals associated with the management of sepsis were missed during 2016/17, although this topic has subsequently been adopted as a key quality priority for 2017/18. The CoG also noted the increase in readmission rates for patients aged 16 and over and the actions identified in order to address this issue.

The data within the 2016/17 Quality Account records that a small number of patients suffered an incident resulting in severe harm or death. This is significantly higher than in previous years, which the report notes may be due to changes in how incidents are graded. Given the impact of an incident for patients, their families and staff, the CoG would encourage the Trust to focus closely on this topic in future reports – and in particular analysis of the themes and trends identified from incidents.

During 2016/17, the Trust also entered the Central Cheshire Integrated Care Partnership. Given the changes, challenges and opportunities brought about by this development it will be critical to ensure that those community services delivered through the new arrangements are integrated into the Trust's overarching quality framework and that shared learning occurs across the various teams. We would therefore value detail on this in future Quality Accounts.

Reflecting the diversity within and across our communities we would encourage the Trust to ensure that the 2016/17 Quality Account is made available in as many formats as possible to ensure that it is accessible to all.

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.

Dr Katherine Birch
Lead Governor

Mid Cheshire Hospitals Foundation Trust (MCHFT) Quality Account 2016/17 commentary on behalf of NHS South Cheshire CCG and NHS Vale Royal CCG

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 2016/17.

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.

NHS South Cheshire CCG and NHS Vale Royal CCG is committed to ensuring that the services it commissions provide high quality, safe and effective care for local people. Services are required to demonstrate compassionate and responsive care which means that patients receive the right care at the right time.

During the year we have reviewed information, held monthly through the Clinical Quality and Patient Safety Review meetings with the Trust and have carried out a number of visits to clinical areas to gain assurance around the standards of care being provided. We have also provided challenge and scrutiny when performance has not met the expected standards.

The priorities identified in the Quality Account have a strong patient focus supported by staff values and behaviours which underpins the quality agenda. In particular we would like to highlight the ongoing engagement with partners based on feedback from carers and patients from the National Audit of Dementia. The use of patient stories considered at Board level has demonstrated the ongoing commitment to ensuring patients have a positive experience particularly taking into account any individualised needs the patient may have. This was evident through the case study regarding a patient with severe learning disability booked for surgery and those patients with learning disability who require phlebotomy and may need reasonable adjustments to be made for a positive experience and outcomes of care

MCHFT have demonstrated their commitment to the 'Sign Up to Safety Campaign' linked to the Quality and Safety Improvement Strategy. This has resulted in significant progress in a reduction of falls and pressure ulcers and MCHFT should be commended on this achievement.

It is commendable to note the initiatives that MCHFT have taken to ensure safe and effective prescribing and administration of medications across the organisation. These have included education, training and investment in the 'elastomeric' device which enables patients to self-administer intravenous antibiotics at home and prevents unnecessary stays in hospital.

The performance around Clostridium Difficile is very positive and demonstrates a focus on infection prevention and control within MCHFT. It was pleasing to note that the number of avoidable cases of Clostridium-Difficile has reduced within the year. Reduced infection rates and focus on the prevention of avoidable cases has been demonstrated by the implementation of number initiatives across all clinical areas.

The mortality rates during 2016/17 have remained within the 'expected range'. Therefore the CCGs acknowledge the continued work to scrutinise mortality across the Trust. The expectation is that in 2017/18 these initiatives will continue with the Trust mortality rate remaining in the 'expected range' or below

MCHFT have demonstrated that through the results of national and local patient surveys they have been responsive to the feedback received and made significant changes. This section clearly shows that when our local population provides feedback to MCHFT about their experiences of care, this has been acted upon and has led to quality improvement initiatives. The CCGs would like to see the impact these changes have made through further local patient surveys, in particular the results in response to comments on the standards of hospital cleanliness.

The quality priorities 2017/18 include relevant areas of focus for improvement building on the focus for 2016/17, such as Staffing, Dementia Care, Medication, Never Events, Sepsis, Acute Kidney Injury, falls, pressure ulcers and mortality. There is also recognition that there are areas within the quality priorities that were not fully achieved and further actions are cited to make improvements in those areas for example around the management of patients with sepsis.

It should be noted that ensuring the right staff are available is a national challenge and despite all the efforts MCHFT have put into recruitment of all levels of staff it is noted that there are still issues in trying to ensure vacancies are filled.

We look forward to maintaining a strong commissioning relationship with MCHFT in 2017/18. 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.

Mid Cheshire Hospitals Foundation Trust (MCHFT) Quality Account 2016/17 commentary on behalf of Healthwatch Cheshire East and Healthwatch Cheshire West

Healthwatch Cheshire West feels this quality account, broadly reflects the work undertaken by Mid Cheshire Hospitals Foundation Trust over the period. We would like to make the following comments:

- We are particularly pleased with the document opening sentences about patient experience
- We would like to praise the organisation for its work in meeting targets set out in particular covering safety staffing and dementia care.
- It is good to see that the document includes reference to the inpatient survey with examples included and actions that have been taken. It is also good to see reference to a number of other surveys completed and these are clearly explained with examples. However we feel that this does add significantly to the length of the document which is a 'significant read' at over 100 pages.
- We really like the overall presentation of the document including the use of obviously 'real' photographs and the tone of the text appearing as written 'one voice.'

Other points of note:

- It is good to see both compliments and complaints outlined though we feel a page break may have been in order underneath Table 1 as although labelled correctly the presentation and position of the table on the page could be misinterpreted easily as complaints.
- We are pleased to note MCHFT's ongoing work with learning disability.

Regarding the data sections –

- We note missed CQUIN targets on Sepsis but note also that it has been highlighted as a continuing target.

Overall our feeling that this is a very good and well written document that is fairly easy to read in comparison to other Trusts locally. However, standing at over 100 pages in length it is a significant read.

We feel that the trust should be rightly proud of its recent achievements.

Health and Adult Social Care and Communitites Overview and Scrutiny Committee Review of Mid Cheshire Hospitals NHS Foundation Trust Quality Account 2016/17

The Health and Adult Social Care Overview and Scrutiny Committee reviewed the draft Quality Account at a meeting on 11 May 2017. 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 noted the significant success by the Trust in achieving a 60% reduction in pressure ulcers and the work that led to improvement. The Committee noted this included appointing the Head of Nursing to lead on Trust pressure ulcers, the introduction of pressure relieving equipment, all wounds being photographed and monitored with reposition charts in use.

The Committee was pleased to note the support given by the Trust to supporting patients with dementia and their carers particularly the introduction of a second dementia nurse working with the community services and that the Trust continue to achieve 90% on screening targets for patients over 75 being admitted with memory problems.

The Committee are pleased to note the employment of a full time Sepsis nurse alongside a Sepsis pathway and the design of a screening tool.

Despite the drop in the Friends and Family Test from the previous year, the Committee were still pleased to see that 93% of 22,000 patients would recommend Trust services or treatment.

Annex 2 - Statement of Directors' responsibilities for 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.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that 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 2016/17 and supporting guidance

- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers reported to the Board over the period 1 April 2016 to 31 March 2017
  - papers relating to the quality reported to the Board over the period 1 April 2016 to 31 March 2017
  - feedback from commissioners dated 12 May 2017
  - feedback from Governors dated 22 May 2017
  - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009
  - the (latest) national patient survey 2015
  - the (latest) national staff survey 2016
  - the Head of Internal Audit's annual opinion of the Trust's control environment dated 15 May 2017

- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered

- the performance information reported in the Quality Report is reliable and accurate

- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and

- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting 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

Dennis Dunn
Chairman
22 May 2017

Tracy Bullock
Chief Executive
22 May 2017

Appendices

Appendix 1 - Glossary and abbreviations

Terms	Abbreviation	Description
Acute Kidney Injury	AKI	A sudden episode of kidney failure or kidney damage that happens within a few hours or a few days. AKI causes a build-up of waste products in the blood, making it hard for the kidneys to keep the right balance of fluid in the body.
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.
Advancing Quality Alliance	AQuA	A North West NHS health and care quality improvement organisation.
Antimicrobial resistance & stewardship		A coordinated program that promotes the appropriate use of antimicrobials, improves patient outcomes, reduces microbial resistance and decreases the spread of infections caused by multidrug-resistant organisms.
Aphasia		A condition that affects the brain and leads to problems using language correctly. People with aphasia make mistakes with the words they use, sometimes using the wrong sounds in a word, choosing the wrong word, or putting words together incorrectly.
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.
Central Cheshire Integrated Care Partnership	CCICP	A collaboration between Mid Cheshire Hospitals NHS Foundation NHS Trust and the South Cheshire and Vale Royal GP Alliance.
Cheshire Care Records		A summary care record that gives care providers a quick holistic view of patient care.

Terms	Abbreviation	Description
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 work towards quality and innovation.
Deprivation of Liberty	DOL's	The Mental Capacity Act allows restraint and restrictions to be used but only in a person's best interest. Extra safeguards are needed if the restrictions and restraints used will deprive a person of their liberty. These are called the Deprivation of Liberty Safeguards.
Duty of Candour		A legal duty to inform and apologise to patients if there have been mistakes in their care that have led to significant harm. It aims to help patients receive accurate truthful information from health providers.
Endoscopy		A nonsurgical procedure used to examine a person's digestive tract using an endoscope – a flexible tube with a light and camera attached to it.
Frenulotomy service		A procedure that separates a baby's tongue-tie.
Gastrostomy		A surgical opening through the abdomen into the stomach. A feeding device is put in the stoma so that feed, water and medication can be given.
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 online solution delivering information which enables healthcare organisations to drive clinical performance in order to improve patient care and deliver financial savings
ICE Order Comms		The system used by the Trust to order blood tests.
Intrahepatic Cholestasis		A condition that impairs the release of a digestive fluid called bile from liver cells. As a result, bile builds up in the liver, impairing liver function.
John's campaign		A campaign for extended visiting rights for family carers of patients with dementia in hospital.

Terms	Abbreviation	Description
Knee Meniscal Repair		A surgical procedure to repair a meniscal tear – a common injury to the cartilage that stabilises and cushions the knee joint.
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.
National Joint Registry		Set up by the Department of Health and Welsh Government in 2002 to collect information on all hip, knee, ankle, elbow and shoulder replacement operations and to monitor the performance of joint replacement implants and effectiveness of different types of surgery.
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 services/settings: Inpatients, Outpatients, Emergency care, Maternity care, Mental Health services, Primary Care services and Ambulance services.
National Safety Standards for Invasive Procedures	NatSSIPs	A set of national safety standards to support NHS hospitals to provide safer surgical care.
Nephrotoxic		Damage to the kidneys
Never Event		Serious, largely preventable patient safety incident that should not occur if the available preventative measures have been implemented.
NHSI		This is the regulator of NHS Foundation Trusts. It is an independent body detached from central government and directly accountable to Parliament.
Oncology		The study of cancer. An oncologist manages a person's care and treatment once he/she is diagnosed with cancer.
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.
Percutaneous Nephrolithotomy		A minimally invasive procedure to remove stones from the kidney by a small puncture wound through the skin.
Post-Partum		The period of time following childbirth
Preceptorship		A period transition for newly qualified nurses during which time they are supported by a mentor.
Pulmonary Embolism		A blockage in the pulmonary artery, the blood vessel that carries blood from the heart to the lungs. The blockage- usually a blood clot –is potentially life threatening because it can prevent blood from reaching the lungs.

Terms	Abbreviation	Description
Quality Account		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).
Royal Society for the Prevention of Accidents	RoSPA	A registered charity who's mission statement is to save lives and reduce injuries.
Safer flow bundle		A practical tool to reduce delays for patients. Used to improve patient flow and prevent unnecessary waiting for patients.
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		A life threatening condition that arises when the body's response to an infection injuries its own tissue and organs.
Sign up to Safety		A national initiative to help NHS organisations and their staff achieve their patient safety aspirations and care for their patients in the safest possible way.
Six Safeguarding Principles		1. **Empowerment** – Personalisation and the presumption of person-led decisions and informed consent. 2. **Prevention**- It is better to take action before harm occurs. 3. **Proportionality** – Proportionate and least intrusive response appropriate to the risk presented. 4. **Protection** – Support and representation for those in greatest need. 5. **Partnership** – Local solutions through services working with their communities. Communities have a part to play in preventing, detecting and reporting neglect and abuse. 6. **Accountability** – Accountability and transparency in delivering safeguarding.
Submucosal tie		The posterior tongue-tie, hidden under the mucus lining of the tongue/mouth.

Terms	Abbreviation	Description
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.
Thrombolysis		The process of giving medication to try to disperse a blood clot.
Trabeculectomy Surgery		A surgical operation which lowers the intraocular pressure inside the eye in patients with glaucoma.
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).
Workforce Race Equality Standards		Standards to ensure the Trust addresses race equality issues.

Appendices

We hope you have found this Quality Account 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
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 2017 (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's 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 2017, 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 2017 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- Percentage of patients with a total discharge time in A&E of 4 hours or less from arrival to admission, transfer or discharge.

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 NHS Improvement.

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 NHS Improvement 2016/17 Detailed requirements for external assurance for quality reports for Foundation Trusts; 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 the documents listed below:

- Board minutes for the period 1 April 2016 to 31 March 2017;
- papers relating to quality reported to the Board over the period 1 April 2016 to 31 March 2017;
- feedback from Commissioners, dated 12 May 2017;
- feedback from governors, dated 22 May 2017;
- the Trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009;
- the latest national patient survey, dated 2015;
- the latest national staff survey, dated 2016; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated 15 May 2017.

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 annualised 18 week referral to treatment indicator is calculated as an average based on the percentage of incomplete pathways which are incomplete at each month end, where the patient has been waiting less than the 18 week target. We have tested a sample of 25 pathways which were listed as incomplete at a month end.

We identified the following errors:

- In 1 case the start date recorded on the system was different to the start date recorded in the patient notes;
- In 3 cases the stop date recorded on the system was different to the stop date recorded in the patient notes;
- In 5 cases there was insufficient evidence in the patient notes to support the start date;
- In 3 cases there was insufficient evidence in the patient notes to support the stop date;
- In 3 cases the pathway was initially reported as an open pathway in the month end snapshot after the correct month;
- In 4 cases the pathway was still being reported as open in month end snapshots after the end of the correct month; and
- In 3 cases the pathway had been closed and removed from month end snapshot submissions too early.

Our procedures included testing a risk based sample of cases, 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 2017. 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 matters set out in the Basis for qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2017:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual';
- the quality report is not consistent in all material respects with the sources specified in the respective responsibilities of the directors and auditors section of this limited assurance report; 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
24 May 2017

Annual Accounts

Foreword to the Accounts

These accounts, for the year ended 31 March 2017, have been prepared by Mid Cheshire Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Tracy Bullock
Chief Executive
Date: 22 May 2017

Statement of Comprehensive Income for the Year ended 31 March 2017

	Note	Group 2016/17 £000	Group 2015/16 £000	Foundation Trust 2016/17 £000	Foundation Trust 2015/16 £000
Operating Income from patient care activities	3	197,645	177,441	197,645	177,441
NHS Charitable Funds: Incoming Resources excluding investment income	4	210	454	-	-
Other operating income	4	29,473	25,967	29,646	26,872
Operating expenses	5	(223,850)	(213,229)	(223,612)	(212,953)
OPERATING SURPLUS/(DEFICIT)		3,478	(9,367)	3,679	(8,644)
Finance Costs:					
Finance Income	8	35	69	22	45
Finance expense – financial liabilities	9.1	(407)	(197)	(407)	(197)
Finance expense – unwinding of discount on provisions	22	(4)	(21)	(4)	(21)
PDC Dividends paid	28	(1,749)	(1,893)	(1,749)	(1,893)
NET FINANCE COSTS		(2,125)	(2,042)	(2,138)	(2,066)
Losses on Disposal of Assets		-	(4)	-	(4)
SURPLUS/(DEFICIT) FOR THE YEAR		1,353	(11,413)	1,541	(10,710)

Other comprehensive income

Impairments on property, plant and equipment	23	-	(8,242)	-	(8,242)
Revaluations gains on property, plant and equipment	23	-	8,787	-	8,787
Fair Value (losses)/gains on Available-for-sale financial investments	34	74	(37)	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		1,427	(10,905)	1,541	(10,165)

The notes on pages 182 to 230 form part of these accounts.

All income and expenditure is derived from continuing operations.

*Impact of Property Plant and Equipment valuations

	Group 2016/17 £'000	Group 2015/16 £'000	Foundation Trust 2016/17 £'000	Foundation Trust 2015/16 £'000
Operating Surplus/(Deficit) before adjustments for valuation	3,478	(6,763)	3,679	(6,036)
Impairment of Property Plant and Equipment	-	(6,197)	-	(6,197)
Reversal of previous impairments charged to the Statement of Comprehensive Income	-	3,589	-	3,589
Net Operating surplus/(deficit)	3,478	(9,367)	3,679	(8,644)

Group Statement of Financial Position as at 31 March 2017

	Note	31 March 2017 £000	31 March 2016 £000
Non-current assets			
Intangible assets	10	**815**	**937**
Property, plant and equipment	11	**80,377**	**75,767**
Other Investments	12	**585**	**519**
Trade and other receivables	15	**384**	**335**
Total non-current assets		**82,161**	**77,558**
Current assets			
Inventories	14	**3,295**	**2,978**
Trade and other receivables	15	**12,784**	**10,144**
Cash and cash equivalents	24	**5,805**	**792**
Non-current assets held for sale	13	**-**	**-**
Total current assets		**21,884**	**13,914**
Current liabilities			
Trade and other payables	18	**(19,602)**	**(19,326)**
Borrowings	20	**(2,101)**	**(1,199)**
Provisions	22	(170)	**(185)**
Other liabilities	19	**(1,262)**	**(1,060)**
Total current liabilities		**(23,135)**	**(21,770)**
Total assets less current liabilities		**80,910**	**69,702**
Non-current liabilities			
Trade and other payables	18	**-**	**-**
Borrowings	20	**(17,066)**	**(7,290)**
Provisions	22	**(1,650)**	**(1,645)**
Total non-current liabilities		**(18,716)**	**(8,935)**
Total assets employed		**62,194**	**60,767**
Financed by taxpayers' equity			
Public dividend capital		**75,157**	**75,157**
Revaluation reserve	23	**10,162**	**10,251**
Income and expenditure reserve		**(24,231)**	**(25,861)**
Others' equity			
Charitable Fund Reserve		**1,106**	**1,220**
Total taxpayers' and others' equity		**62,194**	**60,767**

The financial statements on pages 174 to 230 were approved and authorised for issue by the Board and signed on its behalf on 22 May 2017.

Tracy Bullock
Chief Executive
Date: 22 May 2017

Foundation Trust Statement of Financial Position as at 31 March 2017

	Note	31 March 2017 £000	31 March 2016 £000
Non-current assets			
Intangible assets	10	**815**	937
Property, plant and equipment	11	**80,377**	75,767
Other Investments	12	**-**	-
Trade and other receivables	15	**384**	335
Total non-current assets		**81,576**	77,039
Current assets			
Inventories	14	**3,295**	2,978
Trade and other receivables	15	**12,417**	9,488
Cash and cash equivalents	24	**5,647**	764
Non-current assets held for sale	13	**-**	-
Total current assets		**21,359**	13,230
Current liabilities			
Trade and other payables	18	**(19,598)**	(19,343)
Borrowings	20	**(2,101)**	(1,199)
Provisions	22	**(170)**	(185)
Other liabilities	19	**(1,262)**	(1,060)
Total current liabilities		**(23,131)**	(21,787)
Total assets less current liabilities		**79,804**	68,482
Non-current liabilities			
Trade and other payables	18	**-**	-
Borrowings	20	**(17,066)**	(7,290)
Provisions	22	**(1,650)**	(1,645)
Total non-current liabilities		**(18,716)**	(8,935)
Total assets employed		**61,088**	59,547
Financed by taxpayers' equity			
Public dividend capital		**75,157**	75,157
Revaluation reserve	23	**10,162**	10,251
Income and expenditure reserve		**(24,231)**	(25,861)
Total taxpayers' and others' equity		**61,088**	59,547

Statement of Changes in Taxpayers' Equity as at 31 March 2017 - 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 2016		**75,157**	**(25,861)**	**10,251**	**59,547**	**1,220**	**60,767**
Retained Surplus/ (deficit) for the year			**1,368**		**1,368**	**(15)**	**1,353**
Transfer between reserves	**23**	**-**	**89**	**(89)**	**-**	**-**	**-**
Fair value loss on Available for sale financial investments	**34**	**-**	**-**	**-**	**-**	**74**	**74**
Impairments	**23**	**-**	**-**	**-**	**-**	**-**	**-**
Revaluations	**23**	**-**	**-**	**-**	**-**	**-**	**-**
Public Dividend Received		**-**	**-**	**-**	**-**	**-**	**-**
Other reserve movement – charitable funds consolidation adjustment		-	**173**	**-**	**173**	**(173)**	**-**
Taxpayers' equity at 31 March 2017		**75,157**	**(24,231)**	**10,162**	**61,088**	**1,106**	**62,194**

Statement of Changes in Taxpayers' Equity as at 31 March 2017 - Foundation Trust

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total
		£000	£000	£000	£000
Taxpayers' Equity at 1 April 2016		**75,157**	**(25,861)**	**10,251**	**59,547**
Retained surplus for the year		-	1,541	-	1,541
Transfer between reserves	**23**	-	89	(89)	-
Impairments	**23**	-	-	-	-
Revaluations	**23**	-	-	-	-
Public Dividend Received		-	-	-	-
Taxpayers' equity at 31 March 2017		**75,157**	**(24,231)**	**10,162**	**61,088**

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 (Deficit)/ Surplus 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 Cash Flows for the Year ended 31 March 2017

		Group		Foundation Trust	
		2016/17	2015/16	2016/17	2015/16
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating (deficit)/surplus		3,478	(9,367)	3,679	(8,644)
Non-Cash income and expense					
Depreciation and amortisation	5.1	**4,505**	4,727	**4,505**	4,727
Impairments	9.2	**-**	6,197	**-**	6,197
Reversal of impairments	9.2	**-**	(3,589)	**-**	(3,589)
(Gain)/loss on disposal	11.1	**-**	4	**-**	4
Income recognised in respect of capital donations (cash and non-cash)		(236)	(10)	**(383)**	(894)
Decrease/(Increase) in trade and other receivables	15	(3,158)	(3,059)	**(3,170)**	(3,048)
Decrease/ (Increase) in Inventories	14	**(317)**	(31)	**(317)**	(31)
(Decrease)/Increase in trade and other payables	18.1	(133)	5,929	**(**152)	5,947
(Increase)/Decrease in other current liabilities	19	202	61	**202**	61
Increase/(Decrease) in provisions	22	**(14)**	(166)	**(14)**	(166)
NHS Charitable Funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows		279	93	**-**	-
Other movements in operating cash flows		(5)	(14)	(5)	(14)
Net cash generated from operations		4,601	771	**4,345**	550
Cash flows from investing activities					
Interest received	8	22	45	**22**	45
Payments for intangible assets		**(**349)	(378)	**(**349)	(378)
Payments for property, plant and equipment		**(4,905)**	(5,933)	**(4,905)**	(5,933)
Receipt of cash donations to purchase capital assets		**236**	10	**383**	894
NHS Charitable funds - net cash flows from investing activities		21	455	**-**	-
Net cash used in investing activities		(4,975)	(5,801)	**(4,849)**	(5,372)
Cash flows from financing activities					
Public dividend capital received		-	11	**-**	11
Loans received from the Department of Health		**13,795**	1,780	**13,795**	1,780
Other Loans received		**-**	222	**-**	222
Loans repaid to the Department of Health		**(5,318)**	(276)	**(5,318)**	(276)
Other loans repaid		(56)	-	(56)	-
Capital element of finance lease rental payments		(1,071)	(877)	(1,071)	(877)
Interest Paid	9.1	**(258)**	(76)	**(258)**	(76)
Interest element of finance lease	9.1	(149)	(121)	(149)	(121)
Public Dividend Capital Dividend paid	28	**(1,556)**	(2,004)	**(1,556)**	(2,004)
Net cash used in financing activities		5,387	(1,341)	**5,387**	(1,341)
Increase in cash and cash equivalents	24	5,013	(6,371)	**4,883**	(6,163)
Cash and Cash equivalents at 1 April		792	7,163	**764**	6,927
Cash and Cash equivalents at 31 March		5,805	792	**5,647**	764

1. Accounting Policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM), which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2016/17 issued by the Department of Health. The accounting policies contained in that manual follow IFRS and HM Treasury's Financial Reporting Manual (FReM) 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.

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 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.

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 Critical accounting judgements and 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.

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 2017 is £61,059.

Employees' Expenses At 31 March 2017 the accrual

for outstanding holidays is £344,000. 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 59% 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.

Employers' pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the 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. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued a fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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.

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'.

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.

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

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 licenses 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 DH GAM, 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 4 to 89 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 5 years
- Furniture & Fittings – 1 to 13 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 i.e:
    - management are committed to a plan to sell the asset
    - an active programme has begun to find a buyer and complete the sale
    - the asset is being actively marketed at a reasonable price
    - the sale is expected to be completed within 12 months of the date of classification as "Held for Sale"; and
    - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their "fair value less costs to sell". Depreciation ceases to be charged. 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 at the commencement pf the lease. 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. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Operating 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 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 0.24% for 2016/17 (1.37% for 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 arising 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 2016/17 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 exchange

The functional and presentational currencies of the trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.29 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, (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.

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 DH GAM does not require the following Standards and Interpretations to be applied in 2016/17. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 Revenue from Contracts with Customers – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.

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 two operating segments Healthcare and Community are reported to the Board of Directors; however the segments are only shown at the Income Statement level. This recommendation was approved by the Board of Directors during its April 2017 meeting.

	Group			Foundation Trust		
	Total	Community	Other	Total	Community	Other
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Operating Income						
Operating income from patient care activities:						
Elective Income	31,491	-	31,491	31,491	-	31,491
Non Elective Income	52,578	-	52,578	52,578	-	52,578
Outpatient Income	30,965	-	30,965	30,965	-	30,965
A&E Income	8,271	-	8,271	8,271	-	8,271
Other NHS Clinical Income	**71,579**	13,688	**57,891**	71,579	13,688	57,891
Income from activities(before private patient income)						
Total NHS Activity Income	194,884	13,688	181,196	194,884	13,688	181,196
Other Operating Income	32,444	722	31,722	32,407	722	31,686
Inter trust income	-	491	(491)	-	491	(491)
Total Operating Income	227,328	14,901	212,427	227,291	14,901	212,391
Operating Expenses						
Employee expenses - Staff	(152,901)	(9,576)	(143,325)	(152,843)	(9,576)	(143,267)
Supplies and services - clinical	(17,194)	(548)	(16,646)	(17,194)	(548)	(16,646)
Supplies and services - general	(3,082)	(391)	(2,691)	(3,082)	(391)	(2,691)
Drug Costs (inventory consumed)	(15,583)	(3)	(15,580)	(15,583)	(3)	(15,580)
Other operating expenses	(35,090)	(2,858)	(32,232)	(34,910)	(2,858)	(32,052)
Inter Trust Charges	-	(286)	286	-	(286)	286
Total Operating expenses	(223,850)	(13,662)	(210,188)	(223,512)	(13,662)	(209,850)
Total Operating surplus/(deficit)	3,478	1,239	2,239	3,679	1,239	2,542
Finance Costs:						
Finance Income	35	-	35	22	-	22
Finance expense – financial liabilities	(407)	-	(407)	(407)	-	(407)
Finance expense – unwinding of discount on provisions	(4)	-	(4)	(4)	-	(4)
PDC Dividends paid	(1,749)	-	(1,749)	(1,749)	-	(1,749)
NET FINANCE COSTS	(2,125)		(2,125)	(2,138)	-	(2,138)
SURPLUS FOR THE YEAR	1,353	1,239	114	1,541	1,239	302

3. Income from Activities

3.1 Operating income from patient care activities comprises:

Group and Foundation Trust	2016/17 £000	2015/16 £000
Elective Income	**31,491**	28,851
Non Elective Income	**52,578**	52,498
Outpatient Income	**30,965**	30,672
A&E Income	**8,271**	7,580
Other NHS Clinical Income	**57,891**	55,335
Community Services	**13,688**	-
Income from activities(before private patient income)	**194,884**	174,936
Other non-protected clinical income	**1,183**	1,083
Private patient income	**1,578**	1,422
Total Activity Income	**197,645**	177,441

The elective and non-elective income includes the levels of incomplete spells as at 31 March 2017. 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 a decrease of £69,730. An increase of £67,832 is due to a change in price and a decrease of £137,562 is due to a change in volume.

The Ante-natal pathway income has had an adjustment to reflect incomplete pathways as at 31 March 2017, 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 2017 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 a decrease of £103,601.

Included in Other NHS Clinical Income is direct access income for Pathology and Radiology, high cost drugs income and income for screening programmes.

From 1 October the Trust took over the Community Services contract for South Cheshire CCG and Vale Royal CCG. This has been separated out under the Community Services heading.

Injury Cost Recovery income included in 'Other non-protected clinical income' is subject to a provision for doubtful debts of 22.94% (2015/16: 21.99%) 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	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Education and training	**6,485**	5,964	**6,485**	5,964
Received from NHS Charities: Receipt of grants/donations for capital acquisitions - Donation		**-**	**-**	-
Received from NHS charities: Cash donations / grants for the purchase of capital assets	**-**	**-**	**162**	894
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	**-**	**-**	**-**	-
Received from other bodies: Cash donations / grants for the purchase of capital assets	**236**	**-**	**236**	-
Received from other bodies: Other charitable and other contributions to expenditure	**87**	74	**87**	74
Non-patient care services to other bodies	**9,478**	12,267	**9,478**	12,267
Sustainability and Transformation Fund income	8,622	-	8,622	-
Other	**4,054**	3,609	**4,054**	3,609
Reversal of impairments of property, plant and equipment	-	3,589	-	3,589
Staff Recharges	**192**	149	**192**	149
Rental Revenue from operating leases	**319**	315	**319**	315
NHS Charitable Funds: Incoming Resources excluding investment income	210	454	-	-
Total other operating income	29,683	26,421	29,646	26,872

4.1 Operating lease income

Group and Foundation Trust

Operating Lease Income	**2016/17**	2015/16
	£000	£000
Rents recognised in the period	**319**	315
Total	**319**	315

Future minimum lease payments due	**2016/17**	2015/16
	£000	£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.	200	199
Sub Total	211	210
On Leases of Buildings expiring		
Not later than one year;	308	303
Later than one year but not later than five years;	276	532
Later than five years.	**-**	-
Sub Total	584	835
Total	795	1,045

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)

	2016/17 Total £000	2015/16 Total £000
Income recognised this year	55	4
Cash payments received in-year (relating to invoices raised in current and previous years)	10	3
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	23	-
Amounts written off in-year (relating to invoices raised in current and previous years)	5	-

5. Operating Expenses

5.1 Group operating expenses comprise:

	Group		Foundation Trust	
	2016/17	**2015/16**	**2016/17**	2015/16
	£000	**£000**	**£000**	£000
Employee expenses - Staff	**151,727**	135,951	**151,727**	135,951
Employee expenses - Directors' costs	**962**	932	**962**	932
Employee expenses - Non-Executives' Costs	**154**	151	**154**	151
NHS Charitable funds - employee expenses	**68**	81	**-**	-
Supplies and services - clinical	**17,194**	16,663	**17,194**	16,663
Depreciation on property, plant and equipment	**4,016**	4,306	**4,016**	4,306
Amortisation of intangible assets	**489**	421	**489**	421
Impairments of property, plant and equipment	**-**	6,197	**-**	6,197
Premises - business rates payable to local authorities	**1,006**	743	**1,006**	743
Premises	**8,363**	7,279	**8,363**	7,279
Inventories written down	**50**	39	**50**	39
Drug Costs (non-inventory costs)	**389**	423	**389**	423
Drug Costs (inventories consumed)	**15,583**	15,568	**15,583**	15,568
Clinical negligence	**6,542**	5,217	**6,542**	5,217
Other	**1,766**	1,906	**1,766**	1,906
NHS Charitable funds: Other resources expended	**166**	191	**-**	-
Consultancy services	**243**	159	**243**	159
Supplies and services – general	**3,082**	2,592	**3,082**	2,592
Printing, stationery, travel & recruitment advertising	**1,617**	1,583	**1,617**	1,583
Services from NHS bodies	**5,397**	6,202	**5,397**	6,202
Transport (business travel only)	**505**	344	**505**	344
Transport (other)	**679**	401	**679**	401
Rentals under operating lease	**1,064**	1,149	**1,064**	1,149
Auditor's remuneration	**53**	54	**53**	54
Audit-related assurance services	**18**	18	**18**	18
Other Auditor's remuneration	**-**	-	**-**	-
Audit services - charitable fund accounts	**4**	4	**-**	-
Internal Audit	**93**	103	**93**	103
Purchase of healthcare from non-NHS bodies	**2,363**	1,839	**2,363**	1,839
Provision for impairment of receivables (including provision against Road Traffic income)	**(623)**	1,841	**(623)**	1,841
Legal Fees	**41**	47	**41**	47
Hospitality	**15**	28	**15**	28
Redundancies	**-**	109	**-**	109
Training Courses and Conferences	**355**	410	**355**	410
Patient Travel	**14**	21	**14**	21
Insurances	**164**	150	**164**	150
Other services	**115**	86	**115**	86
Change in provisions discount rate(s)	169	(10)	169	(10)
Losses, ex gratia and special payments	**7**	31	**7**	31
Total	**223,850**	213,229	**223,612**	212,953

5.2 Auditor's Remuneration

The analysis of auditor's remuneration is as follows:

	Group		Foundation Trust	
	2016/17	2015/16	2016/17	2015/16
	£000	£000	£000	£000
Fees payable to the auditor for the audit of the Trust's annual accounts	53	54	53	54
Audit-related assurance services	18	18	18	18
Audit services - charitable fund accounts	**4**	4	**-**	-
Total audit fees	**75**	76	**71**	72

Audit-related assurance services relates to the audit of the Quality Accounts 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			
	2016/17	2016/17 Plant and	2016/17	2016/17
	Buildings	Machinery	Other	Total
	£000	£000	£000	£000
Lease payments	-	959	105	1,064
Total	**-**	**959**	**105**	**1,064**

	2015/16	2015/16 Plant and	2015/16	2015/16
	Buildings	Machinery	Other	Total
	£000	£000	£000	£000
Lease payments	-	1,082	67	**1,149**
Total	**-**	**1,082**	67	**1,149**

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:	2016/17 Buildings £000	2016/17 Plant and Machinery £000	2016/17 Other £000	2016/17 Total £000
Not later than one year;	-	647	356	1,003
Later than one year and not later than five years;	-	1,227	215	1,442
Later than five years.	-	117	-	117
Total	-	1,991	571	2,562

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. In addition,the Trust acquired the Community Care contract for the South Cheshire CCG and Vale Royal areas in October 2016. The community services teams occupy a number of premises which the Trust does not own. At the balance sheet date there were no formal leasing agreements signed for these premises, however over the life of the contract the minimum payments would be circa £10,000,000 which have not been included in the figures above, however the costs for the 6 months have been recognised in expenditure.

Future non-cancellable minimum lease payments due:	2015/16 Buildings £000	2015/16 Plant and Machinery £000	2015/16 Other £000	2015/16 Total £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**

5.4 Senior Manager remuneration and benefits - Emoluments 2016/17

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**	**2**
Church J	Non-Executive (from 1 May 2016)	**13**	**-**	**-**	**-**	**13**	**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	**161**	**-**	**23**	**87**	**193**	**21**
Oldham M	Director of Finance	**116**	**3**	**17**	**128**	**148**	**15**
Frodsham D	Chief Operating Officer	**113**	**-**	**16**	**85**	**138**	**14**
Lynch A	Director of Nursing	**100**	**-**	**14**	**87**	**123**	**13**
Carmichael E	Director of Workforce and Organisational Development (from 8 May 2016)	**80**	**-**	**11**	**-**	**91**	**10**
Dodds P	Deputy Chief Executive Officer & Medical Director	**183**	**20**	**28**		**231**	**27**
Total		**895**	**23**	**109**	**387**	**1,066**	**113**

5.4 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

6. Staff Costs and Numbers

6.1 Staff Costs

	Group		Foundation Trust	
	2016/17	2015/16	**2016/17**	**2015/16**
	£000	£000	**£000**	**£000**
Salaries and wages	**123,482**	110,029	**123,482**	110,029
Social Security Costs	**10,284**	7,359	**10,284**	7,359
Employer contributions to NHS Pensions Authority	**13,477**	11,895	**13,477**	11,895
Pension cost - other	**17**	12	**17**	12
Termination Benefits	**-**	109	**-**	109
Agency and contract staff	**5,748**	7,880	**5,748**	7,880
NHS Charitable funds staff	**68**	81	**-**	-
Total Gross Staff Costs	**153,076**	137,365	153,008	137,284
Of which				
Costs capitalised as part of assets	**(319)**	(292)	**(319)**	(292)
Total Employee benefits excluding Capitalised Costs	**152,747**	137,073	152,689	136,992
Analysed into Operating Expenses (5.1 Op Ex)				
Employee Expenses - Staff	151,727	135,951	151,727	135,951
Employee Expenses - Executive directors	962	932	962	932
NHS Charitable funds: Employee expenses	**68**	81	**-**	-
Redundancy	**-**	109	**-**	109
Total Employee benefits excl. capitalised costs	**152,747**	137,073	152,689	136,992

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 2016/17 Number	**Other permanent employees Number**	**Directors Number**	**Other Number**	Total 2015/16 Number
Medical & Dental	**326**	326	-	-	**313**
Administration & estates	**777**	771	6	-	**698**
Healthcare Assistants & other support staff	**549**	**549**	-	-	**525**
Nursing, midwifery & health visiting staff	**993**	**993**	-	-	**901**
Scientific, therapeutic and technical staff	**265**	**265**	-	-	**156**
Healthcare Science Staff	**314**	**314**	-	-	**278**
Agency & Contract Staff	**87**	-	-	**87**	**78**
Bank Staff	**139**	-	**-**	139	147
Other	**291**	291	**-**	**-**	288
Total average numbers	**3,741**	**3,509**	**6**	**226**	3,384
of which					
WTE engaged on capital projects	**6**	**6**	**-**	**-**	7

The actual increase in whole time equivalents between March 2016 and March 2017 is 564 WTE which is mainly due to the take on of the Community Services staff in October 2016.

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 2016/17 there were no (2015/16: 0) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £0 (2015/16: £0). 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 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 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.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

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	- (-)	9(18)	9(18)	(-)
£10,000 - £25,000	- (-)	1 (-)	1(-)	(-)
£25,001 - £50,000	-(1)	(-)	(1)	(-)
£50,001 - £100,000	-(1)	(-)	(1)	(-)
Total number of exit packages by type	-(2)	10(18)	10(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	-(-)	14(55)	14(55)	(-)
£10,000 - £25,000	-(-)	10(-)	10(-)	(-)
£25,001 - £50,000	-(40)	(-)	(40)	(-)
£50,001 - £100,000	-(69)	(-)	(69)	(-)
Total cost of exit packages by type	-(109)	24(55)	24(164)	(-)

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 2015/16.

6.7 Exit packages: other (non-compulsory) departure payments

	2016/17 Payments agreed Number	2016/17 Total value of agreements £000	2015/16 Payments agreed Number	2015/16 Total value of agreements £000
Contractual payments in lieu of notice	10	24	18	55
Exit payments following Employment Tribunals or court orders	-	-	-	-
Total	10	24	18	55

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	2016/17		2015/16	
	Number	**£000**	Number	£000
Total Trade bills paid in the year	**61,237**	**142,675**	53,196	131,398
Total Trade bills paid within target	**26,169**	**96,345**	25,008	94,532
Percentage of Trade bills paid within target	**43%**	**68%**	47%	72%

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 2017 under the Late Payment of Commercial Debts (Interest) Act 1998.

8. Finance Income

	Group		Foundation Trust	
	2016/17	**2015/16**	**2016/17**	**2015/16**
	£000	**£000**	**£000**	**£000**
Interest on bank accounts	**22**	45	22	45
NHS Charitable funds: investment income	**13**	24	**-**	-
Total	**35**	69	22	45

9. Finance Costs

9.1 Finance Cost – Interest Expense

Group and Foundation Trust		
	2016/17	2015/16
	£000	£000
Interest on obligations under finance lease	**149**	121
Interest on loans from the Department of Health	**258**	76
Total	407	197

9.2 Impairment of Assets

Group and Foundation Trust			
		2016/17	
	Net Impairment	**Impairment**	Reversals
	£000	**£000**	£000
Unforeseen Obsolescence	**-**	**-**	**-**
Changes in market price	**-**	**-**	**-**
Total Impairments charged to operating surplus	**-**	**-**	**-**
Impairments charged to the revaluation reserve	**-**	**-**	**-**
Total Impairments	**-**	**-**	**-**

Group and Foundation Trust			
		2015/16	
	Net Impairment	**Impairment**	Reversals
	£000	**£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)

Included in the above is the impact of the revaluation of the premises as at March 2016.

10. Intangible Fixed Assets

	Software Licences	Total
	2016/17	2016/17
	£000	£000
Gross cost at 1 April 2016	2,921	**2,921**
Additions purchased	338	**338**
Additions - Donated	24	**24**
Reclassifications	5	**5**
Gross cost at 31 March 2017	3,288	**3,288**
Amortisation at 1 April 2016	1,984	**1,984**
Provided during the year	489	**489**
Amortisation at 31 March 2017	2,473	**2,473**
Net book value		
- **Total purchased at 1 April 2016**	**937**	**937**
- Total purchased at 31 March 2017	**815**	**815**

	Software Licences	Total
	2015/16	2015/16
	£000	£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**

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	Total
	2016/17	**2016/17**
NBV - Purchased at 31 March 2017	**791**	791
NBV - Finance leases at 31 March 2017	**-**	-
NBV - Donated and government grant funded at 31 March 2017	24	24
NBV total at 31 March 2017	**815**	**815**

	Software Licences	Total
	2015/16	**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**

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 2016	**3,157**	**62,941**	**1,922**	**473**	**13,857**	**4,945**	**222**	**87,517**
Additions – purchased	**-**	3,430	48	1,354	68	39	-	**4,939**
Additions – leased	-	-	-	-	3,333	-	-	**3,333**
Additions – Donations of physical assets	-							**-**
Additions - assets purchased from cash donations / grants	-	310	-	-	49	-	-	**359**
Impairments charged to revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	**-**
Transfers to/from assets held for sale	-	-	-	-	-	-	-	**-**
Reclassifications	-	260	-	(473)	208	-	-	**(5)**
Disposals	-	-	-	-	(1,050)	(66)	-	**(1,116)**
Cost or valuation at 31 March 2017	**3,157**	**66,941**	**1,970**	**1,354**	**16,465**	**4,918**	**222**	**95,027**
Accumulated depreciation at 1 April 2016	**-**	**-**	**-**	**-**	**7,958**	**3,700**	**92**	**11,750**
Provided during the year	-	1,990	79	-	1,420	497	30	4,016
Impairments charged to operating expenses	-	-	-	-	-	-	-	**-**
Reversal of impairments to operating income	-	-	-	-	-	-	-	**-**
Revaluation	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	(1,050)	(66)		(1,116)
Accumulated depreciation at 31 March 2017	**-**	1,990	79	**-**	8,328	4,131	122	14,650
Net Book Value								
NBV - Purchased at 31 March 2016	3,157	60,808	1,922	473	788	1,116	130	**68,394**
NBV – Finance Lease at 31 March 2016	-	-	-	-	4,016	63	-	**4,079**
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**
Net Book Value								
NBV - Purchased at 31 March 2017	3,157	62,578	1,891	1,354	756	774	100	70,610
NBV – Finance Lease at 31 March 2017	-	-	-	-	6,366	13	-	6,379
NBV - Donated at 31 March 2017	-	2,373	-	-	1,015	-	-	3,388
NBV total at 31 March 2017	3,157	64,951	1,891	1,354	8,137	787	100	80,377

	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.

11.2 Economic life of property, plant and equipment

Group and Foundation Trust	Min Life	Max Life
Buildings excluding dwellings	4	89
Dwellings	19	49
Assets under construction	-	-
Plant & machinery	1	15
Information Technology	1	5
Furniture and Fittings	1	13

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 NHS Charitable Funds: Other investments	Foundation Trust NHS Charitable Funds: Other investments
	2016/17	2016/17
	£'000	£'000
Carrying Value 1 April 2016 (restated)	519	-
Acquisitions in year - other	80	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	74	-
Disposals	(88)	-
Carrying Value 31 March 2017	585	-

	Group NHS Charitable Funds: Other investments	Foundation Trust NHS Charitable Funds: Other investments
	2015/16	2015/16
	£'000	£'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	-

13. Non-current Assets Held for Sale and Assetts in Disposal Groups

There are no non-current assets held for sale or assets in disposal groups for 2016/17 or 2015/16.

14. Inventories

	Group and Foundation Trust				
Inventory Movements 2016/17	**Drugs**	**Consumables**	**Energy**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Carrying value at 1 April	**1,001**	**1,882**	**95**	**-**	**2,978**
Additions	15,702	12,069	42	335	28,148
Inventories recognised in expense	(15,583)	(11,916)	(18)	(264)	(27,781)
Write down of inventories recognised in expense	(35)	(15)	**-**	**-**	(50)
Carrying value at 31 March	1,085	2,020	119	71	3,295

	Group and Foundation Trust				
Inventory Movements 2015/16	**Drugs**	**Consumables**	**Energy**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**	**£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**

The other category includes wheelchairs which have been added in 2016/17 as part of the Community Services contract.

15. Trade and Other Receivables

Group

	2017	2016
	£000	£000
Current:		
NHS receivables	**8,715**	7,165
Provision for impaired receivables	**(262)**	(1,629)
Prepayments	**1,785**	1,909
PDC Receivable	**38**	231
VAT Receivable	**105**	333
Other receivables	**2,015**	1,471
NHS Charitable funds: Trade and other receivables	**388**	664
Total current trade and other receivables	**12,784**	10,144
Non-current:		
Other receivables	**546**	465
Provision for impaired receivables	**(162)**	(130)
Total non-current trade and other receivables	**384**	335
Total trade and other receivables	**13,168**	10,479

Foundation Trust

	2017	2016
	£000	£000
Current:		
NHS receivables	**8,715**	7,165
Provision for impaired receivables	**(262)**	(1,629)
Prepayments	**1,785**	1,909
PDC Receivable	**38**	231
VAT Receivable	**105**	333
Other receivables	**2,036**	1,479
Total current trade and other receivables	**12,417**	9,488
Non-current:		
Other receivables	**546**	465
Provision for impaired receivables	**(162)**	(130)
Total non-current trade and other receivables	**384**	335
Total trade and other receivables	**12,801**	**9,823**

15.1 Provision for impairment of receivables

Group and Foundation Trust	2016/17	2015/16
	£000	**£000**
At 1 April	**1,759**	294
Increase in provision	**438**	1,857
Amounts utilised	**(712)**	(376)
Unused amounts reversed	**(1,061)**	(16)
At 31 March	**424**	1,759

Included above is a £295,656 which is based on 22.94% on the outstanding receivables from the Compensation Recovery Unit.

15.2 Ageing of receivables

Ageing of impaired receivables	**31 March 2017**	31 March 2016
	£000	£000
0 to 30 days	**11**	1,450
30 to 60 days	**8**	-
60 to 90 days	**-**	-
90 to 180 days	**22**	8
Over 180 days	**383**	301
Total	**424**	1,759

Ageing of non-impaired receivables past their due date	**31 March 2017**	31 March 2016
	£000	£000
0 to 30 days	**262**	257
30 to 60 days	**392**	98
60 to 90 days	**133**	38
90 to 180 days	**232**	194
Over 180 days	**246**	22
Total	**1,265**	609

16. Other Financial Assets

The Group and Foundation Trust have no other financial assets as at 31 March 2017 or 31 March 2016.

17. Other Current Assets

The Group and Foundation Trust have no other current assets as at 31 March 2017 or 31 March 2016.

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 2017	31 March 2016
	£000	£000
Current:		
NHS payables	**4,112**	2,217
NHS pensions	**2,004**	1,659
Trade payables capital	**1,379**	973
Social Security costs	**1,733**	1,216
Other taxes payable	**1,401**	1,209
Other payables	**87**	94
Other trade payables	**5,323**	8,707
PDC dividend payables	-	-
Accruals	**3,559**	3,250
NHS Charitable funds: Trade and other payables	**4**	1
Total current trade and other payables	**19,602**	19,326

	31 March 2017	31 March 2016
	£000	£000
Non-current:		
Other payables	**-**	**-**
Total non-current trade and other payables	**-**	**-**
	19,602	19,326

Foundation Trust

	31 March 2017	31 March 2016
	£000	£000
Current:		
NHS payables	**4,112**	2,217
NHS pensions	**2,004**	1,659
Trade payables capital	**1,379**	973
Social Security costs	**1,733**	1,216
Other taxes payable	**1,401**	1,209
Other payables	**87**	94
Other trade payables	**5,323**	8,707
PDC dividend payables	**-**	
Accruals	**3,559**	3,268
Total current trade and other payables	**19,598**	19,343

	31 March 2017	31 March 2016
	£000	£000
Non-current:		
Other payables	**-**	-
Total non-current trade and other payables	**-**	-
	19,598	19,343

19. Other Liabilities

Group and Foundation Trust

	31 March 2017	31 March 2016
	£000	£000
Current		
Deferred income	**1,262**	1,060
Total current liabilities	1,262	1,060

Included in the balance is £980,000 (2015/16:£877,000) relating to maternity income.

20. Borrowings

Group and Foundation Trust	31 March 2017	31 March 2016
	£000	£000
Current		
Capital loans from the Department of Health	**346**	306
Working capital loans from the Department of Health	**-**	-
Other Loans	**55**	56
Obligations under finance lease	**1,700**	837
Total current borrowings	**2,101**	1,199
Non-current		
Capital loans from the Department of Health	**4,689**	4,347
Working capital loans from the Department of Health	**8,098**	-
Other Loans	**110**	167
Obligations under finance lease	**4,169**	2,776
Total non-current borrowings	**17,066**	7,290

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 2017**	31 March 2016
	£000	£000
Gross liabilities	**6,286**	**3,924**
of which liabilities are due		
-not later than 1 year	**1,875**	946
-later than 1 year but not later than 5 years	**4,186**	2,727
-later than five years	**225**	251
Finance charges allocated to future periods	**(417)**	(311)
Net lease liabilities	**5,869**	**3,613**
-not later than 1 year	**1,700**	**837**
-later than 1 year but not later than 5 years	**3,950**	2,534
-later than five years	**219**	242
	5,869	**3,613**

All the finance lease obligations are plant and equipment

22. Provisions

	Group and Foundation Trust			
	Current		Non-Current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
Legal Claims	61	70	**-**	-
Pensions	109	115	**1,650**	1,645
Total	170	185	**1,650**	1,645

	Legal Claims	**Pensions**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
At 1 April 2016	**70**	**1,760**	**-**	**1,830**
Change in the discount rate	**-**	**169**	-	**169**
Arising during the year	**35**	**38**	-	**73**
Utilised during the year	**(30)**	**(109)**	-	**(139)**
Reversed unused	**(14)**	**(103)**	-	**(117)**
NHS Charitable funds: movement in provision	**-**	**-**	-	**-**
Unwinding of discount	**-**	**4**	-	**4**
At 31 March 2017	61	**1,759**	**-**	**1,820**

Expected timing of cash flows :

Not later than 1 year	**61**	**109**	-	170
Later than 1 year and not later than 5 years	**-**	**433**	-	433
Later than 5 years	**-**	**1,217**	-	1,217
At 31 March 2017	**61**	**1,759**	**-**	**1,820**

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, £2,355,894 has been included in the provision of the NHSLA at 31 March 2017 (2015/16 £0) (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.

£76,643,104 (2015/16: £72,356,534) is included in the provision of the NHSLA at 31 March 2017 in respect of the Clinical Negligence Schemes for Trust's 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	Total 2017
	£000	£000
Revaluation reserve at 1 April 2016	10,251	10,251
Impairments	-	-
Revaluations	-	-
Transfers to other reserves	(89)	(89)
At 31 March 2017	10,162	10,162

Group and Foundation Trust	Revaluation Reserve Property, plant and equipment	Total 2016
	£000	£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

24. Cash and Cash Equivalents

	Group and Foundation Trust			
	Cash and Cash equivalents (excluding charitable funds)	**NHS Charitable Funds : cash and cash equivalents**	Cash and Cash equivalents (excluding charitable funds)	NHS Charitable Funds : cash and cash equivalents
	31 March 2017	**31 March 2017**	31 March 2016	31 March 2016
	£000	**£000**	£000	£000
At 1 April	764	28	6,927	236
Net change in year	4,883	130	(6,163)	(208)
At 31 March	**5,647**	158	764	28
Broken down into				
Cash at commercial bank and in hand	**903**	158	40	28
Cash with Government Banking Service	**4,744**	-	724	-
Cash and Cash equivalents as in SoFP and SoCF	5,647	158	764	28

25. Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were £522,000 (2015/16: £2,308,000). These Ward 16 refurbishment £190,000, Sub Station £22,000, Outpatient Department Doors £15,000 and Voice over Internet Protocol £295,000.

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	**Other**	**Total**
	31 March 2017	**31 March 2017**	**31 March 2017**
	£000	**£000**	**£000**
Total value of contingent liability	331	**-**	**331**
Payable by NHSLA	(307)	**-**	**(307)**
Net contingent liability	24	**-**	**24**

	Group and Foundation Trust		
	NHS Litigation legal claims	**Other**	**Total**
	31 March 2016	**31 March 2016**	**31 March 2016**
	£000	**£000**	**£000**
Total value of contingent liability	331	**3,000**	**3,331**
Payable by NHSLA	(289)	**-**	**(289)**
Net contingent liability	42	**3,000**	**3,042**

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 £1,556,000 (2015/16: £2,004,000) which included a receivable of £231,000 from 2015/16, however based on actual average relevant net assets this figure should be £1,749,000 (2015/16: £1,893,000) and a receivable of £38,000 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 below:

Related Party Transactions (Group and Foundation Trust)

	Income	Expenditure
	£000	£000
Value of Transactions (other than salary) with board members 2016/17	-	-
Value of Transactions with key staff members 2016/17	-	-
Value of transactions with other related parties 2016/17		
Department of Health	-	-
Other NHS Bodies	219,321	13,725
Charitable Funds	-	-
Subsidiaries/Associates/Joint Ventures	-	-
Other	203	24,461
NHS Shared Business Services	-	-
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	-	-
Other NHS Bodies	193,100	12,264
Charitable Funds	-	-
Subsidiaries/Associates/Joint Ventures	-	-
Other	813	19,523
NHS Shared Business Services		

	Receivables	Payables
	£000	£000
Value of balances (other than salary) with board members at 31 March 2017	-	-
Value of balances (other than salary) with key staff members at 31 March 2017	-	-
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2017	-	-
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year at 31 March 2017	-	-
Value of balances with other related parties 31 March 2017		
Department of Health	38	-
Other NHS Bodies	8,639	5,232
Charitable Funds		
Subsidiaries/Associates/Joint Ventures		
Other	299	5,148
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	-
Other NHS Bodies	7,164	3,092
Charitable Funds		
Subsidiaries/Associates/Joint Ventures		
Other	358	4,094

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

IFRS 7, 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	Loans and receivables	Available for sale
	31 March 2017	31 March 2017	31 March 2017
	£000	£000	£000
NHS Trade and other receivables excluding non-financial assets	**10,957**	**10,957**	-
Cash and cash equivalents (at bank and in hand)	**5,647**	**5,647**	-
NHS Charitable funds: financial assets	**546**	**546**	**-**
Total	**17,150**	**17,150**	**-**

	Total	Loans and receivables	Available for sale
	31 March 2016	31 March 2016	31 March 2016
	£000	£000	£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	**-**

Foundation Trust

	Total	Loans and receivables	Available for sale
	31 March 2017	31 March 2017	31 March 2017
	£000	£000	£000
NHS Trade and other receivables excluding non-financial assets	10,978	10,978	-
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)	5,647	5,647	-
Total	16,625	16,625	**-**

	Total	Loans and receivables	Available for sale
	31 March 2016	31 March 2016	31 March 2016
	£000	£000	£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	-

All financial assets are denominated in Sterling

30.4(ii) Financial liability by category

Group

	Total	Other financial liabilities
	31 March 2017	31 March 2017
	£000	£000
Borrowings excluding finance lease and PFI liabilities	13,298	13,298
Obligations under finance leases	5,869	5,869
Trade and other payables excluding non-financial liabilities	**16,464**	**16,464**
Provisions under contract	1,820	1,820
NHS charitable funds: financial	**4**	**4**
Total	**37,455**	**37,455**

	Total	Other financial liabilities
	31 March 2016	31 March 2016
	£000	£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**
NHS charitable funds: financial	**1**	**1**
Provisions under contract	**1,830**	**1,830**
Total	**27,220**	**27,220**

Foundation Trust

	Total	Other financial liabilities
	31 March 2017	31 March 2017
	£000	£000
Borrowings excluding finance lease and PFI liabilities	13,298	13,298
Obligations under finance leases	5,869	5,869
Trade and other payables excluding non-financial liabilities	16,464	16,464
Provisions under contract	1,820	1,820
Total	37,451	37,451

	Total	Other financial liabilities
	31 March 2016	31 March 2016
	£000	£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

30.4(iii) Maturity of Financial liabilities

Group

	31 March 2017	31 March 2016
	£000	£000
In one year or less	22,504	20,698
In more than one year but not more than two years	844	849
In more than two years but not more than five years	1,333	1,394
In more than five years	12,774	4,278
Total	37,455	27,219

Foundation Trust

	31 March 2017	31 March 2016
	£000	£000
In one year or less	22,500	**20,716**
In more than one year but not more than two years	844	**849**
In more than two years but not more than five years	1,333	**1,394**
In more than five years	12,774	**4,278**
Total	37,451	27,237

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 2017.

31. Third Party Assets

Group and Foundation Trust	2016/17	2015/16
	Money on deposit	Money on deposit
	£000	£000
At 1 April	-	2
Gross inflows	7	10
Gross outflows	(7)	(12)
At 31 March	-	-

The Trust held £453.51 cash at bank and in hand at 31 March 2017 (£342 at 31 March 2016) 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 2017.

33. Losses and Special Payments

	Group and Foundation Trust			
	2016/17 Total number of Cases	2016/17 Total value of Cases	2015/16 Total number of Cases	2015/16 Total value of Cases
	Number	£000's	Number	£000's
Losses:				
Cash Losses	-	-	-	-
Fruitless payments and constructive losses	4	3	10	11
Bad debts and claims abandoned in relation to:				
private patients	1	-	-	-
overseas visitors	4	5	-	-
other	36	7	152	238
Damage to buildings, property and stores losses				
Theft, fraud etc	3	-	1	-
Stores losses	2	50	3	38
Other	-	-	1	-
Total Losses	50	65	167	287
Special payments:				
Compensation under legal obligation	-	-	-	-
ex gratia payments	18	4	23	5
Other	1	-	4	15
Total special payments	19	4	27	20
Total Losses and special payments	69	69	194	307

During 2016/17 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 Hospitals Charity Summary Statements

	2016/17 £000	2015/16 £000
INCOME		
Donations	**241**	**285**
Legacies	**(31)**	**169**
Other Income	**-**	**-**
Investment Income	**13**	**24**
TOTAL INCOME	**223**	**478**
EXPENDITURE		
Cost of Raising Funds	**(68)**	**(69)**
Charitable Activities	**(343)**	**(1,112)**
	(411)	**(1,181)**
Net gains/(losses) on investments	**74**	**(37)**
Net Income/(Expenditure)	**(114)**	**(740)**
Transfer between Funds	**-**	**-**
NET (OUTGOING) RESOURCES	**(114)**	**(740)**
GAINS ON INVESTMENT ASSETS		
Total Funds Brought Forward	**1,220**	**1,960**
Fund balances carried forward at 31 March 2017	**1,106**	**1,220**

Balance Sheet as at 31 March 2017

	Total at 31 March 2017 £000	Total at 31 March 2016 £000	Total at 31 March 2015 £000
FIXED ASSETS			
Investments at market value	**585**	**519**	**987**
CURRENT ASSETS			
Debtors	**388**	**682**	**756**
Cash at bank and in hand	**158**	**28**	**236**
TOTAL CURRENT ASSETS	**546**	**710**	**992**
CREDITORS			
Amounts falling due within one year	**(25)**	**(9)**	**(19)**
NET CURRENT ASSETS	**521**	**701**	**973**
TOTAL NET ASSETS	**1,106**	**1,220**	**1,960**
FUNDS OF THE CHARITY			
Unrestricted income funds	**1,106**	**1,220**	**1,846**
Restricted income funds	**-**	**-**	**114**
TOTAL FUNDS	**1,106**	**1,220**	**1,960**

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