



Mid Cheshire Hospitals **NHS**
NHS Foundation Trust

Annual Report and Accounts 2011-2012

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

Mid Cheshire Hospitals NHS Foundation Trust
Annual Report and Accounts 2011/12

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Chapter 1

Chairman's Foreword

I am pleased to present our Annual Report and Accounts for the year to 31 March 2012 and I am sure you will agree this has been a year of continued progress for Mid Cheshire Hospitals NHS Foundation Trust.

I do hope you enjoy reading this Report and learning more about the progress of your local hospitals. You will find a wealth of information about our clinical activities and of course we have a whole section dedicated to our Quality Account.

I commented last year on the reorganisation of the NHS and the proposals set out in what was then the Health and Social Care Bill. As this foreword is written the Bill has now been passed by Parliament and Royal Assent has been given for the Act to pass onto the statute book. The biggest short-term impact for our Trust has been to develop a new relationship and partnership with our local GP groups who have now formed themselves into Clinical Commissioning Groups. One of the principal features of the legislation is to pass control of the budget for hospital services to the Clinical Commissioning Groups and during this last year we have worked closely and effectively with our GP colleagues to ready ourselves for the changes that lie ahead. Importantly we have kept the patient at the heart of these new working arrangements and as we look for greater efficiencies and develop further synergies from the new arrangements we will do so with the underlying principle of 'what's best for the Patient'.

The year has not been without its share of challenges. Like all acute hospital Trusts we have had to find savings and further improve the efficiency of our organisation.



We succeeded in rising to this challenge and are already planning further efficiency measures in the current year to increase the amount of the budget invested directly into patient care.

In the long term this will mean that across health economies more is spent on health care prevention measures, keeping down the number of hospital admissions and reshaping hospital facilities to cater for the acutely unwell and for those who require a planned procedure. In this new world of enhanced patient choice it will become even more important that we continue to invest in services that provide an important impact on the local populations' wellbeing and quality of life. This also requires the further development of partnerships with specialist providers where evidence shows this is the best way to achieve better outcomes for patients.

We spent some time in the year refining our overall Trust strategy to reflect the likely changes that will impact on our services in years to come and as you would expect

we placed 'The Patient' at the heart of the strategy. Our vision of the future and our strategy will be governed by the following key principles:

- We will continue to develop a full range of sustainable local services for the benefit of our patient population
- We will work in partnership with other health care providers to deliver better patient outcomes and service efficiencies
- Our services will meet the needs of our patients and will be supported by all of our stakeholders
- We will have a continuous cycle of care and performance improvement.

You will be able to read in this Report about many of our achievements in the year. I will not try to summarise all of these but I would like to highlight some important milestones from the year for you. Firstly, we were one of a handful of hospitals in the country that were able to report a continuous period of 2 years without an MRSA blood stream infection. A truly remarkable achievement by all our staff, guided by our Infection Control Team. We were also able to secure funding for our planned investment in replacement Critical Care facilities and Theatres. We will receive £25.2m of new public dividend capital and can now accelerate our plans to rebuild our main operating theatres to high modern standards benefiting patients over many years to come. We were also immensely proud to be a national winner at the Nursing Times awards in November 2011 and we also laid important plans to launch our major charitable appeal, the *One in Eleven Appeal*, for the complete refurbishment of our Neo-Natal Intensive Care Unit. The appeal will generate £1m, over two years, towards the £1.6m overall costs.

Our finances at the year-end are also in good shape. The underlying surplus

achieved was £3.4m and our year-end cash position is also markedly improved. We continue to have an ambitious capital programme and need to generate surpluses to invest in refurbishments to the hospital and in new hospital equipment.

I would like to comment on some of the changes to our Board composition in the year. Mrs Rachel Alcock, our Director of Workforce & Organisational Development, retired in the year and has been replaced on an interim basis by Mrs Jayne Shaw.

Mr Mike Chandler, one of our long serving Non-Executive Directors, also retired in the year and Mrs Val Godfrey will retire as a Non-Executive Director in April 2012. Mike and Val have provided many years of wise counsel to the Board and on behalf of the Board I would like to thank them for their outstanding service to the Trust. In November 2012, we welcomed Ruth McNeil as a Non-Executive Director on an initial three-year tenure. I should also record that my own tenure as your Chairman was extended by the Council of Governors for a further 3 year term as was the tenure of Non Executive Directors David Hopewell and Dennis Dunn.

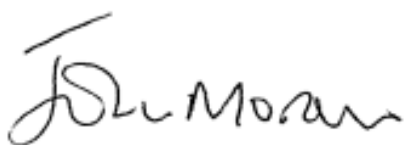
Our Foundation Trust membership was maintained in excess of 8,000 members and, over the year, we have been able to further engage with Members and the public via our newsletters and public events. It is heartening to see Members taking a real interest in what we do and our Governors continually strive to develop more ways of seeking member involvement. As I have said before engagement with our Members and the public is a vital part of our accountability and one that we take very seriously.

I would also, once again, like to thank our Council of Governors for all their work over this last 12 months as we continued the

important work of providing assurance to the Council and the public that our affairs are well managed and we are fulfilling our public duty.

A number of new Governors joined our Council this time last year and it is pleasing to see the commitment and enthusiasm displayed by all of our Governors over this last year. My thanks are also extended to those Governors who have retired from our Council in this period.

Finally I would like to pay tribute to the 3,300 staff who work for our Trust and our 350 volunteers who willingly give up their time to assist us. You have all, once again, made an outstanding contribution to the achievements recorded in this Annual Report and on behalf of the Board of Directors can I thank you for your continued enthusiasm and support.

A handwritten signature in dark ink, appearing to read 'John Moran'. The signature is fluid and cursive, with a large initial 'J' and 'M'.

John Moran
Chairman



Chapter 2

About the Trust

Mid Cheshire Hospitals NHS Foundation Trust became registered as a Foundation Trust on 1 April 2008, following authorisation by the independent regulator, Monitor.

The Trust prides itself in the delivery of quality care to patients which is commissioned through its contracts with Primary Care Trusts. Central and Eastern Cheshire Primary Care Trust currently accounts for approximately 95% of work. The annual income for the Trust for the year, to the end of March 2012 was £173.8m.

Services are provided to a population of approximately 300,000 living in the surrounding areas including Alsager, Crewe, Congleton, Knutsford, Middlewich, Nantwich, Northwich, Sandbach and Winsford. The Trust is registered with the Care Quality Commission (CQC), without conditions and provides a comprehensive range of acute, maternity, child health and intermediate care services.

Whilst the Trust's principal site is Leighton Hospital, Middlewich Road, Crewe services are also provided from Victoria Infirmary in Northwich and Elmhurst Intermediate Care Centre in Winsford.

Employing approximately 3,300 staff, clinical services are delivered through four Clinical Divisions:

- Diagnostic and Clinical Support Division with services provided including:
 - Medical Imaging,
 - Pathology including Mortuary Services
 - Dermatology
- Clinical Haematology
- Medical Records
- Victoria Infirmary, Northwich
- Elmhurst Intermediate Care Centre, Winsford
- Outpatient Services
- Pharmacy
- ECG (Electrocardiogram)
- Emergency Care Division with services provided including:
 - Emergency Department and Minor Injuries (at Victoria Infirmary)
 - Urgent Care Centre in conjunction with the Shropshire Doctors Ltd.
 - Acute Medicine
 - General Medicine
 - Cardiology
 - Respiratory Medicine
 - Gastroenterology
 - Diabetes and Endocrinology
 - Care of the Elderly
 - Stroke Medicine
 - Rheumatology
- Surgery and Cancer Division with services provided including:
 - Anaesthetics and Critical Care
 - Ear, Nose and Throat
 - General Surgery
 - Ophthalmology
 - Orthopaedics – Elective and Trauma
 - Treatment Centre for day case work
 - Urology
 - Cancer Services
- Women, Children and Sexual Health Division with services provided including:
 - Genito-Urinary Medicine
 - Neonatology
 - Obstetrics and Gynaecology
 - Acute and Community Paediatrics

During 2011/12:

- 239,977 Outpatient attendances took place

- 79,579 patients attended the Emergency Department
- 29,934 patients were admitted to the Trust following presentation at the Emergency Department
- The Trust performed 28,659 elective surgical procedures.
- Integrated Discharge Team

Working together clinical and non clinical staff work tirelessly, day in day out, to deliver the vision for Mid Cheshire Hospitals NHS Foundation Trust;

“To Deliver Excellence in Healthcare through Innovation and Collaboration”

The Trust also provides a number of outreach services in community settings to ensure, where possible, services are available closer to home for patients. Services available in the community include community midwifery, child health, paediatric home care, phlebotomy, anticoagulation, a home intravenous antibiotic service and a number of outpatient services. The Trust also participates in a joint collaborative partnership to provide primary care services within an Urgent Care Centre. This is co-located with the Emergency Department.

The Trust's Estates & Facilities Division is a non clinical Division that supports the Clinical Divisions by providing a range of services to maintain and improve the environment. In addition, this Division delivers a range of high quality support services such as laundry, cleaning and catering.

The Trust's corporate teams deliver the full range of back office functions. These include:

- Finance and payroll
- Human Resources
- Learning and Development
- Infection Prevention and Control
- Occupational health
- Communications
- Patient Experience Services (including PALS, bereavement services, complaints and legal services)
- Information Management and Technology
- Integrated Governance
- Patient Placement Team

Chapter 3

Director's Report

Composition of the Board of Directors for 2011/12:

Name	Position
Mrs T Bullock	Chief Executive
Mrs R Alcock	Director of Workforce & Organisational Development (to 31 December 2011)
Dr P Dodds	Medical Director and Deputy Chief Executive
Mrs D Frodsham	Chief Operating Officer
Mr M Oldham	Director of Finance and Planning
Mrs J Shaw	Interim Director of Workforce & Organisational Development (Appointed 3 January 2012)
Mrs J Smith	Director of Nursing and Quality
Mr J Moran	Chairman
Dr A Wood	Senior Independent Director and Deputy Chairman
Mr M Chandler	Non Executive Director (to 31 October 2011)
Mr D Dunn	Non Executive Director
Mr W Craig	Non Executive Director
Mrs V Godfrey	Non Executive Director
Mr D Hopewell	Non Executive Director
Mrs R McNeil	Non-Executive Director (Appointed 1 November 2011)

Introduction

In 2011, the Board of Directors reviewed the Trust's long term vision and strategy. A new ten year vision 2011–2021 and a five year strategy 2011–2015 were agreed and these underpin all financial decisions, clinical investments, business priorities and behaviours. This programme of work culminated in the Trust updating its strategic vision to:

“To Deliver Excellence in Healthcare through Innovation and Collaboration”

To support the delivery of the Trust's aims and vision, the overarching strategic objectives for 2011/12 have been set out under six main headings:

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

These six strategic objectives are outlined below and provide a detailed breakdown of the Trust's business, operational and financial reviews, together with the main achievements from 2011/12:

Business Review

Quality, Safety and Experience

2011/12 has been a year of significant achievements and challenges for the Trust. Full details can be seen in the extensive Quality Account in Chapter 7 of this report, Page 73. Below are a number of key highlights:

Care Quality Commission (CQC) Unannounced Visit

In May 2011, an Inspection Team from the Care Quality Commission conducted an unannounced visit of Wards 4 and 15 at Leighton Hospital to assess how older patients are treated during their hospital stay. In particular, the CQC focussed on whether patients were treated with dignity and respect, and whether their nutritional needs were met.

A tremendous amount of work has gone into improving care for all patients, particularly older people and the Trust was delighted the inspectors found the organisation met both of these essential standards. Credit must be given to those staff who the Care Quality Commission described as caring for patients with 'a great deal of respect and compassion'.

Commissioning for Quality and Innovation (CQUIN)

Progress towards targets agreed by local commissioners has been achieved through the delivery of the CQUIN. The

CQUIN framework was introduced in April 2009 as a national framework for national and locally agreed quality improvement schemes.

These schemes require the development of clear plans and goals to improve quality and are linked to financial income. These goals must be achieved for the hospital to receive the allocated income.

The Trust and the local commissioners agreed seven local goals, described below. All of these local goals were achieved during 2011/12.

Goal	Outcome	
Admission Avoidance	Development of an emergency referral system for GPs that avoids admission to hospital	✓
Patient Passports for People who are Frequent Attendees at A&E	Reduction in the number of people identified as frequent attendees to A&E being admitted to hospital	✓
Learning Disabilities	Improve the care of people with learning disabilities	✓
End of Life Care	Reduce the numbers of patients who die in hospital when their preferred place of death is elsewhere	✓
Paediatric Passport	Development and implementation of patient passport for children with complex health care needs	✓
Dementia Care	Improvement in the care of patients diagnosed with dementia	✓
Management of High Cost Drugs	To ensure high cost medicines and technologies are used in a safe, effective and appropriate way within available funding	✓

Full details of all 16 CQUINs can be found in Part 2 of the Quality Account, Page 75.

Nursing Innovation Conference - June 2011

On 13 June 2011, the Trust held its second Nursing & Midwifery Innovations Conference with speakers from a range of clinical areas across the Trust. Topics highlighted included the Sepsis Pathway, reducing infections, the Healthcare Assistant Training Programme, detecting acute kidney injury, the Integrated Discharge Team, learning disabilities, paediatric home care, non medical prescribing, the Head and Neck Support Group and the role of the Hip Fracture Nurse.

All presentations were exceptionally well received by the audience of over 100 staff who felt the day was interesting, inspirational, well presented, and very relevant to their work.

Nursing Times Award – November 2011



At the prestigious Nursing Times Awards in London in November 2011, the Trust was named as a national winner for a programme to improve the privacy and dignity of patients with learning disabilities.

The Trust, supported by Cheshire and

Wirral Partnership NHS Foundation Trust, won the 'Enhancing Patient Dignity' category for their 'Look at My Ability, Not My Disability' programme.

As part of the programme, acute services were adjusted to ensure that the different needs of patients with learning disabilities were met. The Trust introduced individualised care plans, picture pathway information leaflets, pictorial menus and training from 'actors' with learning disabilities.

The Team also implemented an electronic flagging system to ensure staff are aware when someone with a learning disability is admitted to the hospital so that services can be adjusted accordingly. In addition, the introduction of an electronic care pathway containing such features as a pain assessment tool for those patients who may not be able to ask for pain relief, has ensured that nursing and medical staff have clear guidance to help them care for patients with learning disabilities.

This scheme has dramatically improved clinical outcomes, experience and quality of life for this group of patients.

Patient Experience

Each of the Board of Directors meetings starts with a patient story which is presented as a video clip, audio account, poem or a simple letter. The story relays the very real and personal experience of an individual who has been a patient or carer at the Trust. The stories are a combination of positive and negative experiences and are enormously beneficial to the Board of Directors in ensuring there is a genuine connection between patient experience and the decisions the Board of Directors are required to make. Through the patient stories, feedback has been received on a number of services including Maternity,

Elderly Care, Cardiology, Outpatients, Surgery, Neonatal Unit and Cancer Services.

Patient Advice and Liaison Service (PALS)

PALS is a free confidential service for people who want to give feedback about any aspect of the NHS care they have received. In 2011/12, 1,690 concerns were raised with PALS regarding patient care. This is an increase of 23% on the previous year. Most concerns were resolved within 1-3 working days and only 14 of complainants went on to make a formal complaint.

The most common concern raised relates to communication and customer care training for staff is provided throughout the year by the Patient Experience Team to ensure that the Trust remains focussed on this as an area for improvement.

PALS also received many compliments about the services provided by the Trust. It is not always possible to count all the cards and gifts provided by patients to staff on the wards and clinical departments but the number of formal compliments logged for 2011/12 was an impressive 1,422.

Complaints

The Trust welcomes feedback from the people who use its services and this information is used to identify areas for improvement. The Trust will always respond to formal complaints and are committed to providing an explanation, offering an apology where required and taking action to avoid similar incidents occurring in the future.

In 2011/12, 192 complaints were received by the Trust which represents a reduction of 68 complaints from the previous year.

Examples of changes made as a result of

concerns raised via complaints or PALS include:

- A day area on Ward 6 has been made into an area for patients with dementia. Activities include dance therapy, music therapy and reminiscence work.
- Wards can now order gluten-free meals via the menu ordering system or via the kitchen after the order cut-off time. A vending machine has also been installed which is available for ward staff to access, via a token system, 24 hours a day 7 days a week and includes gluten-free meals.
- An updated, comprehensive Neurological Observation Chart has been designed and implemented. This chart contains detailed guidance to ensure neurological observations are undertaken safely and effectively. Education for staff on how to use the updated chart has also been implemented.
- Picture pathways have been progressed to help patients with cognitive impairment to more easily understand what specific investigations entail.

NHS Choices

NHS Choices is a free national website which provides information on local health services. Users of the website can also post comments relating to their experiences of these services. The information posted gives potential users details on the services provided and the quality of these services. The Trust makes use of the valuable comments posted on NHS Choices to improve its services. Currently 77% of postings regarding Mid Cheshire Hospitals NHS Foundation Trust would recommend the Trust as a place to receive treatment.

Patient Safety Walkrounds

Patient Safety Walkrounds take place monthly with the aim of:

- a) Increasing awareness of patient safety issues among all clinicians
- b) Making patient safety a priority for senior leaders by spending dedicated time promoting a safety culture
- c) Educating staff about patient safety concepts such as incident reporting
- d) Obtaining and acting on information gathered that identifies areas for improvement.

A total of 19 Walkrounds took place during 2011/12 across different areas of the Trust. Each Walkround involved a number of persons including an Executive Director, a Non Executive Director, a Governor and a member of the Patient Safety Team. As a result of the Walkarounds an action plan has been developed to highlight key areas of action.

Key achievements from these Walkrounds include:

- Improved handover sheets that ensure the relevant patient details are known
- Changes in visiting hours to ensure that patients get sufficient rest
- Installation of improved shower facilities
- Medical devices placed on asset register for replacement
- Increased number of patient slide sheets (for moving and handling)
- Risk assessments completed to purchase new equipment
- Established new ways of working for ward coordinators
- Hot water geysers on all wards to provide easy access to hot drinks
- Prioritising the paediatric wards for full refurbishment.

Safety Express

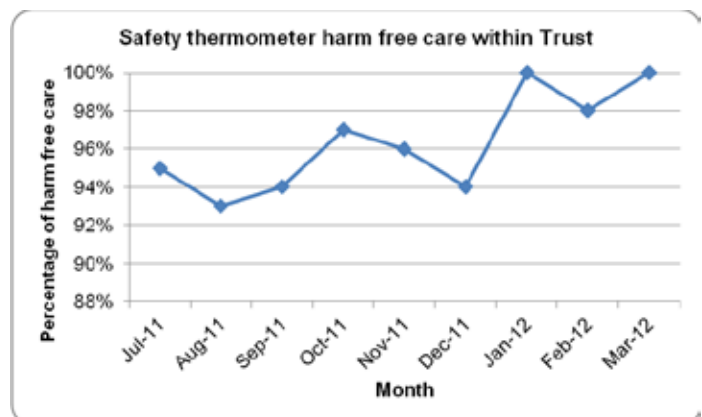
In January 2011 the Trust was successful in its application to join the Safety Express Programme.

Safety Express is a national programme implemented to achieve rapid improvement through the widespread involvement of frontline clinicians and to engage patients and their families in the quest for harm free, safe care in relation to four specific harms:

- pressure ulcers
- falls
- catheter acquired urinary tract infections
- Venous Thromboembolism (VTE).

Harm free care is achieved when patients do not experience any of these four harms throughout their health care journey.

During 2011/12, four wards were involved in the Safety Express Programme within the Trust. Monthly data collections commenced in March 2011 and this involved sampling 50% of the inpatients on these wards. From June 2011, this was increased to 100% of the inpatients on the four wards to ensure more reliable results. Over 1,000 patients have been surveyed to date. Data from the programme has demonstrated that harm free care is increasing.



The graph shows harm free care within the Trust from July 2011 to March 2012 inclusive. This data excludes all harm caused prior to the patient's admission.

Interventions from the programme have been trialled using 'Plan Do Study Act' (PDSA) cycles.

One intervention trialled was care rounds and these are now being rolled out across the Trust following their initial success. Care rounds are undertaken at specified intervals, depending on the patient's dependency levels and the type of ward. During the care rounds the Nurse or Health Care Assistant will ask the patient if they are comfortable, if they have a drink, are they in any pain, if the patient cannot independently mobilise do they need to use the toilet, can they reach their call bell and if there is anything further they need. Research has shown that care rounds improve patient satisfaction, decrease call bell usage as the care provided is proactive rather than reactive and reduces the number of falls.

As a result of the success of the enormous amount of work undertaken, the Trust was nominated as a contender for the Measurement for Improvement award, a national award, by the North West Strategic Health Authority.

Health Care Associated Infections

The Trust is extremely proud of its success in reducing healthcare associated infections. Full details of the Trust's achievements can be found in the Quality Account, Chapter 7. The Trust is considered 'Best in Class' of similar sized Trusts as a result of achieving two years free from MRSA bacteraemias, up to February 2012. The Trust has also seen a significant reduction in cases of *Clostridium difficile*.

Under the leadership and direction of the Trust's Hospital Mortality Reduction Group, the improvements in hospital mortality delivered in 2010/11 were maintained in

2011/12, with the Trust achieving a further 10 point reduction in its Risk Adjusted Mortality Index (RAMI). In March 2012, the Trust's 12 month rolling RAMI was 88 compared with a peer RAMI of 87 (a RAMI of < 100 signifies that the actual number of deaths was less than the predicted number).

Research & Development

The Trust was involved in conducting 154 active clinical research studies during 2011/12 whilst nine clinical research staff participating in research approved by a Research Ethics Committee. Further detail on research activity can be found in the Quality Account for 2011/12 on Page 73.

The Trust places great emphasis on quality and safety and the assurance it provides in this regard. As such, the Trust implemented Monitors' Quality Governance Framework in June 2011; before it was mandated for existing Foundation Trusts. The result of this assessment provides the Board of Directors with a rich source of information in respect of quality governance and allows focussed interventions to take place to address any gaps identified. The assessment was conducted twice during the year and the results ensured the Trust was able to respond confidently to Monitors' annual and quarterly quality governance self assessment. Further detail in relation to the Trust's arrangements in place to govern quality can be found in the Annual Governance Statement on Page 141 and in the Quality Account, Chapter 7.

Although much progress has been made to enhance delivery of high quality, safe and effective care there are still a number of areas that remain a high priority for 2012/13 and these are outlined below:

National data have suggested that hospital mortality rates are higher at a weekend. The Trust has expanded this theme and

has prioritised the consistent delivery of high quality patient care and experience, 24 hours a day, seven days a week. The key actions required to deliver this goal are the implementation of the Clinical Services Strategy and Clinical Workforce Models.

Some of the Medical Records are in a poor state of repair which can be a risk to patient safety and experience as well as a potential loss of income due to inaccurate coding. As a result, the Trust has refreshed its Information Management and Technology Strategy which is now centred around an electronic patient record. A capital programme to deliver this strategy has been agreed.

The Trust currently does not offer a stroke thrombolysis service. As a result eligible patients currently require transfer to the University Hospital of North Staffordshire. The investment required to establish this service during normal working hours has been identified in the 2012/13 budget, along with a phased implementation plan.

Currently the Trust has only one CT scanner which operates at full capacity seven days a week and the routine service, or unexpected breakdown, of this machine can impact on waiting times for patients and ultimately the quality of patient care, safety and experience. The funding for a second CT scanner has already been identified in the Capital Programme for 2012/13.

Emergency Preparedness

Governance Arrangements

Throughout 2011/12 the Trust's Governance Manager (Emergency Planning Officer) supported the Executive Director responsible for Emergency

Preparedness. The Emergency Preparedness Committee worked with all the Divisions and corporate departments to ensure the Trust was prepared in the event of a major incident. The Emergency Preparedness Committee report to the Operating Integrated Governance Committee who in turn report to the Strategic Integrated Governance Committee by exception.

The Trust was assessed in line with the exercise, assessment and audit framework implemented by the NHS Cheshire Resilience Team on behalf of NHS Northwest. The Trust achieved compliance with this framework through its co-operation with other responding agencies within the Local Resilience Forum and its internal emergency preparedness work plan.

Emergency Plans

The Major Incident Plan was reviewed in 2011 to ensure it is fit for purpose and the updated version reflects changes made to the regional command and control structures.

A number of other emergency plans were also reviewed and approved during the year including:

- The Road Fuel Shortage Plan which provides links to the National Emergency Plan for Fuel
- The Heatwave Action Plan in line with the Department of Health Heatwave Guidance
- The Pandemic Influenza Plan which was reviewed to accommodate changes in the National Pandemic Influenza Strategy published by the Department of Health in November 2011. The main changes relate to the different national alert levels that will be used to notify agencies in the event of the emergence

of a pandemic.

- A Training and Exercise Plan wherein training requirements will be met for all staff who may be involved in the Trust's response to a major incident or business continuity event.

Working with partner agencies

The Trust was represented at the Cheshire Local Resilience Forum (CLRF) by the Cheshire NHS Resilience Team. There are a number of sub groups of the CLRF and the Governance Manager from the Trust regularly attended both the Health and Risk Assessment Task Groups, the sub-groups of the CLRF.

Local Health Economy Emergency Planning meetings were attended by the Emergency Planning Officers from Mid Cheshire Hospitals NHS Foundation Trust, East Cheshire Trust and Central and Eastern Cheshire Primary Care Trust.

Business Continuity Management

The Corporate Business Continuity Plan was reviewed in 2011 and will be approved early in 2012/13.

The Emergency Preparedness Committee Work Plan included a review schedule of all Divisional Business Continuity Plans and specific corporate plans.

Divisional Business Continuity Plans were tested through tabletop exercises alongside training for Divisional Senior Management Teams and Ward / Department Managers.

Health and Safety

In 2011/12 there were 28 reportable incidents to the Health and Safety Executive (HSE) as required by the

Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), this compares to 32 in 2010/11. 2011/12 saw an increase in the number of health and safety incidents reported, by approximately 3%. Of those incidents reported, there was approximately a 20% reduction in incidents resulting in harm and a circa 25% increase in no harm incidents reported.

During the year the Trust has continued with its major Asbestos Removal Programme and fire infrastructure improvements. There are two main fire infrastructure improvements namely:

- The upgrading of the structural fire integrity of the hospital streets (corridors). This will be completed by 2013.
- The upgrading of the fire compartmentation on the wards at a rate of two wards per year. This will be completed by 2019.

Additionally the Trust has been working on an action plan to improve fire safety within its Treatment Centre, in consultation with Cheshire Fire and Rescue Services.

In 2011/12 an audit was carried out on the Health and Safety Management Systems in place, aligned to the Health and Safety Executives Framework Model HSG65. Action plans have been developed based on the findings and will be progressed by the Divisions during 2012/13.

The Trust has developed an internal system for assessing the Control of Substances Hazardous to Health (COSHH) during the year, and this is based on a system already established within the Pathology Department. The introduction of the in-house system has been supported by accredited training from the Chartered Institute of Environmental Health (CIEH) in Level 2 – Principles of COSHH.

Operating Review

Organisational Delivery

Organisational Delivery is a key strategic objective for the Trust and is also considered a national priority. As a result of this the Trust has, through its Clinical Service Strategy, focused on improving its operational processes in order to deliver against national requirements for the year ending March 2012. This section of the report provides narrative and key performance data in relation to the Trust's activity and achievements against the

national performance targets. The section also describes service developments and initiatives which have been introduced to improve performance across the Trust and with external partners. This is intended to compliment the quality information reported within the Quality Account.

The high level activity data detailed below demonstrates the continued increase in levels of patient contacts and care delivered during 2011/12 for both acute care and direct access investigations particularly diagnostic imaging and endoscopy referrals.

	2011/12	2010/11	2009/10	2008/09	2007/08
Emergency episodes of care requiring the use of a bed	29,934*	32,766	31,347	30,894	27,699
Attendances at accident and emergency and minor injuries	79,579	77,416	75,461	76,590	76,664
Elective episodes requiring a procedure to be performed	28,033	27,419	28,644	27,725	24,659
Total attendances at outpatient clinics	239,210	242,322	246,760	244,371	229,070
Births	2,877	3,004	2,991	2,947	2,953
Requests for medical imaging	181,457	172,764	164,784	154,877	141,584
Average number of beds open in the year	569	584	605	574	539
	2011/12	2010/11	2009/10	2008/09	2007/08
Average % Occupancy					
Overall	84.1%	84.4%	87.1%	89.0%	85.0%
General Medicine	89.1%	89.6%	91.9%	94.0%	92.0%
General Surgery	84.6%	89.4%	88.7%	91.0%	88.0%
Orthopaedics	82.9%	83.4%	90.8%	97.0%	87.0%

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

The Trust performed well in terms of year end targets in most areas including the 4 hour performance for emergency care (95% of patients treated within 4 hours), referral to treatment (23 week admitted and 18.3 week non admitted pathways) as well as those relating to cancer services (14 days from referral to being seen, 31 days diagnosis to treatment and 62 days referral to treatment).

The Trust faced a number of challenges during the year including a failure of three successive quarters of the 62 day cancer referral to treatment standard which was in part due to a change in the reallocation process across the Greater Manchester & Cheshire Cancer Network but also due to increasing demands on diagnostics and access to other services. The reporting change applied to patients where treatment had been undertaken at specialist centres but further detailed work with partner organisations at The Christie NHS Foundation Trust and University Hospital South Manchester NHS Foundation Trust has since delivered significant improvement to patient pathways. Further work internally has also seen significant improvements. The Trust has subsequently improved performance and achieved this target for Quarter 3 and Quarter 4 of 2011/12.

Activity levels in 2011/12 remained stable until December 2011 when emergency admissions increased significantly compared with the previous year. This trend continued until the end of March 2012. Work is being undertaken with clinical commissioning groups to understand the reason for the increase in attendances and as described below further work is ongoing, focusing on partnership working with the onsite Urgent Care Centre. This will support the transfer of patients from the Emergency Department when it is safe and appropriate to do so.

During January 2012, the Trust received two additional funding streams. One of these was from the Department of Health to support the winter pressures and to enable to the Trust to open additional beds, the second fund was to support a reduction in waiting times for patients requiring elective surgery. This funding has supported reductions in the waiting times compared to the beginning of the year and positions the Trust well to meet the 18 week standard from April 2012.

The table opposite lists all of the key targets the Trust is measured against within the Monitor Compliance Framework. The Trust's position demonstrates sustained delivery against key targets which, year on year, are becoming increasingly challenging.

Performance Standard	National Target	Trust Performance Year End 2011/12	Trust Position
For non-admitted patients, maximum of 18.3 weeks for the 95th percentile from referral to treatment	18.3 weeks	18.00 weeks	ACHIEVED
For admitted patients, maximum of 23 weeks for the 95th percentile from referral to treatment	23 weeks	25.1 weeks	UNDERACHIEVED
Percentage of patient records with recorded ethnic group information	<ul style="list-style-type: none"> • ACHIEVE $\geq 85\%$ • UNDERACHIEVE $\geq 70\%$ 	Outpatients 88.86% Finished Consultant Episodes 91.74%	ACHIEVED ACHIEVED
Maximum time of waiting of four hours in A & E from arrival to admission, transfer or discharge	<ul style="list-style-type: none"> • ACHIEVE $>95\%$ • UNDERACHIEVE $<95\%$ BUT $>94\%$ • FAIL $<94\%$ 	96.7%	ACHIEVED
Maximum 2 week wait from urgent GP referral to be seen for all suspected cancers including referred those from the breast screening programme	93%	95.4% (breast screening actual 94.6%)	ACHIEVED
Maximum 31 day wait from diagnosis to treatment for all cancers	96%	99.6%	ACHIEVED
Maximum 31 day wait for treatment for all subsequent cancers for drug therapy	94%	100%	ACHIEVED
Maximum 31 day wait for subsequent treatments all cancers for surgery	94%	98.1%	ACHIEVED
Maximum 62 day wait from referral to treatment for all cancers	85%	83.7%	ACHIEVED
Maximum 62 day wait to first treatment from all consultant cancer screening service referrals	90%	92.9%	ACHIEVED
MRSA hospital acquired Bacteraemia	Target ≤ 2 MRSA	1	ACHIEVED
Clostridium <i>difficile</i> hospital acquired	≤ 73 Clostridium <i>difficile</i> cases in year	30	ACHIEVED

The Clinical Services Strategy and Trust's overall strategy have enabled the Trust to clearly understand where its risks are likely to impact on the operational management of the hospital.

The key risks for 2012/13 continue to be the delivery of non elective services as a result of increasing demand which is not showing evidence of decreasing and this may impact on delivery of the 4 hour target. This risk is being managed partly through the flexible management of additional beds, as and when required. Further analysis is being undertaken with commissioners to ensure appropriate planning for sustained increases in activity.

Due to the previous performance against the 62 day cancer target, this area of operational management will continue to receive detailed attention. It is expected that as more robust pathways are embedded, this risk will reduce during the year.

Patient Care

Service Developments

As the Trust constantly strives to improve the services it offers to patients there is a continuous cycle of improvement in service delivery combined with the introduction of new or significantly revised services.

As part of the review process, to refresh the Vision statement, the Trust held a number of engagement events with governors, clinical commissioning groups and the readers panel. The Trust strategy aligns the health planning for the local population across primary and secondary care as well as crossing boundaries into partner organisations. Its key focus, to 'Deliver excellence in healthcare through innovation and collaboration', has been progressed in line with planned service developments

detailed in the Trust's Clinical Service Strategy.

Clinical Service Strategy

In April 2012, the Trust assessed its performance of delivery against the 2011/12 objectives of the Clinical Service Strategy (year one of the 5 year strategy). This assessment confirmed significant progress and investment had been made across all clinical divisions. Enabling strategies (e.g. Estates, Information Management and Technology, Nursing etc) have also been realigned to the overall Trust strategy to support the delivery of the objectives.

The Trust developed a wide range of clinical improvements during the year which have been successful in enhancing the provision of local health care in areas of most need, including:

- Quality investments for 2011/12 focused on increasing levels of front line clinical staff including additional nurses in the Emergency Department, medical assessment units and core wards along with additional consultants in the paediatrics, colorectal and orthopaedics specialties. These investments support the longer term vision of increasing consultant presence on wards and in Outpatient clinics, supporting pathway developments for earlier discharge, reducing readmissions and provision of services which are consultant delivered rather than consultant led services.
- Investments to support significant increases in demand for complex CT (Computerised Tomography) and MRI (Magnetic Resonance Imaging) scanning, largely as a result of increased referrals for cancer diagnosis and from cancer screening programmes.
- February 2012 saw the Trust's Critical Care and Theatre outline Business Case

approved by the Board of Directors, following approval of capital funding support from the Department of Health. The project which will replace existing theatres with eight new theatres and 14 critical care beds will be developed alongside the Trust's day case facilities in the Treatment Centre, providing state of the art facilities for the long term provision of care for patients. It is planned the new facility will be completed by early 2014.

Improvements to surgical pathways

- Introduction of full 23 hour Breast Pathway to include patients undergoing a mastectomy
- Fractured Neck of Femur Pathway
- Fully developed pathways for enhanced recovery colorectal surgery patients.
- Pre-operative hip and knee education classes introduced for all hip and knee patients informing them about the procedure, what to expect post-operatively and their expected length of stay. This includes a pre-operative exercise programme
- Pathway for patients with urinary retention in place preventing unnecessary admissions
- Condition specific clinics are now in place within Ophthalmology including "One stop Glaucoma" clinics.

High risk ante-natal pathways

The generic Antenatal Care Pathway and specific high risk pathways cover different medical and obstetric issues in pregnancy. The implementation of new pathways enabled midwives to deliver maternity care that embraces normality and provides clear guidance to the multi-professional team on best evidence to support and care for women during their pregnancy.

The key principle of the Antenatal Care

Pathway is the right of pregnant women to be provided with current evidence-based information and to be involved with decisions regarding their care.

Medical Imaging

In response to the increasing demand for medical imaging and to ensure compliance with Cancer Quality Standards, the Medical Imaging Team introduced Saturday and Sunday routine CT and MRI scan lists. These ensured that delays in the patient pathway were reduced and that inpatients were discharged sooner due to earlier diagnosis and treatment.

The introduction of Nighthawk, an out of hours external reporting service, improved turnaround times for out of hours CT scanning and reporting. This is particularly important for stroke and trauma patients and supported the Trust's successful application for Trauma Unit status.

Cardiac MRI (Magnetic Resonance Imaging)

The Cardiac MRI scanning service has been developed in conjunction with the Cardiology team. This service is undertaken to determine the viability of heart muscle following a heart attack and it can also be used to determine calcium scores which indicate the level of disease in coronary arteries. Results obtained from the test can be used to initiate future preventative treatment. This locally provided service now negates the need for patients to travel to a specialist hospital for investigation.

Pharmacy

In response to patient survey results and complaints the Pharmacy Department introduced a ward based pharmacy service in 2011/12. The delay in patients receiving their discharge medicines once the decision to discharge had been made

had been raised by patients. Initially a trial was undertaken which demonstrated that the introduction of a ward based pharmacy service resulted in the time spent by patients waiting for their take home medication being reduced by 1.5 hours. Pharmacy Teams are now available on specific wards to facilitate the completion of discharge prescriptions ensuring a timely and safe discharge process. The ward based pharmacy service also provides patients with increased access to pharmacists and pharmacist technicians, who provide the education and support leading to improved patient understanding and compliance with medication utilisation and patient outcomes.

Telephone Answering Service

Following a service review the Ophthalmology Outpatient Department introduced a telephone answering service which ensures that all patients receive a return call on the same day. This has improved significantly the number of callers responded to. The non response rate has significantly improved from 54% unanswered calls to 8% unanswered calls.

Paediatric Patient Passport

The Paediatric Home Care team successfully piloted a paediatric passport for children with complex health and social care needs.

This passport provides crucial information about a child's everyday needs and, if old enough, their wishes. The passport also specifies the child's primary diagnosis, if known. For healthcare professionals meeting the child for the first time the passport contains enough detail to enable understanding of the child's needs and enables children and their carers to feel that their health and social needs are understood.

The passport will be most beneficial for those children with complex health and social care needs and for those who are frequent attenders at the Emergency Department, Paediatric Departments and their General Practitioner (GP).

Stakeholder Relations and Partnerships

The provision of high quality services delivered by the Trust continued to be of the utmost priority during 2011/12 and this has involved partnership working with patients, relatives and carers as well as jointly delivering services between the Trust and other voluntary and statutory organisations. During 2011/12 the Trust continued to focus on ways in which these relationships could be improved to enhance patient experience and improve the quality of care delivered.

Below are some examples where the Trust has worked in partnership to improve the quality and range of services delivered to patients:

Partnering Health and Social Care

Additional government funding was released in April 2011 to support further community and hospital admission avoidance schemes focusing on patients with long term conditions and frail elderly patients. This provided the opportunity for the Trust to develop closer links with its partner organisations including General Practitioners (GPs), social services, mental health and intermediate care/community nursing teams. A number of developments have been implemented from this including:

Integrated Discharge Team (IDT)

The IDT was formed in September 2010 and is made up of social care workers and discharge nurses from East Cheshire Council and the Trust. The team aims to

support best practice in discharge planning, specifically for patients who require more support or may have complex discharge needs. An expansion of the service during 2011 saw a number of projects being undertaken with significant benefits for patients. These are described in more detail below:

- **Complex Needs**

Over 2011/12 the team focused on the redesign of discharge pathways for patients with complex needs. This redesign has included the allocation of a named social worker within 24 hours of the patient being admitted. Shared working between the discharge nurse and social care worker supports rapid assessments of patients needs so that plans can be implemented early to provide any additional support needed on discharge. This programme of work has been facilitated through the development of a shared information system.

- **Dementia Service**

An expansion of the IDT has provided additional staff to identify and support patients who are recognised as having dementia. The nursing members of the team provide additional support to patients ensuring that the patient doesn't experience unnecessary ward moves and that the mental health team are appropriately involved. The aims of this service are to improve patient experience, reduce the likelihood of a further admission to hospital, reduce length of stay and eliminate as far as possible any unnecessary ward moves therefore preventing any distress and confusion. This service is evidencing significant improvement in patient care and ultimately improves the likelihood of the patient being able to return to their original environment following a planned discharge.

- **Readmissions**

The IDT team have also been assessing patients on admission who are considered to be at high risk of readmission. A nurse contacts the patient 72 hours after discharge, to review discharge support and identify further supporting measures if required. The post discharge support requires close working with other agencies such as the patient's own General Practitioner (GP) to undertake follow up blood tests or to provide further medication, district nurses to check on the patient's progress or therapy teams to continue rehabilitation following discharge. The overall aim of this service is to reduce the likelihood of the patient being readmitted to hospital and therefore improving quality of outcomes for patients.

Intravenous Therapy at Home (Home IV)

The Home IV Service aims to reduce the number of admissions into Leighton Hospital by allowing patients, who would have previously had to come into hospital, to be treated at home with intravenous antibiotic therapy. Initially the Trust has focused on patients with cellulitis who have been referred into the service either directly from their General Practitioner (GP) or following a visit to the hospital through the Emergency Department. The service is provided from a partnership involving three organisations, Mid Cheshire Hospitals NHS Foundation Trust and Shropshire Doctors Ltd who provide the primary medical services within the Trust's Urgent Care Centre as well as an independent sector healthcare provider who delivers the antibiotic care in the patient's own home. Work during 2012/13 will expand the range of patients and conditions that can be treated out of hospital.

As part of the service redesign patients and carers were asked to complete a patient

satisfaction questionnaire. The results showed that 100% of those who responded were satisfied with the service.

Collaborative work with the Kings Fund to improve practices in Maternity Services

As part of this project the following initiatives were implemented:

- The introduction of the SBAR (situation, background, assessment & recommendation) tool as part of the Safer Births Improvement Programme (SBIP). This involved the reorganisation of the labour ward patient status and information board used by staff to make handovers/ward rounds more efficient and effective.
- The National Patient Safety Agency Intrapartum Scorecard and Birthrate Acuity Tool were implemented during the SBIP. These now provide objective metrics of workload, staffing, complexity of cases and risk. The Scorecard and Acuity Tool require input every 2 and 6 hours respectively and audits have demonstrated over 95% completion during the first 3 months of implementation.

Ageing Well In Cheshire East

The Trust is a key partner in the Ageing Well in Cheshire East Programme. The Ageing Well Programme aims to make the borough a good place to grow old, by maximising opportunities for older people to prepare for the later stages of life, maintain their quality of life and have access to services if required. The Trust's commitment is demonstrated through the pledge:

"Mid Cheshire Hospitals NHS Foundation Trust as one of the largest local employers pledges to be an active partner in the Cheshire East Ageing Well Programme by providing programmes to assist its employees in staying healthy and preparing

for retirement and later life."

Partnering Volunteers

The Trust has a very long and successful tradition of welcoming volunteers from the local community into its hospitals and currently more than 350 volunteers of all ages, young and not so young, offer support and assistance to staff, patients and visitors.

Indeed, this year marks the 40th anniversary of Leighton Hospital and the Trust are delighted that several pioneer volunteers from 1972 are still volunteering on a regular basis.

Whilst many of the original volunteer roles remain, including ward assistants and Outpatient escorts, new opportunities such as Mealtime Assistants and Hand-holders in Ophthalmology Theatres have been introduced. All volunteer roles share the same aim and that is to enhance the patient experience.

The Trust is fortunate to have several voluntary organisations such as the League of Friends, WRVS, Hospital Broadcast Service, British Red Cross, ABC Association and the Ray of Hope Appeal that raise funds or provide services for the benefit of patients. Some members of Hospital Radio and the League of Friends have been volunteering for more than 35 years.

The contribution of all volunteers is greatly valued by the Trust and an annual Volunteers Evening and an Afternoon Tea is organised to thank volunteers and to reward long service. In addition coffee mornings are held periodically and newsletters published to keep volunteers up to date with hospital news and other issues which may be of interest to them.

Partnering patients and the public

The Local Government and Public Involvement in Health Act (2007) relates to the duty on 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.

Vascular Services

A review of the provision of vascular services has been undertaken with the full involvement of the local population through a wide consultation process across Cheshire and Merseyside. This change involved a small group of patients who require highly specialised complex surgery such as aneurysm repair, carotid surgery or major limb amputation. This clinically led project included consideration of patients experience from their first contact with their General Practitioner (GP) or the Emergency Department to the provision of outpatient care, diagnostics, preoperative assessments, surgery and subsequent follow up care. The national review was undertaken to ensure that vascular surgery should be developed in partnership with specialist tertiary centres so that patients experienced the best possible outcomes with all supporting care continuing to be provided locally. The revised pathway is now in the process of being implemented

with a full plan to be implemented from July 2012. Further patient engagement/satisfaction surveys will be undertaken to monitor improvements during 2012/13.

Neurological Conditions

An information event for patients and the public, on long term neurological conditions was held in October 2011 at Nantwich Civic Hall. The event was attended by over 100 members of the public seeking guidance, support and valuable information and insights into the care and treatment of such conditions. The session provided information and interactive displays by exhibitors, as well as attendance by Trust staff.

The event was organised by the Trust, and was supported by a range of statutory, voluntary and third sector organisations including the Neuromuscular Centre in Winsford, the Multiple Sclerosis Society, Epilepsy Action, Parkinson's UK, Alzheimer's Society, Ableworld, the Expert Patient Programme and Cheshire East Local Involvement Network.

Exhibitors confirmed that, as a result of the event, they had made new contacts with patients and carers in the community and they had been able to network with other groups meaning that everybody can benefit from their support in the future.

There was also a touch screen kiosk for visitors to complete a short questionnaire with their comments on the event. Feedback was very positive, and included quotes such as "the event was very helpful" and "it was informative and met my expectations".

Partnership development with the Trust Youth Council

The Trust continues to work with the Youth Council to increase the involvement of young persons in decision making and

shaping paediatric services in the future. The initial focus has allowed young people to provide input into the Patient Placement Policy for 16-18 year olds.

Workforce Development and Effectiveness

The Board of Directors absolutely recognises the valuable contribution its workforce, approximately 3,300 staff, makes to the delivery of high quality services and patient safety. The Trust knows staff work tirelessly to ensure services to patients and families remain a priority.

Listening to the views of staff so that the Trust can continuously improve how services are delivered and also their own experiences as an employee is crucial to ensure that the Trust can continue to increase staff engagement levels. This has been a particular area of focus over the last twelve months. One of the ways the Trust can gain the views of staff is through the annual NHS Staff Survey and the results from the Survey inform action plans which are implemented across the Trust to make the necessary improvements. The work undertaken in 2011/12 is detailed below together with the main headlines from the 2011 Survey.

Another important piece of work in 2011 was the focus on the Health, Work and Wellbeing agenda and significantly, 2011 saw the launch of the Health and Wellbeing Strategy for staff. Evidence shows there are clear links between the health and wellbeing of staff and improved patient outcomes. Trusts which have lower sickness absence, turnover, and agency spend nearly always have better patient satisfaction, quality of care, and use their resources more effectively. The Trust has

reviewed data in this area and in 2011/12 the Trust saw a continued reduction in the staff turnover rate which reduced by 0.5% to 8.96% and the sickness absence rate of 4.37% maintained the performance from the previous year. 2012/13 will see a continued focus on supporting staff to improve their health and wellbeing in order to promote better health and prevent sickness absence.

Listen to Staff

As stated earlier listening to the views of staff is hugely important and the Trust were delighted that the response rate for the 2011 national staff survey increased by 7% from 2010 to 64%, putting the Trust in the top 20% of the Trust's peer group. Further analysis of the results together with some background information is provided below.

The National Staff Survey

A national staff opinion survey is conducted each year by the Trust. The survey comprises questions relating to the four pledges to staff in the NHS Constitution together with additional themes of Staff Satisfaction and Equality & Diversity.

A review of the findings show the Trust's score for Staff Engagement continues to rise, the score for 2011 being 3.63 out of 5 (1 indicating that staff are poorly engaged and 5 indicating that staff are highly engaged), with the Trust also seeing an improvement in the number of staff who would recommend the Trust as a place to work and receive treatment.

Other areas of improvement include the percentage of staff appraised with personal development plans in the previous 12 months and the percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver.

The Trust identified 12 key indicators following the 2010 results and it was

noted the 2011 results showed five areas where the Trust had improved, three where the Trust had remained the same and four where performance had deteriorated slightly.

Action plans will be developed based on the 2011 outcomes and will focus on issues that staff identified as being of real importance to them and that will have a marked effect on their future levels of engagement and satisfaction. The Board of Directors have signed off the following 6 areas of focus for 2012/13:

- Reducing violence, bullying and harassment against staff
- Improving support and communication during change
- Leadership behaviours, holding to account and role modelling values and behaviours
- Improving quality of appraisals and talent management
- Increasing feedback, recognition and reward for all staff
- Improving Equality & Diversity training uptake and how the Trust work with disabled staff.

Progress against Action Plans will be monitored through forums including Executive Workforce Committee, Divisional Quarterly Performance Reviews (DQPR) and Divisional Workforce meetings.

The Trust also holds focus groups with staff in June and October across the Divisions to gain further depth of feedback from the staff survey questions. The feedback from these groups is shared widely across the senior management teams and at Board level meetings and are used to inform new developments and changes to practice. Staff are informed of changes and actions taken as a result of their feedback through the "You said...We did..." poster campaign which runs throughout the year.

The results are also reviewed by the Care Quality Commission who evaluate the information to determine staff views on the Trust as an employer.

Details of the Trust's top four ranking and bottom four ranking scores are noted overleaf:

Top four ranking

Key Finding	Trust Score 2011	National Average	Difference on 2010
KF12 – Percentage of Staff appraised in last 12 months	89%	81%	No change
KF14 - Percentage of staff appraised with personal development plans in last 12 months	79%	68%	+2%
KF22 - Fairness and effectiveness of incident reporting procedures	Scale Summary 3.63	Scale Summary 3.46	Scale Summary +0.3%
KF28 - Impact of health and well-being on ability to perform work or daily activities	Scale Summary 1.53	Scale Summary 1.57%	Scale Summary -0.3%

Bottom four ranking

Key Finding	Trust Score 2011	National Average	Difference on 2010
KF23 - Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	12%	8%	+1%
KF36 - Percentage of staff having equality and diversity training in last 12 months	34%	48%	-3%
KF6 - Effective team working	Scale Summary 3.66	Scale Summary 3.72	Scale Summary 0.01
KF1 - Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver.	71%	74%	+2%

Investors in People

The Trust maintains the Bronze Status of the Investors in People Standard that it achieved in January 2011. Annual internal reviews are undertaken in between the formal external assessments to undertake a 'temperature check' and triangulate the information collected as part of the staff survey.



**INVESTORS
IN PEOPLE**

Divisional action plans are developed to address areas of concern which are shared with staff, and with the Executive Workforce Committee.

Staff Involvement

The Trust is committed to ensuring effective staff involvement and understands the potential impact it can have on morale, productivity, organisational performance and patient experience.

Formal arrangements for consultation and negotiation

Effective communication and engagement are 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 their terms of reference the committees are responsible for providing information and assurances to the Board of Directors that the Trust is safely 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.

Where organisational change takes place in a particular department or services area consultation takes place in accordance with the Trust's Managing Organisational Change Policy. The aim of the policy is to mitigate the effect of any such change wherever possible, with the intention of retaining the valuable skills and experience of the workforce.

In 2011/12 a number of programmes of organisational change took place including:

- The implementation of 12 hour shifts across ward areas in the Medical Division
- The introduction of ward based

Phlebotomy teams

- A skill mix review of the Information Technology Department
- A major redesign project in Maternity Services.

Engagement and involvement

The Trust encourages staff to get involved in identifying solutions to the challenges it faces and actively seeks the involvement from staff in ways to improve service delivery. Seeking their help and support has resulted in the Trust receiving hundreds of ideas from focus groups and individuals. Divisional Senior Management teams continue to work with staff to take ideas and suggestions forward and hold regular drop in sessions to share information on the clinical service strategies, update on progress and answer any questions.

Forward Thinking

The Trust holds an annual Forward Thinking Event where members of staff are chosen from each Division to represent their departments and to then share the knowledge with colleagues. Each Division delivers a presentation outlining the main achievements over the last 12 months together with the plans and expectations for the next year. Presentations are interactive to ensure that audiences are involved and engaged in the content. Feedback from these events has been hugely positive and is seen as an effective way of sharing information across the Trust.

Service Transformation

The Trust's chosen service transformation methodology was introduced in 2008 with the aim of developing the expertise of lean service transformation tools and techniques and embedding a service transformation culture within the organisation thereby providing a consistent framework in which to conduct service development and pathway redesign. The programme uses

continuous improvement models such as Lean, Six Sigma and Plan Do Study Act (PDSA), to improve services and processes. This methodology focuses on quality models that ensure services are effectively planned, implemented and controlled with regular control measures to ensure that the service is efficient and effective.

The transformation programme is aligned to the delivery of organisational development and plans to build up skills and capabilities within the organisation to find and solve problems but also use effective methods of measuring and control of the changes implemented.

Below are some examples of work that has been conducted during 2011/12:

Perfect Front Door

The perfect front door is a pilot that involves the Urgent Care Centre, Emergency Department, General Practitioners (GPs), the Ambulance Service, Ambulatory Care and patients. It provides additional resources for the pilot period to support the trial of initiatives that will encourage working and talking together to develop a more effective way of managing the patients that attend the front door of the hospital.

CCC GP Call Handlers and the Patient Placement Team

As a result of the review of the Urgent Care Centre in 2011, the new GP urgent care commissioners agreed that a single point of access for inward patient referrals from both external and internal agencies e.g. General Practitioners (GPs), Emergency Department, Outpatient Department, ambulance, community nurses and others concept has merit and can be made to work effectively.

The Urgent Care Centre call handlers and

the Patient Placement Team were merged in October 2011. The merge has been successful in streamlining the patient flow and improving the communication between external partners and the acute Trust.

Ambulatory Care Pathways

As part of the planning for the ambulatory pathways the Urgent Care Centre are working with all specialities to identify where there may be an opportunity to avoid admissions, reduce length of stay or Emergency Department attendances by effectively streaming and where appropriate managing patients at home with the appropriate support and follow up.

At present there are a number of pathways that have been developed. They include, Deep Vein Thrombosis, Home IV, Acute Urinary Retention, and Acute admissions from care homes. There is a five phased planned approach to developing the 49 pathways listed in the Directory of Ambulatory Care produced by the Institute of Innovation and Improvement.

Communication with Staff

The Trust has reviewed the approach to communication with staff and, following feedback, introduced new means of employee interaction.

Weekly Messages from the Chief Executive and Trust Update

Weekly messages from the Chief Executive were introduced and focus on a wide range of topics such as Trust achievements, upcoming events and wider NHS matters. These messages are sent to all members of staff via email, as is a new fortnightly communication called *Trust Update*. This is a two-page newsletter summarising a range of Trust-related news items, which is also sent in hard copy to wards and departments across the organisation for display.

Pay Day Press

Payday Press was also introduced in 2011, which is a newsletter attached to payslips and focuses on issues which are likely to affect staff as individuals, such as pension information, flexible working arrangements and employee assistance programmes.

Staff Matters, Team Brief and Suggestives

The communication methods mentioned above were introduced in addition to existing formats such as the quarterly Staff Matters newsletter, the monthly *Team Brief*, and the employee feedback scheme, *Suggestives*. Following the review, changes were made to both Team Brief and Suggestives to make them more efficient and effective. The monthly briefing, led by the Chief Executive, was simplified to make it easier for managers to cascade important Trust-wide messages to their teams, whilst ideas submitted into the Suggestives scheme are now reviewed by an Executive Director for appropriate action.

The Executive Directors also now partake in regular ward visits to meet with staff and discuss any issues which may be occurring in their ward or department. The Directors also hold briefing sessions if there are any urgent communications for the Trust.

Investing in staff

Retaining and developing talent allows the Trust to succession plan key roles to support the clinical services strategy. Internal development programmes deliver greater self-awareness and self-belief; confidence and support. The networking opportunities have proved invaluable and the relationships that are established assist with cross Trust working. The programmes represent significant investment in the leaders of the organisation.

Leadership and Management Development

The approach to leadership and management development focuses on instilling confidence to improve both the making and implementation of decisions and a sense of ownership, accountability and responsibility for the larger interests of the Trust.

The Trust runs a number of in-house development programmes which are available to staff:

- Senior Manager Development Programme
 - In December 2011 the Trust's senior managers completed a two year development programme with the Advisory Board.
- Service Manager Programme
 - A new Service Manager programme was introduced in January 2012. This programme provides service managers with the opportunity to meet as a network and share experience, information and have development from a range of internal speakers.
- Manager Development Programmes
 - The Trust is now in year four of the delivery of the internal Manager Development Programmes. The programmes are accredited as an academic unit towards a Masters at Manchester Metropolitan University. A recent audit of people who had attended over the previous three years showed that of the thirty eight who responded 54% had been promoted internally after completing the programme. This is helping us to retain our talented staff and allowing us to succession plan for key roles.
- New Manager Induction Programme
 - Available to all new managers on joining the Trust.

- NVQ In Management
 - Open to all staff on Agenda for Change Bands 1 – 4.

Coaching for Quality

The Trust provides one to one coaching for senior staff from a team of twelve trained internal coaches. A total of 78 people accessed an internal coach between January 2010 and December 2011. The Trust also runs regular workshops on Essential Coaching skills for all managers of which 67 senior staff have attended so far.

In January 2012 the Trust extended the coaching provision to include Team Coaching; this is a bespoke intervention which enables teams to achieve higher performance by focusing on the development of effective team working and clarifying the purpose of the team. Seven members of the internal coaching team have been trained and they will build skills which empower team learning in order to improve decision making and risk taking in a confident, resilient and sustainable way. The programme will be rolled out during 2012/13.

Developing Resilience

The Trust delivers a one day programme on how to build resilience both in individuals and in their teams, in order to maintain performance and positive wellbeing. 45 staff attended this programme in 2011/12 and have reported being able to acknowledge and understand the triggers that undermine resilience both for themselves and their teams and how they can manage and support their teams when under pressure.

Apprenticeships

Nationally the system of NVQ's has changed and is now known as Qualification Credit Framework (QCF).

Apprenticeships are work-based development programmes which reflect the application of knowledge and competencies required of the modern day multi skilled workforce, leading to nationally accredited qualifications. Apprenticeships are made up of three elements:

- Qualification Credit Framework (QCF)
Work based assessment
- Technical Certificate – recognition of on-the-job development of competence, skills and knowledge
- Key skills – including Literacy, Numeracy and Computer skills

The Trust has recently embarked on Apprenticeship Schemes in partnership with Salford Trinity College in the following areas:

- Business and Administration
- Customer Services
- Team Leading and Management

Some of these are higher advanced apprenticeships in management at level 5.

Qualification Credit Framework (QCF)

The Trust is a City and Guilds QCF accredited Centre for Health, and Health and Social Care programmes and employs four Internal Verifiers and has 52 staff that are trained Assessors. As yet the Trust is not an accredited centre for Apprenticeship programmes but is currently working towards this.

The Trust's QCF Centre and apprenticeship Training Provider undertake initial skills screening to determine learners who may have literacy or numeracy needs and to identify learners who would benefit from further assessments.

Work Experience

During 2011/12 the Trust hosted 116 work experience students who were placed in various wards and departments across the Trust. Work experience provides a valuable opportunity for young people to 'get a taste' of working in the NHS and helps identify future career options. Evaluations received from students show that they are motivated and enthusiastic about applying for positions within the NHS once they have completed their studies.

Health & Wellbeing

In response to the recommendations within the 'NHS Health and Well Being Report' (November 2009), by Dr Steven Boorman the Trust launched its Health and Wellbeing Strategy. The Strategy is aimed at helping staff to improve their own health and wellbeing through simple changes in their work and personal lives.

The Strategy sets out the Trust's intentions to ensure improvement in key areas which contribute to staff health and wellbeing. Implementation of the Strategy is co-ordinated by the Health Work and Wellbeing Strategy Steering group whose membership includes staff from corporate and clinical areas, and a staff side and staff governor representative.



Staff Getting Active

The NHS Chief Executive, Sir David Nicholson challenged the NHS to get staff more active by 2012 in order to improve

productivity and reduce the costs of preventable sickness absence within the NHS. In response the Trust introduced fitness initiatives such as on-site staff Zumba classes, a 'Walk to Work' scheme, and is currently finalising arrangements for Trust teams and leagues in a number of different sports including football and netball. The Trust also organised a 5K run at the end of March 2012 to help encourage staff to become more physically active as well as supporting the Trust's nominated Charity, the One in Eleven Appeal. In November 2011 the Trust was awarded a Bronze certificate of accreditation for its "energy and enthusiasm in meeting the challenge and getting staff more active". The award was presented to the Trust by Sir David Nicholson, Chief Executive, NHS England, alongside Jonathan Edwards CBE, Olympic Triple Jump Gold Medallist.

Earlier in the year the Trust was also awarded the London 2012 Inspire Mark in recognition of its efforts to improve the wellbeing of staff. The Inspire Mark officially recognises and rewards projects inspired by the London 2012 Olympic and Paralympic Games and enables the Trust to formally link the two through the Inspire logo.



Occupational Health

The Trust hosts the collaborative Cheshire Occupational Health Service which is delivered in partnership with East

Cheshire NHS Trust. The service provides occupational health facilities to staff in both Trusts as well as to a number of other NHS organisations, and the private and public sector.

One of the most notable successes for the service, and a real cause for celebration for the Trust, was the achievement of full SEQOHS accreditation (Safe Effective Quality Occupational Health Service). This national scheme, which is managed by the Royal College of Physicians, sets standards of compliance in areas such as staff competency, quality and safety and a number of specific NHS standards. Achieving accreditation represents an important external validation of the high quality of service provided and places the Trust amongst only a dozen of NHS organisations to have achieved this award at this early stage.

The year also saw the introduction of a dedicated physiotherapy resource to support staff with musculo-skeletal conditions, and the introduction of a new counselling service through an independent employee assistance provider (EAP). Both resulted in a significant improvement in the access times, and the EAP service has supported the emotional wellbeing of staff, all of which led to improved attendance and productivity.

Celebrating Success

Recognising and celebrating the achievements of staff is hugely important and plays a significant part in maintaining high engagement levels.

Celebration of Achievement

The Trust holds an annual Celebration of Achievement Evening, sponsored by Unison, to recognise contribution made by staff and to share best practice. Staff are encouraged to nominate colleagues and peers from across the organisation in

twelve categories. Over 170 nominations were received for the awards and a judging panel including the Chief Executive, Director of Workforce & Organisational Development, Staff Side and Patient representatives determined the top three in each category. The awards evening was held in March 2012 and was, as ever, a huge success with over 250 Trust staff in attendance. The winners of each category were announced on the evening and presented with their very own 'Oscar'.

Protecting Staff

The healthcare sector is a high risk environment, where the potential for harm to individual patients and staff can be significant. The Trust takes seriously its responsibility to ensure that all staff are trained and kept up-to-date with all the required legislation, recommendations and guidance from relevant bodies that are appropriate to their role, including Health and Safety, Healthcare Professional Standards and other guidance.

Mandatory Training

It is imperative that the workforce have the right skills and competence to perform in their roles. The Trust's mandatory training programme includes all of the elements that are required to keep individuals, and the Trust, safe and fit for purpose. The training is tailored to the role that the individual holds which ensures on-going relevance and applicability.

The Trust's performance on mandatory training during 2011/12 improved on the previous years' position by 6% with a year-end position of 82%.

The Trust's investment in statutory and mandatory training should demonstrate a positive impact on staff effectiveness and quality for the patient. The focus for mandatory training during 2012/13 will be to improve compliance rates and the quality

of training. A review will be undertaken of the programme to support the on-going effectiveness of the programme in line with this aim.

Commitment to Equality, Diversity, Inclusion and Human Rights

Activities carried out at the Trust touch lives and change futures. That's true for patients and relatives and for staff. The influence of the Trust is felt across the community. Every day, the Trust aims to provide excellent services for the community and to be an excellent employer. This is possible only if the diversity of the local population and workforce is taken into account. As an employer, the Trust considers the needs of individual members of staff and strives to meet those needs where compatible with key service requirements. The Trust seeks and listens to the views of patients and their families and of the workforce and their representatives. The Trust also involves other organisations whether from the public, private or voluntary sector.

Following consultation, the Trust has adopted 2 overarching equality objectives. These are:

- i) by working with others, to improve indicators of health in the local community whilst reducing indicators of health inequalities.
- ii) by working with employees and trades unions, to improve levels of staff satisfaction in the Trust whilst reducing indicators of inequality in staff satisfaction.

The Trust will continue to work with local organisations, staff and trade unions to develop further and more detailed equality objectives. The Trust will use the Equality Delivery System in order to identify priorities for action that will provide a real

benefit for patients and the public and for staff and volunteers.

The Trust prepares a separate Annual Report on Equality, Diversity, Inclusion and Human Rights. The report for 2011/12 is scheduled to be published in September 2012. In brief and amongst other things, in 2011/12 the Trust published equality information and prepared for the publication of equality objectives in line with the Equality Act 2010 (Specific Duties) Regulations 2011. Consultation with local groups was undertaken on the new NHS Equality Delivery System.

Policies in relation to Disabled Employees & Equal Opportunities

The Trust has an Equality, Diversity and Human Rights in Employment Policy which provides a framework within which the Trust will ensure that the legislative and regulatory requirements in Equality Diversity & Human Rights in employment are fully met and works towards excellent practice.

The Trust's Recruitment & Selection Policy is applied for selection processes. The Trust is a '2 ticks employer' and as such will offer an interview to all disabled applicants who meet the essential requirements for the job. This policy applies to both new staff and promotional appointments.

The Trust's Managing Attendance Policy sets out the arrangements for how the Trust will manage attendance, and look to make reasonable adjustments to enable staff be able to continue their current or alternative role. Support is provided by Occupational Health as appropriate.

The Trust's Mandatory and Essential Learning Policy and the Study Leave Policy apply to all staff including disabled staff.

The Trust's analysis of the Staff Survey has highlighted concerns relating to staff with disabilities or long term conditions. As noted, improving Equality & Diversity training uptake and how the Trust work with disabled staff will be a particular area of focus for 2012/13.

Equality information, including that related to disabled staff, is available on the Trust's website and is monitored through the Trust's Equality, Diversity and Human Rights Committee.

Fit for Purpose Infrastructure

Trust Premises

In the last two successive Annual Reports the Trust has reported the challenges it has in removing asbestos from the Leighton site, enabling developments to take place and the impact this had in complying with Cheshire Fire and Rescue Improvement Notices. Further significant progress has been made in-year with additional corridor refurbishment and further refurbishment of wards which have managed the removal of asbestos and ensured improvements in fire controls, at the same time as improving the ward environment for both patients and staff.

This year has also seen a number of further significant capital investments in the Trust's estate including:

- Corridors and Fire Compartmentation of £1.9m;
- Ward 7 Refurbishment of £671k;
- Fracture Clinic Refurbishment of £559k;
- Maternity Ward 26 (Phase 1) of £480k and commencement of Phase 2 in March 2012.

The Trust has also updated and replaced

over £350k of Medical Equipment through leasing arrangements. Key items procured include:

- Renasys Wound Therapy Pumps;
- Fluid Warmers;
- Bladder Scanners;
- Urology Trans Rectal Ultrasound;
- Holter Analyser;
- Encore Cardiotocograph Monitors.

New Critical Care & Theatres

Good news was received in February 2012 with confirmation that the Trust had been successful in its application to the Department of Health for £21.6m funding to replace its Critical Care and main Theatres. The scheme will progress over the coming year with a planned opening in the early part of 2014.

Hospital Corridors and Ward Refurbishment Programme

For 2012/13 the Trust will continue to progress its Hospital Corridors and Ward Refurbishment Programme and undertake the next phase within the Maternity Central Delivery Unit. In addition, a new Renal Dialysis Unit will be funded via a lease arrangement with an external contract provider, in collaboration with University Hospitals North Staffordshire NHS Trust.

One in Eleven Appeal

In March 2012 the Trust launched its major charitable appeal the One in Eleven Appeal, which aims to raise £1m, to support the Trust's contribution for the re-development of the Neonatal Intensive Care Unit at the Trust. Approximately 3,000



babies are born at the Trust every year, with one in eleven needing additional support ranging from a few hours of special care to a few weeks in an Intensive Care Unit. Dedicated staff provide fantastic care for up to 15 babies at any one time, but bigger and better accommodation is needed. The new unit will offer improved parent areas, increased space with better design, bespoke technology and an improved environment. These facilities will ensure that the Trust is able to serve the local community in the long term.

Future Developments

The challenging economic environment, however, is likely to restrict the level of investment available, which will still leave areas requiring development over future years, in particular:

- Outpatient Accommodation
- Residential Accommodation
- Implementation of the Trust's Information Management & Technology Strategy.

The refurbishment of Outpatients continues to pose a funding concern at this time of restricted investment.

Residential accommodation is to be progressed to Business Case stage with the possibility that key worker housing may be provided through external investment by a registered social housing landlord.

At the core of the Trust's Information Management & Technology Strategy is the move to electronic patient records giving improvements in clinical management and reducing ongoing costs.

Sustainability

The Trust has a commitment to sustainability and sets out its general aims and principles of what is an extensive agenda for continuous development.

Sustainable development is concerned with meeting society's needs today without compromising the ability of future generations to meet their needs – often referred to as good corporate citizenship or corporate social responsibility. The NHS is the largest employer in Europe and as a provider of healthcare is viewed as a socially responsible organisation but it has the highest rate of carbon emissions in the public sector in England. The challenge has been set for the NHS to lead on all aspects of sustainable development, particularly carbon reduction, and promote the good corporate citizenship model.

The NHS Sustainability Unit provides leadership and support for NHS organisations to meet the challenge set.

The strategy will apply to all stakeholders in the Trust's business and needs to become embedded in all activities of the organisation. The expansive and long-term nature of the sustainability agenda means that implementing sustainability issues will be an incremental process.

Achievements in Reducing Waste Management

The Trust is committed to continuous improvement in minimising the impact of its activities on the environment and becoming a good corporate citizen. The table below highlights the Trust's achievements in the area of waste management:

Waste Management

Definition	Tonne 2010/11	Tonne 2011/12	Disposal Cost 2010/11	Disposal Cost 2011/12
Total amount of waste produced by the Trust	1,080	1,046	£273,574	£273,521
Method of disposal (Landfill)	437	364	£50,504	£54,604
Method of disposal (Heat treated then deep land fill)	418	404	£158,698	£154,398
Method of disposal (Incinerated then deep landfill)	66	69	£40,112	£39,904
Method of disposal (Recycled)	159	184	£24,260	£24,714

Finite Resources

Definition	Consumption 2010/11	Consumption 2011/12	Cost 2010/11	Cost 2011/12
Water	117,301 M ³	103,770M ³	£293,572	£263,294
Electricity	6,237,792 kWh	8,561,961 kWh	£536,983	£663,847
Gas	26,263,911 kWh	23,461,666 kWh	£633,126	£624,009
Oil	816,278 kWh	341,667 kWh	£43,070	£21,354

Summary Position

- Waste going to Landfill has decreased by 16.7%
- Heat treated waste has decreased by 3.3%
- Incinerated waste has increased by 4.5%
- Recycling has increased by 15.7%
- Water usage has reduced by 11.5%
- Gas consumption has reduced by 10.7%
- Electricity consumption has increased by 37.3%*
- Oil consumption has reduced by 58.1%

*The replacement of a Combined Heat and Power (CHP) Plant at Leighton Hospital has created a wide variation in the utilities consumption profile over 2011/12.

Good Corporate Citizenship

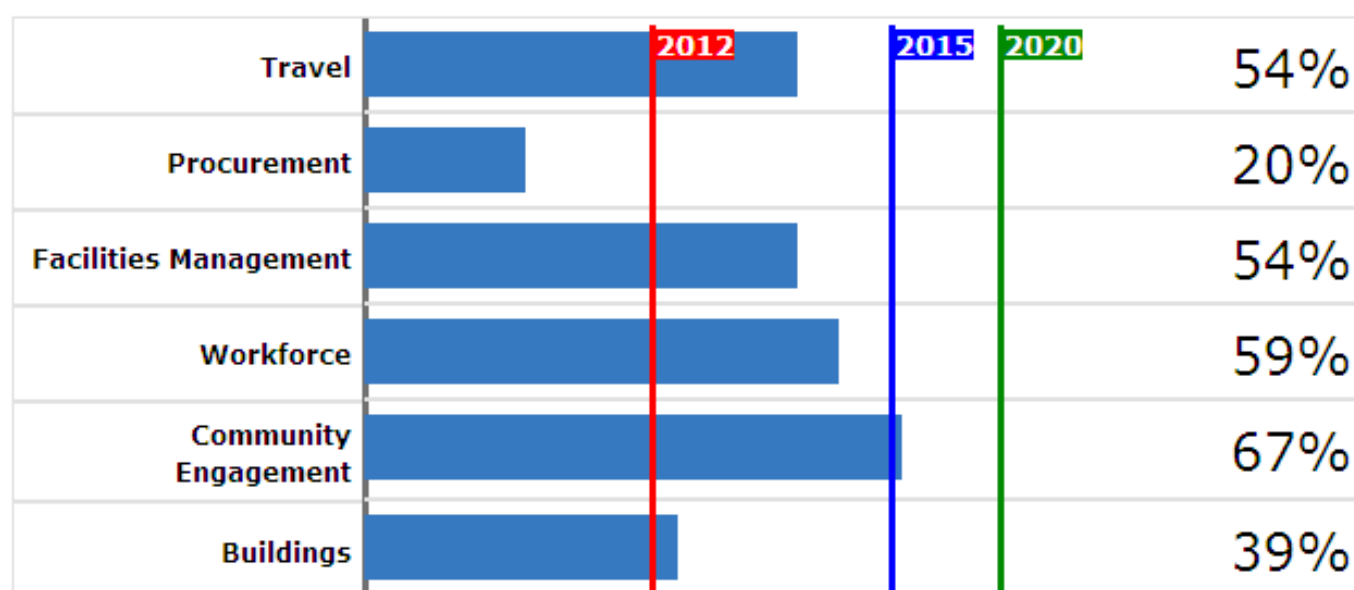
The NHS Good Corporate Citizenship Assessment Model allows individual trusts to assess their organisation's progress on sustainable development. The test is divided into six sections:

- Travel
- Procurement
- Facilities Management
- Workforce
- Community Engagement
- Buildings

Each section has three levels and the Trust scores its progress on a range between 0 to 10.

There are two target dates for partial compliance and a final compliance date of 2020. The Trust has met all of the 2012 targets with the exception of Procurement and is well on the way to meeting the 2015 targets in three of the six categories, having already met its Community Engagement target.

In January 2012 the Trust was audited against the Good Corporate Citizenship model and a favorable audit report resulted, including six summary actions.



Financial Review

Strong Progressive FT

Delivering on Financial Performance

The Statement of Comprehensive Income for the year ended 31 March 2012 shows a deficit for the year of £8.1m, however, this position has been affected by the revaluation of the Trust's land and buildings which has created an impairment charge of £12.3m. This has been partially offset by recognition of income associated with previously impaired assets being revalued of £724k. Excluding these exceptional items gives an adjusted surplus of £3.4m and continues to demonstrate the Trust's strong financial stewardship delivering £2,382k in excess of the Trust's planned surplus.

This over-performance has been significantly impacted by reduced fines and penalties resulting from improvements in quality and additional funding support to assist with winter pressures.

The Trust's financial performance remains sound and this is reflected in an anticipated score of 4 against Monitor's financial risk

rating, improving on the level achieved in 2010/11.

Going forward the efficiency challenge facing acute providers is expected to continue through a 4.5% - 5.0% per annum deflator being applied to the rate trusts are reimbursed for the activity they undertake. This represents a significant challenge and risk to the finances of all providers and requires innovative solutions to be developed across all healthcare providers to improve efficiency whilst at the same time remaining focused on delivering and improving quality standards.

The Trust's full accounts can be found on Page 139.

Analysis of Income

The total income received by the Trust in 2011/12 was £173.8m. This represents an increase on the previous year of £3.6m or 2.1%, however, this includes £724k (£1.6m 2010/11) attributable to revaluation of the Trust's estate. This gives a normalised increase of £4,510k which represents an increase of 2.7%.

An analysis of key income streams can be seen below:

Income Source	2011/12 £000s	2010/11 £000s	Change £000s	%
Patient Care activities	152,871	149,047	3,824	2.6
Education and training	5,315	5,266	49	0.1
Non patient care services to other bodies	10,765	10,716	49	0.5
Income from impairment	724	1,619	(895)	(55.3)
Other non-clinical income	4,156	3,568	588	16.5
Total	173,831	170,216	3,615	2.1

The significant increases in Other Non Clinical Income is driven by the Trust recognising charitable contributions for purchase of assets as income and increases secured on rental from operating leases resulting from a review of third party occupiers on Trust premises.

Trust Operating Expenses

The total operating expenditure incurred in 2011/12 was £178.9m. The key areas and comparison with the previous year can be seen below:

	2011/12 £000s	2010/11 £000s	Change £000s	Change %
Employee expenses - staff	115,219	114,703	4	0.0
Supplies and services - clinical	13,134	12,006	1,128	9.4
Premises costs	6,443	6,045	398	6.6
Drug costs	8,639	8,166	473	5.8
Clinical Negligence insurance	3,364	3,030	434	14.3
Services from other NHS bodies	636	4,306	636	-
Other	19,124	15,064	246	1.3
Total Costs excluding Impairment	166,659	163,337	3,322	2.0
Impairments	12,296	507	12,298	-
Total Operating Costs	178,955	163,844	15,620	9.5%

During the year the Trust employed an average of 3,002 full time equivalent staff, a decrease of 32 on the previous year. The average staff costs rose from £37.9k to £38.3k, an increase of 1.2% which was largely attributable to staff progressing through salary scales with only the lowest paid staff receiving nationally agreed inflationary increases.

Clinical supplies and services have seen significant increases associated in part with the reclassification of a number of clinical leases from finance leases to operating

leases as they are replaced and an increase in the costs of orthopaedic prosthetics.

Again the year on year increases being seen in clinical negligence insurance national premiums continues to present a significant cost pressure moving forward.

In 2011/12, in order to assist with the delivery of the 18 week targets, the Trust received £1.2m of additional income during the final quarter of the year to provide a sustainable platform for delivery in 2012/13. In order to deliver this the Trust commissioned from non NHS providers activity amounting to £636k where internal capacity was not available.

The expenditure on drugs has seen an increase in year of 5.8% a significant element of this has been driven by the introduction of guidance from the National Institute of Clinical Excellence (NICE), particularly in the treatment of Clinical Haematology patients.

The significant increase in premises costs illustrates the significant price increases seen in energy costs.

Capital Investments

During the year the Trust made £5.2m of capital investment in addition to new leasing arrangements to replace £350k of equipment. The key developments included continuation of the corridors programme to improve fire compartmentation and deal with asbestos, refurbishment of Ward 7 and the Fracture Clinic. The redesign and refurbishment of the Maternity Unit also began with completion expected in early 2012/13.

Prudential borrowing limit

As an NHS foundation trust, the Trust is required to comply and remain within a

prudential borrowing limit, which consists of two elements :

1. The maximum cumulative amount of long term borrowing, which is set by reference to the five ratio test set out by Monitor's prudential borrowing code. A copy of this code is available on the Monitor website: www.monitor-nhsft.gov.uk
2. The amount of any working capital facility approved by Monitor.

The Trust prudential borrowing limit is :

- Long term borrowing facility - £21.7m
- Working capital facility - £11m

In the financial year 2011/12, the Trust reported accumulated borrowings against the long term facility of £2.6m associated with finance leases. The Trust has not utilised its working capital facility during the year.

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 2011/12 is at level 4, as compared with a plan of 3, as shown opposite:

Metric 2011/12	Achieved Rating	Plan Rating
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3	3
EBITDA % of plan achieved	5	5
Return on Assets	5	4
Income and Expenditure surplus margin	3	3
Liquidity ratio	4	3
Overall Rating	4	3

The Compliance Framework covers a risk rating from “1” (very high risk) through to “5” (minimal risk). All financial monitoring returns were submitted on time and were complete and correct.

The tables below detail the governance ratings for 2011/12.

Table of Analysis – 2010/11 Governance Ratings

	Annual Plan 2010/11	Q1 2010/11	Q2 2010/11	Q3 2010/11	Q4 2010/11
Governance Risk Rating		G	G	AG	AR
Mandatory Services	G	G	G	G	G

Table of Analysis – 2011/12 Governance Ratings

	Annual Plan 2011/12	Q1 2011/12	Q2 2011/12	Q3 2011/12	Q4 2011/12
Governance Risk Rating		AG	AR	G	AG
Mandatory Services	G	G	G	G	G

The Monitor Governance Risk Rating is dependent upon achievement of a range of targets as specified within the Compliance Framework. Each target is weighted either 0.5 or 1.0. A score of less than 1 is required to maintain a green rating. A score of >1 but <2 is amber/green, a score of >2 but <4 is amber/red and a score greater than 4 is red.

The tables above outline the Trust’s quarterly ratings for 2011/12 along with a comparison against the 2010/11 rating. In 2011/12 the Trust declared a risk rating against the following targets:

- The *Clostridium difficile* target for the year was 73 cases, a significant reduction from the 2009/10 target and the Board of Directors felt that there was an ongoing risk due to achieving the

target of 73.

- The 62 day cancer target. Due to change in reporting breach allocations and a previous quarter failure the Board of Directors felt there was an ongoing risk moving into 2011/12.

Overall, the Trust has overall performed well against targets and standards with the exception of 62 day cancer standard which continued to be challenged for Quarter 1 and Quarter 2. This resulted in an Amber/Red rating in Quarter 2 (due to three successive Quarter failures). However, with significant pathway redesign both internally and with tertiary partners, the Trust is now achieving this target.

The Trust was Amber/Green rated in Quarter 4 due to a failure in meeting the referral to treatment target for admitted procedures. This was a planned failure to allow the Trust the opportunity to treat long-waiting patients.

Additional work has been very successful in reducing waiting lists in the most challenged specialities.

Payment of Suppliers

The Trust operates a policy of payment of suppliers within terms agreed with suppliers; in most cases this is within 30 days of the invoice date. During the year ended 31 March 2012, the Trust paid 94% by value (2010/11:94%) of invoices within this timescale. No interest payments have been made under the Late Payment of Commercial Debts Act.

Governance Declaration

The Trust has reviewed the Foundation Trust Corporate Governance Manual and is satisfied that it can declare compliance.

Private Patient Cap

In accordance with Section 44 of the National Health Service Act, the Trust must not exceed its pre-determined private patient cap. This is the proportion of income generated from treating private patients to total patient related income, compared with the proportion generated at the end of the 2002/03 financial year. In year the Trust's cap was 1.5%, with actual income within this level at 0.98%.

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.

External Auditors

The existing Auditor (Deloitte LLP) was appointed in October 2008 for a five year period. The fee for audit was £72k as set out in Note 5.2 to the Accounts, page 178.

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 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.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the NHS Foundation Trust has 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 2012/13 plan which gives a surplus of £1.7m and a positive cashflow throughout the year.

Cost Allocation and Charging Requirements

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

Data Loss

There have been no serious untoward incidents involving data loss or confidentiality breaches during the year.

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 2011/12, 5.0% of total income was incurred on management costs.

This represents a decrease on the previous year (2010/11:5.1%), this is in line with the Trust's commitment to divert funds towards direct patient care and has been delivered through reductions in corporate management positions.





Chapter 4

Council of Governors

Introduction

The Board of Directors is held to account for its stewardship of the Trust by the Council of Governors who, in turn are elected largely by the Members of the Trust. The Trust's Council of Governors was formed with effect from 1 April 2008. The Council of 30 Governors consists of 23 elected Governors representing membership constituencies (10 Public Governors, 7 Staff and Volunteer Governors, 6 Patient and Carer Governors) and 7 appointed Governors. As at 31 March 2012 there were three Governor vacancies. A term of office for Governors is three years.

The term of the present Council of Governors began on 1 April 2011, with the exception of Non Clinical Support Staff and Principal Carer of a Patient aged 16 Years or More which were appointed to during 2010/11. The Trust invited Members from the Public, Patient & Carer and Staff & Volunteer Constituencies to stand for election and correspondence was issued to partner organisations, who in line with the Trust's Constitution appoint a Governor to Council, advising them the term of the existing Council was coming to an end and inviting them to nominate a Governor. Appointed Governors represent a range of lay partner organisations that were selected to enhance the Trust's ability to contribute more widely to the public and social benefit.

During 2011, with approval from the Board of Directors, Council of Governors and Monitor, the Trust's Constitution was amended to meet current needs and reflect some of the immediate changes which could be made as part of the Health &

Social Care Bill. These changes included amendments to the composition of the appointed governors, as follows:

- *The primary care trust that commissions the greater part of the Trust's services shall appoint governor* was amended to enable the Primary Care Trust appoint a second Governor.
- *The GP Leads Meeting convened by Central and Eastern Cheshire Primary Care Trust from General Practices* was removed as the GP Leads meeting was no longer in existence
- *The Congleton District Voluntary Action, Crewe and Nantwich Voluntary Action and Voluntary Action Vale Royal* was replaced with *Community and Voluntary Service Cheshire East and Cheshire Community Development Trust* to reflect the amalgamation of the Congleton District Voluntary Action and Crewe and Nantwich Voluntary Action.

An amendment was also made within the Public Constituency, one of the reasons being to reflect the range of service collaborations Mid Cheshire Hospitals NHS Foundation Trust has with other Trusts outside of the existing membership area. It was agreed to extend the boundaries of the Trust's Public Constituency.

The composition of the Council of Governors, as at 31 March 2012, is set out in Appendix 1 with details of elections held and appointments made outlined in the Membership section.

The roles and responsibilities of the Governors are:

- Advisory, by communicating to the Board of Directors the wishes of Members and the wider community
- Guardianship, by ensuring that the Trust is operating in accordance with its Principal Purpose and is compliant with its Authorisation. In this regard it acts

in a trustee role for the welfare of the organisation

- Strategic, by advising on a longer term direction to help the Board of Directors effectively determine its policies.

In particular, the Governors are to:

- develop the membership of the Trust and represent the interests of Members
- give the views of the Council of Governors to the Board of Directors for the purposes of the preparation by the Directors of the document containing information as to the Trust's forward planning in respect of each financial year to be given to Monitor
- respond to any matter as appropriate when consulted by the Directors
- appoint or remove the Chairman and the other Non-Executive Directors in accordance with the Constitution
- decide the remuneration and allowances, and the other terms and conditions of office, of the Chairman and Non-Executive Directors in accordance with the Constitution
- approve an appointment of the Chief Executive in accordance with the Constitution

- consider the annual accounts, any report of the auditor on them, and the annual report
- appoint or remove the Trust's external auditor.

Following the enactment of the Health & Social Care Act 2012, Governors will have a number of additional statutory duties and powers including holding the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors. The Trust's Constitution will be amended to reflect these changes and guidance provided to Council on how to execute these duties.

A table summarising the Governor appointments and the constituencies they represent can be found at Appendix 1 on Page 207.

General meetings of the Council are held in public. Since 1 April 2011 the Council of Governors has met formally on 4 occasions. A summary of attendance is presented opposite with Governor attendance continuing to be strong at Council meetings.



The number of meetings of the Council of Governors and individual attendance by Governors:

Name	14 April 2011	28 July 2011	20 October 2011	19 January 2012
Derek Amson	Yes			Yes
Donald Bone	Yes	Yes		Yes
David Cannon (1)	Yes	n/a	n/a	n/a
Christine Cooper	Yes	Yes	Yes	Yes
Angela Cunningham	Yes	Yes	Yes	Yes
Kevin Dawson	Yes	Yes	Yes	Yes
Nigel Dibben	Yes	Yes	Yes	Yes
John Dunning (2)	Yes	Yes	Yes	Yes
Gill Fairhurst				Yes
Joanne Falkland	Yes		Yes	Yes
Dorothy Flude (1)	n/a	Yes		Yes
Stuart Gray	Yes	Yes		Yes
Jonathan Griffiths (3)	n/a	Yes	Yes	Yes
Mike Hadfield	Yes	Yes	Yes	Yes
Norman Harris	Yes			Yes
Colin Hopkins	Yes	Yes	Yes	Yes
John Lyons	Yes	Yes	Yes	
Brenda Macaulay	Yes		Yes	Yes
Harry Mawdsley	Yes	Yes	Yes	Yes
Eveleigh Moore Dutton (4)	n/a			Yes
Peter Nimmo	Yes	Yes		Yes
Jerry Park	Yes	Yes	Yes	Yes
Charlie Parkinson (4)		n/a	n/a	n/a
Neil Paul		Yes		Yes
Andrew Ritchings	Yes	Yes		
Jane Smart	Yes	Yes	Yes	Yes
David Speak (2)	Yes	Yes	Yes	Yes
Pat Stalker	Yes	Yes	Yes	
Brian Walton	Yes	Yes	Yes	Yes
Joss West Burnham	Yes		Yes	Yes
Heather Williams	Yes	Yes	Yes	

- (1) Following the results of the Cheshire East Council elections in May 2011, Cllr. David Cannon stood down and Cllr. Dorothy Flude was nominated as the representative for Council.
- (2) With effect from 31 March 2012, Mr John Dunning and Mr David Speak resigned from Council.
- (3) Dr Jonathan Griffiths was appointed to Council of Governors in December

2011 as a nominated representative from Central and Eastern Cheshire PCT and in due course he will be the appointed representative from the Vale Royal Commissioning Group.

- (4) Following the results of the Cheshire West & Chester Council elections in May 2011, Cllr. Charlie Parkinson stood down and Cllr. Eveleigh Moore Dutton was nominated as the representative for Council.

The Acting Trust Secretary holds a register of Governors' Interests which is available for public inspection at the Foundation Trust Headquarters. Should you wish to view the register please contact the Trust on 01270 612128.

A number of Council of Governor committees are established and membership is shown below. Governors also continue to be involved in other work at the Trust, details of which are also outlined.

Membership of Council Committees as at 31 March 2012

Committee	Current Members	Meeting Dates
Membership & Communications Committee	Jane Smart (C) Derek Amson Jo Falkland John Lyons David Speak (Resigned) Jerry Park	16 May 2011 13 June 2011 11 July 2011 8 August 2011 12 September 2011 10 October 2011 14 November 2011 12 December 2011 16 January 2012 13 February 2012 12 March 2012
Nominations & Remuneration Committee	Michael Hadfield John Lyons David Speak (Resigned) Stuart Gray	26 May 2011 13 September 2011 11 January 2012 22 March 2012
Strategy Committee	Stuart Gray (C) John Lyons Michael Hadfield Nigel Dibben Christine Cooper Donald Bone	4 May 2011 21 July 2011 11 October 2011 12 January 2012

Governor Involvement

Governor membership of Council of Governor Committees (CoG) and Trust Committees with Governor representation (TC), as at 31 March 2012, is detailed below:

• Derek Amson	Membership and Communications Committee (CoG)
• Donald Bone	Strategy Committee (CoG)
• Christine Cooper	Strategy Committee (CoG)
	Charitable Funds (TC)
• Kevin Dawson	Patients Experience Committee (CoG)
• Nigel Dibben	Strategy Committee (CoG)
• John Dunning (resigned effective 31.03.2012)	Nominations and Remuneration Committee (CoG)
	Strategic Integrated Governance Committee (TC)
• Gill Fairhurst	Patients Experience Committee (CoG)
• Joanne Falkland	Membership and Communications Committee (CoG)
• Dorothy Flude	Patients Experience Committee (CoG)
• Stuart Gray	Strategy Committee (CoG)
	Executive Workforce Committee (TC)
• Mike Hadfield	Nominations and Remuneration Committee (CoG)
	Strategy Committee (CoG)
• Norman Harris	Patients Experience Committee (CoG)
• John Lyons	Nominations and Remuneration Committee (CoG)
	Membership and Communications Committee (CoG)
	Strategy Committee (CoG)
• Brenda Macaulay	Patients Experience Committee (CoG)
• Harry Mawdsley	QuEST Committee (TC)
• Eveleigh Moore Dutton	Strategy Committee (CoG)
• Jerry Park	Membership and Communications Committee (CoG)
	Infrastructure Development Committee (TC)
• Neil Paul	QuEST Committee (TC)
• Andrew Ritchings	Patients Experience Committee (CoG)
• Jane Smart	Membership and Communications Committee (CoG)
• David Speak (resigned effective 31.03.2012)	Nominations and Remuneration Committee (CoG)
	Membership and Communications Committee (CoG)
• Pat Stalker	Patients Experience Committee (CoG)
	QuEST Committee (TC)
• Brian Walton	Infrastructure Development Committee (TC)
• Joss West Burnham	Equality & Diversity Committee (TC)
• Heather Williams	Strategic Integrated Governance Committee (TC)

Governors were also given the opportunity to become more involved in important Trust activities through a number of additional forums including:

- Clinical Services Strategy development
- Complaints Review Panel
- Labour Ward Forum
- Health Promotion Group
- Patient Safety Walkrounds
- Patient Representatives on Divisional Boards
- Annual Plan Workshop
- Member and Public Engagement Events
- Patient Surveys
- One in Eleven Appeal.

Lead Governors

Mr John Lyons was appointed as Lead Governor effective from 1 April 2011. In his role as Lead Governor, Mr Lyons attended a number of Board of Directors meetings and was able to meet with the Chairman following the Board of Directors meeting where there was the opportunity 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 Governor's meetings and the membership on various groups, there continues to be a targeted focus in gaining the views of Governors and Members as follows:

- The Trust carried out a Quality Account Consultation to obtain the views of Governors, Members and the Public on the key areas of focus of the Trust regarding quality
- Work continues with the Youth Council to be a voice for young people
- Meetings have taken place with local community groups
- Governors have attended, at the invitation of members, local community

groups to meet and discuss activity of the Trust.

The key focus for 2012/13 will continue to be membership engagement with the Engagement Plan being reviewed monthly by the Governor led Membership & Communications Committee.

Attendance of the Members of the Board of Directors at the Council of Governors meetings is as set out opposite:

Attendance of Board Members at Council of Governor Meetings

Name	14 April 2011	28 July 2011	20 October 2011	19 January 2012
Executive Directors				
Mrs T Bullock	Yes	Yes	Yes	Yes
Dr P Dodds			Yes	
Mrs R Alcock	Yes	Yes		n/a
Mrs D Frodsham	Yes			
Mr M Oldham	Yes	Yes		Yes
Mrs J Smith		Yes	Yes	
Mrs J Shaw	n/a	n/a	n/a	Yes
Non Executive Directors				
Mr J Moran	Yes	Yes	Yes	Yes
Mr M Chandler	Yes	Yes	Yes	n/a
Mr W Craig	Yes	Yes	Yes	
Mr D Dunn	Yes			Yes
Mrs V Godfrey	Yes	Yes		Yes
Mr D Hopewell	Yes	Yes		Yes
Mrs R McNeil	n/a	n/a	n/a	Yes
Dr A Wood	Yes	Yes		Yes

Attendance at Council of Governors meetings is not obligatory for the Executive Directors. Executive Directors have an open invitation to every Council meeting and attend as and when requested either by Council or the Chief Executive. There were no formal requests for attendance during 2011/12.

At the end of the public meeting, the public and members of the Board of Directors leave the Council of Governors who then have a private meeting with the Chairman.

A number of forums are in place to ensure the Board of Directors and in particular the Non Executive Directors have the opportunity to meet with Governors to understand and discuss their views. As noted, Board of Director attendance at Council of Governor meetings is outlined

above whilst Non Executive Directors have also attended Governor led Committee meetings such as the Membership & Communications Committee and the Governor Strategy Committee. Non Executive Directors, with Governors, also carry out Ward walkabouts. Board Members and Senior Managers from the Trust also attend other forums in which Governors became involved.

Nominations & Remuneration Committee

The Committee is established by the Council of Governors in accordance with the Constitution and chaired by the Chairman of the Trust. The work of the Committee is to:

- Assist in the process to select and

- determine the remuneration of the Chairman and Non-Executive Directors
- Assist in monitoring and evaluating the performance of the Chairman and Non-Executive Directors

The Committee report back recommendations to the Council of Governors for approval.

The Chairman shall not be present where the Chairman's performance or appointment is under discussion.

The Committee met four times during 2011/12 and the dates of the meetings together with details of attendance are noted below:

	26 May 2011	13 September 2011	11 January 2012	22 March 2012
Mr J Moran (Chairman)	Yes	Yes	Yes	Yes
Mr D Speak	Yes		Yes	
Mr J Lyons	Yes	Yes	Yes	Yes
Mr J Dunning	Yes	n/a	n/a	n/a
Mr M Hadfield	Yes		Yes	Yes
Mr S Gray	n/a	n/a	Yes	

During the year discussion took place regarding the annual appraisals of the Non Executive Directors including the outcome of the appraisals for 2010/11 and the appraisals for 2011/12.

The Committee were satisfied that all Non Executive Directors are operating to the required standard and encouraged the Chairman to continue to have interim appraisal meetings with Non Executive Directors. The Committee also considered the skills analysis of the Non Executive Directors and are satisfied that a good balance of necessary skills exists within the Non Executive Director team. A report was presented to Council of Governors at the Council meeting of April 2012.

The Committee also discussed the expiration of tenures for Mr Hopewell and Mr Chandler. The Committee agreed to recommend to Council that Mr Hopewell's tenure be extended for a second term of 3

years from 1 December 2011. In addition, Mr Chandler's tenure was extended, with his agreement, for 3 months to 31 October 2011 whilst a recruitment programme was undertaken to fill this position which became vacant upon Mr Chandler's retirement. The Committee were involved in and directed the recruitment process culminating in the appointment of Mrs Ruth McNeil as Non Executive Director. Veredus were appointed to assist in the search process with the Committee members agreeing the long list and the short list. The final interview panel had a majority of Governor members and the appointment of Mrs McNeil was agreed by Council on 20 October 2011.

The Terms of Reference and committee membership were also reviewed and amended.

Chapter 5

Board of Directors

Introduction

The Board of Directors comprises seven Non Executive Directors, including the Chairman, and six Executive Directors with voting rights, including the Chief Executive.

The Board 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.

A profile of Board Members as at 31 March 2012 is detailed in Appendix 2.

The Board accounts for its stewardship to the Council of Governors and the Members of the Foundation Trust (for details of the Council of Governors see Chapter 4 and Appendix 1).

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 meeting with individual items raised by exception. The Chair 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.

There is a very clear division of responsibilities between the Chairman and the Chief Executive. The Chairman is responsible for leadership of the Board of

Directors and the Council of Governors, ensuring effective delivery on all aspects of the work of the Board and Council. The Chairman facilitates contribution from all Non Executive and Executive Directors, to ensure constructive relations exist and are maintained between the Directors and with the Council of Governors. The Chairman is also responsible for making sure the Board and the Council work together effectively. The Chairman ensures effective and efficient communication channels exist between the Board and Council and also with patients, members, clients, staff, partner organisations and key stakeholders.

The Chief Executive is accountable for executing the Trust's strategy as agreed by the Board of Directors and the delivery of all key targets, statutory responsibilities and contractual requirements. The Chief Executive allocates decision making and responsibilities accordingly.

The Board is satisfied that there are no direct conflicts of interest for any member and none of the Executive Directors serve elsewhere as a Non Executive Director. There is full disclosure of all Directors interests in the Register of Directors Interests which is available upon request from the Acting Trust Secretary. Should you wish to view the register please contact the Trust on 01270 612128. All Non Executive Directors, including the Chairman, have confirmed in writing they are able to honour the necessary time commitments to undertake their various roles and responsibilities at the Trust and are considered to be fully independent.

The Trust constantly reviews the skills and expertise of the Board and considers there to be a balance of appropriate skills amongst the Board members with a sufficient breadth of skills to ensure balance, completeness and appropriateness to the requirements of the

Trust. Following a review of the skills and experience of the Board of Directors, during 2011/12 the Council of Governors agreed to the re-appointment of Mr David Hopewell and Mr Dennis Dunn as Non Executive Directors, each for a second term of office and following Mr Chandler's retirement in October 2011, the appointment of Mrs Ruth McNeil as Non Executive Director. The Council of Governors also agreed to extend the Chairman's tenure for a further three-year period. Details of the background and experience of the Board of Directors can be found in Appendix 2.

The Board also undertook a development programme for the year which is critical to its continuous learning and development. This was developed by the Chairman and Chief Executive and consisted of a range of inputs and speakers.

The Board recognises the value of a regular performance review and conducts

a half yearly Board Effectiveness Survey. The survey is circulated to staff and Governors annually for their views. The results of the survey form an action plan which is regularly reviewed by the Board of Directors.

Each Executive Director has monthly individual one to one meetings with the Chief Executive and an end of year final appraisal. Each Non Executive Director has an annual appraisal with the Chairman. The Board has a Senior Independent Director who leads the process of appraising the Chairman. The appraisal process for the Chief Executive is conducted by the Chairman.

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 2012 are set out below:

Name	Position	Term of Contract	Date of Appointment / Reappointment	Unexpired Term	Notice Period	Liability for Early Termination
Moran J ⁽¹⁾	Chairman	4 year Term	1 July 2008	3 months	None	None
Craig WD	Non Executive Director	3 year Term	1 February 2010	10 months	None	None
Dunn D ⁽²⁾	Non Executive Director	3 year Term	1 May 2009	1 month	None	None
Godfrey V	Non Executive Director	3 year Term	1 May 2009	1 month	None	None
Hopewell D	Non Executive Director	3 year Term	1 December 2011	2 years 8 months	None	None
McNeil R	Non Executive Director	3 year Term	1 November 2011	2 years 7 months	None	None
Wood A	Senior Independent Director / Deputy Chair	3 year Term	1 October 2009	7 months	None	None

(1) Extension of the Chairman's tenure for a further 3 years, from 1 July 2012, was agreed at the Council of Governors meeting of January 2012.

(2) Extension of Mr Dunn's tenure for a further 3 years, from 1 May 2012, was agreed at the Council of Governors meeting of January 2012.

Name	Position	Term of Contract	Unexpired Term	Notice Period	Liability for Early Termination
Bullock T	Chief Executive	Permanent	N/A	6 months	6 month's salary
Dodds P	Deputy Chief Executive and Medical Director	Permanent	N/A	6 months	6 month's salary
Frodsham D	Chief Operating Officer	Permanent	N/A	6 months	6 month's salary
Oldham M	Director of Finance & Strategic Planning	Permanent	N/A	6 months	6 month's salary
Shaw J	Director of Workforce & Organisational Development	Temporary (Interim)	N/A	3 months	N/A
Smith J	Director of Nursing & Quality	Permanent	N/A	6 month	6 month's salary

Non Executive Director appointments can be terminated by a 75% majority of Governors voting at a Council of Governors meeting.

Attendance of Board Members

The membership and attendance of Board Members at Board Committees can be found in Appendix 3 on page 219.

Remuneration Report

Introduction

Section 234B and Schedule 7A of the Companies Act, as interpreted for the public sector, requires NHS bodies to prepare a Remuneration Report containing information about Directors' remuneration. In this report the information is in respect of the Senior Managers of the Trust. The definition of Senior Managers is those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.

Remuneration Committee

The Committee is established to appoint Executive and Associate Directors, and to advise the Board on their employment packages and performance. The Committee comprises the Chairman of the Board, Non Executive Directors and the Chief Executive. Meetings are held with the Chairman of the Board and at least two Non Executive members in attendance.

The Chief Executive shall not be present at any meeting of the Committee where the Chief Executive's appointment or remuneration is under discussion.

The Remuneration Committee met twice during the year, the members and their attendance are shown overleaf:

Member	Attendance
Non Executive Directors	
Mr. J Moran (Chair)	2
Mr. M Chandler	1
Mr. W Craig	2
Mr. D Dunn	2
Mrs V Godfrey	1
Mr. D Hopewell	2
Mrs R. McNeil	1
Dr. A Wood	2
Executive Director	
Mrs Tracy Bullock	2

Remuneration of Senior Managers Policy

Executive Directors receive a fixed salary which is established at the beginning of each year and determined using a job scoring system linked to average public sector salaries for similar job scores. The levels of pay for Executive Directors were set by the Board as recommended by the Nominations and Remuneration Committee at the meeting of 7 March 2011. At this meeting, it was agreed that Executive Directors would not receive any cost of living increases for the financial year 2011/12 which was in line with the public sector pay freeze.

In 2011/12, there was no policy on performance related pay and there is no proposal for any kind of performance related pay for any future years for the current senior managers. Each Executive has agreed objectives and their performance is measured against these objectives in year. The performance management framework has been agreed by the Board.

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 2012, 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 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 Notes 5.4 (A to C) in the accounts on Page 179. Benefits in kind relate to the provision of lease cars.



Tracy Bullock
Chief Executive

Members' Interests

A Register of Directors' Interests is maintained, and is available for inspection by the general public during normal office hours by appointment with the Acting Trust Secretary. The following interests were recorded for 2011/12:

Director	Interest	Seeking to do business with health authorities	Has business dealings with the Trust
Mr. M Chandler	Director of Too Young Co Ltd. Owner of Chandler Associates Chairman of Environment Africa Trust	*	
Mr. D Dunn	Pro Vice Chancellor of Manchester Metropolitan University Director of Marketing Cheshire Magistrate Board Member of 'All Change for Crewe' Member of Cheshire Business Leaders	*	
Mrs V Godfrey	Member of the Local Management Committee of Sandiway Manor	*	
Mr. J Moran	Director of Moran Business Advisor Services Ltd	*	

All Non Executive Directors satisfy the requirements to be an independent director.

In addition, the Chair has confirmed to the Trust that he has no other significant interests that adversely impact on the time he has available to discharge his duties to the Trust. This represents a change in year where interests in Fsquared are no longer applicable.

Codes of Conduct, Accountability & Openness

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.

Since 1 April 1995, the Chief Executive has been identified as the Trust's Accountable Officer, directly accountable to Parliament for the stewardship of public money and for the quality of services provided.

The Trust has also adopted the Code of Practice on Openness in the NHS. The Chief Executive (or other Executive Director) addresses Cheshire East Council's and Cheshire West & Chester Council's Health and Wellbeing Scrutiny Committees at least once a year, and update the Committee on matters such as the Trust's Annual Report, Quality Account and Business Plan.

Regular consultation takes place with other local groups, voluntary organisations and MPs, in order to make the aims of the Trust clear to a wide audience and obtain comprehensive feedback.

The Trust maintains regular contact with local General Practitioners (GPs) from the Primary Care Trusts and with the NHS North of England Strategic Health Authority. More recently the Chief Executive and Deputy Chief Executive/Medical Director have formed a senior leaders meeting with the Clinical Commissioning Group Chairs and Chief Officer to establish a strategic direction for the health economy. In addition, the Trust worked closely with Cheshire East Council and Cheshire West & Chester Council departments responsible for child care and social care.

The Trust publishes a large number of patient information booklets covering a wide range of conditions and procedures. These are systematically reviewed and updated. In addition, posters and information boards are strategically placed to assist patients and staff. Internet and intranet web sites are available to further enhance staff and public access to this information.

External Auditor

Deloitte LLP is the Trust's appointed external auditor. There are no known conflicts of interest that need to be addressed by the Auditor or the Audit Committee.

Audit Committee

The Audit Committee consists of six independent Non Executive Directors and is chaired by a Qualified Accountant. In addition the Trust's External and Internal Auditors and the Trust's Finance Director is normally in attendance whilst Executive Directors and Senior Managers attend as required.

During 2011/12 the Committee met on the following occasions and attendance is as below:

Attendance at Audit Committee Meetings

Name	11 April 2011	1 June 2011	8 August 2011	10 October 2011	12 December 2011	13 February 2012
David Hopewell (Chair)	Yes	Yes	Yes	Yes	Yes	Yes
Mike Chandler	Yes	Yes	Yes		n/a	n/a
Bill Craig	Yes	Yes	Yes	Yes	Yes	Yes
Dennis Dunn	Yes	Yes		Yes	Yes	Yes
Val Godfrey	Yes	Yes	Yes	Yes	Yes	
Ruth McNeil	n/a	n/a	n/a	n/a		Yes
Alan Wood	Yes	Yes	Yes		Yes	Yes

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 the Trust's Risk Assurance Framework
- 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 as identified in the Risk Assurance Framework
- 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

system of audit and internal control were operating effectively.

Organisational Controls

The Directors have prepared an Annual Governance Statement. Over the last few years, the Trust has undertaken a significant piece of work to build these systems across the organisation. Appropriate investments have been made to ensure that the systems are properly established.

The Trust's compliance with the NHS Foundation Trust Code of Governance has been reviewed and it was considered compliance was achieved through governance documents, policies and procedures of the Trust. Further details on the governance arrangements can be found in the Annual Governance Statement.



Chapter 6

Membership

Membership Commentary

The membership in total has grown by 3% over the year and whilst the Trust has growth plans for 2012/13 the key focus for the year remains engagement with Members and ensuring proportional representation in all areas, age ranges and constituencies.

The table below shows the membership size and movement with estimates for 2012/13.

Membership size and movements

Public constituency	Last year	Next year (estimated)
At year start (1 April)	4,022	4,145
New members	164	150
Members leaving	41	75
At year end (31 March)	4,145	4,220

Staff constituency	Last year	Next year (estimated)
At year start (1 April)	2,748	2,886
New members	341	110
Members leaving	203	75
At year end (31 March)	2,886	2,921

Patient constituency	Last year	Next year (estimated)
At year start (1 April)	1,309	1,309
New members	21	100
Members leaving	21	35
At year end (31 March)	1,309	1,374

The Trust retained its membership target of 8,000 and as noted the key focus for the coming year will be on engagement with the existing membership, sustaining existing membership numbers and recruitment of new Members.

Analysis of Current Membership

Public constituency	Number of members	Eligible membership
Age (years):		
0 – 16	9	69,569
17 – 21	188	17,466
22+	3,771	236,720
Undisclosed	177	
Ethnicity:		
White	3,543	318,937
Mixed	10	1,684
Asian or Asian British	28	1,236
Asian or Black British	18	609
Other	4	1,264
Undisclosed	542	
Socio-economic groupings:		
ABC1	2,890	136,577
C2	988	39,241
D	152	42,195
E	115	36,695
Gender:		
Male	1,802	158,633
Female	2,152	165,052
Undisclosed	191	
Patient constituency	Number of members	Eligible membership
Age:		
0 – 16	1	n/a
17 – 21	17	n/a
22+	1,221	n/a
Undisclosed	70	

Membership Engagement

The Trust continued to engage with Members throughout the year, via:

- i) Member meetings on specific clinical issues
- ii) Regular newsletters
- iii) Website
- iv) Annual Members meeting
- v) Governor meetings to which Members are invited
- vi) Trust consultation events
- vii) Recruitment drives
- viii) Attending staff induction events

Governors are actively involved in out-reach to their Members, and run specific initiatives to engage with existing Members and recruit new Members at events held in the region. Events will continue throughout 2012/13 with a particular focus being attendance at Outpatient clinics across the Trust. Governors have committed to a regular presence at Outpatient clinic waiting areas to meet with Members and the public, as appropriate.

Regular reports on membership and plans for developing recruiting and engaging Members, are presented to the Board of Directors and the Council of Governors, through the Governor led Membership & Communications Committee.

Members can contact the Board of Directors and Council of Governors through the Membership Office.

How to become a Member of Mid Cheshire Hospitals NHS Foundation Trust

Members of the public and patients treated at the Trust who are interested in the affairs of the Trust can become a Member. Eligibility criteria are as follows:

Public Member: an individual can become a public member if he/she is aged 16 years or over and lives within the specified areas of Cheshire East Local Authority and Cheshire West & Chester Local Authority namely the area of Congleton (and other surrounding areas) of Cheshire East, the area of Crewe & Nantwich (and other surrounding areas) of Cheshire East and the area of Vale Royal and all other parts of Cheshire West and Chester.

Patient & Carer Member: an individual can become a patient & carer member if he/she is aged 16 or over and has been a patient or carer of a patient at the Trust within 5 years preceding the application for membership.

Staff & Volunteers Member: Staff automatically become members unless they choose to opt-out. An individual may become a member if they are registered with the Trust to undertake voluntary work or is registered with a voluntary organisation that is accredited by the Trust to undertake voluntary work at the Trust's premises or in services managed by the Trust.

Analysis of Election Turnout

The term of the present Council of Governors began on 1 April 2011, with the exception of the sub constituencies – Non Clinical Support Staff and Principal Carer of a Patient aged 16 Years or More which were appointed during 2010/11.

Elections to the remaining Public, Staff & Volunteers and Patient & Carers constituencies, were held in accordance with the Trust's Constitution and were hosted by the Electoral Reform Service. Within the following constituencies the candidates were elected unopposed:

Public Constituency

- The area of Vale Royal part of Cheshire West & Chester (4 Governors)

Patient Constituency

- Patients (4 Governors)
- Principal Carer of a Patient aged 15 Years or Less (1 Governor)

Staff & Volunteers Constituency

- Medical Practitioners and Dental Staff (1 Governor)
- Clinical Support Staff (1 Governor)
- Recognised Representatives of Trade Unions and Staff Organisation (1 Governor)

In the remaining constituencies, a number of candidates stood for election with the following voting reports received:

The area of Congleton part of Cheshire East Constituency (2 Governors)

Number of Eligible Voters	807
Total number of Votes Cast	279
Turnout	34.6%
Number of votes found to be invalid	1
Number of votes blank or spoilt	1
No declaration forms received	0
Total number of valid votes to be counted	278

The area of Crewe and Nantwich part of Cheshire East Constituency (4 Governors)

Number of Eligible Voters	1,669
Total number of Votes Cast	488
Turnout	29.2%
Number of votes found to be invalid	1
Number of votes blank or spoilt	1
No declaration forms received	0
Total number of valid votes to be counted	487

Qualified Nursing and Midwifery Staff Constituency (1 Governor)

Number of Eligible Voters	664
Total number of Votes Cast	114
Turnout	17.2%
Number of votes found to be invalid	0
Number of votes blank or spoilt	0
No declaration forms received	0
Total number of valid votes to be counted	114

Other Professionally Qualified Clinical Staff Constituency (1 Governor)

Number of Eligible Voters	189
Total number of Votes Cast	35
Turnout	18.5%
Number of votes found to be invalid	0
Number of votes blank or spoilt	0
No declaration forms received	0
Total number of valid votes to be counted	35

Staff: Volunteers Constituency (1 Governor)

Number of Eligible Voters	146
Total number of Votes Cast	59
Turnout	40.4%
Number of votes found to be invalid	0
Number of votes blank or spoilt	0
No declaration forms received	0
Total number of valid votes to be counted	59



Chapter 7

Quality Account

Part 1 - Statements on Quality

Summary Statement on Quality from the Chief Executive

I am pleased to present our third published Quality Account, which covers the period of April 2011 to March 2012.

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

2011/12 has been a successful year for the Trust, with a number of great achievements. Firstly, in February we celebrated two years with no MRSA bacteraemia cases. As a result the Trust was considered to be 'Best in Class' of all similar sized Trusts and is ranked within the top 25 Trusts across the country by the Department of Health

Another achievement has been the significant reduction in our mortality rate. Over the past few years our rate has been above average. Following a sustained programme of work over a number of years and a concerted effort by staff across the Trust we have made great progress and are now only one point above our CASPE Healthcare Knowledge Systems (CHKS)

peer group. We achieved the planned 10-point reduction against our CHKS Risk Adjusted Mortality Index (RAMI).

The Trust has also received national recognition this year in the form of coveted awards and television coverage. Earlier in the year we were featured on Channel 4's Dispatches programme, which focused on the positive steps we have taken to improve patient nutrition across the Trust. More recently we won the 'Enhancing Patient Dignity' category in the November 2011 Nursing Times Awards for our 'Look at My Ability, Not My Disability' programme, which has improved the hospital experience of patients with learning disabilities.

Either side of winning the Nursing Times award the Trust played a part in two projects which triumphed at the Health Service Journal award ceremonies – one for Central and East Cheshire Community Health's Integrated Respiratory Team, and the other for collaborative working with local Clinical Commissioning Groups which saw a reduction in unnecessary hospital attendances from care homes. Both of these collaborative projects have demonstrated that the Trust is committed to working with the local community to improve the quality of care for patients.

In May, the Care Quality Commission (CQC) conducted an unannounced visit to two wards at Leighton Hospital to assess whether older patients were treated with dignity and respect and whether their nutritional needs were met. We are pleased to confirm that the Trust met the standards on both aspects and that we have implemented the minor recommendations needed to ensure that we continue to meet these essential standards.

I would like to take this opportunity to

give a huge 'thank you' to all our staff for their efforts in 2011/12. I would also like to extend my appreciation to our Governors, Members, Patient Representatives and other Stakeholders who have helped shape our quality programme by taking time out to support and advise us.

I confirm that, to the best of my knowledge, the information presented in this document is accurate. 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

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Part 2 - Priorities for Improvement and Statements of Assurance

Quality, Effectiveness & Safety Committee (QuEST)

In recognition of the priority given to quality and safety the Board of Directors has established an Executive Committee known as QuEST. This Committee meets bi-monthly, reports to the Board of Directors and is chaired by the Chief Executive.

The terms of reference and membership were ratified at the January 2010 meeting of the Board of Directors and reviewed in January 2011. The Committee is responsible for providing information and assurances to the Board of Directors that it is safely managing the quality of patient care, the effectiveness of quality interventions and patient safety.

QuEST oversees the quality of patient care across the Trust. It provides the strategic direction and vision for the provision of quality and safety improvement across the Trust. It also lends support and guidance to all staff to improve quality and safety.

Priorities for Improvement in 2012/13

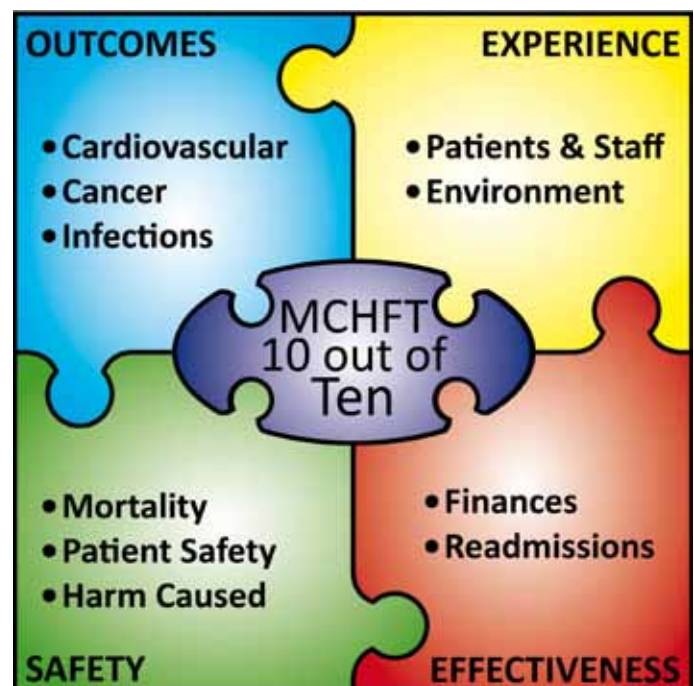
The Trust aims to be in the top 10% of all secondary care providers in England in ten indicators of quality by 2014, selected through a public consultation process.

These indicators are deliberately challenging as they are stretch targets to ensure the Trust drives improvement to the highest possible level over and above

the nationally-required targets. The Trust has accomplished good progress against these in Year Three, and is committed to delivering across all ten indicators as planned by 2014.

Year three of the 10 out of Ten programme has successfully achieved the following objectives:

- A. Continuous monitoring of the 10 out of Ten
- B. Formal reporting of the 10 out of Ten to QuEST
- C. Individual objective setting embedded as part of the staff appraisal process
- D. Review of the Quality & Safety Improvement Strategy 2010/14.



The following section provides an outline of each of the 10 out of Ten indicators and how these are monitored and measured.

Safety

Mortality

To reduce mortality rates by 10 percentage points in patient groups where death is not expected.

Monitored:

A Hospital Mortality Reduction Group is well established and chaired by the Medical Director. This group reviews health records to identify areas for improvement in the quality of care provided by the Trust. Action plans are developed to address lessons learnt to ensure changes in practice are made. As the Trust monitors all mortality rates the overall intention is to reduce mortality for patient groups where death is not expected.

Measured:

The Trust uses CASPE Healthcare Knowledge Systems (CHKS) to identify the low mortality Healthcare Resource Groups (HRG's). Any HRG with less than 0.05 probability of death is used for calculation purposes. This system provides monthly information so that the Trust can closely measure mortality rates with the aim of seeing an annual 10 percentage point reduction.

Patient Safety

To monitor and reduce the number of unnecessary patient moves during a patient's stay in hospital

Monitored:

The number of patient moves during each emergency admission is monitored using the Trust's Management Information System. The clinical divisions monitor this information on a monthly basis.

Measured:

All patient moves are measured through the Integrated Care System (ICS) which is

the patient management system used by the Trust.

Harm Caused

To monitor and reduce the number of patients who experience avoidable harm by 10% annually.

Monitored:

The Patient Safety Team reviews all patient safety incidents in order to identify lessons to learn and implement changes in practice. This is reported in the Integrated Governance Monthly Assurance Report and presented to various committees within the Trust's Governance Structure.

Measured:

The Trust's incident reporting system is used to determine the number of patients who suffer avoidable harm. All patient safety incidents are reported to the National Patient Safety Agency via the National Learning and Reporting System (NRLS). The NRLS send the Trust a report every six months on performance measured against other small acute Trusts.

Effectiveness

Readmissions

To reduce the number of patients who are readmitted to hospital within 7 days of discharge.

Monitored:

The Trust monitors patients who have been readmitted as an emergency within 7 days.

Measured:

Readmissions to hospital within a 7 day period following discharge as an emergency admission are measured using ICS.

Finance

To reduce the percentage of the Trust's budget that is spent on management costs.

Monitored:

The percentage of non clinical spend is monitored by the Trust's finance department and compared with available benchmarking data to identify areas for improvement.

Measured:

Measurement is determined by taking the amount of actual expenditure outside of the clinical divisions and comparing this as a percentage of the total actual expenditure.

Experience

Patients & Staff

To ensure that the ratio of doctors and nurses to each inpatient bed is appropriate for delivering safe high quality patient care.

Monitored:

A Nursing and Midwifery Acuity* Group has been established which is chaired by the Deputy Director of Nursing & Quality. This Group meets bi-monthly and reports to the Executive Workforce Committee.

The European Working Time Directive (EWTD) and data from Doctor Foster has been used in the monitoring of medical staff. This is being used as the safety assessment in calculating the ratio of medical staff to inpatient beds.

Measured:

The Nursing and Midwifery Acuity Group reviews the results of the Association of UK University Hospitals (AUKUH) acuity/dependency monitoring tool which is used to assess the numbers of nursing staff required in adult inpatient wards. This

process is undertaken at least every 6 months. Similar tools for nurses and midwives working in other areas of the Trust and for medical staff are being reviewed, implemented and evaluated.

*Acuity - a description of how unwell a patient is

Environment

To monitor and eliminate mixed sex accommodation for all patients admitted to the Trust (unless based on clinical need).

Monitored:

A Delivering Same Sex Accommodation (DSSA) Group has been established which is chaired by the Deputy Director of Nursing & Quality. This group meets quarterly and reports to the Patient Experience Committee.

Measured:

The DSSA group reviews incident reports and patient feedback (via surveys, complaints and the Patient Advice and Liaison Service). It also evaluates progress against the Trust's Self Assessment Toolkit and the Delivering Same Sex Accommodation Improvement Plan. The uptake of staff training relating to privacy and dignity is also reviewed.

Outcomes

Cardiovascular

To reduce the 30 day mortality rate in patients following Acute Myocardial Infarction (AMI).

Monitored:

The AMI mortality is monitored monthly by the Emergency Care Division (ECD). The ECD Reducing Mortality Group reviews issues and escalates to the Trust's Hospital

Mortality Reduction Group. The ECD performance report is reviewed and any issues are escalated to the Performance and Finance Committee.

Measured:

The data relating to mortality in AMI within 30 days is collated by the Trust using CHKS on a monthly basis. This rate is benchmarked against the Trust's peer organisations.

Cancer

To reduce acute admissions and length of stay in hospital following early complications of diagnosis and / or treatment of cancer.

Monitored:

The baseline data for acute admissions and length of stay is monitored by the Cancer Network. The Acute Oncology Team will report these within the Surgery and Cancer Division.

Measured:

The Acute Oncology Unit will measure the reasons for acute admissions and ensure achievement of preferred place of care for patients diagnosed with cancer.

Infections

To reduce the rates of Healthcare Associated Infections (HCAI).

Monitored:

Methicillin-resistant *Staphylococcus aureus* (MRSA) and *Clostridium difficile* are monitored on a monthly basis and reported to the Strategic Infection Control Committee which is chaired by the Director of Nursing & Quality.

Measured:

The rates of MRSA and *Clostridium difficile* are measured and benchmarked nationally by the Health Protection Agency (HPA).

Statements of Assurance from the Board

Review of Services

During 2011/12 the Trust provided and/or subcontracted 39 NHS Services.

The Trust has reviewed all the data available to it on the quality of care in 100% of these services.

The income generated by the NHS services reviewed in 2011/12 represents 100% of the total income generated from the provision of NHS services by the Trust for 2011/12.

The information that follows covers the three dimensions of quality: patient

safety, clinical effectiveness and patient experience.

NHS Patient Survey Programme

National Outpatient Survey

The Care Quality Commission (CQC) uses national surveys to find out about the experience of patients when receiving care and treatment from healthcare organisations. Between June and October 2011 a questionnaire was sent to patients who had recently attended an outpatient appointment at Leighton Hospital and Victoria Infirmary. Responses were received from 459 patients. The collated results of this survey are displayed below and show that the Trust performed **about the same** as other Trusts in all categories:

Table 1: Responses to Outpatient Survey 2011/12

How the score compares with other Trusts

7.3/10	Before the appointment
5.1/10	Waiting in the hospital
8.6/10	Hospital environment and facilities
8.4/10	Tests and treatments
8.8/10	Seeing a doctor
8.8/10	Seeing another professional
8.4/10	Overall about the appointment
6.8/10	Leaving the outpatients department
8.8/10	Overall impression



The full report is available at <http://www.cqc.org.uk/survey/outpatient/RBT>

Examples of patient comments from the survey and actions taken:

“Although I was there to see a Rheumatologist I was shown to the waiting area for blood tests. I was worried it was the wrong place as it was not explained to me properly.”

Action taken:

Signposting has been improved to confirm to patients the correct waiting area

“To be kept better informed about the length of time kept I was waiting for my outpatient appointment.”

Action taken:

The local standard for patients to be seen within 30 minutes of their appointment time includes ensuring updates are given and times clearly displayed

Patients commented on what was particularly good about their care:

“Friendly staff, porters work hard to give patients a good service and reception staff.”

“Always completely satisfied. Always have complete faith in the treatment. Staff always pleasant and helpful.”

“Reception staff were very polite. Very clean waiting area and comfortable seats. My appointment letter always came in the post very quickly and I was always reminded by automated phone calls a few days before to confirm time and date.”

National Inpatient Survey

Each year the Trust takes part in the National Inpatient Survey. The questionnaire was sent to 850 patients in October 2011. The results will be made available to the Trust in April 2012

and disseminated to staff. The Inpatient Survey Action Group will then meet to review the results and take forward plans for improvement.

Patient and Public Involvement Programme

The Trust has an annual Patient and Public Involvement Programme which includes methods of patient involvement such as patient surveys. In 2011/12, 44 local surveys were undertaken, 12 of which were conducted via the kiosk. The kiosk is an electronic, mobile device which allows patients and public to complete the surveys online. It is in use across the Trust for 12 months of the year, moving location on a monthly basis. Once the feedback has been collated action plans are implemented to address any issues which have been identified from the patient survey. The action plan is then monitored by the Action Group for Patient Experience.

Below shows a sample from the results of four randomly-selected surveys

Victoria Infirmary Outpatient Department

49 responses received from a sample size of 80.

The following are the most recent examples of responses received:

- 93% of patients said the Outpatient Department was clean
- 78% of patients were seen within 30 minutes of their appointment time
- 100% of patients felt they were given enough privacy when discussing treatment
- 92% of patients said staff explained why they needed tests in a way they could understand
- 100% of patients said staff made them feel at ease
- 100% of patients felt they had been treated with privacy & dignity when they attended the outpatient department.

Key issues

- 50% of patients were not informed of clinic delays
- 73% of patients were not told the reason

for the delay.

Paediatric Audiology

185 responses received from a sample size of 200.

The following are the most recent examples of responses received:

- 96% of parents said the Audiology Department was easy to find
- 83% of parents said that the staff in the Audiology Department were very helpful
- 99% of parents and their children were treated with privacy and dignity
- 100% of parents said they would recommend Leighton Hospital to friends and family.

Key issues

- Insufficient information from referrer regarding testing process
- Lack of toys in Victoria Infirmary waiting room

Sexual Health Clinic

81 responses received from a sample size of 100.

The following are the most recent examples of responses received:

- 79% of patients said reception staff in the clinic were welcoming, courteous and helpful
- 90% of patients felt they had confidence and trust in the health care professional treating them
- 83% of patients felt they were treated with privacy and dignity.

Key issues

- Improve patients' perception of confidentiality
- Improve waiting times
- Patients highlighted a need for a hot drinks machine.

Infection Control

36 responses received from a sample size of 50.

The following are the most recent examples of responses received:

- 97% of patients said the ward environment smelt clean, fresh and pleasant
- 94% of patients said the ward was tidy and uncluttered
- 100% of patients said the toilets were clean

Key issues

- Staff to encourage patients to wash their hands before mealtimes
- Staff to ensure patients and relatives have access to infection control leaflets and information
- Staff to increase the use of appropriate decontamination of hands using hand gel between patient contact.

All local patient surveys include a question to ask if they would recommend the Trust to family and friends. From this local data to date, 85% of patients said they would recommend the Trust to family and friends.

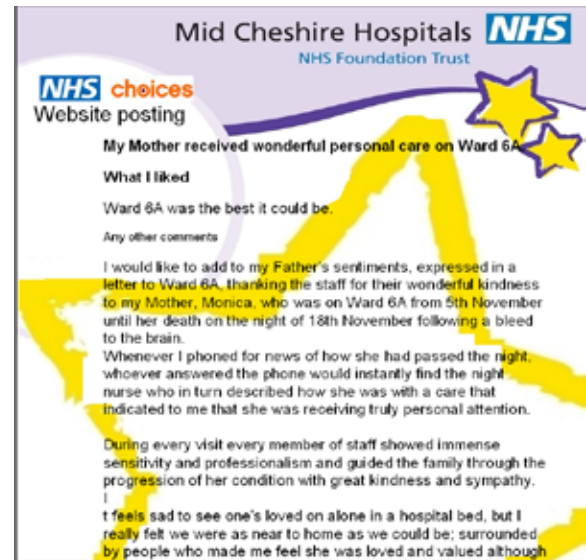


Patients can post comments about their experience on the NHS Choices website. There were 37 new postings on the NHS Choices website in 2011/2012.

89% (33 out of 37) of postings said they would recommend the hospital to their friends and family. The Trust displays examples of positive postings on notice boards and actions any suggestions for improvement.

Examples of these include:

"Staff were excellent and I was treated with dignity throughout my whole stay."



"The midwives were very supportive and reassuring throughout my labour, my after care on ward 23 was excellent."

"The atmosphere and environment was exceptionally calming and relaxing. All areas were clean and tidy. The staff were polite, calm and welcoming."

"I was treated efficiently and well during my visit to A&E. At each stage staff explained to me what was happening."

"Fantastic first time experience! The staff were amazing, friendly and chatty and made me feel at home."

"I was very happy with staff professionalism and attitude, very good indeed."

"I felt belittled and patronised."

"I was very impressed with the enthusiasm, care and attention given to both me and an elderly aunt."

"All staff were friendly, professional and helpful. Both Doctors gave clear explanations and answered all questions thoroughly. I was extremely pleased with the service I received."

"Medical staff not communicating clearly."

When the Trust receives negative comments on NHS Choices, the contact details for the Patient Advice and Liaison Service / relevant Matron are issued to the person posting the comments so they can make contact if they choose.

Review of Complaints

The Trust adheres to the Local Authority Social Services and National Health Service Complaints (England) Regulations which came into effect in April 2009. This sets out a single approach to dealing with complaints and gives organisations the flexibility they need to deal with complaints effectively. It also encourages a culture that uses people's experiences to make services more effective, personal and safe.

The following table shows the number of complaints received, referred to the Ombudsman and Independent Reviews over the past 3 years:

Table 2: Overview of Complaints Received by the Trust

	2009/10	2010/11	2011/12
Number of complaints received	245	260	192
Number of Independent Reviews undertaken	3	1	0
Number of Requests for Review to the Ombudsman	9	3	10
Number accepted for Review by the Ombudsman	0	0	3

Participation in Clinical Audits

The Trust is committed to embedding clinical audit throughout the organisation as a process for ensuring that healthcare provision is provided in line with evidence of best practice and improving practice to optimise healthcare services. The process is facilitated through the Clinical Audit Strategy (2010-13) that is sustained through a central Clinical Audit function which reports through the Integrated Governance structure to the Medical Director. Both local and national clinical audit activity is

instigated and led by clinicians with the support of the central Clinical Audit function.

During 2011/12, 39 national clinical audits and 1 national confidential enquiry covered NHS services that the Trust provides. This equates to 77% of the national clinical audits and 100% of the national confidential enquiries of the total number in which the Trust was eligible to participate.

Table 3 shows the clinical audits and national confidential enquiries the Trust participated in and the percentage of cases submitted as required by the terms of reference for each clinical audit or enquiry.

Table 3: National clinical audits and confidential enquiries undertaken 2011/12

Audit Title	Participation	Data Submission (%) / Non-Participations Reason
Peri & Neo-Natal		
Perinatal Mortality (MBRRACE-UK)	Yes	100
Neonatal Intensive and Special Care (NNAP)	Yes	100
Children		
Paediatric Pneumonia (British Thoracic Society)	Yes	100
Paediatric Asthma (British Thoracic Society)	No	Resource implications
Pain Management (College of Emergency Medicine)	Yes	100
Childhood Epilepsy (RCPH National Childhood Epilepsy Audit)	Yes	100
Diabetes (RCPH National Paediatric Diabetes Audit)	Yes	100
Acute Care		
Emergency Use of Oxygen (British Thoracic Society)	Yes	56
Adult Community Acquired Pneumonia (British Thoracic Society)	No	Resource implications
Non Invasive Ventilation - Adults (British Thoracic Society)	Yes	30
Pleural Procedures (British Thoracic Society)	No	Resource implications

Audit Title	Participation	Data Submission (%) / Non-Participations Reason
Cardiac Arrest (National Cardiac Arrest Audit)	No	Organisational issues delayed registration for 2011/12
Severe Sepsis & Septic Shock (College of Emergency Medicine)	Yes	100
Adult Critical Care (ICNARC CMPD)	Yes	100
Potential Donor Audit (NHS Blood & Transplant)	Yes	100
Seizure Management (National Audit of Seizure Management)	Yes	100
Long Term Conditions		
Diabetes (National Adult Diabetes Audit)	No	Currently under review
Heavy Menstrual Bleeding (RCOG National Audit of HMB)	Yes	100
Chronic Pain (National Pain Audit)	Yes	100
Ulcerative Colitis & Crohn's Disease (UK IBD Audit)	No	Resource implications
Adult Asthma (British Thoracic Society)	No	Resource implications
Elective Procedures		
Hip, Knee & Ankle Replacements (National Joint Registry)	Yes	96
Elective Surgery (National PROMs Programme)	Yes	92
Peripheral Vascular Surgery (VSGBI Vascular Surgery Database)	No	Resource implications
Carotid Interventions (Carotid Interventions Audit)	Yes	100
Cardiovascular Disease		
Acute Myocardial Infarction & Other ACS (MINAP)	Yes	99.9
Heart Failure (Heart Failure Audit)	Yes	54
Acute Stroke (SINAP)	Yes	98
Cardiac Arrhythmia (Cardiac Rhythm Management Audit)	No	Resource implications
Cancer		
Lung Cancer (National Lung Cancer Audit)	Yes	100
Bowel Cancer (National Bowel Cancer Audit Programme)	Yes	100
Head & Neck Cancer (DAHNO)	Yes	100
Oesophago-gastric cancer (National O-G Cancer Audit)	Yes	100
Trauma		
Hip Fracture (National Hip Fracture Database)	Yes	100

Audit Title	Participation	Data Submission (%) / Non-Participations Reason
Severe Trauma (TARN)	Yes	100
Blood Transfusion		
Bedside Transfusion (National Comparative Audit of Blood Transfusion)	Yes	100
Medical Use of Blood (National Comparative Audit of Blood Transfusion)	Yes	100
Health Promotion		
Risk Factors (National Health Promotion in Hospitals Audit)	Yes	100
End of Life		
Care of the Dying in Hospital (NCDAH)	Yes	100
NCEPOD		
Alcohol Related Liver Disease	Yes	In submission

* refers to submission numbers not rates as data submission was commenced part way through the audit.

The reports of 16 national clinical audits were reviewed by the Trust in 2011/12. Table 4 highlights some of the actions taken to improve the quality of healthcare provided as a result of national clinical audits.

Table 4: Action taken following national clinical audit reports

Audit	Actions Taken
Neonatal Intensive and Special Care (NNAP)	In order to meet the requirements of the National Neonatal Audit Programme two year health follow-ups have been initiated for babies leaving the Neo-natal Unit.
Renal Colic (College of Emergency Medicine)	Development of a local Renal Colic pathway with appropriate paperwork/ checklist in conjunction with the Urgent Care Centre, Urology and Radiology departments. Further and on-going departmental triage training is taking place relating to analgesia provision.
Vital Signs (College of Emergency Medicine)	Changes to casualty cards to prompt repeat observations within appropriate timescales. Early Warning Score trigger included in notes to meet clinical indicator targets.
Elective Surgery (PROMS)	PROMS now include varicose vein surgery and hernia repair as well as elective hip & knee surgery. The questionnaire return rates are >90%. The PROMS results are reported at QuEst.
Acute Myocardial Infarction & Other ACS (MINAP)	Acute Myocardial Infarction is no longer thrombolysed within the Trust – minimal revascularisation occurs. Angioplasty services are provided through emergency transfer to University Hospital of North Staffordshire.

Audit	Actions Taken
Bowel Cancer (National Bowel Cancer Audit Programme)	100% discussion at Multi Disciplinary Team (MDT) meetings. The data is now included in the Somerset Database and transferred by the Cancer Services Data Manager to the national database.
Head & Neck Cancer (DAHNO)	The data is now included in the Somerset Database and transferred by the Cancer Services Data Manager to the national database.
Severe Trauma (TARN)	Bi-annual multi-specialty meetings have been incorporated into the Trust's Rolling Clinical Audit schedule in line with essential requirements for Trauma Units.
Bedside Transfusion (National Comparative Audit of Blood Transfusion)	Implementation of a chart for transfusion observations following the previous re-audit has resulted in the Trust meeting the targets for all aspects of the study. Trust Policy incorporates the 'no wristband, no transfusion' practice in line with patient safety and best practice.
Risk Factors (National Health Promotion in Hospitals Audit)	The 2011 health promotion audit showed overall improvements in the assessments of patients' risk factors and improvements in the delivery of health promotion. Examples include: <ul style="list-style-type: none"> • smoking (81% assessed 2009, 84% assessed 2011) and • alcohol misuse (63% assessed 2009, 78% assessed 2011)

The reports of 62 local clinical audits were reviewed by the Trust in 2011/12. Table 5 highlights some of the actions taken by the Trust as a result of local clinical audits to improve the quality of healthcare provided.

Table 5: Actions taken following local clinical audits

Audit	Actions Taken
Audit of Improving Oral Care for Stroke Patients	Stroke patients developing aspiration pneumonia related to dysphagia require oral care as an integral part of hygiene. The project recommendations resulted in the use of suction toothbrushes and oral care guidelines for nil by mouth and dysphagic patients, being rolled out through the Emergency Care Division.
Quality of Medical Examination Reports in Child Protection Cases	Introduction of standardised medical reports incorporating identification of report writers, improved details of peer discussion, consultant countersignatures and timelines for report dictation or writing.
Management of Post-Partum Haemorrhage (PPH)	Introduction of PPH pro-forma to incorporate initiation of basic resuscitation measures and cross matching of blood where active bleeding occurs and weighing of blood loss in all PPH patients. Emphasis on manual compression during local skill drills.
NICE TA210: Clopidogrel and MR Dipyridamole for Prevention of Occlusive Vascular Events	Trust-wide awareness programme implemented to highlight guidelines in line with updated pharmacy policy to meet current therapy recommendations. Stroke nurse involvement in commencing appropriate therapy and inclusion in stroke pro-forma.

Audit			Actions Taken
Pharmacy	Audit	of	Pharmacist counselling on indications and duration of medication on commencement. Issue of twenty-eight day supply of treatment only for Acute Myocardial Infarction patients (STEMI) with date incorporated on discharge medications. One year review date for NSTEMI patients incorporated on discharge medications.
Medicines Reconciliation	Re-audit		Instigated review of pharmacy service ward cover. New ward rotas introduced providing extension of cover and a more integrated ward based service. Standardised re-training of the medicines reconciliation process for all existing staff and standardised training implemented for new staff.

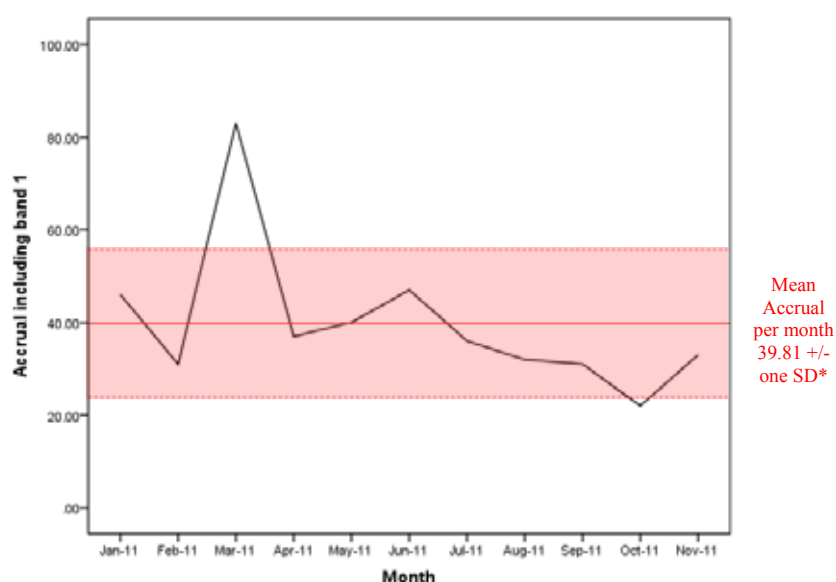


Participation in Clinical Research

The number of patients receiving NHS services provided or sub-contracted by the Trust between April 2011 and November 2011 that were recruited to participate in National Institute of Health Research (NIHR) portfolio approved by a Research Ethics Committee was 286.

Graph 1: Number of Patients Recruited to NIHR Portfolio Clinical Trials

*Mean Accrual per month: recruitment on average, just under 40 participants to trials per month between Jan and Nov 2011.



The Trust was involved in conducting 154 active clinical research studies during the reporting period including, but not limited to, the following areas:

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

There were nine clinical research staff participating in research approved by a Research Ethics Committee during the reporting period. Participation in clinical research demonstrates the Trust's commitment to improving the quality of care offered and to making a contribution to wider health improvement. Clinical staff stay abreast of the latest possible treatment possibilities and active participation in research leads to successful patient outcomes.

The studies listed below are used as an example of how research can benefit patients and demonstrates the link between the Trust's participation in research and the drive to continuously improve the quality of services provided.

'HELP' Study

The study, run by Cardiff University, reviews an intervention involving healthy eating and mild physical activity for overweight pregnant women and is designed to see if the intervention:

1. helps reduce a woman's BMI (body mass index) at 12 months after giving birth.
2. leads to lower weight gain during pregnancy and fewer problems (such as needing a caesarean section) during pregnancy and at birth.
3. has an impact on eating habits, physical activity, well being and on the baby's weight gain.

Study Objective 3 of the 'HELP' study was to record baby weights. The National Institute for Health and Clinical Excellence (NICE) Guidance PH11 Maternal and Child Nutrition states that babies should be weighed at birth, 5 days and 10 days. The Trust was commended on being the first site to recruit to the HELP study despite the complexities involved in the protocol. The final report closing the risk was submitted in early 2012.

MAESTRO Study

Participation in research can give patients the benefit of therapies they would not otherwise have access to. One example of this is the Mirror Arm Exercises in Stroke (MAESTRO) trial which is running at the Trust.

For most people, a stroke causes weakness to one side of their body that makes it difficult to use their affected hand, arm and/or leg. The MAESTRO study is investigating whether a new technique, called mirror therapy, improves the recovery of the upper limb. With this method, a mirror is placed alongside the 'good' arm so that the reflection looks like the weak arm is moving. The patient moves both arms, as much as they can, while looking in the mirror. The appearance of both arms moving normally, while attempting to move the weak arm as much as possible may strengthen the brain's attempts to 'rewire' the connections to produce movements on the weak side.

With significant contribution from the Trust, the MAESTRO study has nearly completed its pilot phase. It is hoped that the information gained about the feasibility and benefits of the mirror therapy will inform future research and possibly patient treatment options.

Commissioning for Quality & Innovation framework (CQUIN)

A proportion of the Trust's income in 2011/12 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 NHS services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2011/12 and for the following 12 month period are available online at: www.mcht.nhs.uk/information-for-patients/why-choose-us/quality.

The CQUIN framework was introduced in April 2009 as a national framework for locally agreed quality improvement schemes. These schemes require the development of clear plans and goals through agreement between providers of NHS services and commissioners. The goals have a proportion of the provider's contract income linked to them which is earned by the provider upon achievement of the goals. The overall financial value of CQUIN schemes is currently 1.5% of the provider's contract value. The expected financial value of the 2011/12 CQUIN scheme is approximately £2,050,000. In 2010/11 the monetary total for the associated CQUIN payment was £1,900,000.

For 2011/12, there were two national CQUIN goals which all hospitals had to deliver against. These focussed on the prevention of Venous











Thromboembolism (VTE) (development of a clot) (goal 1) and Patient Experience (goal 2). The Strategic Health Authority (SHA) negotiated seven regional goals with commissioners which were included within the Trust's CQUIN scheme. These related to Advancing Quality (AQ) (goals 10-15) and the Trauma Audit and Research Network (TARN) (goal 16). The Trust and the local commissioners also agreed a further seven local goals (goals 3-9).


The following table shows the Trust's performance against each of the CQUIN goals. It can be seen that of the 16 goals agreed the Trust achieved fourteen goals and has plans in place to address the two areas that were not achieved.

Full details of the CQUIN schedule are available on the Trust's website under 'Quality' which can be accessed via the homepage at www.mcht.nhs.uk.



Table 6: CQUIN Results

Goal No.	Goal Name	Description of Goal	Achieved / Not Achieved
1	Venous Thrombo-embolism (VTE) prevention	Reduce avoidable death, disability and chronic ill health from VTE.	
2.	Patient experience – personal needs	Improve responsiveness to personal needs of patients. [The indicator is calculated from five questions selected nationally from the National Inpatient Survey, requiring a 5% improvement against all questions. The Trust achieved improvement in three of the five questions.]	
3.	Admission avoidance	Development of an emergency referral system for GPs that avoids admission to hospital	
4.	Patient passports for people who are frequent attendees at A&E	Reduction in the number of people identified as frequent attendees to A&E being admitted to hospital	
5.	Learning Disabilities	Improve the care of people with Learning Disabilities	
6.	End of Life Care	Reduce the numbers of patients who die in hospital where their preferred place of care is not in hospital	
7.	Paediatric Passport	Development and implementation of patient passport for children with complex health care needs	
8.	Dementia Care	Improvement in the care of patients diagnosed with Dementia	
9.	Management of High Cost Drugs	To ensure high cost medicines and technologies are used in a safe, effective and appropriate way within available funding	
10.	AQ Acute Myocardial Infarction	Implementation of AQ Care Pathway Acute Myocardial Infarction	
11.	AQ Heart Failure	Implementation of AQ Care Pathway Heart Failure	
12.	AQ Hip and Knee Replacement	Implementation of AQ Care Pathway Hip and Knee Replacement	
13.	AQ Pneumonia	Implementation of AQ Care Pathway Pneumonia. [The Trust was required to achieve a score of 81.48%, and to date has achieved 80.79%.]	
14	AQ Stroke	Implementation of AQ Care Pathway Stroke	
15.	AQ Patient Experience	All patients complete an AQ Patient Experience Measures Survey	

Goal No.	Goal Name	Description of Goal	Achieved / Not Achieved
16.	TARN	Submission of TARN data to SHA	

For goals 10 -15 the Trust anticipates the recorded results. The reporting period for the Advancing Quality Programme does not close until August 2012.



= Achieved



= Not Achieved



Care Quality Commission (CQC)

The Trust is required to register with the CQC and its current registration status is unconditional. The CQC has not taken enforcement action against the Trust during the period April 2011 to March 2012. The Trust has participated in special reviews and investigations by the CQC relating to the following areas between April 2011 to March 2012.

- CQC/Ofsted Integrated Inspection of Safeguarding and Looked After Children's Services in East Cheshire.

The report highlighted the Youth Council, which is a voice for young people on the services provided within the Trust, as very good and also mentioned the high quality knowledge and well embedded awareness regarding childrens' safeguarding within the Maternity Department.

- A targeted inspection programme in acute NHS hospitals to assess how well older people are treated during their hospital stay.

This unannounced review of the Trust looked into two outcomes, as follows:

Outcome 1:

People should be treated with respect, involved in discussions about their care and treatment and able to influence how the service is run:

The report stated that all patients were happy with the way staff treated them and that they were treated with dignity and respect.

Outcome 5:

Food and drink should meet people's individual dietary needs:

The inspectors declared that the Trust had met both of the essential standards. The report highlighted a number of good practices within the Trust and most patients seemed satisfied with the quality of the food and commented that it arrived hot. The CQC made recommendations to address minor concerns to ensure the standards were maintained. As a result, an action plan was developed and completed on time.

Quality and Risk Profiles (QRP)

The CQC keeps a constant check on all information that is available for each organisation. This intelligence is collated into a QRP which is published for each organisation ten months of the year. The QRP aims to gather all the quality and safety information known about a provider in one document. This enables the CQC to assess where risks lie and guides front line regulatory activity such as inspection.

The Director of Nursing and Quality, Deputy Director of Nursing and Quality and the Governance Lead meet with the CQC to review the information held in the QRP on a quarterly basis. This gives the Trust an opportunity to provide information for any areas of concern and provide assurance to the CQC.

Data Quality

NHS and General Practitioner Registration Code Validity

The Trust submitted records during 2011/12 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:

99.54% for admitted patient care;
99.89% for out patient care;
99.16% for accident and emergency care

The percentage of records in the published data which included the patient's valid General Practitioner Registration Code was:

99.99% for admitted patient care;
99.93% for out patient care;
99.94% for accident and emergency care

Information Governance Toolkit Attainment

The Trust's Information Governance Assessment score for 2011/12 was 72% and was graded as unsatisfactory. Although the Trust achieved an unsatisfactory rating, the Trust has improved its submission by 28% since the 2010/11 submission.

The Trust is working to improve its overall compliance with the Information Governance Toolkit, at present focusing on the eight unsatisfactory requirements from Version 9; this includes Information Governance training for all staff groups, specialist training for key staff and work to improve data quality and corporate records

The Toolkit is monitored through the Trust's Integrated Governance Monthly Report and reported to the Operational Integrated Governance Committee. The Trust's non-attainment of the required level 2 standard is reflected in the Information Governance Toolkit action plan.

Clinical Coding Error Rate

The Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for that period for diagnoses and coding were:

- Primary Diagnoses incorrect: 12.0%
- Secondary Diagnosis incorrect: 5.1%
- Primary Procedures incorrect: 5.1%
- Secondary Procedures incorrect: 10.7%

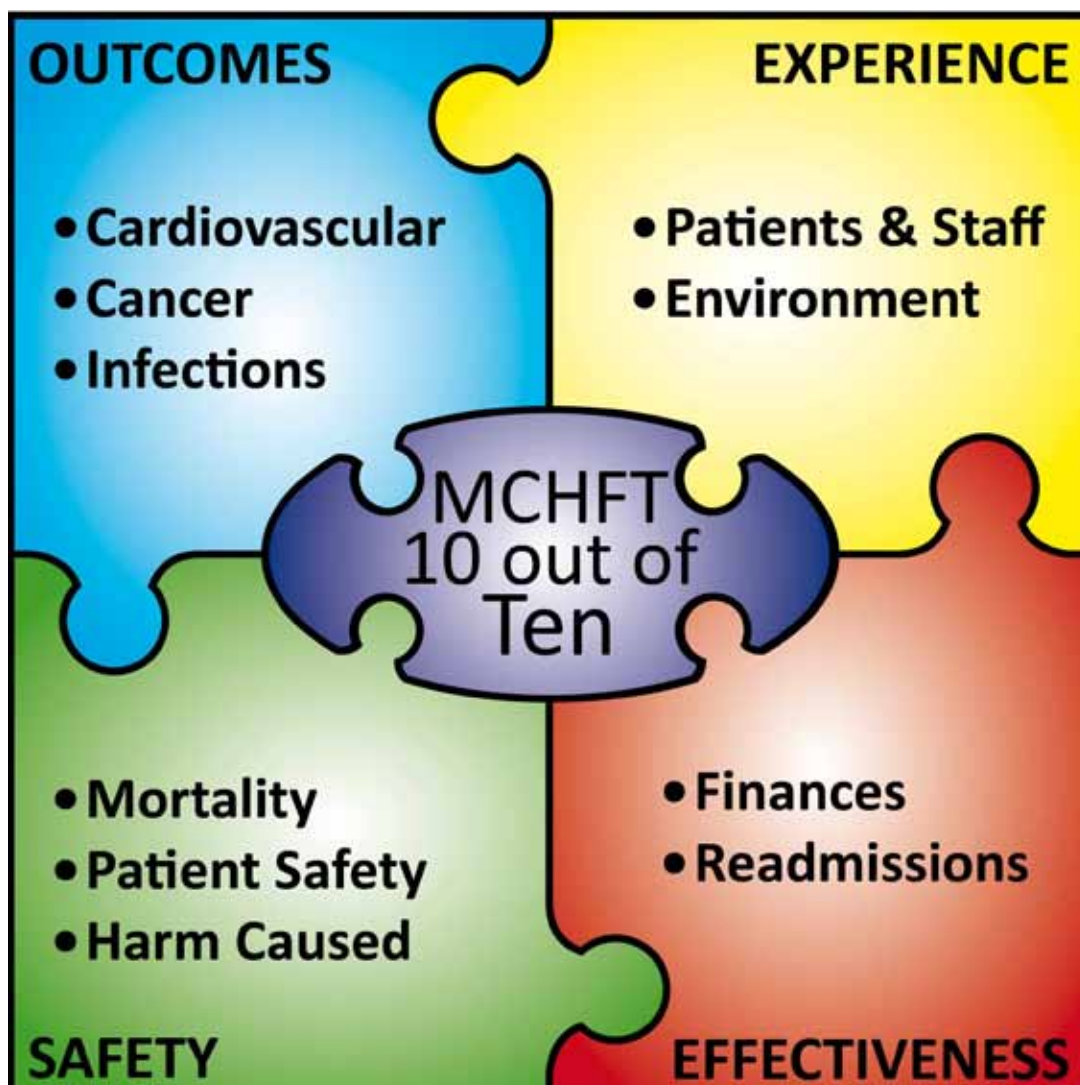
The Trust's performance in relation to Clinical Coding Error Rate is better than the national average. The results shown should not be extrapolated further than the actual sample audited. A cross section of services were reviewed within this sample.

Part 3 - Review of Quality Performance

The 2011/12 Quality Account specifically details the progress against the Trust's 10 out of Ten strategy together with performance against areas of public interest or those recommended by other bodies such as Monitor and the Department of Health.

These have been detailed under the following domains of:

- Safety
- Effectiveness
- Experience
- Outcomes



Safety

Priority 1: Mortality

To reduce mortality rates by 10 percentage points in patient groups where death is not expected.

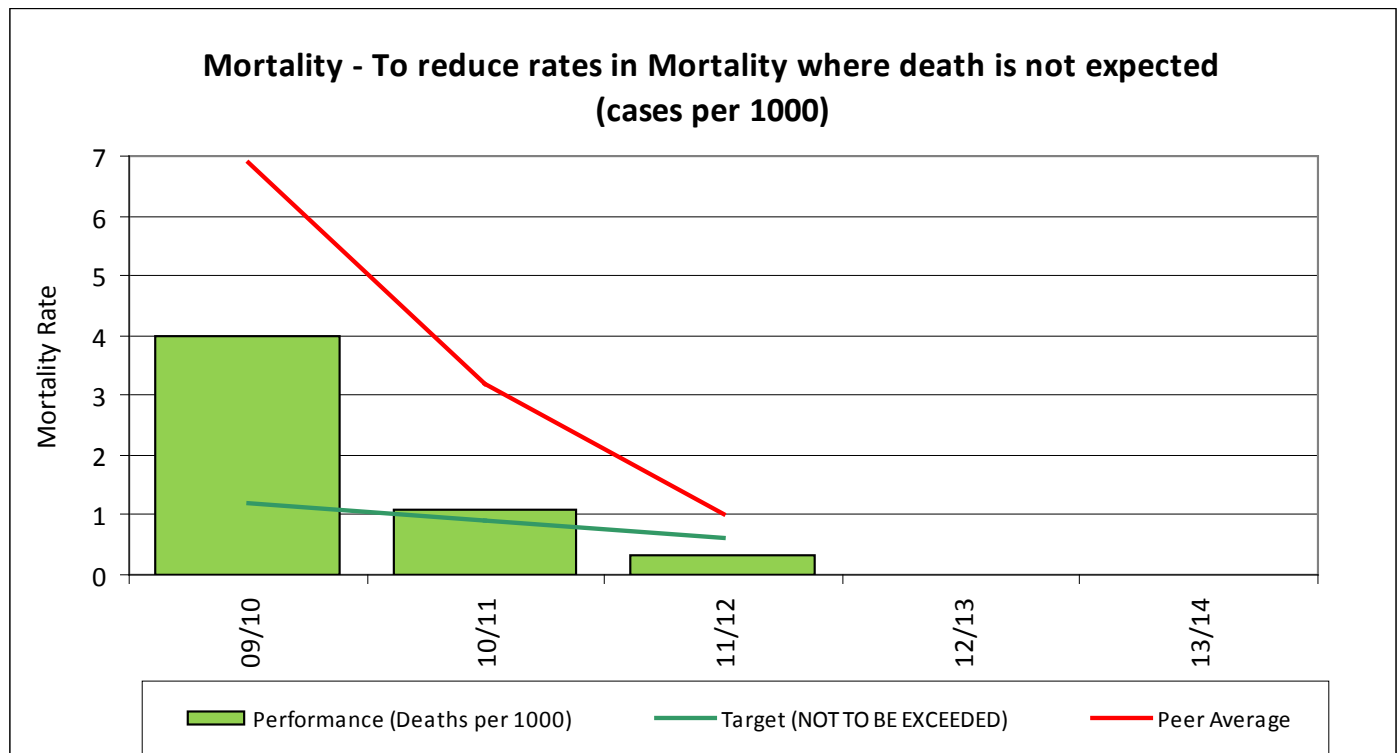
In order to understand whether people are getting healthier or our Trust is getting safer, it is necessary to calculate the death rate. The crude death rate is the number of people who die in relation to the number of hospital admissions. The Risk Adjusted Mortality Index (RAMI) takes into account several factors including the relative risk

of each patient's conditions and displays this as an index (100 being the expected rate). In general terms, the rationale for calculating death rates in hospital is so they can be used as a measure of hospital quality.

Mortality was chosen as a local priority during the consultation with staff, patients and members of the public, in particular focusing on patient groups where death is not expected.

The Trust has achieved its local target of reducing mortality rates in patient groups where death is not expected.

Graph 2: Mortality rates where death is not expected



A mortality ratio is described as the number of observed deaths divided by the number of predicted deaths. The technical definitions for observed deaths and predicted deaths vary from model to model. The two largest commercial companies that

supply mortality data to the NHS are Dr Foster and CHKS.

Dr Foster

Dr Foster's Hospital Standardised Mortality Rate (HSMR) is based upon hospital

episode statistics for the 56 clinical classification system diagnostic groupings that lead to 80% of all in-hospital deaths. The risk of death is calculated for each individual admission using binary logistic regression and adjustments are made for the factors that have been found by statistical analysis to be significantly associated with hospital death rates. These include:

- Age
- Sex
- Emergency status
- Number of prior emergency admissions
- Socio-economic deprivation
- Co-morbidity
- Palliative care
- Month of admission (for some respiratory diseases)

CHKS

The Risk Adjusted Mortality Index (RAMI) developed by CHKS uses regression analysis to predict the expected probability of death for each patient based on the experience of the national norm for patients with similar characteristics:

- Age
- Sex
- Diagnosis
- Procedures
- Clinical grouping
- Admission type

CHKS is the provider of comparative information and quality improvement services for healthcare professionals. The Trust uses the CHKS Signpost Benchmarker to calculate the RAMI.

The Summary Hospital Level Mortality Indicator

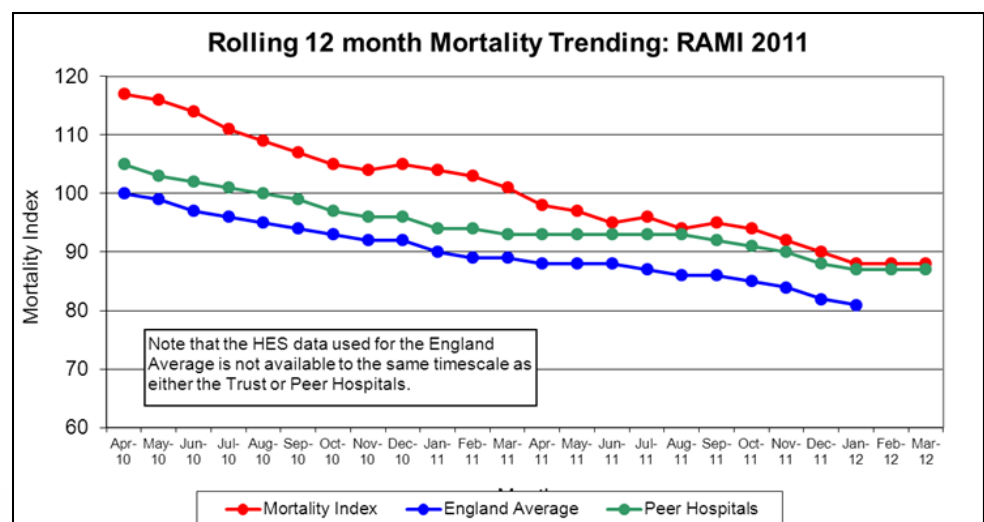
In view of the controversy arising from the different statistical models used to measure hospital mortality rates, in 2010 the Department of Health set up a steering group to look into mortality measurement and devise a new measure that could be used throughout the NHS. As a result the NHS Information Centre launched the Summary Hospital-Level Mortality Indicator (SHMI) in October 2011, with the data being published on NHS Choices.

Work Programme to Improve Hospital Mortality Rates

Since 2009 reducing the Trust's mortality rate has been led by the Hospital Mortality Reduction Group. Data from CHKS submitted to the Board of Directors each month has shown that the Trust's RAMI has fallen year on year, and is now similar to that of peer groups, albeit still higher than the England average.

Graph 3: Rolling 12 Month Mortality Trending : RAMI 2011/12

(Source:CHKS Signpost 2011)



Safety

Priority 2: Patient Safety

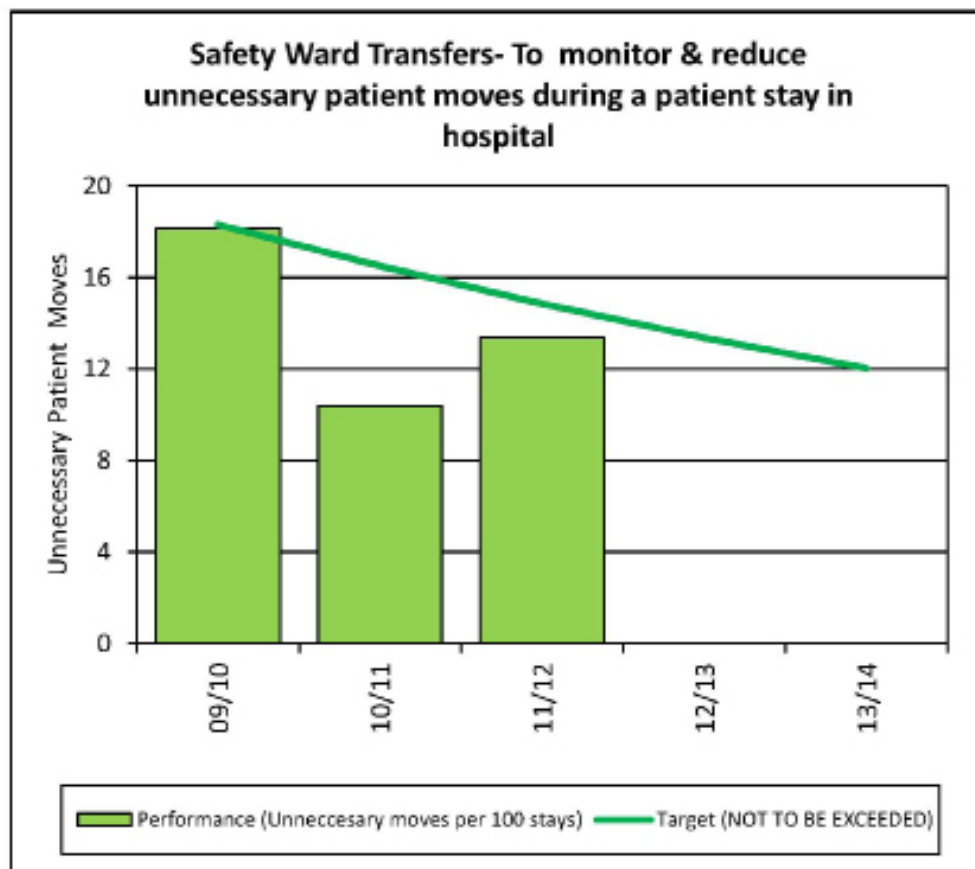
To monitor and reduce the number of unnecessary patient moves during a patient's stay in hospital

Patients rightly move wards as part of their care pathway or if the patient's diagnosis has changed and their care transferred to another specialist. However, too many ward moves (for example, to allow for the admission of acutely ill patients) can impact adversely on patient care and result in a longer length of stay in hospital for patients.

Last year, following the Quality and Safety Improvement Strategy 2010-14, the Trust established a method of monitoring this quality indicator, gathered the actual performance data from 2009/10 and set a target for improvement. This target was to achieve a 10% reduction, from the 2009/10 performance, in unnecessary ward moves each year for the remaining 4 years of the strategy.

Graph 4 shows the average number of unnecessary patient ward moves per 100 hospital stays since April 2009. This graph shows that the Trust achieved a 37% reduction up to 2011/12 from the 2009/10 levels, which is ahead of the target level set for that year.

Graph 4: Unnecessary Patient Moves per 100 hospitals stay



The Trust intends to reduce further the number of unnecessary patient ward moves by continuing the actions it has taken in 2011/12:

- Ensuring patients are admitted to the appropriate specialty and ward to care for their needs
- Monitoring and investigating the care of patients who have moved frequently during their hospital stay
- Ensuring the bed configuration matches the demand for each specialty. This will be done through the Clinical Service Strategy which includes proposals around an acute short stay ward and a frail elderly service
- Continuing to reduce the time a patient spends in hospital and therefore reduce the opportunity for them to be moved unnecessarily
- Ensuring that reducing unnecessary ward moves is a personal objective of each member of the Patient Placement Team (who oversee ward moves within the hospital).



Safety

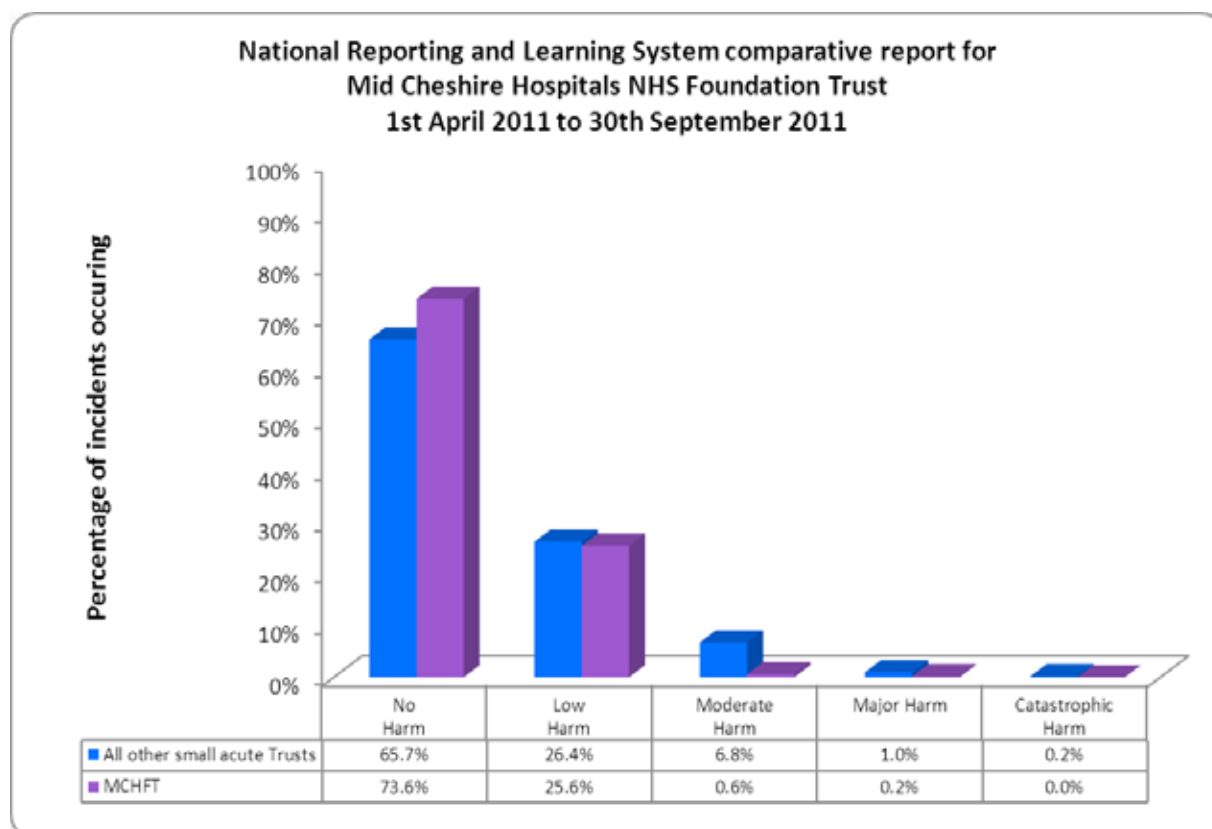
Priority 3: Harm Caused

To monitor and reduce the number of patients who experience avoidable harm by 10% annually

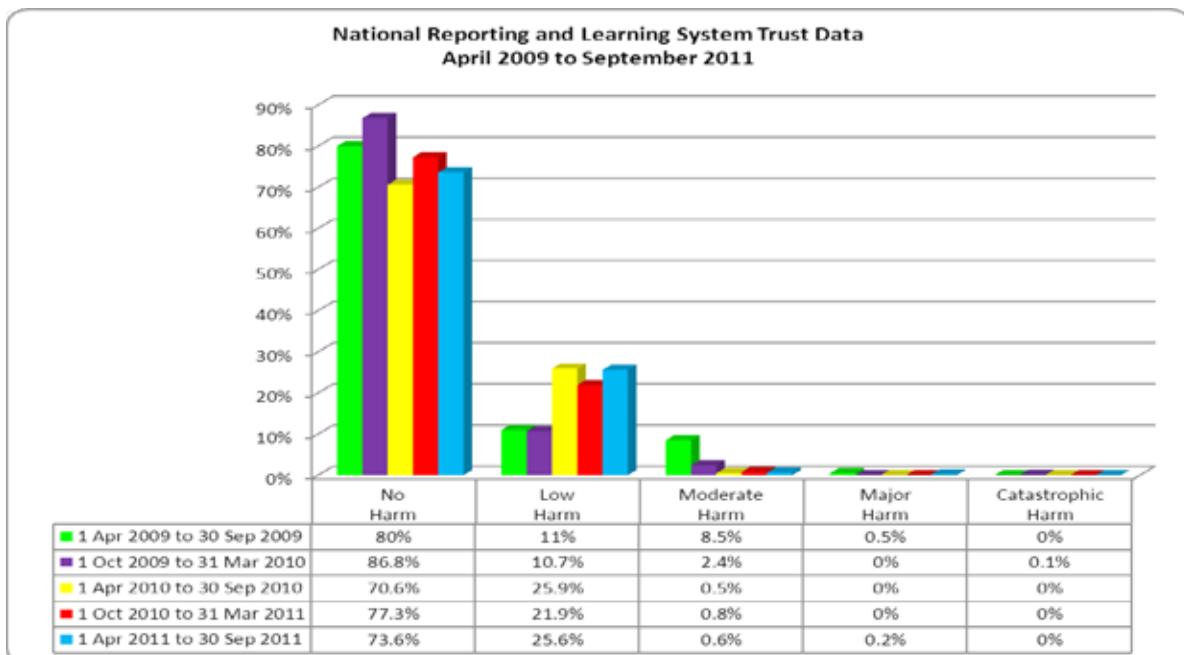
All patient safety incidents are monitored by the National Patient Safety Agency (NPSA) via the National Reporting and Learning System (NRLS) on a weekly basis. Every 6 months the NRLS produce a comparative

report comparing the Trust with 30 similar sized acute Trusts. This data is published on the NPSA's website. Graph 5 is the latest comparative reporting rate summary which provides an overview of incidents reported by the Trust to the NRLS between April 2011 and September 2011. This data is the most recent available, published in March 2012. In comparison to previous data received for April to September 2010 the Trust has made significant improvements in reducing harm in the Severe Harm categories i.e. moderate and above.

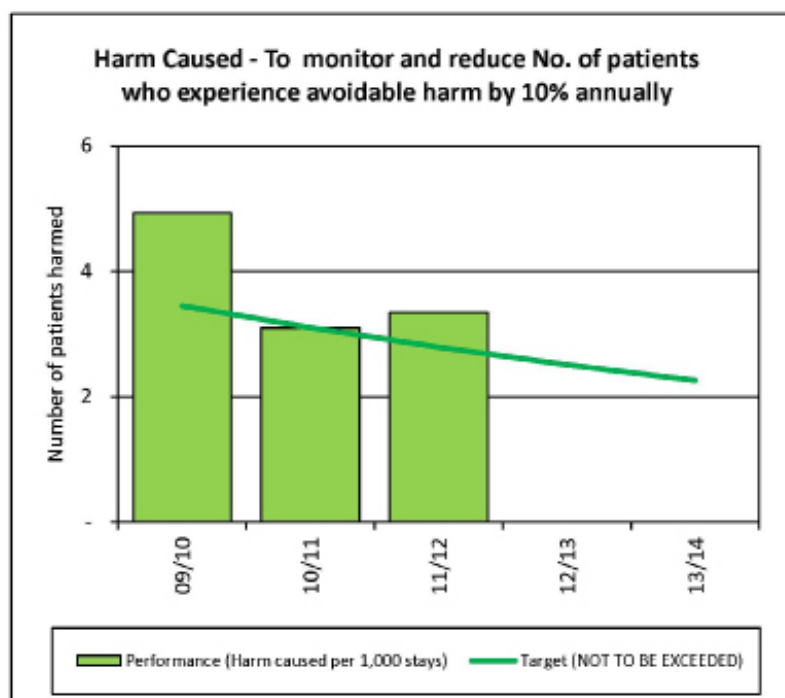
Graph 5: NRLS comparative data for April to September 2011



Graph 6 (overleaf) is the comparative data from the NRLS for the past three years. This demonstrates that the Trust has a constant pattern in reporting no harm and low harm incidents. Reporting low harm incidents is viewed as a positive step as this illustrates that the Trust has a positive risk aware culture in that staff are not afraid to report patient safety incidents.

Graph 6: NRLS comparative data for the past 3 years

Graph 7 shows the Trust's performance against the target of a 10% reduction in harm caused. The Trust has not achieved the target in 2011/12. The NRLS data in graphs 5 and 6 shows that the Trust has fewer incidents in the moderate, major and catastrophic categories and more in the low harm category. An example of a low harm incident is a patient fall that results in a graze or bruise. It is the increase in low harm incidents that has resulted in the Trust not achieving the self set stretch target of 10% reduction in 2011/12.

Graph 7: Avoidable Harm Caused

Effectiveness

Priority 4: Readmissions

To reduce the number of patients who are readmitted to hospital within 7 days of discharge

The Trust's Quality and Safety Improvement Strategy states that the Trust will reduce the number of patients who are readmitted to hospital within 7 days. Overall, the Trust is planning to reduce readmissions to 2% by 2014.

The Trust has been working to do this by:

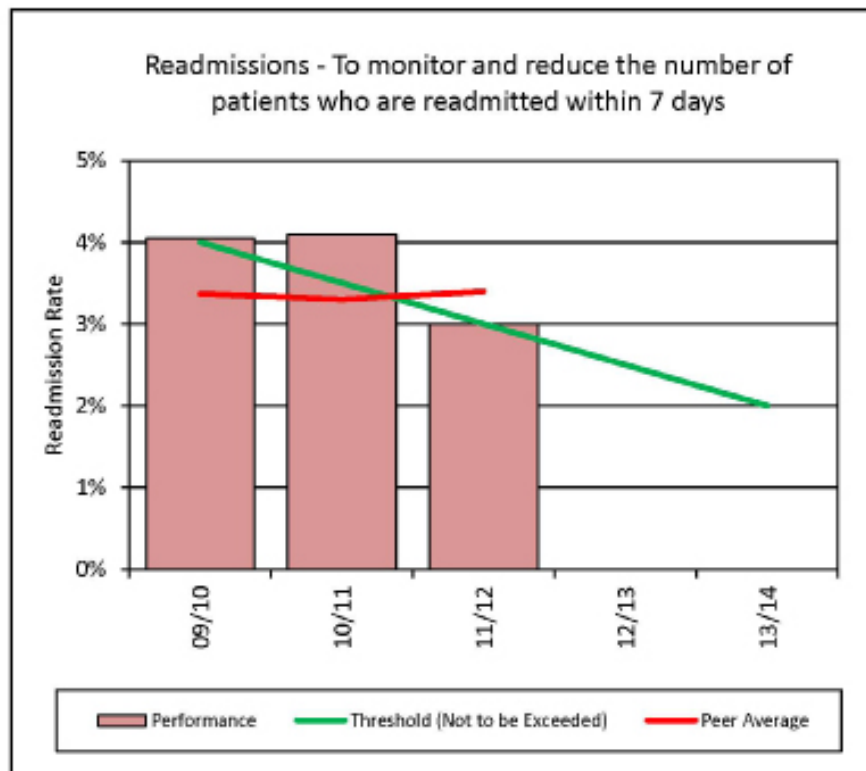
- Introducing daily monitoring of readmissions and working with clinical divisions to develop plans to reduce issues commonly associated with readmissions to hospital
- Introducing patient passports for patients who are admitted frequently to hospital providing the medical teams with detailed information about individual patient's care plans
- Improving the advice and instructions given to patients on discharge
- Improving the planning of patient discharge by agreeing with patients an intended date of discharge as soon as possible after admission, so all professionals, patients and relatives are aware of the expected date for leaving hospital
- Launching the Integrated Discharge Team who work collaboratively with social care colleagues, planning discharges for patients with complex care needs to ensure a smooth transition to a community setting when leaving hospital
- Extending the hours of operation of the

Integrated Discharge Team to include weekend working and a follow-up phone call 72 hours after a patient has left hospital to ensure continuity of care

- Reviewing the standard template used when creating electronic discharge information for patients to enable a multi-disciplinary approach to entering information, thus improving the timeliness and quality of information reaching the patient's General Practitioner
- Working with the Urgent Care Centre and acute physicians to introduce revised care pathways, to ensure that certain patient conditions can be treated in other ways instead of being admitted to hospital
- Working with social care and mental health colleagues to introduce a rapid review service within the Emergency Department to avoid unnecessary admissions to hospital

As a result of these actions, the Trust reduced its readmission rates to 3% during 2011/12, which means the Trust has achieved the target which was set.

Graph 8: Annual Readmission Rates



Effectiveness

Priority 5: Finance

To reduce the percentage of the Trust's budget that is spent on management costs

The NHS Operating Framework requires a reduction in management costs to allow more income to be reinvested into NHS care for patients.

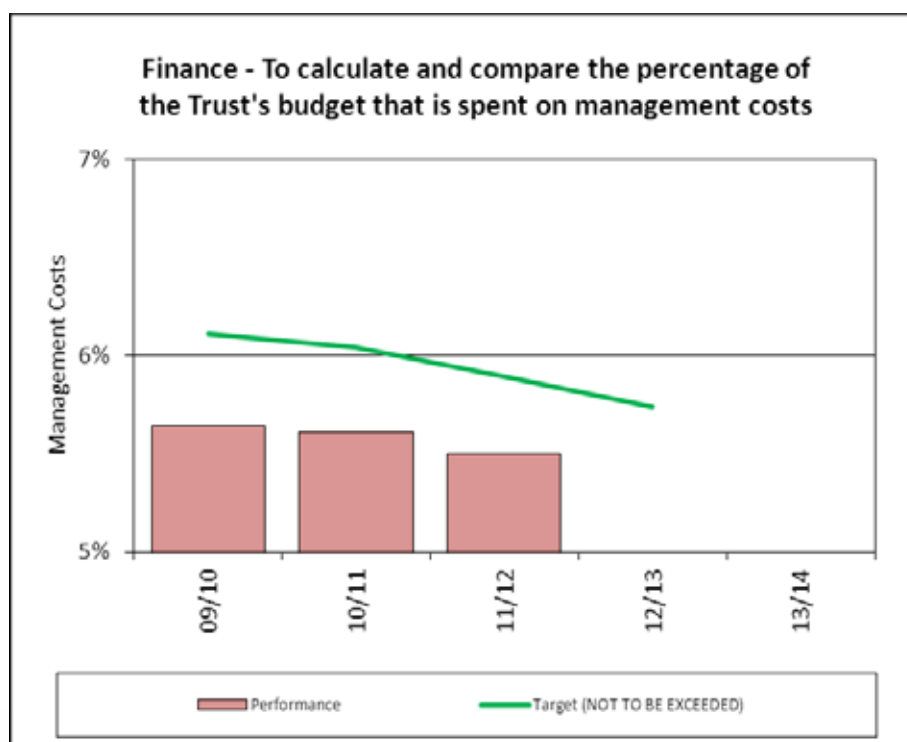
The Trust's priorities for improvements have echoed this requirement by reducing the percentage of the Trust's income spent on management costs.

Over the financial year, the Trust has been monitoring its management costs on a quarterly basis against its own pre-defined targets. The cumulative quarterly performance for 2011/12 is shown in the following table. It can be seen that the target set by the Trust has been achieved.

Table 7: Management Costs as a Percentage of Income

	Target % of Income	Actual % of Income	Achieved (Y) Not Achieved (N)
Quarter 1	6.0	5.5	Y
Quarter 2	6.0	5.5	Y
Quarter 3	6.0	5.5	Y
Quarter 4	5.9	5.36	Y

Graph 9: Trust Annual Spend on Management Costs



Experience

Priority 6: Patients & Staff

To ensure that the ratio of doctors & nurses to each inpatient bed is appropriate for delivering safe high quality patient care

Nurses

Since 2008, the Trust has used the AUKUH* adult acuity / dependency tool for adult inpatient wards to provide evidence based decision making for nurse staffing levels. The AUKUH developed the acuity / dependency tool as national workload model for use in NHS hospitals. It matches patients against the level of care required ranging from 0–3 and each level of acuity/ dependency is allocated an amount of nursing time based on Whole Time Equivalents (WTE):

*AUKUH – Association of UK University Hospitals

Level 0:	0.79 WTE nurse per bed
Level 1a:	1.70 WTE nurse per bed
Level 1b:	1.86 WTE nurse per bed
Level 2:	2.44 WTE nurse per bed
Level 3:	6.51 WTE nurse per bed

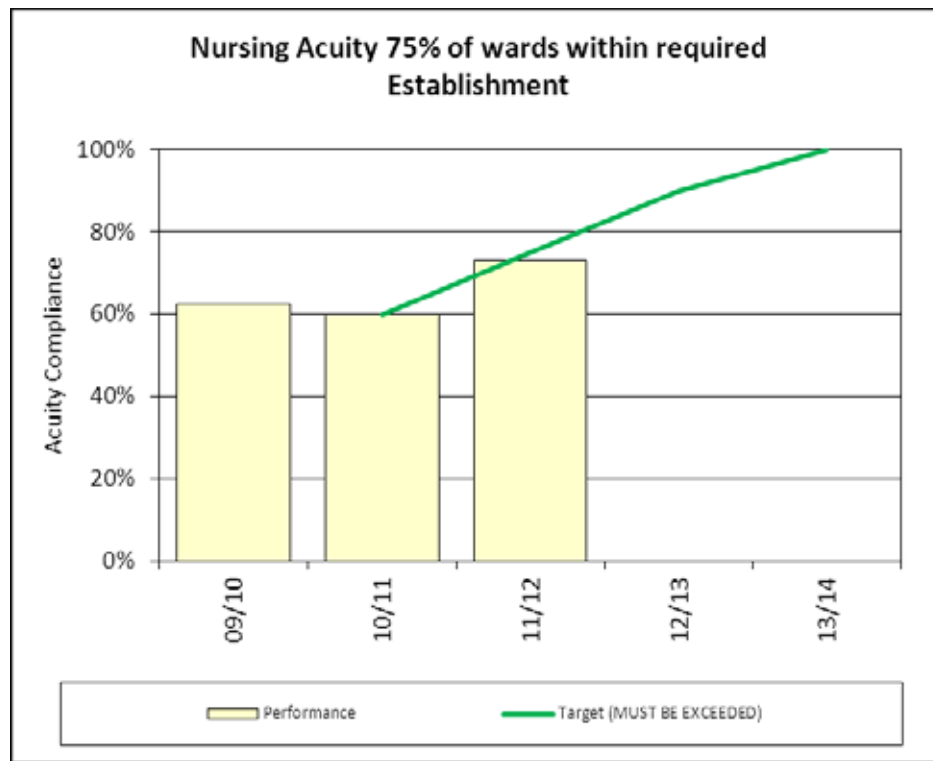
Following the results in June 2009 the Board of Directors approved the additional funding for 28.79 additional WTE staff for the Emergency Care Division wards (25.89 WTE Band 2 and 2.90 WTE Band 5 staff). Since June 2009 the adult inpatient wards have continued to collect data every 6 months and adjust staffing levels based on the information acquired. Some areas decided to collect data more frequently if their results fluctuated significantly based

on patient flow and activity.

In July 2010 the maternity unit commenced using the Birth Rate Acuity. This system provides “real time” information on the numbers of midwives needed to match the needs of the women in the labour ward. It measures the intensity of need arising from the number and clinical status of women and infants during labour, delivery and other women being cared for in the delivery suite against the number of midwives available to provide care.

The STEAM method (System To Escalate And Monitor) for recording paediatric acuity was developed and introduced in 2004 in Wales. The STEAM tool was piloted across the Children’s and Adolescent Unit (CAU) between March and August 2011. Information collated during 2011/12 relating to adult nurse staffing levels has been discussed at the Trust’s Acuity Group and escalated to the Executive Workforce Committee.

The aim for 2011/12 was that 75% of adult inpatient wards would be within range of the required establishment. In October and November 2011, the wards collected their data to demonstrate the required establishments.

Graph 10: Nursing Acuity of Ward Areas

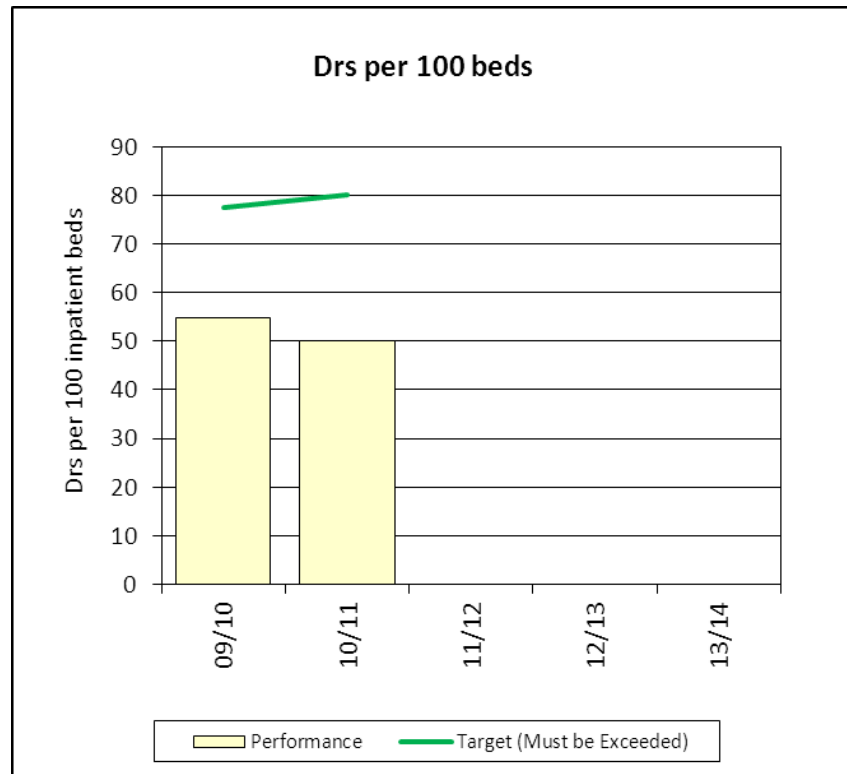
The above graph shows that the Trust achieved 73% against the target of 75%. Actions have been taken to address this, including the redeployment of staff from over-established areas to under-established areas and the use of trained bank staff employed by the Trust on a daily basis to ensure that the required staffing levels are met.

Doctors

The Trust strives to provide safe, effective and compassionate care to all its patients and is committed to ensuring appropriate staffing levels for all healthcare groups including doctors. Dr Foster benchmarking data is used as a guide to staffing levels and the data for the year 2010/11 indicated that the Trust was in the bottom quartile nationally for medical staffing numbers. As a result during 2011/12 the Trust has appointed additional Consultants in

Orthopaedic Surgery, Colorectal Surgery and Anaesthesia. The Trust has also received support from the Mersey Deanery to increase Training Grade posts in Breast Surgery and Care of the Elderly.

The Trust's target is to be in the top quartile of performing Trusts and investment in additional Consultant posts continues to be a priority.

Graph 11: Dr Foster – Number of Doctors per 100 inpatient beds

The data for 2011/12 will not be published by Dr Foster until December 2012.

Experience

Priority 7: Environment

To monitor and eliminate mixed sex accommodation for all patients admitted to the Trust (unless based on clinical need)

On 1 April 2011, the Trust declared compliance in eliminating mixed-sex accommodation. The Declaration of Compliance has been published on the Trust's web site and reads as follows:

Mid Cheshire Hospitals NHS Foundation Trust is pleased to confirm that the Trust is compliant with the Government's requirement to eliminate mixed-sex

accommodation, except when it is in the patient's overall best interest, or reflects their personal choice.

The Trust has the necessary facilities, resources and culture to ensure that patients who are admitted to its hospitals will only share the room where they sleep with members of the same sex, and same-sex toilets and bathrooms will be close to their bed area.

Sharing with members of the opposite sex will only happen when clinically necessary (for example where patients need specialist equipment such as in Intensive Care, Coronary Care or the High Dependency Unit) or when patients actively choose to share (for instance the renal dialysis unit or chemotherapy unit).

If care should fall short of the required standard, the Trust will resolve it as quickly as possible and report it via the Trust Committee Structures to the Board of Directors and also to the local Primary Care Trust.

The Trust has also set up an audit mechanism to make sure any reports are not misclassified and discusses the results of these audits at the Delivering Same Sex Accommodation (DSSA) Group.

Changes made in practice

There have been many changes in practice to ensure the Trust's compliance with providing same sex accommodation:

- The Emergency Assessment Unit moved to a ward area with bays and side rooms to increase privacy and ensure same sex accommodation
- The Clinical Decisions Unit within the Emergency Department was redesigned and a partition installed to promote a quieter environment and enhance the provision of privacy. This development is shown below:



- The signs for toilets, bathrooms and bays have been redesigned and are monitored closely to ensure they are

used appropriately. These signs are also helpful for patients with memory and/or cognitive impairment

- Coloured privacy doors have been fitted at the entrance to each bay to improve privacy for patients, reducing the risk of infection and enabling patients to find their way to and from the toilet independently thus improving dignity for patients. Feedback from patients about the availability of these doors has been positive, for example:

“When I used to try and find my way back to my bed from the toilet all the bays looked the same. Now when I am looking for my bed all I need to do is look for the right coloured door and I know I am in the right place.”

- Privacy screens have also been installed in areas where sexes may be mixed for specialist clinical reasons for example, the Acute Stroke Bay (ASB)

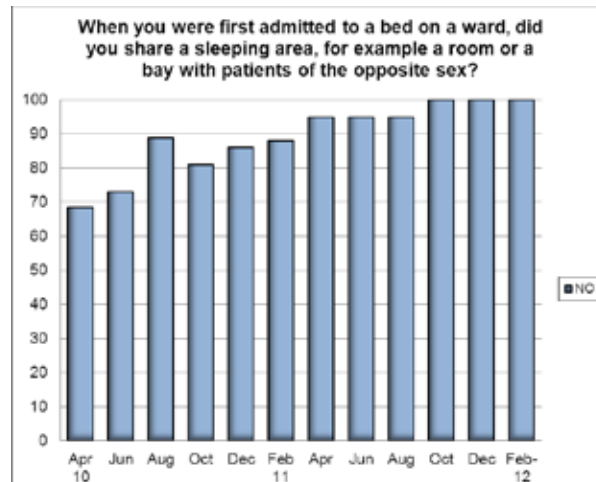
Patient feedback

Every month, volunteers assist the Trust asking 100 patients about their experiences of same sex accommodation.

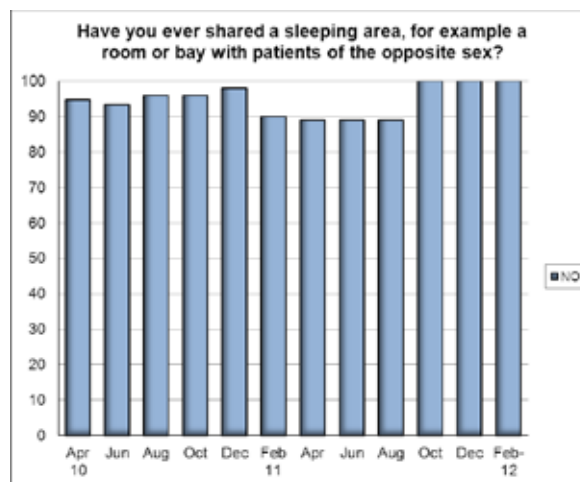


These results are shown below and demonstrate significant improvements when compared with last year's result.

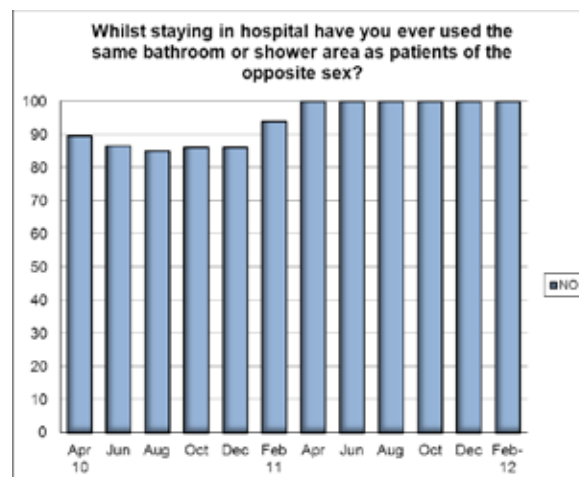
Graph 12: Experiences when first admitted



Graph 13: Experiences during stay



Graph 14: Experiences regarding washing facilities



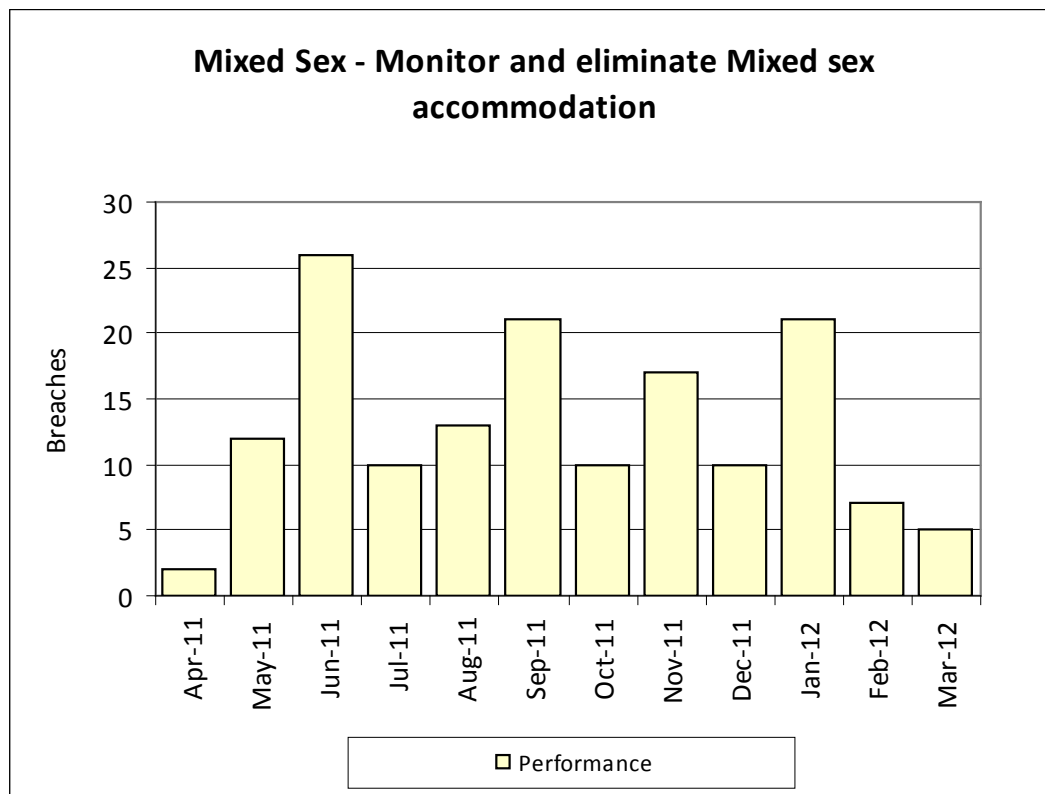
The Trust is pleased to report that over the past year there have been no patient concerns raised as a result of mixed sex accommodation and all patients surveyed have never reported either sharing accommodation or washing / toilet facilities with patients of the opposite sex.

There are a small number of occasions when patients receive care in an area that is not single-sex. This will be because they have been placed there for clinical reasons. When they remain there longer than they

need to, this a breach. There are only two areas where this has occurred - the Acute Stroke Bay and the Intensive Therapy Unit / High Dependency Unit.

When these breaches occur the staff always apologise to the patient and make every effort to address the situation as quickly as possible. This requires co-ordination with the Patient Placement Team and other ward staff. The numbers of breaches that have occurred over the past year are shown in the graph below:

Graph 15: Monthly Breaches within Mixed Sex Accommodation



This information is reported monthly to Commissioners, Strategic Health Authority and the Department of Health and is internally monitored via the DSSA group and Patient Experience Committee.

Outcomes

Priority 8: Cardiovascular

To reduce the 30 day mortality rate in patients following Acute Myocardial Infarction (AMI)

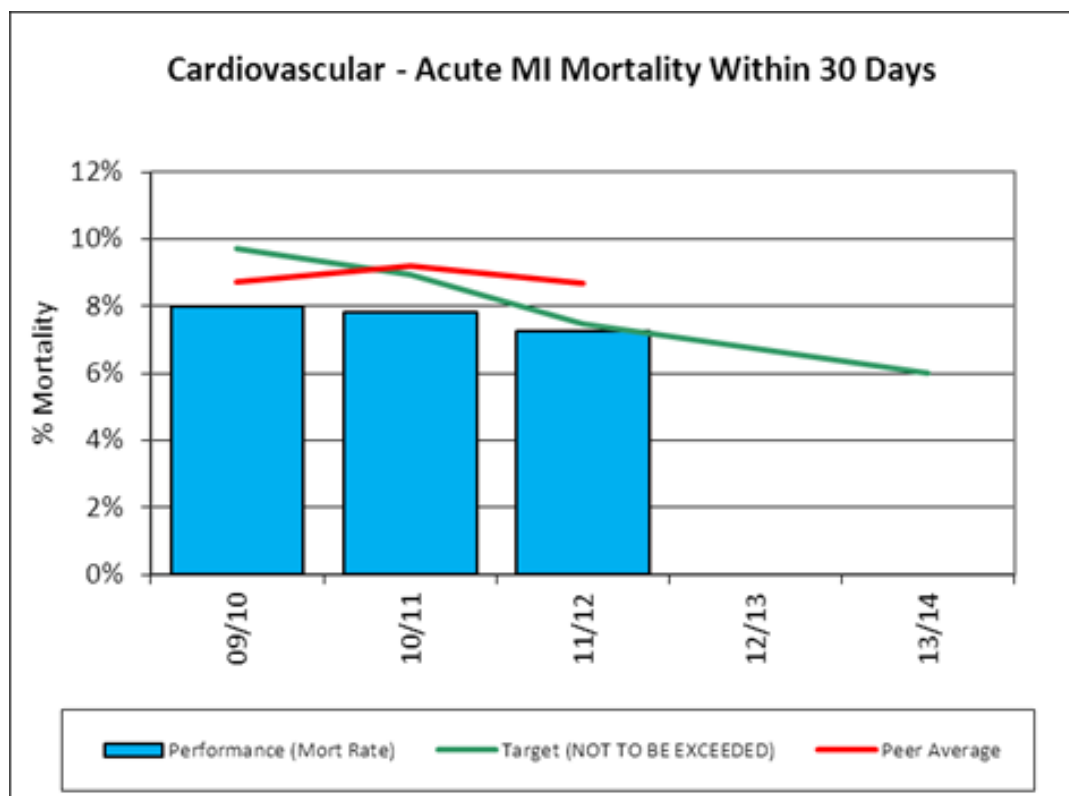
There were approximately 600 patients admitted in 2011/12 with a diagnosis of Acute Myocardial Infarction (AMI). Many of these patients were transferred to tertiary hospitals for further treatment and intervention. Patients were then either discharged home or transferred back to the Trust to continue their care.

For all patients who suffer an AMI a return to an active and healthy lifestyle is

positively encouraged with everyone being invited to join the Cardiac Rehabilitation Programme. This programme is set out in 4 phases. Phase 1 is offered while an inpatient, phases 2 & 3 following discharge and phase 4 is offered in partnership with other organisations. Cardiac Rehabilitation aims to reduce patient mortality and morbidity and to provide support for both the patient and carer to enhance their quality of life. The chance of death following an AMI is significantly reduced when lifestyle changes are made and strictly followed.

The Trust uses data from CHKS to monitor mortality within 30 days following AMI and it can be seen from the following graph that the Trust has achieved the target to reduce deaths following AMI during 2011/12.

Graph 16: Acute AMI Mortality within 30 days



AMI is one of five clinical conditions that are monitored through the Advancing Quality (AQ) Programme. It has been chosen due to its high prevalence in North West England. The aim of this programme is to report on a set of clinically agreed measures to improve outcomes for patients.

Advancing Quality Measures:

- Aspirin/antiplatelet administered within 24 hours of hospital arrival
- Thrombolytic treatment within 30 minutes of hospital arrival – if clinically indicated
- Smoking Cessation advice given
- Discharge medications provided

The Trust compliance with the Advancing Quality Programme for AMI care and treatment is currently 100%.



Outcomes

Priority 9: Cancer

To reduce acute admissions and length of stay in hospital following early complications of diagnosis and/or treatment of cancer.

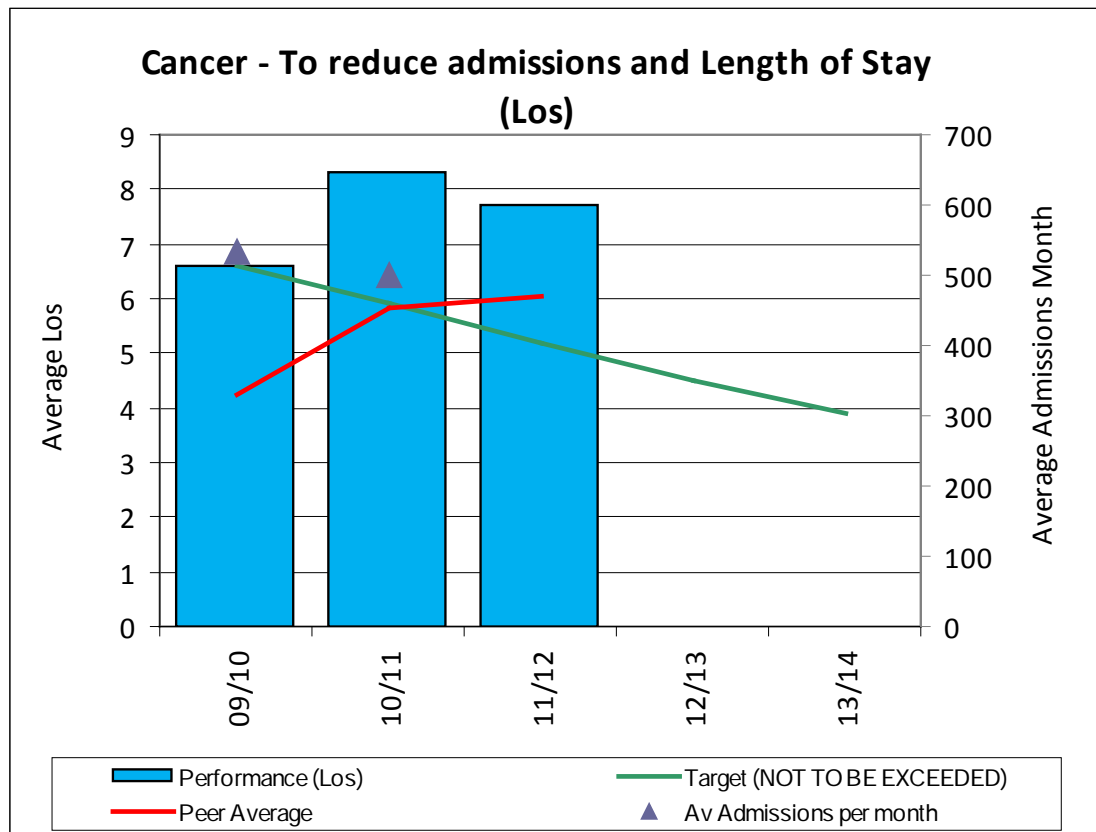
The outcome for the Trust's cancer target for 2011/12 has not been successfully achieved. The graph shows that there has been some improvement in reducing the length of stay for patients admitted as an emergency who have a diagnosis of cancer, but this is still higher than the target set by the Trust.

Investment has been secured from the Greater Manchester and Cheshire Cancer Network to implement the Acute Oncology Service in 2012/13. This investment is for two Acute Oncology Clinical Nurse Specialists and administrative support for the team. Funding has also been received for a rapid alert system so that the specialist nursing team will receive an alert as soon as a patient with known or suspected cancer attends the Emergency Department. This nursing team will aim to see, review and support all acute admissions. They will ensure that, if admission is avoidable, the patient is provided with the support required to return home from the Emergency Department with appropriate early follow up by an Oncologist. The team will also ensure that admitted patients remain in hospital for the shortest length of stay possible which will improve the individual's quality outcomes ensuring that their care is provided in their chosen location.

The Trust team will be supported by the Cancer Network who are implementing an education programme as well as supporting all Trusts by ensuring that appropriate patient pathways are established for a number of common cancer related

complications. The implementation of this service will further support the ongoing work throughout the Cancer Network to support the provision of cancer treatment closer to patients' homes.

Graph 17: Cancer Length of Stay and Acute Admissions



Outcomes

Priority 10: Infections

To reduce the rates of Healthcare Associated Infections (HCAI)

To comply with national guidelines and annual targets for Methicillin Resistant Staphylococcus Aureus (MRSA) and Clostridium difficile infection rates. To establish a baseline for monitoring urinary tract infections (UTIs) and implement surveillance processes in 2010 and set a

year on year improvement target.

Planned Target Outcomes:

Demonstrate an annual reduction in HCAI rates

- 2011/12 Clostridium difficile < 73
Actual 30 Achieved
- 2011/12 MRSA bacteraemia < 2
Actual 1 Achieved
- Establish baseline for UTI surveillance 2011/12
Achieved
- MRSA screening for emergency admissions by December 2010
Achieved

Clostridium difficile

Rates of Clostridium difficile infection (CDI) have dramatically reduced over the year and this is a significant achievement for the Trust. The final CDI rate for the twelve month period stands at 30 cases; which represents a 71.4% reduction compared to last year's reporting total for 2010/11 which was 105 cases.

The objective for the forthcoming year (2012/13) is 54 cases in a twelve month period; which is a 28% reduction from last year's target of 73 cases. The Trust has, however, achieved next year's target of 54 cases this year, by reporting just 30 CDI cases at the end of March 2012. Irrespective of this achievement, work will continue to focus on CDI prevention strategies over the forthcoming year.

MRSA bacteraemia

The Trust has had one case of MRSA bacteraemia (blood stream infection) over the past 2 years and this is an exceptional achievement for the Trust. A Department of Health press release issued in August 2011 reported that the Trust was among 25 acute organisations in England that had no MRSA bacteraemia cases for the 2010/11 reporting period. During 2011/12 we had one case only in late February 2012. The target for 2012/13 is zero cases of MRSA bacteraemia.

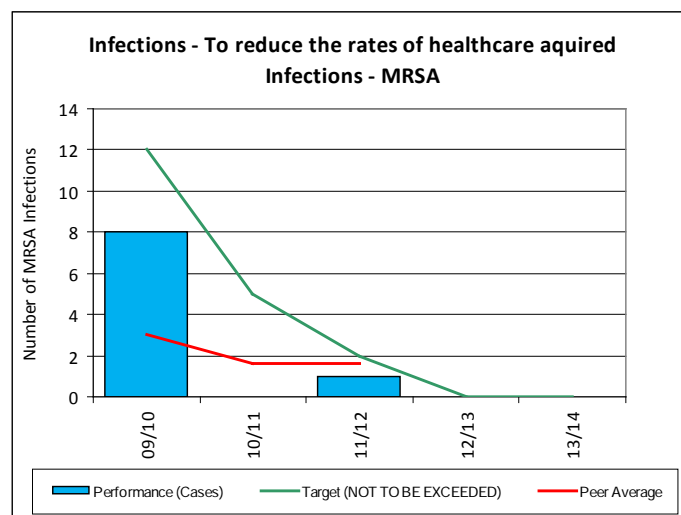
Urinary Tract Infections (UTIs)

There are currently different national criteria for measuring UTIs, with no single method or way of comparing organisational rates nationally. For this reason, the Trust has continued to measure catheter insertion rates; as advised by a sub-group of the Health Protection Agency in 2010. Over the last 3 years, the Trust's catheter incidence has remained fairly static; ranging from

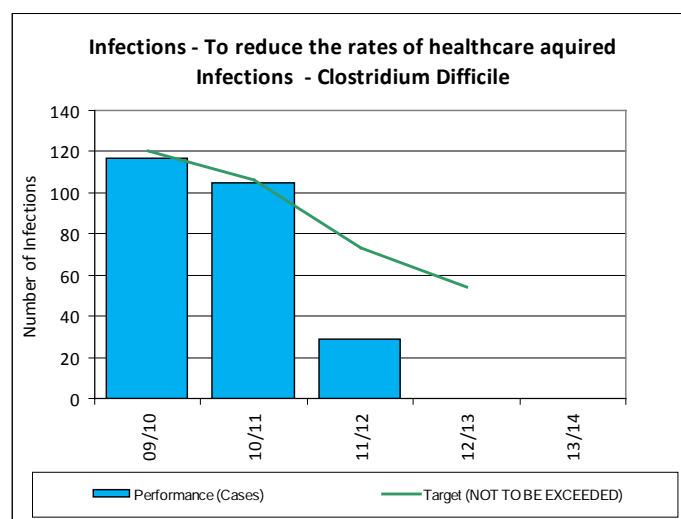
11-15% of patients with a catheter at any one time. This includes long term catheters already in place before admission and also short term catheters that may only be in place following a surgical procedure.

From June 2012, UTIs will be reviewed in more detail when patient information is collected as part of the National Safety Thermometer initiative. This programme will review key aspects of patient safety and measure progress each month to evaluate how effectively we prevent harm.

Graph 18: MRSA rates



Graph 19: Clostridium Difficile rates



External Assurance and Performance Indicators

Venous Thromboembolism

Venous Thromboembolism (VTE) is a common, serious and frequently underestimated medical condition caused by the formation of blood clots.

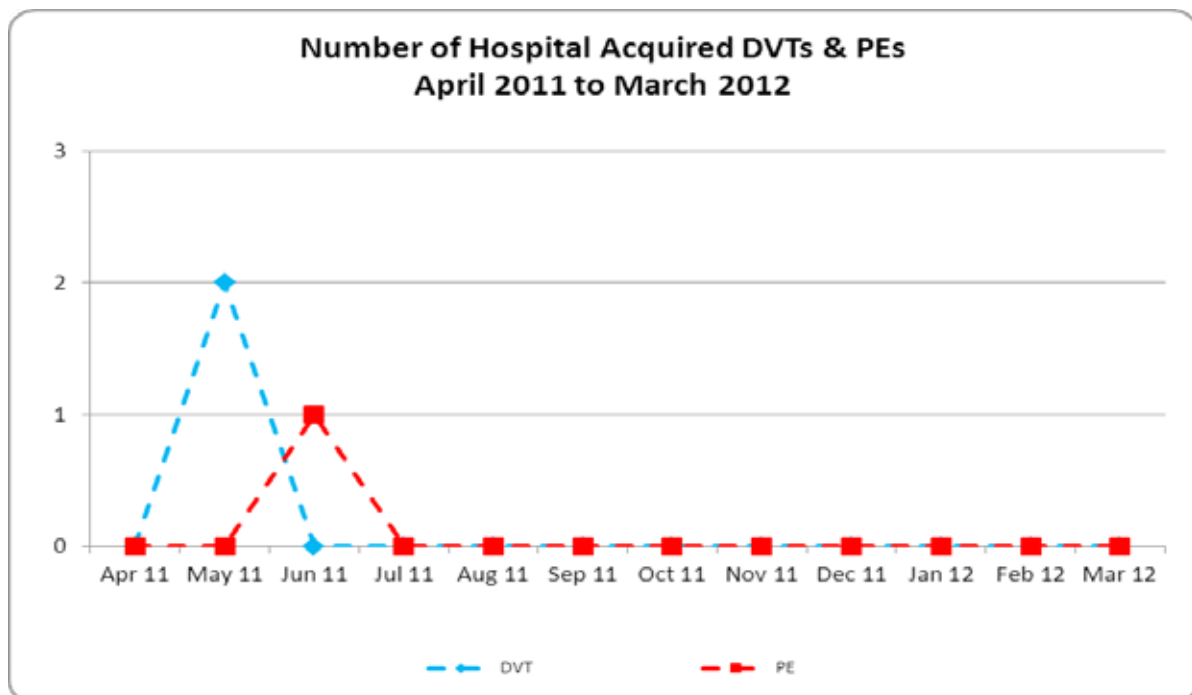
The most common form is deep-vein thrombosis (DVT), which occurs when blood clots develop in the deep veins of the body, usually in the legs. DVT partially or completely blocks veins and disrupts the normal flow of blood back to the heart.

Part of a clot may break off and lodge in the arteries that supply the lungs, resulting in a condition known as pulmonary embolism

(PE). A PE is a medical emergency that can cause irreversible damage to the lungs and which can result in death.

To improve patient safety and reduce mortality from VTE the National Institute for Health and Clinical Excellence (NICE) in January 2010 issued national guidance 'Venous thromboembolism: reducing the risk' CG92. This document sets out a framework for Trusts to follow to ensure that all adult admitted patients are assessed for the risk of developing VTE and actions taken if appropriate. The Trust has implemented the VTE risk assessment form and since its full inception in June 2010 has seen a significant reduction in the number of patient developing a VTE. For the past 9 Months no patient has developed a VTE whilst in our care.

Graph 20: Hospital Acquired DVTs and PEs
(Source: Trust data April 2012)



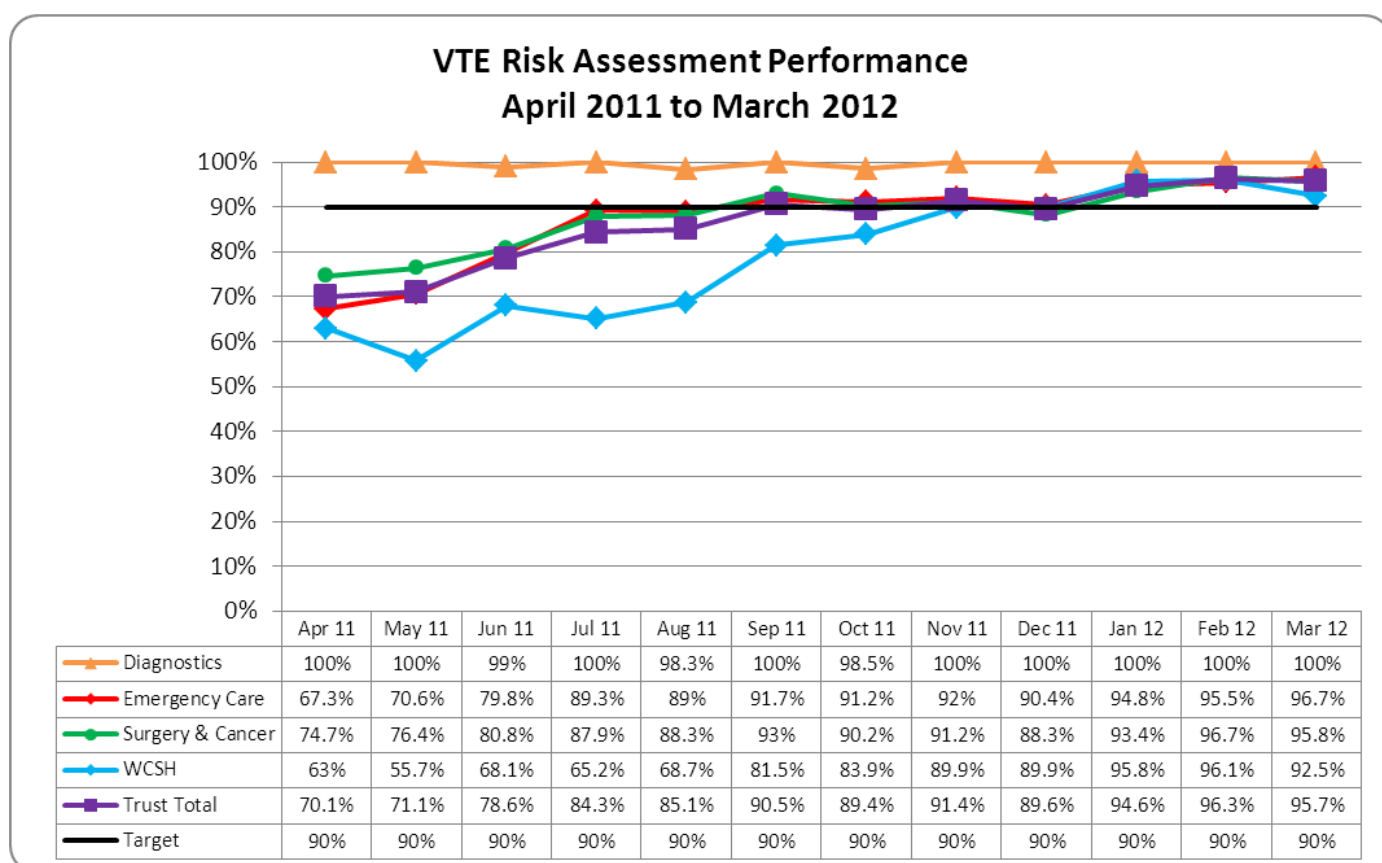
Commissioning for Quality and Innovation payment framework (CQuIN)

In addition to the safety aspect of VTE there is also a national CQuIN attached to the Trust performance. The CQuIN payment framework enables commissioners to reward excellence, by linking a proportion of English healthcare providers' income to the achievement

of local quality improvement goals. The commissioners and the Trust work together to agree targets, however, the VTE target is set by the Department of Health at 90%. The CQuIN for 2011 – 2012 was to achieve 90% or greater compliance in January, February and March 2012, the Trust has achieved this target.

Graph 21: VTE Risk Assessment Performance

(Source: Trust data April 2012)



Graph 21 demonstrates the Trust's VTE performance in the number of admitted patients requiring a VTE risk assessment to be undertaken by division. The graph also shows the improvements in practice over the past 12 months.

Consultation on Quality 2011/12

Over the past 3 years the Trust has consulted with public, patients, staff and Governors on the delivery of quality. Using the Trust's Quality and Safety metrics, the 10 out of Ten has been the focus for discussion and comment. These comments are then used to inform the annual Quality Account.

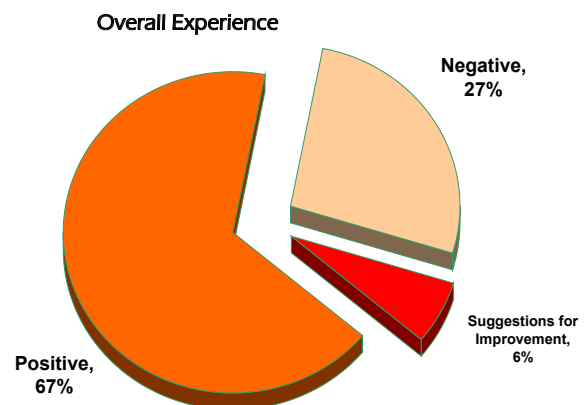
The Quality Account Consultation 2011/12 commenced in September 2011 and was completed in November 2011. The Trust had set a target of 500 responses for this consultation which it had exceeded by the end of the organised events. The Trust visited many local events and local places of interest including Crewe library, Asda supermarket in Crewe and Sandbach Market. Events attended included the 'Vocational Achievement Celebration' which was held at Crewe Alexandra Football Club and the 'Black History Month' event organised by the Organisation Caring for Ethnic and All Nations (OCEAN). A consultation event at Manchester Metropolitan University (MMU) ensured the Trust surveyed a broad cross section of the local population. Patients and members of the public were also included in the consultation events through discussions in the out patients departments at Leighton hospital and the Victoria Infirmary.

The aim of the consultation was to seek comments from the public regarding the Trust's 10 out of Ten annual achievements and to ensure that the ten indicators of quality are still essential markers within the quality domain. Comments were also collated on the quality of service delivery by the Trust and suggestions on areas for

improvement were encouraged.

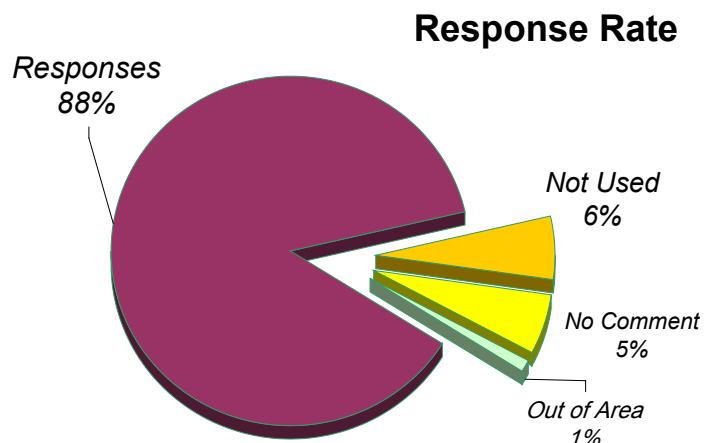
To date the Trust has received many positive comments with regards to service delivery, patient experience and quality.

Graph 22: Overall Trust Experience



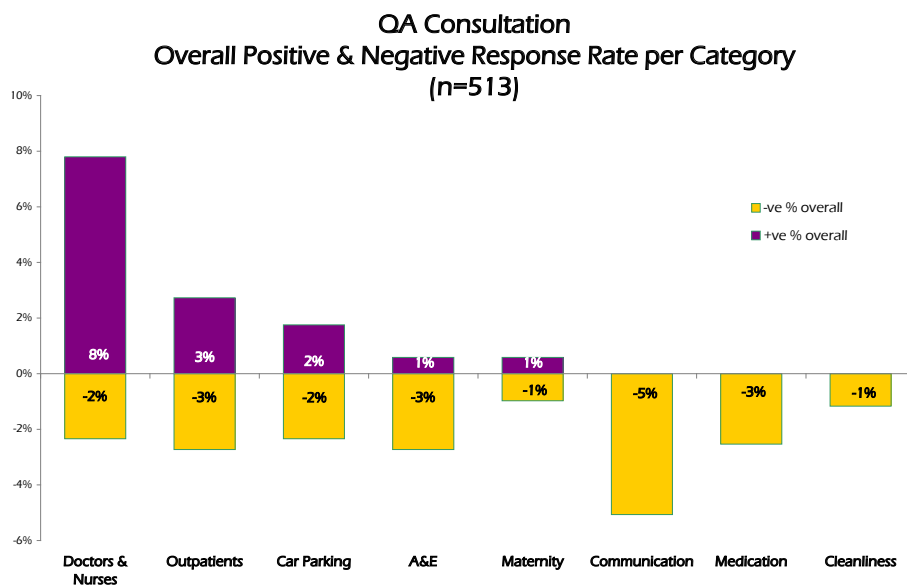
There were a small percentage of people consulted that lived out of the area who had not used the services at the Trust or had no comment to make. Additionally, 27% of respondents had negative comments regarding the service provision of the Trust. These include waiting times in outpatient clinics, delays in discharge medication availability and poor communication.

Graph 23: Response Rate



The comments recorded during the consultation were collated and categorised. Graph 24 below demonstrates the positive and negative comments recorded.

Graph 24: Positive and Negative Responses



The majority of comments that were received regarding doctors and nurses were positive. Views of nurses as friendly and caring were described throughout the consultation, although comments about the perceived lack of nurses or lack of time to care were made.

There were many comments received about the Outpatient departments although this could be partly due to the consultation events being held in these areas. Flexible appointments were highlighted as a positive for the Trust, with delays in starting times for consultations being a criticism of the service provision. There were fewer comments about car parking in this year's consultation.

Statements from the Local Involvement Network (LINK), Cheshire East Council Health and Wellbeing Scrutiny Committee, NHS South Cheshire Clinical Commissioning Group, NHS Vale Royal Clinical Commissioning Group and Governors

Local Involvement Network (LINK)

Thank you for inviting the Cheshire East LINK to comment on the Trust's Quality Accounts. We understand that the Trust has consulted the public, its users and staff on the priorities they wish to see the addressed and we welcome this initiative.



Care Quality Commission

We note that the Trust is registered with the CQC with no conditions.

We find the Ten out of Ten Strategy Summary of Overall Progress helpful. In particular we would comment upon:

Mortality: We commend the investment in Consultant medical staff which the Trust has made to enable the continuing reduction of the Risk Adjusted Mortality Index. We understand that the levels are still greater over the weekends but trust that the measures taken will soon impact over these periods also.

Unnecessary patient moves: We are please to see the emphasis placed upon this area of patient experience and the

achievement of the target.

Readmissions: We congratulate the Trust on achieving this target.

Patients and staff - Ratio of doctors and nurses to inpatient beds: We commend the investment in staff and commend the monitoring of acuity levels. We note with concern however that on some wards the dependency exceeded the funded establishment.

We would in particular commend the Maternity Birth Rate Acuity system which we had the opportunity to see upon a recent visit.

Same Sex accommodation

We commend the Trust upon the measures taken to eliminate this and in particular the introduction of coloured privacy doors to each bay.

Infections

The Trust is to be commended in achieving the targets in the reduction of Healthcare Associated Infections and in particular remaining MRSA bacteraemia free for 2010/11 with one case only in February 2012.

Clinical Audits

We note the clinical audits in which the Trust has participated.

Finally we would like to congratulate the Trust in winning the Enhancing Patient Dignity award.

Cheshire East Council Health and Wellbeing Scrutiny Committee

(note: these comments are based on the first consultation draft which was submitted to the Committee on 3 April 2012; it is understood that since this meeting, the Trust has now achieved Priority 4, Readmissions following receipt of the end of year data)

The Committee welcomes the opportunity to comment on the Quality Account and has the following comments:

- The Trust was to be commended on achieving five of its 10 out of Ten targets in relation to
 - reducing mortality rates by 10 percentage points in patient groups where death is not expected;
 - monitoring and reducing the number of unnecessary patient moves during a patient's stay in hospital;
 - reducing the percentage of the Trust's budget that is spent on management costs;
 - reducing the 30 day mortality rate in patients following Acute Myocardial Infarction;
 - reducing the rates of Healthcare Associated Infections.
- The Committee supports the action taken to address Priority 3, Harm Caused, and notes that the Trust scores much lower than 30 similar sized Acute Trusts in the severe harm categories ie moderate, major or catastrophic based on the most recent figures available (April – September 2011);
- The Committee suggests that in relation to Priority 4, Readmissions, base line figures are included to make the reference to reducing readmissions to 2%, more meaningful. The Committee endorses work taken to reduce the number of patients readmitted to hospital within 7 days of discharge; including the introduction of an Integrated Discharge team; and notes that this has resulted in a reduction in readmission rates during 2011/12, although the target of 3% had not been achieved. The Committee notes that Elmhurst, Extra Care Housing facility, has a valuable role to play in this respect. The Committee would emphasise the need to ensure that a patient's intended date of discharge was agreed at an early stage to ensure that families and carers could prepare and make necessary arrangements;
- The Committee is concerned about the failure to meet Priority 6 relating to staffing levels which appears to have been an issue since 2009. The Committee notes that the target is not met in 4 out of 15 wards. The Committee commends the action which is to be taken to try to increase staffing levels and ensure that staffing is matched to patient needs. The Committee recognises that as the patient profile changes, through an increasingly ageing population etc, this will impact on the types of staff needed. The Committee notes the action taken to address staffing levels at weekends. The Committee is pleased to hear that the Trust does not have any recruitment issues in recruiting nurses including student nurses, or midwives;
- The Committee endorses action taken to eliminate mixed sex accommodation for all patients admitted to the Trust (unless based on clinical need) and notes that breaches only occur in the Acute Stroke Bay and the Intensive

Care/high dependency units. It notes that the Strategic Health Authority has advised the Trust that all possible action to ensure same sex accommodation has been carried out;

- In relation to Priority 9, Cancer – the Committee endorses the action to introduce an Acute Oncology Service and hopes that this will enable the Trust to meet its target next year;
- The Committee commends the Trust in its significant reduction in Infection Rates which it notes had been achieved by various improvements including better hand cleansing, quicker and more effective use of isolation, prompt removal of lines and work with GPs regarding the prescribing of antibiotics as some antibiotics are more likely to cause infections;
- The Committee notes with concern the results of the Patient Survey carried out at Victoria Infirmary Outpatient Department which identified that 50% of patients were not informed of clinic delays – providing up to date information can contribute to the patient experience and this type of information is straightforward and simple to provide;
- The Trust is commended in achieving 14 out of the 16 CQuin goals but the Committee suggests that Goal 2, Patient Experience – personal needs, contains more detail to explain what action has been taken and why.

NHS South Cheshire Clinical Commissioning Group and NHS Vale Royal Clinical Commissioning Group

NHS South Cheshire Clinical Commissioning Group (NHSSCCCG) and NHS Vale Royal Clinical Commissioning Group (NHSVRCCG) welcome the opportunity to provide commentary on

Mid Cheshire Hospitals Foundation Trust (MCHfT) performance through the organisations Quality Account for 2011/12.

We have reviewed the content of the Quality Account as detailed by the Department of Health Quality Accounts toolkit 2010/11. We believe that this Quality Account gives a fair, representative and balanced overview of national priorities and local priorities set by MCHfT in their 10 out of ten-quality and safety improvement strategy 2010-2014 and other quality initiatives including CQUIN.

We have discussed the development of this Quality Account with MCHfT over the course of the year and have been able to contribute our views on consultation and content. This Quality Account has been reviewed within both NHS South Cheshire CCG and NHS Vale Royal CCG by colleagues in commissioning, quality, and performance.

NHS South Cheshire Health CCG and NHS Vale Royal CCG acknowledge the partnership working with MCHfT and other stakeholders. We welcome the participation and joint working in planning and redesigning clinical services and this supports the national and local priorities detailed in this Quality Account and strengthens the commitment of MCHfT to ensure patients remain the focus of clinical services provided.

NHS South Cheshire Health CCG and NHS Vale Royal CCG are encouraged by the Trust Board's continuation of the patient safety agenda through their maintenance of the 10 out of ten strategy. This demonstrates the commitment of MCHfT to ensure patients remain at the centre of care

and that patient safety and experience is paramount.

NHS South Cheshire Health CCG and NHS Vale Royal CCG acknowledge the hard work and commitment of staff within MCHfT. We are able to confirm that the Trust willingly offers evidence and assurance on quality of service and patient feedback in the joint Clinical Quality and Patient Safety Review meetings and contract performance meetings.

We confirm that we have reviewed the information contained within the Quality Account and checked it against data sources where available to us as part of existing contractual performance monitoring discussions and found them to be accurate in relation to the services provided. However, the lack of current data from external sources for example through the regional observatory, Advancing Quality Alliance (AQuA) has impacted upon our ability to validate some of the data in the Account.

We acknowledge the process undertaken with regard to reducing mortality rates and commend MCHfT on achieving a significant reduction. Recently a new national definition for mortality has been introduced and we would have expected this to have been adopted in the reporting for this year's Quality Account, and would wish this to be prioritised in 2012/2013.

MCHfT is to be congratulated on the reduction in the number of cases of C Difficile and the fact that there have been no cases of MRSA bacteraemia for the last 2 years. We would wish to see the measures employed to reduce these infection rates to be sustained. We would

like to see continued improvement on the work MCHfT are doing to ensure that the ratio of doctors and nurses to each inpatient bed is appropriate. We would welcome and support a comprehensive review being undertaken of the Trust's IT strategy as we feel this will strongly improve quality of patient care.

We were pleased to see a significant reduction in the number of complaints MCHfT received this year compared to the two previous years. We recognise that there is a considerable amount of work being undertaken in the Trust around management of complaints and we expect this will be sustained.

Overall we welcome the vision described within the Quality Account, agree with the priority areas and will continue to work with MCHfT to continually improve the quality of services provided to patients.

Yours sincerely



Dr Andrew Wilson
GP Chair
NHS South Cheshire Clinical
Commissioning Group



Dr Jonathan Griffiths
GP Chair
NHS Vale Royal Clinical
Commissioning Group

Governors

The Quality Account for 2011/12 was presented to the Council of Governors in April 2012 wherein Governors were invited to submit their comments.

A number of comments were received and it was noted 'overall the Quality Account gives a clear sense of the Trust's commitment to the quality of care. It is visually well presented and easy to read with effective use of colour and graphics and in a world full of acronyms it was commented that the glossary was a welcome feature of the Account.

The Governors also discussed the content of the Account and while thorough responses were received it was pleasing to see Governors challenge detail they saw as areas of concern. The Trust has made every attempt to ensure it was a balanced document detailing not only where the Trust does well but also noting where the challenges lay.

John Lyons
Lead 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 Account) Regulations 2010 to prepare the Quality Account 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 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 2011/12;
- The content of the Quality Report is consistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2011 to March 2012
 - Papers relating to Quality reported to the Board over the period April 2011 to March 2012
 - Feedback from the Commissioners dated 27 April 2012
 - Feedback from Governors dated 11 May 2012
 - Feedback from LINKs dated 23 April 2012
 - Feedback from the Cheshire East Council Health and Wellbeing Scrutiny Committee dated 30 April 2012
 - The Trust's Complaint Report published under regulation 18 of

the Local Authority Social Services and NHS Complaints Regulations 2009, dated 19/05/2011

- The 2011 National Patient Survey
- The 2011 National Staff Survey
- The Head of Internal Audit's annual opinion over the Trust's control environment, dated 28/05/2012
- Care Quality Commission (CQC) quality and risk profiles, dated September 2011

By order of the Board



John Moran
Chairman
28 May 2012

- The Quality Report presents a balanced picture of the NHS Foundation 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. The Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Account regulations published at www.monitor-nhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the Quality Report (available at www.monitor-nhsft.gov.uk/annualreportingmanual).



Tracy Bullock
Chief Executive
28 May 2012

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

Key National Priorities

Table 8: Quality Overview

Safety Measures Reported	2009-2010	2010-2011	2011-2012	Improved (Y) Not improved (X)
Hospital Falls/ injuries (falls/1000 bed days) (*)	6.09	6.98	8.39	X
Falls assessment risks completed within 24hrs (*)	83%	96%	96%	-
Waterlow tests completed within 24 hours of admission (*)	98%	93%	95%	Y
Nutritional assessment completed within 24 hours of admission	82%	99%	97%	X
Patient Experience Measures Reported				
% of patients that would recommend hospital to family /friends	N/A	97%	87%	X
Overall how would you rate the care you received **	93%	93%	94%	Y
% patients who felt they were treated with dignity & respect	97%	96%	100%	Y
% patients who had not shared sleeping area with opposite sex	74%	75%	100%	Y

* monitored monthly

**Results shown for those patients rating their care as excellent, very good and good

Table 9: National Priority and Performance Standards

National Targets and Regulatory Requirements		2009-2010	2010-2011	2011-2012	Target	Achieved (Y) Not Achieved (N)
MRSA Bacteraemias		15	8	1	2	Y
Clostridium Difficile Infections		142	117	30	73	Y
Smoking During Pregnancy		22.5%	19.5%	18.3%	< 15%	N
Breastfeeding Initiation Rates		59.5%	59.6%	62.8%	> 65%	N
18 week maximum wait from point of referral to treatment (admitted patients at specialty level)		89.1%	92.8%	91.1%	> 90%	Y
18 week maximum wait from point of referral to treatment (non- admitted patients)		97.2%	97.6%	96.8%	> 95%	Y
Percentage of patients seen within two weeks of an urgent GP referral for suspected cancer **		98.7%	93.2%	95.4%	> 93%	Y
Percentage of patients seen within two weeks of an urgent referral for breast symptoms where cancer is not initially suspected **				94.6%	> 93%	Y
Percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer**		95.9%	85.6%	87.9%	> 85%	Y
Percentage of patients receiving first definitive treatment for cancer within 62 days of referral from an NHS Cancer Screening Service **				92.9%	> 90%	Y
Percentage of patients receiving first definitive treatment within one month of a cancer diagnosis		96.2%	98.4%	99.6%	> 96%	Y
Percentage of patients receiving subsequent treatment for cancer within 31 days **			100%	98.9%	> 95%	Y
Performance Indicators						
A & E Waiting Times			98.1%	97.3%	96.7%	Y
Access to Genito-urinary medicine (GUM) clinics			99.9%	100%	100%	Y
Cancelled Operations	% of cancelled operations		1.19%	1.46%	1.09%	N
	% of breaches of the 28 day guarantee		6.8%	7.9%	5.0%	N
Ethnic Coding Data quality			84.1%	91.74%	85.0%	Y

Nb. There were definitional changes to the cancer targets from 1st January 2009

Quality Account Appendices

Quality Account Appendix 1 - Glossary and Abbreviations

Terms	Abbreviation	Description
Advancing Quality	AQ	A programme which rewards hospitals which improve care in a number of key areas – heart attacks, pneumonia, hip and knee replacements, heart failure and heart bypass surgery – when compared to research which identifies what best care constitutes.
The Association of UK University Hospitals	AUKUH	A national tool used to measure patient dependency/ acuity to help determine nurse staffing levels.
Care Quality Commission	CQC	The independent regulator of health and social care in England. It's aim is to make sure better care is provided for everyone, whether that's in hospital, in care homes, in people's own homes, or elsewhere. The CQC replaces the Healthcare Commission.
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.
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.
Delivering Same Sex Accommodation	DSSA	An initiative led by the Department of Health to ensure patients do not share sleeping accommodation with members of the opposite sex, unless required for clinical need.
Healthcare Associated Infections	HCAI	A generic name to cover infections like MRSA and C-diff.
Healthcare Resource Group	HRG	Healthcare Resource Groups (HRGs) are standard groupings of clinically similar treatments which use common levels of healthcare resource.
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

Terms	Abbreviation	Description
National Patient Safety Agency	NPSA	They lead and contribute to improved, safe patient care by informing, supporting and influencing organisations and people working in the health sector.
National Patient Survey		Co-ordinated by the CQC, it gathers feedback from patients on different aspects of their experience of care they have recently received, across a variety of services/settings: Inpatients, Outpatients, Emergency care, Maternity care, Mental Health services, Primary Care services and Ambulance services.
National Reporting and Learning System	NRLS	National database that allows learning from reported incidents
Patient Recorded 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.
Patient Safety Metrics		A number of measures which together can be used to assess how well a hospital keeps patients safe from harm whilst under their care.
Risk Adjusted Mortality Rates		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.
Safety First		A report commissioned by Sir Liam Donaldson, Chief Medical Officer, to reconsider the organisational arrangements currently in place to ensure that patient safety is at the heart of the healthcare agenda. The report explicitly aimed to address issues raised by the National Audit Office in its report, A Safer Place for Patients, as well as to look at the NHS approach to patient safety more widely.
Ten out of 10		The name of the Trust's strategic objective to improve quality by aiming for the Trust to be in the top 10 percent of hospitals nationally for the top ten indicators of Quality by 2014.

Quality Account Appendix 2 - Feedback Form

We hope you have found this Quality Account interesting and helpful.

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:

Quality and Clinical Outcomes Project Manager
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 guide you found particularly interesting and helpful / not interesting / helpful?

2011/12 Limited Assurance Report on the Content of the Quality Report and Mandated Performance Indicators

Independent Auditors Report to the Board of Governors of Mid Cheshire Hospitals NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Board 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 2012 (the "Quality Report") and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Board of Governors of Mid Cheshire Hospitals NHS Foundation Trust as a body, to assist the Board 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 2012, to enable the Board of Governors to demonstrate that it has discharged its 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 Board of Governors as a body and Mid Cheshire Hospitals NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2012 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Clostridium difficile; and
- Cancer 62 day waits.

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 the Independent Regulator of NHS Foundation Trusts ("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 *NHS Foundation Trust Annual Reporting Manual*; 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 considered whether it addresses the content requirements of the *NHS Foundation Trust Annual Reporting Manual*, and considered the implications for our report if we became aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with those documents listed below:

- Board minutes for the period April 2011 to June 2012;
- Papers relating to Quality reported to the Board over the period April 2011 to June 2012;
- Feedback from the Commissioners dated 27 April 2012;
- Feedback from Governors dated 11 May 2012;
- Feedback from LINKs dated 23 April 2012;
- Feedback from the Cheshire East Council Health and Wellbeing Scrutiny Committee dated 30 April 2012;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 19 May 2011;
- The 2011 national patient survey;
- The 2011 national staff survey;
- Care Quality Commission (CQC) quality and risk profiles dated September 2011; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 28 May 2012;

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 less 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 impact 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 thereof, 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 nature, form and content required of Quality Reports are determined by Monitor. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, 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.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2012:

- 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 *Foundation Trust Annual Reporting Manual*; 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* and the six dimensions of data quality set out in the *Detailed Guidance for External Assurance on Quality Reports*.



Deloitte LLP
Chartered Accountants
Newcastle Office
29 May 2012



Chapter 8

Chief Executive Officer's Afterword

I hope you have found the Trust's Annual Report for 2011/12 to be an informative and interesting read. Our intention is to provide you with a rich source of information in relation to the services we offer, our priorities and some of the successes and challenges that we have faced over this year. Through the report I hope you will join me in concluding that our focus on improving the patient, staff and visitor experience is the right one. We are delighted to see the improvements in our staff and patient surveys and a significant reduction in the number of complaints we have received. However, we acknowledge this is a continuous journey and we will persist in our endeavour to ensure we attain the high standards of safe and effective care for all of our patients.

Our achievements are a great source of pride for me and in particular I would especially like to draw attention to our achievement in relation to healthcare associated infections; in particular MRSA bacteraemia where we have had zero cases over a period of two years and *Clostridium difficile*, where we saw a 71% reduction in cases on the previous year. Also, in last year's annual report I commented on how we had excelled our planned 10 point reduction in the Trust's mortality rates, a 16 point reduction was actually achieved. For 2011/12 we set ourselves a further 10 point reduction which we knew would be exceptionally challenging, however, I am delighted to note that we achieved the planned reduction of 10 points.

Endorsements in respect of our clinical

services have also been acknowledged externally through the achievement of a number of awards, accreditations and successful inspections. For example, in November 2011 we won the Nursing Times Award - Enhancing Patient Dignity Category for our programme '*Look at my Ability not my Disability*' to improve services for patients with a learning disability. Following a successful peer review on 1 March 2012, our Emergency Department was accredited and designated as a Major Trauma Unit, therefore ensuring we can provide a 24 hour major trauma service to the patients we serve. Also, our Maternity Services achieved the Clinical Negligence Scheme for Trusts (CNST) Level 2 accreditation which demonstrates improved care and safety for mothers and their babies. I would also like to draw your attention to two unannounced inspections that we underwent by the Care Quality Commission, one focussing on whether patients were treated with dignity and respect, and if their nutritional needs were met and the second on documentation in respect of terminations of pregnancy. We were delighted to have been acknowledged as meeting the requirements for both of the unannounced inspections.

Significant improvements to our estate have also been made which once again add to the experience of our patients, staff and visitors alike. We have refurbished our Fracture Clinic and commenced phase 2 of our Maternity Unit redevelopment. Both developments have improved the services delivered as well as increasing privacy and dignity for patients. Our Breast Care Unit has also seen the purchase of two new high tech, digital mammography machines which benefit patients by exposing them to lower radiation doses and providing improved image quality. Finally, in relation to estate developments we are all very excited about securing the £25.2m funding to ensure our brand new critical

care and theatre rebuild can go ahead. Enabling works are already underway and we plan to be using the facilities in early 2014.

As always, there have been a number of challenges in the year which have caused operational difficulties, some of which we are still experiencing such as managing the exceptional increase in demand from emergency admissions at our Emergency Department. Although emergency demand was static for the first seven months of the year there was a significant increase from November 2011 onwards which we are still experiencing. Over the quarter four period (January to March 2012) we have seen an 8% increase in ambulance attendances, an 18% increase in emergency surgical admissions and 700 more emergency medical admissions than this time last year. The increase in admissions has predominantly been very sick, frail, elderly patients which is reflective of the demographic changes we are seeing, particularly with regard to the growing elderly population. As such, we are working very hard with our Clinical Commissioning Groups to ensure the right level of service is provided for this very vulnerable group of patients.

As a result of this increase in demand, targets and standards pertaining to delivery against waiting times, such as the 18 week referral to treatment time target and the 4 hour standards, became increasingly difficult to achieve. However, due to the hard work and commitment of the many staff involved in delivering services to our patients, we were able to achieve the quarter four and year end position in relation to all of our targets and standards except for the 18 week referral to treatment admitted pathway, although this was a planned failure to allow us to treat the longest waiting patients on our lists.

Financially, we have ended the year in a strong position which means we can invest further in our clinical services such as stroke thrombolysis, emergency department staff, anaesthetic and ophthalmology services, for example. The investments we are able to make going forward, whether on infrastructure, estate or clinical services, will all contribute towards achieving additional improvements in the quality and safety of the services we deliver for our patients and in achieving our vision 'to deliver excellence in healthcare through innovation and collaboration'.

As an organisation we wholeheartedly endorse and uphold the NHS Constitution which outlines a specific number of pledges and rights to both patients and staff, as well as laying out the responsibilities we all share in making the NHS work effectively and ensuring resources are used responsibly. The Constitution will guide our decision making thus supporting our efforts to deliver high quality, safe and effective care and provide services that are truly outstanding.

From these reports and accounts I hope you can see how well the Trust has performed in delivering the organisational objectives as outlined in the Annual Report. I am sure you will agree that, under the current economic climate, the operational and financial reviews demonstrate we have performed extremely well. There have undoubtedly been disappointments within the year which have been covered in the body of the Annual Report, however, the investment projects we have committed to are a cause for celebration and we should be very proud of the improved services we offer patients.

Finally, as always I would like to extend my thanks to the staff, volunteers and Governors of the Trust who work tirelessly with us to improve the quality and safety of

services we deliver to our patients. Their unwavering dedication and commitment is self evident and I wish to extend my personal thanks to them all.

A handwritten signature in black ink, appearing to read 'TBullock'.

Tracy Bullock
Chief Executive



Chapter 9

Annual Accounts

Foreword to the accounts

These accounts for the year ended 31 March 2012 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.

A handwritten signature in black ink, appearing to read 'TBullock', is positioned above the printed name and title of the Chief Executive.

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 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 accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("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 Statement of Comprehensive Income 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 Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and,
- Prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him 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's Memorandum.



Tracy Bullock
Chief Executive

28 May 2012

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 the 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 2012 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

During 2011/12 through the Integrated

Governance Framework, with support from the Trust's Medical Director & Deputy Chief Executive I, provided leadership in respect of risk management processes which is evidenced through the Integrated Governance and Risk Management Strategy and the Corporate Governance Handbook. These set out the responsibilities at all levels including senior-level leadership, for the risk management process. Responsibility for risk management is included in job descriptions and person specifications where appropriate, and is part of the staff appraisal process. All management and staff have clearly defined responsibilities. Operational managers are supported by Competent Persons and other officers with particular risk management skills.

An integral part of the Trust's mandatory training schedule, appropriate and targeted risk management training is delivered to ensure that staff are sufficiently aware and competent to identify hazards, and assess and manage risk within their working environment. Managers are responsible for ensuring that their staff are able to access and attend training appropriate to their needs including statutory, mandatory requirements and that identified through Personal Development Plans. Staff have an equal responsibility to attend statutory and mandatory training and to work in accordance with such training. This training is supplemented through the management development programmes, which risk and governance training is part of. New starters receive information on risk management as part of the Trust's general induction arrangements. 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. The Board Committees have responsibility for risk assurance in their particular areas and the Audit Committee has provided the Board with independent and over-arching assurance of the effectiveness of internal controls and the risk management system.

The Trust is committed to a Just Safety Culture and learning from best practice. Lessons Learned posters are generated in response to internal and external reviews of incidents and events. External guidance and reviews such as National Confidential Enquiries into Perioperative Deaths (NCEPOD) reports, Royal College publications on best practice and pertinent Care Quality Commission reviews of other organisations are subject to a gap analysis and action plan development, which is reviewed and monitored in accordance with the Trust governance framework.

The Risk and Control Framework

The Board of Directors formally assess quality governance arrangements using Monitor's Quality Governance Framework for Foundation Trusts. The Trust has conducted this assessment on two occasions at 6 monthly intervals. Following the first assessment an action plan was put in place to address any gaps identified and this is monitored by the Board of Directors. The results of the follow up assessment demonstrated a marked improvement in the governance rating score and therefore the effectiveness of the action plan.

Key elements of the Risk Management Strategy clearly commit to the management of risk in order to:

- Monitor continuously and seek to improve the quality of care provided in partnership with patients, carers, staff and the public
- Provide a safe environment for the benefit of patients, staff and visitors by reducing and where possible, eliminating the risk of loss/harm
- Continually strive to move forward along the risk maturity spectrum
- Protect its assets and reputation.

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. This is crucial to embedding risk management into the Trust and its culture, with risk management seen as an intrinsic part of the way the Trust works. The risk management objectives are inherently linked to the strategic objectives contained within the Board Assurance Framework. The Board Assurance Framework has been in place throughout the year. The Board 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 Strategic Risk Register is maintained and updated quarterly. This contains Divisional and Corporate Service risks identified as 20 and above and where appropriate is cross referenced to the Board Assurance Framework or Divisional Board Assurance Frameworks.

A review of existing risks on the Board Assurance Framework and the Strategic Risk Register highlights that there remains a number of risks that have a score of 20 or above. These risks are reviewed at the Strategic Integrated Governance Committee and/or the Board of Directors to ensure the risks are being mitigated as

promptly as possible.

The Trust follows the guidance set out in the Information Governance Toolkit in respect of monitoring and assuring the security of patient related information. Quality of performance information is also considered of paramount importance. The Trust seeks assurance in a number of ways in relation to data security and the quality of performance information:

- Procures an annual internal audit of clinical coding; this is carried out by the Mersey Coding Academy
- Performs an annual completeness and validity audit of Admitted Patient Care and Outpatient Commissioning Data Submissions
- Has a regular rolling accuracy audit of admissions, outpatient attendances and waiting list entries
- Uses external data quality reports from benchmarking services to monitor data quality
- External Audit conducts an annual review of the Trust's Quality Account in respect of the provenance of three key performance indicators
- Involves clinical staff in the validation of data.

The Trust takes a number of steps to ensure data security is being managed and controlled. The Senior Information Risk Officer and Caldicott Guardian receive a monthly update which includes details of all information governance incidents. The Integrated Governance Monthly Report includes all information governance incidents graded moderate or above and the Quarterly Integrated Governance Report includes details of all incidents.

In response the regulatory action taken against other organisations who failed to ensure data security, the Information Governance Manager issues news articles to the staff in the Trust outlining the

occurrence and learning, whilst informing staff of their responsibilities in ensuring a similar incident does not occur at the Trust. A risk assessment is conducted, with specific guidance drafted where required. In addition to this an Information Governance Overarching Risk Assessment has been developed which documents all major data security risks and the actions being taken to mitigate those risks.

In Year Major and Significant Risks (N.B. these risks are not listed in order of priority)
Corporate Risks

Objective Risk	Mitigation
Implement the Clinical Service Strategy (CSS)	<ul style="list-style-type: none"> • Executive Lead for Strategy • Divisional management objectives and priorities aligned • Progress monitored through Executive Management Board, Divisional Quarterly Performance Reviews (DQPR) & Board of Directors • All business cases reviewed in line with strategy • Clinical workforce models aligned to the strategy • Engagement of Clinical Commissioning Groups (CCG) in developing the CSS and ensuring it is aligned to commissioning intentions • Six monthly half day workshop with Clinicians, Managers and CCG to review progress and establish next steps • All Trust strategies are aligned to the delivery of the CSS
Ensure Capacity and Demand Planning Delivers the Healthcare Requirements of the Local Healthcare Economy	<ul style="list-style-type: none"> • Regular executive meetings in place with key partners • Monthly monitoring of delivery against key performance indicators • Monthly contract meeting with commissioners • Capacity and demand bed model and template tested and introduced • Patient flow / bed management meetings 3 x day to proactively manage flow of patients through the hospital • Escalation policy and awareness training • Receipt of non recurrent money from the PCT Cluster to support delivery of access targets
Implementation of the Estates Strategy including Compliance with Cheshire Fire and Rescue Services	<ul style="list-style-type: none"> • Executive group in place to review the Estates Strategy and Development Control Plan • Contract in place for asbestos removal • Annual assessment of backlog maintenance programme • Fire action plan agreed with Cheshire Fire & Rescue Service, monitored through Infrastructure Development Committee • Monthly meeting with Cheshire Fire & Rescue Service representatives • Central allocation of Public Dividend Capital (PDC) to support the Critical Care and Theatres Rebuild

Clinical Risks (N.B. these risks are not listed in order of priority)

Objective Risk	Mitigation
Plain Film Reporting Backlog	<ul style="list-style-type: none"> • Escalation plan in place for urgent imaging • Extended roles for radiographers in reporting in-patient limb/spine films • Use of Locum Consultant Radiologists • Use of external reporting service
6 Week Target for Diagnostic Testing	<ul style="list-style-type: none"> • All requests are vetted and prioritised • Extra sessions in CT & MR scanning • Use of Locum Consultant Radiologists • Use of external reporting service
Reduced Numbers of Junior Doctors, particularly in the Emergency Care Division	<ul style="list-style-type: none"> • Use of Locum medical staff • Forward planning of on-call rotas • Divisional Board monthly monitoring of length of stay and discharge performance • Recruitment processes • Clinical workforce model is being developed to address workforce issues
Absence of a Stroke Thrombolysis Service	<ul style="list-style-type: none"> • Options paper under consideration for the 24/7 delivery of hyper acute stroke service at MCHFT (with the additional benefit of an Orthogeriatrician support)
Provision of Ophthalmology Services including Backlog of Follow-Up Appointments	<ul style="list-style-type: none"> • All referrals are graded by Consultants • Dedicated glaucoma eye clinics • Dedicated waiting lists for glaucoma and diabetes • Ophthalmic triage service • Locum Consultants and SAS Doctors appointed to work on backlog activity • Partnership working with the local Clinical Commissioning Groups to redesign clinical pathways
High Mortality Rates, particularly at Weekends	<ul style="list-style-type: none"> • 24 hour senior medical staff cover • Increased Consultant on site presence at weekend • 24 hours senior nursing staff cover including Night Nurse Practitioner Team • Critical Care Outreach Service 24/7 • Early warning scores in place to enable staff to detect and manage the deteriorating patient • Escalation plan for the detection and management of the deteriorating patient • Emergency assessment units open 24/7 • Trust Hospital Mortality Reduction Group chaired by Medical Director

Objective Risk	Mitigation
Poor State of Repair of the Patient Case Notes	<ul style="list-style-type: none"> • Medical records rebind case notes as necessary • Health Records Management Policy in place with clear actions for staff • Updated Trust IT Strategy being developed, centred around an electronic patient record
Out of Hours Endoscopy Provision	<ul style="list-style-type: none"> • Acute GI bleed proforma developed which includes patient risk score (Rockall score) • Appropriate resuscitation of patient prior to endoscopy • 24/7 provision of blood and blood products

Future Risks (N.B. these risks are not listed in order of priority)

Objective Risk	Mitigation
Implementation of the Estates Strategy including Compliance with Cheshire Fire and Rescue Services	<ul style="list-style-type: none"> • Executive group in place to review the Estates Strategy and Development Control Plan • Contract in place for asbestos removal • Annual assessment of backlog maintenance programme • Fire action plan agreed with Cheshire Fire & Rescue Service, monitored through Infrastructure Development Committee • Monthly meeting with Cheshire Fire & Rescue Service representatives
Theatre and Critical Care Rebuild Not Delivering the Required Operational Efficiencies	<ul style="list-style-type: none"> • Outline business case completed and approved by the Board of Directors (phase 1) • Full business case under development • Project Group now establishing a revised Project Board to ensure delivery of the full business case and overall project deliverables • Project manager to be appointed • Governance arrangements and terms of reference for delivery of phase 2 to be established • Secured £22m of PDC to enable the critical care and theatre rebuild
Implement the Information Technology Strategy	<ul style="list-style-type: none"> • IT Strategy updated in 2012 and monitored through Infrastructure Development Committee • Capital costs included in capital programme • Key performance indicators in place • Protection for main systems and edge equipment installed • Partnership working with CCGs to deliver local health economy electronic patient record commenced as part of CQUIN programme
Ability to Deliver the Required Level of Efficiency Savings	<ul style="list-style-type: none"> • Annual plan and budget delegated to Divisions • Identified CIP schemes with delivery monitored through monthly meetings with the Director of Finance and Chief Operating Officer • Divisional targets monitored monthly • Job descriptions with clear financial accountability

The Trust has an organisation wide Risk Register. Risks are identified, analysed, prioritised and documented at all levels within the Trust. Risk identification involves examining all the sources of risk from the perspective of all stakeholders at all levels in the Trust. Risks identified are analysed using the Trust's Risk Assessment Procedure and are given a score using the Trust's Categorisation Matrix. 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*". Risk control measures are included in the action plan of those risks deemed unacceptable and monitored in accordance with the Risk Management Strategy. In terms of Acceptable Risk/Risk Appetite, the Trust recognises that it is impossible and not always appropriate to eliminate all risks and that the systems of controls must be balanced. Additionally the Trust maybe willing to accept a certain level of risk when the cost of mitigating the risk is high in comparison to the potential severity of the risk or the likelihood of it occurring. The assessed rating of the risk determines what action is taken, who is authorised to manage the risk and the subsequent review dates. Risks are reviewed by the Divisions, Integrated Governance Department and Board Committees. The Board is kept fully informed of all significant risks and the plans to manage and mitigate them.

Incidents, claims and complaints are analysed and reviewed by the Board. Serious incidents undergo a detailed investigation and a root cause analysis 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 to be 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 Committees. Aggregation of incidents, claims, complaints and inquests are undertaken at the Complaints, Litigation, Incidents and PALS Committee and shared throughout the Trust.

All patient safety incidents are reported automatically to the National Reporting and Learning System (NRLS) run by the National Patient Safety Agency (NPSA). This is a voluntary scheme for Trusts which allows national benchmarking of the number, type and severity of incidents against those reported by other similar sized Trusts. Mid Cheshire Hospitals NHS Foundation Trust has participated in this scheme for the past 7 years. Twice a year the NPSA provides the Trust with data collated from the NRLS. This data is shared with staff via the governance reporting structures. The Trust has been recognised as being a consistently high reporter of incidents. The NPSA maintain that a Trust that has a higher rate of incident reporting has a safety and risk aware workforce who are not afraid to admit to errors and will therefore learn more and patients will be safer.

At times staff may have concerns that they feel need to be addressed but are unsure of how to do this. The Trust has a 'Whistle Blowing' procedure in place and staff can report incidents anonymously. This will ensure that concerns will be addressed anonymously. This may include issues of unlawful conduct or financial malpractice.

A Quality and Safety Improvement Strategy is in place which aims to improve the quality of care provided for patients and reduce avoidable harm to patients through the monitoring and measuring of quality and safety indicators. In support of the Quality and Safety Improvement Strategy

an Equality, Diversity & Human Rights Strategy is in place with a view to ensuring that all of our services are inclusive and meet the needs of the community. Control measures are in place to ensure that all the Trust's obligations under equality, diversity and human legislation are complied with. The key control measures in place include:

- Equality and Diversity lead officer in place providing specialist support
- Equality and Diversity Committee, which monitors progress against the Trust's single equality scheme and specific actions identified through equality impact assessment. The Equality and Diversity Committee reports to the Operational Integrated Governance Committee
- All developments require an equality and diversity impact assessment
- The Trust is currently working with internal and external stakeholder groups to assess its position against the new NHS Equality Delivery System which is a national framework design to promote compliance with equality legislation and the development of best practice. This work will inform both the development of equality objectives for the Trust and the review of the Equality and Diversity Strategy.

The Trust has revised its processes for equality impact assessments to reflect both the Equality Act and the Human Rights Act. Impacts related to deprivation are also considered. Equality impact assessments are required for all new and revised policies and for business cases. All assessments are published on the Trust's internet site.

The Trust is unconditionally registered with the Care Quality Commission. Compliance monitoring against the 16 regulations that come within Part 4 of the Health and Social Care Act 2008 is undertaken on a quarterly basis and monitored and actioned through the Integrated Governance structure.

The Trust has self assessed against the Information Governance Toolkit. The Trust must achieve a score of at least 2 out of 3 on all 45 requirements in order to be rated as satisfactory. The Trust currently has 8 requirements which are below Level 2, 1 of which is Level 0. The Trust has a robust action plan in place to attain the required standard which includes:

- A formal annual work-plan monitored by the Information Governance Committee, which reports to the Operational Integrated Governance Committee
- Formal assignment of leads for individual toolkit requirements
- A detailed action plan for each unsatisfactory key requirement with the aim of achieving at least Level 2
- An action plan in relation to the conclusions from an Internal Audit report
- All actions plans are monitored by the Information Governance Committee and the Operational Integrated Governance Committee.

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.

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. Through the Chairman, serious concerns can be brought directly to the Board of Directors. Governors also sit on the Board Committees where they have the opportunity to raise issues and inform the risk register. Governors are actively involved in Patient Safety Walkabouts with an Executive and Non Executive Director which occur monthly visiting selected

clinical areas. In addition Governors provide valuable assistance in the annual consultation exercise on the Trust's 10 out of Ten, five year quality strategy and this also gives the public and wider stakeholders the opportunity to comment on the Trust in regard to any other concerns or issues they may wish to raise.

Directors also attend the meetings of the Local Authority Scrutiny Committees and Clinical Commissioning Groups, where any issues of risk can be highlighted. Clinical Commissioning Group representatives are also invited to attend and contribute to Trust strategy developments to ensure the risk of misalignment with health economy commissioning intentions does not happen.

Concerns relating to the patient experience are considered and acted on by the Patient Experience Committee which is chaired by a Non Executive Director and has six Governor representatives. This includes all elements of patient experience, positive and negative, through the review of information obtained from patients and the public via surveys, engagement events and complaints.

Compliance with the NHS Pension Scheme Regulation

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.

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

The Trust has a number of programmes and initiatives in place to review the economy, efficiency and effectiveness of the use of resources. The Trust also has access to and uses benchmarking information to support these activities. Below is a brief outline of a range of key areas:

The Trust is currently rolling out its patient level costing system in a number of areas to understand the potential benefits of greater standardisation and identify areas of waste.

The Trust has reviewed the CIPFA (The Chartered Institute of Public Finance and Accountancy) benchmarking for back office functions which highlighted areas of potential efficiency. This led to a rolling review of back office functions to ensure value for money. To date reviews have been undertaken in Complaints, PALS and Legal Services, Information Management & Technology, Human Resources and Payroll.

The Trust subscribes to engaging with initiatives which ensure the care that is provided is the most effective and best use of resources. For example, the Trust was an early pilot for the North West Advancing Quality initiative. This entails the introduction of a number of care bundles and benchmarking and incentivising performance against a number of key quality indicators. Also, the Trust has developed plans to invest in the delivery of best practice to improve performance and attract additional CQUIN/ Best Practice Tariff income.

The Trust has implemented an electronic rostering tool which allows ward managers to ensure rosters are aligned to budgets, this is becoming the standard across the Trust and has resulted in the Trust

virtually eliminating Agency Nursing Staff. Therefore reducing costs, ensuring the best deployment of resources and thus improving quality of care

The Trust undertook a review of other Trusts financial accounts to determine our benchmark in respect of Trusts Public Dividend Capital payment. This was found to be significantly higher than other similar sized Trusts. The Trust has worked with the District Valuer to more accurately reflect obsolescence in the buildings carrying value, which has led to a significant reduction in Dividend Payments.

The Trust routinely uses benchmarking data and can evidence significant achievements in improving efficiency by doing so. The national Better Care Better Value indicators are routinely reviewed through the Performance and Finance Committee and below are a number of examples of efficiencies created as a result:

- Did Not Attend rates – the Trust now operates in the upper quartile as a result of introducing an electronic text system to reduce non attendance
- Length of stay (LOS) – LOS has reduced by a day in the last year. Programmes of work continue to further reduce LOS by another day over the next 12 months. Cost Improvement Programmes have been identified as a result of this reduction
- Day Case Rates – although benchmarking favourably the Trust continues to identify procedures where further day case opportunity exists e.g. laparoscopic cholecystectomy, hysteroscopy.

The Trust recognises the importance of extending efficiency opportunities across

the health economy and as such has embarked on a number of projects requiring collaboration with other partners. In line with the Carter Review which recommends that pathology services are provided for a population of 1 million, the Trust are well underway in progressing a collaborative with 4 other acute trusts. This is likely to create greater efficiency of service and achieve savings in the region of 20%.

The Chief Executive of the Trust is also leading a regional Quality, Innovation, Productivity and Prevention (QIPP) work stream for improving Provider Productivity. This workstream supports the wider health system in identifying efficiency opportunities and facilitating the adoption and spread of best practice. The Chief Executive is also supporting the development of a NHS Comparator Tool between the North West Advancing Quality Alliance (AQuA) and the North England SHA. This will support decision making across the health economy in identifying opportunities for major service transformation.

As a subscribed member of AQuA the Trust is able to access a wide range of benchmarking information and productivity tools. The Trust is involved in all AQuA work streams and projects, for example, enhancing recovery and has two members of staff who are associates with AQuA. Through these associates there is an opportunity to share learning and skill development around service transformation tools and techniques between the two organisations.

Annual Quality Report

The Board of Directors are required under the Health Act 2009 and the National Health Service (Quality Account) Regulations 2010 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 incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Trust has a Quality Improvement Strategy Group, chaired by the Director of Nursing and Quality which is responsible for the development of the Quality Account and the operational monitoring of the delivery of the Quality and Safety Improvement Strategy. This group has senior representation from the patient experience team, integrated governance, performance, nursing and quality, the information department and the Clinical Commissioning Groups. Each section of the Quality and Safety Improvement Strategy is reviewed quarterly in detail ensuring that data is robust and consistent in its presentation. Minutes from the group are reported to the Trust's Quality, Experience and Safety Committee (QuEst) which is chaired by the Chief Executive and is a board - subcommittee. Progress against the Quality and Safety Improvement Strategy is reviewed by QuEst, presentations are given by the leads for each element of the Strategy and progress against the specific targets is discussed. Areas of concerns and recommendations are made to QuEst by the Quality Improvement Strategy Group.

The Quality Account is used to update the public about the Trust's achievements in respect of the Trust's Quality Improvement Strategy and other quality initiatives such as the 10 out of Ten programme which was discussed and approved by local stakeholders prior to being implemented by the Trust. During the year a public consultation exercise is undertaken to gather the views of the local population on the quality strategy, including 10 out of Ten, together with progress being made and any changing priorities for the public to ensure a

balanced view is achieved within the Quality Account publication. The consultation includes the views of over 500 members of the public, across all age ranges.

The Quality Account is shared with the Governors, Commissioners, Overview and Scrutiny Committee and the Local Improvement Network (LINKs) before publication to allow their views of the Trust and the report to be incorporated. The Quality Account is assessed by the readers' panel prior to publication and are produced in an easy read format alongside the full version.

The Quality Account is also reviewed by the External Auditors who provide an opinion on the Quality Account as well as data quality and governance in respect of three key performance indicators.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee, 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.

Board of Directors

The Board of Directors is ultimately responsible for managing risk. The Board is accountable for key functions within the governance framework. There is an established system of risk management throughout the Trust in accordance with the law and Government policy, in order to:

- Minimise the risk to the Trust's patients, assets, its employees, visitors and business
- Comply with its contractual commitments with commissioning bodies and others for the volume and quality of its services, within its statutory responsibilities, financial and otherwise
- Identify, prioritise and treat risks, including those deriving from the Care Quality Commission, through an effective Board Assurance Framework.

The Board meets its statutory duty of quality by putting and keeping in place arrangements for maintaining, monitoring and improving the quality of health care which the Trust provides to individuals. The Board receives assurance through the Audit Committee minutes on the system of Internal Control.

Audit Committee

The Audit Committee provides independent assurance to the Board of Directors that there are adequate controls in place to ensure that the Trust's key objectives and statutory obligations are being met (both clinical and non-clinical) and membership comprises of Non-Executive Directors with attendance from other professionals as required. The Audit Committee's terms of reference are based on those recommended by the NHS Audit Committee Handbook and are compliant with the Code

of Governance for Foundation Trusts. All Board Committees have had a remit to provide assurance on risk relating to their specific terms of reference.

Risk and Governance Structure

The function and purpose of the Integrated Governance Department is to:

- (a) co-ordinate and facilitate the implementation of the Integrated Governance Risk Management Strategy
- (b) monitor progress against the strategy
- (c) provide support to Divisional management and staff in relation to the identification and management of risk and governance issues.

The Department monitors the corporate risk profile of the Trust including the maintenance of the risk register and dealing with escalated risks. It highlights any risk management issues that it considers should be brought to the attention of Board Committees and provides assurance that these are adequately managed. The Department prepares regular reports for the Board and its committees on areas of significant risk and identifies any internal audit and other assurance requirements. The Divisional Clinical Director is supported by the Divisional General Manager and Professional Lead to provide assurance to the Divisional Boards and the Board sub committees that all significant risks are adequately managed and the risk management principles are embedded across the Division. Each of the five Divisional Boards has a senior manager nominated as the Governance Lead. This individual is a member of the Operational Integrated Governance Committee. Additionally there is a Divisional Risk and Governance Manager in post, who is a member of the Risk and Governance Committee, thus providing a direct escalation route from the Divisions through

the integrated governance committee structure.

In addition to the above, all Divisions undergo a Divisional Quarterly Performance Review (DQPR) which allows the Executive Team to undertake an assessment that covers a breadth and depth of criteria, which are aligned to the organisational objectives and provides assurance in relation to the effectiveness of systems and the identification of gaps and risks in governance processes. Following the review and evidence provided at the DQPR the Divisions are assigned a rating level by the Executive Team depending on their performance against key corporate objectives which includes risk management. The ratings are:

- Low intensity – licence to operate
- Medium Intensity
- High Intensity
- Special Measures.

The rating assigned to a Division will determine the level of support and on-going assurance arrangements that are required.

Quality Committee

The Quality Effectiveness and Safety Committee (QuEST) is responsible for providing information and assurances to the Board that the Trust is safely managing the quality of patient care, effectiveness of quality interventions and investments, and patient safety which includes outcomes from the Leading In Patient Safety (LIPS) programme and the Patient Safety First Campaign. The quality directorate, under the supervision of the Director of Nursing and Quality, supports the implementation of the Trust's Quality and Safety Improvement Strategy and a number of quality initiatives such as Advancing Quality and delivery of the Commissioning for Quality and Innovation (CQUIN).

Clinical Audit

The Trust is committed to embedding clinical audit throughout the organisation, as a process for improving the quality of healthcare provided. Clinical audit provides the Trust with an integral tool that uses evidenced based standards to improve the quality of patient care. The main role of the Clinical Audit Team is to facilitate high quality clinical audit projects that result in improvements in patient care which in turn, provide assurances about the quality of clinical services delivered by the Trust. At the same time, the clinical audit process allows changes in practice to be implemented at a local level, and by using a robust monitoring process for clinical audit, the Trust aims to provide sound evidence base of best practice. This is reflected in the Trust's compliance with the National Health Service Litigation Authority Standard 5: Criterion 1- Clinical Audit and participation in National Comparative Audits as reported in the Trust Quality Account.

Internal Audit

Internal Audit provides independent assurance that the Trust's risk management, governance and internal control processes are operating effectively. They evaluate risks and controls and provide advice to management. Internal audit also review compliance to ensure that the Trust is adhering to rules, regulations, laws, codes of practice, guidelines and principles as they apply individually and collectively to all parts of the Trust.

Internal Audit has reviewed the effectiveness of internal control and given a positive opinion in the Head of Internal Audit report highlighting that in the areas which have been reviewed, there are no significant internal control issues which need to be highlighted in the Annual Governance Statement.

Review/Assurance Mechanisms

The Trust ensures that the quality and governance of services undergo regular review and assurance both internal and external on a regular basis. The following identifies a number of the processes below:

- Board Assurance Framework reviewed on a quarterly basis by the Trust and an annual review by Internal Auditors
- Monitor Quality Governance Framework 6 monthly self assessment, action plan development and monitoring of improvements in performance
- Robust Governance and Committee Structure
- Internal and External Auditor reports
- Board Effectiveness survey conducted 6 monthly with the Board of Directors and annually to include staff and governor assessments of the Board's effectiveness
- Policies and Procedures in place
- NHSLA reviews
- Care Quality Commission reviews and reports
- Care Quality Commission – Quality Risk Profile
- Clinical Audit
- Divisional Quarterly Performance Reviews (DQPR)
- Divisional Board Assurance Frameworks reviewed on a quarterly basis as part of DQPR process

Where any internal control issues and gaps are highlighted through Internal Audit, management produce an action plan to remedy, progress against these action plans is monitored by the Audit Committee through annual follow up audits.

Conclusion

The Head of Internal Audit Opinion has indicated that significant assurance can be given that there is a sound system of internal control, designed to meet the Trust's

objectives, and that controls are being applied consistently in all areas reviewed. Whilst Internal Audit reports in the year highlighted no significant risks to objectives being achieved, where areas of limited assurance are identified, action plans are put in place. These can be evidenced through the minutes of the respective monitoring committee or Divisional Board.

From the systems and mechanisms outlined above the Board is able to take assurance that the governance systems in place are robust and functional.



Tracy Bullock
Chief Executive
Mid Cheshire Hospitals NHS Foundation
Trust
28 May 2012

Independent Auditors' Report to the Board of Governors and Board of Directors of Mid Cheshire Hospitals NHS Foundation Trust

We have audited the financial statements of Mid Cheshire Hospitals NHS Foundation Trust for the year ended 31 March 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Taxpayers Equity and the related notes 1 to 33. 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.

This report is made solely to the Board 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.

Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer’s Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code of 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Trust’s affairs as at 31 March 2012 and of its 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.

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

In our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:
- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading or inconsistent with information of which we are aware from our audit. 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;
- proper practices have not been observed in the compilation of the financial statements; or
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Certificate

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



Paul Thomson, BA ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants
Leeds, UK

Statement of Comprehensive Income for the Year ended 31 March 2012

		2011/12	As Restated 2010/11
	Note	£000	£000
Operating Income from patient care activities	3	152,871	149,047
Other operating income	4	20,883	21,169
Operating expenses	5-7	(178,878)*	(163,844)
OPERATING (DEFICIT)/SURPLUS		(5,124)	6,372
Finance Costs:			
Finance Income	8	29	33
Finance expense - financial liabilities	9	(131)	(175)
Finance expense - unwinding of discount on provisions	22	(32)	(39)
PDC Dividends paid	28	(2,917)	(3,579)
NET FINANCE COSTS		(3,051)	(3,760)
(DEFICIT)/SURPLUS FOR THE YEAR		(8,175)	2,612
Other comprehensive income			
Impairments on property, plant and equipment		(41,326)	(7,402)
Revaluations gains on property, plant and equipment		16,545	6,515
Other recognised gains and losses		-	(6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(32,956)	1,719

The notes on page 161 to 205 form part of these accounts.
All income and expenditure is derived from continuing operations.

***Impact of Property Plant and Equipment valuations**

	£000
Operating Surplus before adjustments for valuation	6,448
Impairment of Property Plant and Equipment	(12,296)
Reversal of previous impairments charged to the Statement of Comprehensive Income	724
Net Operating deficit	(5,124)

Operating Income and Expenses include non-cash adjustments of £724,000 and (£12,296,000) respectively. The adjustments reflect the changes in the value of the Trust's property, plant and equipment. Accounting standards require that these adjustments are recognised in operating income and expenditure. The underlying operating surplus was £6,448,000 which would leave a net surplus of £3,397,000 after interest and dividend charges.

Statement of Financial Position as at 31 March 2012

		31 March 2012	31 March 2011	1 April 2010
	Note	£000	£000	£000
Non-current assets				
Intangible assets	10	850	721	669
Property, plant and equipment	11	73,410	109,172	108,391
Trade and other receivables	14	513	373	416
Total non-current assets		74,773	110,266	109,476
Current assets				
Inventories	13	3,234	3,166	3,091
Trade and other receivables	14	7,080	8,374	6,938
Cash and cash equivalents	24	8,956	3,356	6,053
Non-current assets held for sale	12	31	31	3
Total current assets		19,301	14,927	16,085
Current liabilities				
Trade and other payables	17	(14,020)	(12,048)	(12,791)
Borrowings	19	(1,071)	(1,438)	(1,454)
Provisions	22	(428)	(308)	(577)
Other liabilities	18	(320)	(390)	(434)
Total current liabilities		(15,839)	(14,184)	(15,256)
Total assets less current liabilities		78,235	111,009	110,305
Non-current liabilities				
Trade and other payables	17	(4)	(60)	(31)
Borrowings	19	(1,524)	(2,268)	(3,192)
Provisions	22	(1,332)	(1,248)	(1,368)
Total non-current liabilities		(2,860)	(3,576)	(4,591)
Total assets employed		75,375	107,433	105,714
Financed by taxpayers' equity				
Public dividend capital		50,846	49,946	49,946
Revaluation reserve	23	17,718	42,575	43,660
Income and expenditure reserve		6,811	14,912	12,108
Total taxpayers' equity		75,375	107,433	105,714

The financial statements on pages 157 to 205 were approved by the Board and signed on its behalf on 28 May 2012.



Chief Executive

Statement of Changes in Taxpayers' Equity as at 31 March 2012

	Public dividend capital (PDC) £000	Retained Earnings £000	Revaluation Earnings £000	Total £000
Taxpayers' Equity at 1 April 2011	49,946	14,912	42,575	107,433
Retained surplus for the year	-	(8,175)	-	(8,175)
Transfer between reserves	-	76	(76)	-
Impairments	-	-	(41,326)	(41,326)
Revaluations	-	-	16,545	16,545
Public Dividend Received	900	-	-	900
Other reserve movement	-	(2)	-	(2)
Taxpayers' equity at 31 March 2012	50,846	6,811	17,718	75,375

Statement of Changes in Taxpayers' Equity as at 31 March 2011

	Public dividend capital (PDC) £000	Retained Earnings £000	Revaluation Earnings £000	Donated asset reserve	Total £000
Taxpayers' Equity at 1 April 2010 - as previously stated	49,946	10,180	43,517	2,071	105,714
Prior period adjustment	-	1,928	143	(2,071)	-
Taxpayers' Equity at 1 April 2010 - restated	49,946	12,108	43,660	-	105,714
Retained surplus for the year - as restated	-	2,612	-	-	2,612
Transfer between reserves	-	198	(198)	-	-
Impairments	-	-	(7,402)	-	(7,402)
Revaluations	-	-	6,515	-	6,515
Other recognised gains and losses	-	(6)	-	-	(6)
Taxpayers' equity at 31 March 2011	49,946	14,912	42,575	-	107,433

The prior period adjustment relates to an accounting policy change where any donations relating to capital items are either treated as deferred income or are recognised immediately in the income statement. Therefore £1,928,000 has been transferred to Retained Earnings and £143,000 to the Revaluation Reserve which relates to the donated assets which have been revalued prior to 2010/11.

Statement of Cash Flows for the Year ended 31 March 2012

	2011/12 £000	2010/11 £000
Cash flows from operating activities		
Operating (deficit)/surplus	(5,124)	6,372
Non-Cash income and expense		
Depreciation and amortisation	4,827	5,135
Impairments	12,296	507
Reversal of impairments	(724)	(1,619)
Decrease/(Increase) in trade and other receivables	1,306	(1,332)
Increase in Inventories	(68)	(75)
Increase / (Decrease) in trade and other payables	1,600	(986)
(Decrease) in other current liabilities	(70)	(44)
Increase / (Decrease) in provisions	204	(389)
Other movements in operating cash flows	(32)	(37)
Net cash generated from operations	14,215	7,532
Cash flows from investing activities		
Interest received	29	33
Payments for intangible assets	(156)	(116)
Payments for property, plant and equipment	(4,737)	(4,851)
Sales of plant property and equipment	10	11
Net cash used in investing activities	(4,854)	(4,923)
Cash flows from financing activities		
Public Dividend Capital received	900	-
Capital element of finance lease rental payments	(1,461)	(1,478)
Interest element of finance lease	(131)	(175)
Public Dividend Capital paid	(3,069)	(3,653)
Net cash used in financing activities	(3,761)	(5,306)
Increase / (Decrease) in cash and cash equivalents	5,600	(2,697)
Cash and Cash equivalents at 1 April	3,356	6,053
Cash and Cash equivalents at 31 March	8,956	3,356

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 2011/12 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories and certain financial assets and financial liabilities.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'discontinued' where they meet all of the following conditions:

- a. the sale (this may be at nil consideration for activities transferred to another public sector body) or termination is completed either in the period or before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved;
- b. if a termination, the former activities have ceased permanently;
- c. the sale or termination has a material effect on the nature and focus of the reporting NHS foundation trust's operations and represents a material reduction in its operating facilities resulting either from its withdrawal from a particular activity or from a material reduction in income in the NHS foundation trust's continuing operations; and
- d. the assets, liabilities, results of operations and activities are clearly distinguishable, physically, operationally and for financial reporting purposes. Operations not satisfying all these conditions are classified as continuing. Activities are considered to be 'acquired' whether or not they are acquired from outside the public sector.

1.3 Consolidation

Charitable Funds

The Trust is the Corporate Trustee of Mid Cheshire Hospitals NHS Charitable Funds which under IAS 27 potentially could be considered a subsidiary and require consolidation. However the application of IAS 27 relating to the consolidation of charitable funds has been deferred by Monitor until 31 March 2013.

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.

The Trust since 27 March 2009 has been part of the Central Cheshire Urgent Primary Care Consortium providing urgent care facilities on the Leighton hospital site. The joint venture was controlled in equal

shares with Shropshire Doctors Ltd, Central and Eastern Primary Care Trust and Mid Cheshire Hospitals NHS Foundation Trust through a limited liability partnership. On the 1 April 2011 the control of the Central Cheshire Urgent Primary Care Consortium was changed to a joint venture between Shropshire Doctors Ltd and Mid Cheshire Hospitals NHS Foundation Trust. The joint venture has been accounted for by consolidating the Trust's share of the transactions, asset, liabilities, equity and reserves of the entity.

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 attributable to incomplete spells cannot be accurately calculated, the basis of the calculation is described under Note 3.1- Income from activities.

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 for 2012 is £57,345.

Employees' Expenses At 31 March 2012 the accrual for outstanding holidays is £341,070. Staff other than Medical Staff are expected to take all annual leave by 31 March. The Trust has provided for those staff where due to operational reasons have been unable to do this. The Medical staff has been based on a percentage of 78% 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 valuation on the current hospital site. 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

The main source of income for the Trust is from Primary Care Trusts, which are government funded commissioners of NHS health and patient care. Income is recognised in the period in which services are provided and is measured at the fair value of the consideration receivable.

Income relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the statement of financial position date compared to expected total length of stay/costs incurred to date compared to total expected costs.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Interest income is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

1.7 Expenditure on Employee Benefits

Short-Term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from

employees. The cost of annual leave entitlement which is earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. 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. Employers pension cost contributions are charged to operating expenses as and when they become due.

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 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 has had its last full revaluation of the buildings as at 1 April 2008 and an interim valuation as at 31 March 2012. 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 are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

1.10 Intangible fixed assets

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the

rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or 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 assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and sell or use it;
- the ability to use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service delivery;
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

- 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;
- 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 the 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.

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 are due to a loss 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 arising from a loss 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 7 to 85 years.

Plant and Equipment are depreciated evenly over the estimated life of the asset, as follows:

- Plant and Equipment – 3 to 10 years
- Information Technology – 3 to 10 years
- Furniture & Fittings – 5 to 10 years

1.12 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.13 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.

1.14 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.

1.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable i.e.

- management is 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 complete 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 are made to it.

Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Depreciation ceases to be charged

and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

1.16 Leases

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

The Trust as lessee

Amounts held under finance leases are initially recognised as an asset, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The asset is recorded as property, plant and equipment with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income.

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

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.17 Private Finance Initiative (PFI) transactions

The Trust has not entered into any PFI transactions.

1.18 Inventories

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

1.19 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 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 HM Treasury's discount rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 2.8% (2010/11 2.9%) in real terms.

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 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.

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 2011/12 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 they become due.

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 profit and loss

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

The Mid Cheshire Hospital NHS Foundation Trust is a Health Service body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the 17 exemption in relation to the specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of Corporation

Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000pa. HMRC 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) net cash balances held with the Government Banking Services and (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 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:

Effective for the next financial year ending 31 March 2013:

IAS 1	Presentation of financial statements (Other Comprehensive Income)	subject to consultation
IAS 12	Income Taxes (amendment)	subject to consultation
IAS 19	Post-employment benefits (pensions)	subject to consultation
IAS 27	Separate Financial Statements	subject to consultation
IAS 28	Investments in Associates and Joint Ventures	subject to consultation

IFRS 7	- Financial Instruments: Disclosures (annual improvements)	effective 2012-13
IFRS 9	Financial Instruments	subject to consultation
IFRS 10	Consolidated Financial Statements	subject to consultation
IFRS 11	Joint Arrangements	subject to consultation
IFRS 12	Disclosure of Interests in Other Entities	subject to consultation
IFRS 13	Fair Value Measurement	subject to consultation
IPSAS 32	Service Concession Arrangement	subject to consultation

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.

1.33 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 May 2012 meeting.

The Trust receives 86% of its total income from Primary Care Trusts mainly for patient care activities.

3. Income from Activities

3.1 Income from patient care activities comprises:

	2011/12 £000	2010/11 £000
Elective Income	26,378	26,114
Non Elective Income	53,897	56,286
Outpatient Income	33,090	29,583
A & E Income	6,582	6,256
Other NHS Clinical Income	30,343	28,125
Income from activities (before private patient income)	150,290	146,364
Other non-protected clinical income	1,093	1,230
Private patient income	1,488	1,453
Total Activity Income	152,871	149,047

The elective and non elective income includes the levels of incomplete spells as at 31 March 2012. The calculation is based on all patients who are in a bed at midnight on the 31 March by specialty and point of delivery. This activity is then multiplied by the average spell income for the relevant specialty/point of delivery for that year. The calculation also takes into account any Payment by Results rules with regard to marginal rates and thresholds for non-elective activity. The movement in year impacting on the recognised income is an increase of £96,334. A reduction of £85,473 is due to a change in price and an increase of £181,807 is due to a change in volume.

Included in Other NHS Clinical Income is £505,000 which relates to the Trust's share of the income generated by the Central Cheshire Urgent Primary Care Consortium joint venture. It also includes 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 10.5% (2010/11 9.6%) to reflect expected rates of collection.

The terms of Authorisation set out the

mandatory goods and services that the Trust is required to provide (protected services). All of the income from activities before private income shown above is derived from the provision of protected services.

3.2 Private Patient Income

	Base Year		
	2011/12	2010/11	2002/03
	£000	£000	£000
Private patient income	1,489	1,453	1,194
Total patient income	152,871	149,047	79,862
%	0.98%	0.97%	1.50%

Section 44 of the National Health Service Act 2006, requires that the proportion of private patient income to the total patient related income of NHS foundation trusts should not exceed its proportion whilst the body was an NHS trust in 2002/03. The note above shows that the Trust was compliant for 2011/12.

4. Other Operating Income

	2011/12	2010/11
	£000	£000
Education and training	5,315	5,266
Charitable and other contributions to expenditure	347	122
Non-patient care services to other bodies	10,765	10,716
Other	2,812	2,887
Profit on disposal of other tangible assets	3	2
Reversal of impairments of property, plant and equipment	724	1,619
Staff Recharges	576	512
Rental Revenue from operating leases	341	45
Total other operating income	20,883	21,169

4.1 Operating Lease Income

Operating Lease Income

Rents recognised in the period

Total

2011/12	2010/11
£000	£000
341	45
341	45

Future minimum lease payments due

On leases of Land expiring

- Not later than one year
- Later than one year but not later than five years
- Later than five years

Sub Total

2011/12	2010/11
£000	£000
2	2
8	8
183	176
193	186

On Leases of Buildings expired

- Not later than one year
- Later than one year but not later than five years
- Later than five years

Sub Total

Total

234	29
442	37
-	-
676	66
869	252

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.

5. Operating Expenses

5.1 Operating expenses comprise:

	2011/12 £000	2010/11 £000
Employee expenses - staff	115,219	115,215
Employee expenses - Directors' costs	860	848
Employee expenses - Non-Executives' costs	134	135
Supplies and services - clinical	13,134	12,006
Depreciation on property, plant and equipment	4,658	5,022
Amortisation on intangible assets	169	113
Impairments of property, plant and equipment	12,296	507
Premises	6,443	6,045
Drug Costs	8,639	8,166
Clinical negligence	3,464	3,030
Other	1,510	1,134
Consultancy services	581	320
Supplies and services - general	2,144	2,194
Printing, stationery, travel and recruitment advertising	1,754	1,829
Services from other NHS bodies	5,688	6,128
Transport	317	303
Auditors' remuneration	72	50
Other Auditors' remuneration	-	20
Purchase of healthcare from non NHS bodies	636	-
Provision for impairment of receivables (including provision against Road Traffic income)	476	107
Legal Fees	79	45
Hospitality	10	14
Redundancies	74	141
Training Courses and Conferences	294	276
Patient Travel	25	23
Insurances	133	122
Other services	59	34
Losses, ex gratia and special payments	8	9
Loss on disposal of other property, plant and equipment	2	5
Loss on disposal of assets held for sale	-	3
Total	178,878	163,844

Included above is £547,432 (2010/11 £313,916) which relates to the Trust's share of the Central Cheshire Urgent Primary Care Consortium joint venture expenditure.

5.2 Auditors' Remuneration

The analysis of auditors' remuneration is as follows:

	2011/12 £000	2010/11 £000
Fees payable to the company's auditors for the audit of the company's annual accounts	72	50
Total audit fees	72	50
Other services	-	20
Total non-audit fees	-	20

5.3 Operating Leases

5.3.1 Arrangements containing an operating lease

	2011/12 £000	2010/11 £000
Minimum lease payments	582	387
Total	582	387

There are no significant leasing arrangements included in the above.

5.3.2 Arrangements containing an operating lease

	2011/12 £000	2010/11 £000
Future minimum lease payments due:		
- Not later than one year	521	308
- Later than one year and not later than five years	894	572
- Later than five years	-	-
Total	1,415	880
Total of future minimum sublease lease payments to be received at the Statement of financial position date	-	-

5.4 (A) Senior Manager remuneration and benefits - Emoluments

Name	Title	Gross Pay 2012 £000s	Other Remuneration 2012 £000s	Superannuation Contributions 2012 £000s	Total Emoluments 2012 £000s	Total Emoluments 2011 £000s	Benefits in Kind * 2012 £00s	Benefits in Kind * 2011 £00s
Board								
Moran J	Chairman	45	-	-	45	45	37	33
Godfrey V	Non-Executive	12	-	-	12	12	-	-
Hopewell D	Non-Executive	15	-	-	15	15	22	10
Wood A	Senior Independent Director and Deputy Chairman	15	-	-	15	15	8	15
Chandler M	Non-Executive (until 31/10/11)	8	-	-	8	12	-	-
Craig WD	Non-Executive	12	-	-	12	12	5	7
Dunn D	Non-Executive	12	-	-	12	12	-	-
McNeil R	Non-Executive (from 01/11/11)	5	-	-	5	-	-	-
Morley P	Chief Executive (until 06/10/10)	-	-	-	-	91	-	106
Bullock T	Chief Executive (from 12/10/10)	145	-	20	165	78	-	-
Oldham M	Director of Finance	105	-	15	120	114	126	91
Alcock R	Director of Workforce and Organisational Development (until 31/12/11)	66	-	9	75	100	-	45
Shaw J	Interim Director of Workforce and Organisational Development (from 03/01/12)	22	-	3	25	-	-	-
Bullock T	Chief Operating Officer and Director of Nursing (until 11/10/10)	-	-	-	-	66	-	-
Hartley J	Acting Director of Nursing (from 12/10/10 until 06/02/11)	-	-	-	-	26	-	-
Smith J	Director of Nursing (from 07/02/11)	90	-	13	103	15	32	-
Frodsham D	Chief Operating Officer	95	-	13	108	103	63	67
Dodds P	Deputy Chief Executive Officer & Medical Director	157	17	24	198	195	-	-
Total Board Members Remuneration		804	17	97	918	911	293	374
Employers' NI					94	88	-	-
Total Board Members Remuneration including Employers' NI and Superannuation					1,012	999	293	374
Associate Directors' Costs								
Ennis A	Director of Service Development (until 30/11/10)	-	-	-	-	52	-	-
Total Associate Directors' Remuneration		-	-	-	-	52	-	-
Employers' NI					-	5	-	-
Total Associate Directors' and Board Secretary Remuneration including Employers' NI and Superannuation		-	-	-	-	57	-	-
Total "Senior Employees"					918	963	293	374
Employers' NI					94	93	-	-
Total Senior Employees including Employers' NI and Superannuation					1,012	1,056	293	374

* 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 which are recorded under the benefit in kind heading are recorded in 'hundreds', whereas the emoluments' are recorded as 'thousands'.

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

Name	Title	Real increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 at 31 March 2012 £000s	Total accrued lump sum at age 60 at 31 March 2012 £000s	Cash Equivalent Transfer Value at 31 March 2012 £000s	Cash Equivalent Transfer Value at 31 March 2011 £000s	Real Increase in Cash Equivalent Transfer Value £000s
Board Members							
Bullock T	Chief Executive	27	50	151	803	583	135
Dodds P	Medical Director	4	57	170	1025	878	74
Oldham M	Director of Finance	8	35	104	528	409	71
Alcock R	Director of Workforce and Organisational Development	-	27	81	389	312	34
Frodsham D	Chief Operating Officer	8	28	83	507	416	52
Smith J	Director of Nursing	17	26	77	360	235	79
Shaw J	Interim Director of Workforce and Organisational Development	-	29	87	479	399	11

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.

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

The other remuneration for Dr Dodds relates to his remuneration as a consultant.

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

	2012 £000	2011 £000	% change
Highest Paid Director gross cost	175	172	1.74%
Median Total earnings	25	23	8.00%
Ratio	6.9	7.4	(7.25%)

The median total earnings was calculated using the full-time equivalent gross cost of all staff paid through the Trust's payroll in March 2012 which is then annualised.

6. Staff Costs and Numbers

6.1 Staff Costs

	2011/12 £000	2010/11 £000
Salaries and wages	94,474	93,334
Social Security Costs	6,411	6,274
Employer contributions to NHS Pensions Authority	10,340	10,327
Termination Benefits	74	141
Agency and contract staff	5,105	6,419
Total Gross Staff Costs	116,403	116,495
Of which		
Costs capitalised as part of assets	250	291
Total Employee benefits excluding Capitalised Costs	116,153	116,204

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

	Total 2011/12 Number	Other permanent employees Number	Directors Number	Other Number	Total 2010/11 Number
Medical and Dental	285	285			284
Administration and Estates	611	605	6	-	632
Healthcare Assistants and other support staff	453	453	-	-	433
Nursing, midwifery and health visiting staff	797	797	-	-	792
Scientific, therapeutic and technical staff	393	393	-	-	389
Bank and agency	174	-	-	174	233
Other	289	289	-	-	271
Total	3,002	2,822	6	174	3,034

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 2011/12 there were 3 (2010/11: 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 £265,297 (2010/11: £208,028). The cost of these ill-health retirements will be borne by the NHS Business Services Authority – Pensions Division.

6.5 *Pension costs*

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.

The scheme is subject to a full actuarial valuation every four years (until 2004, every five years) and an accounting valuation every year. An outline of these follows:

a) 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 to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

In order to defray the costs of benefits, employers pay contributions at 14% of pensionable pay and most employees had up to April 2008 paid 6%, with manual staff paying 5%.

Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, his Valuation report recommended that employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction of employee contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed

member data-set is provided to the scheme actuary. At this point the assumptions regarding the composition of the scheme membership are updated to allow the scheme liability to be valued.

The valuation of the scheme liability as at 31 March 2011, is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2011 with summary global member and accounting data.

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) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

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:

Annual Pensions

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”.

Pensions Indexation

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.

Lump Sum Allowance

A lump sum is payable on retirement which is normally three times the annual pension payment.

Ill-Health Retirement

Early payment of a pension, with enhancement in certain circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties or regular employment effectively through illness or infirmity.

Death Benefits

A death gratuity of twice their final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

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.

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.

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.

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.

6.6 Staff exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	1 (-)	- (1)	1 (1)
£10,000 - £25,000	1 (-)	1 (3)	2 (3)
£25,001 - £50,000	- (-)	1 (2)	1 (2)
£50,001 - £100,000	- (-)	- (-)	- (-)
Total number of exit packages by type	2 (-)	2 (6)	4 (6)
Total resource cost	28 (-)	46 (141)	74 (141)

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 2010/11.

7. Better Payment Practice Code

7.1 Better Payment Practice Code - measure of compliance

	2011/12		2010/11	
	Number	£000	Number	£000
Total Trade bills paid in the year	45,910	102,632	48,300	99,224
Total Trade bills paid within target	40,724	96,413	45,690	93,105
Percentage of Trade bills paid within target	89%	94%	95%	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 Debts (Interest) Act 1998

The Trust had no interest payable for the year ended 31st March 2012 under the Late Payment of Commercial Debts (Interest) Act 1998.

8. Finance Income

Interest on loans and receivables
Total

2011/12 £000	2010/11 £000
29	33
29	33

9. Finance Costs

9.1 Finance Cost - Interest Expense

Interest on obligations under finance lease
Total

2011/12 £000	2010/11 £000
131	175
131	175

9.2 Impairment of Assets

Loss or damage from normal operations
Unforeseen Obsolescence
Changes in market price
Reversal of impairments
Total

2011/12 £000	2010/11 £000
-	-
35	14
53,587	7,895
(724)	(1,619)
52,898	6,290

Included in the above is the impact of the revaluation of the premises as at March 2012. The revaluation exercise included the reversal of impairments that were charged to expenditure in the previous revaluation exercise. The impairment for unforeseen obsolescence relates to a cystoscope that was uneconomical to repair and an Ultrasound which due to technological changes was the incorrect specification.

10. Intangible Fixed Assets

	Software Licences 2012 £000	Assets under construction 2012 £000	Total 2012 £000
Gross cost at 1 April 2011	1,267	-	1,267
Additions purchased	68	150	218
Reclassifications	6	74	80
Gross cost at 31 March 2012	1,341	224	1,565
 Amortisation at 1 April 2011	 546	 -	 546
Provided during the year	169	-	169
Amortisation at 31 March 2012	715	-	715
 Net book value			
- Total purchased at 1 April 2011	721	-	721
 - Total purchased at 31 March 2012	626	224	850

	Software Licences 2011 £000s	Total 2011 £000s
Gross cost at 1 April 2010	1,102	1,102
Additions purchased	165	165
Gross cost at 31 March 2011	1,267	1,267
 Amortisation at 1 April 2010	 433	 433
Provided during the year	113	113
Amortisation at 31 March 2011	546	546
 Net book value		
- Total purchased at 1 April 2010	669	669
 - Total purchased at 31 March 2011	721	721

The reclassification is the transfer from tangible assets under construction to intangibles. All intangible assets relate to purchased software licences.

10.1 Economic life of Intangible Assets

The economic life of the intangible assets ranges from 3 to 10 years.

11. Tangible Fixed Assets

11.1 Tangible fixed assets at the statement of financial position date comprise the following elements

	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 2011	9,500	88,494	3,379	275	17,981	3,011	299	122,939
Additions - purchased	-	3,991	-	722	377	-	-	5,090
Additions - donated	-	160	-	-	89	-	-	249
Impairments	(6,900)	(33,762)	(664)	-	-	-	-	(41,326)
Revaluations	-	2,799	-	-	-	-	-	2,799
Reclassifications	-	3	-	(274)	11	180	-	(80)
Disposals	-	(12)	-	-	(1,350)	(40)	(34)	(1,436)
Cost or valuation at 31 March 2012	2,600	61,673	2,715	723	17,108	3,151	265	88,235
Accumulated depreciation at 1 April 2011	-	442	18	-	11,303	1,885	119	13,767
Provided during the year	-	1,692	69	-	2,373	490	34	4,658
Impairments	-	12,261	-	-	35	-	-	12,296
Reversal of impairments	-	(724)	-	-	-	-	-	(724)
Revaluation surpluses	-	(13,659)	(87)	-	-	-	-	(13,746)
Disposals	-	(12)	-	-	(1,340)	(40)	(34)	(1,426)
Accumulated depreciation at 31 March 2012	-	-	-	-	12,371	2,335	119	14,825
Net Book Value								
NBV - Purchased at 31 March 2011	9,500	86,041	3,361	275	2,250	1,077	116	102,620
NBV - Finance Lease at 31 March 2011	-	-	-	-	4,065	49	64	4,178
NBV - Donated at 31 March 2011	-	2,011	-	-	363	-	-	2,374
NBV total at 31 March 2011	9,500	88,052	3,361	275	6,678	1,126	180	109,172
Net Book Value								
NBV - Purchased at 31 March 2012	2,600	60,007	2,715	723	1,430	797	101	68,373
NBV - Finance Lease at 31 March 2012	-	-	-	-	2,952	19	45	3,016
NBV - Donated at 31 March 2012	-	1,666	-	-	355	-	-	2,021
NBV total at 31 March 2012	2,600	61,673	2,715	723	4,737	816	146	73,410

During 2011/12 a valuation was carried out by the District Valuation Office (DVO), however the previous valuation was carried out by a different professionally qualified valuer. Whilst the valuers have used the same method of valuation, that is Modern Equivalent Asset (MEAV), the approaches adopted are different, particularly in two key areas; the remaining lives on the various component parts of a Depreciated Replacement Cost valuation and the classification of land. The DVO has generally reduced the remaining lives of the component parts, and consequentially the value, in comparison to the previous valuation as the DVO has determined that there is greater physical deterioration and technical obsolescence. Land has reduced in value as the DVO has assumed that the land on the Leighton Hospital site should be classed as agricultural/greenbelt for the purposes of MEAV instead of employment use, as in the previous valuation, with agricultural/greenbelt land attracting a lower value.

The valuation reduced the value of land and buildings by £36,318,000. A charge of £12,261,000 was made to the Operating Expenditure, reflecting the difference between the downward valuation and the balance in the revaluation reserve. A reversal of previous impairments previously charged to operating expenditure of £724,000 has been reflected within Operating Income. The net charge to the revaluation reserve was £24,781,000.

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000		£000	£000	£000
Cost or valuation at 1 April 2010	9,280	88,058	3,922	171	20,334	16	4,031	228	126,040
Additions - purchased	-	1,154	47	3,515	664	-	32	89	5,501
Additions - donated	-	12	-	-	110	-	-	-	122
Impairments charged to revaluation reserve	-	(6,810)	(592)	-	-	-	-	-	(7,402)
Revaluation surpluses	220	2,915	-	-	-	-	-	-	3,135
Transferred to disposal group as asset held for sale	-	-	-	(31)	-	-	-	-	(31)
Reclassifications	-	3,378	2	(3,380)	-	-	-	-	-
Disposals	-	(213)	-	-	(3,127)	(16)	(1,052)	(18)	(4,426)
Cost or valuation at 31 March 2011	9,500	88,494	3,379	275	17,981	-	3,011	299	122,939
Accumulated depreciation at 1 April 2010	-	3,286	157	-	11,714	14	2,375	103	17,649
Provided during the year	-	1,654	82	-	2,688	2	562	34	5,022
Impairments	-	493	-	-	14	-	-	-	507
Reversal of impairments	-	(1,619)	-	-	-	-	-	-	(1,619)
Revaluation surpluses	-	(3,159)	(221)	-	-	-	-	-	(3,380)
Transferred to disposal group as asset held for sale	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals	-	(213)	-	-	(3,113)	(16)	(1,052)	(18)	(4,412)
Accumulated depreciation at 31 March 2011	-	442	18	-	11,303	-	1,885	119	13,767
Net Book Value									
NBV - Purchased at 1 April 2010	9,280	83,091	3,765	171	3,008	-	1,473	35	100,823
NBV - Finance Lease at 1 April 2010	-	13	-	-	5,209	2	183	90	5,497
NBV - Donated at 1 April 2010	-	1,668	-	-	403	-	-	-	2,071
NBV total at 1 April 2010	9,280	84,772	3,765	171	8,620	2	1,656	125	108,391
Net Book Value									
NBV - Purchased at 31 March 2011	9,500	86,041	3,361	275	2,250	-	1,077	116	102,620
NBV - Finance Lease at 31 March 2011	-	-	-	-	4,065	-	49	64	4,178
NBV - Donated at 31 March 2011	-	2,011	-	-	363	-	-	-	2,374
NBV total at 31 March 2011	9,500	88,052	3,361	275	6,678	-	1,126	180	109,172

11.2 Analysis of tangible fixed assets

	Land	Buildings Excluding Dwellings	Dwellings	Assets under Construction and payments on account	Plant & Machinery	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value								
Protected 31 March 2012	2,478	59,480	-	-	-	-	-	61,958
Unprotected 31 March 2012	122	2,193	2,715	723	4,737	816	146	11,452
Total at 31 March 2012	2,600	61,673	2,715	723	4,737	816	146	73,410

	Land	Buildings Excluding Dwellings	Dwellings	Assets under Construction and payments on account	Plant & Machinery	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value								
Protected 31 March 2011	8,900	85,697	-	-	-	-	-	94,597
Unprotected 31 March 2011	600	2,355	3,361	275	6,678	1,126	180	14,575
Total at 31 March 2011	9,500	88,052	3,361	275	6,678	1,126	180	109,172

11.3 Net Book Value (NBV) of property, plant and equipment in Revaluation Reserve

	Land	Buildings Excluding Dwellings	Dwellings	Plant & Machinery	Transport Equipment	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000
NBV of property, plant and equipment in the Revaluation Reserve as at 31 March 2012							
- as at 1 April 2011	9,500	74,709	3,361	2,109	-	93	89,772
- movement in year	(6,900)	(42,653)	(646)	(1,065)	-	(24)	(51,288)
- as at 31 March 2012	2,600	32,056	2,715	1,044	-	69	38,484

	Land	Buildings Excluding Dwellings	Dwellings	Plant & Machinery	Transport Equipment	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000
NBV of property, plant and equipment in the Revaluation Reserve as at 31 March 2011							
- as at 1 April 2010	9,280	70,372	3,665	3,610	2	122	87,051
- movement in year	220	4,337	(304)	(1,501)	(2)	(29)	2,721
- as at 31 March 2011	9,500	74,709	3,361	2,109	-	93	89,772

11.4 *Economic life of property, plant and equipment*

	Min. Life	Max. Life
Buildings excluding dwellings	7	85
Dwellings	22	50
Assets under construction	-	-
Plant & machinery	3	10
Information Technology	3	10
Furniture and Fittings	5	10

Land has an infinite basis.

11.5 *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. *Non-Current Assets for sale and assets in disposal groups*

Non-current assets for sale and assets in disposal groups 2010/11	Total £000	Property, plant and equipment £000
NBV of non-current assets for sale and assets in disposal groups at 31 March 2011	31	31
NBV of non-current assets for sale and assets in disposal groups at 31 March 2012	31	31

A number of washer dryers have been transferred to non-current assets held for sale in 2010/11. Management still has an intention to sell these.

13. Inventories

13.1 Inventories

	2012 £000	2011 £000
Drugs	840	836
Consumables	2,269	2,204
Energy (Oil)	125	126
Total	3,234	3,166

13.2 Inventories recognised in expense

	2011/12 £000	2010/11 £000
Inventories recognised in expense	16,958	16,531
Write-down of inventories recognised as an expense	48	51
Total inventories recognised in expenditure	17,006	16,582

14. Trade and other Receivables

	2012 £000	2011 £000
Current:		
NHS receivables	3,499	4,746
Provision for impaired receivables	(410)	(115)
Prepayments	1,574	1,247
PDC Receivable	213	61
VAT Receivable	109	154
Other receivable	2,095	2,281
Total current trade and other receivables	7,080	8,374
Non-current:		
Other receivables	589	451
Provision for impaired receivables	(76)	(78)
Total non-current trade and other receivables	513	373
Total trade and other receivables	7,593	8,747

14.1 Provision for impairment of receivables

	2011/12 £000	2010/11 £000
At 1 April	193	226
Increase in provision	482	195
Amounts utilised	(183)	(140)
Unused amounts reversed	(6)	(88)
At 31 March	486	193

Included above is a provision of £181,191 which is based on 10.5% on the outstanding receivables from the Compensation Recovery Unit.

14.2 Ageing of receivables

Ageing of impaired receivables	31 March 2012 £000	31 March 2011 £000
0-30 days	34	-
30 to 60 days	26	-
60 to 90 days	38	-
90 to 180 days	66	5
180 to 360 days	322	188
Total	486	193

Ageing of non-impaired receivables past their due date	31 March 2012 £000	31 March 2011 £000
0-30 days	191	597
30 to 60 days	430	225
60 to 90 days	23	218
90 to 180 days	164	51
180 to 360 days	118	195
Total	926	1,286

15. Other Financial Assets

The Trust had no other financial assets as at 31 March 2012 or 31 March 2011.

16. Other Current Assets

The Trust had no other current assets as at 31 March 2012 or 31 March 2011.

17. Trade and Other Payables

17.1 Trade and other payables at the statement of financial position date are made up of:

	2012 £000	2011 £000
Current:		
NHS Payables	2,000	2,027
NHS Pensions	1,291	1,283
Trade Payables Capital	1,300	985
Social Security costs	1,079	1,007
Other taxes payable	1,190	1,167
Other payables	148	238
Other Trade payables	3,615	2,773
Accruals	3,397	2,568
Total Current Trade and other payables	14,020	12,048
Non-current:		
Other payables	4	60
Total non-current trade and other payables	4	60
	14,024	12,108

Included above is £114,866 of other trade payables which relates to the Trust's share of the Central Cheshire Urgent Primary Care Consortium joint venture expenditure.

18. Other Liabilities

	2012 £000	2011 £000
Current:		
Deferred income	320	390
Total current liabilities	320	390

19. Borrowings

	2012 £000	2011 £000
Current:		
Obligations under finance lease	1,071	1,438
Total current borrowings	1,071	1,438
Non-current		
Obligations under finance lease	1,524	2,268
Total non-current borrowings	1,524	2,268

20. Prudential Borrowing Limit

NHS foundation trusts are required to comply and remain within a Prudential borrowing limit. This is made up of two elements:

- The maximum cumulative amount of long-term borrowing. This is set by reference to the four ratio tests set out in Monitor's *Prudential Borrowing Code*. The financial risk rating set under Monitor's *Compliance Framework* determines one of the ratios and therefore can impact on the long term borrowing limit; and
- The amount of any working capital facility approved by Monitor.

Further information on the *NHS Foundation Trust Prudential Borrowing Code and Compliance Framework* can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

	31 March 2012 £000	31 March 2011 £000
Total long term borrowing limit set by Monitor	21,700	38,100
Working capital facility agreed by Monitor	11,000	11,000
Actual (contracted) working capital facility	11,000	11,000
Total Prudential Borrowing limit	32,700	49,100
Long term borrowing at 1 April	3,706	4,646
Net actual borrowing (repayment) in year - long term	(1,111)	(940)
Long term borrowing at 31 March	2,595	3,706
Working capital borrowing at 1 April	-	-
Net actual borrowing (repayment) in year - working capital	-	-
Working capital borrowing at 31 March	-	-

The four ratio tests and the Trust's performance against them is set out below;

Financial Ratios	Actual 2011/12	Approved 2011/12	Actual 2010/11	Approved 2010/11
Minimum Dividend cover	3.8x	3.3x	2.9x	3.0x
Minimum Interest cover	86.1x	30.3x	59.7x	39.3x
Minimum Debt Service cover	7.1x	3.4x	6.3x	4.9x
Maximum Debt Service to Revenue	0.9%	1.1%	1.0%	1.4%

The approved financial ratios are those submitted to Monitor as part of the Trust's 2011/12 financial plans.

21. Financial Lease Obligations

Minimum Lease Payments

	2011/12 £000	2010/11 £000
Gross liabilities	2,748	3,966
of which liabilities are due		
- not later than 1 year	1,154	1,562
- later than 1 year but not later than 5 years	1,594	2,394
- later than 5 years	-	10
Finance charges allocated to future periods	(153)	(260)
Net lease liabilities	2,595	3,706
- not later than 1 year	1,071	1,438
- later than 1 year but not later than 5 years	1,524	2,258
- later than 5 years	-	10
	2,595	3,706

22. Provisions for Liabilities and Charges

	Current		Non-Current	
	2012	2011	2012	2011
Legal Claims	57	84	-	-
Pensions	107	103	1,332	1,248
Other	264	121	-	-
Total	428	308	1,332	1,248

	Legal Claims £000	Pensions £000	Other £000	Total £000
At 1 April 2011	84	1,351	121	1,556
Change in the discount rate	-	9	-	9
Arising during the year	40	154	220	414
Utilised during the year	(65)	(107)	(46)	(218)
Reversed unused	(2)	-	(31)	(33)
Unwinding of discount	-	32	-	32
At 31 March 2012	57	1,439	264	1,760

Expected timing of cash flows:

Not later than 1 year	57	107	264	428
Later than 1 year and not later than 5 years	-	399	-	399
Later than 5 years	-	933	-	933
At 31 March 2012	57	1,439	264	1,760

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.

A provision of £218,000 has been made in the accounts which relates to a number of number of payments relating pay issues.

The Trust has provided £49,000 for two voluntary redundancy payments.

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 2012

and 31 March 2011 (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.

£25,409,945 (2010/11: £24,744,760) is included in the provision of the NHSLA at 31 March 2012 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:

	Revaluation Reserve Property, plant and equipment £000	Total 2012 £000
Revaluation reserve at 1 April 2011	42,575	42,575
Impairments	(41,326)	(41,326)
Revaluations	16,545	16,545
Transfers to other reserves	(76)	(76)
At 31 March 2012	17,718	17,718

	Revaluation Reserve Property, plant and equipment £000	Total 2011 £000
Revaluation reserve at 1 April 2010	43,517	43,517
Prior Period Adjustment	143	143
Revaluation reserve at 1 April 2010 - restated	43,660	43,660
Impairments	(7,402)	(7,402)
Revaluations	6,515	6,515
Transfers to other reserves	(198)	(198)
At 31 March 2011	42,575	42,575

24. Cash and Cash Equivalents

	31 March 2012 £000	31 March 2011 £000
At 1 April	3,356	6,053
Net change in year	5,600	(2,697)
At 31 March	8,956	3,356
Broken down into:		
Cash at commercial bank and in hand	538	138
Cash with Government Banking Service	8,276	3,172
Other current investments	142	46
Cash and Cash equivalents as in SoFP and SoCF	8,956	3,356

The other current investments relates to the Trust's share of the cash balance held by the

Central Cheshire Urgent Primary Care Consortium joint venture.

25. Capital Commitments

Commitments under capital expenditure contracts at the statement of financial position date were £149,000 (2010/11: £190,000).

The commitments are for Roads and Pavements £27,000, Trust Internet site £15,000, New Clinical Desk Top Application £37,000, PCT E Discharge £29,000 and PACs Refresh £41K.

26. Post Balance Sheet Events

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. Provision has not been made in the 2011/12 accounts. A prudent estimate of the amount involved, inclusive of legal cost is:

	Clinical Negligence	Other Legal	Total
	2012	2012	2012
	£000	£000	£000
Total value of contingent disputed claims	8,361	390	8,751
Amount recoverable under insurance arrangements in the event of these claims being successful - payable by NHSLA	(8,361)	(348)	8,709
Net contingent liability	-	42	42
	Clinical Negligence	Other Legal	Total
	2011	2011	2011
	£000	£000	£000
Total value of contingent disputed claims	9,425	406	9,831
Amount recoverable under insurance arrangements in the event of these claims being successful - payable by NHSLA	(9,425)	(380)	(9,805)
Net contingent liability	-	26	26

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. The Trust's public dividend paid in year totals £3,069,000 which included a receivable of £61,000 from 2010/11, however based on actual average relevant net assets this figure should be £2,917,000 and a receivable of £213,000 has been added.

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

	Income £000	Expenditure £000
Value of Transactions with board members 2011/12	-	-
Value of Transactions with key staff members 2011/12	-	-
Value of Transactions with other related parties 2011/12		
Department of Health	-	418
Other NHS Bodies	166,064	10,925
Charitable Funds	311	311
Subsidiaries/Associates/Joint Ventures	346	166
Other	171	40,674
NHS Shared Business Services	-	-
Value of Transactions with board members 2010/11	-	-
Value of Transactions with key staff members 2010/11	-	-
Value of Transactions with other related parties 2010/11		
Department of Health	-	-
Other NHS Bodies	163,374	28,978
Charitable Funds	265	-
Subsidiaries/Associates/Joint Ventures	353	314
Other	171	21,951
NHS Shared Business Services	-	-

Related Party Balances

	Receivables £000	Payables, £000
Value of balances (other than salary) with board members at 31 March 2012	-	-
Value of balances (other than salary) with key staff members at 31 March 2012	-	-
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2012	-	-
Value of balances (other than salary) with related parties in respect of doubtful debts written of in year at 31 March 2012	-	-
Value of balances with other related parties 31 March 2012		
Department of Health	-	27
Other NHS Bodies	3,499	2,000
Charitable Funds	20	3
Subsidiaries/Associates/Joint Ventures	-	-
Other	160	4,045
 Value of balances (other than salary) with board members at 31 March 2011	 -	 -
Value of balances (other than salary) with key staff members at 31 March 2011	-	-
Value of balances (other than salary) with related parties in relation to doubtful debts at 31 March 2011	-	-
Value of balances (other than salary) with related parties in respect of doubtful debts written of in year at 31 March 2011	-	-
Value of balances with other related parties 31 March 2011		
Department of Health	-	-
Other NHS Bodies	4,746	3,309
Charitable Funds	15	19
Subsidiaries/Associates/Joint Ventures	-	-
Other	-	2,137

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/the Summary Financial Statements of the Funds Held on Trust. The Mid Cheshire NHS Foundation Trust Board are a Trustee for the Funds held on Trust.

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 Primary Care Trusts, 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 quarterly 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. To alleviate this issue the Trust has continued to put in place a £11,000,000 working capital facility with its current Bankers, which it has yet to draw on. 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 Department of Health 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**NHS Trade and other receivables excluding non-financial assets (at 31 Mar 2012)**

Non-NHS Trade and other receivables excluding non-financial assets (at 31 Mar 2012)

Non-current assets held for sale and assets held in disposal group excluding non-financial assets (at 31 March 2012)

Cash and cash equivalents (at bank and in hand)

Total at 31 March 2012

Total	Loans and receivables	Available for sale
2012	2012	2012
£000	£000	£000
3,499	3,499	-
2,520	2,520	-
31	-	31
8,956	8,956	-
15,006	14,975	31

NHS Trade and other receivables excluding non-financial assets (at 31 Mar 2011)

Non-NHS Trade and other receivables excluding non-financial assets (at 31 Mar 2011)

Non-current assets held for sale and assets held in disposal group excluding non-financial assets (at 31 March 2011)

Cash and cash equivalents (at bank and in hand)

Total at 31 March 2011

Total	Loans and receivables	Available for sale
2011	2011	2011
£000	£000	£000
4,746	4,746	-
2,754	2,754	-
31	-	31
3,356	3,356	-
10,887	10,856	31

All financial assets are denominated in Sterling.

30.4 (ii) Financial assets by category

Obligations under finance leases (31 Mar 2012)

NHS Trade and other payables excluding non-financial assets (31 Mar 2012)

Non NHS Trade and other payables excluding non-financial assets (31 Mar 2012)

Provisions under contract

Total at 31 March 2012

Total	Other financial liabilities
2012	2012
£000	£000
2,595	2,595
2,000	2,000
9,755	9,755
1,760	1,760
16,110	16,110

	Total	Other financial liabilities
	2011	2011
	£000	£000
Obligations under finance leases (31 Mar 2011)	3,966	3,966
NHS Trade and other payables excluding non-financial assets (31 Mar 2011)	2,027	2,027
Non NHS Trade and other payables excluding non-financial assets (31 Mar 2011)	7,907	7,907
Provisions under contract	1,556	1,556
Total at 31 March 2011	15,456	15,456

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 2012.

31. Third Party Assets

	2011/12 - Money on deposit	2010/11 - Money on deposit
	£000	£000
At 1 April	2	1
Gross inflows	17	20
Gross outflows	(12)	(19)
At 31 March	7	2

The Trust held £7,337 cash at bank and in hand at 31 March 2012 (£1,655 at 31 March 2011) 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 a limitation on its liabilities up to £1million as at 31 March 2012.

33. Losses and Special Payments

There were 140 cases of losses and special payments totalling £66,816 approved during 2011/12. These have been prepared on an accruals basis. During 2011/12 there have been no individual cases of fraud, personal injury, compensation under legal obligation and fruitless payment cases, where the net payment exceeds £100,000.



Appendices

Appendix 1

Composition of Governors

The names of the Governors and details on their constituency, as at 31 March 2012, whether they are elected or appointed and the duration of their appointments.

Name	Constituency	Elected / Appointed	Unexpired Term
Amson , Derek	Patient & Carers – Principal Carer of a Patient Aged 15 Years or less	Elected	2 years
Bone , Donald	Public – Congleton	Elected	2 years
Cooper , Christine	Public – Crewe & Nantwich	Elected	2 years
Cunningham , Angela	Staff & Volunteers – Clinical Support	Elected	2 years
Dawson , Kevin	Patients & Carers - Patients	Elected	2 years
Dibben , Nigel	Patients & Carers – Patients	Elected	2 years
Dunning , John (1)	Non Mandatory Appointee – Congleton Chamber of Commerce, South Cheshire Chamber of Commerce, and Warrington Chamber of Commerce & Industry	Appointed	Resigned with effect 31 March 2012
Fairhurst , Gill	Public – Vale Royal	Elected	2 years
Falkland , Joanne	Staff & Volunteers – Qualified Nursing & Midwifery Staff	Elected	2 years
Flude , Dorothy (2)	Mandatory Appointee - Cheshire East Council	Appointed	2 years
Gray , Stuart	Public – Crewe & Nantwich	Elected	2 years
Griffiths , Jonathan (3)	Mandatory Appointee – Central & Eastern Cheshire Primary Care Trust area	Appointed	2 years
Hadfield , Michael	Public – Crewe & Nantwich	Elected	2 years
Hopkins , Colin	Staff & Volunteers – Medical & Dental Practitioners	Elected	2 years
Lyons , John	Patient & Carers – Patients	Elected	2 years
Macaulay , Brenda	Patients & Carers – Patients	Elected	2 years
Mawdsley , Harry	Public – Congleton	Elected	2 years
Moore Dutton , Eveleigh (4)	Mandatory Appointee - Cheshire West & Chester Council	Appointed	2 years

Name	Constituency	Elected / Appointed	Unexpired Term
Nimmo , Peter	Staff & Volunteers – Representative of Recognised Staff Organisations and Trade Unions	Elected	2 years
Park , Jerry	Public – Crewe & Nantwich	Elected	2 years
Paul , Neil	Non Mandatory Appointee – GP Leads in Central & Eastern Cheshire Primary Care Trust area	Appointed	2 years
Ritchings , Andrew	Staff & Volunteers – Other Professionally Qualified Staff	Elected	2 years
Smart , Jane	Public – Vale Royal	Elected	2 years
Speak , David (5)	Public – Vale Royal	Elected	Resigned with effect 31 March 2012
Stalker , Pat	Patient & Carers – Principal Carer of a Patient aged 16 years or more	Elected	1 year 8 months
Walton , Brian	Staff & Volunteers – Non Clinical Support Staff	Elected	1 year 8 months
West-Burnham , Joss	Non Mandatory Appointee: Manchester Metropolitan University	Appointed	2 years
Williams , Heather	Staff & Volunteers – Registered Volunteers	Elected	2 years

The term of the present Council of Governors began on 1 April 2011, with the exception of the sub constituencies – Non Clinical Support Staff and Principal Carer of a Patient aged 16 Years or More which were appointed during 2010/11. The Trust invited members from the Public, Patient & Carer and Staff & Volunteer Constituencies to stand for election and correspondence was issued to partner organisations, who in line with the Trust's Constitution appoint a Governor to Council, advising them the term of the existing Council was coming to an end and inviting them to nominate a Governor.

In accordance with the Trust's Constitution an invitation was issued to Community and Voluntary Service Cheshire East and Cheshire Community Development Trust to appoint a Governor. As at 31 March 2012 a Governor has not yet been appointed.

Notes:

- (1) Following the resignation of Mr John Dunning an invitation to the Congleton Chamber of Commerce, South Cheshire Chamber of Commerce, and Warrington Chamber of Commerce & Industry has been issued inviting a replacement Governor to be appointed.
- (2) Following the results of the Cheshire East Council Elections in May 2011, Cllr. David Cannon stood down and Cllr. Dorothy Flude was nominated as the representative for Council.

- (3) Dr Jonathan Griffiths was appointed to Council of Governors in December 2011 as a nominated representative from Central and Eastern Cheshire PCT and in due course he will be the appointed representative from the Vale Royal Commissioning Group.
- (4) Following the results of the Cheshire West & Chester Council in May 2011, Cllr. Charlie Parkinson stood down and Cllr. Eveleigh Moore Dutton was nominated as the representative for Council.
- (5) Following the resignation of Mr David Speak, a by-election will be held for the Public Constituency of Vale Royal and all other parts of Cheshire West & Chester.



Appendix 2

Directors' Expertise and Experience

Mr John Moran, Chairman

John Moran took up the role as Chair on July 1 2008.

He joined the Trust Board for an initial four year period which the Council of Governors has agreed to extend by a further 3 years (effective July 2012). His considerable business experience, gained mainly in the private sector, will prove invaluable as the NHS Foundation Trust continues to develop and improve its services and facilities to the public.

An investment and commercial banker by profession, John developed his career at NatWest and Royal Bank of Scotland Group where he was a Director of NatWest Ventures, Corporate Director for NatWest in Manchester and latterly Corporate and Commercial Director for RBS in Merseyside.



John's principle business activity is chairing the Trust and he also provides consultancy services to a range of North West businesses.

John lives in Cheshire and is married with four grown up children and two grandchildren. He likes to relax in his garden and on the golf course when time permits.

Dr Alan Wood - Senior Independent Non-Executive Director and Deputy Chairman

Alan grew up on the Isle of Bute, off the west coast of Scotland. He studied chemistry at university and spent some time in pharmaceutical research, which included some enjoyable years gaining a Ph.D.

Alan then converted to a commercial career with ICI, spending nearly thirty years at various management levels in marketing and export sales. He also gained experience in business process design, career planning and general business and company management. He has been through at least three business restructurings, and ultimately managed to fall victim to one - at a time more or less of his choosing.



Since Alan's (stimulated, early) retirement at the end of 1999 he has done some business consultancy in the education and skills area for the North West Development Agency, but has now discontinued this. He does mentor young people for the Prince's Trust.

Alan is married and lives in Hartford. He has two adult children, one in Liverpool and one in London. When he is not in the hospital he either plays golf or goes to the gym.

Mr Mike Chandler, Non Executive Director (to 31 October 2011)

Mike has lived in Nantwich since 1994. He runs a business and professional development consultancy, Chandler Associates, established in 1995, working with engineering and technology companies for whom he undertakes strategic business development, often as an integral part of their management team.

Trained as a Civil Engineer at Manchester University, he initially worked in power station construction and design. Then followed a period in Swaziland in southern Africa prior to gaining an M.Sc. in construction management from Loughborough University before concentrating on business development. In the early '90s Mike worked in the oil, gas and chemicals sector, marketing specialist loss prevention and risk analysis software.



In 2001/02 he was a part of the team that brought about the Crewe Jigsaw, a Community Art project, erected on Crewe Station.

As Chair of Environment Africa Trust, he is involved in sustainable economic development in sub-Saharan Africa, their major project being the Mpingo Conservation Project in Tanzania. Mpingo is the black hardwood used to make high quality woodwind instruments such as the oboe, clarinet, flute and bagpipes. A supply chain has now been established, from forest village to manufacturer, launching the world's first FSC certified clarinet in January 2011, funded by Comic Relief.

Mike is a Chartered Engineer, Member of the Institution of Civil Engineers and a Member of the Institute of Directors. His interests include going to the theatre, his classic car, target rifle shooting, various charity activities locally, and the grandchildren.

Mr Bill Craig, Non Executive Director

After graduating with an honours degree in psychology from the University of St Andrews, Bill held a number of personnel, training and industrial relations roles in food and paper industries before joining the senior management team of a major US computer company to head up their Human Resources function for their North UK business operations.

Since 1994, he has worked as an independent human resources consultant providing strategic and operational HR support to SME's and business performance improvement consultancy using a systemic approach to organisational design and development.



A Member of the Chartered Institute of Personnel and Development, Bill is married and lives in Goostrey, Cheshire where he has been heavily involved in the greenfield development of community facilities. His hobbies include golf, reading and watching Crewe Alexandra.

Mr Dennis Dunn, Non Executive Director

Dennis Dunn is Pro Vice Chancellor International of the Manchester Metropolitan University (MMU) and Dean of MMU in Cheshire. Formally a Governor of the MCFHT, Dennis brings to the Board his expertise in education, skills, training and organisational development. As an academic he is a published author and former Chairman of BIT World.

A specialist in Business Information Technology, Dennis has advised commercial organisations and universities around the world on aspects of information systems strategy and is currently an expert advisor on a European Commission project in the Czech Republic developing Lean Organisations.



His own education included undergraduate studies at MMU and post-graduate studies at Lancaster University. He is visiting professor at universities in China and the Czech Republic. Dennis was awarded the MBE in the Queens Birthday Honours list 2010 for his services to Higher Education.

A serving magistrate since 1988 he is committed to social justice and equality in society, including access to quality healthcare for all within our region. Currently overseeing a £70 million development in South Cheshire for the MMU, Dennis is a passionate advocate for the development of the Trust and our commitment to excellence in the healthcare services we provide.

Mr David Hopewell, Non Executive Director

David is a chartered accountant by profession. He spent several years working with Shell, both overseas and in the UK. Subsequently, he took up a post at the Government Office North West, moving on to become Resources Director at Cheshire Peaks and Plains Housing Trust. David has also worked as Finance Director for the UK charity, Retrak, which supports street children in Africa and is currently involved with Guinness Northern Counties Housing Association.



Mrs Val Godfrey, Non Executive Director

Reorganisation of local government in Cheshire brought to an end Val's 20 years service as a Councillor with Vale Royal Borough Council where she was the lead for Strategic Partnerships, equality and diversity and young people. She is a member of Cuddington Parish Council and is active in several voluntary and community organisations in the Winsford and Northwich areas; she's a magistrate, chairs the Vale Royal Playscheme Association and is a member of the Rotary Club of Northwich.

After running a charity working with young people for fourteen years, she managed Winsford's Regeneration Partnership, and now works part time with the Winsford Education Partnership.



Val and her husband Frank have lived in Cuddington for over forty years.

Mrs Ruth McNeil, Non Executive Director (appointed 1 November 2011)

Ruth worked in Local Government for 21 years for Manchester City Council. She was a Chief Officer for some 19 years, responsible for a broad range of customer orientated commercial trading services, most of which were delivered at local level for the community. These included, Manchester's retail and wholesale markets, catering services, civic hospitality and facilities management for the Town Hall. During her time at Manchester, she was heavily involved in a wide range of projects including the hugely successful Commonwealth Games. This included being Head of Protocol responsible for all VVIPs including HM The Queen.

Prior to moving to Cheshire in 1986, she lived in London working for some years for Shell UK. Her early career was mainly within the Hotel and Catering industry. Having decided to retire from full time work in 2007, Ruth wanted to use her knowledge and experience for community benefit. Ruth joined Cheshire Police Authority as an independent Board Member in October 2008 and is Chairman of Staff Committee.



In her spare time, Ruth enjoys travelling to far flung places, playing golf and bridge, gardening and Home crafts. She has two grown up children.

Mrs Rachel Alcock, Director Workforce & Organisational Development (to 31 December 2011)

Rachel entered the NHS in 1996 joining the HR Team at the University Hospital of North Staffordshire, where she enjoyed a number of promotions which provided her with the opportunity to work with different clinical and non-clinical specialties.

In 2003, Rachel joined the Cheshire and Merseyside Workforce Development Confederation as Workforce Development Manager where her role included working closely with the Cardiac Network, in addition to Workforce Lead for the Independent Sector Treatment Centre Projects.

In 2004, Rachel became Head of Human Resources for the Cheshire and Merseyside Strategic Health Authority which involved leading the HR Service for the SHA, including the Mersey Deanery.

Rachel is a member of the Chartered Institute of Personnel and Development and completed the NHS Leadership Centre Programme, Leadership Through Effective HRM, which included electives in both Rotterdam and Boston.

Rachel is married and enjoys skiing, travelling and generally being active.



Mrs Tracy Bullock, Chief Executive

Tracy joined the health service in 1983 as a student nurse and gained 18 years of clinical experience before gaining knowledge in a variety of managerial roles such as Clinical Risk, Governance and Business Management. Additionally, Tracy spent 2 years periodically seconded to the Commission for Health Improvement and then the Healthcare Commission to conduct investigations and governance reviews across the country.

Tracy subsequently spent 4 years working in a national team supporting some of the most challenged NHS organisations to achieve turnaround and latterly Foundation Trust status. During this time Tracy gained experience working in Acute, Primary Care, Ambulance and Mental Health Trusts.



Tracy joined Mid Cheshire Hospitals in October 2006 as the Director of Nursing and Quality and very quickly took on additional responsibilities of Operations and Deputy Chief Executive, until she was appointed to the Chief Executive role in October 2010.

Tracy is married to Johnathon and enjoys travelling, reading and more recently gardening.

Dr Paul Dodds, Medical Director, Deputy Chief Executive

Paul was born and bred in Nantwich, before studying medicine at Manchester University. He was appointed Consultant Physician with an interest in Cardiology at the Trust 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.

Paul is married to Ali and, away from work, his main interests include gardening and religiously following Everton Football Club.



Mrs Denise Frodsham, Chief Operating Officer

Denise has worked in the NHS for over 26 years, including six years at the Trust developing and implementing modernisation programmes to improve quality, efficiency and capacity, as well as reducing cost and increasing income. Immediately before joining the Board of Directors, Denise was the Trust's Associate Divisional Director for Diagnostic and Clinical Support Services. She has a special interest in, and experience of, leading organisational change and working with individuals and teams to improve service delivery and performance. Recently, she has had experience of cross-boundary working and management of collaborative services.

She holds both a postgraduate diploma and a master's degree in Business Administration; certification in Occupational Health and Safety (NEBOSH); accreditation as a clinical pathology assessor; a fellowship in medical microbiology; and a higher national certificate in Medical Laboratory Sciences.

Denise is married with one child, and leads a very hectic social life with family and friends, as well as trying to keep active through gardening, walking and (more recently) learning to dance ballroom.



Mr Mark Oldham, Director of Finance and Strategic Planning

Mark joined the NHS in 1989, originally working at Crewe Health Authority. In 1990, Mark began his work at Mid Cheshire Hospitals as it received NHS Trust status.

Since then Mark has had a number of promotions internally, giving him exposure to all elements of the NHS financial regime.



His noticeable 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 and has undertaken study with the NHS Leadership Academy in respect of Executive Director Development.

Mrs Jayne Shaw, Interim Director of Workforce and Organisational Development (appointed 3 January 2012)

Jayne is a qualified HR practitioner and has worked in the NHS for over 25 years. She has gained experience working in a variety of roles within HR, across a range of services including mental health, community and primary care.

In addition, Jayne has worked in a specialist services and before joining Mid Cheshire Hospitals as the Interim Director of Workforce and OD in January 2012, she was Director of Human Resources and Organisational Development at Alder Hey Children's NHS Foundation Trust where she worked for nearly 8 years. Jayne is committed to improving patient care through the delivery of excellence in HR practise. Jayne lives in Liverpool and is married with two children.



Mrs Julie Smith, Director of Nursing

Julie has worked in the NHS for over 20 years training as a nurse in Belfast, working 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.

Most recently Julie undertook the positions of Deputy Director of Nursing at a large acute teaching hospital and as Associate Director of Nursing at NHS East Midlands leading on Patient Experience. Julie's passion is the delivery of high quality care resulting in good patient experience and she has a particular interest in vulnerable groups.





Appendix 3

Board of Directors

Name	Position	Board of Directors	Audit Committee	Infrastructure Committee	Performance & Finance Committee	QuEST Committee	Remuneration Committee	Strategic Integrated Governance Committee
Mrs Tracy Bullock	Chief Executive	Attended 12 of 12 meetings.				(C) Attended 5 of 6 meetings.	Attended 2 of 2 meetings.	
Mrs Rachel Alcock	Director of Workforce & Organisational Development – To 31.12.2012	Attended 8 of 12 meetings (to Dec 2011).			Attended 1 of 12 meetings (to Dec 2011).			Attended 5 of 11 meetings (to Dec 2011).
Dr Paul Dodds	Medical Director	Attended 12 of 12 meetings.				Attended 6 of 6 meetings.		(C) Attended 10 of 11 meetings.
Mrs Denise Frodsham	Chief Operating Officer	Attended 12 of 12 meetings.		Attended 3 of 6 meetings.	Attended 12 of 12 meetings.			
Mr Mark Oldham	Director of Finance & Strategic Planning	Attended 11 of 12 meetings.	(L) Attended 6 of 6 meetings.	(C) Attended 6 of 6 meetings.	(C). Attended 9 of 12 meetings.			
Mrs Jayne Shaw	Director of Workforce & Organisational Development – Appt 01.01.2012	Attended 4 of 12 meetings (from Dec 2011).			Attended 3 of 12 meetings (from Jan 2012).			Attended 3 of 11 meetings (from Jan 2012).
Mrs Julie Smith	Director of Nursing & Quality	Attended 11 of 12 meetings.				Attended 5 of 6 meetings.		Attended 10 of 11 meetings.
Mr John Moran	Chairman	(C) Attended 12 of 12 meetings.				Attended 6 of 6 meetings.	(C) Attended 2 of 2 meetings.	
Mr Michael Chandler	Non Executive Director – To 31.10.2011	Attended 6 of 12 meetings (to Oct 2011).	Attended 3 of 6 meetings (to Oct 2011).	Attended 3 of 6 meetings (to Oct 2011).			Attended 1 of 2 meetings (to Oct 2011).	
Mr William Craig	Non Executive Director	Attended 11 of 12 meetings.	Attended 6 of 6 meetings.				Attended 2 of 2 meetings.	Attended 10 of 11 meetings.
Mr Dennis Dunn	Non Executive Director	Attended 10 of 12 meetings.	Attended 5 of 6 meetings.	Attended 5 of 6 meetings.			Attended 2 of 2 meetings.	
Mrs Valerie Godfrey	Non Executive Director	Attended 11 of 12 meetings.	Attended 5 of 6 meetings.			Attended 3 of 6 meetings.	Attended 1 of 2 meetings.	
Mr David Hopewell	Non Executive Director	Attended 11 of 12 meetings.	(C) Attended 6 of 6 meetings.		Attended 12 of 12 meetings.		Attended 2 of 2 meetings.	
Mrs Ruth McNeil	Non Executive Director – Appt 01.11.12	Attended 4 of 12 meetings (from Dec 2011).	Attended 1 of 6 meetings (from Dec 2011).				Attended 1 of 2 meetings (from Dec 2011).	Attended 4 of 11 meetings (from Dec 2011).
Dr Alan Wood	Non Executive Director, Senior Independent Director	Attended 12 of 12 meetings.	Attended 5 of 6 meetings.	Attended 1 of 6 meetings (from Jan 2012).	Attended 10 of 12 meetings.		Attended 2 of 2 meetings.	Attended 7 of 11 meetings (to Dec 2011).



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