



Annual Report and Accounts

2014-2015

Mid Cheshire Hospitals NHS Foundation Trust
Annual Report and Accounts 2014-2015

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paragraph 25(4)(a) of the National Health Service Act 2006.

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One of the 14 Critical Care bays which officially opened during 2014/15. The £22.8million project, which also saw the creation of eight state-of-the-art Operating Theatres and a new Recovery Area, was completed in April 2014 and has already won an award from the Institute of Healthcare Engineering and Estate Management.

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Chairman and Chief Executive's Foreword

This is the first Annual Report and Accounts to be presented jointly following the successful recruitment in July 2014 of Mr Dennis Dunn MBE, as our Chairman. We are delighted to present to you our Annual Report and Accounts for the year ending 31 March 2015.

Previously we have noted the economic challenges facing the NHS which is ultimately impacting on Mid Cheshire Hospitals NHS Foundation Trust (MCHFT) so that even we could not avoid finishing the financial year with a small unplanned deficit. That aside, this last year has without doubt otherwise been one of the most successful years in our history and we have much to share, celebrate and be proud of.

One of our most notable achievements was the outcome of our CQC Comprehensive Inspection which took place in October 2014. The results, published in January 2015, rated the Trust overall as 'Good'. This places the Trust in the top 10% of acute hospitals along with the best in the country. Whilst faced with significant daily challenges, we continue to be impressed by the commitment and motivation of our talented staff who consistently deliver care to our patients that has been independently recognised as safe, caring, effective and compassionate.

Lots of available evidence supports the view that positive staff experience and wellbeing leads to positive patient experience; we were therefore delighted with the results of our most recent national staff survey which was published in February 2015. Our best staff survey results received to date placed the Trust in the top 20% nationally in areas such as staff engagement and staff recommending the Trust as a place to work and receive treatment. Overall, the Trust had 13 out of 29 indicators in the top 20% and none in the bottom 20%.

As a result, we continue to receive very

positive feedback from the vast majority of our patients and visitors as demonstrated through the national Friends and Family Test and the number of spontaneous compliments that the Trust receives. However, if on occasion we do not get things right we acknowledge this and ensure learning takes place to prevent a recurrence.

The dedication and commitment of our remarkable staff has been further acknowledged independently through the achievement of a number of national awards such as the Royal College of Midwives' 'Midwifery Service of the Year' (*as pictured on the front cover of this Report*), the Health Service Journal Award for medical e-handover and for the third consecutive year remaining one of the 40 Top Hospitals in the Country, to name but a few. Further details of our achievements can be seen throughout the Annual Report and in particular the Quality Account in Chapter Seven.

Furthermore, a number of significant estate developments concluded during the latter part of 2014 which included the opening of the new Critical Care and Theatre rebuild (*pictured opposite*), the new Neonatal Intensive Care Unit, Leighton Hospital's Main Entrance and new wayfinding signage. These developments have produced world class facilities and have transformed the look and feel of the Leighton site which has contributed significantly to the comfort and experience of our patients, staff and visitors.

Although clearly able to demonstrate a very vibrant and positive year, we are not complacent. Our achievements to date are as a result of a continuous quality improvement journey that started over ten years ago and will continue until we achieve our aspiration to be the best of the best. Our ambition for the Trust through all of our colleagues is that we aspire to be excellent for the benefit of all

those who entrust their health and wellbeing to our care. We will continue to endorse the NHS Constitution and this will guide our decision making and also support us in achieving our aspiration.

Finally, on behalf of the Board of Directors, we would like to pay tribute to our 3,250 staff and our key stakeholders who work with us relentlessly to improve the care and experience for the patients and population that we serve. Also, an enormous thank you to our volunteers and Governors who generously give of their time and energy to support us in our endeavours.

This Annual Report looks back to our performance in 2014/15. As Chief Executive and Chairman, we are focused on the continuing transformational journey ahead of us and using the considerable success of this last year as a positive platform on which to build continued success.

Tracy Bullock
Chief Executive

Dennis Dunn MBE
Chairman



Pictured (top to bottom): the exterior of the new Operating Theatre suites; the new Neonatal Intensive Care Unit; and the new Main Entrance at Leighton Hospital.

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Strategic Report

About the Trust

MidCheshireHospitalsNHSFoundation Trust is the organisation which manages Leighton Hospital in Crewe, Victoria Infirmary in Northwich (VIN) and Elmhurst Intermediate Care Centre in Winsford. The Trust underwent its routine Comprehensive Inspection by the Care Quality Commission (CQC) in October 2014 and received an overall rating of “Good”, placing it as one of the top performing Trusts in the country.

Becoming a Foundation Trust on April 1, 2008, following authorisation by the independent regulator, Monitor, the Trust provides services to a population of approximately 300,000 living in and around Alsager, Crewe, Congleton, Knutsford, Middlewich, Nantwich, Northwich, Sandbach and Winsford.

The Trust delivers a comprehensive range of acute, child health, intermediate care and maternity services, with the latter being named as “Midwifery Service of the Year” by the Royal College of Midwives in March 2015.

Mid Cheshire Hospitals NHS Foundation Trust, which is registered with the Care Quality Commission without conditions, provides its services through four Clinical Divisions: Medicine & Emergency Care; Surgery & Cancer; Diagnostics & Clinical Support Services; and Women’s, Children’s & Sexual Health. These Clinical Divisions are supported by the Estates & Facilities Division, which provides a range of services to maintain and improve the hospital environment, and the Corporate Division, which delivers a full range of support functions.

Our Vision, Mission and Values

The Vision

The Vision for Mid Cheshire Hospitals NHS Foundation Trust is:

“To Deliver Excellence in Healthcare through Innovation and Collaboration”

The Mission

The Mission of Mid Cheshire Hospitals NHS Foundation Trust is to be a provider that:

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

Our Values

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

Our Strapline



Strategic Direction

The Trust's Strategic Objectives provide a framework for achieving our Vision and Mission and are as follows:

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

1. Maintain Independence

Progress with a programme of radical and transformational change through innovation and organisational development to maximise efficiency and productivity in order to maintain a local, independent and sustainable District General Hospital.

Progress during 2014/15

Theatre Transformation

This programme was established to ensure that patients achieve the best possible benefits from the new theatre facilities and Treatment Centre redesign. The programme during 2014/15 has scoped at specialty level the opportunities to improve patient experience, increase efficiency and optimise the number of patients treated, thus reducing access times. The development of a Theatre Performance dashboard enabled the clinical teams to identify where opportunities were available and to work with those teams to streamline and improve the patient pathways from booking into hospital to discharge. The introduction of a new theatre computer system includes enhanced safety procedures to reduce risk, whilst the replacement medical equipment ensures the latest technology is available to support the best outcomes at all levels. The programme is on track and has

seen excellent patient feedback, but the delay in the completion of the Treatment Centre refurbishment means that the full benefits will not be delivered until July 2015.

Outpatients

The Outpatient Transformation Group was established during 2014/15 with a priority being placed on reducing the number of hospital-initiated cancellations of outpatient appointments. This had been identified as a particular concern from patient feedback and was creating inefficiency that could be improved if managed in a different way. The objective was to reduce cancellations by 20% compared with the previous year.

The target reduction was achieved ahead of schedule as a result of the introduction of a partial booking system across all specialties, whereby follow-up appointments due more than six weeks in the future were made closer to the time rather than at the time of the previous appointment. This change provides the opportunity to have a full understanding of medical staff availability, whilst still giving patients three weeks' notice of the appointment date and ensuring patient involvement in agreeing that date.

Further work has also been undertaken to understand the level of clinic room capacity available to support an expansion of services in those specialties where demand is increasing.

During 2014/15, the Trust continued to develop partnerships with GPs to increase and enhance services delivered in community settings. For both Dermatology and Rheumatology, additional clinics were set up in primary care facilities and the enhanced services were developed in partnership with Consultants and GPs with special interests. Overall, this begins to form the Outpatient Strategy which will be further scoped and developed during 2015/16.

Bed Productivity

This programme continued from the previous year, during which time the bed capacity had been reduced by one ward due to improvements in length of stay. The key objectives for 2014/15

continued to focus on reducing unnecessary admissions, optimising the length of time that patients spend in hospital, reducing the number of patients subsequently re-admitted after discharge and expediting the discharge of patients who no longer require acute hospital care.

For 2014/15, the primary activity was to introduce event-led discharge whereby the patient's nurse, along with the medical team, developed an individual patient management plan to include parameters for discharge. This enables easier discharge without delay and improves patient and family involvement. Whilst the outcomes were not as significant as potentially expected, the project did highlight many areas of good practice and identified further opportunities to improve patient flow including the standardisation of medical review of patients via Board Rounds.

A review of this transformation programme was undertaken in February 2015, and it was recognised in line with other national initiatives that the remit should be refocused to model the operational processes, starting at arrivals to patient discharge. For 2015/16, the group will be redeveloped into an 'Access and Flow' group, led and managed by the Chief Operating Officer.

Progress planned in 2015/16

Theatre Transformation

For 2015/16, the key objective is to fully occupy the redesigned Treatment Centre facility (*pictured*) and to make best use of the new Surgical Admissions Lounge. This will enable patients to be scheduled more in line with the time of their procedure and to allow the surgeon and anaesthetist to be co-located for pre-operative checks. It will enable ward staff sufficient time to discharge previous patients without having to manage new patients until after their procedure has been completed. The new facility has been designed to support a calm and quiet environment for patients and their relatives.

Pathway redesign will continue to include



the booking of procedures directly with patients at the time of the decision, improved scheduling using individual average consultant timings (rather than indicative times) and the introduction of focussed procedure lists where improved utilisation of the theatre session can be achieved. The Trust will also start to develop plans for standardised six-day elective working.

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

Outpatients

During 2015/16, the outpatient programme will focus on the introduction of a room booking system for Leighton and Victoria Infirmary sites. This will increase the utilisation of the rooms to increase capacity for new and expanded services, particularly at Victoria Infirmary. Further work is being undertaken to assess the opportunities for delivering a wider range of services in the community. This is particularly beneficial for patients who need regular follow-up reviews but do not necessarily require that to be in a hospital setting. The Transformation Group will also assess communication methods and effectiveness in order to improve correspondence and appointment booking processes.

Access and Flow

A review of the Bed Productivity Group identified that, for 2015/16, the programme required re-focussing and this would best be achieved through a redesign of the project objectives

and prioritising internal operational processes around 'access and flow'. Simultaneously, transformation work across the health economy will be scoped and developed to redesign models of care that support out of hospital care provision.

2. Develop wider service provision into the community

The Trust already delivers a number of services in the community including Phlebotomy, Anti-Coagulation, Midwifery, Paediatrics as well as some Dermatology and ENT services. However, the Trust is also involved in the expansion of other services into community settings, some of which are described below.

Progress in 2014/15

Bowel Screening

In May 2014, the Cheshire Bowel Cancer Screening Programme, based at Leighton Hospital, commenced Bowel Scope Screening for all residents over 55 years old. This was one of the 'first wave' of centres to be commenced nationwide, a significant achievement for the Trust.

This service complements the Faecal Occult Blood Test Screening Programme for patients aged 60-74 years. Patients across a number of GP catchment areas have accessed the service this year and it is planned that this will be rolled out to all GPs surgeries by March 2016.

A high uptake for Bowel Scope Screening is being seen, which aligns with the trend for Colonoscopy screening and enables the Trust to continue to be one of the best performing Screening Centres in the country.

The Endoscopy Department maintained national accreditation in January 2015 for both Leighton and VIN sites following external inspection. This is recognition that the unit meets all clinical standards for the service, has appropriate access times for patients and is also accredited to be a training centre for

Junior Doctors and Nurse Endoscopists.

Development of Integrated Teams

During 2014/15, the Trust, along with other health and social care partners, has been developing a model of integrated community teams to cover the populations of South Cheshire and Vale Royal. The nine cluster teams will be established during 2015/16 and will support patients who are at high risk of hospital admission and / or those considered to require urgent support in the community. The Clinical Commissioning Groups have made available £2million and it is expected that the first cluster of practices will be established by July 2015, with the remaining in place by March 2016.

Progress planned in 2015/16

Each of the Bowel Scope and Integrated Team programmes described above will continue, with the roll-out and benefit realisation completed for each by the end of March 2016.

3. Develop provider collaborations and partnerships through horizontal integration, where mutual benefits are identified

Progress with a programme of horizontal integration through partnership working.

Progress in 2014/15

During 2014/15, the Trust established robust governance arrangements with the University Hospital of North Midlands NHS Trust so that appropriate and necessary due diligence is followed as the development of integrated services progresses. Each Board of Directors has approved a five-year programme of work which identified a range of services, including clinical and support services, where economies of scale may enable improvements to patient outcomes, reductions in travel time and, at the same time, provide a more cost-effective service.

In association with commissioners, the Trust has started to develop a cancer strategy which is intended to deliver more treatments locally and offer wider choice for patients whilst maintaining or improving performance on current outcomes and patient experience.

Progress planned in 2015/16

The five-year programme of work will continue to review elective and emergency services where opportunities to secure improvements in outcomes and clinical sustainability can be identified. For 2015/16, this will include out of hours Gastro-Intestinal bleed pathways, integration of breast screening, scoping of cancer pathway opportunities to widen patient choice and a review of elective capacity across both organisations so that patient waiting times are improved and the costs of outsourcing currently being experienced are reduced.

4. Develop MCHFT Reputation and Brand

Progress with a programme of work to improve the reputation and brand of MCHFT to ensure patients see Mid Cheshire Hospitals as their provider of choice.

Progress 2014/15

A number of major capital programmes for the Trust are nearing their completion. These investments include the new build Theatre and Critical Care facilities, a new Neonatal Unit, updated catering facilities for staff and visitors provided in a new main front entrance at Leighton Hospital, and improved wayfinding, signage and outpatient facilities. These developments help support improvements to patient care and contribute to the brand and reputation of a modern fit-for-purpose hospital. However, it is recognised that good communication and engagement with the Governors, patients and wider community are fundamental and these have continued during the year.

With the external CQC rating of 'Good',

as well as achieving a number of other prestigious awards during the year, the Trust is now establishing itself as a high quality, reputable hospital that is safe and proud of its achievements and the services it delivers.

Progress planned in 2015/16

The increased level of Consultants within the Trust offers the opportunity to work more closely with primary care, especially GPs, whom patients rely on in helping them to make informed choices. We are therefore supporting clinical engagement across a number of specialties to ensure that GPs have up-to-date information about the Trust and the quality of services being provided locally. Furthermore, the development of services in primary care will facilitate a more integrated acute / primary care service which we anticipate will support increased number of patients choosing to have their treatment at Mid Cheshire Hospitals.

Achievements

Although a challenging year, a number of significant service developments and improvements have taken place and some of these improvements have received local and national recognition.

Below showcases just some of the many highlights during the last year:

Trust Rated as 'Good' by CQC

Following a Comprehensive Inspection of the care provided at MCHFT, the national regulator for all healthcare providers in England, the Care Quality Commission (CQC), rated the care provided by the Trust as 'Good'. Only a small number of acute hospital Trusts in England have been provided with this rating, meaning that the care which patients receive at MCHFT's hospitals is amongst the highest rated in the country.

Trust Named 'Midwifery Service of the Year'

The Trust was named as the country's best Midwifery Service by the Royal College of Midwives (RCM) as part of their 2015 Annual Midwifery Awards, which recognise excellence and innovation in the provision of maternity care and in the organisation of the service. The award gives recognition to a service that has demonstrated an exemplary forward-looking and innovative approach to the provision of maternity and how women are offered a number of different birthing choices. It also evidences a commitment to improved recruitment and retention of maternity staff, as well as ensuring that they are appropriately supported and valued.

Operating Theatres Win Project Award

The new multi-million pound Operating Theatres and Critical Care facilities opened in April 2014 at Leighton Hospital in Crewe.

The £22.8million project saw the creation of eight Operating Theatres, 14 Critical Care bays and 14 recovery bed spaces, replacing facilities which were in place when the hospital first opened in 1971. The new building is adjacent to, and integrated with, the hospital's existing Treatment Centre, which is currently undergoing significant refurbishment to further improve the quality and safety of patient care and improve the future sustainability of the Trust.

The new facilities feature the most up-to-date equipment available and allow the population of Crewe, Northwich and the surrounding areas to receive first class treatment in a state-of-the-art environment.

The Trust, in partnership with AFL Architects and Interserve Construction, was named as the winner of the 2014 Project Team of the Year Award by the Institute of Healthcare Engineering and Estate Management (IHEEM) for the work undertaken in creating the state-of-the-art treatment facilities.

Changing Places Facility Opens

During 2014/15, the Trust opened a Changing Places facility. The facility, which was funded

by charitable donations and officially opened by Edward Timpson, MP for Crewe and Nantwich, provides the additional equipment and space that some disabled people require in order to safely use public toilets and changing areas.

Changing Places facilities are different to standard disabled toilets as they have extra features and more space to meet the needs of those with profound and multiple disabilities. Leighton Hospital is one of only a few hospitals in the country that currently has a Changing Places facility.

New Neonatal Unit Opens

The Trust, in September 2014, opened the new Neonatal Intensive Care Unit on the Leighton Hospital site. The new facility (*a section of which is pictured below*) now has a modern layout and feel, has more space and offers privacy and comfort for families and parents who are going through the heartache of having their unwell baby stay in hospital. The new Neonatal Intensive Care Unit was made possible due to the successful One in Eleven appeal, launched by Mid Cheshire Hospitals Charity in 2012, which raised £1.8million.

CHKS Top 40

In May 2014, the Trust was named as one of the best in the country for the third year in a row after being named as one of the CHKS 40Top Hospitals for 2014. The award is based on the evaluation of 22 key performance indicators for hospitals and covers important areas such as safety, clinical effectiveness, health outcomes, efficiency, patient experience and quality of care.

Medical Handover

MCHFT, in association with Health Education England, was announced as the winner of the Value and Improvement in Medical Technology Award, as part of the Health Service Journal's Value in Healthcare Awards. The award was presented to the Trust for its electronic handover ("eHandover") project which helped to provide an improved clinical handover on the medical wards at Leighton Hospital, leading to an increased level of safe, high quality patient care.

Business Review

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 aims to make available to its Governors, Members and public, in a clear manner, the Trust's financial, quality and operating objectives, as well as sufficient information, both qualitative and quantitative, about its business and operation, so that all parties can evaluate its performance. The Trust does this through documents uploaded onto its website (www.mcht.nhs.uk) and within a number of significant public documents such as the Annual Report and Accounts, the Quality Account and the Annual Plan, which receive engagement from Governors.



Operational Review

	2014/15	2013/14	2012/13	2011/12	2010/11
Emergency episodes of care requiring the use of a bed	32,698	32,679	31,270	29,934**	32,766
Attendances at Accident and Emergency and Minor Injuries	84,263	82,140	83,320	79,579	77,416
Elective episodes requiring a procedure to be performed	28,581	28,483	28,345	28,659	27,419
Total attendances at outpatient clinics	261,756	254,626	239,210	239,977	242,322
Births	2,672	2,732	2,827	2,879	3,004
Requests for medical imaging	209,841	207,980	192,574	181,457	172,764
Average number of beds open in the year	562	561	585	569	584
	2014/15	2013/14	2012/13	2011/12	2010/11
Average % Occupancy					
Overall	94.06%*	85.70%	87.40%	84.10%	84.40%
General Medicine	97.66%*	91.40%	91.80%	89.10%	89.60%
General Surgery	87.94%*	84.40%	89.50%	84.60%	89.40%
Orthopaedics	81.45%	82.52%	86.60%	82.90%	83.40%

* Excludes Assessment Areas

** Changing in coding has adjusted the reported data. The figure needs to be considered with the number of assessments carried out for comparison to previous years.

For the year 2014/15, the Trust performed well in terms of improving its delivery of elective activity for day cases and outpatient attendances. Continued expansion of capacity enabled some previously-challenged specialties, such as Ophthalmology, to reduce waiting times and ensure follow-up appointments were available within appropriate timeframes. However, other specialties such as Gastroenterology and Cardiology remained challenged with a continued increase in the growth of referrals. To maintain service delivery whilst further increasing the workforce, the Trust sought aid from external providers to ensure timely access and this continues to be in place to ensure safe and reliable services in areas of increased demand whilst further capacity is introduced.

The delivery of the elective admitted services was significantly affected from November 2014 to February 2015 due to insufficient bed capacity as a result of non-elective winter pressures. This particularly impacted on routine Orthopaedic activity and will be a key focus for the Trust moving into Summer 2015. The Trust did, however, continue to deliver all cancer operations and continues to be one of the best performing Trusts in the North West for cancer wait times.

The overall small growth of emergency admissions continues to support the Trust's strategy of reducing avoidable admissions and improving early discharge where safe to do so. The success of the Primary Assessment Unit and Surgical Assessment Area has evidenced that, where patients can be assessed and have early diagnostics at the portals of entry, then alternative options can be supported that reduce the need for admission. However, this has, to some extent, conflicted with the complexity and levels of acuity (sickness) of those patients who do require admission and, as such, the Trust evidences longer inpatient stays with extended discharge planning requirements for these patients. These factors have impacted on the bed occupancy rates, particularly in General Medicine, and will be a focus for improvement as the Trust progresses further service developments into 2015/16 with other community partners such as social services and intermediate care services.



The table below shows the Trust's performance against the key national standards for the year:

Performance Standard	National Target	Trust Performance Year End 2014/15	Trust Position
Percentage of non-admitted patients starting treatment within a maximum of 18 weeks from referral	95%	93.63%	Not Achieved
Percentage of admitted patients starting treatment within a maximum of 18 weeks from referral	90%	93.09%	Achieved
Percentage of patients on incomplete non-emergency pathways (yet to start treatment) waiting no more than 18 weeks from referral	92%	94.45%	Achieved
Percentage of patient records with recorded ethnic group information	>=85% >=70%	Outpatients 92.7% Finished Consultant Episodes 93.1%	Achieved
Maximum time of waiting of four hours in A & E from arrival to admission, transfer or discharge	>95% <95% BUT >94% <94%	92.25%	Not Achieved
Percentage of patients referred urgently with suspected cancer by a GP, waiting no more than two weeks for a first outpatient appointment	93%	95.96%	Achieved
Percentage of patients referred urgently with breast symptoms (where cancer was not initially suspected) waiting no more than two weeks for a first outpatient appointment	93%	95.38%	Achieved
Percentage of patients waiting no more than one month (31 days) from diagnosis to first definitive treatment for all cancers	96%	99.56%	Achieved
Percentage of patients waiting no more than 31 days for subsequent treatment where that treatment is an anti-cancer drug regimen	98%	100%	Achieved
Percentage of patients waiting no more than 31 days for subsequent treatment when that treatment is surgery	94%	99.79%	Achieved
Percentage of patients waiting no more than two months (62 days) from urgent GP referral to first definitive treatment for cancer	85%	89.34% (92.2%) **	Achieved
Percentage of patients waiting no more than 62 days from referral from an NHS screening service to first definitive treatment for all cancers *	90%	95.94% (95.4%) **	Achieved
MRSA hospital acquired Bacteraemia	Target <= 0 MRSA	1	Not Achieved
Clostridium <i>difficile</i> hospital acquired	<= 15 Clostridium <i>difficile</i> cases in year	10***	Achieved

* The 62-day cancer performance standard is one that was agreed within the North West Cancer Network, rather than a national standard. This relates to the traditional methodology of the allocation of breaches of the standard, where the breach is allocated to the Trust where the delay occurred.

** The adjusted performance takes into account those patients who were referred to a treating trust outside of the agreed Network reallocation policy. Where patients are referred after the agreed day in the 62-day pathway the full breach reallocation is assigned to the referring Trust. This accounts for the difference between unadjusted and adjusted performance (after reallocation).

*** The *Clostridium difficile* hospital-acquired total of 10 is reflective of the cases that are allocated as avoidable. The total number of cases for the year was 24 when including the unavoidable and Community-acquired.

Information in respect of performance can also be found in the Quality Account (Chapter 7 of this document). In developing the Quality Account, three performance metrics were reviewed by Auditors – Referral to Treatment (RTT), Pressure Ulcers and 62 day standard from urgent GP referral to first definitive treatment for cancer.

Quality Governance

The Trust takes due regard of Monitor's Quality Governance Framework in arriving at its overall evaluation of the Trust's performance, internal controls and Board Assurance Framework, and conducts a formal review using the Quality Governance Framework annually. Action plans arising out of the review are monitored on an ongoing basis.

Workforce

The Trust has continued to invest in its Advanced Practitioner workforce – as reported in last year's Annual Report and Accounts. The benefits of this will be the enhanced ability to work across multi-disciplinary boundaries,

including areas historically served only by the medical profession. 2014/15 has seen further investment in the Emergency Nurse Practitioner service which will enable increased hours of service in the future and improve leadership across the Emergency Department, resulting in improved patient care. In addition, Cardiology saw three Advanced Practitioners successfully appointed in quarter four (January-March 2015); these will help to reduce length of stay and 'pull patients through' from assessment areas.

The health service has a high proportion of female staff nationally; however, for senior positions in particular, the Trust aims to achieve greater equity. As at 31 March 2015, the Trust had the following female and male Directors and staff:

- 4 female Directors;
- 2 male Directors;
- 2,913 Female staff;
- 712 Male staff.

Financial Position

On financial performance, the Trust ended the 2014/15 financial year in a weaker position than initially anticipated with a deficit of £775,000 prior to impairments. This deterioration has primarily been due to the underperformance against elective activity driven by delays in consultant recruitment and the impact of winter pressures on cancelled operating sessions. The Trust has achieved a Continuity of Service Rating of 2 against a plan of 3.

During the year, the Trust's liquidity position remained positive with the deterioration in financial performance being offset by reduced capital spending compared to plan. The reduced capital spend is partly due to phasing and delays in schemes completing and partly due to approved schemes being deferred into future years.

Further detail on the Trust's financial performance in 2014/15 and risks for 2015/16 are detailed under the Director's Report.

Risks and Challenges

During 2014/15, the Trust's major risks in-year related to:

- **Failure to deliver high quality clinical care 24/7**

Investment in the clinical workforce was a priority, to ensure that patients saw the right healthcare professional at the right time in the right location with access to the appropriate diagnostics.

- **Higher than expected Summary Hospital-Level Mortality Indicator (SHMI)**

There has been a continued focus on quality improvement across the Trust throughout the year. This has seen a significant reduction in the SHMI to the 'as expected' indicator in the 12-month period to December 2013.

- **Failure to deliver all local and national targets and standards**

The Trust prides itself on delivery of high quality services to patients and this is reflected in our performance against key national targets. In 2014-15, the Trust delivered all cancer wait time targets despite the significant complexity and number of cases, as well as the referral to treatment (RTT) targets for admitted patients. However, the Trust experienced volatile referral patterns in year, with significant peaks in September and October. This impacted on the Trust's RTT non-admitted performance in quarter four (January- March 2015) which the Trust did not achieve for one month. A recent mandated audit completed by Deloitte for the Trust's Quality Account has highlighted variances between the information stored within electronic reports and the information contained in the medical case notes of six patients.

During quarter three (October to December 2014) and quarter four (January to March 2015), the Trust did not meet the four-hourly treatment target for emergency patients being admitted or treated within four hours of arrival at the hospital.

- **Delivering six-week diagnostics despite increased demand**

The Trust continued to deliver the six-week diagnostic target despite increased demand. The Trust has delivered the 'cancelled operations re-booked within 28 days of cancellation' target in all-but-two months of the year. This reflects real progress against the previous year's performance. The Trust has experienced significant emergency pressures towards the end of quarter three (October-December 2014) and throughout quarter four (January-March 2015). This has impacted on delivery of the four-hour standard. However, the Trust has delivered the targets for ambulance turnaround times. The Trust implemented the revised national guidance for the reporting and classification of *Clostridium difficile* and during 2014/15 the Trust has seen a sustained position in the number of reported cases.

- **Failure to implement the Information Management & Technology Strategy**

Despite a number of key business cases being approved by the Board of Directors subject to funding, failure to identify the required financial resource resulted in the implementation of the Trust's Information Management & Technology Strategy being delayed.

- **Failure to deliver safe patient care in a Theatre environment**

The failure to deliver safe patient care in a Theatre environment following three Theatre-related Never Events in 2013/14 was identified as a risk. An external safety culture exercise was subsequently commissioned and a programme of work was initiated.

Major risks for 2015/16 include:

- Failure to deliver high quality clinical care 24/7;
- Failure to deliver seven-day services across all specialties, particularly where there are sub-specialisms;
- Insufficient rota cover due to a reduction in the number of Junior Doctors assigned to the Trust;

- The sustainability of certain clinical services (i.e. hyper-acute Stroke, Urology, Dermatology and Maternity);
- The financial stability of the Trust;
- Failure to deliver all key local and national targets and standards;
- Lack of capital funds to implement the Information Management & Technology Strategy;
- The effectiveness of management and leadership arrangements within the Division of Medicine and Emergency Care which could impact on delivery of the Trust objectives.

The Trust continues to face significant recruitment challenges due to national and regional shortages of both nurses and doctors. In particular, the Trust is faced with Consultant vacancies in Emergency Medicine, Gastroenterology and Care of the Elderly / Stroke, as well as reductions in Junior Doctors across many specialties. To mitigate these, the Trust has further developed its ongoing Recruitment Strategy with actions such as recruiting more nurses from overseas, developing Advanced Practitioner nurse roles, introducing 'Recruitment and Retention Premia' for posts that are especially hard to fill, and creating dual-location posts with partners such as the University Hospitals of North Midlands NHS Trust (UHNM).



The Trust's Surgery and Cancer Division has a strategic objective to increase the provision of elective care to our local population and this is supported by the new Theatres development. The national strategy of 'Any Qualified Provider' increases competition and therefore presents a risk to the Trust's strategy, but this is offset by opportunities to undertake more elective activity for UHNM should that situation arise.

What Our Patients Say

During 2014/15, the Trust continued towards further improving the experience of all of its patients. During the year, the Trust participated in two national patient surveys – the National Children and Young People Inpatient and Day Case Survey, and the National Inpatient Survey – as well as undertaking 48 local surveys of its own. Any issues raised from such surveys form the basis of Action Plans across the Trust in order to address and improve the issues identified.

Over the past year, the Trust continued to participate in the NHS Friends and Family Test, which enabled additional 'real time' feedback from patients about the care and treatment that they received whilst at the Trust. Patients are asked whether they would recommend MCHFT's services to their friends and family, should they need similar care. During 2014/15, 90% of patients said they would recommend the Trust's Emergency Department, whilst 97% of inpatients said the same about the wards in which they received treatment. Both of these results are higher than the local and national averages.

In addition to surveys such as the ones mentioned above, patients can liaise with staff and feedback their views in a number of different ways. This includes publishing comments about their experience online on the NHS Choices website, where Leighton Hospital has a rating of four stars out of a maximum of five, whilst Victoria Infirmary achieved five stars.

Overall, the Trust received 1,960 positive compliments during 2014/15, compared with 260 complaints. Further information on patient

experience can be found in the Quality Account, located in Chapter 7 of this Report.

Summary

The Trust ensures that relevant metrics, measures, milestones and accountabilities are in place in order to understand and assess the progress and delivery of performance at all levels. This is achieved through a number of processes such as the regular review of the delivery of the Quality and Safety Improvement Strategy and the various reports received and evaluated by the Performance and Finance Committee.

2014/15 has been a demanding year for the Trust with a number of significant achievements, challenges and ongoing service transformation programmes, a number of which are highlighted throughout this Annual Report. Without doubt, the challenges will continue through 2015/16 and the Trust will continue to build on the strong foundations and strategic developments already underway.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Trust has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Accounts. This conclusion has been reached after reviewing the 2015/16 Plan along with a forecast for quarter one 2016/17 (April-June 2016) which, whilst giving a deficit position, maintains a positive cash flow throughout the year. Taking into account downside modelling and available mitigation, there has been no indication from either Monitor or the Department of Health that the services of the Trust will cease to be delivered or that Mid Cheshire Hospitals NHS Foundation Trust will cease to operate as a going concern.

Preparation of the Report and Accounts

The Accounts for the year ended 31 March 2015 have been prepared by Mid Cheshire Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 in the form which Monitor, the Independent Regulator of NHS Foundation Trusts has, with the approval of the Treasury, directed.

I confirm the Board of Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

I confirm there have been no important events since the end of the financial year which affects the content of this Annual Report for Mid Cheshire Hospitals NHS Foundation Trust.

Tracy Bullock
Chief Executive
26 May 2015





Mid Cheshire Hospitals Charity's latest appeal is to raise £1million towards a second MRI scanner at Leighton Hospital. The existing MRI scanner is currently working to full capacity, with a second needed to allow the Trust to continue delivering high-quality healthcare. For further information on the appeal, please visit www.mchcharity.org.

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Directors' Report

Introduction

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

Board of Directors

During the course of the year, the following served as Directors of the Trust:

Executive Directors	Non-Executive Directors
Tracy Bullock	Dennis Dunn MBE
Paul Dodds	Ruth McNeil
Denise Frodsham	David Hopewell
Wendy Marston (Interim - Appointed February 2015)	Dame Patricia Bacon
Mark Oldham	John Barnes
David Pitt (Secondment out from February 2015)	Mike Davis
Julie Smith	Rob Allen (Resigned February 2015)

Stakeholder Relations

The Trust continues to work in partnership with a number of stakeholders in order to develop plans to meet the significant efficiency and sustainability challenges that the service faces, at the same time maintaining and improving on the significant quality improvements already seen.

The Trust is a key member of the local health economy's Connecting Care Board, working closely with key stakeholders to achieve high quality, sustainable healthcare for the population of Cheshire. The aim of the Connecting Care Board is to jointly develop a health economy strategy that will redesign existing service provision and develop new services to better manage patients out of hospital and reduce emergency admissions. This jointly-developed health economy programme will have a significant impact on the way the Trust, as an acute provider, delivers services. It will require major transformation.

To support the transformation, a Provider Board, as a sub-group of the Connecting Care Board, was established to lead new multi-provider models of care to support out of hospital, 'care closer to home' initiatives. This new approach embodies the transformational vision, aspirations, outcomes and key integration workstreams, as set out within the Connecting Care Programme, and includes the areas specified in the Cheshire Better Care Fund transitional plans. The overarching Connecting Care Board will lead the development and implementation of a range of interventions, through targeted investment into a range of primary, community and social care services to:

- Ensure people are accessing the most appropriate level of care;
- Prevent and/or reduce the demand for urgent secondary care services.

In 2014/15, the Contract Agreement with the Clinical Commissioning Groups supported the transformation to be done in an environment which aligns the Trust's income to costs, hence giving financial sustainability for all partners. This was seen as a valuable precursor to the introduction of the Better Care Fund in 2015/16, which sees £3.8 billion pooled into a single budget for health and social care services and will require health and social care

providers to be closely involved in designing and planning services to manage patients in more appropriate settings.

In addition, significant progress has been made in developing further stakeholder relations as set out below and these continue to develop.

Stakeholders	
Clinical Commissioning Groups (CCGs)	Within Cheshire, the Trust is participating and leading work across a range of specialties on redesigned pathways, working in partnership with CCGs and Community Trusts.
	Two CCG representatives sit on the Trust's Quality, Effectiveness and Safety Committee.
	Meetings between senior clinicians in the Trust and CCG are held on a regular basis.
	The Chief Executive and the Chairman meet on a regular basis with their counter-parts from the CCGs.
Local Authority	MCHFT Senior Management attendance at joint Overview and Scrutiny Committee meetings.
	Cheshire West and Chester Health and Wellbeing Partnership Network Meeting.
	Continuing the planning relationship through wider collaborative contracting processes.
University Hospitals of North Midlands NHS Trust	Twice yearly Board-to-Board Meetings.
	Bi-monthly joint Executive Programme Management Board meetings.
	Joint Project Management Office.
Monitor	Regular transparent contact with Relationship/Compliance Manager
	Quarterly finance and quality performance telephone conferences to review the quarter's performance against plan, national standards and declarations.
	Annual Visit from Monitor's Relationship and Compliance Managers to meet with Senior Managers from the Trust.
Care Quality Commission (CQC)	Quarterly meetings between CQC's Relationship Manager and MCHFT's Director of Nursing and Quality.
	Contact with CQC Regional Director as required to discuss any particular issues of risk or concern.
Universities	Progress of ongoing discussions on various agendas are regularly reported to Board of Directors.
NHS England	Routine contact with Area Team Director.
Mid Cheshire Hospitals Charity	Mid Cheshire Hospitals Charity is the official charity of the Trust, providing equipment, research and facilities that are over and above those provided by the NHS. The charity has raised substantial funding for the new Neonatal Intensive Care Unit.
Health Education England (HEE)	The Trust is engaged with HEE to ensure that the development of a workforce that is fit for the future is planned and developed.

Stakeholders	
Advancing Quality Alliance (AQuA)	The Trust is a member of AQuA and partakes in the vast majority of AQuA Programmes. The Trust has also undertaken significant development through AQuA such as Board Development, Quality Improvement Training and Human Factors Training.
North West Coast Academic Health Science Network (AHSN)	The Chief Executive Officer is a Board member of the AHSN and Chairs a key Board Sub-Committee - the Patient Safety Governance Forum. The Interim Director of Service Transformation and Workforce is also the nominated Innovation Scout for the Trust, working closely with the AHSN.

The Board of Directors also co-operates fully and effectively with other relevant third party bodies and key stakeholders. For example, the Director of Nursing and Quality is a member of the Local Safeguarding Adult and Children's Boards and has effective relationships with all members.

The Trust has an open and transparent relationship with its regulator, Monitor, and with its Council of Governors, and regularly makes them aware of any issues regarding the Trust's performance (whether clinical, financial or operational), or where an incident could substantially change the Trust's performance standing or reputation.

Policies in relation to Disabled Employees and Equal Opportunities

The Trust's priority is to develop a culture which values each person for the contribution they can make to our services for patients. The Trust has an Equality, Diversity and Human Rights in Employment Policy, which enables the Trust to ensure that the legislative and regulatory requirements in equality, diversity and human rights in employment are fully met and works towards excellent practice.

The Trust's Managing Attendance Policy sets out the arrangements for how the Trust will manage attendance and make reasonable adjustments to enable staff, where possible, to continue their current or alternative role. Disabled employees have regular access to the

Trust's Occupational Health Services including ergonomic assessment of the workplace to ensure that their working environment, and access to it, is appropriate to their needs. Staff who become disabled whilst in employment have access to these services and are also supported in moving posts with appropriate adjustments, should it become inappropriate for them to continue in their original post.

The Trust also ensures that staff with disabilities are able to access training opportunities. When booking onto training courses, staff are asked if they have any special needs or requirements. If this is the case, arrangements are made. This includes the use of hearing loop facilities.

The Trust gives a guaranteed interview to disabled candidates under the Positive about Disabled People 'Two Ticks' scheme. Through the Selection and Recruitment Policy, the Trust ensures the Two Ticks scheme is applied to both new staff and promotional appointments.



Equality information, including that related to disabled staff, is available on the Trust's website. The Equality, Diversity and Human Rights Policy states that the Trust will be a provider of first class services that are equally accessible to, and appropriate for, all who are entitled to use them. In producing the policy, the Disability Resource Centre and the Disability

Information Bureau were consulted and one of the specific equality strands covered by the policy is Disability.

All Trust policies and services must be equality impact assessed and this includes the impact on people with a disability (for example, learning disabilities, physical disability, sensory impairment and mental health problems). All employment practices are monitored against Equality, Diversity and Human Rights metrics.

Research and Development

The number of patients receiving NHS services provided or sub-contracted by the Trust between April 2014 and December 2014 that were recruited to participate in research approved by a Research Ethics Committee was 399.

Further detail on Research and Development carried out by the Trust can be found in the Quality Account, located in Chapter 7 of this Report.

Health and Safety

In 2014/15, there were 19 reportable incidents to the Health and Safety Executive (HSE) as required by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (previously 1995) (RIDDOR), compared to 14 reported incidents in the previous year.



The number of Health and Safety incidents reported in 2014/15 increased by approximately 12.2% compared to the previous year (up from 1,340 to 1503). This was mainly due to an approximate 14.2% increase in the number of 'No Harm' incidents reported compared to the previous year (up from 987 to 1,127). The rate of 'Harm' incidents reported increased by 6.5% compared to the previous year (up from 353 to 376). However, as a percentage of the overall number of incidents reported this represents a slight reduction of approximately 1%.

During 2014/15, the Trust made excellent progress in the continued Ward refurbishment programme having fully upgraded Wards 2 (*pictured below, before and after*), 22 and 23 at Leighton Hospital. This included major asbestos removal work to enable the rebuilding of the infrastructure to meet current fire regulatory standards.

The two fire infrastructure improvements projects continue to be:

- Upgrading structural fire integrity of the 'Hospital Streets' (corridors) throughout the Leighton Hospital site. Progress has continued, with the project near completion and most Hospital Streets now upgraded to meet modern-day building standards. There are two small sections outstanding which will be completed by December 2015 following completion of works associated with the Treatment Centre and Surgical Admissions Lounge;
- Upgrading structural fire integrity on the wards is continuing with one ward refurbishment planned for 2015/16 and the remainder of the wards being upgraded at a rate of two wards per year up to 2019.

During 2014/15, approximately a third (65) of Trust managers signed up to complete the Institute of Occupational Safety and Health (IOSH) Managing Safely training.

Sustainability

Sustainability is part of the Trust's corporate responsibility. The NHS is the largest public sector organisation and, as such, has a major part to play in becoming more energy efficient and taking steps forward in waste reduction and recycling. However, against a backdrop of increasing clinical activity, this is proving difficult and therefore the overall strategy is to encourage approaches that promote long-term health and wellbeing.

Waste Management

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

Definition	Tonne 2013/14	Tonne 2014/15	Disposal Cost 2013/14	Disposal Cost 2014/15
Total amount of waste produced by the Trust	1,154	1,133	£258,162	£ 219,693
Method of disposal (Landfill)	391	425	£51,484	£ 49,979
Method of disposal (Heat treated then deep land fill)	412	391	£127,205	£ 103,064
Method of disposal (Incinerated then deep landfill)	77	69	£41,424	£ 31,600
Method of disposal (Recycled) *	273	243	£38,049	£ 34,236

New waste stream – 'offensive' waste introduced and not included in the above table. Trust produced 4.53 Tonnes of offensive waste at a cost of £814.

Summary Position – Waste Management

- Waste produced has reduced by 1.8%
- Waste going to Landfill has increased by 8.7%
- Heat treated waste has reduced by 5%
- Incinerated waste has reduced by 10%
- Recycling has reduced by 11%.

Finite Resources

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 2013/14	Consumption 2014/15	Cost 2013/14	Cost 2014/15
Water	109,609 m ³	126,691 m ³	£306,056	£ 356,230
Electricity	10,369,929 kWh	10,570,488 kWh	£866,879	£ 908,618
Gas	24,923,351 kWh	27,421,535 kWh	£761,022	£ 825,128
Oil	136,623 kWh	131,742 kWh	£7,902	£ 5,318

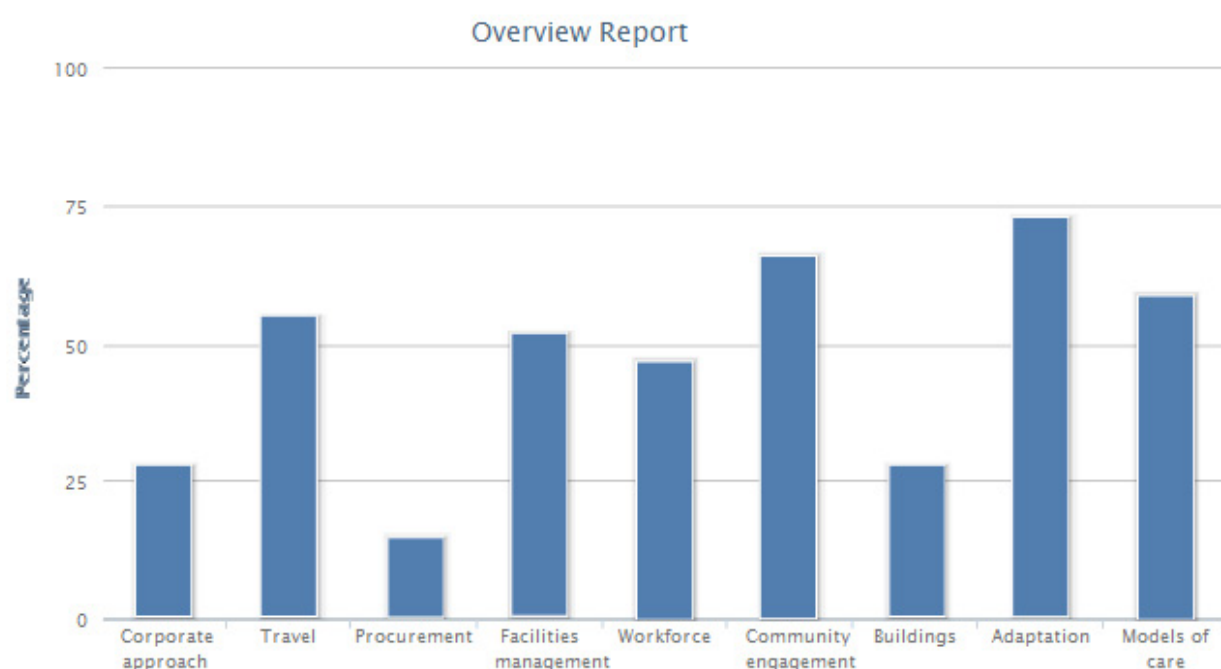
Summary Position – Finite Resources

- Water usage has increased by 15%
- Electricity consumption has increased by 2%
- Gas consumption has increased by 10%
- Oil consumption has decreased by 3.6%

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 progress has increased since last year:

- Travel;
- Procurement;
- Facilities Management;
- Workforce;
- Community Engagement;
- Buildings;
- Adaptation;
- Models of Care.



Financial Review

Overview of charitable activities

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

A summary of the Trust's Charitable Accounts can be found in Note 34 to the Accounts which show a net outgoing in year of £992,000, with retained funds at 31 March 2015 of £1.9million, of which £0.2million is held in cash balances and £1.0million reflects the market value of funds held in other investments. The balance of £0.7million is held in debtors and creditors.

The Charitable Funds balance has reduced in year by £1.0million, predominantly associated with the Charity's contribution to the Trust's new Neonatal Intensive Care Unit which was completed in year and funded from the highly successful One in Eleven Appeal.

Overview of Foundation Trust performance

The statement of Comprehensive Income for the year ending 31 March 2015 shows a deficit of £1.1million. However, this position has been affected by the revaluation of the Trust's land and buildings which has created an impairment charge of £3.4million, offset by a reversal of previous revaluation increases to income of £3.0million. Adjusting for this exceptional non-cash item gives an adjusted deficit of £0.8million.

Included within this position is income associated with the charitable contribution to the Trust's capital programme of £2.2million, leaving a normalised trading deficit of £3.0million against a planned surplus before donated income of £0.3million. The key drivers for this deficit have been associated, in the main, with an under performance against elective surgery targets



of £2.5million. This has resulted from delays in recruitment to Orthopaedic capacity and the cancellation of operating lists during the winter period as a result of pressures associated with emergency admissions.

Operating costs have, in the main, been well controlled. However, pressures have been seen in year associated with increased use of external outsourcing in Radiology and Gastroenterology and increased spending on Agency costs.

The cash position has remained positive during the year with a year-end balance of £7.1million as the delays in the capital programme have offset the underperformance on financial performance in year.

The resulting impact on the Trust's Continuity of Service Risk rating sees a reduction from a level 3 to a level 2.

Looking forward to 2015/16, the efficiency challenge remains significant with a further 3.5% real terms deflator in the tariff driving more financial efficiency to be delivered at the same time as increasing quality and moving towards increasing service provision to seven days a week.

The Trust has submitted an initial plan which gives a deficit forecast for the year of £5.4million, resulting from the gap in identifying the required efficiency and the significant increases in costs associated with clinical negligence premiums which have seen an average national increase of 35%.

Analysis of Income

The total income received by the Trust in 2014/15 was £192.5million, which represents an increase of £9.2million (or 5.0%) on 2013/14. However, of this £9.2million increase in income, £2.2million relates to charitable contributions offset by capital spending and £3.0million relates to revaluation impairments which generates no cash. An analysis of the key income streams can be seen below:

Income Source	2014/15 £000s	2013/14 £000s	Change £000s	%
Patient Care Activities	167,362	163,954	3,408	2.1
Education and Training	5,520	5,321	199	3.7
Non Patient Care Services to Other bodies	10,529	10,136	393	3.9
Other non-clinical Income	3,791	3,742	49	1.3
Sub-Total	187,202	183,153	4,049	
Charitable contributions	2,250	138	2,112	
Reversal of impairments	3,017	43	2,974	
Total	192,469	183,334	9,135	

The increase in income from patient care activities has been driven significantly by increased recharge for high-cost drugs which has increased by £1.6million offsetting increased drug costs highlighted below. These increased drugs have been primarily associated with increasing volume of treatments for patients in Ophthalmology, increased use of drugs to treat certain conditions in Gastroenterology and increased chemotherapy regimens.

In addition, the Trust received a further £1.0million in respect of additional support to manage winter pressures. The remaining growth has been driven by increases in Outpatient activity responding to an increase in GP referrals of 6.5%.

Analysis of Operating Expenses

The total operating expenses incurred in the year were £191.5million, a decrease of £4.4million compared with the previous year. However, £12.6million of this movement is associated with the impairment charge resulting from a revaluation exercise undertaken in the prior year. The normalised increase in operating costs is an increase of £8.2million; the key movements are shown below:

Expenditure	2014/15 £000s	2013/14 £000s	Change £000s	%
Employee expenses – staff	128,290	123,780	4,510	3.6
Supplies and Services – Clinical	14,966	14,278	688	4.8
Drugs	12,855	11,096	1,759	15.9
Premises costs	7,356	6,886	470	6.8
Clinical Negligence Insurance	3,366	3,637	(271)	(7.5)
Services from NHS bodies	5,486	4,998	488	9.8
Other	15,795	15,178	617	4.1
Total costs prior to impairments	188,114	179,853	8,261	4.6
Impairments	3,365	16,001		
Total	191,479	195,854		

During the year, the Trust employed an average of 3,250 full time equivalent staff, an increase of 93 on the previous year. The average staff cost increased from £38,600 to £39,474, an increase of 0.6%, which is primarily due to staff passing through incremental gateways. In addition, in response to the increased demand on services, a number of waiting list initiatives have been undertaken to maintain waiting time standards, in particular in Ophthalmology and Gastroenterology.

The increase in staffing numbers has been seen in substantive frontline professions with an additional 20 qualified nurses, nine Health Care Assistants and eight additional medical staff. In addition, gaps in recruitment have also

increased agency usage by the equivalent of 26 full time staff. This demonstrates the Trust's continued improvement in improving the nurse and doctor ratios per bed, which will be further improved during 2015/16 in plans approved by the Board of Directors.

The increase in drug costs have been almost wholly offset by the increased income and therefore the Trust's responsible drug costs have been maintained in line with the previous year despite historic drugs inflation running at about 7% per annum.

A change in the methodology in the calculation of Trust's contribution to the Clinical Negligence Scheme for Trusts (CNST) to reflect previous claims history has seen the costs in this area reduce by 7.5%. However, in comparison with the national picture of premium increases of 10% per annum, this remains an area of significant pressure going forward.

The increase in services received from other NHS bodies is, in the main, due to increase recharges to East Cheshire NHS Trust in respect of the pathology collaborative to offset an increased element of the costs held by Mid Cheshire Hospitals.

Capital Investments

2014/15 has been another exciting year for the Trust in respect of its capital investments. During the year, the new Operating Theatres and Critical Care build was completed and equipped with the latest state-of-the-art technology providing cutting edge facilities.

In total, the Trust has seen capital additions in year of £9.7million with a further £2.0million funded through new finance leases. The key development has clearly been the fantastic new Operating Theatres and Critical Care facilities which will benefit patients for many years. In addition, other capital developments have been:

- Ward refurbishments, in particular the refurbishment of Ward 2 which followed a new design enabling staff to be closer to

the patients;

- Significant progress on the refurbishment of Leighton Hospital's corridors and improvements in fire compartmentation;
- Completion of Leighton Hospital's main entrance which now provides a much improved image and better catering facilities for staff and visitors;
- Replacement of Monitors and defibrillators across the Trust.

Balance of Income

The Trust is assured that the income from the provision of goods and services for the purposes of the health service in England is greater than the income from the provision of goods and services for any other purposes which has no impact on the provision of health services.

Payment of Suppliers

The Trust operates a policy of payment of invoices within terms agreed with suppliers; in most cases this is within 30 days of the invoice date. During the year ended 31 March 2015, the Trust paid 91% by value (2013/14:94%) of invoices within this timescale. No interest payments have been made under the Late Payment of Commercial Debts Act.

Cost Allocation and Charging Requirements

The Trust can confirm it has complied with the cost allocation and charging requirements set out in Her Majesty's Treasury and Office of Public Sector Information Guidance.

Charitable and Political Donations

The Trust has not made any charitable or political donations during the year. No charitable donations from any political party have been received within the year.

Management Costs

In line with best practice, the Trust continues

to monitor expenditure on management costs in accordance with the Department of Health definitions. In 2014/15, 4.90 % of total income was incurred on management costs.

This represents a decrease on the previous year (2013/14: 4.92%); this is in line with the Trust's commitment to continue to divert funds towards direct patient care.

Senior Manager Remuneration and Benefits

Pension arrangements for the Chief Executive and all Directors are in accordance with the NHS Pension Scheme, the Accounting Policies for Pensions and relevant benefits are set out in the Notes to the Accounts – Accounting Policies.

Full details of the remuneration can be found in Notes 5.4(a) to 5.4(d) in the Accounts on Page 185. Benefits in kind relate to the provision of lease cars.

Performance against Monitor's Compliance Framework

Monitor's compliance regime requires a quarterly submission of financial data which identifies the overall financial risk facing the Trust. The anticipated risk score for 2014/15 was at level 2, against a plan of 3, as shown below:

Metric 2014/15	Achieved Rating	Plan Rating
Liquidity ratio	3	3
Capital servicing capacity	1	3
Overall Rating	2	3

The Compliance Framework covers a risk rating from "1" (very high risk) through to "4" (minimal risk) with "3" representing the minimum expected level defined in Monitor's Risk Assurance Framework. All financial monitoring returns were submitted on time and were complete and correct.

Monitor's compliance regime requires a quarterly submission of governance data which identifies the anticipated risk score for 2014/15 was amber red, as shown below:

Table of Analysis – 2014/15 Governance Ratings

	Annual Plan 2014/15	Q1 2014/2015	Q2 2014/2015	Q3 2014/2015	Q4 2014/2015
Governance Risk Rating		G	G	G*	TBC**
Mandatory Services	G	G	G	G	G

G = green rating

R = red rating

* Please note that Monitor changed how they rate Trusts to a rating of Red or Green only, with an option for Monitor to include a narrative decision in between. This occurred for the Trust in quarter three (October- December 2014) in relation to the four-hourly performance standard not being achieved but Monitor acknowledged the work the Trust was doing and therefore the Trust received a Green rating with narrative.

** At the time of the completion of the Annual Report & Accounts 2014/15, the Governance Risk Rating for Quarter Four (January-March 2015) was awaited.

Policies and Procedures with respect to countering Fraud and Corruption

The Trust has established local policies and lines of reporting supporting counter fraud arrangements. The Trust has nominated a Local Counter Fraud Specialist (LCFS) who is professionally trained and experienced in this area of expertise. The LCFS combines both proactive and investigative work to deliver an effective counter fraud service for the Trust and the LCFS works to ensure a strong anti-fraud culture across the Trust.

Data Loss

The Trust had one possible serious untoward incidents involving data in 2014/15. It involved a missing patient record and was reported to the Information Commissioners Office (ICO). The incident was shortly withdrawn from the ICO with no adverse effect as the record was found on site. Raising staff awareness continues to be a priority on the Information Governance agenda which has been illustrated by the Trust attaining, for the second year running, 98% of all staff completing Information Governance training during their employment. The Information Governance Toolkit (Version 12) score for 2014/15 was 80%, an increase from 78% in 2013/14.

External Auditors

The existing Auditor (Deloitte LLP) was appointed in October 2008 on an initial five-year period with the option to extend for a further two years agreed in January 2013 by the Council of Governors.

There are no known conflicts of interest that need to be addressed by the Auditor or the Audit Committee.

Register of Interests

There is full disclosure of all Directors and Governors interests in the Register of Directors Interests which is available upon request from the Board Secretary. Should you wish to view the register please contact the Trust on 01270 612128.

Disclosure to Auditors

The Board of Directors confirm, at the date of the approval of this report, that:

- So far as the Directors are aware, there is no relevant audit information of which the Auditors are unaware;
- Each 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 NHS Foundation Trust's Auditors are aware of that information.

Accounting policies for pensions and other retirement benefits

The Trust's policy for accounting for the pension and retirement benefits provided to staff can be found on page 168 of this Annual Report.

Details of the remuneration of Trust Directors, including their retirement benefit provision, can be found in the Remuneration Report on page 187.





During 2014/15, the Trust asked staff and Governors to submit their ideas for a short statement that summed up the work of the organisation. A wide range of suggestions were received, with staff and Governors then invited to vote for their winner. "We Care Because You Matter" was the option chosen, submitted by Rosemary Fenn in the Medical Imaging department.

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Board of Directors

Overview

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

The Board of Directors consists of the Chairman, six Non-Executive Directors and six Executive Directors, including the Chief Executive. They are collectively responsible for the performance of the Trust. The general duty of the Board of Directors, and of each Director individually, is to act with a view to promoting the success of the organisation so as to maximise the benefits for the Members of the Trust as a whole and for the public.

The Board of Directors is collectively responsible for the delivery of healthcare services and performance of the Trust. It is accountable for ensuring compliance and decision-making in relation to the terms of its authorisation, Constitution, mandatory guidance issued by Monitor, all relevant statutory requirements and for fulfilling contractual obligations. The Board of Directors adopted the Code of Conduct and Code of Accountability for NHS Boards on 1 August 1994 and has incorporated these in its Standing Orders and Standing Financial Instructions. Health Service Guidance (HSG (93)5) sets out the strict ethical standards in the conduct of NHS business. The Board of Directors has also adopted the Code of Practice on Openness in the NHS and Duty of Candour. It is also responsible for establishing the standards of conduct for the Trust and its staff in accordance with NHS values and accepted standards of behaviour in public life.

The Trust has the appropriate Directors and Officers insurance in place to cover the risk of any legal action brought against its Board of Directors.

Board Meetings

The Board meets monthly throughout the year and delegates matters as appropriate to Board Committees within the Integrated Governance Structure. Minutes of the Board Committees are presented to the Board of Directors meetings with individual items raised by exception. The Chairman and Chief Executive meet with the Chair of each Board Committee on an annual basis to agree the workplan for the forthcoming year and review the Terms of Reference. An Annual Report of each Board Committee is received by the Audit Committee.

In year, the Board met 14 times, with attendance as follows:

Director	Number of Meetings attended
Mr D Dunn (Chair)	13 out of 14
Mr R Allen	4 out of 5
Mrs T Bullock	13 out of 14
Dame P Bacon	12 out of 14
Mr J Barnes	14 out of 14
Mr M Davis	12 out of 14
Dr P Dodds	13 out of 14
Mrs D Frodsham	11 out of 14
Mr D Hopewell	13 out of 14
Mrs R McNeil	12 out of 14
Mrs W Marston	1 out of 1
Mr M Oldham	13 out of 14
Mr D Pitt	13 out of 13
Mrs J Smith	12 out of 14

The Trust is required to hold and maintain a register of details of company directorships

and other significant interests held by Directors which may conflict with their management responsibilities. There is full disclosure of all Directors and Governors interests in the Register of Directors Interests which is available upon request from the Board Secretary. Should you wish to view the register please contact the Trust on 01270 612128.

Board of Directors Composition

Non-Executive Directors

Mr Dennis Dunn MBE JP **Chairman**

Dennis is former Pro Vice Chancellor International of the Manchester Metropolitan University and Dean of MMU in Cheshire. A specialist in Business Information Systems, he has advised commercial organisations and universities around the world and is former Chairman of BITWorld. Dennis has served as Expert Advisor to a European Commission-funded initiative on lean organisations and is currently Visiting Professor at Huizhou University in China. In the UK, Dennis serves on the Boards of a number of organisations and is a member of the Cheshire Business Leaders. He was made an MBE by Her Majesty the Queen in 2010 and awarded Honorary Fellowship of the Manchester Metropolitan University in 2014. A former Governor of the Trust before joining the Board of Directors, Dennis was appointed Chairman of MCHFT in July 2014.



Mr Rob Allen **Non-Executive Director**

Rob joined the Trust in September 2014 from a strategic and diverse background with over 20 years' experience of operating at a senior level in a range of organisations and industries. Rob has a broad skill set and breadth of experience including leading proactive strategic partnerships, stakeholder engagement, public affairs, marketing and communications functions in both non-profit and for-profit sectors. Rob resigned in February 2015.



Dame Patricia Bacon **Deputy Chair**

Prior to joining the Trust, Patricia worked in Further Education for over 30 years, the last ten of which were 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 Hospital of North Staffordshire NHS Trust. Patricia was appointed as Deputy Chair in July 2014.



Mr John Barnes
Non-Executive Director

John joined the Trust as a Non-Executive Director in February 2013. John is a chartered engineer with over ten years' experience at Board-level in a FTSE 50 utility company. These days, John has his own company, offering consultancy in the areas of sustainability, the utility sector, change management and leadership. He is a member of a number of business groups, and is the Interim Executive Chair of the All Change for Crewe Partnership Board.



Mr Mike Davis
Non-Executive Director

Mike joined the Trust in February 2013 after a career in the business services, facilities management and project finance industries, of which 25 years were as Managing Director or CEO of industry-leading companies. Between 1997 and 2010, he was closely involved in the design, financing, construction and operation of eight hospital PFI projects and is currently Chairman of three large hospital PFI companies operating in the North West and East Midlands.



Mr David Hopewell
Senior Independent Director

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 which supports street children in Africa. He was involved with Guinness Northern Counties Housing Association. David was appointed Senior Independent Director of the Trust in April 2013.



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 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 Chairman of the Staff Committee.



Executive Directors

Tracy Bullock **Chief Executive**

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



Dr Paul Dodds **Medical Director and Deputy Chief Executive**

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



Denise Frodsham **Chief Operating Officer**

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



Wendy Marston **Interim Director of Service Transformation & Workforce**

Wendy joined the Trust in February 2015 as the Interim Director of Service Transformation and Workforce. Wendy was previously the Corporate Director Transformation & Resources at Trafford Metropolitan Borough Council with responsibility for Business Support Services, a number of high profile customer-facing services, including Libraries, Sport & Leisure and



Partnerships, together with the lead corporate responsibility for establishing the 'Reshaping Trafford' transformation programme to deliver new ways of working and £55million of savings over three years.

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

Mark Oldham

Director of Finance & Strategic Planning

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



David Pitt

Director of Service Transformation & Workforce

David joined the NHS through the General Management Training Scheme over 26 years ago and has experience of working in Acute, Community, Mental Health and Primary Care Trusts, as well as in a Strategic Health Authority. He has over ten years' experience as an Executive Director and has completed roles in service and corporate change, strategy, marketing, workforce and organisational development, and has led a multi-NHS partner Batch PFI. David holds a BA from Robert Gordons University, Aberdeen, an MBA from Durham University, and an MSc from Lancaster University in project management. David was seconded out of the Trust in February 2015.



Julie Smith

Director of Nursing & Quality

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



Board Committees

The Board has six Sub-Committees which meet regularly, and a number of Board responsibilities are delegated to these Committees.

Committees routinely report high-quality information to the Board showing how they are fulfilling their duties as required, allowing the Board to make informed decisions. Where gaps are identified, members of the Board are able to make challenges and commission additional resources to ensure that they, and the Board as a whole, receive the appropriate assurances. This may include independent professional advice, at the Trust's expense, if judged to be appropriate.

Committees routinely report to the Board showing how they are fulfilling their duties as required by the Board. The Audit Committee, as the independent committee of the Board, undertakes a yearly self-assessment of effectiveness and provides an annual report on its performance to the Board. In addition to regularly reporting to the Board, Audit Committee minutes are a standing item on the Board of Directors agenda.

Performance and Finance Committee

The Committee is responsible for seeking and securing assurance that the Trust achieves the high levels of financial performance expected by the Board. The Committee is chaired by the Director of Finance & Strategic Planning and the membership includes two Non-Executive Directors.

Name	Attendance at Meeting
Mark Oldham (Chair)	12 out of 12
John Barnes	10 out of 12
Denise Frodsham	11 out of 12
David Hopewell	12 out of 12
David Pitt (up to January 2015)	8 out of 10
Wendy Marston (from February 2015)	2 out of 2

Strategic Integrated Governance Committee

The Committee is responsible for providing information and assurances to the Board of Directors that it is safely managing all issues relating to governance, in particular integrated governance and risk management, across the whole of the Trust's clinical and non-clinical activities. The Committee is chaired by the Medical Director and the membership includes two Non-Executive Directors. The Committee also has a Governor representative.

Name	Attendance at Meeting
Paul Dodds (Chair)	11 out of 11
Julie Smith	8 out of 11
Ruth McNeil	9 out of 11
Mike Davis	10 out of 11
David Pitt (up to January 2015)	5 out of 9
Wendy Marston (from February 2015)	1 out of 2

Infrastructure Committee

The Committee is responsible for providing information and assurances to the Board of Directors that both the Estates Strategy and the IMT Strategy are delivered and that all related risks are managed effectively. The Committee is chaired by the Director of Finance & Strategic Planning, and a Non-Executive attends the Committee. The Committee also has a Governor member.

Name	Attendance at Meeting
Mark Oldham (Chair)	5 out of 6
Paul Dodds	5 out of 6
Denise Frodsham	5 out of 6
Mike Davis	6 out of 6

Quality, Effectiveness and Safety Committee

The Committee is responsible for providing information and assurances to the Board of Directors that it is safely managing the quality, effectiveness and safety of patient care. The Committee is chaired by the Chief Executive and is also attended by two Non-Executive Directors and two Governors.

Name	Attendance at Meeting
Tracy Bullock (Chair)	4 out of 6
Pat Bacon	5 out of 6
Paul Dodds	6 out of 6
Dennis Dunn	2 out of 5
Julie Smith	4 out of 6

Remuneration Committee

On behalf of the Board of Directors, the Committee is responsible for all decisions concerning the remuneration and terms of service of Executive Directors.

Audit Committee

Overview

The Audit Committee is a vital part of the control environment for the Trust, having oversight of both financial and governance controls, and ensuring that the systems supporting other Board Committees are robust and support their work.

Membership of the Committee

The Audit Committee consists of all independent Non-Executive Directors apart from the Chairman. The Committee is chaired by Mr David Hopewell who is a Qualified Accountant as well as Senior Independent Director. In addition, the Trust's External and Internal Auditors and the Trust's Finance Director are normally in attendance whilst Executive Directors and Senior Managers attend as required.

Operation of the Committee

The quorum for meetings of the Committee requires that at least three members are in attendance. All meetings during 2014/15 were quorate.

The Committee's terms of reference require the Committee to meet at least four times a year. During 2014/15, the Committee met six times and attendance is as below:

Name	Attendance at Meeting
David Hopewell (Chair)	6 out of 6
Rob Allen	2 out of 2
Pat Bacon	4 out of 6
John Barnes	5 out of 6
Mike Davis	5 out of 6
Ruth McNeil	6 out of 6

Audit Committee Responsibilities

In accordance with the guidance in the Code of Governance for NHS Foundation Trusts, the Committee reports on the significant issues that it considered during the course of the year, in respect of (a) the financial statements, (b) Trust operations and the controls in respect thereof, and (c) compliance with the Trust's regulatory requirements, including the Monitor Licence.

During the year, the Committee undertook the following in discharging its responsibilities:

- Reviewed the construction and utilisation of its Corporate Governance Manual;
- Reviewed the establishment and maintenance of an effective system of integrated governance, risk management and internal control;
- Reviewed assurance processes that indicate the degree of achievement of corporate objectives, the effectiveness of management of principal risks, and the appropriateness of the above disclosure statements;
- Reviewed the policies and procedures for all work related to fraud and corruption;
- Reviewed and approved the Internal

Audit Strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the Trust;

- Reviewed the work and findings of the External Auditor and considered the implications of, and management's responses to, their work;
- Reviewed the Annual Report and Financial Statements before their submission to the Board of Directors;
- Considered the circumstances when Standing Orders, Standing Financial Instructions or Standing Instructions for non-financial risks have been waived or otherwise breached.

During the year, the Committee considered the work of the Trust's External Auditors, Deloitte LLP, the Trust's Internal Auditors and the Local Counter Fraud Specialist. It received reports and statements from the Directors and Officers of the Trust. As a result of its work, the Committee was in a position to advise the Board that the systems of audit and internal control were operating effectively.

The External Auditor undertook a piece of work supporting the Trust on the competition rules for mergers and acquisitions and the associated requirements. The cost of this work was £2,500 and presented no conflict of independence, and the Audit Committee were made aware in advance of the Auditor's appointment.

Deloitte were appointed in October 2008 on an initial five-year period with an option to extend for a further two years. In January 2013, the Council of Governors agreed this extension and during the next financial year the service will be subject to competitive tender in line with the Trust's policy.

During the year, the Trust assessed the effectiveness of the external audit function and found that performance was in line with expectations.

The Audit Committee receives regular reports on issues raised through the Whistleblowing Policy in order to identify any recurring issues and ensure appropriate actions are completed.

The Audit Committee considered the following risks in respect of the financial statements:

- Revenue recognition – the Audit Committee has been assured that this risk is effectively managed through an external audit assessment that reviewed recoverability of debts, and agreement of balances with other organisations alongside provisions made. This assessment highlighted no significant risks.
- Management override of controls to present inaccurate or even fraudulent financial reports – the Audit Committee has satisfied itself through its internal audit workplan, in particular core financial systems, alongside the report of the external audit that appropriate control measures are in place and working effectively.



Pictured above: the new Main Entrance at Leighton Hospital opened in September 2014.

Board of Directors Development

The Board is satisfied that all Directors are appropriately qualified to discharge their functions effectively, including setting strategy, monitoring and managing performance and ensuring management capacity and capability.

The Trust has robust recruitment processes and training programmes in place ensure that the Non-Executive Directors have appropriate experience and skills, as well as ensuring that successful applicants meet the requirements set out in the “fit and proper persons” tests as described in the provider licence. The Board has the capability and experience necessary to deliver the Trust’s business plan. The governance structure that the Board has in place is appropriate to deliver the Trust’s business plan.

The Board Development Programme has been largely incorporated into the normal working of the Board and Board Away Days to ensure that the development is relevant and applicable to its responsibilities.

A robust process for evaluating the performance of the Chairman and Non-Executive Directors has been developed by the Nominations and

Remuneration Committee on behalf of the Council of Governors. The Senior Independent Director leads the performance evaluation of the Chairman and presents this to the Council of Governors on an annual basis.

The Chairman meets with the Non-Executives Directors as a group, without the Executive Directors present, on a monthly basis. The Chairman uses these sessions, alongside meetings with Non-Executive Directors on an individual basis, to determine their individual and collective professional development requirements.

Members of the Board undertake personal development and collectively the Board holds periodic development sessions during the year, which for the reporting period have mainly focused on the Trust’s partnership with University Hospitals of North Midlands NHS Trust and assurance mechanisms to improve quality and patient experience.

The performance of the Executive Directors is reviewed by the Chief Executive and considered by the Remuneration Committee. All Executive and Non-Executive Directors have an annual appraisal and a personal development plan which forms the basis of their individual development.





In September 2014, the new Neonatal Intensive Care Unit opened at Leighton Hospital. Supported by Mid Cheshire Hospitals Charity's One in Eleven Appeal, the new facility now has a modern layout and feel, has more space and offers increased levels of privacy and comfort for families and parents whose babies are being treated in the Unit. The Tree of Life, pictured above, is proudly displayed in the Unit's reception area, with families able to sponsor and personalise the individual leaves.

5

Council of Governors

Welcome from the Lead Governor

2014/15 saw significant changes for the Governing Council, with a new Council appointed on 1 April 2014, all of whom met the requirements as set out in the appropriate “fit and proper persons” tests. Several long-serving colleagues stood down after valuable contributions, for which they are thanked. The new Council consists of a balance of new faces and experienced individuals. Governors continue to be active on both Council of Governor and Board Sub-Committees, and new Governors are already making their mark.

The second major change in the year was the retirement of Mr John Moran as Chairman of the Trust on 31 March 2014. John was an excellent Chairman of the Governing Council and was totally committed, supportive and keen to include the interests of patients and the public. We were fortunate in being able to recruit Mr Dennis Dunn MBE as the incoming Chairman from July 2014 and a number of Governors were involved in the selection process. Already an experienced Non-Executive Director and a previous Governor, Dennis (*pictured below with John Moran*)

has continued to be supportive and inclusive in working with Governors. Under Dennis’ leadership, relations between Governors and the Board of Directors have continued to be underpinned by transparency, honesty and candour.

Finally, I wish to highlight the continuing success of, and improvements made by, the Trust:

- Firstly, the Care Quality Commission inspection which resulted in the Trust receiving a ‘Good’ rating;
- Secondly, the continuing improvement in the Trust’s mortality figures over several years. Governors have taken a special interest in this issue and are pleased to see that the Trust is performing better than other similar sized Trusts;
- Thirdly, the informative and well-attended Annual Members’ Meeting which took place in November.

In conclusion, it is reassuring to provide a positive report and I thank fellow Governors for their continued support and commitment.



John Lyons
Lead Governor



Introduction

The over-riding role of the Council of Governors is to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors and to represent the interests of NHS Foundation Trust Members and of the public.

During 2014/15, the Council of Governors were able to discharge its duties through quarterly meetings where they received high-quality information that was appropriate to their function and decision-making requirements. This included:

- receiving a written briefing and presentation from the Chief Executive on a quarterly basis updating Governors on a range of Trust-related topics and issues such as strategy, performance, finance, organisational challenges and successes;
- received specific updates on, and engaged with, the Trust's consideration of the partnership with University Hospitals of North Midlands NHS Trust;
- reviewed and approved the Trust's Constitution;
- engaged with the business planning process;
- appointed the Chairman of the Trust;
- extended the term of office of three Non-Executive Directors and appointed a fourth Non-Executive Director;
- Governors also attended a number of briefing meetings and joint meetings with Board members;
- received briefings in relation to the whole health economy Connecting Care Programme.

The Board see the views of Governors and Members as critical to its business and therefore invests time and energy in developing that understanding through further activities such as:

- joint Non-Executive Director and Governor meetings and development programmes;
- Executive and Non-Executive Director

attendance at the quarterly Council of Governor meetings;

- Governor participation in the annual Board Effectiveness Survey;
- Open door policy of the Chairman and Chief Executive;
- Governor attendance on key committees.

An open and transparent relationship exists between Board of Directors and Council of Governors and should there be a significant change in the Trust's performance (whether clinical, financial or operational), or where the Trust's reputation could be impacted, the Council of Governors are notified either via the quarterly Chief Executive briefing or through an immediate briefing if the matter is urgent.

Led by the Chairman, the Council of Governors assess their collective performance through self-assessment on an annual basis. The Chairman also ensures that the views of the Governors, and their respective Members, are communicated to the Board of Directors.

The Council regularly feedback to their Members and public on their responsibilities and duties at the public Council of Governor meetings as well as in the Governors and Membership section of the Trust's 'All Together' newsletter. Governors also attend a range of public functions to discharge their duties in seeking the opinion of Members and keeping them informed in respect of Hospital activities.



Governor constituencies, terms of office and attendance at Council of Governors' meetings

Governor	Constituency / Organisation	Term Expires	Council of Governors' Meeting Attendance
Elected			
Dion Cross	Congleton	31/12/2017	1 out of 1
Janet Ollier	Congleton	31/03/2017	3 out of 4
Barbara Beadle	Crewe and Nantwich	31/03/2017	4 out of 4
Christine Cooper	Crewe and Nantwich	31/03/2017	4 out of 4
Jerry Park	Crewe and Nantwich	31/03/2017	4 out of 4
Janet Roach	Crewe and Nantwich	31/03/2017	4 out of 4
Jenny Creed	Vale Royal	30/04/2015	4 out of 4
Gill Fairhurst	Vale Royal	31/03/2017	3 out of 4
Mike Hadfield	Vale Royal	31/03/2017	3 out of 4
Norman Harris	Vale Royal	31/03/2017	4 out of 4
Carl Betteley	Patients	31/03/2017	3 out of 4
John Lyons	Patients	31/03/2017	4 out of 4
Gerry Phillips (Mrs)	Patients	22/01/2016	4 out of 4
<i>Vacant</i>	Patients	-	-
Irene Vickers	Carer	31/12/2017	1 out of 1
<i>Vacant</i>	Carer	-	-
Staff – Medical & Dental Practitioner			
Roger Okell	Elected	31/03/2017	2 out of 4
Staff – Qualified Nursing & Midwifery Staff			
Elizabeth Price	Elected	31/12/2016	4 out of 4
Staff – Other Professionally Qualified Clinical			
Andrew Ritchings	Elected	31/03/2017	2 out of 4
Staff – Clinical Support Staff			
Angela Cunningham	Elected	31/03/2017	2 out of 4
Staff – Non Clinical Support Staff			
<i>Vacant</i>	Elected	-	-
Staff – Recognised Staff Organisations & Trade Unions			
Caroline Birch	Elected	31/03/2017	4 out of 4
Staff – Registered Volunteers			
Lorna Lakey	Elected	31/12/2017	0 out of 1

Continued overleaf

Governor	Constituency / Organisation	Term Expires	Council of Governors' Meeting Attendance
Appointed Governors			
Paul Colman	Chamber of Commerce	31/03/2017	2 out of 4
Dorothy Flude	Cheshire East Council	31/03/2017	2 out of 4
Neil Fowler	Manchester Metropolitan University	31/03/2017	3 out of 4
Jonathan Griffiths	Clinical Commissioning Group	31/03/2017	1 out of 4
<i>Vacant</i>	Cheshire West & Chester Council	31/03/2017	-
Andrew Wilson	Clinical Commissioning Group	31/03/2017	2 out of 4

2014/15 saw the resignation of three Governors:

Governor	Constituency	Retirement Date	Council of Governors' Meeting Attendance
Kevin Dawson	Patient & Carer	February 2015	4 out of 4
Peter Faulkner	Congleton	May 2014	1 out of 1
Brian Walton	Non Clinical Support staff	March 2015	2 out of 4

Governor Involvement

A number of Council of Governor Committees are established and the membership is shown below:

Committee	Current Members	Attendance at Meetings Dates
Membership and Communications Committee	Jerry Park	9 out of 11
	John Lyons	5 out of 11
	Barbara Beadle	9 out of 11
	Kevin Dawson	8 out of 11
	Gerry Phillips	8 out of 11
	Paul Colman	3 out of 11
	Janet Roach	5 out of 6
	Christine Cooper	5 out of 6

Governors also sit on a number of Board Committees and, as at 31 March 2015, these are detailed below:

Committee	Members
Patient Experience Committee	Carl Betteley
	Dorothy Flude
	Janet Ollier
QuEST Committee	Barbara Beadle
	Norman Harris
Strategic Integrated Governance Committee	Angela Cunningham

Governors were given the opportunity to become more involved and canvass the opinion of those Members, public and bodies that they represent in Trust activities through a number of additional forums including:

- Clinical Services Strategy development;
- Complaints Review Panel;
- Patient Safety Walkrounds;
- Patient Representatives on Divisional Boards;
- Annual Workshop to seek the views of Governors on the Trust's Annual Plan;
- Member and Public Engagement Events;
- Patient Surveys (through the Public & Patient Involvement Programme);
- Patient Falls Group;
- Attending Chief Executive Briefing/Engagement Sessions.

The Trust also ensures Governors are made aware of events being hosted by other local health organisations such as the Clinical Commissioning Groups which may be of interest to them and which will enhance their knowledge and understanding within their role as Governor.

Lead Governor

Mr John Lyons was re-appointed as Lead Governor effective from 1 April 2014. In his role as Lead Governor, Mr Lyons attended the Board of Directors meetings and, if needed, was able to meet with the Chairman following the meeting to raise any issues of concern or seek clarity on any agenda items discussed.

General engagement with Governors and Members

In addition to the Council of Governors' meetings and the membership on various committees and groups, the Trust continued to focus on gaining the views of Governors and Members as follows:

- Annual Plan Workshop for Governors;
- Attendance by Governors at the Trust's strategy meetings;
- Governors have attended, at the invitation of Members, local community groups to meet and discuss activity of the Trust.



Pictured above: a number of Governors and Board members liaised with Members and the public at the Annual Members Meeting.

Register of Interests

The Trust's Constitution and Standing Orders of the Council of Governors requires the Trust to maintain a Register of Interests for Governors. Governors are required to declare interests that are relevant and material to the Board. These details are kept up-to-date by an annual review of the Register, during which any changes to interests declared during the preceding 12 months are incorporated. The Register is available to the public on request from the Board Secretary. Should you wish to view the register, please contact the Trust on 01270 612128.



Governor	Interest	Seeking to do business with health authorities	Has business dealings with the Trust
Christine Cooper	Ray of Hope (Voluntary Organisation)		x
Dr Jonathan Griffiths	NHS Vale Royal Clinical Commissioning Group GP Partner at Swanlow Practice	x	
Dr Andrew Wilson	NHS South Cheshire Clinical Commissioning Group GP Partner at Ashfields Primary Care Centre	x	

Nominations and Remuneration Committee

Introduction

Established by the Council of Governors and chaired by the Chairman of the Trust, the Committee undertakes detailed work in reviewing the performance of the Non-Executive Directors, reviewing their remuneration and undertaking the search function for new appointments. Additionally, the Committee has responsibility for including pension rights and any compensation payments as part of their review of the remuneration of Non-Executive Directors. Under the law, decisions on these matters are reserved to the Council

of Governors as a whole, and the process for recruiting a new Chairman or Non-Executive Directors is outlined below:

1. The Board conducts a skills gap analysis prior to any Non-Executive Director interview which provides the opportunity to review the structure, size and composition of the Board and this is agreed with the Nominations and Remuneration Committee.
2. The Nominations and Remuneration Committee establish the recruitment process and agree the external search consultancy. All recruitment has been undertaken through open advertising is used;
3. The interview process is overseen by the Nominations and Remuneration Committee which includes Governor representation;
4. The Committee makes a recommendation to the Council of Governors, as may the

Board of Directors. This recommendation is then subject to debate, possible amendment, and ratification.

The Trust Constitution sets out the Nomination and Remuneration Committee membership, composed of five Governors, the Chief Executive and chaired by the Chairman of the Trust. Governor members of the Committee are elected annually by the Council. The Committee is supported in its duties by the Director of Service Transformation & Workforce. Its terms of reference, role and delegated authority have all been agreed by the full Council of Governors. The Committee meets on an 'as required' basis.

The Chairman chairs the Committee, save when the post or remuneration of the Chair is the subject of business, in which case the Committee is chaired by the Deputy Chair.

During the year, the Committee met five times and oversaw:

- the Annual Appraisal of the Chairman and Non-Executive Directors;
- the appointment of the Chair of the Trust;
- the remuneration of Non-Executive Directors including the Deputy Chair and Senior Independent Director (this also included a review of the time commitment required from each Non-Executive Director, which was subsequently extended from two-and-a-half days to four days each month);
- the contract extension of Ruth McNeil,

David Hopewell and Pat Bacon;

- the appointment of Rob Allen (using the assistance of an external search consultancy).

Also during 2014/15, the Committee consulted NHS Providers, via their Annual Remuneration Survey, reviewed the remuneration data included in neighbouring Trusts' Annual Reports and sought the views of an external search company to market-test the remuneration of the Chairman and Non-Executive Directors. This exercise is conducted every three years.

Member	Attendance at Meetings
Dennis Dunn (Chair)	4 out of 5
Tracy Bullock	3 out of 5
Dorothy Flude	2 out of 5
Michael Hadfield	3 out of 5
John Lyons	3 out of 5
Jerry Park	5 out of 5
Roger Okell	4 out of 5

Membership

Membership Commentary

The Trust has three membership constituencies as follows:

- Public constituency;
- Patient and Carer constituency;
- Staff and Volunteer constituency.

Public Constituency

Anyone aged 16 or over is eligible to join the Trust as a Member. Within the public constituency, Members may join one of the following sub-divisions, known as classes:

- Congleton (and other surrounding areas) part of Cheshire East;
- Crewe and Nantwich (and other surrounding areas) part of Cheshire East;
- Vale Royal part of and all other parts of Cheshire West & Chester.



Patients and Carers Constituency

People who have received care or treatment from the Trust in the past five years are eligible for membership of the Patients and Carers constituency. So, too, is the relative or friend who is their principal carer at home.

Staff and Volunteers

On joining the Trust staff automatically become Members, so that they can become as fully involved in the organisation as possible. Additionally, this constituency is applicable to anyone who is registered to undertake individual voluntary work with the Trust

The Staff and Volunteers constituency is divided into the following classes:

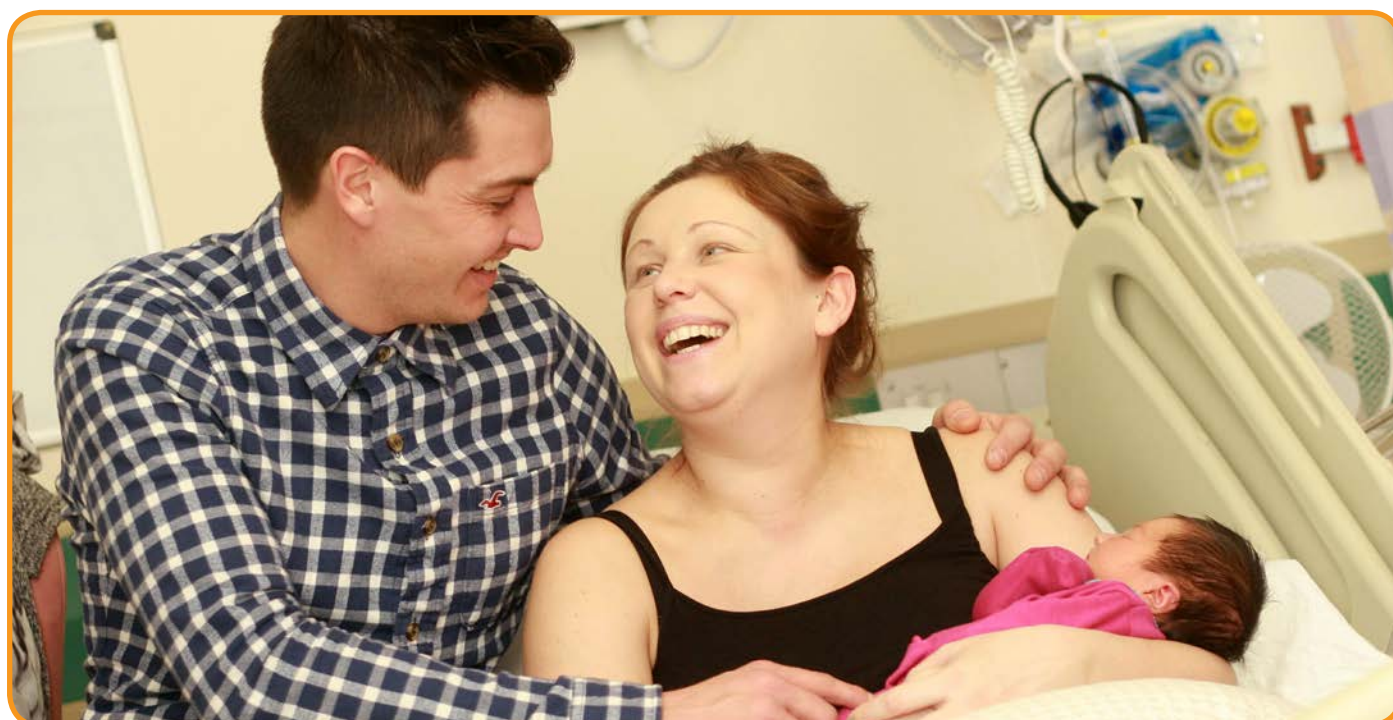
- Qualified Nursing and Midwifery staff;
- Medical Practitioners and Dental staff;
- Other Professionally Qualified Clinical staff;
- Clinical Support staff;
- Non-Clinical Support staff;
- Recognised Representatives of Trades Unions and Staff Organisations;
- Volunteers.

Membership Size and Movements

Public constituency	Last year (2014/15)	Next year (2015/16) (estimated)
At year start (April 1)	4,100	4,014
New members	242	325
Members leaving	328	225
At year end (March 31)	4,014	4,114

Staff constituency	Last year (2014/15)	Next year (2015/16) (estimated)
At year start (April 1)	3,041	3,396
New members	402	400
Members leaving	47	380
At year end (March 31)	3,396	3,416

Patient constituency	Last year (2014/15)	Next year (2015/16) (estimated)
At year start (April 1)	1,329	1,258
New members	71	220
Members leaving	142	100
At year end (March 31)	1,258	1,378



Analysis of Current Membership

Public constituency	Number of Members	Eligible Membership
Age (years) :		
0 – 16	4	132,568
17 – 21	99	39,153
22+	3,708	533,132
Unknown	203	
Ethnicity :		
White	3,388	678,965
Mixed	15	6,923
Asian or Asian British	31	10,157
Black or Black British	22	2,310
Other	5	1,380
Unknown	553	5,118
Socio-economic groupings :		
AB	1,184	59,521
C1	1,166	63,510
C2	846	41,313
DE	807	49,195
Unknown	11	491,314
Gender :		
Male	1,704	344,951
Female	2,199	359,901
Unknown	111	1
Patient constituency	Number of Members	Eligible Members
Age :		
0 – 16	0	
17 – 21	8	
22+	1,192	

Following a data cleanse of the Membership Database, there was a decrease in number of Members. In working to increase engagement through attendance at community events such as the Nantwich Food Festival and Crewe and Nantwich Health & Wellbeing Fayres, and also internally in the Trust, Governors and the Membership Office worked to increase Membership numbers by raising awareness amongst the public of activity at the Trust

such as the new Theatres and how they could become involved.

The Board of Directors monitor how representative the Trust's Membership is through the Performance and Finance Committee. The effectiveness of Member engagement is evaluated as part of the Membership and Communications Committee.

Membership Strategy

The Trust's Membership Strategy, which was written in conjunction with the Council of Governors' Membership and Communications Committee, outlines the Trust plans for membership, from continuing to grow and develop a representative membership, to how the Trust will work in partnership with its membership to make a positive difference to the organisation and the communities the Trust serve.

Membership Engagement

Throughout 2014/15, the Trust and Governors continued to engage with Members:

- 'Health Matters' information events including tours of Trust sites and departments;
- Updates from the Chief Executive at regular Membership meetings;
- 'Meet the Governor' events;
- Regular newsletters;
- Website;
- Annual Members' Meeting;
- Governor meetings to which Members are invited;
- Recruitment drives;
- Information stands at local community events;
- Attending staff induction events.

Governors were actively involved in engaging their Members, through their attendance at local events. Membership recruitment continued throughout 2014/15 with a particular focus on attendance at Outpatient clinics across the Trust and also attendance at local community events.

Reports on Membership and plans for developing, recruiting and engaging Members are presented to the Performance and Finance Committee and the Council of Governors, through the Governor-led Membership and Communications Committee.

Membership Objectives 2015/16

The Trust's Membership Strategy was approved in 2014, and the following objectives have been identified for 2015/16 to support the delivery of the Membership Strategy:

- Growing Membership;
- Valuing Membership as a resource;
- Being focused on the needs and aspirations of Members and public;
- Listening to Members and ensuring that all Members receive feedback;
- Governor Support and Involvement - to ensure Governors are actively involved with Membership;
- Communication - to ensure Members receive sufficient information.

Member communication with Governors and/or Directors

There are several ways for Members to communicate with Governors and/or Directors. The principal ones are as follows:

- Face-to-face interaction at various Membership events;
- Annual Members' Meeting;
- Telephone, written or electronic communications co-ordinated through the Membership Office which then steers Members to the appropriate Governor/Director;
- Website Profiles - each Governor has their profile and details of the constituency they serve published on the Trust's website;
- Membership magazine, which highlights the work of Governors and opportunities to be involved in projects or patient experience groups;
- Direct email and telephone number to the Membership Office who take any kind of Membership query and then feed back into the Trust to action;
- Chief Executive Membership Events.

For further information about membership or Governors, please contact the Board Secretary on 01270 612128 or email foundationtrust@mcht.nhs.uk.

6

Staff and Stakeholders

Mid Cheshire Hospitals NHS Foundation Trust employs approximately 3,250 staff in an extensive range of specialties and professions. The Trust's success in delivering high quality patient care is attributed to the commitment of its motivated and forward-thinking staff who aim to put patients at the centre of everything they do.

Health and Wellbeing

The Trust recognises the association between improved wellbeing and improved performance, productivity and engagement. During 2014/15, the Trust established a new Health and Wellbeing group with a broad representation of staff from across the workforce, including staff-side representation, to drive forward the Health and Wellbeing Strategy.

The focus of the group's efforts during 2014/15 was to facilitate and support staff in improving their own physical and psychological wellbeing. This included linking in to established national and regional campaigns, sign-posting to external sources for helpful advice and information and funding activities where appropriate, such as the Trust Choir (*pictured above at the Annual Members Meeting*).

Celebration of Achievement Evening

The Trust holds an annual Celebration of Achievement Evening, with staff encouraged to nominate their colleagues across the Trust in a variety of award categories, which also includes a Patient Choice Award that gives patients, carers, relatives and visitors the opportunity to nominate individuals or teams who have gone the extra mile to ensure the best possible experience for all Trust service users.



Listening to Staff

Listening to the views of staff is hugely important and the Trust was delighted that the response rate for the 2014 annual national NHS Staff Survey was 65%, one of the highest in the country for Acute Trusts.

A review of the findings shows the Trust's score for Staff Engagement for 2014 was 3.83 out of 5 (1 indicating that staff are poorly engaged and 5 indicating that staff are highly engaged), demonstrating an increase on the 2013 score and a score that placed the Trust in the best 20% of the Trust's peer group. The Trust also saw an improvement in the number of staff who would recommend the Trust as a place to work and receive treatment, and was delighted to note that the response to both these questions was also in the best 20%.

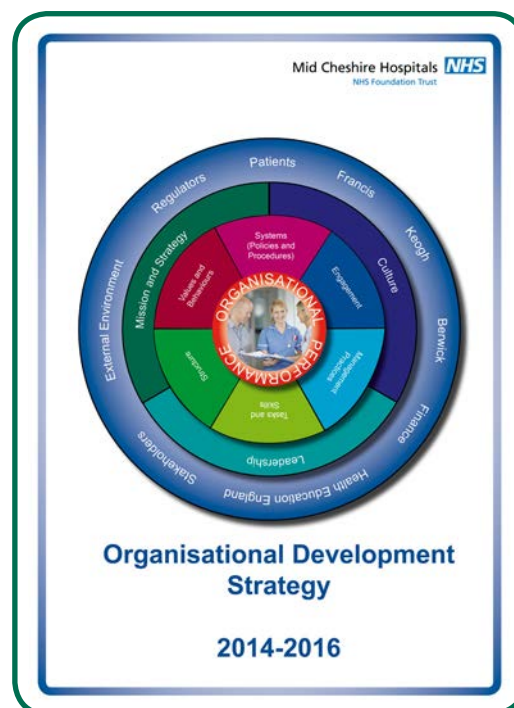
Divisional Action Plans will be developed based on the 2014 outcomes and will focus on issues that staff identified as being of real importance to them. Areas of concern highlighted in the 2014 survey results, and which will be a focus within the Divisional Action Plans, are:

- Reduce violence, bullying and harassment towards staff;
- Reduce discrimination against staff;
- Improve team working;
- Improve health and wellbeing of staff;
- Improve the quality of appraisals and the number of staff completing health and safety training.

Progress against these Action Plans will be monitored through forums including the Workforce Assurance Committee, Divisional Performance Reviews and Divisional Workforce meetings. The Staff Survey and any related Action Plans are also incorporated in to the Trust's Organisational Development Strategy.

The Trust will also hold a number of focus groups with staff across all Divisions in June and October to gain further in-depth feedback from the Staff Survey questions. The feedback from these groups is shared widely across the organisation and used to inform new developments and changes to practice.

Details of the Trust's top five ranking and bottom five ranking scores are noted below:



Top Five Ranking scores:

Question	Trust Score	National Average for Acute Trusts
KF14. Fairness and effectiveness of incident reporting procedures.	3.77	3.54
KF1. Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver.	84%	77%
KF13. Percentage of staff reporting errors, near misses or incidents witnessed in the last month.	94%	90%
KF29. Percentage of staff agreeing that feedback from patients/ service users is used to make informed decisions in their directorate/department.	65%	56%
KF9. Support from immediate managers.	3.76	3.65

Bottom Five Ranking scores:

Question	Trust Score	National Average for Acute Trusts
KF12. Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month.	36%	34%
KF16. Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months.	16%	14%
KF10. Percentage of staff receiving health and safety training in the last 12 months.	74%	77%
KF26. Percentage of staff having equality and diversity training in the last 12 months.	59%	63%
KF19. Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months.	24%	23%

Investors in People

The Trust currently holds the Bronze Status of the Investors in People Standard, most recently awarded in September 2013. The next review is scheduled for June 2015. Annual internal reviews are undertaken between the formal external assessments to provide a “temperature check” and triangulate the information collected as part of the Staff Survey and staff focus groups that are also conducted twice a year.



Training to Support Staff

Resilience

The Trust has two staff who have been trained by the Occupational Psychologist company, Robertson Cooper, to deliver a one-day programme to managers and supervisors on how to build resilience both in themselves and in their teams. This is also offered as half-day sessions for teams going through changes.

Leadership Development

The Trust runs a number of in-house development programmes:

- Bands 1–5 NVQ in Management;
- Bands 3 and 4 ‘Learning to Lead’;
- Bands 5 and 6 ‘Becoming a Mid Cheshire Hospitals NHS Foundation Trust Manager’;
- Bands 7 and above ‘Managers Moving On’;
- Clinical Leaders Programme;
- Consultant Foundation Programme.

The Trust also accesses the National Leadership Programmes run by the NHS Leadership Academy.

Coaching

The Trust continues to provide one-to-one coaching for senior staff from the team of internal coaches, with a further cohort of coaches to be trained in 2015/16. In addition, the Trust runs one-and-a-half day workshops on Essential Coaching skills for all managers, with Team Coaching also available.

Communications

The Trust communicates with staff regularly through a variety of key channels, some of which are outlined below:

- The Chief Executive briefs all staff on a weekly basis via email on a wide range of topics such as upcoming initiatives, events and NHS matters in general including information on matters of concern to staff;
- The Chief Executive also holds regular briefing sessions to update staff across the organisation on the Trust’s performance, strategy, challenges and opportunities;
- The Chief Executive holds weekly ‘drop in’ sessions whereby staff can meet with her to share experiences of their work or details of any achievements or concerns;
- Each member of staff is sent an electronic copy of Trust Update, a fortnightly summary of some of the main internal news items, with a hard copy also sent to all wards and departments;
- A bi-monthly newsletter focussing on staff as individuals is produced to accompany payslips, with topics including policy changes, payroll and pension information and health and wellbeing initiatives;
- A ‘good news’ newsletter called *All Together* is produced three times a year, providing an overview of some of the major developments within the organisation;
- A bi-monthly newsletter is produced for local GP colleagues, containing articles such as service improvements.



The Executive Directors continue regular ward and departmental visits, meeting with staff and discussing any issues which may be occurring in that area. The Directors also hold briefing sessions if there are any urgent communications for the Trust.

The Trust has an official presence on social media on both Twitter (@MidCheshireNHS) and Pinterest (www.pinterest.com/MidCheshireNHS). Selected departments also have their own account on Twitter, whilst Maternity services are set to launch their official Facebook page in early 2015-16.

Staff Engagement

In order to meet the Trust's vision to "Deliver excellence in healthcare through Innovation and collaboration," the Trust, during 2014/15, approved a new staff engagement policy which details how the organisation engages with staff to ensure a positive experience for patients and staff.

The policy:

- Actively encourages a two-way dialogue on improving organisational performance with clearly set goals, targets and current challenges;
- Engages staff in organisational, service and individual changes which may affect them;
- Provides effective management support and personal development to support staff performance;
- Supports staff so they remain healthy and safe.

Occupational Health

Cheshire Occupational Health Service is delivered in partnership with East Cheshire NHS Trust and provides occupational health services to staff in both Trusts as well as to a number of other organisations in both the private and public sector.

The Service supported the Trust in exceeding the national target for the annual influenza campaign ensuring that staff and, in turn, patients were protected (*pictured opposite,*

an example of one of the Trust's vaccination promotional posters). The service also worked in conjunction with the Human Resources Department to deliver improvements in the management of both long- and short-term sickness absences.

The Service successfully tendered and was re-awarded the contract to provide Occupational Health to The Christie NHS Foundation Trust. In addition, Cheshire Occupational Health led the way in developing a service platform to a regionally-based housing association.

Cheshire Occupational Health Service continues to work collaboratively with other NHS Occupational Health Units to explore innovative ways of ensuring sustained future delivery of services.

Sickness Absence Data

Effective management of sickness absence serves to reduce costs and maintain the quality of our services.

It is the Trust's aim to reduce sickness to a target level of 3.4%. During 2014/2015, absence levels were 4.15%. Within this figure, short-term absence accounted for 1.72% whilst long-term absence accounted for 2.43%. In total, 36% of our staff recorded no sickness absence.



To deliver this target and maintain appropriate staffing levels, the Trust has implemented a new Sickness Absence Policy which, along with dedicated training, supported managers in enabling their staff to stay healthy and maintain good attendance. In addition, further support is offered to managers through our dedicated team of HR Advisers.

A local suite of management information has also been developed and sickness absence levels are reported to the Board of Directors. Divisional Managers are able to use this data to review performance across their teams and apply interventions to deliver improvements.

The Trust has a target to ensure overall sickness absence remains below 3.4%. 2015/16 will see a continued focus on supporting staff to improve their health and wellbeing in order to promote better health and prevent sickness absence. Therefore, in the next reporting year, the Trust plans to build on the encouraging data from the NHS Staff Survey, to examine our Health and Wellbeing Strategy to identify further improvements and to finalise an action plan to move it forward.

Formal Arrangements for Consultation and Negotiation

Effective communication and engagement between the Trust and its staff-side representatives is supported in a number of ways. The formal consultation and negotiation arrangements in place within the Trust are the Joint Consultative and Negotiation Committee and the Joint Local Negotiation Committee for medical staff. These committees meet regularly in accordance with their Terms of Reference and are attended by both management and Trade Union colleagues who represent staff from across the Trust. As part of the Terms of Reference, the committees are responsible for providing information and assurances to the Board of Directors that the Trust is safely and appropriately managing all issues relating to the formal consultation and negotiation of terms and conditions of employment, policies and procedures, employee relations issues and employee engagement.

The Trust's development and approval of Policies, Guidelines & Standard Operating Procedures ensures all policies and procedures go through a process of engagement and consultation with staff including formal staff-side consultation. Each also undergoes an equality analysis impact assessment. Appropriate training and development requirements are identified at the equality analysis impact assessment stage and are added to the Trust's Training Needs Analysis database.

Partnering Patients and the Public

The Local Government and Public Involvement in Health Act (2007) relates to the duty of NHS bodies to involve and consult service users. According to the Act, NHS bodies, including Foundation Trusts, must make arrangements for people who receive or may receive services to be involved in:

- the planning of the provision of services;
- developing and considering proposals for changes in the way those services are provided;
- decisions to be made affecting the operation of those services.

Whether through direct consultation, the provision of information, or in other ways, the Trust continued to directly involve service users (or their representatives) in planning both the provision of new services and changes to existing services. The Quality Account details examples of involving services users and/or their representatives in service provision.

The Quality Account also provides information on Patient and Public Involvement activities such as collecting patient feedback either through patient surveys, patient stories, the Friends and Family Test and Patient Register Group meetings.

The Customer Care Team also plays a key role in providing advice, information and support for patients and relatives.

Partnering Volunteers

The Trust's volunteer team has surpassed 300 registered volunteers and continues to grow. The new volunteer training and induction programme is equipping volunteers to be better prepared and comfortable as they undertake their roles on wards or in departments. Through utilising existing training programmes, such as components of the HCA training programme, our volunteers receive quality training appropriate for their role in the hospital. This was particularly beneficial with patient feeding, where, in the last twelve months, the Trust has doubled the number of volunteers able to provide meal time assistance.

Volunteer roles continue to be developed, and the past year has seen volunteers placed in Speech and Language, Sexual Health, Pre-Operative Assessment, Phlebotomy and Neonatal Intensive Care to name just a few. A volunteer hairdresser has also been a welcome addition to Ward 21B.

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



Part 1

Statement on quality from the Chief Executive

I am delighted to introduce the Quality Account for Mid Cheshire Hospitals NHS Foundation Trust for the period of April 2014 to March 2015.

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.

In terms of achieving our quality objectives, 2014/15 is a year that we are all particularly proud of due to a significant number of great achievements in Quality, Safety and Experience.

The journey began with the launch of our new Quality and Safety Improvement Strategy. This strategy is particularly important as it was developed by the public, patients and our staff, and places real focus on the areas they felt were most important. You will see that achievements have been made in all areas of the Strategy which are described within the Quality Account.

There have been many other significant achievements during the year. These include:

- Rated as “GOOD” by the Care Quality Commission;
- Our mortality rate has reduced significantly, so we are now rated well within the “as expected” range;
- Achieving a significant number of national awards such as the Royal College of



Midwives' Midwifery Service of the Year Award, the CHKS Top 40 Hospital Award and a Health Service Journal Award for medical handover (*pictured overleaf, top to bottom respectively*);

- The introduction of a dementia care bundle which includes open visiting and carer support, alongside individualised care for patients with dementia;
- A significant reduction in hospital acquired pressure ulcers;
- Being in the top 20% of Trusts for staff saying that quality and safety is a top priority, as well as being in the top 20% for staff saying they would recommend working in or having treatment at the Trust.

We are immensely proud of our staff and the care they deliver. This was reflected by the Care Quality Commission during their comprehensive inspection in October 2014. They consistently found staff to be caring and compassionate. The outcome of their inspection was a rating of "GOOD". We are very proud to be one of only a small number of acute Trusts to have achieved this rating.

We continued our focus on quality as a key priority throughout the year with 60 frontline clinicians undertaking Quality Improvement training (*some of whom are pictured below*). This has equipped them with the skills and knowledge to take forward improvements within the clinical areas where they work. Many of these projects have had huge improvements for patients and some have received recognition nationally.



Finally, I want to take this opportunity to thank our staff. They do a tough job, sometimes in difficult circumstances, but always keep patient 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.

There are a number of inherent limitations in the preparation of Quality Accounts which may impact the reliability or accuracy of the data reported. These include:

- Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance, or included in internal audits programme of work each year.
- Data is collected by a large number of teams across the trust alongside their main responsibilities, which may lead to differences in how policies are applied or interpreted. In many cases, data reported reflects clinical judgement about individual cases, where another clinician might have reasonably have classified a case differently.
- National data definitions do not necessarily cover all circumstances, and local interpretations may differ.
- Data collection practices and data definitions are evolving, which may lead to differences over time, both within and between years. The volume of data means that, where changes are made, it is usually not practical to reanalyse historic data.

The Board of Directors have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported, but recognises that it is nonetheless subject to the inherent limitations noted above. Following these steps, to my knowledge, the information in the document is accurate, with the exception of the matters identified in respect of the 18 week referral to treatment incomplete pathway indicator as described on page 95.

This report also demonstrates that the Trust has a number of assurance mechanisms in

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

I hope you enjoy reading this Quality Account and find it of value. We are continually striving to improve our care and would therefore welcome any feedback you may have.



Tracy Bullock
Chief Executive
Mid Cheshire Hospitals
NHS Foundation Trust
tracy.bullock@mcht.nhs.uk



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 Monitor. To help readers, there is a glossary of terms at the back of the document in Appendix 1.

Part 2

Priorities for improvement and statements of assurance from the Board

Priorities for improvement in 2015/16

During 2013/14, the Trust conducted an extensive engagement programme based on the key themes from the Francis Inquiry into the failings at Mid Staffordshire NHS Foundation Trust. This consultation exercise informed our Quality and Safety Improvement Strategy which describes our key priorities for quality and safety from 2014 to 2016 inclusively.

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

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

The Trust will be a provider that:

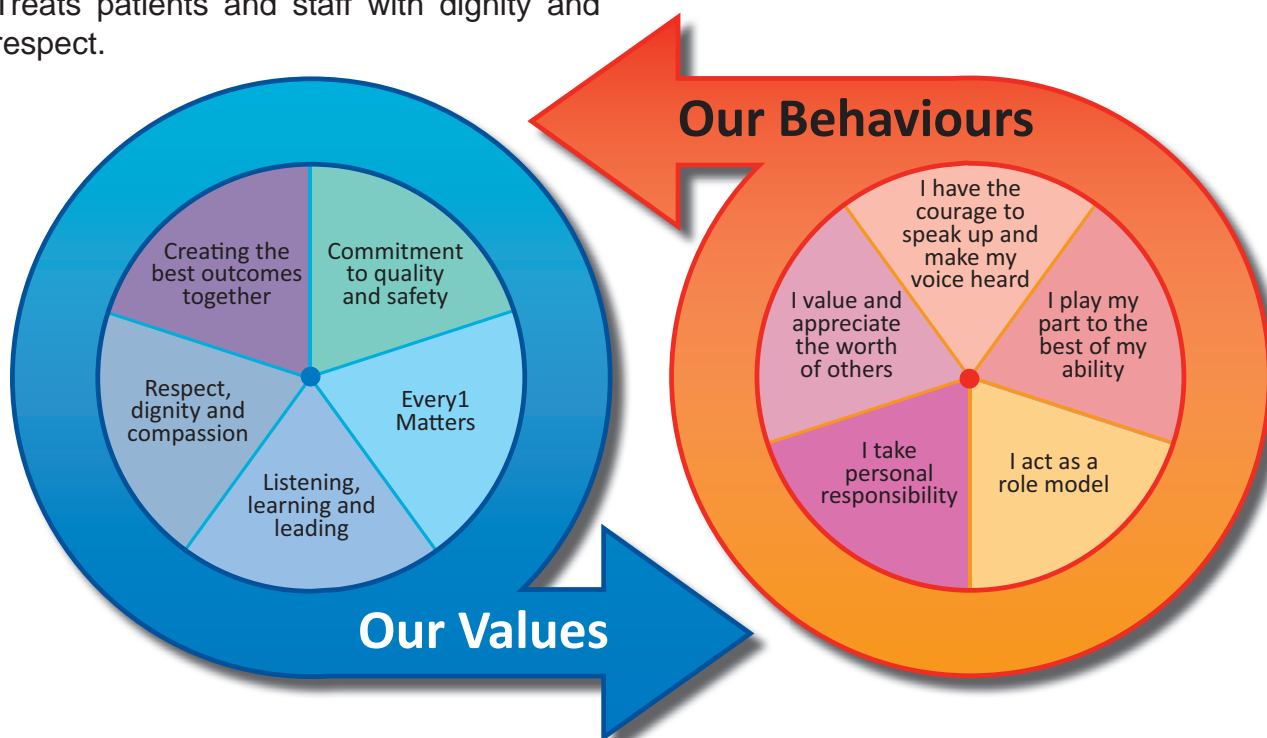
- Delivers high quality, safe, cost-effective and sustainable healthcare services;
- Provides a working environment that is underpinned by values and behaviours;
- Is committed to patient-centred care;
- Treats patients and staff with dignity and respect.

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

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

The values and behaviours developed with Trust staff underpin the delivery and success of the Strategy. The Trust recruits and nurtures its staff based on the values and behaviours (*pictured below*) so that they are observed across all areas of the organisation.

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. The Strategy is ambitious but achievable.

Experience

- Improving nutrition and hydration for patients
"The Trust will continue to provide an environment that promotes healthy nutrition and is tailored to individual patient need."
- Supporting patients with dementia and their carers
"The Trust will support patients who have concerns about their memory and will work with patients who have dementia and their carers to promote a positive experience whilst in hospital."
- Improving communication
"The Trust will ensure that staff improve their understanding of patients and their care needs. The Trust will use this knowledge to communicate effectively with patients and involve them in their care."

Effectiveness

- Improving documentation and reducing duplication
"The Trust will review and improve its paper documentation so that it is relevant, adds value to care and avoids duplication."
- Reducing cancellations
"The Trust will reduce the number of hospital initiated outpatient clinic cancellations by 20% by 2016."

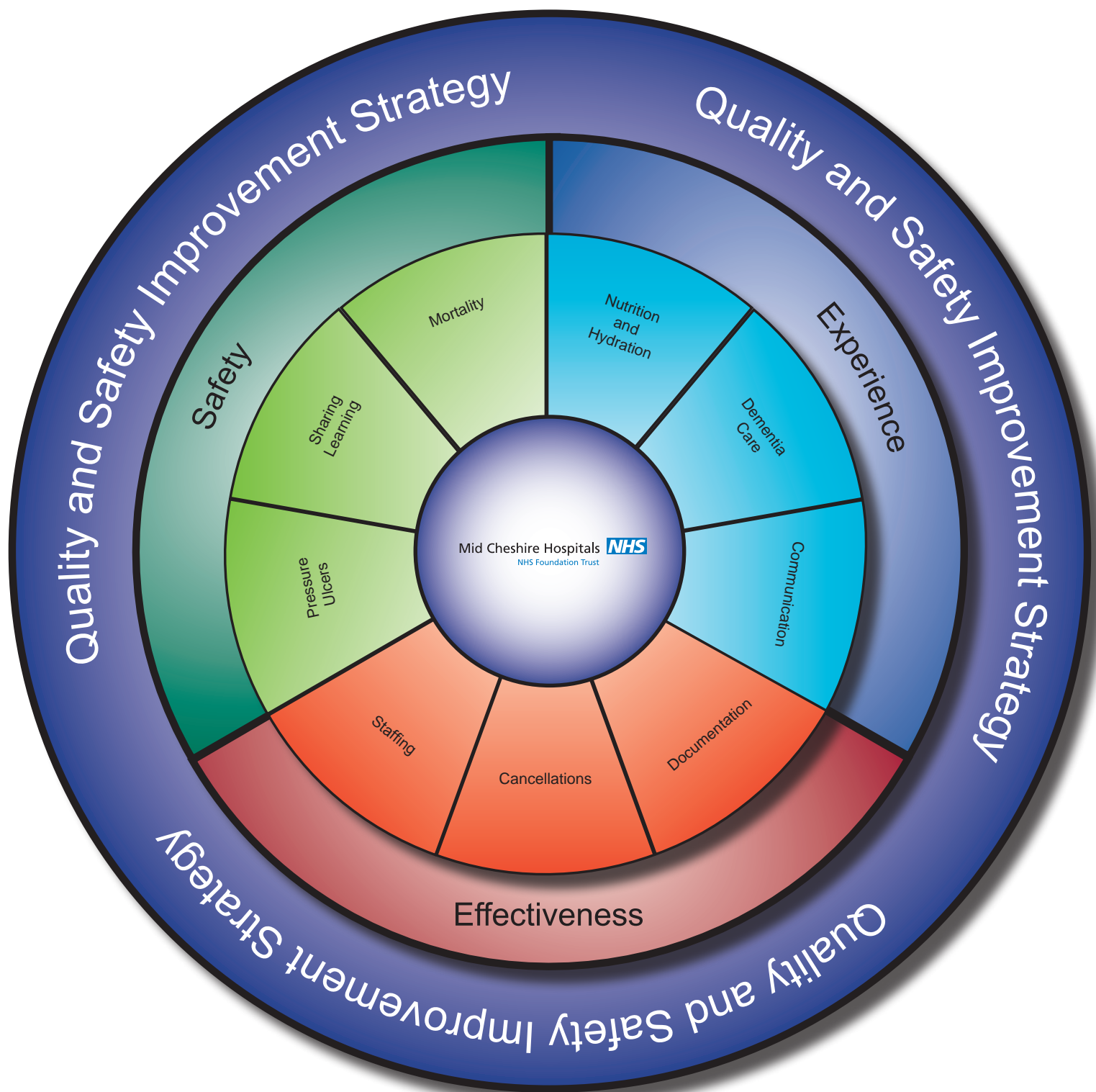
- Appropriate nurse staffing levels
"The Trust will ensure it has appropriate levels of nurse staffing and skill mix that meet the needs of its patients."

Safety

- Reducing pressure ulcers
"The Trust will eliminate avoidable hospital acquired pressure ulcers by 2016."
- Sharing learning from feedback and incidents
"All clinical staff will work together to respond to feedback from patients and carers and to learn from incidents that occur. The Trust will then ensure it responds to such learning and embeds this into practice."
- Reducing mortality rates
"The Trust will reduce its mortality rates each quarter so that they reach expected levels as measured by the Summary Hospital-Level Mortality Indicator (SHMI)."

The logo for the Trust's Quality and Safety Improvement Strategy is shown overleaf. This has been used to promote awareness of the Strategy around the Trust and at public engagement events. An easy-read poster has been created and circulated to all wards and departments, whilst the logo has also been included on all the Trust's Quality and Safety boards (pictured below with ward staff).





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 Committee, which is chaired by the Director of Nursing and Quality. This Committee reports directly to the Quality, Effectiveness and Safety Committee (QuEST).

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

QuEST reviews the key areas of improvement in relation to the Quality and Safety Improvement Strategy to ensure progress is being made in relation to the aims and keys areas identified.

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

Statements of assurance from the Board

Review of services

During 2014/15, the Trust provided and/or sub-contracted 39 relevant health services.

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

The income generated by the relevant health services reviewed in 2014/15 represents 100% of the total income generated from the provision of NHS services by the Trust for 2014/15.



Feedback from patients

National patient surveys

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

Accident and Emergency national survey

During 2014, a questionnaire was sent to 850 people who had attended the accident and emergency department (A&E) at Leighton Hospital during January, February or March 2014.

Responses were received from 344 patients which equates to a response rate of 41.5% of completed eligible returns.

In comparison to the most recent nationally published data, the Trust is **about the same** (middle 60% of all Trusts) on all questions in the survey which relate to the following categories:

- Arrival at Accident and Emergency;
- Waiting times;
- Doctors and nurses;
- Tests;
- Hospital environment and facilities;
- Leaving Accident and Emergency;
- Overall patient experience.

The Trust's overall score has improved by 0.2% since the last survey undertaken in 2012. The

individual results have shown improvements in 14 questions as shown in the chart above.

What has changed?

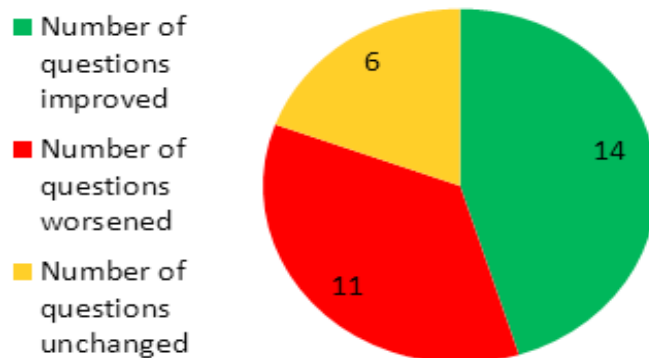


Chart 1: Changes in responses from 2014 survey (when compared with the results from the 2012 survey)

There has been a **statistically significant** improvement on the following question:

- Staff explaining test results to patients in an understandable way.

There was a 5%, or greater, improvement in relation to:

- Staff doing all they could to help control pain;
- Staff advising patients when they could resume normal activities.

Areas identified for improvement:

- **Waiting times** - Patients were not always told how long they would have to wait to be treated;
- **Medication** - Staff did not always tell patients about the medication side effects to watch for.

Actions to be progressed:

- Install an LED display to inform patients about waiting times upon arrival to the department;
- Review processes to improve the explanations of medication side effects.



During the survey, many patients also commented on what was particularly good about their care. Their feedback included the following:

"I was treated very well, everyone was kind and respectful of my disability. I was treated as an intelligent being, informed about procedures, purpose of tests etc. My husband was included in all conversations and found staff very helpful."

"Being elderly and suffering from dementia, sometimes people tend to speak to the person with the patient as they don't think it is worth addressing the patient because they cannot understand what is happening. The doctor and nurses who attended to my mother explained everything to her and me."

"The service I received was absolutely fantastic and I cannot make faults with any of the staff or treatment."

National Cancer Survey

The survey included all adult patients (aged 16 and over) who had a primary diagnosis of cancer who had been admitted to hospital as an inpatient or as a day case and had been discharged between 1st September and 30th November 2013.

383 eligible patients were sent a survey and 236 questionnaires were returned completed across nine tumour groups. This equates to a 66% response rate against the national response rate of 64%.

There were improvements in 15 questions when compared to the last time the survey was undertaken in 2012, and the most improved results related to:

- Staff giving a complete explanation of purpose of test (diagnostic);
- Staff explaining completely what would be done during the test;
- Doctors not talking in front of patients as if they were not there.

The scores for 42 questions remained the same whilst the score fell in 12 questions. As a result of the survey, the following actions have been agreed:

- Specialist nurses are to undertake bespoke training for the ward-based staff in relation to breast cancer and colorectal cancer to increase knowledge of these conditions;
- Posters will be developed to promote the Macmillan Information and Support Manager's contact details for ward patients to help them access information about help at home and financial support;
- Information about clinical trials will be included in individual patient prescriptions to trigger discussions as required;
- Information leaflets will be updated to ensure that patients know that they can bring a friend with them to their appointments.

During the survey, many patients described what was particularly good about their care. Their feedback included the following:

"The treatment and care I received from start to finish has been excellent. Everybody made me feel as though I was the only one in my situation and not a number."

"The NHS staff who helped me are God's angels. I cannot thank them enough. This has been the toughest time of my life, especially going through chemotherapy. I will never forget the expertise and support I have received, but most of all I appreciate the compassion and kindness. Thank you."

"All the staff are to be commended for their wonderful approach to a very difficult treatment. The whole experience was made so comfortable and relaxed. Overall, I am very proud of the way the NHS has treated me. The doctors and nurses are all a credit to their respective professions."

National children and young people inpatient and day case survey

During 2014, 329 children / young people who were either an inpatient or day case patient and discharged in August 2014 were sent a questionnaire to find out about their experiences. 93 responses were received which equates to an overall response rate of 27% of completed eligible returns.

Response rates have been further broken down to the following age groups:

- 0-7 years 20.1%
- 8-11 years 31.1%
- 12 -15 years 27.7%

Questions in the survey covered the following:

- Going to hospital;
- The hospital ward;
- Food and facilities;
- Hospital staff;
- Pain Management and Operations;
- Medicines and leaving hospital;
- Overall perspective on care.

The Trust scored well in relation to questions which asked about:

- The provision of understandable information about treatment;
- Explaining what would be done during an operation;
- Parents feeling that their child was safe on the ward;
- Parents feeling that staff knew how to care for their child's individual or special needs;
- Treating parents and children with dignity and respect.

The following areas have been identified for improvement:

- **Parent facilities** - Parents felt facilities could be improved for overnight accommodation;
- **Medication** - Medication was not always given on time;
- **Communication** - Provision of written information to take home.

During the survey, many patients also commented on what was particularly good about their care. Their feedback included the following:



"The cleanliness of the children's ward is excellent. We visited many years ago and found our more recent experiences much improved."

"We were allocated one particular nurse for the pre-op and to look after us for the operation. This was really good for my child's confidence and reassurance. She was exceptionally helpful and kind."

"I appreciated that there were breast feeding facilities in the waiting area where I could feed my two-month old baby in privacy. I was grateful that, whilst I was there, the staff alerted me to when it was our turn to see the doctor on our day visit to the hospital."

"I was very impressed with the doctor that saw my son. He was friendly and made me feel at ease and able to ask any questions I wanted. He also explained the next steps to my son's care well and I feel very confident he will be treated to a very high standard."

"I was seen very quickly and everyone was brilliant. I was very well looked after. The beds were awesome. Thank you."

National inpatient survey

Between October 2014 and January 2015, a questionnaire was sent to 850 adult inpatients who had been admitted to Leighton Hospital.

Responses were received from 400 patients which equates to a response rate of 47.8% of completed eligible returns.

Questions in the survey cover the following areas:

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

The individual results have shown improvements in 20 questions, stayed the same for 9 questions and worsened scores in 28 questions as shown in the chart below.

What has changed?

- number of questions improved
- number of questions unchanged
- number of questions worsened

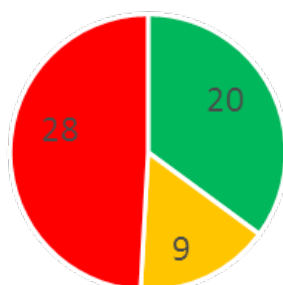


Chart 2: Comparison of responses from 2014 national inpatient survey (when compared with results from the 2013 survey)

There has been a **statistically significant** improvement in relation to respondents who felt that there were enough nursing staff on duty.

In addition, there was a 5%, or greater, improvement for:

- Patients being given information about their condition or treatment in Accident and Emergency;
- Confidence in treatment provided by doctors;
- Assistance given to patients at meal times when needed;
- Staff advising patients who to contact if they are worried about their condition after they have been discharged;
- Patients asked during their stay for their views on quality of care.

Areas identified for improvement:

- **Noise at night** - A 'quiet protocol' was introduced in 2014 with the aim of reducing unnecessary noise at night. A good night's sleep is important for every patient's recovery. The 'quiet protocol' is active from 11.00pm to 6.00am every night where staff work hard to keep noise levels to a minimum. *Pictured below: Ward Managers supporting the initiative.*

Patients also commented on what was particularly good about their care:

"The doctor who admitted me was "on the ball" and knew what was happening straight away. He was polite and careful. The nurses worked through the night to get me comfortable and to reduce my temperature."

"The nurses were very compassionate, communicated really well when I asked anything. The medical teams were very warm, friendly and courteous. They were tremendous in their psychological support as well as their medical help. They seemed to be a happy team."

"The staff in Accident and Emergency were excellent, they saved my life. Critical Care was perfect, absolutely first class care from all the doctors and nurses."



“The Health Care Assistants were very caring and nothing was too much trouble. They were very helpful. The ward was spotlessly clean and beds were changed every day.”

“The surgeon was pleasant, informative and spoke to me as an equal. I knew she was very busy but she didn’t rush me at all.”

Local patient surveys

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

In 2014/15, 48 local surveys were undertaken. Local surveys are completed in wards and departments and patients are encouraged to provide feedback in a number of ways, including touch screen kiosks, paper-based surveys and one-to-one interviews with staff, volunteers and Governors.

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

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

Communication

55 responses were received from a sample size of 100.

The results showed that:

- 98% of patient said they were made to feel welcome;
- 98% of patients felt they were treated with dignity and respect;
- 94% of patients said that information was shared with them in a way that they could understand.

Key issues included:

- 22% of patients reported that they were not

offered a private room to discuss sensitive or confidential issues;

- 51% of patients had not noticed the poster advertising the Lead Nurse, Matron and Ward Manager details.

Changes implemented following the survey:

- Posters advertising details of the Lead Nurse, Matron and Ward Managers updated on the wards;
- Staff reminded to prioritise the use of a private room for patients when discussing sensitive matters.

Endoscopy Unit Survey

137 responses were received out of a sample of 270.

The results showed that:

- 90% of patients felt that the instructions in the letter were clear;
- 74% of patients were given their results in an appropriate area;
- 99% of patients would recommend the Endoscopy service.

Key issues included:

- 12% of patients were not offered sedation / Entonox for their procedure;
- 33% of those patients who were delayed received no explanation for this.

Changes implemented following the survey:

- All delays are communicated appropriately to patients and their carers;
- Staff ensure that, where appropriate, patients have the opportunity to discuss sedation / Entonox.

Child and Adolescent Unit

101 responses were received out of 400.

The results showed that:

- 90% of respondents said staff were available when they needed them;
- 92% of respondents said they had trust in the doctors treating them;
- 97% of respondents said nurses and doctors washed their hands between touching patients;
- 97% of respondents said they were given

enough privacy when discussing their condition or treatment;

- 95% of respondents said hospital staff did everything they could to control pain.

Key issues included:

- 25% of respondents felt that there were times when a member of staff said one thing and another said something quite different.

Changes implemented following the survey:

- Staff have been reminded to check parents' / patients' understanding of what they have been told prior to discussing additional management plans.

Friends and Family Test: Patient element

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

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

The Friends and Family Test is completed on the adult wards as well as within the Emergency Department, assessment areas and maternity services. Every patient that receives treatment in those areas can give feedback about the quality of care they have received. The Test has been extended to new areas during 2015

including outpatients, day case units and children's services.

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

How are the results calculated?

In September 2014, NHS England changed the FFT measure from a Net Promoter Score to a percentage for the proportion of positive responses. 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.

Posters are displayed in the Emergency Department, assessment areas, the wards and maternity unit to promote the score achieved and to highlight patient comments. Examples of comments have included:

"Good care and support from nursing staff and physiotherapists were very good with their help towards my recovery during my rehabilitation. I was in good comfortable surroundings and there was an excellent choice of food at all meal times. Personal care and sensitivity to personal needs was very good. There was a choice of two day rooms, one with a TV and a quieter room."

"Care was excellent for all patients in my bay. Professional, friendly, reassuring and obviously enjoy their job. They are extremely caring in their approach."

"I cannot put into words how the staff are so helpful, kind and understanding. If you feel down they would come in and have a good chat and it made me feel a lot better. To end this I would like to wish them all the best, good luck and many thanks."

"Having arrived at A&E with ankle and leg fractures I was in considerable pain, apart from the three-hour wait. My treatment has been exceptional, from all the medical staff. I must single out the nursing staff who were both very friendly and efficient."

"I am the daughter of a patient, my father was here for nine weeks and my views on all the staff are very high standards of care were given all the time."

"From the moment I arrived at hospital until I left with my new baby, I was cared for extremely well. All staff were amazing and I cannot fault anything. Your staff are very caring and nothing was too much trouble for any of them."

"I had absolutely wonderful midwives, both of them really made me feel as comfortable as possible and were great to me, felt like they were long-time friends! The doctor who helped with the delivery was amazing, so laid back, friendly and such a calming influence. I was over the moon with all the staff that treated me."

"The doctor I see in outpatients is compassionate, thorough and immensely knowledgeable. He is approachable and will patiently answer any question. I cannot express fully how exceptional he is."

Trust results

The response rates for the assessment areas and the Emergency Department averaged 20%, with 90% of patients saying that they would recommend these areas to their friends and family. This result is better than the results of Trusts both in the local area and nationally.

The response rates from the inpatient wards ranged from 34% to 50% across the year, with 97% of patients recommending the Trust. This is consistently higher than the results of local Trusts and the national average.

Posters are displayed across the organisation on wards and in the Emergency Department to promote the scores achieved and to highlight

patient comments (example pictured).

More than 15,000 responses have been received to the Friends and Family Test, with 94% of patients overall indicating they are

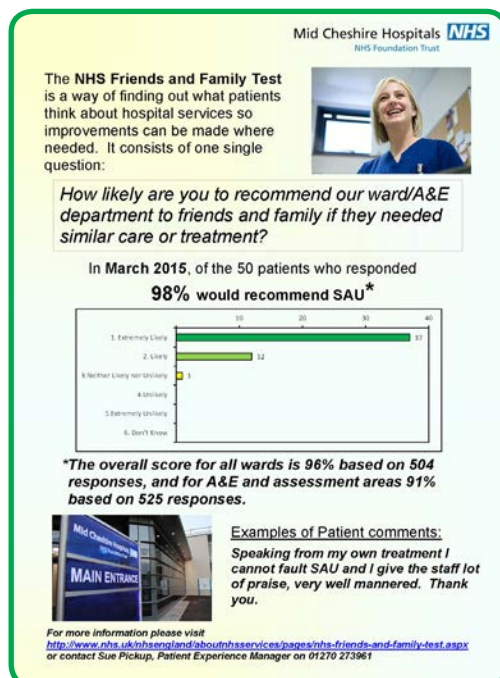
likely to recommend services or treatment to their family or friends.

What could be improved?

Examples of actions taken so far include increased options on the menus to cater for special diets and improvements to sign posting. However, the main themes from feedback tend to focus on positive comments relating to staff in all areas.

The Friends and Family Test results are published on the NHS Choices website:

- www.nhs.uk/Services/hospitals/Overview/DefaultView.aspx?id=505
- www.nhs.uk/Services/hospitals/Services/Service/DefaultView.aspx?id=208744.



94%

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

NHS Choices

Patients can comment about their experience on the NHS Choices website (www.nhs.uk). There were a total of 140 new postings on the website in 2014/15 relating to MCHFT. Leighton Hospital is currently achieving a star rating of 4 stars out of a maximum rating of 5 stars and the Victoria Infirmary in Northwich is achieving 5 stars.

Leighton Hospital



Victoria Infirmary



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

Examples of comments posted on NHS Choices include:

"I was very impressed with the new main entrance and particularly the clear colour coded signposting (pictured below). To attend for an x-ray I simply needed to follow the yellow sign posts which were very clear. When I went in for my x-ray the staff were very kind and helpful."

"I visited here on advice from my occupational health doctor at work and I

was seen by the triage nurse within ten minutes of being there. I was seen by a doctor and examined and left within an hour and a half. The doctor put me at ease and explained everything brilliantly. The lady on reception helped me with questions and I didn't feel like we were mithering. It is the first time I have used this hospital as I have recently moved to the area and I was very impressed."

"I was seen within 15 minutes of arriving at the Minor Injuries Unit at Northwich Victoria Infirmary and I received first class service from a Sister and Student Nurse. I was out within 45 minutes of being seen. I cannot praise the service too highly."

Other patient and public involvement programme activities

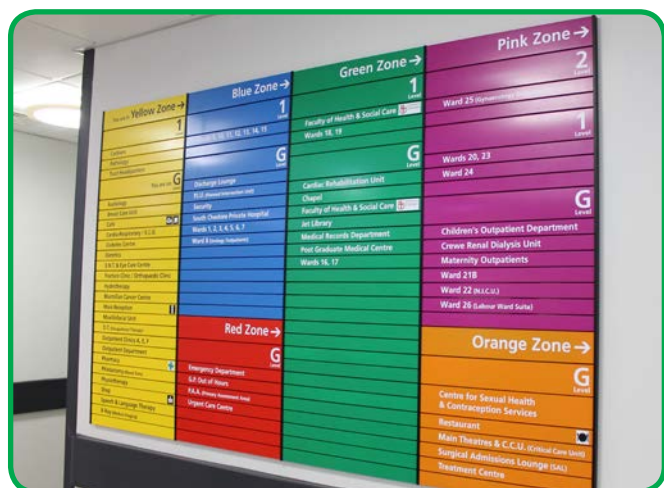
Patient Register Group meetings

These meetings are held at local libraries. The group consists of volunteers and members of the public who assist the Trust with various methods of involvement and is an opportunity for the Trust to share news of developments and seek views from members. In 2014/15, the meetings covered many topics including presentations about End of Life care, the Orthopaedic Trauma Specialist role, Dementia services, the Student Quality Ambassador role, Foundation Trust membership and the 'Stronger Together' programme which is a joint initiative with University Hospitals of North Midlands NHS Trust.

Readers' Panel

The panel has increased its membership to 79 members. The panel has reviewed a total of 13 leaflets including information about Critical Care, Febrile Convulsion and various leaflets for Ear, Nose and Throat services.

The panel has submitted many suggestions including grammatical changes and diagram or picture alterations. Some members of the panel have also been involved in projects in reviewing information for new services.



Patient Information Committee

In 2014/15, the Committee reviewed and approved 23 local patient information leaflets. Over the last 12 months, the Trust has increased the number of leaflets available in easy-read version, including A&E Minors and Majors easy-read leaflets, and large print versions of Endoscopy and Sigmoidoscopy information.

A range of leaflets have also been translated into other languages based on local community needs including post-operative instructions following a minor oral surgery procedure and details on services provided to children having Paediatric Oncology shared care.

Patient stories

The Board of Directors' meetings commence with a patient story which is presented as a video clip, audio account or letter. The stories are a combination of positive and negative experiences which ensure that the Trust's agenda is grounded in the value of listening to and learning from the experience of patients and carers.

One story shared with the Board was first heard at a "Learning Through Collaboration" event held for staff with a focus on improving awareness of long term conditions. A patient representative and volunteer for the Alzheimer's Society talked about his role as a carer of his wife who has Dementia. One of his requests in his story was for staff to ensure they listen to

and involve carers and use their knowledge to learn about the patient's needs.

The Board also observed a series of photographs taken by volunteers to capture examples of good practice and areas for improvements across the hospital site which included sign posting and cleanliness.

During 2014/15, the Trust has taken part in a project led by AQuA (the Advancing Quality Alliance) to support the Trust in developing the use of patient stories further to influence improvements - www.patientstories.org.

The patient's story is always shared with the relevant team, ward or department and examples are included in Customer Care training.

Planning the delivery of services

Whether through direct consultation or through the provision of information, the Trust continues to directly involve service users (or their representatives) in planning both the provision of new services and changes to existing ones. A focus group (*pictured below*) was held to seek the views of patients, Foundation Trust Members and the public in plans for the new Surgical Admissions Lounge due to open June 2015.



Partnership Working

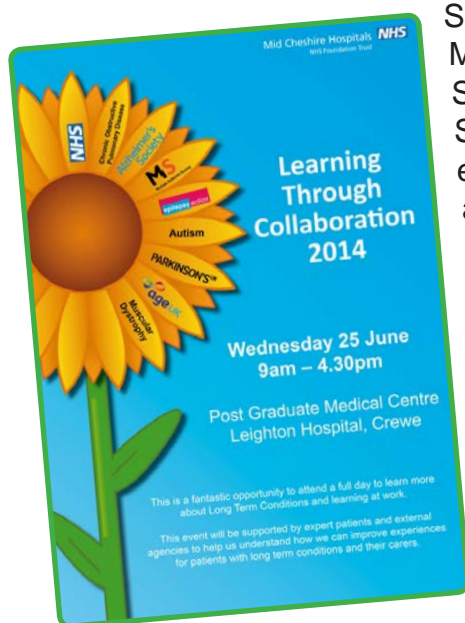
The Trust held a stand, with support from Governors, at the Crewe and Nantwich Senior Forum's Health and Wellbeing Fair, which was attended by 75 agencies. The stand included information about the Customer Care Team and opportunities to provide feedback on the care and services provided by the Trust.

Community Groups

Talks by the Patient Experience Manager have taken place at community groups to raise awareness about the Customer Care Team.

Learning Through Collaboration

An event was held to raise awareness with staff of long term conditions. The event was supported by organisations including Diabetes UK, Parkinson's UK, Alzheimer's



Society and Multiple Sclerosis Society. The event was attended by nearly 100 staff and will be repeated in 2015. Staff felt the most valuable aspect of the event was hearing "the patient voice".

Healthwatch

The Trust works closely with Cheshire East and Cheshire West Healthwatch groups to explore opportunities of engaging with hard-to-reach groups. The Patient and Public Involvement Manager has attended health promotion events aimed at the travelling community. A joint initiative during the year has included mystery shopper visits by Healthwatch volunteers to assess communication skills for the reception of visitors to the Trust.

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 efficiently and effectively, 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 staff who care for patients. However, sometimes patients or a family member may want to talk to someone who is not involved in their care and the Customer Care Team are then able to help.

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

Compliments

1,960 formal compliments were received by the Trust during 2014/15 which expressed thanks from patients and families about the care received. All compliments are shared with the relevant teams who are mentioned.

1,960

compliments received by the Trust during 2014-2015

Review of complaints

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

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

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

The Complaints Policy was revised and updated in light of national guidance and clarifies that the Chief Executive is the 'responsible person' with overall accountability for the complaints process and will ensure compliance with the regulations and ensure action is taken in the light of the outcome of the investigation.

The Complaints Review panel is chaired by a Non-Executive Director and has membership which includes the Director of Nursing and Quality, a Governor and a patient representative. The panel reviews individual cases of closed complaints and follows best practice as recommended by the Patients Association in monitoring progress against action plans and undertaking detailed reviews.

All complaint meetings are recorded and a copy of the CD is given to the complainant at the end of the meeting. Feedback about this activity has been very positive and one family has even shared their copy of the CD with a member of the family who lived abroad and was unable to attend the meeting.

A survey of complainants was undertaken in 2014 to seek views on how well they felt their

concerns were handled and whether they felt satisfied with the action taken. The survey highlighted that patients had not always been offered updates on the changes made as a result of the complaint.

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

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

Table 1: Overview of complaints received by the Trust

	2012/13	2013/14	2014/15
Number of complaints received	199	228	260
Number of requests for review by Ombudsman	5	3	6
Number accepted for review by Ombudsman	4	1	4
Number upheld/partially upheld by Ombudsman	2	2	1

Learning disability access

Healthcare for All (DH 2008) identifies six criteria for meeting the needs of people with a learning disability which should be met by all NHS Foundation Trusts. The Trust is pleased to declare that it meets all six criteria as described below.

Does the NHS Foundation Trust have a mechanism in place to identify and flag patients with learning disabilities and protocols that ensure pathways of care are reasonably adjusted to meet the health needs of these patients?

The Trust has an established flagging system in place for people coming into the Trust with a learning disability. However, the system has recently been refined and an email is now generated when a patient with a learning disability is admitted. This informs the Dignity Matron, other Matrons within the organisation and the Clinical Site Managers that the patient has been admitted and to which ward. This has enhanced the patient experience considerably.

For example, a patient with a learning disability who had palliative care needs was admitted. The Dignity Matron was alerted by email and went to the ward straight away. She then contacted the Macmillan Nurse involved in the patient's care who also attended the ward. An appropriate plan of care was implemented and the Macmillan Nurse liaised with other members of the multi-disciplinary team. The Dignity Matron also informed that patient's Learning Disability Community Nurse of this admission. Reasonable adjustments were put in place and the plan of care was appropriate and patient-centred.

The Trust is currently working on a similar flagging system for introduction in Paediatrics. This will be an "opt-out" system and is presently awaiting approval from the Paediatric Governance Committee.

Does the NHS Foundation Trust provide readily available and comprehensible information to patients with learning disabilities about the following criteria: Treatment options, complaints procedures and appointments?

Work continues with the development of easy-read literature for patients with a learning disability. The picture pathways for the Emergency Department, minors and majors, are now completed and photo symbols continue to be used as new leaflets are developed / updated.

The Dignity Matron and Patient Information Co-ordinator are currently working on a hospital communication resource.

Does the NHS Foundation Trust have protocols in place to provide suitable support for family carers who support patients with learning disabilities?

The Dignity Matron is the main contact for parents and carers when patients are admitted to hospital with a learning disability. Support can take many forms including practical, emotional and financial guidance. New carer guidelines have recently been introduced to help staff across the organisation support and involve parents and carers. A new **Carers' Charter** (pictured overleaf) has also been implemented which again highlights to staff the importance of involving carers as equal care partners. The Dignity Matron continues to visit patients and their carers at home to discuss the best way in which to facilitate their admission. Home visits provide a very effective way of highlighting the reasonable adjustments that are required, as well as meeting patients in the environment where they are most relaxed.

Does the NHS Foundation Trust have protocols in place to routinely include training on providing healthcare to patients with learning disabilities for all staff?

Awareness training continues to be delivered as part of the three-day Healthcare Assistant Development

Carers' Charter

At Mid Cheshire Hospitals NHS Foundation Trust, we recognise the value and expertise of carers. This Charter details how we aim to work in partnership with you and provide you with help and support.

We will:

- Treat you with dignity, respect and compassion
- Recognise you as equal partners
- Listen and learn from you
- Involve you throughout the care process; from admission to discharge
- Offer practical support to enable you to continue your caring role whilst the person you care for is in hospital, should you wish
- This will include flexible visiting hours, meals and information
- Respect and take into account your ethnicity and culture, religion, gender, sexual orientation, age and other characteristics, without making assumptions
- Help to overcome any visual, auditory or language problems you may experience, so that your views can be clearly understood
- Give information that is clear and accurate and is easy to understand
- Ensure that staff are trained to understand the distress and anxiety that caring can cause so that they can signpost you to appropriate support
- Inform you whom to contact in an emergency or crisis, even if the person you care for is unwilling to let you be involved
- Give you an opportunity to contribute to wider policy and service related decisions
- Ensure that our staff adhere to the values and behaviours expected from them, and that they support and advocate for you as carer, as well as the person you are caring for.



Programme and this aspect of the training has been opened up to qualified staff as well. Adult Safeguarding training is mandatory and includes case studies, covers the five principles of the Mental Capacity Act (MCA) and best interest decision making. Ad-hoc learning disability training takes place on a regular basis. There are also electronic prompts and guidelines on the Trust's Intranet advising staff on how to best support patients in hospital with a learning disability.

The Learning Disability Specialist Health Facilitator and the Dignity Matron are progressing an e-learning package which concentrates on learning disability awareness and making reasonable

adjustments for patients and their carers in hospital.

Does the NHS Foundation Trust have protocols in place to encourage representation of people with learning disabilities and their family carers?

The Learning Disability Development Group has a new carer representative who is due to attend her first meeting in April.

The Changing Places facility is now fully operational and the feedback from patients and carers has been excellent.

There is also a CQUIN which focusses on the experience of patients with a learning disability which aims to gather feedback from patients and carers who have attended the hospital. The Dignity Matron has attended carer groups as part of this CQUIN to gain valuable face to face feedback.

Does the NHS Foundation Trust have protocols in place to regularly audit its practices for patients with learning disabilities and to demonstrate the findings in routine public boards?

A second audit took place in December 2014 which looked at elective admissions for surgery for people with a learning disability. Results demonstrated a considerable improvement in the number of quality of assessments made in relation to mental capacity and reasonable adjustments. The audit results have been shared as part of the learning disability self-assessment framework and the Learning Disability Development Group.

The Dignity Matron is also working as part of a collaborative stakeholder project group which is looking at the experiences of patients who have died. Data will be collected from primary and secondary care, themes will be identified and recommendations will be made.

Participation in clinical audits and research

Clinical audit evaluates the quality of care provided against evidence-based standards and is a key component of clinical governance and quality improvement. The Trust produces an annual forward plan for clinical audit which incorporates national, regional and local projects. Progress against the forward plan is reviewed by the clinical audit committee on a quarterly basis.

National clinical audits

During 2014/15, 29 national clinical audits and three national confidential enquiries covered NHS services that the Trust provides.

During the same period, the Trust participated in 93% of the national clinical audits and 67% of the national confidential enquiries in which it was eligible to participate.

The national clinical audits and national confidential enquiries that the Trust was eligible to participate in and actually participated in during 2014/15 can be seen in Tables 3 and 4. These tables also show the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Table 2: National clinical audit participation 2014/15

National Clinical Audit / Programme	Participation	% Data Submission
Acute coronary syndrome or Acute myocardial infarction (MINAP)	Yes	91.4%
Adult Community Acquired Pneumonia	Yes	Data collection in progress
Adult critical care (Case Mix Programme – ICNARC CMP)	Yes	100%
Bowel cancer (NBOCAP)	Yes	86%
Diabetes (Paediatric) (NPDA)	Yes	100%
Elective surgery (National PROMs Programme)	Yes	100%
Epilepsy 12 audit (Childhood Epilepsy)	Yes	100%
Falls and Fragility Fractures Audit Programme: National Hip Fracture Database	Yes	100%
Fitting Child (Care in Emergency Departments)	Yes	100%
Head and neck oncology (DAHNO)	Yes	>=80%
Inflammatory bowel disease (IBD)	Yes	100%
Lung cancer (NLCA)	Yes	>=75%
Major trauma (The Trauma Audit & Research Network, TARN)	Yes	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK): Saving Lives, Improving Mothers Care	Yes	100%
Medical and Surgical Clinical Outcome Review Programme NCEPOD: Sepsis Study	Yes	100%
Mental Health (Care in Emergency Departments)	Yes	100%
National Audit of Dementia	Yes	Data collection in progress

National Clinical Audit / Programme	Participation	% Data Submission
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Yes	Data collection in progress
National Comparative Audit of Blood Transfusion programme: Patient Information and Consent	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	100%
National Heart Failure (HF)	Yes	Data collection in progress
National Joint Registry (NJR)	Yes	95%
National Prostate Cancer Audit	Yes	Data collection in 2015/16
Neonatal intensive and special care (NNAP)	Yes	100%
Oesophago-gastric cancer (NAOGC)	Yes	>90%
Older People (Care in Emergency Department)	Yes	100%
Pleural Procedures	Yes	100%
Rheumatoid and early inflammatory arthritis	Yes	Data collection in progress
Sentinel Stroke National Audit Programme (SSNAP)	Yes	Data collection in progress

Table 3: National clinical audit non-participation 2014/15

National Clinical Audit / Programme	Participation	Reason
National Cardiac Arrest Audit (NCAA)	No	Resource implications
Diabetes (Adult) ND(A)	No	Resource implications
Medical and Surgical Clinical Outcome Review Programme NCEPOD: Gastrointestinal Haemorrhage	No	Resource implications

The reports of 26 national clinical audits were reviewed by the Trust in 2014/15. Table 6 highlights the actions taken / to be taken to improve the quality of healthcare provided as a result of national clinical audits.

Table 4: National clinical audit participation 2014/15 – actions taken

National Clinical Audit / Programme	Actions taken / to be taken by the Trust
Acute coronary syndrome or Acute myocardial infarction (MINAP)	Data validation exercises undertaken to ensure accuracy and weekly reviews in place to maintain data validation. Work in progress to review medication management in repatriated patients.
Adult critical care (Case Mix Programme – ICNARC CMP)	Formal review of unexpected deaths in the first six months of the year highlighted good practice.

National Clinical Audit / Programme	Actions taken / to be taken by the Trust
Asthma in Children (Care in Emergency Departments)	Further education within the Emergency Department around early assessment of children with suspected/known asthma, timely administration of beta agonists and recording observations following treatment.
Bowel cancer (NBOCAP)	A significantly higher proportion of bowel surgery is undertaken via a laparoscope (key hole) than other Trusts. The Cheshire and Merseyside network is not an outlier for any of the criteria published.
National Diabetes Inpatient Audit (NADIA)	Improved access to consultant, dietician and podiatrist recognised and significant reduction in hypoglycaemic episodes. Increased numbers of risk assessments undertaken of diabetic feet, incorporating inspection, sensation, pulses and education.
Diabetes (Paediatric) (NPDA)	Insulin pump service commenced in April 2014 and a high HbA1c policy implemented. Monthly multidisciplinary team meetings include discussion of children and young people with HbA1c >75 mmol/ml.
Elective surgery (National PROMs Programme)	Feedback from patients remains very positive in relation to outcomes.
Epilepsy 12 audit (Childhood Epilepsy)	Good practice noted around paediatric assessment and early diagnosis. Detailed annual review forms and information packs for all newly diagnosed patients developed and introduced. RCPCH drug information sheets available in all paediatric clinic rooms.
Falls and Fragility Fracture Audit Programme: National Hip Fracture Database	Work underway to examine the potential for a full time Ortho-Geriatrician appointment to further improve outcomes as demonstrated nationally.
Head and neck oncology (DAHNO)	Recording of staging data has improved. There has been further improvement on the number of patients reported to have undergone dental assessments, speech and swallowing assessments and dietary assessments prior to treatment.
Inflammatory Bowel Disease (IBD) Programme	Business case and pathway under development to adopt faecal calprotectin to aid assessment of disease activity.
Major trauma (Trauma Audit & Research Network, TARN)	Good data completion highlighting extra survivors against expectation, but slightly higher length of stay. Work undertaken around initial assessment on day one in preparation for physical rehabilitation requirements, which forms the initial part of the major trauma rehab prescription.
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK): Saving Lives, Improving Mothers Care	The Trust is compliant with the majority of standards identified. Areas of non-compliance have been addressed in the national clinical audit gap analysis.

National Clinical Audit / Programme	Actions taken / to be taken by the Trust
Medical and Surgical Clinical Outcome Review Programme NCEPOD: Tracheostomy	Building on current first responder training with mandatory training for some ward nurses and further training for respiratory medical staff, in accordance with clinical guidelines. Tracheostomy pathway and passport under development.
Medical and Surgical Clinical Outcome Review Programme NCEPOD: Lower Limb	This service is no longer provided within the Trust. The service is now provided at the Royal Stoke University Hospital.
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Report due out in late Spring 2015.
National Comparative Audit of Blood Transfusion Programme: Patient Information and Consent	Policy for patient information and consent for transfusion in place in line with the SaBTO recommendations. New documentation for 'consent and transfusion' currently under development.
National Emergency Laparotomy Audit (NELA)	Interim arrangements with UHNM surgical peers in place whilst consulting on joint working arrangements for 24 hour access to interventional radiology.
National Heart Failure (HF)	Report due out in May 2015
National Joint Registry (NJR)	The results show that the Trust is one of the best 5–10% of hospitals in the country.
National Prostate Cancer Audit (NPCA)	Multiparametric MRI scanning is now widely available to decrease the likelihood of unnecessary repeat biopsies, to improve staging data and assist treatment decision making for patients.
Neonatal intensive and special care (NNAP)	Local audit instigated in relation to hypothermia demonstrated use of suitable heating and regular thermostat checks to ensure appropriate temperature in delivery room, operating theatre and postnatal wards and use of air curtains in incubators.
Oesophago-gastric cancer (NAOGC)	Case ascertainment for curative surgery is excellent and the Trust's capture is rated as green at over 90% in the national audit.
Pleural Procedures	Case load submitted was small (four cases) which accurately reflected the activity during the audit submission period. It highlighted areas of good performance in chest drain insertion and management. The respiratory team has since developed a standard documentation proforma for all pleural procedures.
Rheumatoid and Early Inflammatory Arthritis	A significant number of patients have a composite RAID score of zero which would imply that their arthritis is having no impact whatsoever on any of the seven RAID domains.

National Clinical Audit / Programme	Actions taken / to be taken by the Trust
Sentinel Stroke National Audit Programme (SSNAP)	Actions are in place to review the pathway for patients who have a stroke and review the provision of a seven-day stroke service to include stroke physicians and therapists. Arrangements are in place with the Royal Stoke University Hospital to provide a seven-day service for high risk TIA patients. The Trust is working closely with Commissioners to improve access to specialised support for patients on discharge from hospital.
Paracetamol Overdose: Care in Emergency Departments (ED)	66% of patients with paracetamol overdose were treated according to MHRA guidelines. Since the audit, Emergency Department teaching sessions on poisoning have been altered to incorporate the new MRHA guidance.
Severe Sepsis and Septic Shock (Care in Emergency Departments)	Performance has improved and, to further enhance performance, the sepsis pathway is to be updated to reflect revised guidelines and to make it more user friendly.

Local clinical audits

The reports of 148 local clinical audits and four regional audits were reviewed by the Trust in 2014/15. 36% of these audits were re-audits.

Table 5 highlights some examples of the actions taken by the Trust as a result of local clinical audits to improve the quality of healthcare provided.

Table 5: Examples of actions taken following local clinical audits

Local Audit	Actions taken / to be taken by the Trust
Re-admissions to gynaecology ward	More than half of re-admissions involved hyperemesis which led to the development and implementation of an outpatient hyperemesis service. This also led to new and improved patient information relating to post-operative care and medical management of miscarriage and the introduction of a patient passport which includes all contact details.
Compliance with paediatric inter-hospital transfer guidance	All critical and ward level transfers were carried out by appropriate teams and with recommended timescales. A review of transfer documentation resulted in the development of 'packs' for each level of transfer, containing all guidance and relevant paperwork. Training and local governance documents have been updated in line with changes.
Adherence to the NICE Quality Standards for glaucoma in adults	A comparison between new and follow-up patients highlighted overall good compliance for new patients following the introduction of NICE Guidance. To improve communication with patients, a copy of their discharge letter is now sent to them as routine practice. Education and information has also been provided about treatment based on age and new educational documentation has been provided as part of the trainee pack to aid and improve consultation and discussion with patients.

Local Audit	Actions taken / to be taken by the Trust
Time from Referral to Scan for VTE Patients	Work is underway to train and develop staff skills to offer a seven-day service
Readmissions due to Infective and Non-infective Exacerbations of Asthma and/or COPD in Patients that have had Inhaler Technique Counselling During a Previous Admission	Audit results showed a 7% readmission rate with 100% of patients who required a new device or additional aids receiving them and receiving counselling regarding new techniques if required. In addition, all patients requiring further follow-up were appropriately referred to the integrated respiratory team and all had appropriately documented information about inhaler technique, counselling and any referrals to the integrated respiratory team documented in the discharge letter.
Bowel Preparation and its Effects on the Completion Rate of Colonoscopy	Project showed a 9% failed colonoscopy rate of which 20% was due to poor/inadequate bowel preparation, potentially leading to increased length of inpatient stay. The online referral form for colonoscopy has been modified to clarify bowel preparation and a pre-procedure patient information leaflet has been produced.

Participation in clinical research

The number of patients receiving NHS services provided or sub-contracted by the Trust between April 2014 and December 2014 that were recruited to participate in research approved by a research ethics committee was 399.

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

During 2014/15, the Research Midwives were commended by the Comprehensive Research Network: North West Coast for achieving the highest recruitment to maternity interventional trials in the whole region.

The Trust was involved in conducting 134 active clinical research studies during the reporting period including, but not limited to, the following areas:

- Cancer;
- Cardiovascular;
- Congenital Disorders;
- Diabetes ;
- Eyes;
- Ears;
- Generic Health Relevance and Cross Cutting Themes;
- Infection;
- Inflammatory and Immune System;
- Injuries and Accidents;
- Medicines for Children;
- Musculoskeletal;
- Oral and Gastrointestinal;
- Primary Care;
- Renal and Urogenital;
- Reproductive Health and Childbirth;
- Respiratory;
- Skin;
- Stroke.

Commissioning for Quality & Innovation framework (CQUIN)

A proportion (2.5%) of the Trust's income in 2014/15 was conditional upon achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2014/15 and for the following 12-month period are available online at: www.mcht.nhs.uk/information-for-patients/why-choose-us/quality.

The financial value of the 2014/15 CQUIN scheme for the Trust was £3,855,822.

For 2014/15, there were three national CQUIN goals which focussed on the Friends and Family Test, NHS Safety Thermometer and Dementia Care.

The Trust and the Clinical Commissioning Groups (CCGs) for Vale Royal and South Cheshire agreed a further nineteen goals. The North West Specialised Commissioning Group (SCG) negotiated two goals in relation to screening services for vulnerable and deprived

groups. Goals for the neonatal services provided at the Trust were agreed with the Local Area Team.

Table 6 briefly describes the goals included in this year's CQUIN and the Trust's performance against each of the CQUIN goals.

It can be seen that, of the 27 CQUIN goals, the Trust has achieved, or has plans to achieve, the vast majority of them. There are some challenges for the implementation of elements of the Advancing Quality (AQ) care pathways for acute myocardial infarction, chronic obstructive pulmonary disease, diabetes and sepsis.

Actions are in place to improve the Trust's position against these elements of the CQUIN. For the Advancing Quality goals (4–14), the Trust has anticipated the final results. The reporting period for the Advancing Quality programme does not close until August 2015.

Unfortunately, the Trust did not meet the data entry requirements for pneumonia (goal 7) and the data completeness for stroke (goal 8). In addition, it achieved 19% for the Friends and Family Test response rate for the Emergency Department and assessment areas (goal 1 part two) - this was 1% below the requirement. Actions are in place to address these issues.

Key for Table 6: CQUIN results for 2014/15 (overleaf)

Achieved



Partially Achieved

















Not achieved
















Off track but recoverable
(applies only to Advancing
Quality CQUIN where data
is delayed by four months)



Table 6: CQUIN results for 2014/15

Goal	Goal Name	Description of Goal	Status
1	Friends & Family Test (FFT)		
	Part 1: Further Implementation of the FFT	Implement the staff F&F Test	
		Implement the F&F Test in outpatient and day case departments by 1 October 2014.	
	Part 2: Increase response rates	Increase response rates in acute inpatient services:	
		Quarter 1 – at least 25%	
		Quarter 4 – at least 30%.	
		Increase response rates in A&E:	
		Quarter 1 – at least 15%	
		Quarter 4 – at least 20%	
	Part 3: Further increase response rates within inpatient services	Further increase response rates within inpatient services to achieve a response rate of 40% or more for the month of March 2015.	
2	NHS Safety Thermometer	Reduce pressure ulcer prevalence as measured by the Safety Thermometer to 3.7%.	
3	Dementia: Part 1: Assess and Refer	The proportion of patients aged 75 and over to whom the case finding question is applied following emergency admission; the proportion of those identified as potentially having dementia who are appropriately assessed and the number referred to on GP services.	
	Part 2: Training	Named lead clinician for dementia and appropriate training for staff.	
	Part 3: Supporting carers	Ensuring carers feel supported.	
4	Advancing Quality (AQ): Acute Myocardial Infarction	Implement the AQ care pathway for Acute Myocardial Infarction.	
5	Advancing Quality (AQ): Heart Failure	Implement the AQ care pathway for Heart Failure.	
6	Advancing Quality (AQ): Hip and Knee Replacement	Implement the AQ care pathway for Hip and Knee Replacement.	

Goal	Goal Name	Description of Goal	Status
7	Advancing Quality (AQ): Pneumonia	Implement the AQ care pathway for Pneumonia.	
8	Advancing Quality (AQ): Stroke	Implement the AQ care pathway for Stroke.	
9	Advancing Quality (AQ): Chronic Obstructive Pulmonary Disease (COPD)	Implement the AQ care pathway for COPD.	
10	Advancing Quality (AQ): Hip Fracture	Implement the AQ care pathway for Hip Fracture.	
11	Advancing Quality (AQ): Sepsis	Implement the AQ care pathway for Sepsis.	
12	Advancing Quality (AQ): Acute Kidney Injury	Implement the AQ care pathway for Acute Kidney Injury.	
13	Advancing Quality (AQ): Diabetes	Implement the AQ care pathway for Diabetes.	
14	Advancing Quality (AQ): Alcoholic Liver Disease	Implement the AQ care pathway for Alcoholic Liver Disease.	
15	Prevention of inappropriate emergency admissions	To review each emergency admission over the age of 85 who is living in a nursing or residential home to determine if the admission could have been prevented. This will be progressed in partnership with local care homes.	
16	Promoting the elderly voice and carer involvement	To use patient passports for elderly patients who do not have capacity, on the elderly care ward in the first instance.	
		To improve communication with care home facilities at the earliest point of intervention to ensure passports are comprehensive and accurate.	
		To involve carers/relatives in the care of the elderly patient as much as they wish. This will be progressed through the process of open visiting.	
		To involve the RVS volunteer scheme as part of the care team on the care of the elderly ward and the trauma orthopaedic ward to ensure socialisation and normalisation of daily activities.	

Goal	Goal Name	Description of Goal	Status
17	Promoting self management in patients with long term conditions at Elmhurst	To implement self administration of medicines at Elmhurst Intermediate Care Centre to promote independence, participation in self care and improve understanding of medication regimes.	
18	Promoting self management in patients with long term conditions (Diabetes or Parkinson's)	To develop self care pathways for patients who have Diabetes or Parkinsons to manage their medicines	
19	Improving outpatient experiences Part 1: adult general outpatients	To review the current use of adult general outpatients facilities and work closely with patient focus groups to prioritise and improve patient experience.	
	Part 2: urology patients	To progress nurse led services for urology patients to reduce waiting times, improve outcomes and improve patient experience.	
	Part 3: triage service for pregnant women	To review the effective use of the triage service for pregnant women to improve patient experience.	
	Part 4: paediatric outpatient facilities	To review the current use of paediatric outpatient facilities and work closely with patient/parent focus groups to prioritise and improve patient experience.	
20	Liaison between acute care and primary care for patients who self discharge	To review communication with primary care in relation to admissions who self discharge from assessment areas; gastroenterology wards and the female surgical ward.	
21	Management of people with complex learning disabilities	To improve the experience of patients with learning disabilities who access hospital services as an emergency.	
22	Implementing Medicine Homecare Services	To develop robust policies and processes to manage the provision of medicines via the Homecare route.	
23	Bowel screening service for vulnerable and deprived groups	Ensure that a health inequalities action plan is in place to provide a bowel screening service for vulnerable and deprived groups.	
24	Breast screening service for vulnerable and deprived groups	Ensure that a health inequalities action plan is in place to provide a breast screening service for vulnerable and deprived groups.	
25	Neonatal specialised commissioning: Medical genetics	To increase the availability of array CGH as a first line test to replace karyotyping on prenatal samples to provide a rapid and detailed screen for chromosome imbalance in pregnancies at increased risk of a genetic abnormality.	

Goal	Goal Name	Description of Goal	Status
26	Neonatal specialised commissioning: Retinopathy of prematurity (ROP) screening	To achieve an increase in screening to a target of 95% of babies with a birth weight of <1501g or a gestation of <32+0 weeks who undergo 1st Retinopathy of Prematurity (ROP) screening whilst still an in-patient and screened 'on time'.	✓
27	Neonatal specialised commissioning foetal medicine dashboard	To measure parental involvement in decision making and the foetal loss rate after invasive diagnostic procedures.	✓



**The Care Quality
Commission has
officially rated your
local hospital as**



Feedback from 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 on its registration.

The Care Quality Commission has not taken enforcement action against the Trust during the period April 2014 to March 2015.

The CQC conducted a Comprehensive Inspection of the Trust in October 2014 and published its report in January 2015. The Trust was given an overall rating of “Good”, which has only been awarded to a small number of acute hospitals in the country and puts the Trust amongst the highest rated in the country. The inspectors identified that improvements were required to ensure that services were responsive to people’s needs but noted some areas of outstanding practice and innovation. During this inspection, the CQC were assured by the evidence witnessed and noted that the Trust had completed the recommendations following the Dementia Care inspection in February 2014 and closed the action plan from this inspection.

The inspection was conducted by a team of 38 inspectors which consisted of a variety of healthcare workers, including Consultants and Student Nurses, as well as members of the public. Throughout the inspection, the CQC spoke to patients, staff and visitors about their experiences of the Trust and received very positive feedback. Additionally, they also spoke to other NHS organisations and partners

including the Clinical Commissioning Groups, NHS England, the General Medical Council, the Nursing and Midwifery Council, the Royal Colleges and Healthwatch teams.

The focus of the inspection was on five questions for every service they examined:

- Is it safe?
- Is it effective?
- Is it caring?
- Is it responsive to people’s needs?
- Is it well-led?

The five questions provided a rating of either “Outstanding”, “Good”, “Requires Improvement” or “Inadequate” and related to the nine key areas inspected:

- Accident and Emergency;
- Medical Care;
- Critical Care;
- Surgical Care;
- Outpatients;
- End of Life Care;
- Maternity and Family Planning;
- Children and Young People;
- Elmhurst Intermediate Care Centre.

The inspection found areas of good practice were identified as follows:

- There are good systems in place for reporting and managing incidents and that there is a risk-aware culture within the Trust with a willingness to learn from incidents;
- Staffing levels were sufficient to meet patients’ needs and processes are in place to ensure resource and capacity risks are managed and mitigated;
- Multidisciplinary team work is well established and used effectively to manage

patient's individual care and treatment needs;

- Staff provide patients and their relatives with emotional support and treat all patients with dignity, compassion and respect;
- Staff had a good knowledge and understanding of the need to ensure that vulnerable people are safeguarded;
- Staff understand and follow best practice for infection control guidance.

Identified areas for improvement were:

- Ensure adequate and appropriate medical staffing at all times to provide timely reviews of patients at outpatient clinics and out of hours;
- Improve patient flow throughout the hospital;
- Implement an effective system for managing patient discharge letters;
- Consider improving arrangements for clinical supervision to enable staff to be supported and effectively carry out their responsibilities to an appropriate level;
- Ensure timely access to treatment for upper gastrointestinal bleeds and stroke thrombolysis, including out of hours;
- Reduce the number of elective surgery patients being readmitted to hospital following discharge.

The Trust's internal review processes had previously identified areas for improvement and these areas were identified as "Requires Improvement" in the CQC report. Work has already begun to address these issues.

External comments:

Simon Whitehouse, Chief Executive of NHS South Cheshire CCG and NHS Vale Royal CCG, said:

"We would like to extend our congratulations to MCHFT for the positive CQC report and the achievement of a 'Good' rating. This is great news for the local health and social care economy and all of MCHFT's current and future patients."

Salli Jeynes, Chief Executive of The End of Life Partnership, said:

"Well done to everyone at MCHFT for all your hard work and commitment to your patients which has resulted in such a good CQC report. Your 'good' rating across all aspects of End of Life care is a real achievement and so important for patients and their families. We are proud to be working with you and your staff in support of excellent and compassionate care."

Outstanding practice:

There were areas of outstanding practice observed from the inspection:

- The End of Life care services has direct access to electronic information in community services, which ensures that hospital staff have up-to-date information about their patients;
- The Rapid Discharge Pathway enables patients to be discharged home in the last hours / days of their life;
- The introduction of the electronic handover tool for medical staff, for which the Trust received a Health Journal Award;
- The new Critical Care unit is designed in accordance with best practice and aims to reduce delirium and problems associated with sensory deprivation.

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

In line with the new inspection approach by the CQC, the quality and risk profiles have been replaced with a new model: the Intelligent Monitoring report. This report is based on a number of statistical tests which are used to determine the thresholds of "risk" and "elevated risk" for each indicator. All Trusts have been categorised into one of six summary bands, with Band 1 representing highest risk and Band 6 the lowest risk. However, in light of the recent CQC inspection, the Trust was unbanded when the most recent report was released in December 2014.

Data quality assurance

NHS and General Practitioner registration code validity

The Trust submitted records during 2014/15 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;
- 99.4% 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.

Information Governance toolkit attainment

The attainment levels assessed provide an overall measure of the quality of data systems, standards and processes within an organisation. The Trust's Information Governance assessment was submitted at the end of March 2015 and had an overall score increase for 2014/15 from 78% to 80%.

There are 45 requirements in total within the toolkit. In order to be graded 'satisfactory', each requirement must be at level two or above. The Trust submission in 2013/14 showed 42 requirements were satisfactory and this remains the same for 2014/15. Unfortunately, the Trust remains graded as "not satisfactory" (status: red).

Carrying on from the Trust-wide information asset and sharing review in 2014, an annual review was launched of all assets to ensure an up-to-date information asset register is available for the Trust. Linking into this review, work is also being conducted to improve and embed the information asset owner network. Information Governance is continuing to conduct a project to renew all sharing agreements in place with third parties and ensure privacy impact assessments are in

place for all relevant projects within the Trust.

At final submission of the Information Governance Toolkit, the Information Governance team had supported the training of 4175 (98%) staff, students and volunteers over the course of 2014/15. The Trust met its target for the second year running to achieve the toolkit requirement of at least 95% of individuals being trained in information governance.

There have also been new policies and procedures developed within Information Governance during 2014/15, including the Information Risk Policy.

The Trust has a progressive Information Governance Committee which meets quarterly and has an agenda which covers areas of work around the six sections of the toolkit. The outstanding requirements are highlighted at each committee and toolkit leads are required to provide feedback on the progress of requirements.

Clinical coding error rate

In 2014/15, the Trust remained in the top 20 percent of Trusts in the Payment by Results clinical coding audit.

The error rates reported for diagnoses and treatment coding (clinical coding) were:

- Primary diagnoses incorrect: 10%
- Secondary diagnosis incorrect: 9.6%
- Primary procedures incorrect: 6.7%
- Secondary procedures incorrect: 12.3%

The Trust remains pleased with these results. Please note that the results shown should not be extrapolated further than the actual sample audited. A cross section of services was reviewed within this sample.

The Trust will continue to take the following actions to improve data quality:















- Deliver the recommendations of the clinical coding audit;
- Continue to deliver required training for all accredited coders;
- Continually review coding resources and performance.

Performance against quality indicators and targets

National quality targets

Table 7: National quality and performance standards

Key: Achieved  Not Achieved 

	2012-13	2013-14	2014-15	Target	Achieved
MRSA bacteraemias	1	4	1	0	
Clostridium Difficile infections	23	26	10 avoidable cases	23	
Percentage of patient who wait 4 hours or less in A&E	95.04%	95.38%	92.3%	95%	
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for completed admitted pathways	92.94%	91.39%	93.07%	90%	
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for completed non-admitted pathways	96.96%	95.89%	93.90%	95%	
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for incomplete pathways	95.6%	95.08%	94.41%	92%	
The percentage of patients waiting 6 weeks or more for a diagnostic test	0.87%	0.49%	0.37%	<1%	
Percentage of patients seen within two weeks of an urgent GP referral for suspected cancer	95.08%	95.56%	95.96%	93%	
Percentage of patients seen within two weeks of an urgent referral for breast symptoms where cancer was not initially suspected	94.78%	95.39%	95.47%	93%	
Percentage of patients receiving first definite treatment for cancer within one month (31 days) of a cancer diagnosis	99.25%	99.59%	99.55%	96%	
Percentage of patients receiving subsequent treatment for cancer within 31 days where that treatment is surgery or anti-cancer drugs	100%	99.3%	99.2%	94% surgery	
	100%	100%	100%	98% drugs	
Percentage of patients receiving first definite treatment for cancer within 62 days of an urgent GP referral for suspected cancer	89.71%	90.82%	89.34% (92.2%)*	85%	
Percentage of patients receiving first definite treatment for cancer within 62 days of referral from an NHS Cancer Screening Service	94.68%	94.84%	95.94% (95.4%)*	90%	

* The adjusted performance takes into account those patients who were referred to a treating trust outside of the agreed Network reallocation policy. Where patients are referred after the agreed day in the 62-day pathway the full breach reallocation is assigned to the referring Trust. This accounts for the difference between unadjusted and adjusted performance (after reallocation).

National quality indicators

Since 2012/13, all Trusts have been required to report performance against a core set of indicators using data made available to the Trust by the Health and Social Care Information Centre (HSCIC).

For each indicator, the number / percentage / value / score / rate (as applicable) for at least the last two reporting periods should be presented in a table. In addition, where the data is made available by the HSCIC, a comparison should be made of the numbers / percentages / values / scores / rates of the Trust's indicators with:

- a) the national average; and,
- b) those Trusts with the highest and lowest figures.



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

Date	Trust Performance	National Average	95% Upper Limit	95% Lower Limit
July 2012 - June 2013	1.15 Higher than expected	1.00	1.13	0.89
October 2012 - September 2013	1.16 Higher than expected	1.00	1.12	0.89
January 2013 - December 2013	1.12 Higher than expected	1.00	1.12	0.89
April 2013 - March 2014	1.04 As expected	1.00	1.12	0.89
July 2013 - June 2014	1.03 As expected	1.00	1.12	0.89
October 2013 - September 2014	1.00 As expected	1.00	1.12	0.90

The Trust is delighted to report that it has reduced its mortality levels to the 'as expected' range.

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

- A series of inter-related projects to reduce the Trust's mortality rates which 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.

- Completing an action plan which was developed following a review of the Trust's mortality rates by the Advancing Quality Alliance (AQuA) in January 2014;
- A weekly mortality case note review group, which is led by the Lead Consultant for Patient Safety, which has been established to review themes and areas for further work in conjunction with the Hospital Mortality Reduction Group.

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

Date	Trust Performance	National Average	95% Upper Limit	95% Lower Limit
July 2012 - June 2013	1.49%	2.07%	4.41%	0%
October 2012 - September 2013	1.30%	1.20%	3.10%	0%
January 2013 - December 2013	1.50%	1.20%	3.20%	0%
April 2013 - March 2014	1.30%	1.30%	3.10%	0%
July 2013 - June 2014	1.40%	1.30%	3.10%	0%

This is an indicator designed to accompany the Summary Hospital-level Mortality Indicator (SHMI) and represents the percentage of deaths reported in the SHMI indicator where the patient received palliative care. The SHMI makes no adjustments for palliative care.

This indicator presents the crude percentage rates of deaths that are coded with palliative care either in diagnosis or treatment specialty. The Trust compares closely with the national average for palliative care coded deaths which is a positive position to be in and reflects accurate coding practice.

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

- Reviewing medical documentation, clinical coding and data consistency as part of a series of inter-related projects to continue to reduce the Trust's mortality rates.



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

Date	Trust Performance	National Average	Highest Result	Lowest Result	Position Nationally
Groin Hernia Repair					
2012-2013	9.2	9.1	31.03	0.14	Top 60%
2013-2014	7.5	8.5	23.8	-14.4	Top 65%
2014-2015	8.88	8.74	12.5	0.9	Top 60%
Varicose Vein Surgery					
2012-2013	8.2	9.3	27.2	0	Top 50%
2013-2014	NA	10	31.1	-4.33	NA
2014-2015	No Data Available	No Data Available	No Data Available	No Data Available	No Data Available
Hip Replacement Surgery					
2012-2013	49.9	43.7	69	0	Top 30%
2013-2014	46.8	43.8	72.4	20.4	Top 35%
2014-2015	No Data Available	No Data Available	No Data Available	No Data Available	No Data Available
Knee Replacement Surgery					
2012-2013	52.7	31.2	52.7	0	Top performing Trust in country
2013-2014	41	34	61.4	14.4	Top 20%
2014-2015	No Data Available	No Data Available	No Data Available	No Data Available	No Data Available



The Trust considers that these results are as described because the numbers of patients undergoing varicose vein surgery at the Trust are minimal.

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

- Continuing to work closely with patients undergoing surgery within the clinical focus groups to encourage their full participation in the completion of the PROMS questionnaires before surgery and six months following surgery;
- 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 or knee replacement surgery.

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

Date	Trust Performance	Peer Group Average
January 2012 - December 2012	8.4%	10.3%
January 2013 - December 2013	8.8%	10.6%
January 2014 – December 2014	10.8%	10.8%

The Trust is consistent with peer and considers this is because of the following reasons:

- There is an open access process in place which allows the Paediatricians to discharge children and offer 'open' access for a limited time dependent on the child's diagnosis and where they are on the clinical pathway;
- The Child & Young Persons Home Care Team (speciality focused) work in conjunction with the Child and Adolescent Unit and take referrals for children who are discharged and may require follow up at home. This service may prevent the need for children to be readmitted;
- Consultant Paediatricians carry out daily ward rounds seven days a week. They are able to review all patients, make prompt clinical decisions and plan and co-ordinate their follow-up care with the multidisciplinary team.

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

- The Trust continues to look at the feasibility of introducing a nurse-led 'hospital at home' service which would also support admission avoidance and reduce the need for readmissions (acute focused);
- The Trust introduced rapid access slots in Consultant clinics in July 2014. The aim is to provide an alternative pathway for suitably identified children who would normally be seen as assessments or ward attenders. A process of ongoing audit is in place and a qualitative review with reflection on the difference the service has made is planned for 2015;
- In January 2014, a dedicated Advice and Guidance Service for GPs to request advice on the management of Paediatric patients started. The

aim of this service is to support GP colleagues and offer an alternative to acute admission or outpatient referral for specialist advice. An update was presented to the GP Forum in Autumn 2014, with a re-audit of the service in January 2015. A review of the benefits and longer term aims for this service in conjunction with the commissioners will take place in Spring 2015.



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

Date	Trust Performance	Peer Group Average
January 2012 - December 2012	6.3%	6.3%
January 2013 - December 2013	5.9%	6.7%
January 2014 – December 2014	6.9%	7.7%

The Trust is pleased to report that its readmission results continue to remain below peer and considers that this is for the following reasons:

- There has been focussed work undertaken by the clinical divisions. They have continued to review readmissions for patients who have respiratory conditions, cardiac conditions, urology conditions or who have undergone breast surgery. Dedicated Matrons have supported this work and implemented specific action plans to identify any issues identified.

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

- Continuing to progress collaborative working with community services;
- Extending the work with nursing homes to support them care for their patients;
- Embedding the use of patient passports for those patients with long term conditions.



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

Date	Trust Performance	National Average	Highest Result	Lowest Result
2012	73.5	75.6	87.8	67.4
2013	75.9	76.9	84.4	57.4
2014	76.1	Not available	Not available	Not available

The Trust is pleased to note that the responsiveness score to the personal needs of its patients continues to increase.

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

- Formally reviewing the staffing levels and skill mix on all inpatient wards every six months;
- Reviewing patient needs for staff

requirements every day and making adjustments as required;

- Pursuing an active recruitment strategy to ensure the required nursing staff are available on the wards;
- Continuing to invest in nursing staff to undertake extended roles;
- Increasing the numbers of staff who are seconded from the Trust to undertake their nurse training.

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)

Date	Trust Performance	National Average	Highest Result	Lowest Result
2011 staff survey	3.52	3.50	4.05	2.84
2012 staff survey	3.59	3.57	4.08	2.90
2013 staff survey	3.79	3.68	4.25	3.05
2014 staff survey	3.86	3.67	4.20	2.99

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

- Over the last year there has been a lot of 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 includes values and behaviours;
- Received positive feedback about staff engagement from the CQC inspectors;
- Engagement sessions with the Trust's Chief Executive and other members of the Executive Team have taken place which have had quality and patient experience at the heart of those discussions;
- The Chief Executive delivers weekly briefings 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;
- All internal leadership programmes include a focus on patients and have had patients come and deliver presentations to participants about their experiences at the Trust;
- Patients are on the Trust's judging panels for the Celebration of Achievement evening. Their perspective on what matters has been valued and there is also a Patient Choice Award 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;
- Patients are sometimes included in the selection process for new staff.

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

- Reducing violence, bullying and harassment towards staff;
- Reducing discrimination against staff;
- Improving team working;
- Improving the health and wellbeing of staff;
- Improving the quality of appraisals and number of staff completing health & safety training.



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

Date	Trust Performance	National Average	Highest Result	Lowest Result
October 2013 - December 2013	96.8%	95.8%	100%	77.7%
July 2014 - September 2014	99.2%	96.1%	100%	86.4%
April 2014 - June 2014	99.2%	96%	100%	87.2%
July 2014 - September 2014	99%	96%	100%	86%
October 2014 - December 2014	99%	96%	100%	86%

The Trust has consistently remained above the national average for the previous five reporting periods in relation to the percentage of admitted patients who were risk assessed for VTE.

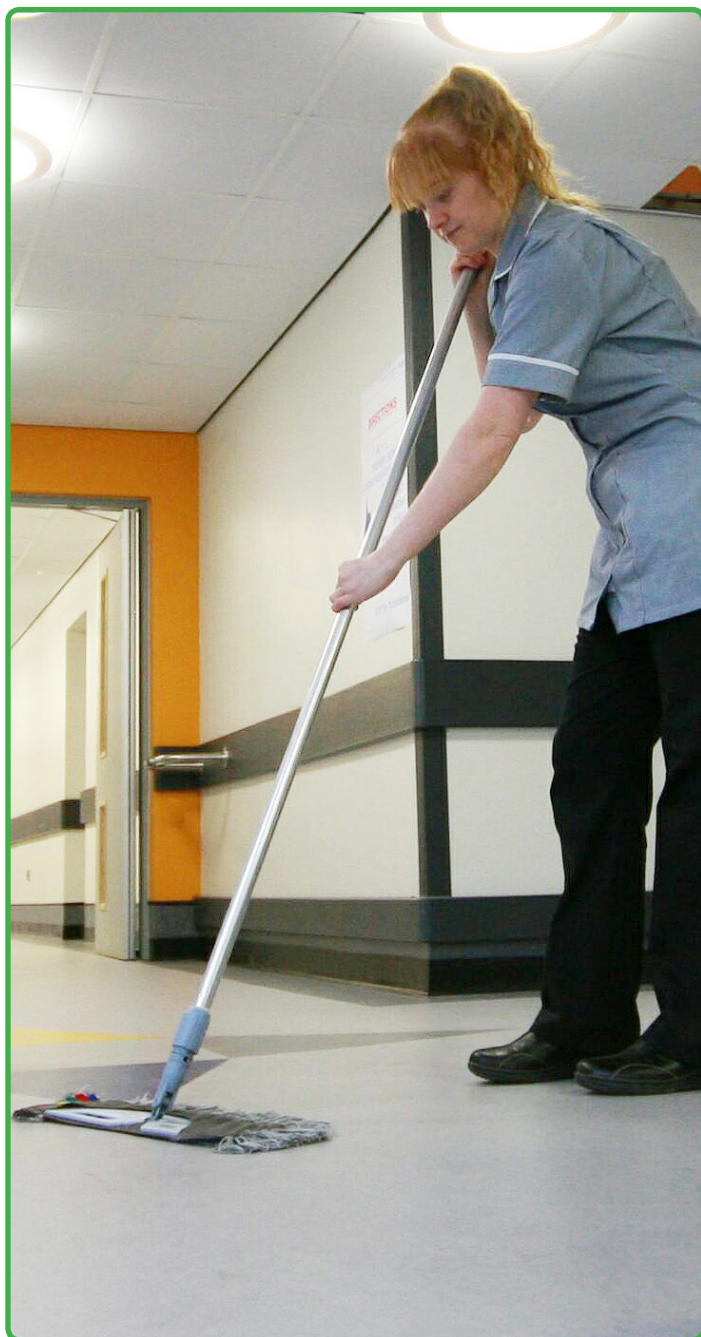
The Trust intends to take / has taken the following actions to improve this result, and therefore the quality of its service, by:

- Implemented the national guidance issued by the National Institute for Health and Clinical Excellence (NICE) relating to VTE risk assessment to ensure that all relevant patients are assessed on admission for their risk of developing a VTE. The VTE risk assessment has been included in the Trust's admission proformas to ensure this happens.
- Monthly monitoring of the percentage of patients risk assessed for VTE by the clinical divisions;



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

Date	Trust Performance	National Average	Highest Result	Lowest Result
2011-2012	16.83	21.82	50.89	4.08
2012-2013	12.9	17.3	30.8	0
2013-2014	14.6	14.7	31.7	0
2014-2015	5	Not published	Not published	Not published



The Trust is pleased to report a reduction in the number of avoidable cases of *Clostridium difficile*. Ten cases were reported this year which represents a considerable achievement and reflects the efforts undertaken to reduce healthcare associated infections.

In order to maintain this achievement the Trust will continue to:

- Maintain environmental hygiene standards and ensure monitoring is increased at ward level;
- Monitor antibiotic prescribing compliance and raise awareness within divisions following antibiotic audits performed by Consultant Microbiologists and antimicrobial pharmacists;
- Maintain case management of *Clostridium difficile* patients by the Infection Prevention and Control Service and on-going review of all side rooms used for isolation purposes to ensure effective isolation practice and appropriate clinical management;
- Complete a root case analysis on all *Clostridium difficile* infection cases, to highlight all lapses in care and share learning with our community colleagues;
- Maintain weekly *Clostridium difficile* infection clinical review group meeting ensuring all aspects of patient management are assessed / actioned by wards with *Clostridium difficile* patients;
- Review of performance against regional and national data to identify any learning from similar Trusts.

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

Date	Trust Performance	National Average	Highest Result	Lowest Result
April 2012 - September 2012	2,695	1,812	4,545	815
October 2012 – March 2013	3,015	1,964	4,517	924
October 2013 - March 2014	3,016	2,185	3,790	301
April 2014 - September 2014	2,814	2,052	4,301	908

The above data demonstrates that the Trust reports more patient safety incidents than the national average and this has been consistent for all reporting periods.

Nationally, it is viewed that being a high reporter of incidents is a positive position as it demonstrates a risk aware culture within the Trust and highlights that staff are not afraid to report patient safety incidents. The majority of the incidents reported resulted in no harm to the patient, which again demonstrates a positive risk aware culture within the Trust.

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

- Training about incident reporting for all staff throughout the Trust. This training ensures that all staff in the Trust know how to report a patient safety incident and they also understand the importance of incident reporting;
- Sharing learning from reported incidents via lessons learned flyers and individual patient stories.



Table 18: The number and percentage of patient safety incidents reported within the Trust that resulted in severe harm or death

Date	Trust Performance	National Average	Highest Result	Lowest Result
April 2012 - September 2012	6	16	69	2
October 2012 – March 2013	3	16	56	1
October 2013 - March 2014	4	15	60	0
April 2014 - September 2014	3	15	51	0

The above data demonstrates that, whilst the Trust is a high reporter of patient safety incidents, the Trust is consistently below the national average when its data for patient safety incidents which result in severe harm or death is compared with other organisations. This is a very positive position for the Trust.

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

- Undertaking a full root cause analysis for all incidents which result in severe harm or death. A review meeting 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 to ensure openness within the Trust;
- Implementing the Trust's Being Open policy which ensures that, if an incident occurs which results in severe harm or death, the patient and / or their family are informed and the lessons learned and actions from the root cause analysis are shared with them in line with the Duty of Candour;
- Implementing actions following a safety culture awareness survey which took place in conjunction with Pascal Metrics. The staff surveyed were those involved in the surgical patient pathway. 1,000 staff were sent the survey and the response rate was 70%. The feedback from Pascal Metrics was divided into work settings and was measured across each of the safety culture











domains. There were positive results for most work settings. Each work setting will have its own action plan. Some are already complete, some are under construction and others will not be developed until the Trust starts work with them in prioritised order. The outcomes from this work are reported to the Pascal Metrics group, led by the Chief Executive and subsequently reported to the Quality, Effectiveness and Safety Committee.



Performance against local quality indicators

Table 19: Local quality indicators

Key: Achieved  Not Achieved 

	2012-13	2013-14	2014-15	Target	Achieved?
Cancelled operations (%)	1.32%	0.83%	1.05%	1.09%	
Cancelled operations – % breaching 28 day guarantee	15.83%	16.06%	2.81%	5%	
Smoking during pregnancy	20.55%	17.34%	17.52%	< 15%	
Breastfeeding initiation rates	60.91%	66.96%	65.89%	65%	
Access to genito-urinary (GUM) clinics	100%	100%	100%	100%	
Falls risk assessments completed	96%	98%	100%	90%	
Pressure ulcer risk assessments completed	94%	99%	90%	90%	
Nutritional risk assessments completed	95%	90%	90%	90%	
% of patients who felt they were treated with dignity and respect	100%	100%	100%	100%	
% of patients who had not shared a sleeping area with the opposite sex	100%	100%	100%	100%	



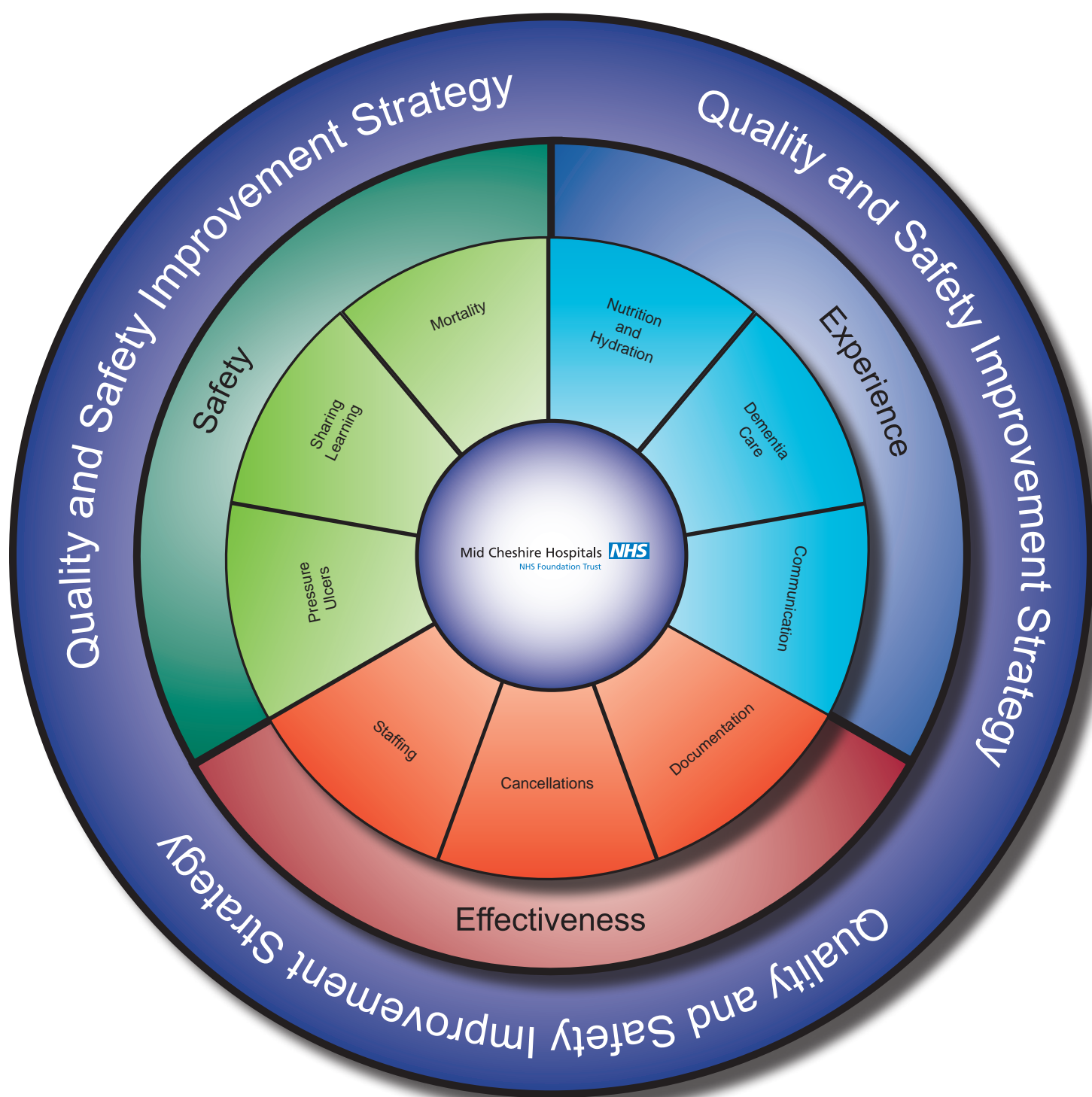
Part 3

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



The new Quality and Safety Improvement strategy was launched in the Trust at the start of 2014. The logo appears on all the Trust's Quality boards.

The Trust also produced an easy read poster summarising the key aspects of the Strategy (*pictured below*).

Divisions have produced their own posters for the strategy, highlighting to their staff the role they can play in making it work.

In addition, the Student Quality Ambassadors produced a student version to show students the important role they play in providing a quality service to patients, *pictured opposite*.



Mid Cheshire Hospitals **NHS**
NHS Foundation Trust

Quality and Safety Improvement Strategy 2014/16

- Effectiveness -

Improving Documentation

We will make sure we record and share the right information about your care.



- Experience -

Nutrition and Hydration

We will make it easier for you to eat and drink well while in hospital.



- Safety -

Reducing Pressure Ulcers

We will work with you to prevent you getting a pressure ulcer while you are in hospital.



Reducing Cancellations

We will reduce the number of times we cancel your outpatient appointments.



Dementia Care

We will help and support you and your carers with your memory difficulties.



Learning From Incidents

We will learn from and act on your comments and feedback.



The Right Nurse Staffing Levels

We will show you that we have the right number of staff working each day.



Improving Communication

We will listen to you, your family and your carers.



Reducing Mortality

We will reduce the number of patients who die in our hospital when this is not expected.

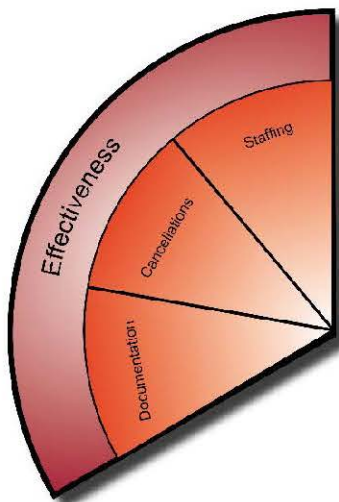
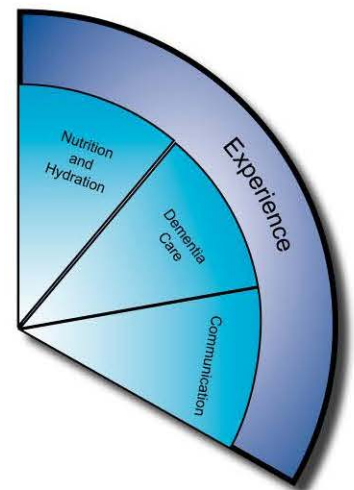


Quality and Safety Improvement Strategy 2014-2016:

Student involvement

Experience

- Nutrition - As student nurses working within the multi-disciplinary team, we can ensure patient nutritional needs are met. Take time to make sure fluid balances and nutritional intake charts are filled in
- Dementia - Students are currently taking part in dementia friends champion training and will inform fellow students through information sessions. The newly informed students will then be dementia friends. Attend a session if you get chance, there's a free badge!
- Communication - As students a large part of our course is focussed on communication and this will help improve students' evidence based practice

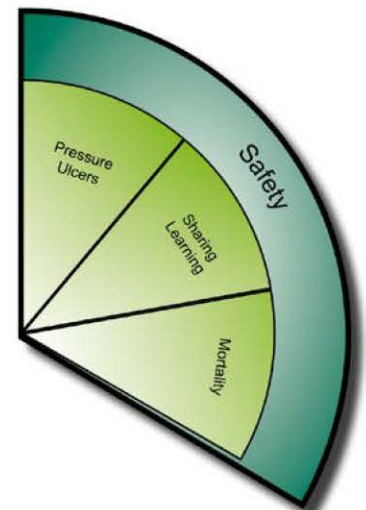


Effectiveness

- Documentation - As students we need to document clearly using a known model and have all documentation countersigned
- Cancellations - A student can influence patient experience to make it a positive one, which will help reduce future cancellations
- Staffing - While students hold supernumerary status, it is worth noting that when you are asked to involve yourself as part of the team, you should take this as being seen as a valued member of the team

Safety

- Pressure ulcer prevention – Make yourself familiar with the skin bundle. Students are in the unique position to spend time honing their skills. Take time to attend to the personal care of your clients, and increase your background knowledge.
- Sharing learning – Incident reports are reviewed by some ward staff; see if you can do this with them
- Reducing mortality rates – Know your patients' Early Warning Score, report physiological changes to your mentor immediately, remember the 5 R's
- Be aware of the role of the student in the: EWS policy, Outreach policy, Sepsis pathway
- Work within your limits



PLEASE BECOME FAMILIAR WITH THE FULL QUALITY AND SAFETY IMPROVEMENT STRATEGY

FOR A FULL COPY CONTACT YOUR PAT, THE PEF TEAM, OR A STUDENT QUALITY AMBASSADOR

Experience: Improving nutrition and hydration for patients

Aim:

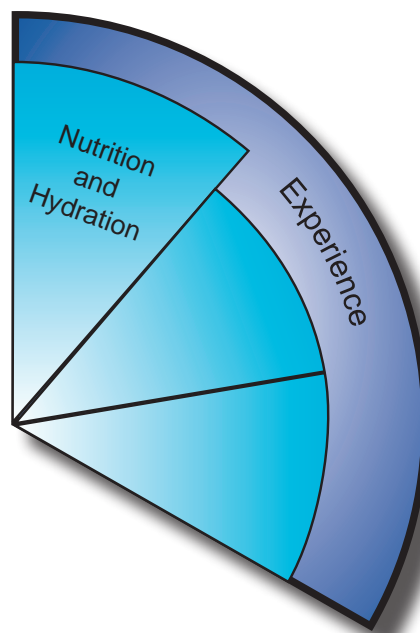
The Trust will continue to provide an environment that promotes healthy nutrition and is tailored to individual patient need.

This is important because:

In 2009, the British Association for Parenteral and Enteral Nutrition estimated that up to 40% of hospital patients are at risk of clinical malnutrition which can lead to poor patient outcomes, hospital acquired conditions and longer lengths of stay. Therefore, the provision of enjoyable and nutritious food and drinks is essential to help patients feel better, maintain their strength and energy and to promote a return to health following illness or surgery.

What progress was made in 2014/15?

- The Nutrition and Hydration Group was formed in May 2014 and is chaired by one of the Trust's Matrons. Membership of the group includes catering staff, representatives from all clinical divisions, Housekeepers, Dietitians, Matrons and the Voluntary Services Manager;
- The remit of the Nutrition and Hydration Group is to improve the quality of patient experience and three workstreams have been established to deliver this intention:
 - Food delivery;
 - Food choice;
 - Documentation and care planning.
- With these workstreams in mind, a comprehensive audit was carried out on the wards to review how food and drink was being served to patients, what choice was being offered and how often this was available;
- Based on the findings of the audit, the following improvements have been made:
 - Increased the options of beverages routinely available on the wards to seven. These are:
 - Tea;
 - Decaffeinated Tea;



- Coffee;
- Decaffeinated coffee;
- Hot Chocolate;
- Horlicks;
- Bovril.
- Increased the choice of snacks available during the day. These are made available to patients as they request them and routinely on drinks rounds. The snacks include:
 - Genoa cake;
 - Carrot and orange finger muffin;
 - Double chocolate wrapped muffin;
 - Twin pack of digestive biscuits;
 - Sweet assorted biscuits;
 - Gluten free biscuits and cakes.
- Purchased and standardised the trolleys, flasks and cups available for patients on the wards so that a consistent and professional service is offered. This also means that fluid intake can be monitored more accurately.
- During National Nutrition and Hydration Week in March, the Trust used the opportunity to promote its menus and beverages to patients and the public;
- In addition to the stand (*pictured opposite*), a number of tea parties were held to celebrate Nutrition and Hydration Week with patients. This also provided the opportunity to promote the Trust's new menus amongst both staff and patients. In addition to the weekly menu, the Trust now offers long-

stay menus for those patients who will be staying for longer than 14 days, a healthy eating menu and other menus for specialist diets. A pureed or textured menu is also available for patients with specific chewing or swallowing needs;

- The Trust has a new catering service in the Medical Assessment Unit which ensures that a choice of hot food is available for patients who are admitted as an emergency;
- The Chefs and the Catering Manager regularly visit patients on the wards to discuss individual preferences and receive instant feedback on food choice and quality;
- Monthly ward audits are conducted to check that all patients are having their nutritional requirements assessed on admission. On average, this is undertaken within six hours in 94% of cases;
- The group has standardised protected meal times across the Trust to improve patient experience;
- The use of day rooms is being encouraged at meal times and this is particularly evident within rehabilitation areas. There are challenges within some areas that have no dayroom or the dayroom is used for a variety of purposes. The group is working with these areas to identify how this can be improved;
- Ward staff can contact volunteers for assistance if extra help is needed at meal times or on drink rounds.

What is planned for 2015/16?

- An escalation process is being developed for wards to use should the number of patients requiring assistance with meals or drinks exceed the staffing allocation at that time;
- Current documentation is under review and will be revised to enable comprehensive care planning which will ensure patients get access to the extra help or special diet they may require. This will also include a specific care plan and a clearer beverage section will be included on our food intake charts;
- Work is taking place with the ward staff and catering department to continue ensuring the best possible choices of food are made available to patients;
- Awareness events are planned to make patients and staff more aware of menu options available;
- An audit is planned to monitor the frequency of drinks rounds on the wards.

Patient Feedback

"The food was very good with lots of lovely tea provided during the day. Many thanks."

Source: Inpatient Friends and Family Test

"There is always a good choice of food available. I've loved the fish and chips! Sorry to leave."

Source: Monthly Inpatient Survey



Experience: Supporting patients with dementia and their carers

Aim:

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

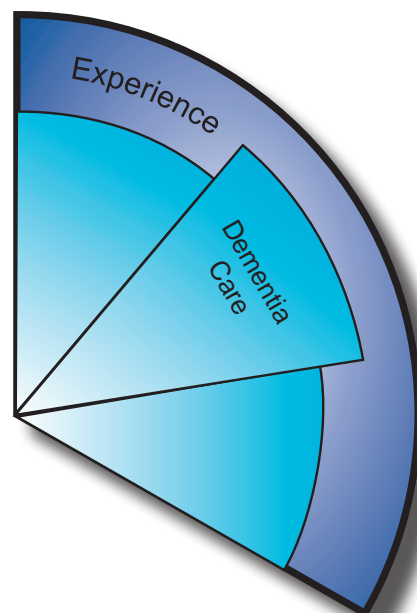
This is important because:

The Alzheimer's Society (2013) estimates that dementia affects over 670,000 people in England, yet only around 42% of people with dementia have a formal diagnosis. This is despite the fact that timely diagnosis can greatly improve the quality of life of the person with dementia and enable support to be provided to carers.

The Dementia Challenge was published by the Department of Health in 2012 and estimated that 25% of acute beds are occupied by people with dementia and that their length of stay is longer than people without dementia. Therefore, it is important that we ensure patients in hospital receive appropriate care and provide support to their carers.

What progress was made in 2014/15?

- The Trust consistently assessed more than 90% of patients aged 75 or over who were admitted as an emergency for memory problems;
- All patients who believe they have memory problems are referred to their GP for further assessment and possible review by a memory specialist and referred for an appropriate specialist clinical assessment;
- Every member of staff received a poster which identified the normal ageing process which enables them to recognise memory impairment as well as identify the key signs of delirium, depression and dementia;
- Staff have been trained in undertaking mental capacity assessments and best interest decisions on behalf of patients who lack capacity. This means that patients



who lack capacity have equitable access to treatment and reasonable adjustments can be made to enhance the quality of care they receive;

- Flexible visiting hours have been introduced, with open visiting on some wards. Relatives and carers of patients with dementia all have the opportunity to access open visiting;
- The Trust is working with the Royal Voluntary Service to provide a befriending scheme for patients who are elderly and may have memory problems. The scheme encourages volunteers to befriend patients on the wards and engage in activities such as reading, playing card games and simply talking about the past;
- A Ward Worship initiative has also commenced which brings worship to patients who would otherwise not be able to access services. The patient and their families are invited to ward day rooms to receive prayer and sing hymns;
- A dementia care bundle, or pathway, has been introduced which includes a patient support plan and promotes a person-centred approach to patient care;
- The Dementia Specialist Nurse is visiting carer groups to gain valuable feedback from carers as to their experiences of hospital care from their perspective as well as that of the person they care for;
- Carer guidelines have been written and are available to staff on the Trust's Intranet. The



guidelines help ensure carers are included in decisions and are supported throughout the hospital journey. The Carers' Charter (pictured previously on page 79) is included within these guidelines;

- The Trust celebrated National Dignity Day by raising awareness of dementia care and end of life care. The day was supported by the Alzheimer's Society and the Dementia End of Life Practice Development Team from St Luke's Hospice. *Pictured above - staff visiting the Dignity Day information stand.*

What is planned for 2015/16?

- Audit the use of the dementia care bundle and its effect on improving outcomes for people with dementia;
- Attend focus groups where the Trust's approach to dementia care can be discussed with patients and carers;
- Continue staff education;
- Further develop the Royal Voluntary Service befriending scheme to include a 'home from hospital' component which will provide support when patients are discharged to their own home.

Patient Feedback

"This is our second time this year on Ward 15 and each time we have had positive support."

Source: Monthly Carer Survey

"Staff being helpful and giving information when I asked for it has made a massive difference to my experience."

Source: Monthly Carer Survey

"Staff were marvelous. My husband has improved so much during his stay: clean, well shaved, rosy cheeks etc. The care has knocked years off him!"

Source: Monthly Carer Survey

Experience: Improving Communication

Aim:

The Trust will ensure that staff improve their understanding of patients and their care needs. The Trust will use this knowledge to communicate effectively with patients and involve them in their care.

This is important because:

Inadequate communication is a frequent theme in feedback received from patients and families / carers. It is important that patients are included in discussions about care delivery, what this means and possible alternatives. This will reduce anxiety, ensure that patients feel involved in their care and help them to be better supported to manage their conditions.

The Patient Information Forum (2012) found that 80% of patients wanted to be more involved in decisions about their care and treatment. This aim will also support the principle of 'no decision about me, without me' as described by the Department of Health in 2012.

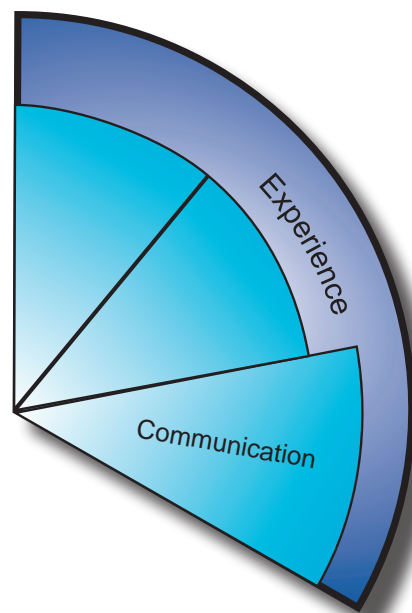
What progress was made in 2014/15?

The Trust has developed a communications working group which has representation from all areas. The work of the group has included the following:

- Introduction of new name badges for all staff (*example pictured below*);
- The roll out of the **#hellomynameis** campaign. This is a national campaign that was launched by Dr Kate Grainger who, following her experiences as a patient, highlighted that patients should expect **all** members of staff with whom they come into contact to introduce themselves by their name at the first contact. The Trust's progress with the campaign was shared at a national 'Always Events' conference in

#hello my name is...

Joanne Bloggs
Healthcare Assistant



London in March 2015 where one of the Trust's Matrons was invited to speak;

- Ensuring patient bedside information folders are available to all patients which provides them and their visitors with useful information about the facilities available to them, such as information about food, drink, visiting arrangements and safety;
- Review of patient passports which provide specific information to staff about how to best care for individual patients with complex conditions;
- Review of patient information leaflets to ensure that they are up-to-date with the most useful information for patients, carers and relatives. Recently, a maternity bereavement booklet has been developed to help parents understand the grieving process and the practical considerations needed at such a difficult time;
- To improve the discharge experience for patients, a discharge communication checklist was rolled out across all ward areas to support patients', families' and carers' involvement leading up to discharge from hospital. Staff receive training in the discharge process as part of preceptorship and customer care training;
- Working with Ward Managers and ward staff to ensure that the name of the nurse and doctor responsible for each patient is clearly displayed on the patient board above the bed area so that patients and visitors know to whom they can direct any questions or concerns.

The Trust is delighted to see improvements in the National Inpatient Survey in relation to involvement in discharge planning. This year, 88% of patients said they felt involved in discharge decisions compared to 80% last year.

As complaints are received, they are examined for themes in relation to:

- Face-to-face communication (from a patient's point of view);
- Face-to-face communication (from a relative's point of view);
- Telephone communication;
- Communication between healthcare professionals;
- Written communication (from a patient's point of view);
- Written communication (from a relative's point of view).

What is planned for 2015/16?

- Consider how a patient communication book might be used and identify areas of the Trust where this approach can be piloted;
- Review and audit the use of the patient discharge checklist;
- Review the National Inpatient Survey results for 2014 in relation to communication

and patient involvement and progress any required actions;

- Continue to monitor the use of patient information leaflets across the Trust and increase their use where necessary;
- Include the #hellomynameis campaign and principles in observation audits and report compliance;
- Develop passports for those patients where there would be a benefit to their care and communication. Passports already in place will be shared more widely across the organisation as good practice.

Patient Feedback

"From entering A&E, I had nothing but care and compassion from the stroke team. I was given all the information I required and my husband was kept up to date with my progress."

Source: National Inpatient Survey

"I was impressed with the vast amount of information and personal advice offered by Macmillan at Leighton Hospital"

Source: National Cancer Survey



Effectiveness: Improving documentation and reducing duplication

Aim:

The Trust will review and improve its paper documentation so that it is relevant, adds value to care and avoids duplication.

This is important because:

The NHS Institute for Innovation and Improvement (2012) published a report entitled 'Patients Not Paperwork' which included an online survey. 78% of nurses who responded stated that paperwork was difficult and time consuming to complete and 68% felt it added little value to patient care. The report concluded that the effective management of patient records can increase patient safety by reducing errors which generates a more efficient / accurate record.

Similarly, the Department of Health (2013) noted that a key to improving the working lives of staff is to reduce the volume of paperwork that they are required to complete so that they can focus the majority of their time with their patients.

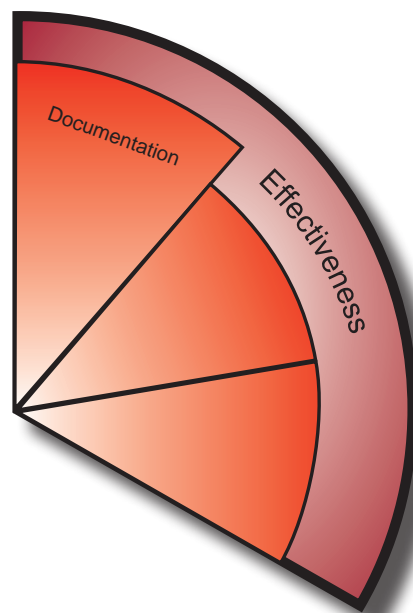
What progress was made in 2014/15?

A group comprising of clinical and non-clinical members of staff has been developed and the following actions have been taken:

- A comprehensive review of the existing nursing and medical assessment proformas. This review involved the Clinical Audit Department to identify:
 - which parts contributed to knowing about patients to ensure they were cared for safely;
 - which sections were consistently completed well;
 - which elements showed duplication;
 - which parts of the documents reflected statutory requirements.

The group used this work to decide which elements of the Trust's documentation required revision or removal;

- Documentation from other Trusts was studied to identify areas of good practice



to discover the best way that patient information could be recorded;

- Identification of several key streams of work to review and develop a short stay nursing assessment booklet, a nursing care booklet for longer stay patients and a combined assessment document for medical and nursing staff.

The short stay nursing assessment booklet has been developed with the intention of reducing the amount of time spent recording assessments for low-risk patients and to quickly identify patients who are at risk of harm or deterioration while in hospital. Having identified the 'at risk' patients, a more detailed assessment can be conducted and appropriate preventative action taken.

A pilot version of the short stay nursing assessment booklet has been introduced in the Primary Assessment Area (*document pictured opposite*).

Audits of the new documentation will look at how much time the nursing staff are saving on completing documentation and the quality of the documentation. So far, nursing staff are reporting that they are able to spend more time with their patients as a result of the new booklet.

- An electronic nursing handover process has been standardised in the Division of Medicine and Emergency Care and is

being rolled out Trust-wide. This ensures staff pass on all the important information about patients in a standardised way. This makes it easier to highlight at risk patients;

- “Chemo Care” has been implemented. This is an electronic prescribing system specifically designed for chemotherapy. This will promote patient safety and efficient working, minimising delay for patients in the Macmillan Unit;
- Training for staff members in the clinical areas and medical records department has been progressed to promote the safe filing of patient records. This improves record keeping and retention of paper files which helps to promote the safety of patient care.

What is planned for 2015/16?

- The integrated medical and nursing assessment document will be completed and trialled for three months in the assessment areas. The purpose of this document will be to reduce the duplication of the patient assessment;
- Once the new documentation has been trialled and agreed a comprehensive staff training package will support roll out across the Trust;
- A specification for Trust-wide electronic prescribing will be completed. Once the specification has been agreed the tendering process for electronic prescribing will commence.

EPISODE DETAILS									
Date of Arrival:					Time of Arrival:				
Patient Location:					Source of Referral (GP/A&E/OPD/etc.):				
On Call Consultant:					Acute Physician On Call:				
Admitting Nurse (Print Name):					Nurse Signature:				
PATIENT LABEL					Presenting Complaint			Allergies and adverse reactions	
								Details:	
					ICS System checked known infection? <input type="checkbox"/>			Infection Status:	
			MRSA screen completed <input type="checkbox"/>			Known MRSA YES <input type="checkbox"/> NO <input type="checkbox"/>			
						Known C Diff. YES <input type="checkbox"/> NO <input type="checkbox"/>			
Preferred name:					Occupation (Current/Previous):				
Age:					Religion:				
Male <input type="checkbox"/> Female <input type="checkbox"/>					Nationality:				
Marital status:					First language:				
Registered disabled: Yes <input type="checkbox"/> No <input type="checkbox"/>					Specify disability:				
Home tel. number:					Mobile tel. number:				
UNIFIED DNACPR STATUS ON ADMISSION: YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN <input type="checkbox"/>									
IF DNACPR STATUS FORM IS PRESENT IS THIS WITH: PATIENT <input type="checkbox"/> IN CASE NOTES <input type="checkbox"/>									
NEXT OF KIN DETAILS (As discussed with admitting nurse)									
Primary Contact					Secondary Contact				
Name:					Name:				
Relationship:					Relationship:				
Address:					Address:				
Tel. numbers:					Tel. numbers:				
Home: Work:					Home: Work:				
Mobile:					Mobile:				
Aware of admission: Yes <input type="checkbox"/> No <input type="checkbox"/>					Aware of admission: Yes <input type="checkbox"/> No <input type="checkbox"/>				
Can be contacted: Day <input type="checkbox"/> Night <input type="checkbox"/>					Can be contacted: Day <input type="checkbox"/> Night <input type="checkbox"/>				
VITAL SIGNS ON ADMISSION -Time Completed (within 15 minutes of arrival)									
BP		Pulse		Temperature		Urinalysis Results			
Respirations		Blood sugar		Height					
Oxygen Sats. %		On room air <input type="checkbox"/> On O2 <input type="checkbox"/>		Weight					
Glasgow Coma		AVPU		BMI					
Sample obtained Y/N									
PREGNANCY STATUS: VERBAL CONSENT YES <input type="checkbox"/> NO <input type="checkbox"/> N/A <input type="checkbox"/> RESULTS POSITIVE <input type="checkbox"/> NEGATIVE <input type="checkbox"/>									
Early Warning Score (EWS)	1-3	Action required as per EWS: YES <input type="checkbox"/> NO <input type="checkbox"/>							
	4-5	Medic informed of raised EWS			Bleep		Time		
	6>	Outreach Nurse informed of raised EWS			Bleep		Time		



Pictured opposite: the short stay nursing assessment booklet that has been introduced in the Primary Assessment Area.

Effectiveness: Reducing cancellations

Aim:

The Trust will reduce the number of hospital-initiated outpatient clinic cancellations by 20% by 2016.

This is important because:

The National Outpatient Survey undertaken by the Care Quality Commission in 2011 highlighted that some of the Trust's patients are having their appointments cancelled and changed by the Trust. This is also reflected as one of the top five informal concerns raised by patients attending the Trust.

What progress was made in 2014/15?

Improvements have been made in the way that outpatient appointments are scheduled through the introduction of a partial booking system. This means that follow-up appointments are not booked more than six weeks in advance to reduce the risk of cancellations due to annual leave or study leave.

The Trust monitors the number of appointments each speciality cancels or re-books and challenges any specialities as required.

As a result of these interventions, hospital-initiated cancellations have reduced by 20% during 2014-15.

Chart 3 (*below*) shows the improvement that has been made over the year in reducing hospital-initiated cancellations.

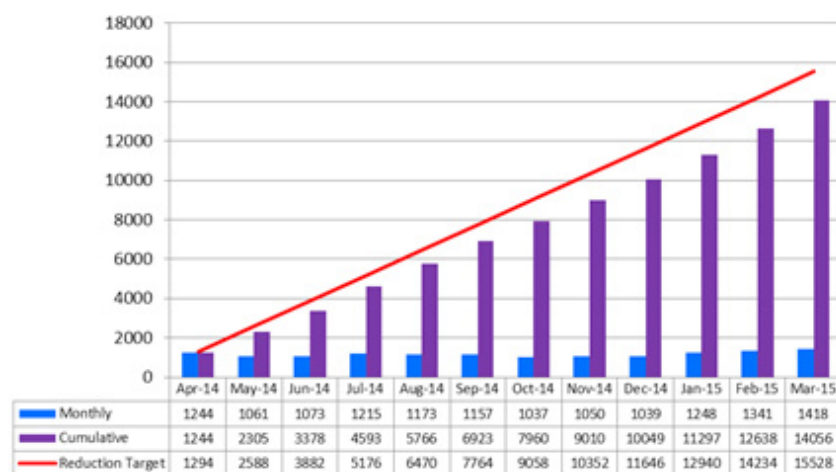
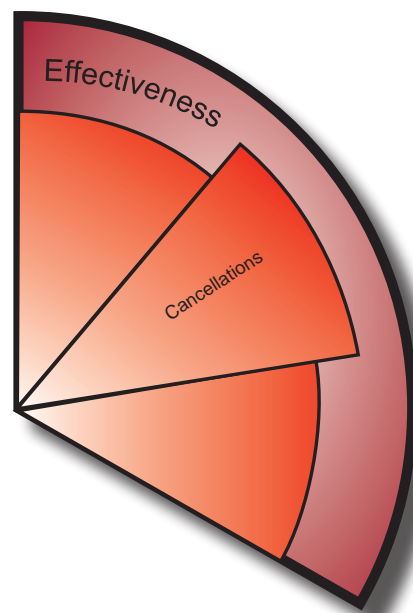


Chart 3 - hospital-initiated outpatient cancellation rates



- Additional work has also been carried out to improve patient experience in the Outpatient Department. This has been renovated, the entrance doors have been replaced and the décor has a much lighter and brighter aspect;
- The timeslots allocated to patient appointments have been reviewed and adjusted to ensure they are of sufficient length to ensure that the consultation is effective. Providing the right time slot also helps to prevent excessive waits;
- Delays are sometimes impossible to avoid and, should they occur, outpatient staff have been instructed to keep patients fully informed of the nature of the delay and the expected wait times;
- Monitoring & information tools have been introduced which allow the clinical divisions to operationally manage their clinic utilisation, cancellation & did not attend (DNA) rates and take action to address any areas of concern. The number of patients who did not attend for their appointments has reduced over the past year. In addition, the Trust's figures demonstrate that its performance is even better than its peer (similar sized) organisations;
- The number of hospital-initiated cancellations and appointments that patients did not attend are displayed on the quality boards in the Outpatient Department.

What do we plan to do in 2015/16?

- Offer patients greater choice in the booking of their appointment and how they wish the Trust to communicate with them about that appointment;
- Introduce a facility to provide a text reminder service for patients with mobile phones;
- Develop an electronic room scheduling and booking-in system which will facilitate a reduction in waiting times caused by a lack of available clinic space. It will also make sure that the best use is made of the space that is available;
- Increase the number of bookings made via the Choose & Book service to give patients greater flexibility around their appointment times.

Patient Feedback

"Seen by GP and on the same day I got a call from the hospital with an appointment for the following day. Seen 15 minutes earlier than appointment time, saw the consultant and had the scan done by him in the clinic. Excellent service, friendly staff."

Source: NHS Choices

"I had to visit the cardiology department on six occasions in three weeks. Staff were great and made sure I wasn't kept waiting, they saw me early and grouped my appointments to save me time. Very helpful when I had to telephone to get advice and were always happy to help. Thanks for all your hard work, it really is appreciated".

Source: NHS Choices



Effectiveness: Appropriate nurse staffing levels

Aim:

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

This is important because:

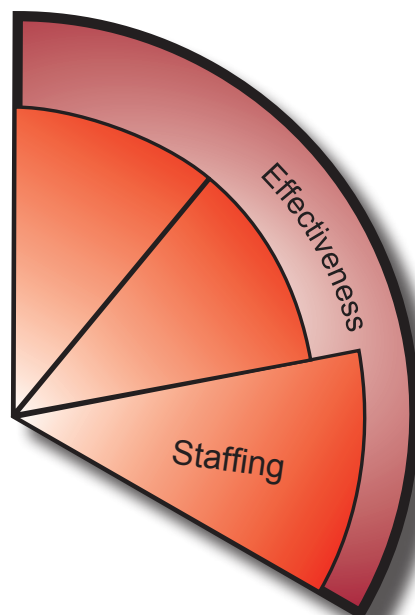
Having the right people, with the right skills, in the right place at the right time is essential to ensure patients receive safe, appropriate, timely and responsive care (National Quality Board 2013).

What progress was made in 2014/15?

- Staffing boards were introduced on all inpatient wards (*Ward 12's board is pictured below*). These are updated on a daily basis. The boards are in a visible location for visitors to the ward. They have received positive feedback from both staff and patients and have also been complimented by other organisations. The boards were also viewed positively by the Care Quality Commission during their inspection of the hospital in October 2014;



- Nursing acuity assessment is undertaken across the hospital on a daily basis. This process assesses the needs of patients in



a ward and determines how many staff are required. Every six months a formal review of the nurse staffing levels is undertaken by the Director of Nursing and Quality using the nursing acuity data and other quality data. Changes to staffing levels are agreed as a result of this review and a full report is discussed at the public Board meetings and published on the Trust's website;

- Staffing levels are reviewed daily and on a shift-by-shift basis. A clear escalation process is in place if staffing falls below plan or activity indicates increased levels of staffing are required;
- An active recruitment plan has focused on:
 - Review of current adverts;
 - Open evenings jointly held with the University of Chester;
 - Overseas recruitment;
 - Supporting local nurses to return to practice in acute care;
 - Review of shift patterns;
 - Funded secondment of Health Care Assistants to undertake nurse training.

What do we plan to do in 2015?

- Continue to review staffing levels on a daily basis
- Focus on recruitment: specifically return to practice and bespoke recruitment events
- Continue to report on nurse staffing to public Board meetings and publish the reports on the Trust's website.

Safety: Reducing pressure ulcers

Aim:

The Trust will eliminate avoidable hospital-acquired pressure ulcers by 2016.

What is a pressure ulcer?

A pressure ulcer is “a localised injury to the skin and/or underlying tissue as a result of pressure, or pressure in combination with shear” (National Pressure Ulcer Advisory Panel 2009). There are five categories of pressure ulcer: stages 1, 2, 3, 4 and unstageable

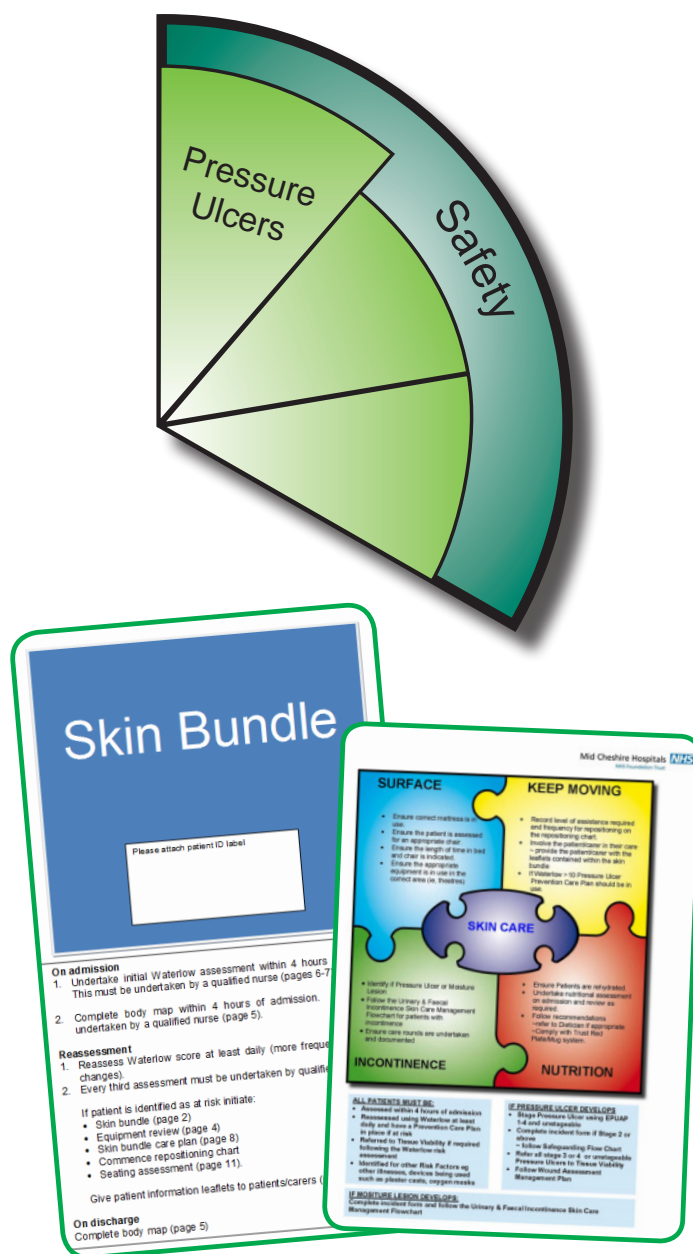
This is important because:

In 2010, the Department of Health estimated the incidence of pressure ulcers in the UK equated to 29,800 acquired in hospital and 20,700 acquired in the community. Pressure ulcers are more likely to occur in patients who are malnourished, elderly, dehydrated, obese or have underlying medical conditions.

Pressure ulcers are challenging to treat and have a detrimental effect on a patient's health and wellbeing (McIntyre et al 2012).

What progress was made in 2014/15?

- A Skin Care Committee has been established with clinical representation from all divisions, which is chaired by an experienced Matron;
- During 2014/15, pressure ulcers were classed as avoidable or unavoidable. This was a new measurement for the Trust. To determine if the ulcer was avoidable or unavoidable, all cases of confirmed hospital-acquired pressure ulcers were reviewed by the Tissue Viability Nursing Service. A pressure ulcer is classed as unavoidable if all appropriate assessments and pressure-relieving interventions were in place for the duration of the patient's admission and there were no gaps within the healthcare documentation;
- In 2014/15, 105 of the 150 hospital acquired pressure ulcers were classed as avoidable which equates to 70%. The main reason for this relates to a lack of documentation in



relation to patient repositioning. The Trust undertakes a Root Cause Analysis (RCA) for each stage 2 pressure ulcer. During 2014/15, the majority of these RCAs were undertaken within 45 days of the incident taking place. As part of this process the Ward Manager, ward staff and Tissue Viability Nurse review the patient and the documentation to look for any gaps in care. Once identified, these are actioned immediately;

- To improve documentation, an adult skin bundle (pictured above) has been implemented and reviewed following staff feedback;
- To ensure all patients receive timely assessment and interventions, a pressure ulcer assessment chart for the Emergency

Department and Planned Investigation Unit has been developed and implemented;

- A Tissue Viability Link Nurse programme has been developed to increase ward level teaching and sharing of best practice. Each Link Nurse attends four study days per year;
- A training programme has been developed for qualified and unqualified staff. This training is now delivered across the Trust by the Link Nurses. In 2014/15, 247 staff received pressure ulcer prevention training;
- Speciality specific skin bundles have been developed for the Critical Care department, neonatology and paediatrics;
- The Skin Care Committee has reviewed available pressure relieving aids and introduced pressure relieving gel pads;
- A 'Lessons Learned' poster, called an episode of care, is now completed by the ward staff for each confirmed hospital-acquired pressure ulcer. This is to ensure that all staff within the area learn from the incident. Lessons Learned posters are also shared across the organisation if a patient develops a pressure ulcer which is more severe than a stage 2;
- Patients and carers are provided with information leaflets that are included in the skin bundles and are given to the patient and / or their carer on admission;
- Chart 4 (*pictured opposite*) shows the number of hospital-acquired pressure ulcers for 2014/15 compared to 2013/14. There has been a 37% reduction in hospital acquired pressure ulcers this year. The staff are actively encouraged to report all potential pressure ulcers to ensure that all incidents are learned from to prevent recurrence.

What is planned for 2015/16?

- Implementation of the revised adult skin bundle;
- Implementation of the speciality specific skin bundle;
- Audit the use of the skin bundles within the Trust;
- Continue education through the Tissue Viability Link Nurse programme;
- Recruit an additional part time Tissue Viability Nurse to work closely with ward-based staff to further reduce pressure ulcers.



**Hospital Acquired Pressure Ulcers Resulting in Harm by Month
April 2014 to March 2015**

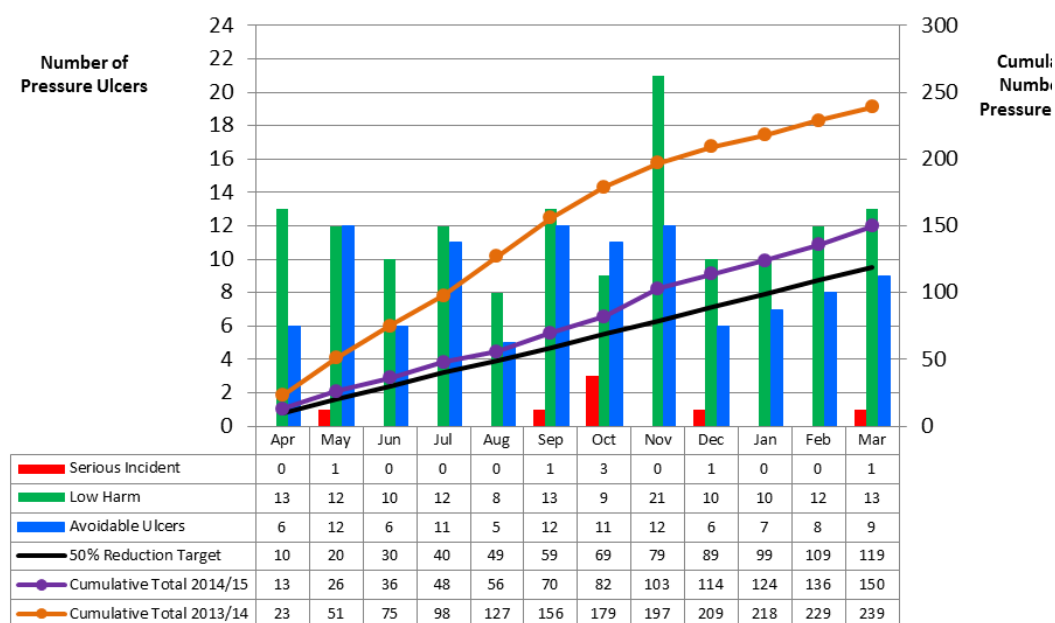


Chart 4 – hospital acquired pressure ulcers.

Safety: Sharing learning from feedback and incidents

Aim:

All clinical staff will work together to respond to feedback from patients and carers and to learn from incidents that occur. The Trust will then ensure it responds to such learning and embeds this into practice.

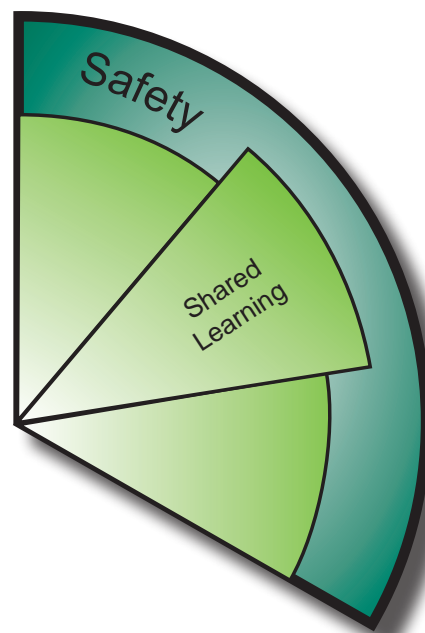
This is important because:

In 2011, the Health Service Ombudsman and Care Quality Commission (amongst other organisations) recognised the importance of feedback to help drive improvement in healthcare and strengthen the quality of services for patients and the public.

In the Francis Report (2013), it was reported that there was not enough priority given to learning and warning signals available from feedback which could lead to improved patient experiences.


What progress was made in 2014/15?

- The Trust's Complaints, Legal and Incidents Committee continued its work to look for trends between incidents, complaints, claims and inquests and instigated reviews when trends were identified. An example of this work was a review of missed fractures in Accident and Emergency that was commissioned in February. This report identified that the Trust was not an outlier in relation to missed fractures and that patients were always followed-up appropriately;
- Following a patient safety incident, a retrospective review of the event is undertaken via a Root Cause Analysis. The RCA is undertaken to identify how and why an incident occurred. The analysis is then used to identify areas for change, recommendations and sustainable solutions to minimise reoccurrence.



Following an RCA, action plans are developed and monitored locally by the Divisions and by the Integrated Governance Team to ensure that the required actions are fully implemented.

An example of an action from an RCA investigation was the development of a post fall sticker following an inpatient fall. This incident was investigated and an opportunity to improve post fall care was identified. The sticker (*pictured below*) is placed in the patient's healthcare record to ensure appropriate actions are taken for post fall care.

POST FALL MEDICAL REVIEW		
Please mark each box with YES, NO, or N/A.		
History of fall:	If examination not applicable based on history mark N/A	
Time of fall:		
LOC <input type="checkbox"/> Currently in pain <input type="checkbox"/>		PERLA <input type="checkbox"/>
Incontinent <input type="checkbox"/> >30 mins amnesia <input type="checkbox"/>		Evidence of Trauma <input type="checkbox"/>
Head Injury <input type="checkbox"/> Vomited >1 <input type="checkbox"/>		Focal Neurology <input type="checkbox"/>
Anti-coagulated <input type="checkbox"/> New onset confusion <input type="checkbox"/>	R + L Hips assessed <input type="checkbox"/>	
GCS Score <input type="checkbox"/> EWS Score <input type="checkbox"/>	Can bear weight <input type="checkbox"/>	
	Plantars assessed <input type="checkbox"/>	
	C-spine assessed <input type="checkbox"/>	
	Power assessed <input type="checkbox"/>	
	CVS <input type="checkbox"/>	
Assessor Name/Bleep No:	Neurological Observations as per trust policy: <input type="checkbox"/>	
Time/Date:	CT Head <input type="checkbox"/>	
Signature:	NG156 Head Injury (abbreviated summary for reminder only):	
Review by day team:	Head CT scan within 1 hour if:	
Safe to mobilise:	■ GCS less than 13 on initial assessment (+/- C-spine CT)	
Medicines reviewed:	■ GCS below 15 2 hours post head injury	
Lying/standing BP checked:	■ Any focal neurological deficit	
Imaging requested:	■ >1 episode vomiting post head injury	
	■ Post-traumatic seizure	
	■ Any signs basal skull fracture	
	CT head within 8 hours if:	
	■ >65	
	■ Dangerous mechanism of injury (fall from >1m/5 stairs)	
	■ On anti-coagulation medication	

- Lessons learned are shared across the organisation following all incidents that result in a root cause analysis being undertaken or where trends in incidents are identified. The lessons learned template has been reviewed in 2014 to include greater detail on how the incident has impacted on the patient and the organisation;
- A further document called an episode of care is produced locally by the department staff enabling new learning from the incident to be shared with the immediate team;
- The Trust has a 'Being Open' policy and feedback from incidents is shared with patients and / or their carers following all incidents that result in serious or catastrophic harm;
- All staff receive incident feedback from incidents that they report through the online incident reporting system 'Ulysses Safeguard'. This is a mandatory field within the incident reporting system that must be completed by the manager investigating the incident;
- Feedback from patients continues to be measured through a variety of methods, including local patient surveys, paper-based surveys, patient interviews and an electronic touch screen kiosk;
- Patient stories are undertaken on a regular basis and shared at Board and ward level. For example, the following story has been discussed with staff to reflect on how their communication about operational issues can be perceived by patients:

"A patient attended for a day case procedure and praised the care of the medical staff and their team working. Whilst he appreciated there was a busy throughput of patients, he felt at times there was not the air of calm he would have preferred. On occasions the patient overheard conversations between staff about issues they were resolving, such as locating records or locating staff;"

- A survey of complainants was undertaken in 2014 to seek views on how well they feel their concerns have been handled and whether they feel satisfied with action

taken. The survey highlighted that patients had not always been offered updates on the changes made as a result of the complaint. The Trust's Complaints Review Panel is progressing an action plan to address this;

- Staff are trained to investigate incidents and complaints to ensure that they are thoroughly investigated and appropriate actions are taken to prevent recurrence. Further training was provided in 2014 in relation to investigating serious incidents.

What is planned for 2015/16?

- The Trust has reviewed different ways to share lessons learned, including the production of podcasts, and these new ways will be used to share future lessons learned following incident investigations;
- The Trust is undertaking a safety culture survey to assess its safety culture. As part of this survey, staff will be asked if they feel the Trust learns from its incidents and how improvements can be made.

Patient Feedback

"I recently needed the help of the customer care team, but I wasn't sure how I would find their help. I found them 100% helpful. They were fantastic, I was so made up with them. Nothing was ever too much for them and they called when they said they would getting back to me super quick. Thanks girls."

Source: NHS Choices



Safety: Reducing Mortality Rates

Aim:

The Trust will reduce its mortality rates each quarter so that they reach expected levels as measured by the Summary Hospital-Level Mortality Indicator (SHMI).

What is SHMI?

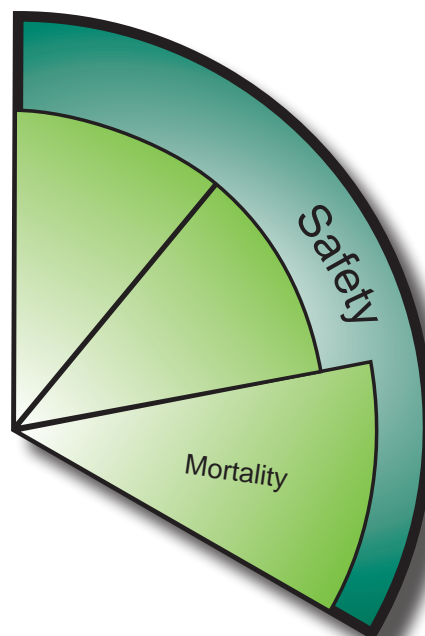
The SHMI is a ratio of the observed deaths to the expected number of deaths for a Trust. The expected deaths are based on a number of factors which include age, gender and how a patient was admitted to a Trust.

This is important because:

Measuring mortality rates is important because a high mortality rate may indicate problems with the quality and safety of care provided within an organisation (Care Quality Commission, Intelligent Monitoring, 2013).

What progress was made in 2014/15?

The Trust has achieved a quarterly reduction in its mortality rates to reach expected levels as measured by SHMI. The latest publication for the period April 2013 to March 2014 demonstrates that the Trust's SHMI has continued to reduce and remains within the 'as expected' range.



- 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;
- The Trust developed a reducing in-hospital mortality driver diagram and action plan. The action plan incorporated the recommendations made by the Advancing Quality Alliance (AQuA), following their deep dive review into mortality rates across the local health care community;
- The Medical Director and the Clinical Lead for Patient Safety chair a weekly mortality case note review group where senior clinicians review deaths that have occurred across the Trust in the previous week. Cases where concerns have been highlighted are then referred for an in-depth mortality case note review. The results of the in-depth case note reviews are presented at the HMRG and learning is disseminated to the clinical teams;

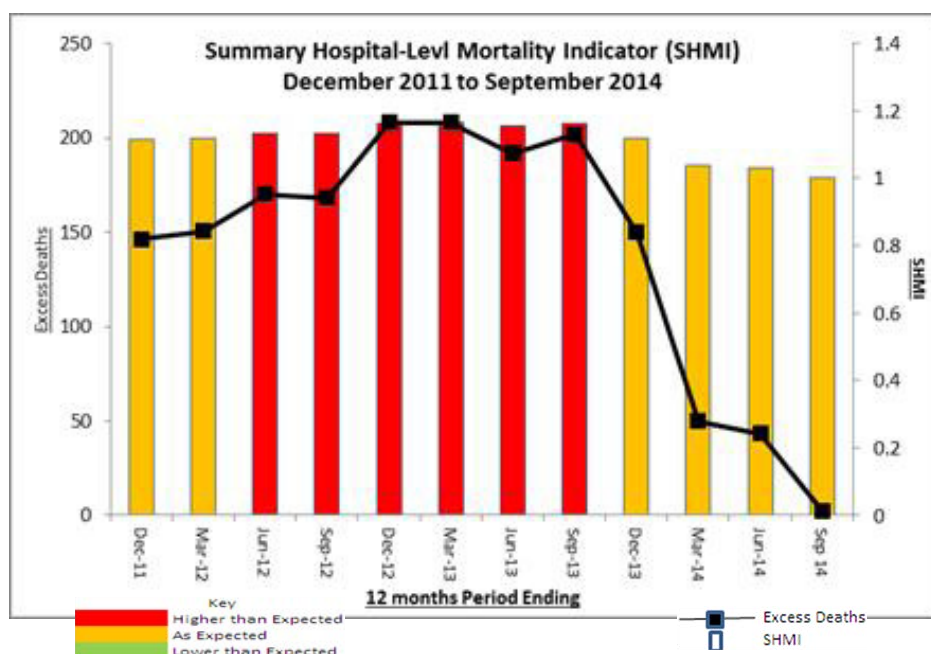


Chart 5: The Trust's SHMI

- The clinical divisions have introduced divisional Reducing Mortality Groups that are part of the overall Trust governance structure and feed into the Divisional Boards and the HMRG. These local groups review their divisional mortality data and implement local action plans where trends are highlighted;
- Mortality dashboards have been developed and will be used by clinical teams to drive forward improvement action plans at a speciality level;
- A Clinical Pathway Action Group has been formed. Their responsibilities include reviewing high mortality groups and ensuring that care bundles/pathways are in place;
- An education programme on mortality, quality and patient outcomes has been developed within the organisation. Workshops, which are scenario-based, have been held and training delivered to medical staff of all grades. This training has been extended to include qualified nursing staff and will continue as a rolling programme to ensure all relevant staff have the opportunity to undertake this training;
- The care plan for End of Life care was launched across the organisation in June 2014. A training programme led by the Macmillan Care Nurses is being rolled out across the organisation. The care plan for End of Life care will ensure that patients have an individualised plan of care in place at the end of their life. End of Life care is reviewed as part of the mortality case note reviews and gaps in care highlighted to the clinical teams.

What is planned for 2015/16?

- Continue to implement the actions from the reducing in-hospital mortality action plan to sustain an on-going reduction in the mortality rates within the Trust.
- Implementation of divisional strategies to ensure seven-day working is in place across the organisation for all patients.
- Continue to disseminate the learning from the deep dive case note reviews.

Patient Feedback

"I would like to record my sincere thanks to the staff of the hospital, particularly on Ward 7, for their professionalism and kindness shown to both my wife and myself prior to her recent passing away, in particular in allowing me to attend her outside of normal visiting hours for the entire time she was in the ward. The nursing staff and doctors were exemplary throughout the sad period."

Source: NHS Choices

"On two occasions (Ward 5 in June 2014, Ward 7 in August 2014) our son was treated for aspiration pneumonia. During this time he was also diagnosed with secondary liver carcinoma of unknown primary. All his family would like to thank all the professional staff on both wards for the excellent care and treatments given to him during this difficult time. Although he could not be cured, the kindness of the nursing staff, particularly in easing his pain, was much appreciated."

Source: NHS Choices



Statements from external agencies

South Cheshire and Vale Royal Clinical Commissioning Groups



NHS South Cheshire CCG and NHS Vale Royal CCG welcome this opportunity to review and comment on Mid Cheshire Hospitals NHS Foundation Trust (MCHFT) Quality Account for 2014/15.

We confirm that we have reviewed the information contained within the Quality Account and this reflects a fair, representative and balanced overview of the quality of care in MCHFT and includes the mandatory elements required.

The Trust have adopted a Quality and Safety Improvement Strategy which has provided a new set of priorities for the year, focusing on patient care and safety, building on the work undertaken during 2013-14. The priorities identified in the Quality Account have a strong patient focus and have produced improvements in patient experience and outcomes.

The Quality Account includes evidence of achievements. These include a particular focus on Nutrition and Hydration. This initiative was implemented following patient feedback and includes standardising protected meal time, offering variety and choice of food/drinks on all wards.

The focus in supporting patients with dementia and their carers is demonstrated through ongoing reviews. The introduction of flexible visiting is among the wide range of initiatives.

MCHFT has embedded the rollout of the 'hello my name is....' campaign, across the Trust, which is commendable.

It is pleasing to see that the Trust has demonstrated significant improvements in the reduction of hospital acquired pressure ulcers. Work has been undertaken to improve documentation and implement an Adult Skin Bundle, which includes timely assessment and interventions.

We commend the Trust on the recent CQC inspection which received a rating of 'GOOD', this reflects the focus of whole Trust on quality and patient safety as a key priority. The Trust was specifically congratulated for the reduction in hospital mortality rates which has been a significant achievement.

While the Quality Account reflects the successes that MCHFT have achieved, there has been non achievement in some of the Advancing Quality Commissioning for Quality and Innovation (CQUIN) schemes and local quality indicators. It would have been beneficial to have information included that detailed the actions planned to improve performance in 2015/16.

Engagement with patients, carers and stakeholders is well represented in the Quality Account. Of particular note is the dedicated sections given to the Friends and Family Test, NHS Choices and Patient and Public Involvement. This section clearly shows how our local population can provide feedback to MCHFT about their experiences of care, which has led to quality improvement initiatives.

We support the priorities identified for improvement in 2015/16 and look forward to maintaining a strong commissioning relationship with MCHFT. We 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.

Healthwatch Cheshire East



Healthwatch Cheshire East welcomes the opportunity to comment on the Mid Cheshire Hospitals NHS Foundation Trust Quality Account 2014/2015.

Healthwatch Cheshire East acts as the champion for the voice of the consumer and as such our comments and views on this report focus on how the Trust have involved and listened to their consumers views (patients and their families).

Healthwatch Cheshire East has received many positive stories from the community praising the treatment and care received from the staff and volunteers at the Trust. We recognise that the Trust and the services it delivers are valued by the local community.

In particular we want to highlight comments we have had praising the role of volunteers on the wards supporting the clinical staff to provide additional care to patients.

“At Leighton Hospital they have started having male volunteers to help shave the older male patients. This works really well and the male patients are really happy about it.”

The quality account clearly demonstrates a wide range of feedback from patients across a variety of services, with clear actions from the feedback indicating how the issues raised by the patients would be actioned and addressed. We welcome the steps highlighted by the Trust to ensure that they provide care that is responsive to the personal needs of the patients. When there was a lack of staff on wards or very busy staff, we have been told that the impact of this on patients and their families makes them feel worried, concerned and distressed.

We want to congratulate the Trust on the recent

CQC inspection rating of ‘Good’ and the steps they have taken to reduce the mortality rates.

We value the strong working relationship we have with the Trust and look forward to working with the Trust during 2015-2016 to enable our community to have a powerful voice helping to shape and improve these services for the future.

Healthwatch Cheshire West



Comments were invited from Healthwatch Cheshire West. However, at the time of this report's sign off, no comments had been received.

Cheshire East Council Health and Adult Social Care Overview and Scrutiny Committee



Thank you for contacting the Committee in relation to the Mid Cheshire Hospitals NHS Foundation Trust's Quality Account for 2014/15. The Council has had various health scrutiny arrangements over the years but each committee that has been in place has always valued the opportunity to consider the quality accounts of key local NHS service providers. However on this occasion the Health and Adult Social Care Overview and Scrutiny Committee will not be able to provide any formal comments on any Quality Accounts.

As you will be aware Cheshire East Council is holding elections on 7 May 2015 at the same time as the General Election, as are many other local authorities around the country. This means that it will not be possible to hold a meeting of the Committee, to consider any Quality Accounts and prepare any feedback for inclusion in the final reports, in the required timeframes.

Following the elections a new committee membership will be agreed at the Annual Meeting of the Council on 27 May 2015. The Scrutiny Officer will supply this new membership with copies of key NHS Trust Quality Accounts for information. Any issues that Councillors identify from the Quality Accounts will be given consideration by the Committee in the summer. I am sure that in this case NHS Trusts will engage fully with the Committee.

Although the Health and Adult Social Care Overview and Scrutiny Committee will be unable to give consideration to the Quality Account in May I would like to note that some of our members recently took part in a Joint Health Overview and Scrutiny Committee with Cheshire West and Chester Council to consider the Trust's mortality data and other performance statistics, and the CQC's recent inspection. The Joint Committee was pleased that the CQC rated the Trust as Good and I hope that the Quality Account is able to reinforce this.

Yours Sincerely

Councillor Margaret Simon
Chairman of the Health and Adult Social Care Overview and Scrutiny Committee

Governors

Mid Cheshire Hospitals 
NHS Foundation Trust

The 2014/15 Quality Account was shared with Governors for comment and, as Governor member of the Quality and Safety Improvement Strategy Committee, I am pleased to offer an

account of Governor views and feedback.

As has been the case in previous years, the Quality Account offers a fair and balanced assessment of the performance of the Trust. The is rightly a focus upon the notable successes achieved in year and a positive account of the areas where improvements have been achieved, however, this is balanced with an honest accounting of those areas where improvement is still required or where targets have not been met. It is pleasing to note that the former substantially outweigh the latter. What's more, where challenges lie these are fully recognised and appropriate strategies are evidenced.

The contents of the Quality Account tally well with the regular monitoring of performance provided to, and discussed with, Governors both through the Council of Governors' meetings and the various committees and groups upon which we sit. Governors can also offer support to the analyses presented based upon their experiences and interactions with patients, carers and other constituencies. As Governors, we afforded access to relevant information to fulfil our function and are proactively engaged in the development of strategy to ensure the ongoing achievement.

2014/15 has seen a number of excellent achievements, not least amongst which are the CQC inspection outcome. This reflects very well the hard work and care offered at all levels of the organisation. National awards have also been achieved by the Midwifery service. This later coming after the recent investments in facility enhancement and demonstrates the joined up approach to enhancing both the physical estate of the Trust but also to service improvement within the new spaces. It will be interesting to monitor whether similar improvements can be achieved in other areas to have benefitted from more recent estates redevelopment.

At the time of last year's report the Trust was particularly challenged by a higher than expected mortality rate as measured by SHMI. This was addressed, in part, by some modifications to data coding to correct a skewing arising as

an unintended consequence of a reporting convention. However, and in keeping with the Trust's attention to quality enhancement, recommendations provided by AQuA and the HMRG have been carried through and resulted in real improvements in mortality beyond those arising from the reporting changes.

On behalf of the Council of Governors I am happy to endorse this Quality Account and to commend the Trust for their continuing attention to the delivery of the best quality care possible.

Professor Neil Fowler
Governor

Statement of Directors' responsibilities in respect of the quality report

The Directors are required under the Health Act 2009 and the National Health Service Quality Accounts Regulations to prepare quality accounts for each financial year.

Monitor has also issued guidance to NHS Foundation Trust Boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS Foundation Trust Boards should put in place to support the data quality for the preparation of the quality report.

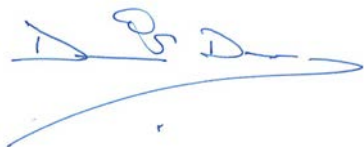
In preparing the quality report, Directors are required to take steps to satisfy themselves that:

- The content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014/15
- The content of the quality report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2014 to March 2015
 - Papers relating to quality reported to the Board over the period April 2014 to March 2015
 - Feedback from the Commissioners dated 15 May 2015
 - Feedback from Healthwatch Cheshire East dated 22 May 2015
 - Feedback from Healthwatch Cheshire West not received by 26 May 2015
 - Feedback from the Cheshire East Council Health and Adult Social Care Overview and Scrutiny Committee dated 19 May 2015
 - Feedback from Governors dated 14 May 2015
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009,

dated 12 June 2014

- The 2014 national patient surveys
- The 2014 national staff survey
- The Head of Internal Audit's annual opinion over the Trust's control environment dated xx May 2015
- Care Quality Commission (CQC) intelligent monitoring report dated December 2014.
- The quality report presents a balanced picture of the Trust's performance over this period;
- The performance information reported in the quality report is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the quality report and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions and is subject to appropriate scrutiny and review; and
- The quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the quality report (available at www.monitor.gov.uk/annualreportingmanual).

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the quality report.



Dennis Dunn MBE
Chairman



Tracy Bullock
Chief Executive



Dr Paul Dodds
Medical Director and
Deputy Chief Executive



Denise Frodsham
Chief Operating Officer



Julie Smith
Director of Nursing
and Quality



Mark Oldham
Director of Finance



Wendy Marston
Interim Director of Service
Transformation and Workforce



Dame Patricia Bacon
Non-Executive Director



John Barnes
Non-Executive Director



Mike Davis
Non-Executive Director



David Hopewell
Non-Executive Director



Ruth McNeil
Non-Executive Director

Quality Account Appendices

Appendix 1 - Glossary and Abbreviations

Terms	Abbreviation	Description
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 such as heart attacks, pneumonia, hip and knee replacements and heart failure using research to determine the best care interventions.
Advancing Quality Alliance	AQUA	A membership body which aims to improve the quality of healthcare in the North West.
Alzheimer’s Society		A UK Alzheimer’s charity
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.
British Association for Parenteral and Enteral Nutrition.	BAPEN	A Charitable Association that raises awareness of malnutrition
C.A.S.P.E Healthcare Knowledge Systems	CHKS	An independent company which provides clinical data/intelligence to allow NHS and independent sector organisations to benchmark their performance against each other.
Care Quality Commission	CQC	The independent regulator of health and social care in England.
Chronic Obstructive Pulmonary Disease	COPD	A description for lung diseases including chronic bronchitis, emphysema and chronic obstructive airways disease.
Clinical Commissioning Group	CCG	The GP led commissioning body who buy services from providers of care such as the hospital.
Clinical Nurse Specialist	CNS	Clinical specialist nurses work in a variety of acute and community settings, specialising in particular areas of practice.
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.

Terms	Abbreviation	Description
College of Emergency Medicine	CEM	A medical college to advance education and research in emergency medicine
Commissioner		A person or body who buys 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.
Comparative genomic hybridization	CGH	A method for comparing DNA samples
Cost Improvement Plan	CIP	A cost improvement plan aims to save money but also, through long-term plans to transform clinical and non-clinical services, improves patient care, satisfaction and safety.
Critical Care Unit		A specialised clinical area providing intensive care medicine.
Data for Head and Neck Oncology	DAHNO	The audit collects data from hospitals within England and Wales which diagnose and treat patients with cancer of the larynx and oral cavity.
Department of Health	DoH	A department of government that leads, shapes and funds health and care in England.
Diabetes UK		A UK Diabetes charity
Duty of Candour		Candour is defined in the Francis' report as: 'The volunteering of all relevant information to persons who have or may have been harmed by the provision of services, whether or not the information has been requested and whether or not a complaint or a report about that provision has been made.'
Enteral Nutrition	EN	The delivery of a nutritionally complete feed, containing protein, carbohydrate, fat, water, minerals and vitamins, directly into the stomach
Epilepsy 12		Epilepsy12 is a national clinical audit, established in 2009, with the aim of helping epilepsy services, and those who commission health services, to measure and improve the quality of care for children and young people with seizures and epilepsies
Falls and Fragility Fracture Audit Programme	FFFAP	A national clinical audit run by the Royal College of Physicians designed to audit the care that patients with fragility fractures and inpatient falls receive in hospital and to facilitate quality improvement initiatives.

Terms	Abbreviation	Description
Foundation Trust		An NHS Trust in England that has been created to devolve decision-making from central government control to local organisations and communities so they are more responsive to the needs and wishes of their local people. NHS Foundation Trusts have members drawn from patients, the public and staff and are governed by a board of governors comprising people elected from and by the membership base.
Francis Report 2013		This report followed a public inquiry that examined the causes of the failings in care at Mid Staffordshire NHS Foundation Trust between 2005-2009. The report makes 290 recommendations.
Friends and Family Test	FFT or F & F Test	Introduced in 2013 patients are asked whether they would recommend hospital wards, A&E departments and maternity services to their friends and family if they needed similar care or treatment.
Gastro Intestinal	GI	The whole digestive tract (gut).
Genito Urinary medicine	GUM	The area of medicine that deals with sexual health.
Health and Social Care Information Centre	HSCIC	The national provider of information, data and IT systems for health and social care
Health Protection Agency	HPA	The HPA provides advice and information to protect the public in England from threats to health from infectious diseases and environmental hazards. In April 2013, the HPA became part of Public Health England.
Healthcare Associated Infections	HCAI	A generic name to cover infections like MRSA and C-diff.
Heart Failure	HF	Heart failure is a condition caused by the heart failing to pump enough blood around the body at the right pressure
Hospital Mortality Reduction Group	HMRG	Group responsible for providing information and assurances to the Board of Directors of Mid Cheshire Hospitals NHS Foundation Trust that it is safely managing all issues relating to hospital mortality
Inflammatory bowel disease	IBD	Inflammatory bowel disease (IBD) encompasses ulcerative colitis and Crohn's disease. These are chronic diseases that involve inflammation of the gastrointestinal tract.
Integrated Care System	ICS	The system used by the Trust to record patient activity.
Intensive Care National Audit and Research Centre: Case Mix Programme	ICNARC CMP	A clinical database holding over 18 years data relating to patient outcomes from adult, general critical care units in England, Wales and Northern Ireland.

Terms	Abbreviation	Description
Left ventricular function	LV Function	The left ventricle (lower chamber) of the heart is the main pumping chamber of the heart.
Medicines and healthcare products regulatory Agency	MHRA	The branch of government that regulates medical devices and medicines.
Mental Capacity Act	MCH	A law to support and enhance the rights of people who may lack mental capacity
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.
Mid Cheshire Hospitals NHS Foundation Trust	MCHFT	The organisation which runs Leighton Hospital, Crewe, Victoria Infirmary, Northwich and Elmhurst Intermediate Care Facility, Winsford
Monitor		This is the regulator of NHS Foundation Trusts. It is an independent body detached from central government and directly accountable to Parliament.
Mothers and Babies: reducing Risk through Audits and Confidential Enquiries across the UK	MBRRACE-UK	An organisation which investigates maternal deaths, still births and infant deaths to support the delivery of safe, equitable, high quality, patient centred maternal, newborn and infant health services.
Multi Disciplinary Team	MDT	The team of professionals involved in a patient's care.
Multiple Sclerosis Society		A UK Multiple Sclerosis charity
Myocardial Ischaemia National Audit Project	MINAP	A national audit to enable hospitals measure their performance against targets and improve the care of patients following a heart attack.
N-acetylcysteine	NAC	A medication used to help treat paracetamol overdoses
National Bowel Cancer Audit Programme	NBOCAP	An audit to measure care and clinical outcomes, enabling comparisons between hospitals and bringing about improvements where necessary
National Cardiac Arrest Audit	NCAA	National clinical audit of in-hospital cardiac arrests with the aim of improving resuscitation care and patient outcomes.
National Confidential Enquiry into Patient Outcomes and Death	NCEPOD	A review of the management of patients through confidential surveys and research. The results are used to improve the quality of patient care.
National Diabetes Audit	NDA	A national audit looking into the care of people with diabetes in primary and secondary care
National Emergency Laparotomy Audit	NELA	An audit of the quality of care received by patients undergoing emergency laparotomy.

Terms	Abbreviation	Description
National Inpatient Diabetes Audit	NaDIA	An audit of diabetes inpatient care in England and Wales.
National Institute for Health and Care Excellence	NICE	NICE provide independent, authoritative and evidence-based guidance on the most effective ways to prevent, diagnose and treat disease and ill health, reducing inequalities and variation.
National Joint Registry	NJR	The NJR collects information on all hip, knee, ankle, elbow and shoulder replacement operations to monitor the performance of joint replacement implants.
National Lung Cancer Audit	NLCA	An audit of the care delivered during referral, diagnosis, treatment and outcomes for people diagnosed with lung cancer and mesothelioma.
National Neonatal Audit Programme	NNAP	An audit programme established to inform good clinical practice in aspects of neonatal care by auditing national standards.
National Oesophago-Gastric Cancer Audit	NAOGC	An audit of care and the outcomes of treatment for all oesophageal gastro cancer patients, both curative and palliative.
National Paediatric Diabetes Audit	NPDA	A national programme designed to improve care provided to children with diabetes and that of their families.
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 including: Inpatients, Outpatients, Emergency care and Maternity care.
National Pressure Ulcer Advisory Board	NPUAP	The voice for improved patient outcomes in pressure ulcer prevention and treatment through public policy, education and research
National Quality Board	NQB	The NQB brings together organisations with an interest in improving quality in the NHS.
National Reporting and Learning System	NRLS	National database that allows learning from reported incidents. All Trusts upload their incident reporting data to this database on a weekly basis.
NHS England		An NHS body to improve the health outcomes for people in England
NHS Institution of Improvement and Innovation	NHSiq	Now NHS Improving Quality this organisation is the driving force for improvement across the NHS in England
Non alcoholic steato-hepatitis	NASH	A common liver disease that occurs in people who drink little or no alcohol.
Non-Executive Director	NED	The non executive director holds the executive directors to account for the delivery of the trusts strategy ensuring that the Board acts in the best interests of its patients and the wider community.
Parenteral Nutrition	PN	Parenteral feeding is the administration of nutrients into the veins.

Terms	Abbreviation	Description
Parkinsons UK		A UK Parkinsons charity
Parliamentary and Health Service Ombudsman	PHSO	The PHSO provides 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.
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.
Payment by Results	PbR	The payment system in England under which commissioners pay healthcare providers for each patient seen or treated, taking into account the complexity of the patient's healthcare needs.
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.
Quality Effectiveness and Safety Committee	QuESt	A subcommittee of the board of directors that monitors Quality and Safety in the Organisation.
Referral to Treatment	RTT	The time from referral to a specialist consultant to first definitive treatment.
Retinopathy of Prematurity screening	ROP	A disorder of the developing retinal blood vessels in a preterm infant.
Rheumatoid Arthritis Impact of Disease	RAID	The Rheumatoid Arthritis Impact of Disease (RAID) is a patient-reported outcome measure evaluating the impact of rheumatoid arthritis (RA) on patient quality of life
Risk Adjusted Mortality Rates	RAMI	A measure to compare hospitals which looks at the actual number of deaths in a hospital compared to the expected number of deaths. The risk-adjustment is a method used to account for the impact of individual risk factors such as age, severity of illness (es) and other medical problems that can put some patients at greater risk of death than others.
Root Cause Analysis	RCA	A method for finding out the root cause of a problem
Royal College of paediatrics and Child Health	RCPCH	A member organisation that aims to transform child health through knowledge, innovation and expertise
Royal Voluntary Service	RVS	The Royal Voluntary Service is a volunteer organisation that can enrich the care of patients where needs are identified.

Terms	Abbreviation	Description
Safer Nursing Care Tool	SNCT	A tool used to judge the acuity and dependency of patients used to estimate what nursing establishment is required.
Scottish Intercollegiate Guidelines Network	SIGN	A network that develops evidence based clinical practice guidelines for the National Health Service (NHS) in Scotland
Sentinel Stroke National Audit Programme	SSNAP	SSNAP aims to improve the quality of stroke care by auditing stroke services against evidence based standards.
Speech and Language Therapy	SALT	A service designed to assess and treat speech, language and communication problems in people of all ages.
ST Elevation Myocardial infarction	STEMI	A type of heart attack determined by an electrocardiogram test
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
Systemic anti cancer therapy data set	SACT	The SACT collects clinical management information on patients undergoing chemotherapy in England.
The Advisory Committee on the Safety of Blood, Tissues and Organs	SABTO	Advises UK ministers and health departments on the most appropriate ways to ensure the safety of blood, cells, tissues and organs for transfusion/transplantation
Trauma Audit and Research Network	TARN	Provides accurate and relevant information to help Doctors, Nurses and Managers improve their services in trauma care.
Ulysses safeguard		The electronic system on which incidents are reported and investigations recorded.
Venous Thrombo-Embolicism	VTE	A blood clot which can develop when a person may not be as mobile as they are usually or following surgery. The blood clot itself is not usually life threatening, but if it comes loose it can be carried in the blood to another part of the body where it can cause problems – this is called a Venous Thromboembolism (VTE).

Appendix 2 - Feedback Form

We hope you have found this Quality Account useful.

To save costs, the report is available on our website and hard copies have been made available in waiting rooms or on request.

We would be grateful if you would take the time to complete this feedback form and return it to:

Clinical Quality and Outcomes Matron
Mid Cheshire Hospitals NHS Foundation Trust
Leighton Hospital
Middlewich Road
Crewe
Cheshire
CW1 4QJ

Email: quality.accounts@mcht.nhs.uk

How useful did you find this report?

- Very useful ☐
- Quite useful ☐
- Not very useful ☐
- Not useful at all ☐

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?

Appendix 3 - 2014/15 limited assurance report on the content of the Quality Report and mandated performance indicators

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 2015 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Mid Cheshire Hospitals NHS Foundation Trust as a body, to assist the council of governors in reporting Mid Cheshire Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2015, 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 2015 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway, prepared on the basis set out on page 17; and
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in here; 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:

- board minutes for the period April 2014 to May 2015;
- papers relating to quality reported to the board over the period April 2014 to May 2015;
- feedback from Commissioners, dated 15/05/2015;
- feedback from governors, dated 08/05/2015;
- feedback from local Healthwatch organisation, dated 22/05/2015;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 12th June 2014;

- the latest national patient survey, dated August 2014;
- the latest national staff survey, dated 2014;
- Care Quality Commission Intelligent Monitoring Report dated December 2014; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated April 2015.

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 governance over quality or non-mandated indicators which have been determined locally by Mid Cheshire Hospitals NHS Foundation Trust.

Basis for qualified conclusion – 18 week Referral to Treatment indicator

The “maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway” indicator requires that the Trust accurately record the start and end dates of each patient’s treatment pathway, in accordance with detailed requirements set out in national guidance.

Our testing identified that:

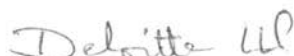
- we were unable to obtain evidence to support the start and/or end date of treatment for a sample of patient records’ tested; and
- we were unable to obtain evidence to support whether a sample of patient records had been appropriately included/excluded from the calculations supporting the monthly RTT incomplete pathway metric.

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 2015. 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 2015:

- 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 here 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
Chartered Accountants
Leeds
27th May 2015



8

Remuneration Report

Introduction

Under the governing legislation, decisions on the remuneration of the Executive Directors are taken by a Board Committee that must only have Non-Executive Directors in membership. For this Trust, that Committee is the Appointments and Remuneration Committee, and all Non-Executive Directors are voting members.

The Committee fulfils two functions:

- Undertaking an annual review of Executive Salaries. The Chief Executive is in attendance to comment on the performance of the Executives against their agreed objectives;
- Agreeing the salary for new appointments to Executive posts.

There are set procedures that are operated for the evaluation of the performance of individuals, in line with both the legal requirements for NHS employees and Trust policies.

The Committee's decision-making takes into account guidance in the Code of Governance for NHS Foundation Trusts, which calls on Foundation Trusts to ensure that their remuneration is sufficient to attract, retain and motivate an Executive team able to give leadership to the Trust, but does not pay more than is required to achieve this. The Committee also takes into consideration the performance of the Trust, new challenges that Executives are dealing with, and previous years of pay restraint, including a voluntary pay freeze for Executives on top of the two-year pay freeze nationally agreed.

After very careful consideration of national guidance, previous remuneration awards and the performance of the Trust, the Committee decides what level of increase in remuneration is appropriate. Additionally, the Committee has responsibility for including pension rights



and any compensation payments as part of their review of the remuneration of Executive Directors.

The Committee also ensure the increase is fair based on the position faced by staff more widely but also reflecting the benchmarking of Executive pay across the NHS which showed that MCHFT paid its Executive team below the national average.

Remuneration of Senior Managers Policy

Executive Directors receive a fixed salary which is established at the beginning of each year and determined using extensive benchmarking information from Foundation Trust Network surveys, Trust Annual Report and Accounts and knowledge of job descriptions, person specifications and market pay. Executive Directors are substantive employees and their contracts can be terminated by either party with six months' notice.

In line with Monitor's Code of Governance for NHS Foundation Trusts, the Terms of Office of Members of the Board for the financial year end as at 31 March 2015 are set in the table below:

Executive Directors

	Term of Contract	Notice period	Unexpired term
Tracy Bullock	Permanent	6 months	N/A
Paul Dodds ¹	Permanent	6 months	N/A
Denise Frodsham	Permanent	6 months	N/A
Wendy Marston	Interim	6 months	6 Months
Mark Oldham	Permanent	6 months	N/A
David Pitt ²	Permanent	6 months	-
Julie Smith	Permanent	6 months	N/A

1 - The Trust has also contracted with Dr Paul Dodds for service as a Consultant, on the national terms of service.

2 - David Pitt has been seconded to another NHS organisation as of February 2015.

Non-Executive Directors

Name	Term of Contract	Date of Appointment / Reappointment	Unexpired Term	Notice Period	Liability for Early Termination
Pat Bacon	3-year Term	1 May 2012	1 month	None	None
John Barnes	3-year Term	1 February 2013	10 months	None	None
Mike Davis	3-year Term	1 February 2013	10 months	None	None
Dennis Dunn	3-year Term	1 July 2014	26 months	None	None
David Hopewell	1-year Term	1 December 2014	8 months	None	None
Ruth McNeil	3-year Term	1 November 2014	31 months	None	None
Rob Allen ³	3-year Term	1 September 2014	30 months	None	None

3 - Rob Allen tendered his resignation in February 2015.

Non-Executive Director appointments can be terminated by a 75% majority of Governors voting at a Council of Governors meeting.

Annual Report on Remuneration Report

Remuneration Committee

The Board has appointed the Appointment and Remuneration Committee to discharge the functions described under Paragraph 18, Schedule 7 of the National Health Service Act 2006. Broadly speaking, the Committee is responsible for determining the remuneration and other terms and conditions of service for the Executive Directors and for supporting the Non-Executive team in the evaluation of performance.

The Board has decided that the Committee should be composed of all of the Non-Executive Directors, and has appointed the Chairman to be the Chair of the Committee. During the year, the Committee met once and the attendance of Members at the Committee was as follows:

Member	Attendance
Dennis Dunn (Chair)	1 of 1
Ruth McNeil	1 of 1
David Hopewell	1 of 1
Patricia Bacon	1 of 1
John Barnes	1 of 1
Mike Davis	1 of 1

The Committee's deliberations were supported by Tracy Bullock, Chief Executive and Accounting Officer.

Termination Policy

The Trust at present does not have a Termination Policy for Senior Managers, but each of the Executive Directors has a permanent contract and a notice period. At 31 March 2015, the termination period for all Executive Directors was six months. If a decision was required to terminate the contract of the individual then these terms would be adhered to, unless by mutual agreement and consideration of any potential risks or if the member of staff was summarily dismissed for gross misconduct.

Senior Manager Remuneration and Benefits

Pension arrangements for the Chief Executive and all Directors are in accordance with the NHS Pension Scheme, the Accounting Policies for Pensions and relevant benefits are set out in the Notes to the Accounts – Accounting Policies.

Full details of the remuneration can be found in Note 5.4.

Director Expenses and Remuneration

In line with the Health and Social Care Act, detailed below are non-audited expenses which have been claimed by Directors during 2014/15. Details of remuneration and Benefits in Kind are provided in the audited accounts and in particular Notes 5.4(a) to 5.4(d). The Trust's Board of Directors comprises 13 members – seven Non-Executive Directors (including the Chairman) and six Executive Directors (including the Chief Executive).

Number of Directors who Claimed	Total Amount
10	£18,896.07

Governor Expenses

Details of those Expenses which have been claimed by Governors during 2014/15 are also detailed below. In accordance with the Trust's Constitution, the Trust may pay travelling and

other expenses to members of the Council of Governors at rates determined by the Trust. Governors do not receive a salary. The Trust's Council of Governors comprises 29 Governors.

Number of Governors who Claimed	Total Amount
4	£862.75

Review of Tax Arrangements of Public Sector Appointees

In line with the Foundation Trust Reporting Manual, the Trust did not have any off-payroll engagements for the financial year ending 31 March 2015.



Tracy Bullock
Chief Executive

The Trust holds an annual Celebration of Achievement event, where staff are able to nominate those colleagues who have gone the extra mile for awards in various categories. Pictured here is Jonathon Nulty, a Staff Nurse in Critical Care, receiving the 2014 Chairman's Award from MCHFT Chairman Dennis Dunn MBE.



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 (hereafter known as 'the 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 Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for year ended 31 March 2015 and up to the date of approval of the Annual Report & Accounts.

Capacity to handle risk

During 2014/15, through the Integrated Governance Framework and with support from the Trust's Medical Director and Deputy Chief Executive, I provided leadership in respect of risk management processes, as evidenced

through the Integrated Governance and Risk Management Strategy, Risk Management Policy and the Corporate Governance Handbook. The Risk Management Strategy provides a framework for managing risk across the Trust which is consistent with best practice and national guidance. The Risk Management Policy provides a clear, structured and systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation. The Policy sets out the role of the Board of Directors and its Sub-Committees, together with the individual responsibilities of the Chief Executive, Executive Directors and all staff in managing risk. In particular, the Strategic Integrated 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 from the Strategic Integrated Governance Committee on all serious untoward incidents, including Never Events, as well as receiving reports on complaints claims and incidents, at each meeting. The Trust has mechanisms to act upon alerts and recommendations made by all relevant central bodies.

Appropriate and targeted risk management training is delivered as an integral part of the Trust's mandatory training programme. This training is supplemented through the Trust's internal management development programmes, as risk and governance training is part of these programmes. Risk management training is 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 the Divisional governance systems.

The Risk and Control Framework

Risk management requires participation, commitment and collaboration from all staff. The risk control objective of the Trust is to reduce risks to a reasonable level consistent with its vision "To deliver excellence in healthcare through innovation and collaboration". The Trust's Risk Management Policy details how risk will be identified evaluated and managed. It gives details of the monitoring arrangements and the authority for decision making through identified posts or committees. Risk management requires participation, commitment and collaboration from all staff. The process starts with the systematic identification of risks throughout the organisation via structured risk assessments. Identified risks are documented on the Trust's Risk Register. These risks are then analysed in order to determine their relative importance using a risk scoring matrix. Achieving control of the higher scoring risks is given priority over lower scoring risks. Risk control measures are identified and implemented to reduce the potential for harm. Many control measures do not require extra funding and these are implemented as soon as practicably possible. However, where risk control requires extra

funding then a risk funding process determines how best to use the Trust's financial resources to control that risk. The Board of Directors is kept fully informed of all significant risks and the plans to manage and 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. The risk management objectives are inherently linked to the strategic objectives 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 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 is assured that those controls are in place and operating effectively. The Board of Directors undertakes a formal assessment of risks to its key objectives quarterly, and related action plans have been drawn up and considered by the Board.

In addition, a Corporate Risk Register is maintained and updated quarterly. This register is comprised of those risks that are not specifically cited on the Board Assurance Framework and score 15 or above, or have a significant impact on the Trust, regardless of score. These risks are reviewed at the Strategic Integrated Governance Committee quarterly to ensure the risks are being mitigated as promptly as possible.

During 2014/15 the Trust's major risks in-year related to:

- Failure to deliver high quality clinical care 24/7 - investment in the clinical workforce remains a priority to ensure that patients see the right healthcare professional at the right time in the right location with access to the appropriate diagnostics;
- Higher than expected Summary Hospital–Level Mortality Indicator (SHMI) - there has been a continued focus on quality improvement across the Trust throughout

the year. This has seen a reduction in the SHMI to the 'as expected' indicator in the 12 month period to December 2013;

- Failure to deliver all local and national targets and standards - the Trust prides itself on delivery of high quality services to patients and this is reflected in our performance against key national targets. In 2014-15 the Trust delivered all cancer wait time targets despite significant case mix pressures and the referral to treatment (RTT) targets for admitted patients. However the Trust experienced volatile referral patterns in year, with significant peaks in September and October. This impacted on the Trust's RTT non-admitted performance in quarter 4.

The Trust continues to deliver the six week diagnostic target despite increased demand. The Trust has delivered the cancelled operations re-booked within 28 days of cancellation target in all but two months of the year. This reflects real progress against previous year's performance. The Trust has experienced significant non-elective pressures towards the end of Quarter 3 and throughout Quarter 4. This has impacted on delivery of the four hour standard in the Emergency Department. However the Trust has delivered the targets for ambulance turnaround times. The Trust implemented the revised national guidance for the reporting and classification of *Clostridium difficile*. During 2014/15 the Trust has seen a sustained position in the number of reported cases;

- Failure to implement the Information Management & Technology Strategy - despite a number of key business cases being approved by the Board of Directors subject to funding, failure to identify the required financial resource resulted in the implementation of the Trust's Information Management & Technology Strategy being delayed;
- Failure to deliver safe patient care in a theatre environment following four Never Events over the last 18 months, (three related to the theatre environment and one to medicines management), was identified as a risk, an external safety culture exercise

was commissioned and a programme of work initiated.

Major risks for 2015/16 include:

- Failure to deliver high quality clinical care 24/7;
- Failure to deliver seven-day services across all specialties, particularly where there are sub-specialisms;
- Insufficient rota cover due to a reduction in the number of Junior Doctors assigned to the Trust;
- The sustainability of certain clinical services (i.e. hyper-acute Stroke, urology, dermatology and maternity);
- The financial stability of the Trust;
- Failure to deliver all key local and national targets and standards;
- Lack of capital funds to implement the Information Management & Technology Strategy;
- The effectiveness of management and leadership arrangements within the Medicine and Emergency Care Division which could impact on delivery of the Trust objectives.

Incident reporting is openly encouraged through staff training and further embedded by the Trust's adoption of a Just Safety culture. Serious incidents undergo a detailed investigation and a root cause analysis review is chaired by an Executive Director. The results of the investigation are shared with the patient, relatives, and are reported to the Strategic Integrated Governance Committee. Lessons learned from incidents, claims and complaints, together with examples of good practice, are disseminated throughout the Trust. Action plans are followed up through the Board sub-committees.

Information governance risks are managed as part of the processes described above and assessed using the Information Governance Toolkit. The Trust's Risk Register contains the current information risks. Data quality and data security risks are managed and controlled via the risk management system. Risks to data quality and data security are continuously assessed and added to the Trust's Risk Register.

There have been no Level 2 Information Governance breaches during 2014/15. In addition, further independent assurance is provided by the annual internal audit of clinical coding by Mersey Coding Academy, the annual completeness and validity audit of admitted patient care and outpatient commissioning data submissions and the internal audit review of the Information Governance Toolkit.

A Quality and Safety Improvement Strategy is in place 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, Effectiveness and Safety Committee on a bi-monthly basis. The Quality Account, within this Annual Report & Accounts, describes quality improvements and quality governance in more detail. In support of the Quality and Safety Improvement Strategy there is an Equality, Diversity and Human Rights Strategy in place to ensure that all of our services are inclusive and meet the needs of the community. All Trust developments require an equality and diversity impact assessment. Equality impact assessments are required for all new and revised policies and for business cases and services. Control measures are in place to ensure that all the Trust's obligations under equality, diversity and human legislation are complied with.

The Trust is unconditionally registered with the Care Quality Commission (CQC). The CQC conducted a Comprehensive Inspection of the Trust in October 2014 and published its report in January 2015. The Trust was given 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 which are detailed in the Annual Quality Account. During this inspection the CQC was assured that the Trust had completed the recommendations made following the Dementia Care Inspection in February 2014. Therefore the CQC closed the action plan from the Dementia Care Inspection. During the Comprehensive Inspection the inspectors noted that there are good systems in place

for reporting and managing incidents and that there is a risk aware culture within the Trust with a willingness to learn from incidents.

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;
- The responsibilities of Directors and sub-committees;
- Reporting lines and accountabilities between the Board, its sub-committees and the Executive team;
- The submission of timely and accurate information to assess risks to compliance with the Trust's licence;
- The degree and rigour of oversight the Board has over the Trust's performance.

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

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

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. The Lead Governor attends the monthly Board of Director Meetings and Governors also sit on a

number of Board Committees where they have the opportunity to raise issues and inform the Risk Register.

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

The Trust has 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 Trust'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:

- Care Quality Commission Comprehensive Inspection October 2014. This looked at the quality of care and services provided by the Trust. It concluded that the Trust was meeting the required standards to provide safe and appropriate care, and had effective systems in place to coordinate with other health and social care providers in order to manage risks and assure the health, welfare and safety of people who receive care;
- The Trust's assessment against the Department of Health's Information Governance 2014/15, the outcome of which was an evaluation of reasonable assurance and a compliance score of 80% which was

a small improvement from the previous year;

- 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 Trust maintains a register of all external agency visits.

The financial plan is approved by the Board of Directors and submitted to Monitor. The plan, including forward projections, is scrutinised on a monthly basis by the Performance and Finance Committee, with key performance indicators and metrics reviewed by the Board of Directors. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources.

Divisional and corporate departments are responsible for the delivery of financial and other performance targets via a performance management framework. This framework includes service reviews with the Executive Team.

Annual Quality Account

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

The Annual Quality Account 2014/15 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, Governor, performance, nursing, the Information Department and the Clinical Commissioning Groups. Minutes from the group and items for escalation are reported to the Trust's Quality, Effectiveness and Safety Committee (QuEST) which is chaired by the Chief Executive and is a Board sub-committee.

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

Building capability in Quality Improvement techniques and skills has been, and remains, a key objective of the Trust. During the year, two cohorts, each containing 30 members of clinical staff, have been trained in Quality Improvement methods, in partnership with the Advancing Quality Alliance (AQuA). This training has resulted in a number of quality improvement projects demonstrating sustainable quality improvements for patients. In addition the Trust also committed to the national Sign up to Safety Campaign. The 6 pledges the Trust has made to reduce harm to patients are linked to the Quality and Safety Improvement Strategy.

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

The Trust assures the quality and accuracy of elective waiting time data through extensive audit and validation processes, training of key staff members and reports from RTT trackers, waiting list coordinators and Business Intelligence Unit analysts to inform monitoring and management by the Trust Performance Management Group and Data Quality Committee. The Trust has also commissioned

external parties (KPMG in July 2014) to review data quality and specifically RTT and Cancer wait time monitoring and graded their review of data quality as partial assurance. Recommendations from the KPMG audit have subsequently been actioned and are monitored through the Trust Data Quality Committee and reported to the Trust Audit Committee. During the data quality audit of the RTT indicator in the quality accounts, Deloitte identified discrepancies between information stored within the electronic records and six medical records. The Trust has analysed all these discrepancies which relate to the timeliness of amending closed pathways after review and is assured that action plans are in place to improve this going forward. The trust is assured that the discrepancies do not alter the trusts compliance with the standards.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, Clinical Audit and the Executive Directors and Clinical Leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Account included in 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, the Strategic Integrated Governance Committee and the Quality, Effectiveness and Safety Committee and 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 me and the Board of Directors with evidence of the effectiveness of controls in place to manage the risks to achieving the Trust's principal objectives.



Tracy Bullock
Chief Executive Officer/Accountable Officer

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 review and approval of the Board Assurance Framework and key performance indicators;
- 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;
- Strategic Integrated Governance Committee – through the review and management of the Trust's Board Assurance Framework and Risk Register, and the scrutiny of serious incidents.

Conclusion

The Head of Internal Audit has indicated that based on the work undertaken in 2014/15, significant with minor improvements assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Where weaknesses have been identified in data quality, appropriate action plans are in place to deliver the required improvements. From the systems and mechanisms outlined above the Board of Directors is able to take assurance that the governance systems in place are robust and functional.



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Annual Accounts

Foreword to the accounts

These accounts for the year ended 31 March 2015 have been prepared by Mid Cheshire Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 in the form which Monitor, the Independent Regulator of NHS Foundation Trusts has, with the approval of the Treasury, directed.



Tracy Bullock
Chief Executive

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 Monitor.

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

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

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

- prepare the financial statements on a going concern basis.

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

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



Tracy Bullock
Chief Executive

26 May 2015

Independent Auditors' Report to the Board of Governors and Board of Directors of Mid Cheshire Hospitals NHS Foundation Trust

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 31 March 2015 and of the Group's and Trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash flows and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.

Going concern

We have reviewed the Accounting Officer's statement contained on page 158 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.

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:

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

Risk	How the scope of our audit responded to the risk
<p>Recognition of NHS revenue</p> <p>There are significant judgments in the recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> the complexity of the payment by results regime, in particular in determining the level of performance and CQUIN (Commissioning for Quality and Innovation) revenue to recognise; the judgemental nature of provisions for disputes, including in respect of outstanding overperformance income for quarters 3 and 4. the challenges experienced across the sector in 2013/14 in recovering income and increases in debtor aging the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes and agreement of future year contracts <p>The value of this revenue in 2014/15 is £165m, see note 3.1 for further details</p>	<p>We performed detailed substantive testing of the recoverability of overperformance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.</p> <p>We obtained an understanding of the nature of each provision, the basis for the position adopted and the evidence of historical accuracy of the provisions made for disputes with commissioners.</p> <p>We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted and reviewed correspondence with commissioners.</p>

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

	<p>The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 167.</p> <p>Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.</p>
Our application of materiality	<p>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.</p> <p>We determined materiality for the Group to be £1.9m. This is 1% of Operating income from continuing operations and below 3% of Taxpayers' Equity. Our determination of materiality was based upon Operating Income from Continuing Activities as, in our judgment, this represented the most accurate measure of the scale of the Group.</p> <p>We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £97k, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.</p> <p>We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.</p>

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

<p>An overview of the scope of our audit</p>	<p>Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level.</p> <p>The focus of our audit work was on the Trust, with work performed at the Trust's offices at Leighton Hospital directly by the audit engagement team, led by the audit partner.</p> <p>The group comprises two components, the Foundation Trust (which represents 100% of the group when measured by Operating Income and 97% when measured by Total Assets Employed) and the Charity (Mid Cheshire Hospitals Charitable Fund) (which represent the remainder).</p> <p>The Trust's subsidiary, Mid Cheshire Hospitals Charitable Fund ("the Charity"), is also subject to a full audit. For Group purposes, we performed specified audit procedures on the Charity, where the extent of our testing was based on our assessment of the risks of material misstatement and the materiality of the charity to the Group.</p> <p>Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality. At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.</p> <p>The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and Information Technology systems.</p>
<p>Opinion on other matters prescribed by the National Health Service Act 2006</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006, and the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception	
<p><i>Annual Governance Statement, use of resources, and compilation of financial statements</i></p>	<p>Under the Audit Code for NHS Foundation Trusts, we are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> 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. <p>We have nothing to report in respect of these matters.</p> <p>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.</p>
<p><i>Our duty to read other information in the Annual Report</i></p>	<p>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:</p> <ul style="list-style-type: none"> materially inconsistent with the information in the audited financial statements; 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. <p>In particular, we have considered whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.</p>

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

<p>Respective responsibilities of the accounting officer and auditor</p>	<p>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 Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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.</p> <p>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.</p>
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INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF MID CHESHIRE HOSPITALS NHS FOUNDATION TRUST (continued)

<p>Scope of the audit of the financial statements</p>	<p>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.</p>
<p>Qualified Certificate</p>	<p>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 Audit Code for NHS Foundation Trusts except that we have qualified our conclusion on the Quality Report in respect of the percentage of incomplete pathways within the 18 weeks referral to treatment indicator.</p>



Paul Thomson, ACA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Leeds, UK

27 May 2015

Statement of Comprehensive Income for the Year ended 31 March 2015

	Note	Group		Foundation Trust	
		2014/15 £000	2013/14 £000	2014/15 £000	2013/14 £000
Operating Income from patient care activities	3	167,362	163,954	167,362	163,954
NHS Charitable Funds: Incoming Resources excluding investment income	4	1,280	295	-	-
Other operating income	4	24,305	19,265	25,108	19,380
Operating expenses	5	(191,720)	*(196,135)	(191,503)	*(195,854)
OPERATING (DEFICIT)/SURPLUS		(53)	(12,621)	967	(12,520)
Finance Costs:					
Finance Income	8	81	103	53	67
Finance expense – financial liabilities	9.1	(139)	(113)	(139)	(113)
Finance expense – unwinding of discount on provisions	22	(21)	(30)	(21)	(30)
PDC Dividends paid	28	(1,983)	(2,048)	(1,983)	(2,048)
NET FINANCE COSTS		(2,062)	(2,088)	(2,090)	(2,124)
DEFICIT FOR THE YEAR		(2,115)	(14,709)	(1,123)	(14,644)
Other comprehensive income					
Gain from transfer by absorption		-	90	-	90
Impairments on property, plant and equipment	23	(5,499)	(20,880)	(5,499)	(20,880)
Revaluations gains on property, plant and equipment	23	5,298	19,117	5,298	19,117
Fair Value gains/(losses) on Available-for-sale financial investments	34	41	(19)	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		(2,275)	(16,401)	(1,324)	(16,317)

The notes on pages 172 to 222 form part of these accounts.
All income and expenditure is derived from continuing operations.

*Impact of Property Plant and Equipment valuations

	Group		Foundation Trust	
	2014/15 £'000	2013/14 £'000	2014/15 £'000	2013/14 £'000
Operating Surplus before adjustments for valuation	401	3,337	1,315	3,438
Impairment of Property Plant and Equipment	(3,365)	(16,001)	(3,365)	(16,001)
Reversal of previous impairments charged to the Statement of Comprehensive Income	3,017	43	3,017	43
Net Operating (deficit)/surplus	(53)	(12,621)	967	(12,520)

Operating Expenses include a non-cash adjustments £3,365K and operating income includes Reversal of previous impairments charged to the Statement of Comprehensive Income of £3,017K. The adjustments reflect the changes in the value of the Trusts' property, plant and equipment. Accounting standards require that these adjustments are recognised in operating income and expenditure. The underlying operating surplus was £401K for the Group and surplus of £1,315K for the Foundation Trust which would leave a net deficit of £1,661K for the Group and £773K for the Foundation Trust after interest and dividend charges.

Group Statement of Financial Position as at 31 March 2015

		31 March 2015	31 March 2014
	Note	£000	£000
Non-current assets			
Intangible assets	10	977	1,033
Property, plant and equipment	11	74,867	67,893
Other Investments	12	987	925
Trade and other receivables	15	380	304
Total non-current assets		77,211	70,155
Current assets			
Inventories	14	2,947	3,107
Trade and other receivables	15	7,021	8,772
Cash and cash equivalents	24	7,163	12,202
Non-current assets held for sale	13	-	31
Total current assets		17,131	24,112
Current liabilities			
Trade and other payables	18	(13,165)	(14,871)
Borrowings	20	(921)	(882)
Provisions	22	(213)	(211)
Other liabilities	19	(999)	(1,070)
Total current liabilities		(15,298)	(17,034)
Total assets less current liabilities		79,044	77,233
Non-current liabilities			
Trade and other payables	18	-	-
Borrowings	20	(5,621)	(1,770)
Provisions	22	(1,762)	(1,527)
Total non-current liabilities		(7,383)	(3,297)
Total assets employed		71,661	73,936
Financed by taxpayers' equity			
Public dividend capital		75,146	75,146
Revaluation reserve	23	9,709	9,743
Income and expenditure reserve		(15,154)	(13,864)
Others' equity			
Charitable Fund Reserve		1,960	2,911
Total taxpayers' and others' equity		71,661	73,936

The financial statements on pages 166 to 222 were approved and authorised for issue by the Board and signed on its behalf on 26 May 2015.



Chief Executive

Foundation Trust Statement of Financial Position as at 31 March 2015

		31 March 2015	31 March 2014
	Note	£000	£000
Non-current assets			
Intangible assets	10	977	1,033
Property, plant and equipment	11	74,867	67,893
Other Investments	12	-	-
Trade and other receivables	15	380	304
Total non-current assets		76,224	69,230
Current assets			
Inventories	14	2,947	3,107
Trade and other receivables	15	6,284	8,767
Cash and cash equivalents	24	6,927	11,149
Non-current assets held for sale	13	-	31
Total current assets		16,158	23,054
Current liabilities			
Trade and other payables	18	(13,165)	(14,799)
Borrowings	20	(921)	(882)
Provisions	22	(213)	(211)
Other liabilities	19	(999)	(2,070)
Total current liabilities		(15,298)	(17,962)
Total assets less current liabilities		77,084	74,322
Non-current liabilities			
Trade and other payables	18	-	-
Borrowings	20	(5,621)	(1,770)
Provisions	22	(1,762)	(1,527)
Total non-current liabilities		(7,383)	(3,297)
Total assets employed		69,701	71,025
Financed by taxpayers' equity			
Public dividend capital		75,146	75,146
Revaluation reserve	23	9,709	9,743
Income and expenditure reserve		(15,154)	(13,864)
Total taxpayers' and others' equity		69,701	71,025

Statement of Changes in Taxpayers' Equity as at 31 March 2015 - Group

	Note	Public dividend capital (PDC) £000	Retained Earnings £000	Revaluation Reserve £000	Foundation Trust Total £000	NHS Charitable Fund Reserve £000	Group Total £000
Taxpayers' Equity at 1 April 2014		75,146	(13,864)	9,743	71,025	2,911	73,936
Retained deficit for the year		-	(3,206)	-	(3,206)	1,091	(2,115)
Transfer between reserves	23	-	(167)	167	-	-	-
Fair value loss on Available for sale financial investments	34	-	-	-	-	41	41
Impairments	23	-	-	(5,499)	(5,499)	-	(5,499)
Revaluations	23	-	-	5,298	5,298	-	5,298
Public Dividend Received		-	-	-	-	-	-
Other reserve movement – charitable funds consolidation adjustment		-	2,083	-	2,083	(2,083)	-
Taxpayers' equity at 31 March 2015		75,146	(15,154)	9,709	69,701	1,960	71,661

Statement of Changes in Taxpayers' Equity as at 31 March 2015 - Foundation Trust

	Note	Public dividend capital (PDC) £000	Retained Earnings £000	Revaluation Reserve £000	Foundation Trust Total £000
Taxpayers' Equity at 1 April 2014		75,146	(13,864)	9,743	71,025
Retained deficit for the year		-	(1,123)	-	(1,123)
Transfer between reserves	23	-	(167)	167	-
Impairments	23	-	-	(5,499)	(5,499)
Revaluations	23	-	-	5,298	5,298
Public Dividend Received		-	-	-	-
Taxpayers' equity at 31 March 2015		75,146	(15,154)	9,709	69,701

Statement of Changes in Taxpayers' Equity as at 31 March 2014 - Group

	Public dividend capital (PDC) £000	Retained Earnings £000	Revaluation Reserve £000	Foundation Trust Total £000	NHS Charitable Fund Reserve £000	Group Total £000
Taxpayers' Equity at 1 April 2013	58,046	591	11,605	70,242	2,995	73,237
Retained deficit for the year	-	(14,759)	-	(14,759)	50	(14,709)
Transfers by MODIFIED absorption: Gains on 1 April transfers from demising bodies.	-	90	-	90	-	90
Transfer between reserves	-	99	(99)	-	-	-
Fair value loss on Available for sale financial investments	-	-	-	-	(19)	(19)
Impairments	-	-	(20,880)	(20,880)	-	(20,880)
Revaluations	-	-	19,117	19,117	-	19,117
Public Dividend Received	17,100	-	-	17,100	-	17,100
Other reserve movement – charitable funds consolidation adjustment	-	115	-	115	(115)	-
Taxpayers' equity at 31 March 2014	75,146	(13,864)	9,743	71,025	2,911	73,936

Statement of Changes in Taxpayers' Equity as at 31 March 2014 - Foundation Trust

	Public dividend capital (PDC) £000	Retained Earnings £000	Revaluation Reserve £000	Foundation Trust Total £000
Taxpayers' Equity at 1 April 2013	58,046	591	11,605	70,242
Retained deficit for the year	-	(14,644)	-	(14,644)
Transfers by MODIFIED absorption: Gains on 1 April transfers from demising bodies.	-	90	-	90
Transfer between reserves	-	99	(99)	-
Fair value loss on Available for sale financial investments	-	-	-	-
Impairments	-	-	(20,880)	(20,880)
Revaluations	-	-	19,117	19,117
Public Dividend Received	17,100	-	-	17,100
Taxpayers' equity at 31 March 2014	75,146	(13,864)	9,743	71,025

Statement of Cash Flows for the Year ended 31 March 2015

	Group		Foundation Trust	
	2014/15	2013/14	2014/15	2013/14
	£000	£000	£000	£000
Cash flows from operating activities				
Operating (deficit)/surplus	(53)	(12,621)	967	(12,520)
Non-Cash income and expense				
Depreciation and amortisation	4,195	4,314	4,195	4,314
Impairments	3,365	16,001	3,365	16,001
Reversal of impairments	(3,017)	(43)	(3,017)	(43)
Decrease/(Increase) in trade and other receivables	2,204	(1,084)	2,207	(1,044)
Non-cash donations/grants credited to income	(24)	-	(24)	-
Decrease in Inventories	160	230	160	230
(Decrease)/Increase in trade and other payables	(725)	581	(725)	581
(Increase)/Decrease in other current liabilities	(71)	939	(1,071)	1,939
Increase in provisions	216	23	216	23
NHS Charitable Funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	(801)	52	-	-
Other movements in operating cash flows	4	5	4	5
Net cash generated from operations	5,453	8,397	6,277	9,486
Cash flows from investing activities				
Interest received	53	67	53	67
Payments for intangible assets	(246)	(469)	(246)	(469)
Payments for property, plant and equipment	(10,305)	(21,519)	(10,305)	(21,519)
Sales of plant property and equipment				-
NHS Charitable funds - net cash flows from investing activities	7	14	-	-
Net cash used in investing activities	(10,491)	(21,907)	(10,498)	(21,921)
Cash flows from financing activities				
Public dividend capital received	-	17,100	-	17,100
Loans received from Independent Trust Financing Facility	3,150	-	3,150	-
Capital element of finance lease rental payments	(1,229)	(1,299)	(1,229)	(1,299)
Interest element of finance lease	(139)	(113)	(139)	(113)
Public Dividend Capital paid	(1,783)	(2,408)	(1,783)	(2,408)
Net cash used in financing activities	(1)	13,280	(1)	13,280
Increase in cash and cash equivalents	(5,039)	(230)	(4,222)	845
Cash and Cash equivalents at 1 April	12,202	12,432	11,149	10,304
Cash and Cash equivalents at 31 March	7,163	12,202	6,927	11,149

Notes to the Accounts

1. Accounting Policies

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2014/15 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

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 statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Generally Accepted Accounting Principles (UK GAAP). 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

The policies followed, which deal with income, voluntary assistance and donations, are:

a) Cash donations, gifts, investment income and cash collected from fundraising events are included in full in the Statement of Financial Activities as soon as the Charity's rights become legally enforceable and there is a reasonable assurance of receipt. This point is determined as confirmation of receipt into the nominated bank account.

b) Legacies are accounted for as incoming resources either upon receipt or where the receipt and value of the legacy is virtually certain; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made once all conditions attached to the legacy have been fulfilled.

Resources Expended

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 (continued)

Resources expended are split into two main categories being the costs of generating funds and the actual costs of charitable activities. The costs of generating funds are the costs associated with generating income for the charitable funds including the cost of Investment manager's fees and fundraising activities. 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.

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. Where VAT is irrecoverable on purchases, the gross cost is charged to the funds.

Investment Fixed Assets

Stocks and shares quoted in the London Stock Exchange and unit trusts are included on the Balance Sheet at mid-market price, ex dividend on the Statement of Financial Position date. Realised and unrealised gains and losses are included on the Statement of Financial Activities and are calculated against the carrying value at the previous Balance Sheet date or cost if the asset was acquired during the year. Investment in the manufacture/processing of tobacco products is not permitted under the Investment Policy.

Structure of Funds

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Mid Cheshire Hospitals Charity holds no endowment funds. Other funds are classified as unrestricted funds. Unrestricted funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include

designated funds where the donor has made known their non-binding wishes or where the Trustee at its discretion has created a fund for a specific purpose.

The Trustee involves each division, ward, department, and where appropriate staff representatives, in fundraising and decisions regarding expenditure of charitable monies. A Committee of the Trust Board meets regularly and approves all expenditure. Please see Note 34.

Pooling Scheme

Any official pooling scheme is operated for investments relating to all Mid Cheshire Hospitals NHS Foundation Trust Charitable Funds. This was registered with the Charity Commission on 8 April 1998.

Joint Ventures

Joint ventures are separate entities over which the Trust has joint control with one or more other parties. Control is defined as having the power to exercise control or as having a dominant influence so as to gain economic or other benefits.

1.4 Pooled budgets

The Trust has not entered into a pooled budget arrangement.

1.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects

only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.5.1 Critical judgements in applying accounting policies

There are no critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the entity's accounting policies.

1.5.2 Key sources of estimation uncertainty

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

Incomplete Spells: Until activity is fully coded on discharge, the level of income calculation is described under note 3.1 Income from activities. In addition, Ante-natal pathway income has had an adjustment to reflect incomplete pathways as at 31 March 2015, 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 2015 is £92,182.

Employees' Expenses: At 31 March 2015 the accrual for outstanding holidays is £241,741. 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 91% 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

1.6 *Income (continued)*

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. The scheme is 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, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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 fair value.

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 buildings as at 31 March 2014. The Trust, in the most recent valuation as at 31 March 2015, used a MEA alternative site and/or accommodation basis. This considers the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space, efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. In addition, the site of the MEA may not be necessarily in the same location as the existing assets and therefore alternative sites have been considered.

It is the opinion of the qualified external valuer that the market value for existing use of the property has been primarily derived using the depreciated replacement cost approach because of the specialised nature of the asset

means that there are no market transactions of this type of asset except as part of the business or entity.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the

Subsequent expenditure (continued)

cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

1.10 Intangible fixed assets

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

Intangible assets are capitalised when they have a cost of at least £5,000. Intangible assets acquired separately are initially recognised at cost.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

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

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the trust intends to complete the asset and sell or use it;
- the trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of

the asset;

- adequate financial, technical and other resources are available to the
- trust to complete the development and sell or use the asset; and
- the trust can measure reliably the expenses attributable to the asset during development.

There was no such expenditure requiring capitalisation at the Statement of Financial Position date. Expenditure which does meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. NHS foundation trusts disclose the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately.

However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset. Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Following initial recognition at cost, intangible assets are carried at depreciated historic cost as this is not considered to be materially different from fair value. Internally-developed software is held at historic cost to reflect the opposite effects of development costs and technological advances. Purchased computer software licences are held at cost less any amortisation and impairment.

1.11 Depreciation, amortisation and impairments

Land and assets under construction are not depreciated.

Otherwise, depreciation and amortisation are charged on a straight line basis to write off the costs or valuation of tangible and intangible non-current assets, less any residual value, over their estimated useful lives. The estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives or, where shorter, the lease term.

At each Statement of Financial Position date, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

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

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the

income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Buildings and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's Professional Valuers.

The estimated life of buildings ranges between 5 to 85 years.

Plant and Equipment are depreciated evenly over the estimated life of the asset, as follows:

- Plant and Equipment – 1 to 15 years
- Information Technology – 1 to 15 years
- Furniture & Fittings – 1 to 10 years

1.12 De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
 - management are committed to a plan to sell the asset;
 - an active programme has begun to find a buyer and complete the sale;
 - the asset is being actively marketed at a reasonable price;
 - the sale is expected to be completed within 12 months of the date of classification as "Held for Sale"; and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their "fair value less costs to sell". Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

1.12 De-recognition (continued)

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 primary care trusts or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match expenditure.

1.16 Leases

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

other leases are classified as operating leases.

The Trust as lessee

Amounts held under finance leases are initially recognised as an asset at the inception of the lease at fair value or, if lower, at the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The asset is recorded as property, plant and equipment with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income.

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

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust’s net investment outstanding in respect of the leases.

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

The Trust as lessor (continued)

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.

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

1.21 Clinical Negligence Costs (continued)

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 2014/15 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 one 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

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

1.27 Corporation Tax (continued)

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 trust's to pay corporation tax on the profits of certain non-healthcare related activities. A consultation document was issued in August 2008 which put forward the suggestion that the profits from all non-healthcare activities should be aggregated and corporation tax paid thereon. The payment of corporation tax has now been deferred and thus there is no tax liability arising in respect of the current financial year.

1.28 Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the Statement of Comprehensive Income. At the Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Statement of Financial Position date.

1.29 Third Party Assets

Assets belonging to third parties are not recognised in the accounts if, in the opinion of the directors:

- a) the Trust has no beneficial interest in them;
- b) they are of significant value and therefore justify the administrative costs of maintaining separate bank accounts. In all other cases, third party assets are incorporated within the Trust's other asset and a corresponding liability is included in Creditors.

Details of Third party assets are given in Note 31 to the accounts.

1.30 Public Dividend Capital (PDC) and PDC Dividend

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the original NHS trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32 it is not treated as an equity financial instrument.

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund Deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.31 Losses and Special Payments

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

Losses and Special Payments are charged to the relevant functional headings on a cash basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, Note 33 is compiled directly from the losses and compensation register which reports on an accrual basis with the exception of provisions for future losses.

1.32 Transfers of functions between NHS bodies / local government bodies

For functions that have been transferred to the trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net [assets/liabilities] transferred is recognised within income/expenses, but not within operating activities. The net gain corresponding to the net assets transferred from Central and Eastern Cheshire PCT in 2013/14 is recognised within the income and expenditure reserve.

For property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation Amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the trust has transferred to another NHS/local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised

are transferred to the income and expenditure reserve.

1.33 Going Concern

The use of going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the NHS Foundation Trust to continue as a going concern.

1.34 Accounting Standards that have been issued but have not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted:

Change Published	Published by IASB	Financial year for which the change first applies
IFRS 9 Financial Instruments	July 2014	Not yet EU adopted. Expected to be effective from 2018/19
IFRS 13 Fair Value Measurement	May 2011	Adoption delayed by HM Treasury. To be adopted from 2015/16
IFRS 15 Revenue from contracts with customers	May 2014	Not yet EU adopted. Expected to be effective from 2017/18
IAS 36 (amendment) recoverable amount disclosure	May 2013	To be adopted from 2015/16 (aligned to IFRS 13 adoption)
Annual improvements 2012	December 2013	Effective from 2015/16 but not yet EU adopted
Annual improvements 2013	December 2013	Effective from 2015/16 but not yet EU adopted
IAS 19 (amendment) employer contributions to defined benefit pension schemes	November 2013	Effective from 2015/16 but not yet EU adopted
IFRIC 21 Levies	May 2013	EU adopted in June 2014 but not yet adopted by HM Treasury

1.34 Accounting Standards that have been issued but have not yet been adopted (continued)

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

1.35 Accounting standards, amendments and interpretations issued that have been adopted early

The Trust has not early adopted any new accounting standards, amendments or interpretations.

2. Segmental Reporting

The Trust considers the Board of Directors to be the Chief Operating Decision Maker. The Audit Committee has assessed the Trust's position against IFRS 8 and concluded that the Trust operates in a single healthcare segment. This recommendation was approved by the Board of Directors during its March 2015 meeting.

3. Income From Activities

3.1 Income from patient care activities comprises:

Group and Foundation Trust	2014/15 £000	2013/14 £000
Elective Income	27,264	29,267
Non Elective Income	47,175	49,543
Outpatient Income	30,362	31,358
A & E Income	7,171	7,059
Other NHS Clinical Income	52,696	43,992
Income from activities (before private patient income)	164,668	161,219
Other non-protected clinical income	1,160	1,146
Private patient income	1,534	1,589
Total Activity Income	167,362	163,954

The elective and non-elective income includes the levels of incomplete spells as at 31 March 2015. 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 £37,911. An decrease of £129,055 is due to a change in price and an increase of £91,144 is due to a change in volume.

The Ante-natal pathway income has had an adjustment to reflect incomplete pathways as at 31 March 2015, 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 2015 and have not delivered by this date, which is calculated on the basis of the pathway tariff paid at that point multiplied by the percentage of days left of the incomplete pathway based upon on the patient's expected due date. The movement in year impacting the recognised income is an increase of £168,392.

Included in Other NHS Clinical Income is direct access income for Pathology and Radiology, Community Service income, high cost drugs income and income for screening programmes.

Injury Cost Recovery income included in 'Other non-protected clinical income' is subject to a provision for doubtful debts of 18.9% (2013/14 15.8%) 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	
	2014/15 £000	2013/14 £000	2014/15 £000	2013/14 £000
Education and training	5,520	5,321	5,520	5,321
Received from NHS Charities: Receipt of grants/ donations for capital acquisitions - Donation	-	-	61	99
Received from NHS charities: Cash donations / grants for the purchase of capital assets	-	-	2,011	-
Received from NHS charities: Other charitable and other contributions to expenditure	-	-	11	16
Received from other bodies: Receipt of grants/ donations for capital acquisitions - Donation	24	39	24	39
Received from other bodies: Cash donations / grants for the purchase of capital assets	152	-	152	-
Received from other bodies: Other charitable and other contributions to expenditure	13	59	13	59
Non-patient care services to other bodies	10,529	10,136	10,529	10,136
Other	3,184	2,894	3,184	2,894
Reversal of impairments of property, plant and equipment	3,017	43	3,017	43
Staff Recharges	273	484	273	484
Rental Revenue from operating leases	313	289	313	289
NHS Charitable Funds: Incoming Resources excluding investment income	1,280	295	-	-
Total other operating income	24,305	19,560	25,108	19,380

4.1 Operating Lease Income

Group and Foundation Trust		2014/15 £000	2013/14 £000
Operating Lease Income			
Rents recognised in the period		313	289
Total		313	289
Future minimum lease payments due			
On leases of Land expiring			
- Not later than one year		2	2
- Later than one year but not later than five years		9	8
- Later than five years		188	187
Sub Total		199	197
On Leases of Buildings expiring			
- Not later than one year		307	301
- Later than one year but not later than five years		808	494
- Later than five years		-	114
Sub Total		1,115	909
Total		1,314	1,106

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)

	2014/15 Total £000
Income recognised this year	14
Cash payments received in-year (relating to invoices raised in current and previous years)	7
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	-
Amounts written off in-year (relating to invoices raised in current and previous years)	-

5. Operating Expenses

5.1 Group operating expenses comprise:

	Group		Foundation Trust	
	2014/15	2013/14	2014/15	2013/14
	£000	£000	£000	£000
Employee expenses - Staff	128,312	123,780	128,312	123,780
Employee expenses - Directors' costs	945	928	945	928
Employee expenses - Non-Executives' Costs	130	138	130	138
NHS Charitable funds - employee expenses	65	54	-	-
Supplies and services - clinical	14,933	14,278	14,933	14,278
Depreciation on property, plant and equipment	3,832	4,063	3,832	4,063
Amortisation of intangible assets	363	251	363	251
Impairments of property, plant and equipment	3,365	16,001	3,365	16,001
Premises - business rates payable to local authorities	628	485	628	485
Premises	6,726	6,401	6,726	6,401
Inventories written down	53	35	53	35
Drug Costs (non-inventory costs)	322	307	322	307
Drug Costs (inventories consumed)	12,513	10,754	12,513	10,754
Clinical negligence	3,366	3,637	3,366	3,637
Other	2,913	1,492	2,913	1,492
NHS Charitable funds: Other resources expended	147	222	-	-
Consultancy services	193	906	193	906
Supplies and services – general	2,512	2,314	2,512	2,314
Printing, stationery, travel & recruitment advertising	1,465	1,412	1,465	1,412
Services from NHS bodies	5,486	4,998	5,486	4,998
Transport (business travel only)	349	351	349	351
Transport (other)	409	332	409	332
Rentals under operating lease	872	769	872	769
Auditor's remuneration	78	76	78	76
Other Auditor's remuneration	3	-	3	-
Audit services - charitable fund accounts	5	5	-	-
Purchase of healthcare from non-NHS bodies	562	792	562	792
Provision for impairment of receivables (including provision against Road Traffic income)	275	519	275	519
Legal Fees	103	92	103	92
Hospitality	14	14	14	14
Redundancies	-	-	-	-
Training Courses and Conferences	418	369	418	369
Patient Travel	22	27	22	27
Insurances	157	179	157	179
Other services	99	86	99	86
Change in provisions discount rate(s)	73	57	73	57
Losses, ex gratia and special payments	12	11	12	11
Total	191,720	196,135	191,503	195,854

5.2 Auditor's Remuneration

The analysis of auditor's remuneration is as follows:

	Group		Foundation Trust	
	2014/15	2013/14	2014/15	2013/14
	£000	£000	£000	£000
Fees payable to the auditor for the audit of the Trust's annual accounts	78	76	78	76
Audit services - charitable fund accounts	5	5	-	-
Total audit fees	83	81	78	76
Other services	3	-	3	-
Total Non-Audit fees	86	-	81	-

Auditor's 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			
	2014/15	2014/15	2014/15	2014/15
	Buildings	Plant and Machinery	Other	Total
	£000	£000	£000	£000
Lease payments	-	832	40	872
Total	-	832	40	872
	2013/14	2013/14	2013/14	2013/14
	Buildings	Plant and Machinery	Other	Total
	£000	£000	£000	£000
Lease payments	-	741	28	769
Total	-	741	28	769

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:	2014/15	2014/15	2014/15	2014/15
	Buildings	Plant and Machinery	Other	Total
	£000	£000	£000	£000
- Not later than one year;	-	592	222	814
- Later than one year and not later than five years;	-	741	278	1,019
- Later than five years.	-	-	-	-
Total	-	1,333	500	1,833

Included in other lease arrangements are lease cars. In addition the Trust introduced a car Salary Sacrifice scheme for staff and the commitment is included, however these costs are recovered via a monthly reduction in salary.

Future non-cancellable minimum lease payments due:	2013/14	2013/14	2013/14	2013/14
	Buildings	Plant and Machinery	Other	Total
	£000	£000	£000	£000
- Not later than one year;	-	558	29	587
- Later than one year and not later than five years;	-	892	22	914
- Later than five years.	-	-	-	-
Total	-	1,450	51	1,501

5.4 (A) Senior and Manager remuneration and benefits - Emoluments

2014/15

Name	Title	Gross Pay £000s	Expense Payments £00s*	Performance Pay and Bonuses £000s	Long Term Performance Pay and Bonuses £000s	All Pensions related Benefits £000s	Total £000s
Dunn D	Chairman	46	-	-	-	-	46
Hopewell D	Non-Executive	20	-	-	-	-	20
Allen R	Non-Executive (from 01/09/2014 until 31/01/2015)	5	-	-	-	-	5
McNeil R	Non-Executive	12	-	-	-	-	12
Bacon P	Non-Executive	14	-	-	-	-	14
Barnes J	Non-Executive	12	-	-	-	-	12
Davis M	Non-Executive	12	-	-	-	-	12
Bullock T	Chief Executive	149	6	-	-	-	150
Oldham M	Director of Finance	113	79	-	-	3	123
Smith J	Director of Nursing & Quality	101	52	-	-	3	109
Frodsham D	Chief Operating Officer	106	69	-	-	3	116
Pitt D	Director of Service Transformation and Workforce (until 08/02/15)	84	-	-	-	2	86
Marston W	Interim Director of Service Transformation and Workforce (from 02/02/15)	14	-	-	-	-	14
Dodds P	Deputy Chief Executive Officer & Medical Director	200	-	-	-	(3)	197
Total		888	206	-	-	8	916

D Pitt is on secondment, however the Trust continues to pay his salary but is receiving a contribution for part of that salary. W Marston joined the NHS Pension scheme on February 2 2015. The NHS Pensions agency were unable to provide any information as no contribution had been made. Therefore these pension benefits have not been shown, however due to the short service these figures are minimal.

* Benefits in Kind for the Executive Directors relate to lease cars provided by the Mid Cheshire Hospitals NHS Foundation Trust. The figures are reported both in 'thousands' and 'hundreds' to comply with the foundation trust annual reporting manual.

5.4 (A) Senior and Manager remuneration and benefits - Emoluments

2013/14

Name	Title	Gross Pay £000s	Expense Payments £00s*	Performance Pay and Bonuses £000s	Long Term Performance Pay and Bonuses £000s	All Pensions related Benefits £000s	Total £000s
Moran J	Chairman	45	21	-	-	-	47
Hopewell D	Non-Executive	18	11	-	-	-	19
Wood A	Senior Independent Director and Deputy Chairman (until 30/04/13)	1	-	-	-	-	1
Dunn D	Non-Executive	15	-	-	-	-	15
McNeil R	Non-Executive	12	2	-	-	-	12
Bacon P	Non-Executive	12	2	-	-	-	12
Barnes J	Non-Executive	12	-	-	-	-	12
Davis M	Non-Executive	12	-	-	-	-	12
Bullock T	Chief Executive	148	-	-	-	21	169
Oldham M	Director of Finance & Strategy	112	74	-	-	50	169
Smith J	Director of Nursing & Quality	100	44	-	-	71	175
Frodsham D	Chief Operating Officer	105	58	-	-	73	184
Pitt D	Director of Service Transformation & Workforce	100	-	-	-	29	129
Dodds P	Deputy Chief Executive Officer & Medical Director	187	-	-	-	49	236
Total		879	212			293	1,193

* Benefits in Kind for the Executive Directors relate to lease cars provided by the Mid Cheshire Hospitals NHS Foundation Trust. The benefits in kind for the Non- Executives are payments for Travel. The figures are reported both in 'thousands' and 'hundreds' to comply with the foundation trust annual reporting manual.

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

Name	Title	Real increase in pension at age 60	Real increase in lump sum at age 60	Total accrued pension at age 60 at 31 March 2015	Total accrued lump sum at age 60 at 31 March 2015	Cash Equivalent Transfer Value at 31 March 2015	Cash Equivalent Transfer Value at 31 March 2014	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	1	3	57	172	1,000	930	22	-
Dodds P	Deputy Chief Executive & Medical Director	1	3	69	207	1,358	1,264	29	-
Oldham M	Director of Finance	1	2	41	124	686	637	16	-
Frodsham D	Chief Operating Officer	1	2	35	105	697	645	18	-
Smith J	Director of Nursing & Quality	1	2	33	97	497	459	13	-
Pitt D	Director of Service Transformation & Workforce (On secondment from 08/02/2015)	1	2	34	103	619	574	13	-
Marston W	Interim Director of Service Transformation and Workforce (From 01/02/2015)	-	-	-	-	-	-	-	-

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

The Trust has made no Employers' contribution to any stakeholder pension.

The normal retirement age for all senior management is 60 years of age.

W Marston joined the NHS Pension scheme on February 2, 2015. The NHS Pensions agencies were unable to provide any information as no contribution had been made. Therefore these pension benefits have not been shown, however due to the short service these figures are minimal.

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV – this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

5.4 (D) Multiple Statement

Group and Foundation Trust

	2015 £000	2014 £000	Change %
Highest Paid Director gross cost	200	187	6.55
Median Total earnings	25	25	0.69
Ratio	7.89	7.46	5.82

The median total earnings was calculated using the full-time equivalent gross cost of all staff paid through the Trust's payroll in March 2015 which is then annualised. Both the highest paid director and other staff received a one per cent pay rise. However, in 2014/15 the highest paid director was given an increase in clinical excellence awards.

6. Staff Costs and Numbers

6.1 Staff Costs

	Group		Foundation Trust	
	2014/15	2013/14	2014/15	2013/14
	£000	£000	£000	£000
Salaries and wages	105,138	102,679	105,138	102,679
Social Security Costs	7,275	6,946	7,275	6,946
Employer contributions to NHS Pensions Authority	11,318	11,075	11,318	11,075
Pension cost - other	11	6	11	6
Termination Benefits	-	-	-	-
Agency and contract staff	5,898	4,376	5,898	4,376
NHS Charitable funds staff	65	54	-	-
Total Gross Staff Costs	129,705	125,136	129,640	125,082
Of which				
Costs capitalised as part of assets	(383)	(374)	(383)	(374)
Total Employee benefits excluding Capitalised Costs	129,322	124,762	129,257	124,708
Analysed into Operating Expenses (5.1 Op Ex)				
Employee Expenses - Staff	128,312	123,780	128,312	123,780
Employee Expenses - Executive directors	945	928	945	928
NHS Charitable funds: Employee expenses	65	54	-	-
Redundancy	-	0	-	0
Total Employee benefits excl. capitalised costs	129,322	124,762	129,257	124,708

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)

	Total 2014/15 Number	Other permanent employees Number	Directors Number	Other Number	Total 2013/14 Number
Medical & Dental	308	308	-	-	300
Administration & estates	670	663	7	-	643
Healthcare Assistants & other support staff	496	496	-	-	487
Nursing, midwifery & health visiting staff	870	870	-	-	850
Scientific, therapeutic and technical staff	423	423	-	-	406
Agency & Contract Staff	69	-	-	69	43
Bank Staff	122	-	-	122	136
Other	292	292	-	-	292
Total average numbers	3,250	3,052	7	191	3,157
of which					
WTE engaged on capital projects	7	7	-	-	6

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 2014/15 there were 1 (2013/14: 4) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £77,172 (2013/14: £141,901). 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 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, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is 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, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the 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 the scheme liability is carried out annually by the scheme actuary 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 the scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 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, published annually. These accounts can be viewed on the NHS Pensions website. 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 scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set 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.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

c) Scheme provisions (continued)

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

d) Ill-Health Retirement

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

e) Death Benefits

A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

f) Additional Voluntary Contributions (AVCs)

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

g) Transfer between Funds

Scheme members have the option to transfer their pension between the NHS Pension Scheme and another scheme when they move into or out of NHS employment.

h) Preserved Benefits

Where a scheme member ceases NHS employment with more than two years’ service they can preserve their accrued NHS pension for payment when they reach retirement age.

i) Compensation for Early Retirement

Where a member of the Scheme is made redundant they may be entitled to early receipt of their pension plus enhancement, at the employer’s cost.

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	- (-)	2 (-)	- (-)	- (-)
£10,000 - £25,000	- (-)	- (-)	- (-)	- (-)
£25,001 - £50,000	- (-)	- (-)	- (-)	- (-)
£50,001 - £100,000	- (-)	- (-)	- (-)	- (-)
Total number of exit packages by type	- (-)	2 (-)	- (-)	- (-)

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

The Trust has offered staff a mutually agreed resignation scheme where the Trust may offer a financial package to a member of staff who wishes to leave their employment on voluntary terms. To be eligible the applicant must be permanently employed by the Trust and have a minimum of two years continuous service. The figures in brackets are those for 2013/14.

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

	2014/15 Payments agreed Number	2014/15 Total value of agreements £'000	2013/14 Payments agreed Number	2013/14 Total value of agreements £'000
Contractual payments in lieu of notice	1	6	-	-
Exit payments following Employment Tribunals or court orders	1	8	-	-
Total	2	14	-	-

There are no non-contractual payments made to individuals where the payment value was more than 12 months' of their annual salary.

7. Better Payment Practice Code

7.1 Better Payment Practice Code - measure of compliance

	Group and Foundation Trust			
	2014/15		2013/14	
	Number	£000	Number	£000
Total Trade bills paid in the year	50,845	125,097	48,131	131,294
Total Trade bills paid within target	45,660	114,179	44,769	123,507
Percentage of Trade bills paid within target	90%	91%	93%	94%

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 Debt (Interest) Act 1998

The Trust had no interest payable for the year ended 31 March 2015 under the Late Payment of Commercial Debts (Interest) Act 1998.

8. Finance Income

	Group		Foundation Trust	
	2014/15	2013/14	2014/15	2013/14
	£'000	£'000	£'000	£'000
Interest on bank accounts	53	67	53	67
NHS Charitable funds: investment income	28	36	-	-
Total	81	103	53	67

9. Finance Costs

9.1 Finance Cost - Interest Expense

Group and Foundation Trust

	2014/15 £'000	2013/14 £'000
Interest on obligations under finance lease	139	113
Total	139	113

9.2 Impairment of Assets

Group and Foundation Trust

	2014/15 Net Impairment £000	2014/15 Impairment £000	Reversals £000
Unforeseen Obsolescence	31	31	-
Changes in market price	317	3,334	(3,017)
Total Impairments charged to operating surplus	348	3,365	(3,017)
Impairments charged to the revaluation reserve	5,499	5,499	-
Total Impairments	5,847	8,864	(3,017)

	2013/14 Net Impairment £000	2013/14 Impairment £000	Reversals £000
Changes in market price	15,958	16,001	(43)
Total Impairments charged to operating surplus	15,958	16,001	(43)
Impairments charged to the revaluation reserve	20,880	20,880	-
Total Impairments	36,838	36,881	(43)

Included in the above is the impact of the revaluation of the premises as at March 2015.

10. Intangible Fixed Assets

Group and Foundation Trust

	Software Licences 2014/15 £000	Assets under construction 2014/15 £000	Total 2014/15 £000
Gross cost at 1 April 2014	2,233	-	2,233
Additions purchased	246	-	246
Reclassifications	61	-	61
Gross cost at 31 March 2015	2,540	-	2,540
 Amortisation at 1 April 2014	 1,200	 -	 1,200
Provided during the year	363	-	363
Amortisation at 31 March 2015	1,563	-	1,563
 Net book value			
- Total purchased at 1 April 2014	1,033	-	1,033
- Total purchased at 31 March 2015	977	-	977

	Software Licences 2013/14 £000	Assets under construction 2013/14 £000	Total 2013/14 £000
Gross cost at 1 April 2013	1,640	124	1,764
Additions purchased	469	-	469
Reclassifications	124	(124)	-
Gross cost at 31 March 2014	2,233	-	2,233
 Amortisation at 1 April 2013	 949	 -	 949
Provided during the year	251	-	251
Amortisation at 31 March 2014	1,200	-	1,200
 Net book value			
- Total purchased at 1 April 2013	691	124	815
- Total purchased at 31 March 2014	1,033	-	1,033

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

Group and Foundation Trust

	Software Licences 2014/15 £000	Assets under construction 2014/15 £000	Total 2014/15 £000
NBV - Purchased at 31 March 2015	977	-	977
NBV - Finance leases at 31 March 2015	-	-	-
NBV - Donated and government grant funded at 31 March 2015	-	-	-
NBV total at 31 March 2015	977	-	977

	Software Licences 2013/14 £000	Assets under construction 2013/14 £000	Total 2013/14 £000
NBV - Purchased at 31 March 2014	1,033	-	1,033
NBV - Finance leases at 31 March 2014	-	-	-
NBV - Donated and government grant funded at 31 March 2014	-	-	-
NBV total at 31 March 2014	1,033	-	1,033

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. Tangible Fixed Assets

11.1 Tangible fixed assets 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 & Machinery	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2014	2,600	54,784	1,829	2,053	15,489	4,844	312	81,911
Transfer by absorption - Modified	-	-	-	-	-	-	-	-
Additions – purchased	-	7,226	111	1,704	165	6	31	9,243
Additions – leased	-	-	-	-	1,981	-	-	1,981
Additions - donations of physical assets (non-cash)	-	-	-	-	24	-	-	24
Additions - assets purchased from cash donations / grants	-	-	-	-	153	-	-	153
Impairments	-	(5,276)	(223)	-	-	-	-	(5,499)
Reversal of Impairments	-	-	-	-	-	-	-	-
Revaluations	-	2,892	-	-	-	-	-	2,892
Transfers to/from assets held for sale	-	-	-	-	31	-	-	31
Reclassifications	-	1,401	287	(1,867)	-	118	-	(61)
Disposals	-	-	-	-	(3,094)	(86)	(121)	(3,301)
Cost or valuation at 31 March 2015	2,600	61,027	2,004	1,890	14,749	4,882	222	87,374
Accumulated depreciation at 1 April 2014	-	-	-	-	10,886	2,985	147	14,018
Provided during the year	-	2,008	81	-	1,528	179	36	3,832
Impairments	-	3,192	142	-	31	-	-	3,365
Reversal of impairments	-	(3,017)	-	-	-	-	-	(3,017)
Revaluation	-	(2,183)	(223)	-	-	-	-	(2,406)
Disposals	-	-	-	-	(3,078)	(86)	(121)	(3,285)
Accumulated depreciation at 31 March 2015	-	-	-	-	9,367	3,078	62	12,507
Net Book Value								
NBV - Purchased at 31 March 2014	2,600	53,642	1,829	2,053	1,329	1,694	156	63,303
NBV – Finance Lease at 31 March 2014	-	-	-	-	2,949	165	9	3,123
NBV - Donated at 31 March 2014	-	1,142	-	-	325	-	-	1,467
NBV total at 31 March 2014	2,600	54,784	1,829	2,053	4,603	1,859	165	67,893
Net Book Value								
NBV - Purchased at 31 March 2015	2,600	59,885	2,004	1,890	1,072	1,690	160	69,301
NBV – Finance Lease at 31 March 2015	-	-	-	-	3,891	114	-	4,005
NBV - Donated at 31 March 2015	-	1,142	-	-	419	-	-	1,561
NBV total at 31 March 2015	2,600	61,027	2,004	1,890	5,382	1,804	160	74,867

In 2014/15 land and buildings were revalued using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. The District valuer considered the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. The valuation reduced the value of land and buildings by £549K. A charge of £348K was made to the Operating Expenditure, reflecting the difference between the downward valuation and the balance in the revaluation reserve. The net charge to the revaluation reserve was £201K.

Group and Foundation Trust

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & Machinery	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2013	2,600	51,738	2,280	4,863	14,472	3,463	271	79,687
Transfer by absorption - Modified	-	-	-	-	-	-	90	90
Additions – purchased	-	17,598	146	1,865	198	1,381	-	21,188
Additions – leased	-	-	-	-	1,706	-	-	1,706
Additions – donated	-	-	-	-	10	-	-	10
Impairments	-	(20,283)	(597)	-	-	-	-	(20,880)
Reversal of Impairments	-	-	-	-	-	-	-	-
Revaluations	-	1,165	-	-	-	-	-	1,165
Reclassifications	-	4,566	-	(4,675)	109	-	-	-
Disposals	-	-	-	-	(1,006)	-	(49)	(1,055)
Cost or valuation at 31 March 2014	2,600	54,784	1,829	2,053	15,489	4,844	312	81,911
Accumulated depreciation at 1 April 2013	-	-	-	-	10,232	2,621	151	13,004
Provided during the year	-	1,902	92	-	1,660	364	45	4,063
Impairments	-	15,688	313	-	-	-	-	16,001
Reversal of impairments	-	(43)	-	-	-	-	-	(43)
Revaluation	-	(17,547)	(405)	-	-	-	-	(17,952)
Disposals	-	-	-	-	(1,006)	-	(49)	(1,055)
Accumulated depreciation at 31 March 2014	-	-	-	-	10,886	2,985	147	14,018
Net Book Value								
NBV - Purchased at 31 March 2013	2,600	50,361	2,280	4,863	1,647	627	93	62,471
NBV – Finance Lease at 31 March 2013	-	-	-	-	2,322	215	27	2,564
NBV - Donated at 31 March 2013	-	1,377	-	-	271	-	-	1,648
NBV total at 31 March 2013	2,600	51,738	2,280	4,863	4,240	842	120	66,683
Net Book Value								
NBV - Purchased at 31 March 2014	2,600	53,642	1,829	2,053	1,329	1,694	156	63,303
NBV – Finance Lease at 31 March 2014	-	-	-	-	2,949	165	9	3,123
NBV - Donated at 31 March 2014	-	1,142	-	-	325	-	-	1,467
NBV total at 31 March 2014	2,600	54,784	1,829	2,053	4,603	1,859	165	67,893

In 2013/14 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 £17,721K. A charge of £15,958K 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 £1,763K.

11.2 Economic life of property, plant and equipment

	Group and Foundation Trust	
	Min. Life	Max. Life
Buildings excluding dwellings	5	85
Dwellings	20	50
Assets under construction		
Plant & machinery	1	15
Information Technology	1	15
Furniture and Fittings	1	10

Land is treated as having an infinite life.

11.3 Assets held at open market value

At the Statement of Financial Position date there was no land, buildings or dwellings valued at open market value.

12 Investments

	Group	Foundation Trust
	NHS Charitable Funds: Other investments	NHS Charitable Funds: Other investments
	2014/15	2014/15
	£'000	£'000
Carrying Value 1 April 2014 (restated)	925	-
Acquisitions in year - other	89	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	41	-
Disposals	(68)	-
Carrying Value 31 March 2015	987	-

	Group	Foundation Trust
	NHS Charitable Funds: Other investments	NHS Charitable Funds: Other investments
	2013/14	2013/14
	£'000	£'000
Carrying Value 1 April 2013 (restated)	922	-
Acquisitions in year - other	22	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	(19)	-
Carrying Value 31 March 2014	925	-

13 Non-Current Assets for Sale and Assets in Disposal Groups

Group and Foundation Trust

Non-current assets for sale and assets in disposal groups 2014/15	Total £000	Property, plant and equipment £000
NBV of non-current assets for sale and assets in disposal groups at 31 March 2014	31	31
Less assets no longer classified as held for sale, for reasons other than disposal by sale	(31)	(31)
NBV of non-current assets for sale and assets in disposal groups at 31 March 2015	-	-

A number of washer dryers have been transferred to non-current assets held for sale in 2010/11 management has been unable to sell these so they have been transferred back to non-current assets and impaired due to them having no saleable value.

14 Inventories

14.1 Inventories

Inventory Movements 2014/15	Drugs £000	Consumables £000	Energy £000	Total £000
Carrying value at 1 April	732	2,221	154	3,107
Additions	12,718	10,300	27	23,045
Inventories recognised in expense	(12,513)	(10,577)	(62)	(23,152)
Write down of inventories recognised in expense	(20)	(33)	-	(53)
Carrying value at 31 March	917	1,911	119	2,947

Inventory Movements 2013/14	Drugs £000	Consumables £000	Energy £000	Total £000
Carrying value at 1 April	861	2,361	115	3,337
Additions	10,660	9,216	54	19,930
Inventories recognised in expense	(10,754)	(9,356)	(15)	(20,125)
Write down of inventories recognised in expense	(35)	-	-	(35)
Carrying value at 31 March	732	2,221	154	3,107

15. Trade and Other Receivables

	Group	
	2015 £'000	2014 £'000
Current:		
NHS receivables	2,761	4,770
Provision for impaired receivables	(205)	(412)
Prepayments	1,569	1,444
PDC Receivable	120	320
VAT Receivable	102	188
Other receivables	1,918	2,435
NHS Charitable funds: Trade and other receivables	756	27
Total current trade and other receivables	7,021	8,772
Non-current:		
Other receivables	469	374
Provision for impaired receivables	(89)	(70)
Total non-current trade and other receivables	380	304
Total trade and other receivables	7,401	9,076

	Foundation Trust	
	2015 £'000	2014 £'000
Current:		
NHS receivables	2,761	4,770
Provision for impaired receivables	(205)	(412)
Prepayments	1,569	1,444
PDC Receivable	120	320
VAT Receivable	102	188
Other receivables	1,937	2,457
Total current trade and other receivables	6,284	8,767
Non-current:		
Other receivables	469	374
Provision for impaired receivables	(89)	(70)
Total non-current trade and other receivables	380	304
Total trade and other receivables	6,664	9,071

15.1 Provision for impairment of receivables

	Group and Foundation Trust	
	2014/15 £'000	2013/14 £'000
At 1 April	482	225
Increase in provision	285	527
Amounts utilised	(463)	(262)
Unused amounts reversed	(10)	(8)
At 31 March	294	482

Included above is a provision of £242,932 which is based on 18.9% on the outstanding receivables from the Compensation Recovery Unit.

15.2 Ageing of receivables

Ageing of impaired receivables	31 March 2015 £'000	31 March 2014 £'000
0 to 30 days	-	72
30 to 60 days	-	24
60 to 90 days	2	2
90 to 180 days	13	59
Over 180 days	279	325
Total	294	482

Ageing of non-impaired receivables past their due date	31 March 2015 £'000	31 March 2014 £'000
0 to 30 days	312	602
30 to 60 days	163	558
60 to 90 days	71	141
90 to 180 days	35	228
Over 180 days	38	85
Total	619	1,614

16. Other Financial Assets

The Group and Foundation Trust have no other financial assets as at 31 March 2015 or 31 March 2014.

17. Other Financial Assets

The Group and Foundation Trust have no other current assets as at 31 March 2015 or 31 March 2014.

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 2015	31 March 2014
		£000	£000
Current:			
NHS payables		1,680	2,079
NHS pensions		1,572	1,539
Trade payables capital		742	1,651
Social Security costs		1,161	1,142
Other taxes payable		1,166	1,145
Other payables		71	100
Other trade payables		4,429	4,258
PDC dividend payables		-	-
Accruals		2,344	2,885
NHS Charitable funds: Trade and other payables		-	72
Total current trade and other payables		13,165	14,871
Non-current:			
Other payables		-	-
Total non-current trade and other payables		-	-
		13,165	14,871
Foundation Trust			
		31 March 2015	31 March 2014
		£000	£000
Current:			
NHS payables		1,680	2,079
NHS pensions		1,572	1,539
Trade payables capital		742	1,651
Social Security costs		1,161	1,142
Other taxes payable		1,166	1,145
Other payables		71	100
Other trade payables		4,429	4,258
PDC dividend payables		-	-
Accruals		2,344	2,885
Total current trade and other payables		13,165	14,799
Non-current:			
Other payables		-	-
Total non-current trade and other payables		-	-
		13,164	14,799

19. Other Liabilities

	Group	
	31 March	31 March
	2015	2014
	£000	£000
Current:		
Deferred income	999	1,070
Total current liabilities	999	1,070

	Foundation Trust	
	31 March	31 March
	2015	2014
	£000	£000
Current:		
Deferred income	999	2,070
Total current liabilities	999	2,070

Included in the balance is £880,101 (2013/14:£1,049,734) relating to Maternity income. In 2013/14 £1,000,000 was included which was donated from Mid Cheshire Charity for the refurbishment of the Neo Natal Intensive care unit.

20. Borrowings

	31 March	31 March
	2015	2014
	£000	£000
Current		
Loans from Independent Trust Financing Facility	210	-
Obligations under finance lease	711	882
Total current borrowings	921	882
Non-current		
Loans from Independent Trust Financing Facility	2,940	-
Obligations under finance lease	2,681	1,770
Total non-current borrowings	5,621	1,770

21. Finance Lease Obligations

Minimum Lease Payments	31 March 2015 £000	31 March 2014 £000
Gross liabilities	3,681	2,865
of which liabilities are due		
- not later than 1 year	803	956
- later than 1 year but not later than 5 years	2,464	1,583
- later than five years	414	326
Finance charges allocated to future periods	(289)	(213)
Net lease liabilities	3,392	2,652
- not later than 1 year	711	882
- later than 1 year but not later than 5 years	2,282	1,461
- later than five years	399	309
	3,392	2,652

All the finance lease obligations are plant and equipment.

22. Provisions for Liabilities and Charges

Group and Foundation Trust

	Current		Non-Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Legal Claims	92	97	-	-
Pensions	121	114	1,762	1,527
Total	213	211	1,762	1,527

	Legal Claims £000	Pensions £000	Other £000	Total £000
At 1 April 2014	97	1,641	-	1,738
Change in the discount rate	-	73	-	73
Arising during the year	44	288	-	332
Utilised during the year	(38)	(119)	-	(157)
Reversed unused	(11)	(21)	-	(32)
NHS Charitable funds: movement in provision	-	-	-	-
Unwinding of discount	-	21	-	21
At 31 March 2015	92	1,883	-	1,975

Expected timing of cash flows:

Not later than 1 year	92	121	-	213
Later than 1 year and not later than 5 years	-	470	-	470
Later than 5 years	-	1,292	-	1,292
At 31 March 2015	92	1,883	-	1,975

Provisions for pension benefits are based on tables provided by the NHS Pensions Agency, reflecting years to normal retirement age and the additional pension costs associated with early retirement.

Legal claims consist of amounts due as a result of public and employee liability claims. The values are based on information provided by and the NHS Litigation Authority.

Clinical Negligence

The NHS Litigation Authority (NHSLA) took over the financial responsibility for unsettled clinical negligence Existing Liabilities Scheme (ELS) cases from 1 April 2000.

In respect of the ELS liabilities of the Trust, nothing has been included in the provision of the NHSLA at 31 March 2015 and 31 March

2014 (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.

£46,747,688 (2013/14: £27,356,404) is included in the provision of the NHSLA at 31 March 2015 in respect of the CNST liabilities of the Trust (of which the NHSLA is administratively responsible but the Trust has legal liability).

In addition to the clinical negligence provision, contingent liabilities for clinical negligence are given in Note 27.

23. Revaluation Reserve

Movements on reserves in the year comprised the following :

Group and Foundation Trust

	Revaluation Reserve Property, plant and equipment £000	Total 2015 £000
Revaluation reserve at 1 April 2014	9,743	9,743
Impairments	(5,499)	(5,499)
Revaluations	5,298	5,298
Transfers to other reserves	167	167
At 31 March 2015	9,709	9,709

	Revaluation Reserve Property, plant and equipment £000	Total 2014 £000
Revaluation reserve at 1 April 2013	11,605	11,605
Impairments	(20,880)	(20,880)
Revaluations	19,117	19,117
Transfers to other reserves	(99)	(99)
At 31 March 2014	9,743	9,743

24. Cash and Cash Equivalents

Group and Foundation Trust

	Cash and Cash equivalents (excluding charitable funds) 31 March 2015 £000	NHS Charitable Funds : cash and cash equivalents 31 March 2015 £000	Cash and Cash equivalents (excluding charitable funds) 31 March 2014 £000	NHS Charitable Funds : cash and cash equivalents 31 March 2014 £000
At 1 April	11,149	1,053	10,304	2,128
Net change in year	(4,222)	(817)	845	(1,075)
At 31 March	6,927	236	11,149	1,053
Broken down into				
Cash at commercial bank and in hand	413	236	186	1,053
Cash with Government Banking Service	6,514	-	10,963	-
Cash and Cash equivalents as in SoFP and SoCF	6,927	236	11,149	1,053

25. Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were £66,000 (2013/14: £30,000). These commitments are for HV Substation £8k, Generator Controls £11k, VIN Roof Void Access £11k, Main Entrance Roof Gulley £7k, Residences sills £7k, Male Changing Facility Upgrade £11k and Victoria Infirmary Electrical & Fire Alarm Panels £11k.

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 clinical negligence and 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. A prudent estimate of the amount involved, inclusive of legal cost is:

27.1 Contingent Liabilities

Group and Foundation Trust

Total value of contingent disputed claims

Amount recoverable under insurance arrangements in the event of these claims being successful -

Payable by NHSLA

Net contingent liability

Clinical Negligence	NHS Litigation legal claims	Total
31 March 2015	31 March 2015	31 March 2015
£000	£000	£000
21,988	813	22,801
(21,988)	(749)	(22,737)
-	64	64

Total value of contingent disputed claims

Amount recoverable under insurance arrangements in the event of these claims being successful - payable by NHSLA

Net contingent liability

Clinical Negligence	NHS Litigation legal claims	Total
31 March 2014	31 March 2014	31 March 2014
£000	£000	£000
15,024	419	15,443
(15,024)	(362)	(15,386)
-	57	57

27.2 Contingent Asset

In 2013/14, The Mid Cheshire Charity was notified of a legacy entitling to the Charity to half of the residual estate but this has been subject to a claim of promissory estoppel by another beneficiary of the will. At the point of the completion of the accounts, this claim has not been withdrawn so the Group has made no provision for the receipt of it's entitlement within these statements. If no challenge had been made to the validity of the legacy, it is estimated that the share for Mid Cheshire Hospitals charity would be £773,000. Due to there being an increase in certainty the Group has now recognised the income in the of £750,000 within the Statement of Comprehensive Income.

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 £1,783,000 (2013/14: £2,408,000) which included a receivable of £320,000 from 2013/14, however based on actual average relevant net assets this figure should be £1,983,000 (2013/14: £2,048,000) and a receivable of £120,000 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 £000	Expenditure £000
Value of Transactions (other than salary) with board members 2014/15	-	-
Value of Transactions with key staff members 2014/15	-	-
Value of transactions with other related parties 2014/15		
Department of Health		
Other NHS Bodies	180,698	9,607
Charitable Funds	-	-
Subsidiaries/ Associates/Joint Ventures	-	-
Other	1,699	20,126
NHS Shared Business Services	-	-
Value of Transactions (other than salary) with board members 2013/14	-	-
Value of Transactions with key staff members 2013/14	-	-
Value of transactions with other related parties 2013/14	-	-
Department of Health		
Other NHS Bodies	175,206	9,727
Charitable Funds		
Subsidiaries/ Associates/Joint Ventures		
Other	2,043	18,742
NHS Shared Business Services	-	-

Related Party Balances (Group and Foundation Trust)

	Receivables £000	Payables £000
Value of balances (other than salary) with board members at 31 March 2015	-	-
Value of balances (other than salary) with key staff members at 31 March 2015	-	-
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2015	-	-
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year at 31 March 2015		
Value of balances with other related parties 31 March 2015		
Department of Health	120	-
Other NHS Bodies	2,881	2,548
Charitable Funds	-	-
Subsidiaries/ Associates/Joint Ventures		
Other	259	3,912
Value of balances (other than salary) with board members at 31 March 2014	-	-
Value of balances (other than salary) with key staff members at 31 March 2014	-	-
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2014	-	-
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year at 31 March 2014	-	-
Value of balances with other related parties 31 March 2014		
Department of Health	320	-
Other NHS Bodies	4,771	3,124
Charitable Funds		
Subsidiaries/Associates/ Joint Ventures	-	-
Other	603	3,830

Included in 'other' are a number of material transactions with other Government departments and other central and local Government bodies. Most of these transactions have been with Her Majesty's Revenue and Customs, NHS Pension Scheme, Cheshire East Council.

The Trust has also received revenue and capital payments from a number of charitable funds, for which the Trust Board acts as Trustee. There are separate audited accounts for charitable funds.

30. Financial Instruments

FRS29, Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Mid Cheshire Hospitals NHS Foundation Trust actively seeks to minimise its financial risks. In line with this policy, the Trust neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

30.1 Market Risk

30.1(i) Interest-Rate Risk

All of the Trust's financial liabilities carry nil or fixed rates of interest. In addition, the only element of the Trust's assets that are subject to a variable rate are short term cash investments. The Trust is not, therefore, exposed to significant interest-rate risk.

30.1(ii) Foreign Currency Risk

The Trust has negligible foreign currency income or expenditure.

30.2 Credit Risk

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations, as disclosed in note 3. There is therefore little risk that one party will fail to discharge its obligation with the other. Disputes can arise, however, around how the amounts owed are calculated, particularly due to the complex nature of the Payment by Results regime. For this reason the Trust makes a provision for irrecoverable amounts based on historic patterns and the best information available at the time the accounts are prepared. The Trust does not hold any collateral as security.

30.3 Liquidity risk

The Trust's net operating costs are incurred under annual service agreements contracts with local Clinical Commissioning Groups,

which are financed from resources voted annually by Parliament. The Trust receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to the National Tariff procedure cost. The Trust receives cash each month based on an annually agreed level of contract activity and there are monthly payments made to adjust for the actual income due under PBR. This means that in periods of significant variance against contracts there can be a significant cash-flow impact. The Trust presently finances its capital expenditure from internally generated funds or funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the Trust can borrow, both from the Foundation Trust Financing Facility and commercially to finance capital schemes. Financing is drawn down to match the capital spend profile of the scheme concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area.

30.4(i) Financial assets by category

Group

	Total	Loans and receivables	Available for sale
31 March 2015	31 March 2015	31 March 2015	31 March 2015
£000	£000	£000	£000
NHS Trade and other receivables excluding non-financial assets	5,712	5,712	-
Cash and cash equivalents (at bank and in hand)	6,927	6,927	-
NHS Charitable funds: financial assets	986	986	-
Total	13,625	13,625	-

	Total	Loans and receivables	Available for sale
31 March 2014	31 March 2014	31 March 2014	31 March 2014
£000	£000	£000	£000
NHS Trade and other receivables excluding non-financial assets	7,312	7,312	-
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)	11,149	11,149	-
NHS Charitable funds: financial assets	1,978	1,053	925
Total	20,439	19,514	925

Foundation Trust

	Total	Loans and receivables	Available for sale
31 March 2015	31 March 2015	31 March 2015	31 March 2015
£000	£000	£000	£000
NHS Trade and other receivables excluding non-financial assets	4,975	4,975	-
Non-current assets held for sale and assets held in disposal group excluding non-financial assets	-	-	-
Cash and cash equivalents (at bank and in hand)	6,927	6,927	-
Total	11,902	11,902	-

	Total	Loans and receivables	Available for sale
31 March 2014	31 March 2014	31 March 2014	31 March 2014
£000	£000	£000	£000
NHS Trade and other receivables excluding non-financial assets	7,307	7,307	-
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)	11,149	11,149	-
Total	18,456	18,456	-

All financial assets are denominated in Sterling.

30.4(ii) Financial liability by category

Group

	Total	Other financial liabilities
	31 March 2015	31 March 2015
	£000	£000
Borrowings excluding finance lease and PFI liabilities	3,150	3,150
Obligations under finance leases	3,392	3,392
Trade and other payables excluding non-financial liabilities	10,838	10,838
Provisions under contract	1,975	1,975
Total	19,355	19,355

	Total	Other financial liabilities
	31 March 2014	31 March 2014
	£000	£000
Obligations under finance leases	2,652	2,652
Trade and other payables excluding non-financial liabilities	12,584	12,584
Provisions under contract	1,738	1,738
Total	16,974	16,974

Foundation Trust

	Total	Other financial liabilities
	31 March 2015	31 March 2015
	£000	£000
Borrowings excluding finance lease and PFI liabilities	3,150	3,150
Obligations under finance leases	3,392	3,392
Trade and other payables excluding non-financial liabilities	10,838	10,838
Provisions under contract	1,975	1,975
Total	19,355	19,355

	Total	Other financial liabilities
	31 March 2014	31 March 2014
	£000	£000
Obligations under finance leases	2,652	2,652
Trade and other payables excluding non-financial liabilities	12,512	12,512
Provisions under contract	1,738	1,738
Total	16,902	16,902

30.4(iii) Maturity of Financial Liabilities

Group and Foundation Trust

	31 March 2015 £000	31 March 2014 £000
In one year or less	11,972	13,605
In more than one year but not more than two years	1,039	580
In more than two years but not more than five years	2,520	1,316
In more than five years	3,824	1,401
Total	19,355	16,902

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 2015.

31. Third Party Assets

	2014/15 Money on deposit £000	2013/14 Money on deposit £000
At 1 April	1	2
Gross inflows	13	14
Gross outflows	(12)	(15)
At 31 March	2	1

The Trust held £1,523 cash at bank and in hand at 31 March 2015 (£929 at 31 March 2014) 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 2015.

33. Losses and Special Payments

Group and Foundation Trust

	2014/15 Total number of Cases Number	2014/15 Total value of Cases £000	2013/14 Total number of Cases Number	2013/14 Total value of Cases £000
Losses:				
Cash Losses	-	-	-	-
Fruitless payments and constructive losses	8	1	10	4
Bad debts and claims abandoned	77	4	122	25
Damage to buildings, property and stores losses	20	54	21	35
Total Losses	105	59	153	64
Special payments:				
Compensation under legal obligation	1	6	-	-
ex gratia payments	23	4	21	7
Total special payments	24	10	21	7
Total Losses and special payments	129	69	174	71

During 2014/15 there have been no individual cases of fraud, personal injury, compensation under legal obligation and fruitless payment cases, where the net payment exceeds £250,000.

The amounts reported are shown on an accruals basis but excluding provisions for future losses.

34. Mid Cheshire Hospitals Charity Summary Statements

Statement of Financial Activities for the Year Ended 31 March 2015

	Unrestricted £000	Restricted £000	2014/15 £000	2013/14 £000
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary Income	168	50	218	250
Legacies	1,060	0	1,060	42
Investment income	26	2	28	36
Income from charitable activities	2	-	2	3
TOTAL INCOMING RESOURCES	1,256	52	1,308	331
RESOURCES EXPENDED				
Charitable activities:				
Staff welfare & amenities	13	12	25	61
Patients' welfare & amenities	81	23	104	156
Contributions to hospital capital expenditure	2,047	25	2,072	99
	2,141	60	2,201	316
<u>Costs of generating funds</u>				
Cost of generating voluntary income	63	2	65	54
Investment Manager's fees	6	-	6	5
	69	2	71	59
<u>Governance Costs</u>				
Audit fees	4	1	5	5
Other administrative costs -				
Services provided by Mid Cheshire Hospitals NHS Foundation Trust	22	1	23	16
	26	2	28	21
TOTAL RESOURCES EXPENDED	2,236	64	2,300	396
NET (OUTGOING) RESOURCES	(980)	(12)	(992)	(65)
GAINS ON INVESTMENT ASSETS				
Realised gains	13	1	14	8
Unrealised gain/(loss)	3	24	27	(27)
NET MOVEMENT OF FUNDS	(964)	13	(951)	(84)
Fund balances brought forward at 1 April 2014	2,810	101	2,911	2,995
Fund balances carried forward at 31 March 2015	1,846	114	1,960	2,911

Balance Sheet as at 31 March 2015

	Unrestricted Funds 31 March 2015 £000	Restricted Funds 31 March 2015 £000	Total at 31 March 2015 £000	Total at 31 March 2014 £000
FIXED ASSETS				
Investments at market value	895	92	987	925
CURRENT ASSETS				
Debtors	755	1	756	1,027
Cash at bank and in hand	215	21	236	1,053
TOTAL CURRENT ASSETS	970	22	992	2,080
CREDITORS				
Amounts falling due within one year - NHS	(19)	-	(19)	(94)
NET CURRENT ASSETS	951	22	973	1,986
TOTAL NET ASSETS	1,846	114	1,951	2,911
FUNDS OF THE CHARITY				
Unrestricted income funds	1,846	-	1,846	2,810
Restricted income funds	-	114	114	101
TOTAL FUNDS	1,846	114	1,951	2,911

The charity consists of five funds which are split between restricted and unrestricted as follows:

- Unrestricted
 - Leighton Hospital General Fund
 - Victoria Hospital General Fund
- Restricted
 - Cancer Fund
 - Diabetes Fund
 - Arthritis Fund



Mid Cheshire Hospitals NHS Foundation Trust
Leighton Hospital
Middlewich Road
Crewe, Cheshire
CW1 4QJ