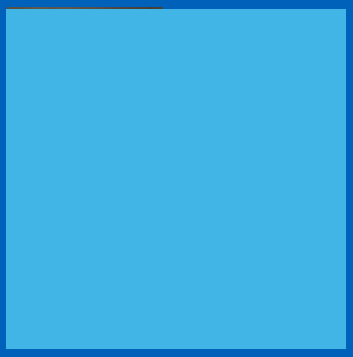
NHS

Mid Cheshire Hospitals

NHS Foundation Trust

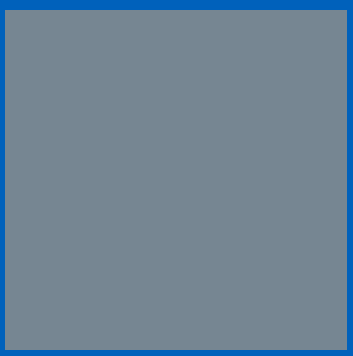




Annual Report and Accounts

2017 to 2018






Mid Cheshire Hospitals NHS Foundation Trust

Annual Report and Accounts 2017 to 2018

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

Contents

An Overview of Mid Cheshire Hospitals NHS Foundation Trust

1. Overview

Mid Cheshire Hospitals NHS Foundation Trust has 527 beds, provided at Leighton Hospital in Crewe, Victoria Infirmary in Northwich and Elmhurst Intermediate Care Centre in Winsford. The Trust's purpose is to provide a comprehensive range of healthcare services to the population of Alsager, Crewe, Congleton, Knutsford, Middlewich, Nantwich, Sandbach, Winsford and surrounding areas. This is a largely rural area across Central Cheshire with a rapidly growing and aging population.

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

The services provided by the Trust include:

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

Mid Cheshire Hospitals has a good reputation of delivering improvements in clinical outcomes, patient experience and transformational efficiencies which was evidenced in the 'Good' rating by the Care Quality Commission, following its last inspection in 2015.

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

The Trust's headquarters are at:

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

The Trust provides services at the following locations:

- Leighton Hospital, Middlewich Road, Crewe, Cheshire, CW1 4QJ
- Victoria Infirmary, Winnington Hill, Northwich, Cheshire, CW8 1AW
- Elmshurst Intermediate Care Centre, Roehurst Lane, Winsford, Cheshire, CW7 2DF
- Community Services at 26 GP medical centres and schools throughout Central Cheshire.

Trust History

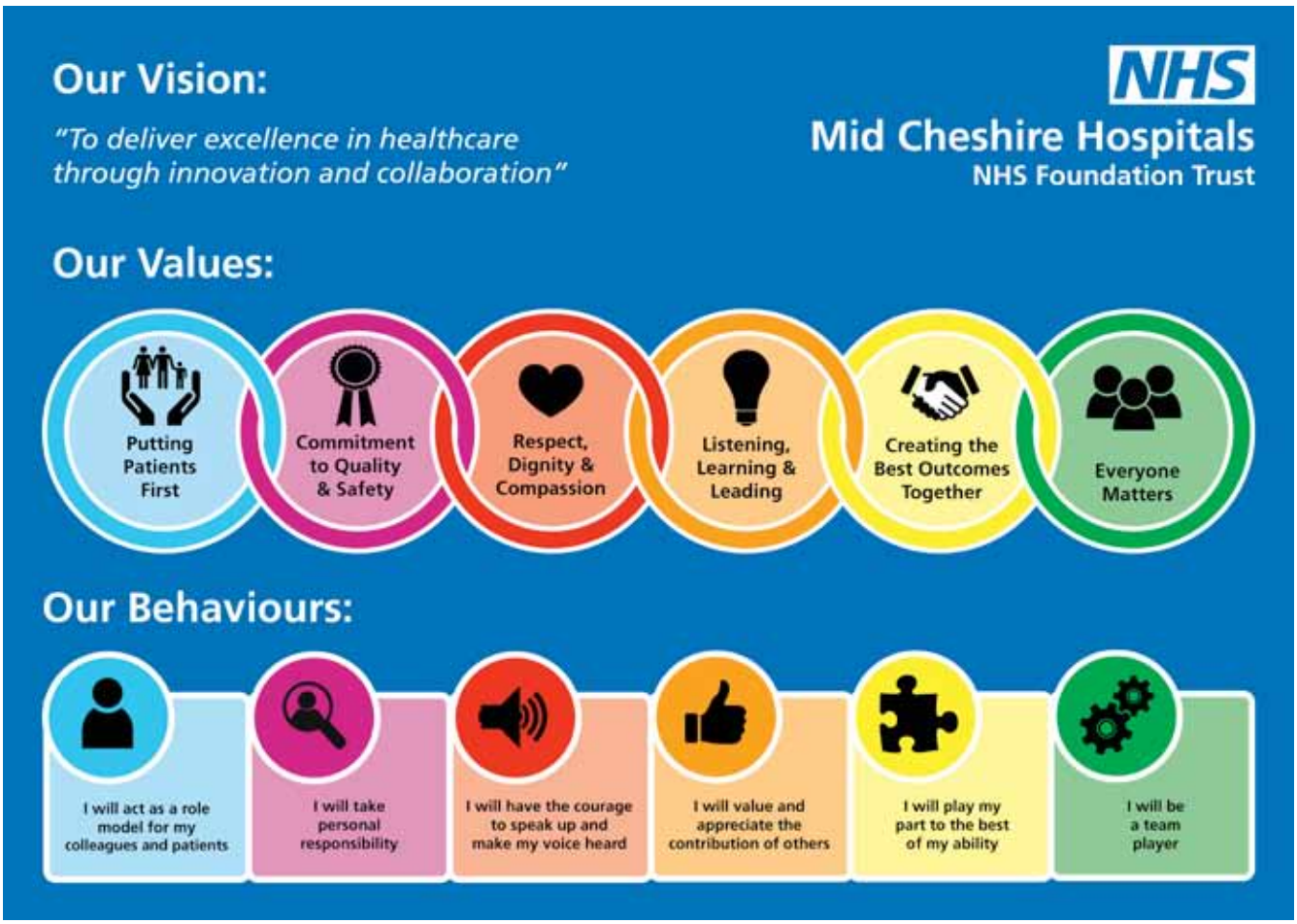
Mid Cheshire Hospitals NHS Foundation Trust (the Trust) was authorised by Monitor, the independent regulator, on 1 April 2008 as a Foundation Trust to provide services to people living in and around Alsager, Crewe, Congleton, Knutsford, Middlewich, Northwich, Nantwich, Sandbach and Winsford. The Trust's core purpose is to provide acute, child health, intermediate care and maternity services ensuring patient experience is at the forefront of care. Since 1 October 2016 the Trust, in collaboration with Cheshire and Wirral Partnership NHS Foundation Trust and the South Cheshire and Vale Royal GP Alliance, has also delivered Community Services through the newly established Central Cheshire Integrated Care Partnership (CCICP).

Trust Structure

Alongside CCICP, the Trust operates its acute clinical services through four clinical divisions:

- Medicine and Emergency Care
- Surgery and Cancer
- Women and Children's
- Diagnostics and Clinical Support Services.

Estates and Facilities and Corporate Services divisions provide support to the clinical services.



Our Vision, Mission and Values

The Vision

The Vision for Mid Cheshire Hospitals NHS Foundation Trust is:

"To Deliver Excellence in Healthcare through Innovation and Collaboration."

The Mission

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

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

Strategic Direction

In conjunction with staff and stakeholders, the Trust updated its strategy and objectives in 2017/18. The strategic objectives for the Trust are:

- Delivering outstanding clinical quality, safety and experience
- Being a leading partner in a progressive health economy
- Striving for organisational effectiveness
- Aspiring to excellence in practice through our workforce
- Creating a 21st Century infrastructure for transformative health and social care.

Our Values

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

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

Foreword from the Chairman and Chief Executive

2. Foreword from the Chairman and Chief Executive

Welcome to Mid Cheshire Hospitals NHS Foundation Trust's Annual Report for the period ending 31 March 2018. We are delighted to present this report to you and to outline some of our achievements and challenges during this financial year.

Each year is proving to be more challenging than the last both in terms of financial challenges and the number of patients that we are treating. So it is all the more pleasing that this year has been one of our most successful.

In terms of performance, we remain the second best performer in the country in relation to meeting the six national cancer targets, which is really important to us as we understand the anxiety created if patients have to wait too long for a diagnosis. We are also the fourth best performer in the country for patients waiting less than 18 weeks for elective or planned care. This achievement is a result of the dedication and hard work of our staff and volunteers who, despite tremendous pressure, have given their all to ensure our patients are treated in a timely manner.

Although there have been significant successes and we remain proud of the Trust's performance, there has been prolonged pressure on Emergency Departments (ED) up and down the country and too many of our patients have had to wait longer than we would have liked for which we apologise. We have seen our highest recorded number of patients and ambulances attending the ED, as well as the number of patients requiring admission into our hospital beds. We would particularly like to thank our patients and their carers for their patience shown during periods of extremis and our staff who have worked far over and above what anyone could have asked of them.

This year saw the one year anniversary of our Central Cheshire Integrated Care Partnership (CCICP), a partnership between ourselves, our local GP Alliance and Mental Health Trust in running Community Services for the populations of South Cheshire and Vale Royal. The year has been a huge success and we have learnt a lot from our partners and our community staff and we look forward to working with them over the forthcoming year to further develop and transform services. It was especially pleasing to see such a positive national staff survey result from our community staff, clearly indicating that they felt engaged and supported.

The NHS financial pressures continue and the most significant and positive outcome seen this year is the vastly improved relationship and partnership working with our Clinical Commissioning Groups (CCGs). As a result of this, the Trust and the system have met their financial obligations for 2017/18. This is an extremely positive result and although 2018/19 will be even more financially challenging, we start the year, as a system, in the best possible position. The Trust and CCGs have worked hard to get to a position where we signed our annual contract on time, therefore ensuring our time, effort and energy is directed in transforming and improving services for the population we serve.

Due to the financial constraints of the NHS, estate projects have been limited in scope. However, we are very pleased to have completed a number of projects such as continuing the ward refurbishment programme. This year we opened our newly refurbished children's ward, which includes animal themed sky lights and wall panels to help create a more calming environment for our young patients.

We also refurbished our Ophthalmology Department thanks to the support of Novartis. In this highly pressured service we are now able to see more patients in our new rooms, which are incorporated into a bigger and brighter environment.

We are also delighted to launch our new 'Everybody Knows Somebody' Dementia Appeal to provide a dementia friendly ward for our most vulnerable patients. We aim to raise £1.5 million, which will support developments within the dementia ward and also dementia friendly cubicles within our Emergency Department and improvements to Ward 21B and Elmhurst Intermediate Care Centre.

As well as developments to our estate, we are also on a journey of innovative developments which are IT enabled, such as the introduction of a Virtual Fracture Clinic. This prevents patients from having to make unnecessary visits to the hospital following treatment at our Emergency Department as a result of a fracture or soft tissue injury, whilst ensuring they still receive a consultant review.

We are most proud that, during unprecedented pressures, our patient and staff satisfaction remains high,

as demonstrated within our national staff survey results and the patients' Friends and Family Test results whereby over 95% of our patients would either recommend or highly recommend our services. 2018 saw the publication of our first national staff survey that included our community services staff and we were delighted to read that Mid Cheshire Hospitals NHS Foundation Trust was in the top five acute trusts in the country for staff engagement and the top performing combined acute and community trust.

There are many developments and positive achievements that we could include in our foreword but we are sure you will enjoy reading about them in the body of our Annual Report, which also includes our Quality Account.

On closing, can we once again pay tribute to our staff and our volunteers who freely give up their time to support our patients. You have all made an outstanding contribution to the achievements recorded in this Annual Report and, on behalf of the Board of Directors, can we thank you for your continued enthusiasm and support. It would also be remiss of us not to thank our Governors for their support, challenge, commitment and interest in representing the views of our staff and public.

Dennis Dunn
Chairman

Tracy Bullock
Chief Executive

Principle Risks and Uncertainties

The Trust continues to identify potential risks to achieving its strategic developments as part of its good governance process. The Board maintains an Assurance Framework which enables the identification, analysis and management of risk. The Trust reviewed this framework and the associated Risk Management Policy in 2017. The principle organisational risks for 2018/19 are:

- The operational sustainability of the Trust
- The delivery of high quality care consistently seven days a week
- The long term financial sustainability of the Trust
- A lack of capital funds to implement the Information Management & Technology Strategy
- The sustainability of vulnerable clinical services due to a lack of staff and finance.

The Trust recognises that there may be other risks or uncertainties that have not yet been identified which could impact on the Trust's future performance.

The Annual Governance Statement contained within this report further outlines the Trust approach to risk, the detail of significant risk and how it manages these. The Trust has developed a clear risk mitigation strategy to deal with the external volatile environment and will continue to engage with partners in the development of such plans.

The Trust's culture is built on trust, openness and empowerment with clear lines of accountability and responsibility that have ensured learning and improvement over time. The Annual Governance Statement also includes the Trust's system of internal control which is designed to manage risk for the organisation.

The Trust continues to perform well against objectives, regulatory requirements and targets and is confident in delivering these going forward.

Statement of Going Concern

Mid Cheshire Hospitals NHS Foundation Trust has prepared its Annual Plan on a going concern basis. After making enquires, the directors have a reasonable expectation that the Trust has adequate resources to continue to be in operational existence for the foreseeable future. For this reason, they will continue to adopt the going concern basis in preparing the accounts.

The Trust recognises the significant financial challenges within the NHS and an ongoing gap of £10m in the local health economy and the risk this represents to the Trust's going concern statement. The Board of Directors remain cited on these issues and is pleased to report a significant reduction in this gap through excellent partnership working and efficiencies made during 2017/18. As the Trust enters the second year of the Capped Expenditure Programme, mechanisms are in place to understand and mitigate these risks as far as practicably possible.

These accounts have been prepared under a direction issued by NHS Improvement in exercise of Monitor's powers under the National Health Service Act 2006. The Board of Directors at Mid Cheshire Hospitals NHS Foundation Trust understands its responsibility for preparing the Annual Report and Accounts. The Board considers the Annual Report and Accounts to be fair, balanced and understandable whilst providing necessary information for Members, patients, regulators and other stakeholders to assess the Trust's performance, its strategy and business model.

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

Tracy Bullock
Chief Executive & Accounting Officer
Date: 21 May 2018

Performance Report

3.1 Performance Analysis 2017/18

The purpose of the strategic report is to provide Members with information in order that they can assess how well the Directors have performed during 2017/18 to promote the success of the Trust so as to maximise the benefits for Members of the Trust and for the public.

The Trust has made significant progress against its strategic objectives with the delivery of operational, clinical and quality standards during 2017/18.

Last year the Trust:

- Employed 4,584 members of staff
- Cared for 87,766 patients across the Accident and Emergency department, Minor Injuries Unit and Urgent Care Centre
- Performed almost 33,000 operations and day case procedures
- Saw over 260,000 attendances in the Outpatient clinics
- Handled over 212,000 requests for diagnostics imaging
- Carried out over 180,000 appointments with patients outside of hospital in the community including almost 80,000 district nurse and 30,000 physiotherapy appointments.

Attendances at the Emergency Department were the highest on record for the hospital. The number of patients attending the Emergency Department who subsequently required admission rose this year from just over 35,000 in the 2016/17 financial year to in excess of 39,000. This highlights the importance of a successful Access and Flow transformation programme.

After record high levels of planned care services provided to patients in 2016/17, this year has seen a decrease in elective episodes requiring a procedure to be performed. This decrease is in part the result of a drop in referrals being received by the Trust. The total referrals received by the Trust dropped from 100,738 in the 2016/17 financial year to 98,661 this year. This decrease also impacted the number of attendances at an outpatient clinic.

The Trust's maternity services also had an extremely busy time in 2017/18, supporting expectant mums to deliver over 2,900 babies. This is the highest seen for a number of years.

The table below details the patient activity as follows:

Key Performance Measures	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Emergency episodes of care requiring the use of a bed	39,248	35,109	35,617	32,698	32,679	31,270	29,934*
Attendances at Accident and Emergency and Minor Injuries	87,766	86,127	84,856	84,042	82,140	83,320	79,579
Total referrals received	98,661	100,738	92,278	90,998	84,598	86,842	
GP referrals received	61,030	61,815	59,049	58,183	50,456	51,665	
Elective episodes requiring a procedure to be performed	30,510	34,787	31,889	28,581	28,483	28,345	28,659
Total attendances at outpatient clinics	260,278	286,143	266,698	257,410	254,626	239,210	239,977
Births	2,937	2,836	2,866	2,672	2,732	2,827	2,879
Requests for medical imaging	212,030	226,880	220,472	209,841	207,980	192,574	181,457
Average number of beds open in the year	556	579	569	562	561	585	569
	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Average % Occupancy							
Overall	91.29%	85.27%	90.36%	87.10%	85.70%	87.40%	84.10%
General Medicine	94.38%	91.75%	95.50%	87.20%	91.40%	91.80%	89.10%
General Surgery	85.37%	72.69%	77.13%	85.72%	84.40%	89.50%	84.60%
Orthopaedics (Ward 9)		82.40%	76.81%	81.45%	82.52%	86.60%	82.90%

Compliance with Mandatory Financial and Operational Standards

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

Performance against national targets and regulatory requirements 2016/17:

National Targets and Minimum Standards	Target	Target (2017/18)	2017/18	2016/17	2015/16	2014/15
Infection Control	Number of clostridium difficile cases (Avoidable)	<= 24	2	3	33	10
	Number of clostridium difficile cases (Unavoidable)	n/a	17	19		
	Number of MRSA blood stream infection cases	Target <= 0 MRSA	5	3	0	1
Access to Cancer services	% of cancer patients waiting a maximum of 31 days from diagnosis to first definitive treatment	96%	99.32%	99.80%	99.48%	99.56%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (anti-cancer drug)	98%	100%	100%	100%	100%
	% of cancer patients waiting a maximum of 31 days for subsequent treatment (surgery)	94%	100.00%	100.00%	100.00%	99.79%
	% of cancer patients waiting a maximum of 62 days from urgent GP referral to treatment	85%	93.70%	92.90%	91.22%	89.24%
	% of cancer patients waiting a maximum of 62 days from the consultant screening service referral to treatment	90%	97.09%	95.40%	97.94%	95.94%
	% of cancer patients waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	96.85%	98.10%	96.60%	95.38%
	% of symptomatic breast patients (cancer not initially suspected) waiting a maximum of 2 weeks from urgent GP referral to date first seen	93%	80.94%	97.90%	95.53%	95.96%
Access to Treatment	18 weeks Referral to Treatment (admitted patients)	90%	90.19%	89.70%	93.02%	93.09%
	18 weeks Referral to Treatment (non-admitted)	95%	95.72%	92.60%	93.72%	93.63%
	18 weeks Referral to Treatment (patients on an incomplete pathway)	92%	95.90%	94.40%	95.02%	94.45%
Access to A&E	% of patients waiting a maximum of 4 hours in A&E from arrival to admission, transfer or discharge	95%	87.12%	90.20%	93.40%	92.24%
Cancelled operations	# of in-patients who had operations cancelled by the hospital for non-clinical reasons on day of or after admission to hospital	N/A	347	422	383	303
	# of those patients who had operations cancelled by the hospital for non-clinical reasons on day of or after admission to hospital, and were not treated within 28 days	0	35	40	17	8

The Trust achieved eight out of nine of its regulatory performance indicators for the 2017/18 financial year, the exception being the 95% four-hour transit time standard, against which the Trust achieved 87.12%. Whilst this has been disappointing, it is recognised that timely admission, transfer and discharge remains a national challenge for the NHS.

This year the Trust has seen strong performance in relation to access standards for planned care. Building on the previous year's success, the Trust has improved from 94.4% to 95.9% of patients waiting less than 18 weeks for their treatment during the course of the year. This is against a national standard of 92%. This level of performance ranks Mid Cheshire Hospitals NHS Foundation Trust in the top ten Trusts in England for this standard.

Above: Members of the multidisciplinary SACU team

In terms of cancer care, the Trust has achieved and exceeded all but one national access standard for the year in relation to timeliness of diagnosis and treatment of cancer patients. The exception being the "percentage of symptomatic breast patients (cancer not initially suspected) waiting a maximum of two weeks from urgent GP referral to date first seen". This standard has not been met due to a significant increase in referrals at a time of reduced capacity in a hard to recruit speciality. The excellent performance across all other standards has been seen at all stages of the pathway, from access to a specialist within 14 days of referral from a General Practitioner, to treatment commencing within 31 days of a diagnosis being made.

Delivery of the 2017/18 Annual Plan

The Trust has introduced a significant number of initiatives and developments to enable the achievement of operational and efficiency measures in the future. The Trust runs a transformation programme which focuses on key services to improve the quality of patient care and improve the use of resources. Information about the future plans for these projects is included in section 3.5, Strategic Direction 2018/19.

Transformation update

Surgical Transformation

In March 2017, Mid Cheshire Hospitals NHS Foundation Trust joined eleven other trusts as part of the National Surgical Ambulatory Emergency Care Network. This was an ambitious project with the ultimate aim of improving the quality of care for emergency General Surgery patients and reducing unnecessary admissions.

Over the past 12 months the Surgical Ambulatory Care Unit (SACU) has established a multidisciplinary team supporting and driving change to improve the emergency surgery pathway. The unit offers a designated senior review, with rapid access to radiological investigations meaning a definitive diagnosis can be made sooner and a management plan put in place. This has led to more patients being discharged home the same day, having been optimally managed. Those requiring procedures can return for a planned operation when it is safe to do so. This has reduced the patient's length of stay and improved the overall experience for these emergency patients. Patient experience of the service has been excellent, with 96% of patients saying they would recommend the Unit.

The team has received national recognition from the Ambulatory Emergency Care Network and the Association of Surgeons for Great Britain and Ireland.

Bowel Screening Programme

The Bowel Cancer Screening Programme diagnosed a number of people with bowel cancers and polyps in 2017/18 which would otherwise have not been picked up until much later. The programme is intending to increase capacity in 2018 to meet growing demand.

The Bowel Scope Programme, which invites those aged 55 years of age for a flexible sigmoidoscopy, continued to be delivered at Leighton Hospital and was also extended to the Countess of Chester Hospital from April 2017. Both sites increased their capacity during the year and programmes will be introduced at Victoria Infirmary, Northwich, and at Macclesfield District General Hospital in 2018.

Outpatients

The outpatient transformation group was originally established to improve outpatient experience by focusing on customer service and efficiency. In a drive to move to a paperless NHS, the Trust is expected to receive 100% of patient referrals via the NHS e-Referral Service. The benefits of using the NHS e-Referral Service are immediate for patients, who have more choice and control over their healthcare. They are now able to make their outpatient appointment at a time and place convenient to them. It is anticipated that trusts will benefit through a reduction in 'did not attend' (DNA) rates and improved

capacity management. The Trust is on target to introduce paperless referrals during quarter one of 2018/19.

Rapid Access Bureau

The Trust recognises the importance of timely diagnosis and treatment for patients suffering from cancer. The Rapid Access Bureau was introduced with the aim of improving the patient pathway for patients with a suspected diagnosis of cancer. The team strives to deliver a same day service, contacting patients on the day the referral is received with an appointment date. Where possible, the first outpatient appointment is made within seven days. Patient feedback has been extremely positive. The number of patients seen within the 14 day national standard remains very high at 98.1%.

Access and Flow

The Access and Flow programme was established in 2015 to enable a better patient journey through the hospital for medical and surgical patients admitted as an emergency. In 2016 all areas were required to set up A&E Delivery Boards and are part of a national A&E improvement plan to include 'front door' streaming and improved flow.

A key focus for 2017/18 was reducing the number of patients in hospital who are medically optimised, but do not have a safe place to go to continue their care in the right environment. This has involved focused communication and work across partners in health and social care to ensure a joined up approach is used. A 'discharge to assess' model has been implemented which is a more person-centred, proactive approach. This approach has also been rolled out to all community beds and settings.

The community bed base has been reassessed to make them more accessible and generic to allow more flexibility by which patients can access these beds. A new electronic bed bureau system has been developed to support the flow in and out of the community beds across three sites, Elmhurst, Winsford Grange and Station House. All sites have received training and are working with the system to provide an up to date view of the current capacity and allow for clear planning of transfers. The system is also designed to report on delays that are affecting the patient journey, which can then be escalated to improve flow.

This work has led to a reduction in delayed transfer of care from around 8% to 2% of the hospital bed base, which is one of the best performances nationally. Other key achievements in 2017/18 for Access and Flow include:

- Establishing Multi-Agency Discharge Events (MADE) over the year, bringing people together from all local health systems to support improved patient flow, recognise and unblock delays and to challenge, improve and simplify complex discharge processes.
- Roll out of a 24-hour, seven day Matron-led community service to help avoid hospital admissions, which has seen a reduction of over 7% against the previous year
- Primary Care streaming has been established to manage up to 40% of Emergency Department arrivals from 9am to 11pm, seven days a week
- The highest performing ambulance turnaround performance for adult hospitals in the North West, nearly always receiving patients within 15 minutes of arrival
- Significant reduction in the number of medical patients placed on surgical wards as 'outliers', meaning patients have remained in their specialist ward which ultimately aims to achieve earlier discharge.

The levels of demand on A&E have continued to grow in 2017/18 and, as a result, the Trust has found the national target of treating or admitting 95% of patients within four hours challenging. The Trust's performance has been 87.12% in 2017/18 despite the improvements made under the Access and Flow programme. The main driver for the decrease in performance, seen predominantly over the winter period, has been higher A&E attendance. The acuity of patients presenting is increasing in need and therefore admission rates into the hospital are increasing.

Seven Day Services

The Trust is proactively working to deliver the four priority clinical standards for acute sector organisations within the national 7 Day Services programme. Clinically led by the Medical Director, the Trust's services participate in national surveys twice a year which allow the Trust to benchmark against national peers its progress towards delivering the four priority standards. MCHFT performs well with regard to 'Access to Diagnostics' (Standard 5), 'Access to Consultant-directed Interventions' (Standard 6) and 'Ongoing Consultant Review' (Standard 8). In line with other trusts, the consistent delivery of the 'First Consultant Review within 14 hours of an Emergency Admission' (Standard 2) remains a challenge, although there are plans in place to improve on this position.

Workforce Transformation

In response to changing service needs a number of new clinical roles are being developed such as Advanced Clinical Practitioner, Nursing Associates and Physicians Associates. The Trust is developing a new Advanced Practitioner strategy to support investment in advanced practitioner roles across the Trust, including within our Community Services. The Trust has also continued to use a number of innovative solutions to maintain a safe and effective workforce such as investing in the Trust's award winning Return to Practice programme where a number of Qualified Nurses and Midwives are being supported to return to clinical practice after a long period away from these roles.

The medical workforce transformation programme continues to progress and regularly reviews the Trust's additional needs for medical staff. There are times when the Trust needs to support additional clinical activity from its medical teams because of increased demand for services. During 2017/18 the Trust reduced such payments in line with other local providers and the frequency with which these payments are needed was also reduced. The role of Pharmacy Technician was developed in 2017/18 following a very successful pilot on Ward 21B.

This role supports qualified staff in the administration of medication, which frees the nursing staff to undertake hands on nursing duties. The role has additional benefits in educating patients on how to take their medication, savings through avoiding medication wastage, and reduced medication omission rates. The project has been nominated for Patient Safety and HSJ Awards and is seen as an exemplar by other Trusts.

Community Services

Central Cheshire Integrated Care Partnership (CCICP) was formed in October 2016 and was a new and innovative collaboration between Mid Cheshire Hospitals NHS Foundation Trust, Cheshire and Wirral Partnership NHS Foundation Trust (CWP) and the South Cheshire and Vale Royal GP Alliance, which covers all 30 local GP practices. By working together, the three organisations aim to transform, develop and deliver health care services in the community that are focused on delivering high quality, safe care in the right place at the right time. The principles of CCICP are to ensure integrated care, person-centred care and services centred around Care Community Teams (CCTs).

A major part of the transformation of community services has been the establishment in 2017/18 of five Care Community Teams, which will host a significant proportion of community staff. These are based around the key towns and include:

- Winsford
- Northwich
- Crewe
- Nantwich and Rural
- SMASH (Sandbach, Middlewich, Alsager, Haslington and Scholar Green).

A number of service developments and pilots have been tested during 2017/18 including a new falls rapid response service which was piloted in 2017/18. This ensures that community teams support paramedics during 999 calls to increase the likelihood of people with no significant injury to stay at home. In the first two months of operation 78% assessed were able to remain at home compared to 35% previously.

A rapid response service by Advanced Community Practitioners (Community Matrons) has also been developed. This ensures a home visit within two hours of referral, mainly by the patients' GP, to those in the community who are having an acute episode of ill health and who, with appropriate and timely health assessment, could remain within their own home. The service has visited more than 500 patients with an average age of 80 years who previously would have required a GP visit but have been positively supported by the Advanced Community Practitioner team.

During 2017/18 CCICP developed its services to include:

- A new Therapy booking team established, based at Leighton Hospital
- A sepsis pathway for community nursing was developed and showcased at the national District Nursing Network
- Three new Total Negative Pressure Machines are now in use within the community, supporting patients with complex wounds
- A single point of access model has been introduced by the MSK Physiotherapy service to improve the management of patients with orthopaedic, rheumatology and pain conditions
- A new weekly virtual clinic for patients referred from nursing homes for nutritional support has been introduced by the Community Dietetic service. This ensures a rapid response and a plan inplace prior to home visits.

Left: Paramedics from North West Ambulance Service are supported by CCICP's falls rapid response service

Key Achievements during 2017/18

Pictured left to right: Mr David Miller and Mr Nick Boyce Cam, Consultant Orthopaedic Surgeons, at the first Virtual Fracture Clinic

Virtual Fracture Clinic launched

An innovative new scheme has been introduced at Leighton Hospital to reduce waiting times and the number of times patients with certain fractures have to attend the hospital for an appointment. The scheme was developed locally by the Orthopaedic department and IT team. After initial treatment, those requiring review by the Orthopaedic team are reviewed 'virtually' by a Consultant and specialist nurses who decide the next step of their care. Patients are then contacted by the nurse to discuss the outcome of the review and advise of the next steps. The clinic can assess up to 30 patients an hour, leading to a 25-30% reduction in outpatient attendances. The Virtual Fracture Clinic service has been nominated in the HSJ Value Awards which are to take place in June, recognising the improved value and efficiency in healthcare that the service has provided.

Community Nurse wins national award

A Paediatric Community Matron based in Crewe was named as the 'Nursing in Practice Nurse of the Year' in the 2017 GP Practice Awards. These awards recognised the Matron's delivery of a Paediatric Community Matron service, which is designed to help families cope better with their child's health needs and reduce the number of emergency hospital and GP visits. The service provides a one stop, integrated team for families.

Admiral Nurse Service launches

In May 2017 a new hospital-based Admiral Nurse Service was launched for South Cheshire. This team will provide specialist support for people with dementia and their families during their hospital stay and afterwards by providing community outreach to families.

Trust celebrates reduction in avoidable pressure ulcers

Patients at the Trust are safer than ever from harm following the introduction of a team whose focus is on the elimination of avoidable pressure ulcers. The team, which formed in November 2016, announced in July 2017 that the Trust has reduced avoidable pressure ulcers by more than 95%.

End 'PJ Paralysis' campaign launched

The Trust has launched a campaign to encourage patients in hospital, where possible, to get up, get dressed and get moving. Prolonged bed rest can lead to muscle weakness, affecting mobility, self-care, continence, respiratory health and digestion issues. Patients over 85 years can experience muscle wastage very quickly which will prolong hospital stays and affect a patient's independence in daily activities.

A collaborative approach by nursing and therapy staff on Ward 4 (Care of the Elderly) has seen patients who are well enough being encouraged to get up and spend

Pictured left to right: Sheridan Coker (Admiral Nurse), Lady Clare Daresbury (Trustee of The Anne Duchess of Westminster Charity), Anna Chadwick (Dementia Lead/Admiral Nurse) and former Director of Nursing and Quality Alison Lynch at the launch of the Trust's Admiral Nurse service

time out of bed, developing a normal routine engaging in ward activities. There has been positive feedback from staff, patients and families and there are now plans to implement across the Trust.

The introduction of a mobility champion role, to improve the 24 hour approach to rehabilitation on Ward 21B, was recently trialled. The therapy champions are healthcare assistants currently working on the ward having completed therapy competency training. The role supports the continuity of rehabilitation during all aspects of daily care, particularly in developing patients' mobility and independence, and it has been shown to improve patients' outcomes and experience. This project has been published by NICE (January 2018) as an example of good practice.

Endoscopy services

During 2017/18, the Endoscopy service has been developing additional capacity to meet future demand and has recruited additional nursing and support staff. A Nurse Consultant Endoscopist was recruited and this has supported a number of changes in practice to improve patient experience and release capacity in pre-procedure assessment and diagnostic services.

The service has undergone a successful five-year JAG (Joint Advisory Group for GI Endoscopy) reaccreditation assessment, with several commendations by the assessors of exemplary practices including the training of staff. The service won a Patient Experience Network National Award for 2017.

Baby Friendly Accreditation

Maternity services and the neonatal unit at Leighton Hospital have once again been awarded this prestigious accreditation. The international award is given to services that display best standard practices to protect, promote and support breastfeeding and to strengthen parent-infant relationship. As part of the reaccreditation, the hospital's Infant Feed Team was recognised as well as the hard work the maternity staff put into supporting mothers. The assessment includes speaking to mothers, 93% of whom were very happy with the care they received.

Maternity service receives training award

The Trust received funding from Health Education England's Maternity Safety Training Fund to provide additional training for midwives, doctors and support workers and the purchase of an advanced maternal and neonatal birthing simulator. This has helped prepare staff and students for complex cases as well as support team building and communication skills.

Neonatal Peer Review

On 30 January 2018, the neonatal unit underwent a peer review visit by the specialised commissioners at NHS England. The visit reviewed neonatal safety, the environment, feedback from parents and families, nursing and medical staffing levels and the effectiveness of care provided to patients. The feedback from the review team was very positive and highlighted that there were no immediate risks or concerns identified during the review.

Cancer services

The Trust continues to be one of the leading performers in relation to cancer patients being treated within expected time frames. The National Cancer Experience Survey rated the Trust as 8.9 where the scale was zero (very poor) to 10 (very good) against an average score of 8.7 for England. It highlighted that patients felt the Trust and the community worked well together.

The Trust is proactively recoding the "stage of cancer" at diagnosis with input from the designated cancer clinicians and achieved the best data completeness in the North West for 2017. This achievement will enable greater understanding of the prevalence and incidence of cancer and will indicate whether national and local initiatives to increase diagnosis at an earlier stage are being effective.

The Clinical Chemotherapy service has grown over 2017/18 to meet the year-on-year growth in demand for systemic anti-cancer treatment. The additional workforce has enabled the Chemotherapy Unit to expand its capacity to treat more patients with haematological

cancers and for the Pharmacy Aseptic Unit to manufacture chemotherapy over more days to reflect the increased demand. In addition, an experienced Healthcare Assistant successfully completed the two-year Foundation Degree programme to qualify as an Assistant Practitioner. This role was implemented to streamline the efficiency of chemotherapy administration and to reduce waiting time for patients on treatment days.

The Trust, working in partnership with Cheshire and Mersey Cancer Alliance, secured funding for two Pathway Navigator roles in recognition of the national and locally agreed cancer strategy to diagnose cancers earlier. The Colorectal and Vague Symptoms Navigator roles will build on work being undertaken to support rapid investigation and help to progress and embed the new cancer standard "definitive diagnosis by day 28" from April 2020.

Above: staff from the University and Chester and Mid Cheshire Hospitals collect the Return to Practice Course of the Year' award at the Student Nursing Times Awards 2017

Pathology

The Pathology service implemented the GeneExpert System at the beginning of 2018. The system provides rapid diagnosis of the flu virus, allowing reporting in two hours, rather than the previous five day turnaround rate. This has been invaluable in supporting the Infection Prevention and Control team to diagnose and isolate patients with flu, thus minimising spread of the virus and resulting ward closures, during the busy winter period.

Student Nursing Times Award

The Trust, in partnership with the University of Chester, has been named the Return to Practice Course of the Year in the Student Nursing Times Awards 2017. The course was praised for its outstanding collaborative working and commitment to continuous improvement through seeking student feedback. The course was designed to provide a flexible, innovative and supportive course to bring experienced nurses back into the profession and the course has had a 100% success rate. Following the success of the course, funding has been granted for a further two cohorts.

Paediatric Ward Refurbishment

The Paediatric Assessment Unit (Ward 16) opened in 2017 following a £1 million refurbishment. Relocation of administrative services and the paediatric audiology suite has allowed an increase in clinical space. A number of safety features have been introduced including smaller nurses' stations next to bays to allow healthcare staff to monitor patients at all times. Funding from Mid Cheshire Hospitals Charity allowed the addition of animal themed skylights and wall panels to improve the environment for children and their carers. Enabling works preparing for the refurbishment of the Paediatrics ward were completed in 2017/18 with the full refurbishment due for completion in September 2018.

Ophthalmology

The Eye Care Centre extension project at Leighton Hospital was completed in 2017/18. This was a joint venture between the Trust and Novartis Pharmaceuticals UK Ltd, which has extended the centre to allow further specialist staff to be recruited. The centre will now be able to see more patients with an improved patient experience. Over recent years the Centre has seen an increase in demand and currently serves more than 50,000 patients a year and this extension will ensure patients with serious eye conditions continue to access high quality services.

2017/18 Consultations

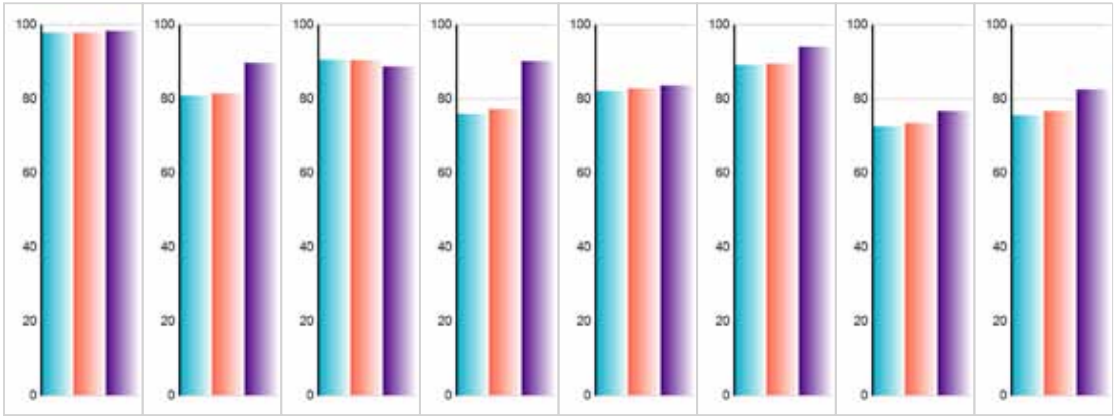
During 2017/18 the Trust did not conduct any consultations as there were no proposed changes to services that required public views. The Clinical Commissioning Groups (CCGs) for Wirral, Eastern Cheshire, South Cheshire, Vale Royal and West Cheshire led a consultation on proposed changes to services which reported in July 2017. This included services currently provided by the Trust, including minor cosmetic surgery, surgery for problems with shoulder joints, fertility and sterilisation services. The full report from this is available from the CCGs' websites.

Patient Care Environment

Patient-led Assessment of the Care Environment (PLACE) puts patients' views at the centre of the process with assessments carried out throughout the Trust's premises against: Privacy and Dignity, Dementia friendly, Cleanliness, General Building Condition, and Food. The results of these assessments identify how well hospitals are performing nationally against the areas assessed. Northwich's Victoria Infirmary is included as part of the Leighton PLACE assessment in rotation with other areas of the Trust.

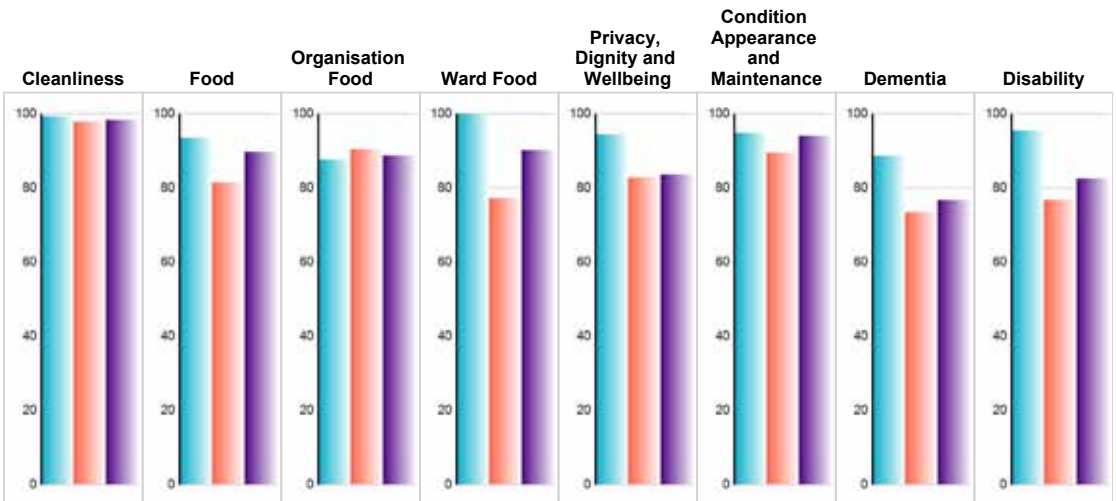
The Leighton Hospital assessment took place on 29 March 2017. The Elmhurst Intermediate Care Centre assessment took place on 3 April 2017. The official results with national benchmarking comparators have now been published. Leighton Hospital achieved a score above national average for organisational food and is below national average in the other seven categories. Elmhurst is below national average in the organisational food category only. The tables below show the scores for 2017 and the difference between the MCHFT scores and the national average. An action plan has been developed which includes both strategic and operational actions. A PLACE action group was set up to action the operational plan and identify if there were initiatives already being planned that would address the strategic issues.

LEIGHTON HOSPITAL- Collection: 2017



	Cleanliness	Food	Organisation Food	Ward Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance	Dementia	Disability
Achieved Score (Actual)	2994.0000	285.1720	105.6216	179.5504	361.4999	1407.0000	638.5209	437.1428
Available Score (Actual)	3060.0000	352.8737	116.5880	236.2857	440.0000	1578.0000	878.8571	578.3697
Site Score	97.84%	80.81%	90.59%	75.99%	82.16%	89.16%	72.65%	75.58%
Organisation Average	97.92%	81.47%	90.44%	77.23%	82.79%	89.46%	73.48%	76.61%
National Average	98.38%	89.68%	88.80%	90.19%	83.68%	94.02%	76.71%	82.56%

ELMHURST INTERMEDIATE CARE CENTRE- Collection: 2017



	Cleanliness	Food	Organisation Food	Ward Food	Privacy, Dignity and Wellbeing	Condition Appearance and Maintenance	Dementia	Disability
Achieved Score (Actual)	544.0000	190.3948	92.1427	98.2521	51.0000	279.0000	124.8571	103.4789
Available Score (Actual)	548.0000	203.4956	105.2435	98.2521	54.0000	294.0000	140.8571	108.3697
Site Score	99.27%	93.56%	87.55%	100.00%	94.44%	94.90%	88.64%	95.49%
Organisation Average	97.92%	81.47%	90.44%	77.23%	82.79%	89.46%	73.48%	76.61%
National Average	98.38%	89.68%	88.80%	90.19%	83.68%	94.02%	76.71%	82.56%

3.2 Sustainability

The UK Government's Climate Change Act 2008 sets legally binding targets for the UK to reduce its carbon emissions by 80% by 2050 based on a 1990 baseline datum, phased in as below:

- 34% by 2020 from 1990 baseline
- 50% by 2025 from 1990 baseline
- 80% by 2050 from 1990 baseline.

In order to deliver this the Trust is working towards the targets within its Sustainable Development Management Plan (SDMP) and this broadly follows the NHS Sustainable Development Unit (SDU) initiatives to actively raise carbon awareness at every level of the organisation and to achieve zero general waste to landfill by 2020.

The Trust is committed to minimising the impact of its activities on the environment.

The table below highlights the changes over the last year with regard to waste management:

Definition	Tonne 2016/17	Tonne 2017/18	Disposal Cost 2016/17	Disposal Cost 2017/18
Total amount of waste produced by the Trust	1,089	1,158	£247,552	£259,442
Method of disposal (landfill)	412	442	£66,364	£63,499
Method of disposal (Heat treated then deep landill)	424	313	£112,752	£77,438
Method of disposal (Incinerated then deep landfill)	76	197	£35,950	£86,856
Method of disposal (Recycled)	178	205	£32,485	£31,649

Summary Position – Waste Management

- Waste produced has increased by 6.3%
- Waste going to landfill has increased by 7.2%
- Heat treated waste has reduced by 26%
- Incinerated waste has increased by 160% (resulting from incorrect segregation of clinical waste - in the last three months of the year. As a precaution, all clinical waste is being incinerated until corrective measures are in place)
- Recycling has increased by 15.4%.

Finite Resources

The Trust is committed to meeting overall government (and NHS) carbon reduction targets and minimising the use of finite energy resources.

The table below highlights the changes over the last year with regard to finite resources:

Definition	Consumption 2016/17	Consumption 2017/18	Cost 2016/17	Cost 2017/18
Water	155,578 M^3	166,808 M^3	£415,392	£441,735
Electricity	11,132,597 kWh	11,006,020 kWh	£934,689	£960,983
Gas	36,100,277 kWh	36,317,258 kWh	£767,488	£848,046
Oil	208,761 kWh	140,271 kWh	£8,973	£6,635

Assessment

The Trust was previously working to the SDU's Good Corporate Citizenship (GCC) Model as a means of demonstrating the impact that its healthcare operations are having on the environment.

The SDU suspended the GCC model last year and has now developed a Sustainable Development Assessment Tool (SDAT). The SDAT is far more wide reaching and covers areas such as sustainable models of care and adaption to climate change in far greater detail and scale. At the current time, the Trust is developing its use of the new reporting tool and hence the SDAT will feature in future Annual Reports.

Health and Safety

In 2017/18 there were seven incidents reportable to the Health and Safety Executive (HSE) as required by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (previously 1995) (RIDDOR), compared to 13 reported incidents in 2016/17.

The number of health and safety incidents reported in 2017/18 decreased by 7.3% compared to the previous year (from 1,690 to 1,528). There was an approximate 8% decrease in the number of 'No Harm' incidents reported compared to the previous year (from 1,285 to 1,181). The rate of non-patient 'Harm' incidents reported decreased by approximately 14.3% compared to the previous year (from 405 to 347). As a percentage of the overall number of incidents reported, this represents a decrease of approximately 1.3% (down from 24.9% of all incident to 22%).

During 2017 the Trust re-ran the Stress Management Survey. The results showed significant improvements against all previous 'hotspots' from the previous survey, which took place in 2015/16. Of these, eleven were no longer showing as hotspots and three further 'hotspots' have been identified. Staff from each 'hotspot' will be offered the opportunity to take part in focus groups to identify local solutions for improvement plans.

The Trust introduced Display Screen Equipment (DSE) follow-up assessor training to support the agenda for reducing musculoskeletal injuries to staff due to postural stress. Desktop exercises were undertaken within the Central Cheshire Integrated Care Partnership (CCICP) to identify moving and handling needs and inform local improvement plans.

The Trust received the Royal Society for Prevention of Accidents Award (RoSPA) 2018 Gold Award for its performance in 2017. RoSPA states that, typically, the Gold Award is achieved by those organisations demonstrating:

- Excellent Occupational Health and Safety Management systems (including strong audit systems) and culture
- A rigorous approach to occupational health
- High levels of compliance with control measures evidenced by active monitoring for principle risks
- Low/reducing rates of error (incidents and near misses)
- No work related fatal or major incidents or significant enforcement issues.

Pictured left to right: Collette Barker, Back Care Advisor, and Wendy-Astle Rowe, Health and Safety Lead, collect the RoSPA Gold Award

3.3 Financial Performance

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

Overview of the Foundation Trust Performance

There is no doubt that 2017/18 represented a significant financial challenge for the NHS and in particular the hospital providers, with the impact of sustained efficiency expectations coupled with the growing demand and the need to maintain and improve the quality of care delivered. The Trust began the year with an expected operational surplus of £0.7 million after planned support of £6.0 million through the Sustainability and Transformation Fund (STF). The Statement of Comprehensive Income shows the final surplus of £16.6 million. However, this position has been impacted by an exceptional redistribution of STF monies and release of impairments caused by a property revaluation. The STF exceptional income relates to an incentive scheme for those providers able to accept and deliver against their financial control total.

Adjusting for this exceptional item gives a comparative normalised position of £1.5 million surplus against the initial £0.7 million planned surplus.

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

- Ongoing vacancies, particularly in CCICP, created a surplus of £0.9 million which is included within the group position above
- Slippage on the Capital programme led to an underspend on Depreciation charges of £0.9 million
- Additional sums allocated to support Winter supported existing winter commitments of £0.6 million
- Increasing spend on nursing due to increases in agency and patient acuity.

2017/18 saw the introduction of the Capped Expenditure Programme with all partners across the health economy coming together to manage the costs of the system where previously focus was on individual organisations within it. This was a significant success as initial plans suggested the South Cheshire and Vale Royal system was heading for a £30 million deficit against a permitted control total of £3.5 million deficit. The Trust was able to deliver in year financial improvements of £10.7 million against the original planned cost improvements of £5.2 million. It is pleasing to acknowledge that the system position improved the £3.5 million deficit by circa £1 million.

Analysis of income

The total income received by the Trust in 2017/18 was £250.1 million, which represents an increase of £22.8 million (or 9.1%) on 2016/17. Stripping out exceptional items, including the full year impact of the transfer of Community Services (£14.6 million) in October 2016, and increases in STF funding of £1.1 million represents a normalised increase of £7.1 million (or 3.5%). An analysis of the movement in the key income streams can be found in the table below:

Analysis of income table:

Income source	2017/18 £'000s	2016/17 £'000s	Change £'000s	%
Patient Care Activities (Acute)	191,858	183,956	7,902	4.3
Education and Training	6,501	6,485	16	0.0
Non Patient Care Services to Other bodies	9,089	9,488	(389)	(0.4)
Other non-clinical income	3,445	3,834	(389)	(10.1)
Sub Total	**210,893**	**203,763**	**7.130**	**3.5**
Patient Care Activities (Community Services)	27,805	13,688		
Other Income (Community Services)	1,251	722		
STF Funding	9,774	8,622		
Charitable Contributions	413	496		
Total	**250,136**	**227,291**		

Increases in the year on year value of contract income have been driven by a number of factors:

- In 2016/17, as part of a negotiated settlement between the Trust, NHS Improvement and the Trust's main commissioners, actual income was £3.4 million below the level a payment by results settlement would have delivered. This was partly offset by a change in control total expectations. This adjustment has been reversed in 2017/18
- High cost drugs, which are a pass through charge to commissioners increased by £0.5 million
- In 2017/18 the Trust has been able to attract additional elective activity from outside the area of circa £1.8 million. This is due to an initiative to support long wait times for Wales and market share increases around the catchment border with Staffordshire as a result of more favourable access times.

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

Expenditure analysis

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

Analysis of Expenditure	**2017/18 £'000s**	**2016/17 £'000s**	**Change £'000s**	**%**
Employee Expenses - Staff	146,471	142,160	3,349	2.3
Supplies and Services - Clinical	16,289	16,646	(357)	(2.1)
Drugs	16,643	15,969	674	4.2
Premises Costs	9,325	8,269	1,056	12.8
Clinical Negligence	7,197	6,542	655	10.0
Services from NHS bodies	4,116	5,362	(1,246)	(23.2)
Other	15,354	16,688	(372)	2.3
Sub Total	**215,295**	**211,636**	3,759	17.7
Community Services Employee Expenses	19,970	9,576		
Community Services Non Pay Costs	6,737	3,800		
Release of contract provision	0	(1,400)		
Impairments	(10,471)	0		
Total	**231,631**	**223,612**		

During the year the Trust employed an average of 4,097 whole time equivalent (WTE) staff, an increase of 356 on the previous year. The average staff cost increased from £40,560 to £40,625. Average wage awards were 1%, however the average has not seen the same movement due to a different skill mix driven by the full year impact of Community Services. The costs of agency and contract staff have decreased in year by £1.4 million (or 24.5%), with the Trust remaining within its limit set by NHS Improvement.

Of the increase in average staffing, 261 WTE are accounted for by the full year impact of the acquisition of Community Services. The change in staffing, adjusting for community staff, is a net average increase of 95. Other staffing increases have been seen in front line professions with an additional 18 nursing and midwifery posts, 22 Healthcare Assistants and four Doctors posts. This demonstrates the significant progress and planned commitment in increasing the care staff to bed ratios in line with dependency indicators.

Clinical Negligence costs have seen the continued increase in litigation reflected in the Trust's premiums where a 10% increase on the previous year has been seen.

Clinical Supplies costs have remained static during the year reflecting strong procurement processes mitigating the pressure of inflationary increases along with reduced levels of elective activity. Other costs have decreased due to the Transfer of Community Services contract where the costs are now included within the direct costs of community services.

Capital expenditure investments

2017/18 has seen the Trust continue to invest in its infrastructure. During the year the continued refurbishment programmes of the Trust's wards continued with Ward 16 being completed and Ward 17 in progress. In total the Trust has seen capital additions in year of £3.0 million, with a further £1.4 million funded through new finance leases. The key elements have been:

- Completion of a centralised pre-operative assessment area
- Purchase of electronic patient systems for Community Services
- Modernised telephony system to Voiceover Internet Protocol (VOIP) technology.
- Continued developments in the Ophthalmology department to provide further capacity
- Refurbishment of Ward 16 and Ward 17
- A replacement of operating tables
- Continued programme of asbestos removal and backlog maintenance

Liquidity and Borrowings

Cash balances remained positive during the year with a year-end balance of £7.8 million. This is an improvement on the previous year which is significantly driven by stronger financial performance.

During the year Borrowings reduced by £0.8 million. This is the net impact of a reduction in working capital loans of £3.1 million, as loans were repaid, and net additional borrowings of £2.4 million to support capital spending.

Payment to supplier terms (by value) performance improved from 68% in 2016/17 to 84% in 2017/18.

Accounting policies for pensions and retirement benefits

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

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

Post balance sheet events

There are no significant post balance sheet events.

Cost Audit information

The option to extend the contract of the existing Auditor (Deloitte LLP) was taken by the Council of Governors in January 2018 for a further two years. Further details on the appointment of the Trust's external auditors can be found in the Director's Report.

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

Cost allocation and charging

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

Above: a refurbished bay on Ward 16, just one of the areas the Trust invested in during 2017/18

Overview of Charitable Activities

Mid Cheshire Hospitals Charity is a registered charity that manages all donations made to Mid Cheshire Hospitals NHS Foundation Trust (including money donated through fundraising activities, 'in memory of' donations and legacies) and is based at Leighton Hospital.

The charity holds a number of funds to allow people to support the area of their choice and works with the Trust to ensure that donated money is used to enhance and improve the care and experience of people treated at Mid Cheshire Hospitals NHS Foundation Trust.

Over the last 12 months the charity has funded numerous pieces of equipment including: recliner chairs, which enable patients to get out of bed sooner, special breast pumps for the neonatal and maternity units, and foldaway beds, to allow relatives to stay with very poorly patients overnight. It has also funded projects including: the development and maintenance of gardens within the hospital grounds, which enable patients to get some fresh air, and has paid for enhanced staff training, which enables them to improve the care and service they provide to patients.

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

A summary of the Trust's charitable accounts can be found in note 34 of the accounts, which show a net outgoing in year of £224,000, with retained funds at the end of the year of £882,000, of which £68,000 is held in cash and £590,000 in Investments. The remaining balance is held in debtors and creditor balances.

The charitable funds balance has reduced in year with a reduction of £224,000, which supports the Trustees' position of encouraging to utilise donations on a timely basis.

In 2018 the Charity officially launched its third major fundraising appeal, the Dementia Appeal, to raise funds to improve the environment at Mid Cheshire Hospitals NHS Foundation Trust for patients with dementia and cognitive impairments. This will include the development of a dementia-friendly ward with a garden connected to it at Leighton Hospital. As part of the launch, a garden was designed at the Royal Horticultural Society's (RHS) Tatton Park Flower Show which won a Silver-gilt award. This has now been brought back to Leighton Hospital for the use of patients.

The Charity appointed a new Charity Manager in 2017 and established a new Community Fundraiser role which has led to increased activity and fundraising by the Charity and improved links to the local community.

Over the next 12 months the charity will continue to work with patients, families, staff, external groups and local businesses to raise funds for the new £1.5 million 'Everybody Knows Somebody' Dementia Appeal, which launched in 2017. The appeal will fund a range of projects across the Trust which will make the hospital more accessible, welcoming and less frightening for people living with dementia.

Mid Cheshire Hospitals Charity

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

3.4 Counter Fraud

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

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

The following provides a summary of the counter fraud activities undertaken during the year:

- During 2017/18 the Trust worked pro-actively to raise awareness in relation to countering fraud to embed the anti-fraud culture. This included the publication of two counter fraud newsletters in July 2017 and January 2018 covering NHS fraud case studies, how to report fraud, information regarding the National Fraud Initiative exercise, Counter Fraud team contact details, payroll fraud case studies, details of the KPMG fraud barometer and alerts in relation to known scams
- The Trust's intranet was updated to include counter fraud information including Counter Fraud team contact details, case studies and fraud prevention tips
- Focused Fraud Awareness Week was held in March 2018 with the LCFS working alongside the Trust's Communications team to publicise the week
- Throughout Fraud Awareness Week and through all communications the Counter Fraud team's availability has been offered to support divisions as requested
- Counter fraud protocols have been developed with Internal Audit, Human Resources and Payroll to ensure they are fit for practice
- Counter fraud strategy is in place to prevent fraud and deter individuals or groups to attempt to commit fraud. In addition to this there are robust policies and procedures in place including the Code of Conduct, Fraud and Corruption Policy, Disciplinary Policy, Whistleblowing (raising concerns) policy, Procurement policies, Patients' Property and Hospitality and Declarations of Interest. The Fraud Policy and Response Plan were updated during the year in line with revised guidance
- Strategic counter fraud plan includes pro-active, risk-based reviews of key fraud risk areas. All reviews identified areas for development and provided action plans for the Trust
- In 2017/18 a targeted audit was carried out on mandate fraud alongside the Trust Internal Auditors. No major issues were identified which would expose the Trust to an increased level of fraud.

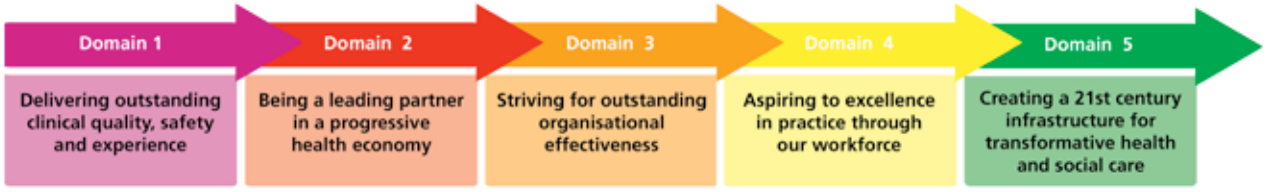
Tracy Bullock
Chief Executive & Accounting Officer
Date: 21 May 2018

3.5 Strategic Direction (looking forward to 2017/18)

In December 2017 the Trust reviewed and updated its Strategy, developing a plan and objectives to progress the organisation from 2017 until 2020. This was undertaken through a series of engagement events with staff, Governors and the wider partner stakeholders

The Strategy review also considered the vision, values and behaviours and these were updated in line with the changing environment and integrated working across the Trust's traditional boundaries and service provision. The resulting document (**www.mcht.nhs.uk/strategy**) detailed the significant progress made against the 2011 five year strategic plan, as well as recognising the continued transformation programme required to achieve greater integration across both health and social care.

To support this direction of travel, five strategic domains were identified along with detailed objectives and programmes of work:



From a financial perspective, and looking forward to 2018/19, the Trust has submitted a plan that delivers an improved position to a surplus of £5.2 million. This position is dependent on the Trust being able to access additional funds available through the 'Sustainability and Transformation Fund' from which the Trust has been allocated £8.4 million. These funds are contingent on a number of factors including delivering the agreed financial control total and achieving the agreed trajectories against the four hours access standard.

The Trust's Annual Plan covering the financial year 2018/19 requires a cost saving of £5.6 million to deliver the £5.2 million control total. Detailed plans are in place to deliver this.

The plan continues to build on the Trust's strategic cornerstones of both vertical and horizontal integration. Further progress has been made in the last 12 months in respect of the vertical integration of services across the catchment area, with the Trust, in partnership with the South Cheshire and Vale Royal GP Alliance and Cheshire and Wirral Partnership NHS Foundation Trust, who continue to develop and improve community care by integrating services. This will lead to the expansion and enhancing of services across a number of service areas including musculoskeletal, pain, stoma and rapid response activities. A systematic review of the service lines and how these can be transformed has continued, and a path to the realisation of the benefits of the health economy transformation is now firmly within our collective control.

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

The financial outlook for the NHS beyond 2018/19 continues to be challenging, with a continued requirement to drive forward efficiencies and reduce public expenditure. Whilst health budgets have not seen the cuts other Government departments have experienced, the expectation remains that hospital providers will need to continue to deliver efficiencies of at least two percent per annum over the next five years.

In addition, the growth in activity that is being experienced nationally and locally in some areas, such as the Emergency Department, continues to place increased pressure on the local health economy who collectively are responsible for paying for the activity required to be undertaken by the Trust. The Trust continues to work with its commissioners and other providers to develop integrated models of care which can help to reduce the demand on hospital services and deliver high quality services both in and out of hospital.

Approach to Quality

The Trust's quality priorities are identified through a Quality Improvement Plan whereby collaboration with clinical staff and engagement sessions has taken place with key stakeholders, including patients and their families.

As a result of this, for 2018/19 the Trust's nine quality priorities are:

- Ensuring the prompt recognition and treatment of the deteriorating patient
- Ensuring the prompt recognition and treatment of sepsis
- Reducing the number of in-patient falls, particularly those that result in harm
- Reducing the number of pressure ulcers
- Reducing the number of healthcare acquired infections
- Reducing the number of inappropriate patient moves
- Improving end of life care
- Mortality
- Reducing serious harm.

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

- A lack of the required workforce capacity and skill-mix to deliver sustainable, high quality services consistently, seven days a week
- The long term financial sustainability of the Trust
- The ability to deliver all key local and national targets and standards, in particular the four hour standard in the Emergency Department
- The risk of not delivering the Information Management and Technology strategy with the inherent implications to patient safety and quality of patient care
- A lack of pace in the significant transformational change required to deliver the Cheshire and Merseyside Five Year Forward View.

Each of these risks has an action plan to mitigate the risks to safety and quality. Further details of the Quality and Safety Improvement Plan are in the Quality Account section of this report.

Seven Day Services

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

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

Through effective job planning, the Trust plans to increase the amount of on-site Consultant presence at the weekend to ensure that all emergency admissions receive a prompt initial review and subsequent ongoing review as appropriate. In line with other trusts, the consistent delivery of the 'First Consultant Review within 14 hours of an Emergency Admission' (Standard 2) remains a challenge, although there are plans in place, down to specialty level, as to how this could be achieved. The Trust will continue to develop networked arrangements with neighbouring trusts to deliver Consultant-directed interventions (e.g. interventional endoscopy, stroke thrombolysis) out of hours).

Workforce Planning and Links to Clinical and Commissioning Strategies

The Trust is now developing it new Workforce and Organisational Development strategy which focuses on the development and transformation of its workforce over the 2018 – 2021 period. The strategy is purposefully developed to be flexible and responsive enough to meet the local and national context and in particular will enable the Trust to ensure that its workforce is able to respond quickly and efficiently to developments with local partners.

The Trust has a clear and well-articulated methodology for the workforce plan which is linked explicitly to the Trust's services and activity levels as well as to the Trust Strategy. The workforce plan is focused primarily at analysing the level of service need and the resources available for the service. However, it is important to recognise that at both local and national levels there are a number of workforce challenges that need careful consideration. These include occupations with national shortages, such as Radiographers and specialist nursing roles, and the age profile of the current workforce.

The workforce plan ensures that the Trust has considered the Trust's workforce needs both now and in the future, taking account of the external drivers and developments that the Trust will need to deliver. During 2018/19 the Trust will be exploring opportunities to deliver efficiencies through collaboration and partnership working.

Transformation

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

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

Access and Flow

In 2018/19, the Trust will build on the achievements of this programme in 2017/18.

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

Above: Brian Dolan, creator of the #EndPJparalysis campaign, talks to staff about getting patients up, dressed and moving. Brian's campaign will link in with the Trust's 'SAFER' patient flow bundle during 2018/19.

assessment and links with community teams, allowing care closer to home with appropriate care facilitation.

The roll-out of the 'SAFER' patient flow bundle across the medical bed base will reduce the length of stay for patients. This is a tool for managing flow and identifying delays to patients within the hospital. It focuses on the principles of early senior review, patient knowledge about their progress and potential discharge date, discharge planning for early mornings, and systematic review of patients who have had a length of stay exceeding seven days. This will link in with '#EndPJparalysis' which is a national programme that promotes patients' independence from door to door, enabling hospitalised patients to get up, dressed and moving in order to prevent deconditioning.

The Integrated Discharge team referral database is also in the process of being revised with the aim to create a single referral and reporting database that is accessible to all relevant health and social partners involved. The community beds will have access to patients' assessments with the ability to link into the bed bureau. Accurate and up to date information will be shared to enhance the patient journey and improve communication, with the aim being for patients to tell their story only once.

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

Surgical Transformation

In 2018/19, the Trust will build on the achievements of this programme in 2017/18.

There will be further development of the Surgical Ambulatory Care Unit to reduce avoidable admissions, reduce length of stay and allow earlier access to definitive treatment to improve patient experience. Alongside this will be the extension of the Advanced Nurse Practitioner role to co-ordinate the running of the Unit and facilitate further improvements.

The roll-out of the SAFER patient flow bundle across the surgical bed base will reduce the length of stay for patients. This is a tool for managing flow and identifying delays to patients within the hospital. It focuses on the principles of early senior review, patient knowledge about their progress and potential discharge date, discharge planning for early mornings, and systematic review of patients who have had a length of stay exceeding seven days. This will link in with '#EndPJparalysis' which is a national programme that promotes patients' independence from door to door, enabling hospitalised patients to get up, dressed and moving in order to prevent deconditioning.

Theatre delivery will be reviewed, looking at the current theatre template to readdress changing needs of the service to support theatre productivity, integrating anaesthetic support and supporting job planning

A multi-disciplinary approach to Enhanced Recovery will promote recovery post-surgery, working with community partnerships to ensure patients are as healthy as possible before receiving treatment and that they receive the best possible care during their operation and whilst recovering.

Strategic Partnerships

The focus for 2018/19 is to work ever more closely together with our partnership organisations to improve the quality of care, safety and experience for patients and safeguard clinical services for the populations of Central Cheshire and North Midlands.

One of the aims is to make the Trust the preferred provider for South Cheshire and Vale Royal CCGs when clinically appropriate, in accordance with patient choice and the NHS Constitution.

The focus is on five specialties areas where opportunities for market share have been identified. These are:

- Ear, Nose and Throat (ENT)
- Ophthalmology
- Gynaecology
- Orthopaedics
- Urology.

The 'Stronger Together' programme focuses on long term sustainability by working with partnership organisations to deliver shared services. The programme of work with the University Hospitals of North Midlands (UHNM) includes:

- Pathology to include joint appointments for

Histopathology Consultants
- Elective surgery to maximise the MCHFT capacity, improve the referral to treatment time (RTT) for UHNM patients and increase the financial contribution to both organisations.

The Trust has also engaged with other local NHS trusts to support their RTT improvement programme. For example, the Trust will support Betsi Cadwaladr University Health Board to reduce their waiting times by undertaking some elective activity for their population.

Central Cheshire Integrated Care Partnership

The focus for 2018/19 will continue to be on the transformation of services by:

- Developing integrated pathways across all services that support patients to remain in the community as well as supporting earlier safe discharge
- Fully engaging with all strategic partners to deliver sustainable health services for the population of Central Cheshire
- Developing a flexible and responsive workforce to meet patient needs.

Cancer Services

The plans for 2018/19 are to transform diagnostic, treatment and follow up pathways to improve access, promote early diagnosis, optimise care and embed elements of the recovery package.

The Trust is working with the Cancer Alliance on:

Colorectal Early Diagnosis – To support achievement of definitive diagnosis by day 28 of the pathway by developing a safe, efficient and quality driven straight to test timed optimal pathway for patients with suspected and diagnosed colorectal cancer across Cheshire and Merseyside, regardless of route to diagnosis or referral route. This will promote consistency in clinical service delivery and equitable patient experience of care, whilst supporting a wider programme of Cancer Alliance initiatives to improve earlier diagnosis of colorectal cancer.

Vague Symptoms – To design and implement a best practice pathway and patient survival by reducing the interval from presentation to diagnosis. The aim is to reduce the number of Accident & Emergency or GP visits before a cancer diagnosis and improve patient experience on the cancer diagnostic pathway.

Risk Stratification – To implement supported self-management and reduce follow up burden for Breast, Colorectal and Prostate patients. To redesign clinical pathways to embed elements of the Recovery Package which are sustainable, reduce routine follow up of cancer patients and free up service capacity to deal with more complex case management. To enable every adult living with breast, colorectal or prostate cancer to have access to the Living With And Beyond Cancer (LWABC) model of care from diagnosis onwards by 2020.

Making Every Contact Count - To address lifestyle issues via “brief interventions” that can make the greatest improvement to an individual’s health. To ensure that staff use every contact that they have with service users and the public as an opportunity to maintain or improve health and wellbeing, in accordance with the principles and using the tools comprised in Making Every Contact Count guidance.

The Trust is working with Macmillan Cancer Support on:

Colorectal Enhanced Recovery After Surgery(ERAS) – To improve patient experience, outcomes and reduce length of stay by optimising perioperative care and recovery.

Care Closer to Home - To deliver Systemic anti-cancer therapy (SACT) closer to home to significantly improve patient experience, reduce health inequalities, improve waiting times (achievement of 62 day and 31 day operational cancer standards), alleviate the financial hardship for people with cancer and their carers (travel costs and associated time, i.e. time away from work) and to improve cancer outcomes. The project will scope out and redesign the optimum models/systems of local SACT delivery to enable implementation of sustainable services that support people with cancer to access high quality treatment in settings appropriate to their needs.

Accountability Report

4.1 Director's Report

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

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

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

This structure is set out in the Trust's Constitution and is well developed at the Trust. Details can be found at www.mcht.nhs.uk and the national requirements for governance can be found at www.improvement.nhs.uk.

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

Foundation Trust Membership

The Trust involves Members, patients, carers and the public in developing its forward plans. Designing services and improving care means that the views of local people are being heard, which helps to improve experience for patients, carers, visitors and staff.

The Trust's Council of Governors supports the Trust by talking to and interacting with the communities and Members that they represent.

Annual Members' Meeting

This meeting is held annually in the autumn. All Members are invited to attend to hear about the Trust's performance during the year and receive the Annual Report and Accounts. In 2017 the meeting was held at Winsford Lifestyle Centre and included a health and wellbeing fair attended by 30 partners from across Central Cheshire.

Membership Strategy

Year on year, the Trust strives to maintain and engage with its representative membership, which was originally established in 2008. Through the Trust's Membership and Communication strategy the Trust aims to engage, maintain and develop its membership. A primary aim is to ensure that membership numbers reflect the local population. This is monitored by the Trust on a regular basis through the Council of Governors and by the Board of Directors through the Performance and Finance Committee.

Youth Members

In 2017/18 the Trust membership and Communications Strategy focused on membership growth within the 17-25 year-old demographic. This has had some success and will remain a focus for 2018/19. As part of this, the Trust launched an innovative new scheme to bring younger Members into closer contact with the Trust. Three Youth Ambassadors were appointed for a twelve month voluntary placement in September 2017 to fit alongside existing study or work commitments. The Youth Ambassadors are working on projects to encourage youth engagement with the Trust including the use of social media, developing the offer for younger Members and promoting health and wellbeing during exam periods.

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

Public Members

The Trust has three public Member constituencies which cover Cheshire East and parts of Cheshire West and Chester Council neighbourhood wards. A member of the public who is 16 years of age or over and lives in one of the following constituencies can become a Member of the Trust:

- Congleton
- Crewe and Nantwich
- Vale Royal.

Patient and Carer Members

There is one patient and carer Member constituency. To be eligible to be a Member of this constituency people have to be over 16 years of age and have received care or treatment from the Trust, or be a relative or principle carer of a patient in the past five years.

Staff and Volunteer Members

Staff who join the Trust are invited to become a Member. Those who are registered to undertake individual voluntary work at the Trust are eligible to become a Member within this constituency after twelve months. This constituency is split into the following classes:

- Qualified Nursing and Midwifery staff
- Medical Practitioners and Dental staff
- Other Professionally Qualified Clinical staff
- Clinical Support Staff
- Non-clinical Support Staff
- Recognised representative of Trade Unions and Staff Organisations
- Registered Volunteers
- CCICP (Central Cheshire Integrated Care Partnership) from 1 October 2016.

In October 2016 a change to the constitution was agreed at the Annual Members' Meeting. This created a new constituency for CCICP staff from 1 April 2017. This constituency will be temporary whilst staff adjust to working for the Partnership and being employed by the Trust. From September 2018 CCICP staff will be assigned to their relevant professional constituency.

Below: Governor Glynda Alasadi (right) speaks to a member of the public about becoming a Foundation Trust Member

Membership Figures

The table below includes the Trust's actual membership at 31 March 2018 and the targeted membership for 2019. The Trust anticipates the number of Members will decrease in 2018/19 due to work taking place to ensure the Trust only holds relevant and up to date information on Members.

Constituency	Actual 31 March 2018	Target 31 March 2019
Public	4,021	3,800
Patient and Carers	1,209	1,100
Staff and Volunteers	4,947	4,500
Totals	**10,177**	**9,400**

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

Public Constituency Breakdown	Actual 31 March 2018
Congleton	801
Crewe and Nantwich	1,773
Vale Royal	1,396
Out of Area	51

Staff and Volunteer Constituency Breakdown	Actual 31 March 2018
Qualified Nursing and Midwifery staff	1,018
Medical Practitioners and Dental staff	300
Other Professionally Qualified Clinical staff	212
Clinical Support Staff	1,152
Non-clinical Support Staff	1,284
Recognised representative of Trade Unions and Staff Organisations	9
Volunteers	141
Community Services	709
Unspecified	122
Total	4,947

Public membership	Number of members 31 March 2018	Eligible membership
Age (years)		
0-16	11	133,678
17-21	118	38,321
22+	3,690	541,933
Unspecified	8	n/a
Ethnicity		
White	3,392	678,965
Mixed	15	6,923
Asian or Asian British	32	10,157
Black or Black British	22	2,310
Other	9	1,917
Unspecified	551	n/a
Socio-economic Grouping		
AB	1,194	59,521
C1	1,169	63,510
C2	843	41,313
DE	805	49,195
Unspecified	10	n/a
Gender		
Male	1,651	348,921
Female	2,236	365,009
No stated gender	134	n/a

Below: the front cover of July 2017's All Together, the Trust's newsletter for Members

Public Constituency	2017/18	2018/19 (estimated)
At year start (1 April)	4,018	4,018
New members	110	130
Members leaving	107	348
At year end (31 March)	4,021	3,800
Patient and Carers		
At year start (1 April)	1,222	1,222
New members	27	40
Members leaving	40	162
At year end (31 March)	1,209	1,100
Staff Constituency		
At year start (1 April)		
At year start (1 April)	4,972	4,972
New members	245	222
Members leaving	270	694
At year end (31 March)	4,947	4,500

The Trust communicates and engages with Members, patients, carers and the public regularly and uses a variety of channels to do so. These include:

- Membership and staff Newsletter (All Together)
- Mid Cheshire Hospitals NHS Foundation Trust website
- Membership events
- E-communications
- Social media – Twitter, Facebook
- Local newspapers
- 'Meet your Governor' events
- Recruitment fairs
- Market stalls at stakeholder events
- Careers fairs
- Chief Executive briefings
- Annual Members' Meeting and Health and Wellbeing Fair.

The Trust also works closely with partnership organisations such as Vale Royal and South Cheshire Clinical Commissioning Groups, Cheshire East Council, Cheshire West and Chester Council, Congleton Chamber of Commerce, South Cheshire Chamber of Commerce and Warrington Chamber of Commerce and Industry.

Further information on membership and how to contact Governors can be found on our website: **www.mcht.nhs.uk/members**

Above: the Mayor of Winsford opens the Trust's Annual Members' Meeting and health and wellbeing fair in October 2017

Council of Governors

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

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

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

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

In addition, the Council of Governors collectively has responsibility to support the Trust to consider and canvas the views of its Members when developing plans and services. They discharge this duty by attending membership events. These include Meet Your Governor, local health fairs and public events such as the Nantwich Show. Governors feed their views back to the Board through Council of Governors meetings and the Governor strategy events which are part of the forward planning process. They represent Members within their local constituent areas to ensure Members' views and experiences are being received.

2017/18 Council of Governors Meetings

- Thursday 4 May 2017
- Thursday 20 July 2017
- Thursday 19 October 2017
- Thursday 25 January 2018.

The Council of Governors delegates some of its powers to committees of Governors and these matters are set out within the Trust's Constitution. These are the Membership and Communications Committee and the Nominations and Remuneration Committee. Further details on the workings of the Nominations and Remuneration Committee can be found within the Remuneration Report.

Membership and Communications Committee

This Committee's purpose is:

- To maintain the Membership of approximately 10,000 Members and ensure that this matches the demographics of the constituent areas
- To establish and monitor programmes for the recruitment, development and retention of Members of the Trust
- To establish and develop effective forms of communication with Members
- To establish and develop effective forms of communication among and between Governors
- To establish and develop effective communication channels and plans for Governor engagement with Members and the local community.

The Committee met four times during 2017/18 and attendance was as follows:

Barbara Beadle (Chair)	4/4
Pat Psaila	3/4
Janet Roach	3/4
Janet Martin-Jackson	3/4
Stephen Burns	0/4
Sylvia Regan*	2/2
Mark Perry	2/2

**Sylvia Regan resigned as a Governor in September 2017 and was replaced by Mark Perry on the committee*

Composition and Attendance of the Council of Governors during 2017/18:

Governor	Constituency	Terms Served	Term Commenced	Term Expires/ Expired	Meeting Attendance
Elected Governors					
Barbara Beadle	Crewe and Nantwich	3	01/4/2017	31/03/2020	3/4
Jan Roach	Crewe and Nantwich	2	01/4/2017	31/03/2020	3/4
Glynda Alasadi	Crewe and Nantwich	1	01/4/2017	31/03/2020	3/4
Ben Selby	Crewe and Nantwich	1	01/4/2017	31/03/2020	3/4
Janet Ollier	Congleton	2	01/4/2017	31/03/2020	3/4
Peter Faulkner*	Congleton	1	16/09/2016	15/09/2019	2/3
Katherine Birch	Vale Royal	1	10/9/2015	09/09/2018	3/4
Tim Ashcroft	Vale Royal	1	01/4/2017	31/03/2020	3/4
Mark Perry	Vale Royal	1	01/4/2017	31/03/2020	2/4
Sylvia Regan**	Vale Royal	1	16/09/2016	15/09/2019	2/4
Pat Psaila	Patient and Carer Governor	1	10/9/2015	09/09/2018	4/4
Norma Moores	Patient and Carer Governor	1	16/09/2016	15/09/2019	3/4
Ray Stafford	Patient and Carer Governor	1	10/9/2015	09/09/2018	3/4
Dennis Fricker	Patient and Carer Governor	1	01/4/2017	31/03/2020	4/4
Maureen Leverington	Patient and Carer Governor	1	01/4/2017	31/03/2020	3/4
John Pritchard	Patient and Carer Governor	1	01/4/2017	31/03/2020	4/4
Staff and Volunteer Governors (Elected)					
Caroline Birch	Recognised representative of Trade Unions and Staff Organisations	2	01/4/2017	31/03/2020	4/4
John Osuagwu+	Clinical Support Staff	1	01/4/2017	31/03/2020	4/4
Helen Piddock-Jones	Registered Volunteers	1	01/4/2017	31/03/2020	3/4
Nicholas Boyce Cam	Medical and Dental Practitioner	1	01/4/2017	31/03/2020	4/4
Janet Martin-Jackson	Qualified Nursing and Midwifery Staff	1	16/09/2016	15/09/2019	4/4
Richard Sutton	Other Professionally Qualified Clinical and Central Cheshire Integrated Care Partnership	1	01/4/2017	31/03/2020	2/4
Robert Platt	Non-Clinical Support Staff	1	10/9/2015	09/09/2018	2/4
Partnership, Appointed Governors					
Paul Colman, South Cheshire Chamber of Commerce and Warrington Chamber of Commerce and Industry			0/4		
Councillor Janet Clowes, Cheshire East Council			1/4		
Dr Gladys Pearson++, Manchester Metropolitan University			2/4		
Dr Jonathan Griffiths, Vale Royal Clinical Commissioning Group			3/4		
Dr Andrew Wilson, South Cheshire Clinical Commissioning Group			1/4		
Councillor Stephen Burns, Cheshire West and Chester Council (from December 2016)			3/4		

**Mr Peter Faulkner resigned his post in December 2017*
*** Mrs Sylvia Regan resigned her post in August 2017*
+Mr John Osuagwu resigned his post in March 2018
++ Dr Gladys Pearson replaced Mr Neil Fowler as MMU representative in April 2017

Governor Elections 2017

Elections were held between February and March 2017 and 11 new Governors were elected. Four Governors were also re-elected for a three year term of office beginning on 1 April 2018.

Constituency	Candidates	Eligible Voters	Turnout (%)	Successful Candidates	Term of Office
Public – Crewe & Nantwich	8	1774	23.9	Barbara Beadle	3
				Janet Roach	2
				Ann Gray	Declined
				Glynda Alasadi	1
				Adrian Lindop	Declined
				Ben Selby	1
Public – Vale Royal	3	1412	20.8	Tim Ashcroft	1
				Mark Perry	1
Public- Congleton	1	Uncontested		Janet Ollier	2
Patient and Carers	8	1169	18.1	Maureen Leverington	1
				Dennis Fricker	1
				Bill Cowen	Declined
				John Pritchard	1
Staff – Registered Volunteers		141	22	Helen Piddock-Jones	1
Staff – Registered Representative of Trade Unions and Staff Organisations	1	Uncontested		Caroline Birch	2
Staff – Medical and Dental Practitioners		272	11	Nicholas Boyce Cam	1
Staff – Other Professionally Qualified Staff	1	Uncontested		Richard Sutton	1
Staff – Clinical Support Staff	1	Uncontested		John Osuagwu	1

Governor Development

All new Governors took part in an induction programme during the first six months of their office. This explained the duties and responsibilities of the Trust and provided an introduction to the Trust. All Governors were invited to sessions led by senior leaders on the following themes:

- Performance Targets and Indicators
- Demystifying Member Engagement
- Financial Reporting

In addition, four Governors attended the North West Governor Network in Bolton in February 2017 and all Governors were invited to attend NHS Providers Governwell Network training days.

Lead Governor

Dr Katherine Birch was appointed as Lead Governor from May 2017 until 31 March 2018. This followed the retirement of Mr John Lyons. In her role as Lead Governor, Dr Birch attended Board of Director meetings, met with Governors in private and was part of the recruitment panel for Non-Executive Director appointments. Dr Birch can seek a meeting with the Chairman at any time to raise any issues of concern or seek clarity on any agenda items discussed.

Board of Directors

The Board of Directors is a unitary Board with collective responsibility for all areas of performance of the Trust such as clinical and operational performance, financial performance, governance and management. The Board is legally accountable for the services it provides at the Trust and operates to the highest of corporate governance standards. The Board's general duty is to act with a view to promoting the success of the organisation so as to maximise the benefits for the Members of the Trust as a whole and for the public.

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

- Set the strategic direction of the Trust ensuring that the Council of Governor's views are considered
- Ensure safe, high quality services which result in a positive patient experience are delivered in line with the principles of the NHS Constitution
- Strive for continuous improvement and innovation whilst ensuring adequate systems and processes are in place to deliver the Trust's Annual Plan
- Measure and monitor effectiveness and efficiency of services
- Ensure that the Trust is compliant with its Licence, as issued by the Trust's Independent Regulator
- Exercise powers of the Trust which are established under statue, as detailed within the Trust's Constitution
- Ensure robust governance arrangements are in place and supported by an effective assurance framework which supports sound systems of internal control.

The Board delegates some of its powers to committees of Directors and these matters are set out within the Trust's Corporate Governance Handbook and Scheme of Delegation. Further details on the workings of the two statutory Board Committees (Nomination and Remuneration Committee and Audit Committee) can be found within the Remuneration Report. In addition to these, the Trust has additional Board Committees and Executive Operational Groups which are all reviewed annually.

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

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

Board Composition and Balance

The Board is satisfied that it has reviewed the appropriate balance and knowledge, skills and experience of Board members to enable it to carry out its duties effectively.

Board of Director Meetings

The Board met in formal session on 13 occasions during 2017/18, 12 scheduled meetings and one extra ordinary meeting. These sessions were held in public apart from where the Board resolved to meet in a private session, by reason of the confidential nature of business to be discussed.

Board Performance

The collective performance of the Board is assessed through Board Away Days and through Executive attendance at Council of Governor meetings. A review of each Board meeting is undertaken by a Non-Executive Director at the end of each meeting. In addition, the Board, Staff and Council of Governor's annual self-assessment of Board effectiveness is also used.

Well Led

In February 2018 the Board undertook a developmental review to determine whether the Trust's services are 'Well Led', using the new NHS Improvement Developmental Reviews of Leadership and Governance (June 2017). This included reviews of the Trust's internal control systems and Board Assurance Framework alongside interviews with the Board and senior leaders.

Overall, the Board agreed the internal review provided significant assurance in relation to the eight Well Led Key Lines of Enquiry. The output of this review was a prioritised improvement plan, including areas for action internally and a focus on areas for consideration as part of the externally facilitated Well Led review. This will be commissioned for 2018/19 to support the Trust's on-going development.

In 2018/19, as part of the Well Led action plan, the Board will be developing areas relating to the governance of quality including improving quality improvement capacity and capability across the Trust and the introduction of quality reports at divisional board, ward and departmental level and the introduction of an Executive-led quarterly quality assurance review process. The Trust's new Quality and Safety Improvement Strategy is due to be launched in June 2018.

The Trust will be taking part in its first annual Well Led inspection by the Care Quality Commission (CQC) in May 2018. The results of this will be used together with the results of the NHS Improvement Use of Resources assessment from the March 2018 visit and the results of the CQC Core Services inspection to provide an overall rating for the Trust. This report is expected in the summer of 2018/19. Details of the internal controls in place to

ensure that the Trust is Well Led are contained in the Annual Governance Statement. Further detail on the work the Trust undertakes to ensure it meets the requirements of the CQC are provided in the Quality Report section.

Board Effectiveness and Evaluation

All Board members undergo annual performance appraisals. The Chairman carries out the annual performance appraisal for the Non-Executive Directors and the Chief Executive. The Senior Independent Director carries out the annual performance appraisal for the Chairman. He meets collectively with Non-Executive Directors and separately with the Lead Governor and Chief Executive before completing the process. This is reviewed at the Governors' Nominations and Remuneration Committee, which makes a recommendation to the Council of Governors. In 2017 the Council of Governors confirmed the appointment of the Chairman to a second term of three years from 1 July 2017 to 30 June 2020. The Council also confirmed the appointment of two new Non-Executive Directors to start at the Trust on 1 April 2018 following a competitive process.

The Board of Director's relationship with the Council of Governors and Members

The Board works closely with the Trust's Council of Governors. Although the Executive is not required to attend every Council of Governor's meeting, the Chief Executive and other Executive Directors strive to attend all meetings to provide information to Governors on the performance of the Trust and strategic developments and to answer any concerns that the Governors may wish to raise. The Chairman works closely with the Lead Governor to review all relevant matters and the Non-Executive Directors attend each Council of Governor meeting as observers whilst taking part in open discussions.

At each Board meeting there is a standing item that enables the Chairman to report on Governor issues and formally report on the workings of the Council of Governors.

Board meetings are held in public and Governors can and do attend to observe. The Lead Governor attends all Board meetings including any private Board meetings that are held. The Chairman responds to any questions or concerns that Governors may have.

If any dispute should arise between the Council of Governors and the Board of Directors then a disputes resolution process, as described in the Trust Constitution, would be followed. This process had not been required. There are regular opportunities for Governors to meet with Directors, formally through Non-Executive Director and Governor meetings and informally on a collective or individual basis with either the Chairman or the Senior Independent Director. Governors also meet informally as a body four times a year.

Concerns can also be raised at any time through any Director of the Trust or through the Trust Board Secretary who maintains a log of Governor enquiries into the Trust.

Board of Director's Attendance at Council of Governors Meetings

Board Member	Position	Meeting Attendance
Non-Executive Directors		
Mr Dennis Dunn	Chairman	3/4
Dame Patricia Bacon	Deputy Chair	4/4
Mr David Hopewell	Senior Independent Director	4/4
Mr John Barnes	Non-Executive Director	2/4
Mr John Church	Non-Executive Director	3/4
Mr Mike Davis	Non-Executive Director	3/4
Mrs Ruth McNeil	Non-Executive Director	1/4
Executive Directors		
Mrs Tracy Bullock	Chief Executive	4/4
Dr Paul Dodds	Medical Director and Deputy Chief Executive	1/4
Miss Estelle Carmichael	Director of Workforce and Organisational Development	3/4
Mr Chris Oliver	Chief Operating Officer	2/3*
Ms Alison Lynch	Director of Nursing and Quality	2/2**
Miss Anne Cleary	Interim Director of Nursing and Quality	0/1
Mrs Julie Tunney	Director of Nursing and Quality	1/1
Mr Mark Oldham	Director of Finance and Strategic Planning	2/4

**Mr Oliver arrived in post as a Director of the Trust in May 2017*
*** Ms Lynch left the Trust in October 2017 and was replaced on an interim basis by Miss Anne Cleary until January 2018 when Mrs Julie Tunney began in post*

Non-executive Directors

Dennis Dunn MBE JP - Chairman

Dennis is former Pro Vice Chancellor International of the Manchester Metropolitan University and Dean of MMU in Cheshire. A specialist in Business Information Systems, he has advised commercial organisations and universities around the world and is former Chairman of BITWorld. Dennis has served as Expert Advisor to a European Commission funded initiative on lean organisations and is currently Visiting Professor at Huizhou University in China. In the UK Dennis serves on the Boards of a number of organisations and is a member of the Cheshire Business Leaders. He is Cheshire President of the British Red Cross and was appointed as a Deputy Lieutenant of Cheshire in 2015. Dennis was made an MBE by Her Majesty the Queen and awarded Honorary Fellowship of the Manchester Metropolitan University. A former Governor of the Trust before joining the Board of Directors, Dennis was appointed Chairman of the Trust in July 2014. In 2017 the Council of Governors appointed Dennis to a second term of office until 30 June 2020.

Dame Patricia Bacon - Deputy Chair

Prior to joining the Trust, Patricia worked in Further Education for over 30 years, the last ten of which as Principal of St Helens College. In 2011 Patricia was awarded the DBE in recognition of her contribution to education, both locally and nationally, including 12 months as the elected President of the Association of Colleges. Patricia has extensive experience of corporate governance both regionally and nationally, including seven years as a Non-executive Director of the University Hospitals North Staffordshire NHS Trust. Since retiring Patricia has been involved in a Non-Executive capacity with schools and colleges and more recently has joined the Cheshire Presidential team of the British Red Cross as Vice President. Patricia was the Chair of Quality Governance Committee. She was appointed on 1 November 2011 and completes her role at the Trust on 31 May 2018.

David Hopewell - Senior Independent Director/Chair of the Audit Committee

David is a chartered accountant by profession. He spent several years working with Shell, both overseas and in the UK, before taking up a post at the Government Office North West and moving on to become Resources Director at Cheshire Peaks and Plains Housing Trust. David has also worked as Finance Director for Retrak, a UK charity that supports street children in Africa. He was previously involved with Guinness Northern Counties Housing Association and is currently a Trustee of Safe Child Africa. David was appointed as Senior Independent Director of the Trust in April 2013. David was initially appointed as a Non-Executive Director of the Trust on 1 December 2007. In 2015 the Council of Governors approved a final term of three years until 31 January 2019 which was approved by the Council of Governors at a general meeting following an open competition comprehensive recruitment exercise.

Mrs Ruth McNeil - Non-executive Director

Ruth worked in Local Government for 21 years for Manchester City Council of which she was Chief Officer for some 19 years and was responsible for a broad range of customer orientated commercial trading services. Prior to joining local Government, Ruth worked for Shell UK. Ruth's early career was mainly within the hotel and catering industry. In 2007 Ruth retired from full-time work and in October 2008 joined Cheshire Police Authority as an independent Board Member where she was Chair of their Staff Committee. Ruth was appointed as a Non-Executive Director on 1 November 2011 and was Chair of the Transformation and People Committee. The Council of Governors reappointed Ruth for a second term of three years to 31 October 2017. This was subsequently extended to 31 March 2018.

Mr John Barnes - Non-executive Director

John is a chartered engineer with over ten years' experience at Board level in a FTSE 50 utility company. Through his own company, John now offers consultancy in the areas of sustainability, the utility sector, change management and leadership. He is a member of a number of business groups, and is an Independent Non-executive Director at South East Water. John was appointed as a Non-Executive Director at the Trust on 1 February 2013, and subsequently reappointed for a second term of three years to 31 January 2019.

Mr Mike Davis - Non-executive Director

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

Mr John Church - Non-executive Director

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

Independence of Non-executive Directors

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

Executive Directors

Tracy Bullock - Chief Executive

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

Dr Paul Dodds - Medical Director and Deputy Chief Executive

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

Estelle Carmichael - Director of Workforce and Organisational Development

Estelle joined the Trust in May 2016 as Director of Workforce and OD, having previously held the position of Deputy Director of Workforce and Corporate Development at Derby Teaching Hospitals NHS Foundation Trust. Estelle is MCIPD qualified and has worked in the NHS for over 15 years in a range of different NHS settings, including some time based in a community Trust and PCTs in Cheshire. Estelle is also keen to ensure that the workforce and OD directorate focus on delivering patient-focused HR solutions as well as involving key partners in developing a strong workforce for the Trust's future. Estelle holds postgraduate diplomas in Healthcare Leadership and Personnel Management. She is particularly interested in strategic workforce development and improving the workforce experience in the NHS.

Chris Oliver - Chief Operating Officer

Chris joined the Trust in May 2017 as Chief Operating Officer having worked for the NHS for more than 14 years, most recently as Director of Operations at Wirral University Teaching Hospital NHS Foundation Trust. Chris previously worked at the Trust as a Divisional Accountant and Service Manager between 2005 and 2008. Chris has held a number of senior positions that have enabled him to successfully lead healthcare staff in a variety of challenging roles. These include time as a Divisional Manager, Associate Director of Operations (Acute Care Division) and Divisional Director (Medicine and Acute Care Division). Chris has a track record of driving performance and delivering results against a background of service development and improvement. He also has significant experience in the redesigning of unscheduled care and patient flow, and is looking forward to using his experience to further enhance patient experience at the Trust.

Mark Oldham - Director of Finance and Strategic Planning

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

Julie Tunney - Director of Nursing and Quality

Julie has more than 30 years' experience in the NHS, most recently holding the position of Deputy Chief Nurse at Birmingham's Heart of England NHS Foundation Trust. Julie joined the NHS in 1984, qualified as a Registered Nurse in 1987, and has since held a variety of senior nursing roles. During this time she has also qualified as an Advanced Life Support Instructor and gained a Master's degree in Management and the Health Service. In 2014, Julie graduated as a Florence Nightingale Leadership Scholar and led a project that has enabled a compassionate workforce across a number of hospitals. The project was recognised for going the extra mile for staff when it became a finalist in the Kate Granger Compassion Awards in 2015.

Alison Lynch - Director of Nursing and Quality

Alison was previously the Deputy Director of Nursing, Quality and Patient Experience at Warrington and Halton NHS Foundation Trust before joining the Trust in October 2015. Alison qualified as a nurse in 1988 and has worked in a variety of clinical and managerial roles in both acute and emergency medicine, as well as surgery. Alison left the Trust in October 2017 to take up a post closer to home as Director of Nursing at Stockport NHS Foundation Trust.

Anne Cleary - Interim Director of Nursing and Quality

Anne joined the Trust on secondment from her role as Deputy Director of Nursing at Marie Curie Cancer Care between October 2017 and January 2018.

Board of Director Attendance

Executive Directors		Board Attendance 2017/18
Name	**Responsibility**	
Tracy Bullock	Chief Executive	12/13
Dr Paul Dodds	Medical Director/Deputy Chief Executive	12/13
Chris Oliver	Chief Operating Officer	10/11
Mark Oldham	Director of Finance and Strategic Planning	12/13
Alison Lynch	Director of Nursing and Quality	7/8
Estelle Carmichael	Director of Workforce and Organisational Development	13/13
Julie Tunney	Director of Nursing and Quality	2/2
Anne Cleary	Interim Director of Nursing and Quality	2/3

Notes:
- *Chris Oliver took up his post in May 2017*
- *Alison Lynch left the Trust in October 2017*
- *Julie Tunney joined the Trust in January 2018*
- *Anne Cleary was an interim Executive Director between October 2017 and January 2018*

Non-Executive Directors		Board Attendance 2017/18
Dennis Dunn	Chairman	10/13
Dame Patricia Bacon	Deputy Chair	12/13
David Hopewell	Senior Independent Director	12/13
Ruth McNeil	Non-Executive Director	10/13
John Barnes	Non-Executive Director	11/13
Mike Davies	Non-Executive Director	11/13
John Church	Non-Executive Director	13/13

Declaration of Interests of the Board of Directors

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

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

Statement as to disclosure to Auditors

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

- So far as the director is aware, there is no relevant audit information of which the Trust'sauditor is unaware; and
- The director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

A director is regarded as having taken all the steps that they ought to have taken as a director in order to do the things mentioned above; and

- Made such enquiries of his/her fellow director and of the company's auditors for that purpose;and
- Taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

4.2 Annual Report on Remuneration

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

I confirm that I was Chair of the Trust's two Remuneration Committees and present to you the Directors' Remuneration Report for the financial period 2017/18 on behalf of those two committees.

The Nominations and Remuneration Committee is established by the Council of Governors to assess the performance, appointments and remuneration of Non-Executive Directors including the Chairman. The Appointments and Remuneration Committee (RemCo) is established by the Board of Directors and reviews the remuneration, recruitment and terms of service for Executive Directors and any other such senior managers. A summary of Executive performance following annual appraisal is provided to RemCo each year.

The Remuneration Report includes the following:

- Senior Managers' Remuneration policy
- The Annual Report on Remuneration including Directors' service contracts details and governance requirements including Committee membership, attendance and business conducted during 2017/18.

Major Decisions on Remuneration in 2016/17

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

The Nominations and Remuneration Committee made no major decisions on remuneration for Non-Executive Directors in 2017/18.

The Appointments and Remuneration Committee reviewed and agreed the remuneration for Executive Directors at the national pay award of 1% with the exception of one Executive Director who received an above inflation pay increase to bring their salary closer to the peer average.

Dennis Dunn
Chairman of the Trust and Nomination and Remuneration Comittee
Date: 21 May 2018

Tracy Bullock
Chief Executive & Accounting Officer
Date: 21 May 2018

Nominations and Remuneration Committee

The Nominations and Remuneration Committee of the Council of Governors met four times in 2017/18. Attendance from members was as follows:

Dennis Dunn	4/4
Katherine Birch	3/4
Cllr Janet Clowes	1/4
Peter Faulkner*	1/3
Norma Moores	4/4
Rob Platt	3/4
Janet Roach	3/4
Ray Stafford	4/4

**Mr Peter Faulkner resigned as a Governor in December 2017.*

The Committee is chaired by the Chairman of the Trust, or the Deputy Chair when the Chairman's nomination or performance is being considered. At this point the Chairman leaves the meeting. The Committee includes the Lead Governor and five additional Governors representing the spread of constituencies.

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

During 2017/18 the Council of Governors, through the Nominations and Remuneration Committee, agreed and had oversight on the following:

- The Non-Executive Directors, including the Chairman's 2016/17 performance appraisal
- The recommendation to the Council of Governors that the Chairman should be appointed to a second term of office from 1July 2017 to 30 June 2020
- Changes to the end of term for two Non-Executive Directors to enable parallel recruitment
- Appointment of Gatenby Sanderson to recruit two new Non-Executive Directors following a review of the skills gaps in the Board of Directors
- No increase to remuneration for Non-Executive Directors following a review of national remuneration
- Recommendation to the Council of Governors on the appointment of two Non-Executive Directors from 1 April 2018.

The Nomination and Remuneration Committee benchmark annually the remuneration level of Non-Executive Directors and Chairs in NHS trusts before deciding on any annual increase. Currently the Trust pays very close to the national average remuneration for Non-Executive Directors.

In 2017/18, following a procurement process, the Nominations and Remuneration Committee received services from Gatenby Sanderson for the recruitment of two new Non-Executive Directors. The Trust paid £16k for this service. The Director of Workforce and OD and senior recruitment managers attended meetings and provided support and advice to the committee during this recruitment process.

Remuneration Committee

The Board of Directors' Remuneration Committee met three times in 2017/18. Attendance was as follows:

Dennis Dunn	3/3
David Hopewell	2/3
Pat Bacon	3/3
John Barnes	3/3
John Church	2/3
Mike Davis	3/3
Ruth McNeil	3/3

In 2017/18 the committee:

- Agreed the job description, process and remuneration for the Director of Nursing and Quality and Director of Workforce and OD posts
- Agreed the annual cost of living uplift for the Executive Directors
- Received the annual benchmarking report on Executive Director remuneration
- Discussed the pension tax and lease cars cheme and agreed a review
- Concluded a benefits realisation of the effectiveness of the new Director of Strategy and Transformation post.

The Chief Executive supports the working of the Committee by contributing to discussions about the Board composition, succession planning, remuneration and performance of Executive Directors and is not present when discussions take place in relation to her own performance, remuneration or terms of service.

The Committee undertakes periodic reviews of the salary levels of the Executive Directors, including the Chief Executive, whilst taking into account the overall performance of the Trust as well as individual performance of directors and published benchmark information.

Senior Managers' Remuneration Policy

Executive Directors receive a fixed salary which is established at the beginning of each year and determined by benchmarking against NHS organisations throughout the country with the use of NHS Provider benchmarking information, NHS Annual Reports and Accounts and knowledge of job descriptions, person specifications and market pay. The Remuneration Committee reviews national benchmarks for executive pay each year to ensure that Executive pay is in line with peer averages and that any salaries over £150k are reasonable and in line with peer trusts. Executive Directors are substantive employees and their contracts can be terminated by ether party with six months' notice. All other permanent employees of the Trust are subject to Agenda for Change terms and conditions and NHS Consultant contracts and consultation takes place with staff organisations on any proposals to change these terms and conditions of employment.

Service Contracts

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

Senior Manager Remuneration and Benefits

Pension arrangements for the Chief Executive and Executive Directors are in accordance with the NHS Pension Scheme, the Accounting Policies for Pensions and relevant benefits are set out in the two following tables. The Trust has not made any bonus payments in relation to performance in 2017/18 and has not offered an incentivisation programme.

Senior Manager remuneration and benefits – Emoluments (2017/18):

Name	Title	Salaries and Fees (in Bands of 5K)	Expense Payments (total to the nearest £100)	Performance Pay and Bonuses (in Bands 0f £5K)	Long Term Performance Pay and Bonuses (in Bands 0f £5K)	All Pensions related Benefits (in Bands 0f £2.5K)	Total (bands of £5K)
		£000s	£'s (nearest £100)	£000s	£000s	£000s	£000s
Dunn D	Chairman	55-60	-	-	-	0-2.5	55-60
Hopewell D	Non-Executive	15-20	-	-	-	0-2.5	15-20
Church J	Non-Executive	10-15	-	-	-	0-2.5	10-15
McNeil R	Non-Executive	10-15	-	-	-	0-2.5	10-15
Bacon P	Non-Executive	15-20	-	-	-	0-2.5	15-20
Barnes J	Non-Executive	10-15	-	-	-	0-2.5	10-15
Davis M	Non-Executive	10-15	-	-	-	0-2.5	10-15
Bullock T	Chief Executive	160-165	9,200	-	-	35-40	210-215
Oldham M	Director of Finance	115-120	15,300	-	-	25-30	160-165
Frodsham D	Director of Strategic Partnerships	95-100	9,100	-	-	45-50	150-155
Lynch A (left in October 2017)	Director of Nursing and Quality	55-60	5,200	-	-	5-10	65-70
Carmichael E	Director of Workforce and OD	90-95	8,800	-	-	30-35	130-135

Dodds P	Deputy Chief Executive Officer & Medical Director	205-210	-	-	-	20-25	225-230
Oliver C	Chief Operating Officer	95-100	7,000	-	-	120-125	220-225
Tunney J (from January 2018)	Director of Nursing and Quality	15-20	-	-	-	30-35	50-55
Cleary A (October 2017 – January 2018)	Interim Director of Nursing and Quality	40-45	-	-	-	-	40-45

**An element of Dr P Dodds' remuneration includes clinical excellence awards equating to £20,000*

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

Name	Title	Salaries and Fees (in Bands of 5K)	Expense Payments (total to the nearest £100)	Performance Pay and Bonuses (in Bands 0f £5K)	Long Term Performance Pay and Bonuses (in Bands 0f £5K)	All Pensions related Benefits (in Bands 0f £2.5K)	Total (bands of £5K)
		£000s	£'s (nearest £100)	£000s	£000s	£000s	£000s
Dunn D	Chairman	55-60	-	-	-	0-2.5	55-60
Hopewell D	Non-Executive	15-20	-	-	-	0-2.5	15-20
Church J	Non-Executive	10-15	-	-	-	0-2.5	10-15
McNeil R	Non-Executive	10-15	-	-	-	0-2.5	10-15
Bacon P	Non-Executive	15-20	-	-	-	0-2.5	15-20
Barnes J	Non-Executive	10-15	-	-	-	0-2.5	10-15
Davis M	Non-Executive	10-15	-	-	-	0-2.5	10-15
Bullock T	Chief Executive	160-165	8,700	-	-	52.5-55	220-225
Oldham M	Director of Finance	115-120	12,800	-	-	35-37.5	165-170
Frodsham D	Director of Strategic Partnerships	110-115	8,500	-	-	25-27.5	145-150
Lynch A	Director of Nursing and Quality	100-105	8,700	-	-	120-122.5	225-230
Carmichael E	Director of Workforce and OD (from May 2016)	80-85	-	-	-	77.5-80	155-160
Dodds P	Deputy Chief Executive Officer & Medical Director	200-205	-	-	-	60-62.5	260-265

Salary and Pension entitlements of senior managers - Pension Benefits:

Name	Title	Real increase in pension at age 60	Real increase in lump sum at age 60	Total accrued pension at age 60 at 31 March 2018	Total accrued lump sum at age 60 at 31 March 2018	Cash Equivalent Transfer Value at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2018	Real Increase in Cash Equivalent Transfer Value	Employers contribution to Stakeholder Pension
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Board Members									
Bullock T	Chief Executive	3	0	72	188	1,191	1,307	52	-
Dodds P	Medical Director	2	7	83	249	1,628	1,782	68	-
Oldham M	Director of Finance	2	0	50	129	775	858	37	-
Frodsham D	Director of Strategic Partnerships	3	8	43	130	835	946	51	-
Lynch A	Director of Nursing and Quality (to October 2017)	0	1	33	100	580	636	14	-
Carmichael E	Director of Workforce and OD	2	1	23	53	284	331	22	-
Oliver C	Chief Operating Officer (from May 2017)	6	12	24	56	186	282	42	-
Tunney J	Director of Nursing and Quality (from January 2018)	1	4	42	115	607	772	15	-

Notes to Senior Managers remuneration and Pension benefits

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV – this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. There are no performance related pay provisions currently in place.

Multiple Statement

Group and Foundation Trust			
	2018 £000	**2017 £000**	**% change**
Highest Paid Director gross cost	**205**	200	**2.78%**
Median Total earnings	**26**	25	**3.05%**
Ratio	**7.83**	7.85	**(0.27%)**

The median total earnings was calculated using the full-time equivalent gross cost of all staff paid through the Trust's payroll in March 2018 which is then annualised.

Governors' Expenses

In accordance with the Trust's Constitution, Governors are eligible to claim expenses for such things as travel at rates determined by the Trust. Out of the total Council of Governor membership of 29, two Governors claimed expenses in 2017/18 totalling £34.90.

Directors' Expenses

Out of the 13 Board members (seven Non-Executive Directors including the Chairman and six Executive Directors including the Chief Executive) there were a total of eleven directors that claimed non-audited expenses in 2017/18 at a total amount of £13,192.07. Details of remuneration and benefits in kind are included within the Remuneration tables.

Group and Foundation Trust				
Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	**Number of departures where special payments have been made**
<£10,000	-(-)	14 (9)	14(9)	(-)
£10,000 - £25,000	-(-)	1(1)	1(1)	(-)
£25,001 - £50,000	-(-)	- (-)	-(-)	(-)
£50,001 - £100,000	-(-)	- (-)	-(-)	(-)
Total number of exit packages by type	-(-)	15(10)	15(10)	(-)

Exit package cost band	**Cost of compulsory redundancies**	**Cost of other departures agreed**	**Total cost of exit packages by cost band**	**Cost of departures where special payments have been made**
	£'000	**£'000**	**£'000**	**£'000**
<£10,000	(-)	49(14)	49(14)	(-)
£10,000 - £25,000	(-)	15(10)	15(10)	(-)
£25,001 - £50,000	(-)	-(-)	-(-)	(-)
£50,001 - £100,000	(-)	-(-)	-(-)	(-)
Total cost of exit packages by type	(-)	64(24)	64(24)	(-)

The Trust has offered staff a mutually agreed resignation scheme where the Trust may offer a financial package to a member of staff who wishes to leave their employment on voluntary terms. To be eligible the applicant must be permanently employed by the Trust and have a minimum of two years' continuous service. The figures in brackets displayed in the tables above are for 2017/18.

Exit packages: other (non-comulsory departure payments:

	2017/18 Payments agreed	2017/18 Total value of agreements	2016/17 Payments agreed	2016/17 Total value of agreements
	Number	**£000**	**Number**	**£000**
Contractual payments in lieu of notice	15	64	10	24
Exit payments following Employment Tribunals or court orders	-	-	-	-
Total	15	64	10	24

Tracy Bullock
Chief Executive
Date: 21 May 2018

4.3 Audit Committee

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

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

The Audit Committee reviews arrangements annually that allow staff of the Trust, and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.

Attendance during 2017/18 is included within the table below:

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

During 2017/18 the Audit Committee took part in a self-assessment against the Healthcare Financial Management Association (HFMA) standards for Audit Committees and identified no significant issues which needed to be addressed.

The performance of the external auditors was assessed during the year against the auditing standards and through the review of the break clause in the external audit service. The Audit Committee made a recommendation to extend the contract of the external auditors by a further two years and this was approved by the Council of Governors.

The external Audit fee for the year was £69,978.

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

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

The Committee met its responsibilities during 2017/18 by:

- Reviewing all risk and control related disclosure statements (in particular the Annual Governance Statement and declarations of compliance with the CQC Domain Requirements) together with any accompanying Head of Internal Audit statement, External Audit Opinion or other appropriate independent assurances, prior to endorsement by the Board
- Reviewing the underlying assurance processes that indicate the degree of the achievement of corporate

objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements
- Approving the work programme and reviewing progress of internal audit and clinical audit processes
- Reviewing the policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements
- Reviewing the policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service
- Reviewing the Board Assurance Framework/Risk Register
- Reviewing Losses and Special Payment Reports and reviewing and approving write-offs of non-NHS debtors
- Reviewing the adequacy of systems to secure value for money
- Reviewing any breaches of Standing Financial Orders or Standing Orders
- Reviewing the Accounting Policies for 2017/18 Annual Accounts and the Annual Accounts
- Reviewing the 2016/17 Annual Report and Financial Statements before submission to the Board
- Reviewing the annual reports of all Board Committees
- The Audit Committee considered the reports of both its internal and external auditors through the year and there were no significant issues during 2017/18.
- The Audit Plan was presented to the Audit Committee in April 2017 which confirmed the audits that would be conducted, with an understanding of the key challenges and opportunities facing the Trust. The Audit Committee was assured that the audit would consider the impact of key developments in the sector and take account of national audit requirements set out in NHS Improvement's Audit Code and associated guidance as well as compliance with the International Standards on Auditing (ISAs).

Tracy Bullock
Chief Executive
Date: 21 May 2018

4.4 Staff Report

Staff Analysis

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

Group and Foundation Trust	Group		Foundation Trust	
	2017/18	2016/17	**2017/18**	**2016/17**
	£000	£000	**£000**	**£000**
Salaries and wages	**135,147**	123,482	**135,147**	123,482
Social Security Costs	**11,468**	10,284	**11,468**	10,284
Apprenticeship Levy	**642**	-	**642**	-
Employer contributions to NHS Pensions Scheme	**15,060**	13,477	**15,060**	13,477
Pension cost - other	**19**	17	**19**	17
Termination Benefits	**-**	-	**-**	-
Temporary Staff - Agency and contract staff	**4,376**	5,748	**4,376**	5,748
NHS Charitable funds staff	**78**	68	**-**	-
Total Gross Staff Costs	**166,790**	**153,076**	**166,712**	**153,008**
Of which				
Costs capitalised as part of assets	**(271)**	(319)	**(271)**	(319)
Total Employee benefits excluding Capitalised Costs	**166,519**	152,747	166,441	152,689

Analysed into Operating Expenses (5.1 Op Ex)				
Employee Expenses – Staff and Executive directors	**166,441**	152,689	**166,441**	152,689
NHS Charitable funds: Employee expenses	**78**	68	**-**	**-**
Redundancy	-	-	**-**	**-**
Total Employee benefits excl. capitalised costs	**166,519**	152,747	**166,441**	152,689

Staff costs exclude Non-Executive Directors. A breakdown of Directors' costs can be found in Note 5.4(A) to the accounts.

6.2 Average number of persons employed (whole time equivalents):

Group and Foundation Trust	Total 2017/18 Number	Other permanent employees Number	Directors Number	Other Number	Total 2016/1 Number
Medical & Dental	**352**	333	-	19	**344**
Administration & estates	**895**	857	6	32	**804**
Healthcare Assistants & other support staff	**655**	569	-	86	**606**
Nursing, midwifery & health visiting staff	**1,174**	1,082	-	92	**1,072**
Scientific, therapeutic and technical staff	**360**	345	-	15	**284**
Healthcare Science Staff	**335**	335	-	-	**314**
Other	**326**	301	**-**	25	**317**

Staff Numbers

As an NHS acute provider we have a range of staff who work for us. The table below provides a breakdown of staff numbers as at 1 April 2018.

Staff Group/Role	Female	Male	Grand Total
Add Prof Scientific and Technic	**121**	**35**	**156**
Chaplain	1		1
Optometrist	5		5
Pharmacist	23	8	31
Practitioner	43	14	57
Technician	49	13	62
Additional Clinical Services	**884**	**129**	**1013**
Assistant/Associate Practitioner	4		4
Assistant/Associate Practitioner Nursing	22	3	25
Dental Surgery Assistant	1		1
Healthcare Assistant	569	75	644
Healthcare Science Assistant	125	23	148
Healthcare Science Associate	6	9	15
Helper/Assistant	126	15	141
Nursing Cadet	14		14
Play Specialist	2		2
Technical Instructor	6	2	8
Technician	9	2	11
Administrative and Clerical	**887**	**153**	**1040**
Accountant	15	2	17
Analyst	4	6	10
Apprentice	4	3	7
Chief Executive	1		1
Clerical Worker	513	51	564
Librarian	1	1	2
Manager	26	12	38
Medical Secretary	74	2	76
Non-Executive Director	2	5	7
Officer	131	30	161
Other Executive Director	3	2	5
Personal Assistant	9	1	10
Receptionist	20		20
Secretary	25	1	26
Senior Manager	52	26	78
Surveyor		2	2
Technician	7	9	16
Allied Health Professionals	**292**	**55**	**347**
Advanced Practitioner	1		1
Chiropodist/Podiatrist	12	4	16
Dietitian	24		24
Dietitian Specialist Practitioner	1		1
Occupational Therapist	51	3	54
Occupational Therapy Specialist Practitioner	2		2
Orthoptist	6		6

Physiotherapist	83	30	113
Physiotherapist Manager	2		2
Physiotherapist Specialist Practitioner	2		2
Radiographer - Diagnostic	60	16	76
Speech and Language Therapist	38	2	40
Speech and Language Therapist Specialist Practitioner	10		10
Estates and Ancillary	**225**	**169**	**394**
Apprentice		1	1
Building Officer		3	3
Cook	1	6	7
Engineer		14	14
Gardener/Groundsperson		1	1
Housekeeper	21		21
Maintenance Craftsperson	1	19	20
Porter	3	52	55
Supervisor	10	6	16
Support Worker	179	67	246
Telephonist	10		10
Healthcare Scientists	**108**	**40**	**148**
Consultant Healthcare Scientist	1		1
Healthcare Science Practitioner	65	19	84
Healthcare Scientist	3		3
Manager	7	5	12
Specialist Healthcare Science Practitioner	31	16	47
Specialist Healthcare Scientist	1		1
Medical and Dental	**90**	**156**	**246**
Associate Specialist (Closed)	2	5	7
Consultant	48	99	147
Foundation Year 1	9	7	16
Foundation Year 2	10	7	17
General Medical Practitioner	5	7	12
Senior House Officer (Closed)		2	2
Specialty Doctor	10	23	33
Specialty Registrar	6	5	11
Staff Grade (Closed)		1	1
Nursing and Midwifery Registered	**1156**	**84**	**1240**
Advanced Practitioner	4	1	5
Community Nurse	132	3	135
Community Practitioner	30		30
Midwife	131		131
Midwife - Manager	1		1
Midwife - Specialist Practitioner	3		3
Modern Matron	24		24
Nurse Consultant	2		2
Nurse Manager	44	6	50
Sister/Charge Nurse	98	13	111
Specialist Nurse Practitioner	39		39
Staff Nurse	648	61	709
Grand Total	**3763**	**821**	**4584**

Managing Attendance

The Trust positively promotes the health and wellbeing of Trust employees and aims to be pro-active to improve attendance. When staff members become ill, managers are expected to provide appropriate support to staff during these times. The management of sickness absence is essential to reduce costs and maintain the quality of Trust services.

Attendance data is consistently reviewed to assess performance across teams and ensure that managers apply interventions to deliver improvements. Regular training is provided to support managers to deliver this process and monthly meetings take place with Occupational Health to ensure that the most appropriate support is offered to employees to help them return to work.

An in-depth review was carried out in 2017/18 to ensure the most appropriate information is supplied to Divisional Managers to support them to manage absence. Both long and short term absence data is monitored and managers work to the policy to improve attendance. Sickness absence levels are reported to the Divisional Boards and then to the Board of Directors on a monthly basis to ensure that there is full visibility of the information and appropriate actions are taking place to achieve improvements.

Absence information

	2017/18	2016/17
Total working days available	1,413,127 days	1,219,683 days
Total days lost due to sickness	60,175 days	47,247 days
Average number of days lost	15.54 days	8.7 days
Percentage absence (Rolling 12 months)	4.26%	3.86%

In the year ahead it is noted that this significant work must continue in order to make improvements. The Trust plans to support staff to improve their health and wellbeing in order to promote better health and prevent sickness absence. The Trust aims to ensure overall sickness remains below a target of 3.6%.

	Figures Converted by DH to Best Estimates of Required Data Items			Statistics Published by NHS Digital from ESR Data Warehouse	
Mid Cheshire Hospitals NHS Foundation Trust	Average FTE 2017	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days recorded Sickness Absence
	3,778	35,690	9.4	1,379,071	57,898

Equality, Diversity and Inclusion 2017/18

Mid Cheshire Hospitals NHS Foundation Trust aims to ensure that principles of equality, diversity and human rights are embedded throughout every part of the organisation. The Trust promotes equality and diversity, challenges discrimination wherever it happens, and promotes equality in service delivery and employment. The Trust seeks to listen to the views of patients and their families, its workforce and their representatives and organisations from the public, private or voluntary sector. The Equality, Diversity and Human Rights Policy sets out the Trust's aims and goals. A copy of the policy can be found on the Trust website. **(http://mcht.nhs.uk/about-us/equality-and-diversity/equality-and-diversity-document-library/strategy-policy-single-equality-scheme-and-related-documents/?assetdet98610=19946)**

To achieve these aims the Trust is committed to:

- Promoting equality of opportunity for all
- Promoting an inclusive environment in which all persons are treated with respect
- Fulfilling all of its legal obligations under the equality legislation.

Equality and Diversity at the Trust is led and monitored by the Equality and Diversity Group which meets on a quarterly basis. The group is accountable to the Executive Workforce Assurance Committee. A review of the work undertaken by the group is highlighted in the Trust Equality and Diversity Annual Report. A copy of this document is available on the Trust's website. **(http://mcht.nhs.uk/about-us/equality-and-diversity/equality-and-diversity-document-library/equality-and-diversity-annual-reports/)**

Above: As part of the Trust's equality and diversity activities, a representative from Body Positive Cheshire and North Wales (left) visits Leighton Hospital to talk to staff, patients and visitors about the sexual health, sexuality and gender diversity services available in the local community

Trust Equality Objectives

The Trust equality objectives agreed for 2016-2020 are as follows:

- To make Trust information and services accessible to the people it serves
- To increase support for Lesbian, Gay, Bisexual and Transgender (LGBT) staff
- To encourage the recruitment, conversion and progression rates of Black, Asian and Minority Ethnic (BME) staff
- To work with partners to identify and implement methods of raising awareness of modern exploitation issues such as forced marriage, female genital mutilation (FGM), human trafficking, modern slavery and child sex exploitation.

Equality Impact Assessments

The Trust ensures an Equality Impact Assessment (EIA) is completed for each new service and policy. By undertaking EIAs across all its services and policies, the Trust is committing to ensuring that Trust policies, strategies, functions and services delivered endeavour not to lead to any unfavourable effects on different people and help to identify any action in order to promote equality of opportunity and access. A complete set of EIAs for each patient facing service was completed in 2017 as part of the three yearly update requirements.

Workforce Race Equality Standard (WRES)

The Workforce Race Equality Standard assesses the workforce data to address the under-representation of black, asian and minority ethnic employees and ensure equal access to career opportunities and fair treatment in the workplace. NHS trusts are expected to show progress against a number of indicators of workforce equality which include recruitment opportunities, likelihood of entering the disciplinary process and accessing non-mandatory training. The Trust has undertaken the Workforce Race Equality Standard (WRES) since 2015. The most recent WRES report was completed in June 2017 and the findings are available on the Trust's website **(http://www.mcht.nhs.uk/about-us/equality-and-diversity/wres/)**. This report is completed on an annual basis.

Equality Delivery System

The Trust is fully committed to meeting its core requirements as set out in the Equality Act 2010 and the Public Sector Equality Duty. The Equality Delivery System (EDS2) is available to organisations to help assess and grade equality performance. The Trust's performance against the key standards was completed in 2017 and the Trust is achieving against all of the goals. The information was presented to Heathwatch in early 2018.

Accessible Information Standard

The Trust has implemented the Accessible Information Standard. A standard operating procedure (SOP) and policy have been developed to ensure staff identify and record information and communication needs for patients, service users and carers, where those needs relate to a disability, impairment or sensory loss. The guide also assists staff in finding and providing accessible information for patients and their relatives on attending the Trust for community, outpatient visits or inpatient stays.

The Patient Management System has been updated to enable staff to communicate information in the most appropriate way. Information is available in formats that disabled people, and people with sensory impairment or learning difficulties, and carers and families can understand. Recent Trust publications have included an Easy Read 'Deprivation of liberty safeguards and you' and a large print 'Reducing your risk of developing a blood clot & MRSA.'

Gender Pay Gap Report

Gender pay gap legislation was introduced in April 2017 and requires all organisations with 250 or more employees to publish their gender pay gap annually as of 31 March 2017. The gender pay gap shows the average difference in the average pay between men and women. The Trust undertook its first gender pay gap audit in January 2018. Overall, the report found that pay variances between males and females within the Trust were influenced by the proportion of males and females within each pay band and the different ways men and women participate in the labour market due to the choice of occupations. A copy of the report is available on the Trust's website. An action plan is currently being developed to address the outcomes of the report.

The table opposite provides a summary of the diversity of the Trust's workforce as at 31 March 2018.

Equality and Diversity Highlights

Employee Support Advisor Service

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

Staff Support Voicemail

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

Age Band	Headcount	%
<=20 Years	43	0.94%
21-25	249	5.45%
26-30	512	11.21%
31-35	485	10.62%
36-40	489	10.71%
41-45	495	10.84%
46-50	648	14.19%
51-55	740	16.20%
56-60	545	11.93%
61-65	261	5.71%
66-70	77	1.69%
>=71 Years	23	0.50%
Total	**4567**	**100.00%**
Ethnic Group	**Headcount**	**%**
White – British & Irish	4040	88.46%
White - Other	167	3.66%
Asian	154	3.37%
Black	38	0.83%
Mixed	32	0.70%
Any other Ethnic Group	25	0.55%
Not specified	99	2.17%
Chinese	12	0.26%
Total	**4567**	**100.00%**
Gender	**Headcount**	**%**
Female	3748	82.07%
Male	819	17.93%
Total	**4567**	**100.00%**
Disabled	**Headcount**	**%**
No	3544	77.60%
Not Declared	400	8.76%
Undefined	504	11.04%
Yes	119	2.61%
Pay Bands	**Female**	**Male**
Executives and Non-Executive Directors	6	7
Trust Senior Leaders (band 8a and above)	222	167
Other Staff	3520	645
Total	**3748**	**819**

Development of Guidance Documents

Trust guidance documents have recently been published to support and advise staff on providing acute healthcare to trans people and also a guide to trans inclusion in the workplace. Both are available to staff on the Trust's intranet.

Disability Confident

The Trust is signed up to the government's Disability Confident scheme (which has replaced the two ticks symbol). The Trust's Recruitment policy, 'Guidance for recruiting managers and recruitment and selection training', makes reference to the new scheme and the support available for disabled people in the workforce. Additionally, the Trust has signed up to the Learning Disability pledge, a scheme whose aim is to increase numbers of people with learning disabilities in the workplace.

Recruitment

The recruitment conversion rates show that the gap between men and women, and people of different ethnicities applying and being appointed to roles at the Trust, has significantly reduced. This reduction was noted in previous years and has continued, giving more credibility to the success of measures implemented in 2015 to ensure all recruiting managers are routinely trained to recruit and select staff. Trust training has a significant focus on equality and diversity as well as how bias affects recruitment decisions.

Education, Training and Career Development

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

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

Staff Engagement

Staff engagement is measured on a scale of 1–5 in the National Staff Survey with 1 being very disengaged to 5 being highly engaged at work. The Trust score of 3.85 in 2017 demonstrates that the vast majority of Trust staff feel engaged or highly engaged.

The Trust's vision to "deliver excellence in healthcare through innovation and collaboration" puts Trust staff at the heart of delivering good and safe experiences for its patients. The Trust is committed to involving staff in decision-making and keeping them informed of changes and developments across the organisation

The Trust's induction programme is the first step in helping new staff to get to know more about the Trust and how the Trust involves and engages with them in its decision-making. The Trust also uses a range of well-established forums for consulting with and engaging staff and their representatives, including:

- Regular Executive and Non-executive ward visits
- Director and Governor Patient Safety Walkabouts
- Regular formal and informal meetings with Trade Union representatives (Joint Local Negotiating Committee and Joint Consultation & Negotiation Committee)
- Weekly Chief Executive's brief
- Regular Trust briefings (Trust Update and Payday Press newsletters)
- Chief Executive drop-in surgeries
- Chief Executive engagement events
- Capped Expenditure Process roadshows
- Forward Thinking and Healthcare Exposition events
- Staff focus groups
- Bright Ideas scheme
- All Together newsletter.

As a Foundation Trust, the Trust benefits from having seven staff Governors who make a valuable contribution to the governance and development of the organisation. The Trust also has an 'Employee of the Month' and 'Team of the Month' scheme which provides staff with recognition for going above and beyond what is expected.

Left: Logo for the government's Disability Confident Scheme, to which the Trust is signed up to

NHS Survey Results

	2016/17		2017/18		Trust improved/deterioration
	Trust	**National Average**	**Trust**	**National Average**	Trust deterioration by 4% from previous year which is above average for combined acute and community trusts in England
Response rate	58%	44%	54%	43%	

The following two tables provide an overview of our five highest ranking scores and our five lowest ranking scores:

Top 5 Ranking Scores	**2017**		**Trust Performance (when compared with all combined acute and community trusts in 2017)**
	Trust	Combined Acute and Community Trust Average	
Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month *(lower score is better)*	22%	29%	Below (better than) average
Percentage of staff feeling unwell due to work related stress in the last 12 months *(lower score is better)*	30%	38%	Below (better than) average
Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves *(lower score is better)*	47%	53%	Below (better than) average
Percentage of staff believing the organisation provides equal opportunities for career progression or promotion *(higher score is better)*	92%	85%	Above (better than) average
Staff satisfaction with level of responsibility and involvement *(higher score is better)*	3.99	3.89	Above (better than) average

The Trust is pleased to be able to report that staff feel that the organisation provides equal opportunities for career progression and promotion and that staff are satisfied with the level of responsibility and involvement they are given.

Bottom 5 Ranking Scores	**2017**		**Trust Performance (when compared with all combined acute and community trusts in 2017)**
	Trust	Combined Acute and Community Trust Average	
Quality of non-Mandatory training, learning or development *(higher the better)*	4.01	4.06	Below (worse than) average
Percentage of staff/colleagues reporting most recent experience of harassment, bullying or abuse *(higher score is better)*	45%	47%	Below (worse than) average
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months *(lower score the better)*	15%	14%	Above (worse than) average
Percentage of staff/colleagues reporting most recent experience of violence *(higher score is better)*	64%	67%	Below (worse than) average
Percentage of staff satisfied with the opportunities for flexible working patterns *(higher score is better)*	51%	51%	Average

Future Priorities and Targets

It is clear that the Trust must focus on those areas where its performance is 'worse than average' to address the issues the staff survey has highlighted. It should also be noted that whilst these are areas that Trust staff feel it needs to improve upon, in all the bottom ranking scores, the Trust sits at or very close to the national average for combined acute and community trusts.

The Trust is mindful that there is some work to do to ensure staff always feel safe and protected in their workplace and this will be a significant focus for the Trust over the coming year. The Trust has therefore set out the following objectives which will form the basis of an action plan for 2018:

- Address behaviours that fall below the Trust's expectations both in its staff as well as the behaviours of its patients and visitors
- Reduce bullying and harassment in the workplace
- Encourage staff to report and tackle bullying and harassment with confidence
- Undertake a review of non-mandatory training and development to help the Trust understand how it can improve the quality of the programmes it offers staff.

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

Occupational Health

Cheshire Occupational Health Service

Mid Cheshire Hospitals NHS Foundation Trust hosts the Cheshire Occupational Health Service, a shared clinical service delivered in partnership with East Cheshire NHS Trust. The service supports managers and employees in optimising their physical and psychological health and wellbeing, supporting the national evidence that a healthy workforce contributes to improved patient care and outcomes. In 2017/18 over 75% of front line health care workers who work in a hospital or community setting were vaccinated against flu. This ensured increased protection for staff, patients, families and carers.

The Trust is very proud to report that in 2017/18 it was successfully re-accredited by the Faculty of Occupational Medicine against their 'Safe Effective Quality Occupational Health Service' assessment. This achievement places the Cheshire Occupational Health Service at the forefront of NHS Occupational Health services and in the top quartile of all Occupational Health services nationally.

The Occupational Health Service Manager for Cheshire Occupational Health Service is also the Chair of the Cheshire and Mersey NHS Occupational Health Managers group. In addition to providing peer group support, this group has been involved in streamlining efficiencies and developing consistency across NHS trusts in areas such as new starter health screening and the management referral process.

In addition to providing occupational health support to staff at Mid Cheshire Hospitals NHS Foundation Trust and East Cheshire NHS Trust, the Occupational Health service also continues to deliver services to the Christie NHS Foundation Trust, Clinical Commissioning Groups (Eastern Cheshire, South Cheshire and Vale Royal) and GP Alliance Boards (South Cheshire & Vale Royal) as well as a number of organisations in the third and private sectors.

Health and Wellbeing

Looking forward, there are a number of key areas to focus on in improving the health and wellbeing of Trust staff in the coming year. In particular, the Cheshire Occupational Health Service has identified the following priorities:

- Introducing improved access to physiotherapy for staff with musculoskeletal conditions
- Reviewing the workforce profile within Occupational Health and developing plans to address risks associated with difficult to recruit to posts in this specialism
- Modernising the bespoke IT systems to enhance the use of technology.

Mid Cheshire Hospitals NHS Foundation Trust places significant emphasis on the health and wellbeing of its staff. A refreshed health and wellbeing strategy, looking forward to the next two years, was launched by the Trust in 2017. This strategy outlined the Trust's plans to improve staff wellbeing across three key areas of engagement, effectiveness and experience.

The support offered to maintain and improve the psychological wellbeing of staff has also been refreshed. The Employee Support Advisors programme provides telephone and face to face counselling support for staff at any time. Staff can access impartial advice and support for a range of issues that impact upon wellbeing and mental health.

Responsibility for monitoring, implementing and evaluating the impact of the Health and Wellbeing Strategy rests with the Trust's Health & Wellbeing Group, which comprises a cross-section staff from across the Trust. Some examples of the range and variety of activities developed by the Health and Wellbeing Group and delivered during the year included:

- 'Walk this Way' event where staff were encouraged to pick up a pedometer and walk as many steps as possible in one day. As a result of the combined effort of staff across both hospital and acute settings, a total of 224,689 steps were recorded, the equivalent of walking from Crewe to York
- A mindfulness-based stress reduction programme identified a cohort of staff who had recently experienced work related stress, anxiety or depression and provided them with support and advice to help boost their resilience
- The launch of 'No Smoking Champions', a cohort of

staff that volunteer to actively support the Trust move to a smoke free environment. This involves ensuring anyone currently smoking on site is only doing so in designated areas and, where appropriate, offering advice on accessing support to quit smoking

- A series of Lyengar yoga classes delivered onsite introduced a range of postures and supported methods for beginners
- A staff support leaflet entitled 'We Care Because You Matter' was compiled by members of the Health & Wellbeing Group in conjunction with the Jet Library. This brought together, in one easy to reference point, all of the support, help and advice that is available to staff across the Trust
- A number of health and wellbeing events were delivered over the year, including 'Men's Health' and 'Know your numbers week' where staff were invited into Occupational Health to have their weight, body mass index and blood pressure recorded
- The Health and Wellbeing Group continued to invite in and develop partnership working with external organisations such as Everybody Leisure, Brio Leisure and 'One You', part of a national initiative to promote healthy outcomes for local residents
- A range of complimentary therapies were made available to staff to access at significantly reduced rates. This included massage, reflexology and aromatherapy treatments. These therapies are a popular way for staff to help them relax and recharge and during the year over 310 treatments were delivered for staff.

The Catering team at Mid Cheshire Hospitals NHS Foundation Trust has undertaken extensive work to improve the nutritional value and quality of the food and drink available. Now 90% of drinks stocked are sugar free, 100% of confectionary stocked is below 250kCal and over 70% of sandwiches and pre-packed meals are below 400kCals and 5% salt.

This development recognises the importance of not only providing healthy eating choices for staff, patients and visitors but also that good food and proper hydration aids improved recovery for patients.

There are a number of key areas to focus on in improving the health and wellbeing of Mid Cheshire Hospitals NHS Foundation Trust staff in the coming year, in particular the Health and Wellbeing Group plans to launch a wellbeing award in conjunction with the Trust's Celebration of Achievement programme to recognise members of staff who have taken personal responsibility to improve either their personal wellbeing or that of colleagues. To help avoid the risks associated with increased sickness absence, the Health and Wellbeing Group will be looking at ways to improve the resilience of the workforce with the aim of helping staff stay healthy and well equipped to face current and future challenges.

Innovation targets are set by the local Clinical Commissioning Group. These centred on the introduction of a range of physical activities for staff, improved access to physiotherapy support for musculoskeletal conditions and the introduction of a range of mental health initiatives for staff. Some examples of the activities delivered included:

- Promoting availability of on-line access for all computer users to complete a workstation assessment
- Mindfulness taster sessions offered to staff through the retained Employee Assistance Provider
- Increased number of resilience workshop sessions to help managers and staff recognise and deal with signs and symptoms of stress.

Below: A banner design that is used to promote the Trust's Health and Wellbeing Group, which includes images of recent events

Volunteer Team

The Trust's volunteer team consists of approximately 300 volunteers providing assistance in over 35 different roles. As well as traditional stalwart roles like helping on wards, Chaplaincy, radio and Macmillan, volunteers have added gardening, hand massages and supporting emergency weekend clinics to the roster. This winter was extremely busy within the hospital and the assistance provided by volunteers was even more significant and greatly appreciated by patients and staff alike.

All volunteer roles have one single aim - improving a patient's experience while they are in the hospital. This can be as simple as greeting someone arriving in outpatients or helping provide directions in the main entrance, to holding a patient's hand in theatre while they undergo cataract surgery under local anaesthetic.

In addition, the Trust continues to partner with outside organisations such as the dementia befriending service provided by Royal Voluntary Services and regular canine visits from Pets as Therapy. The Urology Outpatients (Ward 8) garden area has been the beneficiary of Barclays' corporate social responsibility programme and has undergone a complete transformation which patients will be able to enjoy. Other patient garden areas have also been maintained by local civic organisations such as Rotary at Bentley Motors and local Scout troops. Cheshire Dance, with support from volunteers, continues its innovative movement programme on Ward 21B. This weekly group session has patients participating in gentle movements accompanied by favourite songs from years gone by. Many memories of tea or war time dances have been shared and enjoyed. In November the Trust was the beneficiary of a cross generational project bringing together Crewe and Nantwich Rotary and a local Scout troop to plant purple crocuses in support of Rotary's Purple 4 Polio programme.

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

Further details of the work of the Trust's volunteers is included within the Quality Report.

Below: Patients from Ward 21B take part in a Cheshire Dance session

Trust's policy on off-payroll arrangements

The Trust limits its use of off-payroll arrangements for highly paid staff. Executive Director approval is required. Staff engaged off-payroll for a duration of longer than six months during 2017/18 can be found in the table below. There were no Board members or senior members of staff with significant financial responsibility engaged off-payroll during the year.

For all off-payroll engagements as of 31 Mar 2017, for more than £220 per day and that last for longer than six months	2017/18
No. of existing engagements as of 31 Mar 2017 of which:	0
Number that have existed for less than one year at the time of reporting	0
Number that have existed for between one and two years at the time of reporting	-
Number that have existed for between two and three years at the time of reporting	-
Number that have existed for between three and four years at the time of reporting	-
Number that have existed for four or more years at the time of reporting	-

For all new off-payroll engagements, or those that reached six months in duration, between 01 Apr 2016 and 31 Mar 2017, for more than £220 per day and that last for longer than six months	2017/18 Number of Engagements
Number of new engagements, or those that reached six months in duration between 1 April 2015 and 31 March 2016	0
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	-
Number for whom assurance has been requested	-
Of which:	
Number for whom assurance has been received	-
Number for whom assurance has not been received	-
Number that have been terminated as a result of assurance not being received	-

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2016 and 31 Mar 2017	2017/18 Number of Engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	13

4.5 NHS Foundation Trust Code of Governance

Mid Cheshire Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

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

- Corporate Governance Manual, including Standing Orders of the Board of Directors, Standing Orders of the Council of Governors, Scheme of Reservation and Delegation of Powers and Standing Financial Instructions
- Trust Constitution is in place and standards of conduct for the staff of the Trust in accordance with NHS values and the Nolan Principles of behaviour in public life
- Induction programme for Executive and Non-Executive Directors
- Non-Executive Director regular private meetings with the Chairman
- Recruitment process for Non-Executive Directors led by the Nominations and Remuneration Committee
- Formal induction programme for Governors
- Senior Independent Director in place
- Annual Board of Director and Council of Governor evaluations and development plans
- Register of Interests for Directors, Governors, Senior Managers and Decision Makers published
- Maintained attendance records for Director and Governor meetings and committees
- Formal performance appraisal process for Non-Executive Directors developed and approved by the Council of Governors
- Formal performance appraisal process for the Chairman led by the Senior Independent Director, developed and approved by the Council of Governors
- Formal performance appraisal process for the Chairman and Non-Executive Directors which determine individual and collective professional development programmes relevant to their individual duties and collective responsibility as board members
- Regular Governor meetings with the Chairman and Non-Executive Directors to review issues reviewed at Board of Directors' meetings
- Quarterly performance report produced by the Chief Executive and provided to the Council of Governors
- Council of Governor Agenda Setting meetings
- Membership and Communications strategy in place for engaging with Trust membership
- Annual Report and Accounts presented to Governors and Members at the Annual Members' Meeting
- Strategy workshop held with Governors
- Code of Conduct for Governors and Board
- Good quality and timely reports presented to the Board of Directors and Council of Governors
- Governor led re-appointment process for the external auditor of the Trust
- Recruitment of Executive Directors approved and led by a Remuneration Committee of Non-Executive Directors.

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

4.6 Single Oversight Framework and Regulatory Ratings

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

NHS Improvement assesses and monitors the performance of NHS Foundation Trusts against the Trust's annual plan with the majority of NHS Foundation Trusts assessed on a monthly basis.

Since Quarter 2 of 2016 the assessment of performance has been against the Single Oversight Framework, which was developed to recognise the wider context of Trust performance to include: Quality of Care (in line with CQC assessments), Finance and Use of Resources (widening the assessment to be meeting financial control totals), Operational Performance (national standards and targets), Strategic Change (using STP and transformation plans) and Leadership and Improvement Capability (Well Led Reviews).

The Governance ratings are based on Segmentation Ratings as detailed within the Single Oversight Framework. These ratings range from 1 (voluntary use of external support on request only) to 5 (mandated support determined by NHS Improvement). During 2017/18 the Trust has been rated in Segment 2 for Governance. This was in line with the continued challenge around meeting the four hour transit time standard.

From the financial perspective the Trust is measured against a financial sustainability rating which measures the Trust on a scale of 1 to 4 with 1 being the least risk and 4 the most. The Trust has submitted the 2018/19 plan in accordance with requirements and this plan delivers the required financial position, accepting the control total allocated and associated funding, which is attached to this through the Sustainability and Transformation Fund. This supports a target scoring on Finance and Use of Resources of Level 1.This is an improvement on the 2017/18 score of 3 which was significantly influenced by the Trust's ability to service its debt and low levels of liquidity. Both these elements are forecast to improve in 2018/19 due to reduced repayment of working capital loans and improved cash holdings and surplus.

A summary of the results by quarter are shown below for the financial year 2016/17 and 2017/18.

2016/17	Annual Plan	Q1	Q2	Q3	Q4
Continuity of Service rating*	2	2	-	-	-
Financial Sustainability Risk Rating	2	-	2	2	1
Governance rating	Under Review	Under Review	Under Review	Under Review	Under Review

2017/18	Annual Plan	Q1	Q2	Q3	Q4
Financial Sustainability Risk Rating	3	3	3	3	3
Governance rating segment	n/a	2	2	2	2

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

4.7 Statement of the Chief Executive's Responsibilities as the Accounting Officer of Mid Cheshire Hospitals NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Mid Cheshire Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Mid Cheshire Hospitals NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- Prepare the financial statements on a going concern basis.

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

Tracy Bullock
Chief Executive
Date: 21 May 2018

4.8 Annual Governance Statement

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Mid Cheshire Hospitals NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that Mid Cheshire Hospitals NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Mid Cheshire Hospitals NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should these risks be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mid Cheshire Hospitals NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

During 2017/18, through the Governance Structure and with support from the Trust's Medical Director/Deputy Chief Executive, I provided leadership in respect of risk management processes, as evidenced through the Risk Management Strategy & Assurance Framework 2017/20 and the Corporate Governance Handbook. The Risk Management Strategy & Assurance Framework 2017/20 provides a framework for managing risk across the Trust which is consistent with best practice and national guidance. The Risk Management Strategy & Assurance Framework 2017/20 provides a clear, structured and systematic approach to the management of risks, to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the organisation. The Strategy sets out the role of the Board of Directors and its sub-committees, together with the individual responsibilities of the Chief Executive, Executive Directors and all staff in managing risk. In particular, the Quality Governance Committee provides the mechanism for managing and monitoring risk throughout the Trust and through to the Board of Directors. The Audit Committee oversees the systems of internal control and the overall assurance process associated with managing risk.

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

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

The Trust aims to minimise adverse outcomes to the organisation, staff or estate and, particularly, the patients who use its services, through adequate supervision and training, appropriate delegation, continuous review of processes and the sharing of lessons learned and best practice via Trust wide and Divisional governance systems.

The risk and control framework

The framework of risk control is established by the Risk Management Strategy & Assurance Framework 2017/20 and requires all staff to actively participate in the identification, assessment and management of risk. The risk control objective is to reduce risks to a reasonable level consistent with the Trust's vision "to deliver excellence in healthcare through innovation and collaboration".

The process of risk management begins with the systematic identification of risks throughout the organisation via structured risk assessments. Identified risks are documented on the Risk Register and then analysed in order to determine their relative importance using a risk scoring matrix. Measures to control the risk are identified and implemented to reduce the potential for the risk realising harm or damage. Many control measures do not require extra funding and these are implemented as soon as reasonably practicable.

However, where risk control requires extra funding, then a risk funding process determines how best to use the Trust's financial resources to control that risk. Risk appetite/acceptable risk is defined in the Risk Management Strategy & Assurance Framework 2017/20, with clearly defined authorities to manage risk and support decision making. The Board of Directors is kept fully informed of all significant risks and assurance is provided on the plans to mitigate them.

Awareness of, and responsibility for, risk issues are linked explicitly to key objectives in order to build a sustainable risk management culture. There is delegated responsibility for risks at every level in the Trust as defined by the Risk Management Strategy & Assurance Framework 2017/20. The key objectives are inherently linked to risks and these are contained within the Board Assurance Framework (BAF). The BAF sets out the principal risks to delivery of the Trust's strategic objectives. The Executive Director with delegated responsibility for managing and monitoring each risk on the BAF is clearly identified. The BAF identifies the key controls in place to manage each of the principal risks and explains how the Board of Directors receives assurance that these controls are in place and operating effectively. The Board of Directors undertakes a formal review of the risks to its key objectives quarterly. The related controls and action plans that have been drawn up are also considered by the Board.

In February 2018 the Board of Directors undertook an internal review to assess whether services are well-led using the "Developmental Reviews of Leadership & Governance using the Well-Led Framework". This review provided significant assurances, highlighted where internal improvement actions were necessary and determined focus areas for the externally facilitated review to be commissioned later in 2018/19.

An Organisational Risk Register is maintained and managed that links to the BAF. These risks are reviewed by a number of groups to ensure that risks are being mitigated as appropriate.

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

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

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

Specialist groups (e.g. medicines management), the patient safety summit and the health and safety group support the Executive led functions. The Divisions and Community Services hold local governance meetings, ensuring a care environment to Board approach of timely escalation, assurances and feedback.

Incident reporting is actively promoted through staff training and further embedded by the management of incident investigations. Serious incidents undergo a detailed investigation and an Executive Director led root cause analysis, the results of which are shared with the patient and relatives. Lessons learned from incidents, claims and complaints, together with examples of good practice, are disseminated throughout the Trust so that learning can be truly Trust wide.

Data security is crucial for the Trust and any risks to data quality and data security are continuously assessed and added to the Trust's Risk Register. The Trust has undertaken a gap analysis and developed an improvement plan to address the General Data Protection Regulations. The Trust ensures that it participates in the Information Governance Toolkit and achieved a score of 91% with a "Satisfactory" rating in March 2018. Internal assurance is provided by the Trust's internal auditors, as well as review by the Trust's Information Governance Group, which reports up through the governance reporting processes to the Board of Directors.

A Quality and Safety Improvement Strategy has been implemented which aims to improve the quality of care provided for patients and reduce avoidable harm. The Board of Directors is assured on progress against the metrics within the Strategy via the Quality Governance Committee. The Quality Account, within this Annual Report and Accounts, describes quality improvements and quality governance in more detail.

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

During 2017/18 the Trust's major risks related to:

- **Failure to deliver high quality clinical care 24/7** - During 2017/18 the Trust has recruited additional Consultants in the major acute specialties and has

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

pathology. The Trust has an Escalation Policy and a number of clinical pathways in place to support the consistent delivery of high quality care. Furthermore, the Trust has continued to develop robust clinical pathways with the University Hospitals of North Midlands NHS Trust to ensure that patients receive appropriate, high quality care "out of hours" (e.g. stroke thrombolysis). The Trust has engaged in the Getting It Right First Time (GIRFT) national programme and a number of local improvements have been implemented. Engagement in the programme will continue in 2018/19.

- **The financial stability of the Trust** – The Trust has delivered its financial control total for 2017/18 and agreed a contract for 2018/19 which supports the delivery of the 2018/19 financial target. The Trust has delivered a range of cost improvement programmes and, as part of the Capped Expenditure Programme, delivered significant further savings across the health economy. Work on internal transformation programmes to improve efficiencies has continued alongside the wider collaborations of "Stronger Together" Programme with the University Hospitals of North Midlands and the wider engagement at all levels with the Health and Care Partnership for Cheshire & Merseyside. As part of a partnership, the Trust acquired the provision of Community Services from 1 October 2016 and during 2017/18 strengthened its financial position through further efficiency opportunities which that presented. The Trust underwent an NHS Improvement Use of Resources assessment in March 2018 and the formal report and rating is awaited and will be received as part of the current CQC inspection report.

- **Lack of capital funds to implement the Information Management and Technology (IM&T) Strategy** – A lack of capital funds in 2017/18 meant that the Trust was unable to make significant progress towards implementing its IM&T Strategy. However, the Trust does have a clear digital roadmap in place to deliver an Electronic Patient Record once capital funding has been identified and a Clinical Systems Strategic Outline Business Case has been submitted to NHS Improvement.

- **The acquisition of East Cheshire Community Services** - Alongside Cheshire and Wirral Partnership NHS Foundation Trust and the local GP Alliance, Mid Cheshire Hospitals NHS Foundation Trust formed the Central Cheshire Integrated Care Partnership to provide Community Services to the Central Cheshire population from 1 October 2016. The acquisition of these Community Services presented a risk to the financial and operational sustainability of Mid Cheshire Hospitals NHS Foundation Trust, but the due diligence undertaken as part of the acquisition process ensured the successful transfer of Community Services to the Central Cheshire Integrated Care Partnership. This risk has subsequently been closed in 2017/18.

- **Failure to deliver all key local and national targets and standards** – The Trust performed well against most of the local and national standards and targets, particularly the suite of cancer standards and access waiting times, including diagnostics. The standard for patients being admitted or discharged from Accident & Emergency (A&E) within four hours of that decision has not been achieved. The Performance and Finance Committee continues to have oversight of this standard and plans to recover performance.

The key risks for 2018/19 are:

- The long term financial sustainability of the Trust
- A lack of the required workforce capacity and skill-mix to deliver sustainable, high quality care consistently, seven days a week
- The ability to deliver all key local and national targets and standards, in particular the four hour standard in Accident and Emergency
- A lack of capital funds to implement the Information Management and Technology Strategy
- A lack of pace in the significant transformational change required to deliver the Cheshire & Merseyside Five Year Forward View.

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

- The effectiveness of governance structures including a robust governance meeting structure, with fully constituted terms of reference and escalation processes
- The responsibilities of Directors and sub-groups as contained within terms of reference that are reviewed annually, as well as work plans that are reviewed at every meeting
- Reporting lines and accountabilities between the Board, its sub-groups and the Executive team
- The submission of timely and accurate information to assess risks to compliance with the Trust's licence
- The degree and rigour of oversight the Board has over the Trust's performance.

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

Throughout the year the Chairman, myself and members of the Executive team have met regularly with public stakeholders, Clinical Commissioning Groups and

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

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

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

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

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

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 organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

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

- A People and Organisational Development Strategy that ensures frontline services have appropriately trained staff to carry out the required level of clinical care
- A Transformation and People Committee that reviews projects aimed at improving the efficient and effective use of resources
- Improvements arising from the recommendations of the speciality specific Getting It Right First Time (GIRFT) programme and other external reviews including our stroke pathway which have been reported through the Quality Governance Committee and integrated into the Trust's Divisional quality review process
- A number of assessments and inspections by regulatory authorities and other third parties which have included, amongst others, the Health Protection Agency, the Joint Advisory Group on gastrointestinal (GI) endoscopy (JAG) and the United Kingdom Accreditation Service (UKAS)
- The internal audit work programme 2017/18 and associated assurances and progression against areas identified for action.

The Trust's financial plan is approved by the Board of Directors and submitted to NHS Improvement. The plan, including forward projections, is scrutinised on a monthly basis by the Performance and Finance Committee, with key performance indicators and metrics reviewed by the Board of Directors. Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources. The Trust underwent a Use of Resources assessment by NHS Improvement in March 2018 and the report is awaited.

Divisional and Corporate departments are responsible for the delivery of financial and other performance targets via a Performance Management Framework. This framework includes service reviews with the Executive Team.

Information Governance

A summary of serious incidents requiring investigations involving personal data as reported to the Information Commissioner's Office (ICO) in 2017/18 is provided in the table below. No action has been taken by the ICO in this financial year.

Summary of Serious Incident Requiring Investigations Involving Personal Data as Reported to the Information Commissioner's Office In 2017-18				
Date of incident (month)	**Nature of incident**	**Nature of data involved**	**Number of data subjects potentially affected**	**Notification steps**
February 2018	Technical security failing (including hacking)	Patient Name Dates of Birth Contact number Health Information Discharge Information	3	Individuals Notified
May 2017	B Disclosed in Error	NHS numbers Hospital Number Patient Names Dates of Birth Consultant Names Diagnosis MDT Outcome (treatment plan)	18	Individuals Notified
Further action on information risk	The Trust will continue to monitor and assess its information risks, in light of the events noted above, in order to identify and address any weaknesses and ensure continuous improvement of its systems.			

Annual Quality Report

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

The Annual Quality Account 2017/18 has been developed in line with relevant national guidance. The Trust has a Quality and Safety Improvement Strategy Group, chaired by the Director of Nursing and Quality, which is responsible for the development of the Quality Account and the monitoring of the operational delivery of the Quality and Safety Improvement Strategy. This group has senior representation from the Patient Experience team, Integrated Governance, performance, medical staff, nursing, the Information Department and the Clinical Commissioning Groups. Minutes from the group and items for escalation are reported to the Trust's Executive Quality Governance Group.

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

Controls are in place to ensure that all the Trust's staff have the appropriate skills and expertise to perform their duties. This includes the provision of appropriate training and knowledge of the relevant policies and guidance. This ensures that the data used to assess the quality of the Trust's performance is reliably collected and prepared by staff. Data quality issues are addressed through the Trust's information governance systems in line with its Data Quality Policy. In addition, an ongoing programme of work through Internal Audit systematically reviews the underlying data quality.

Review of effectiveness

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

Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework and Organisational Risk Register are reviewed at least four times a year and provide the Board of Directors and myself with evidence of the effectiveness of controls in place to manage the risks to achieving the Trust's principal objectives.

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

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

- Board of Directors – through the approval and review of the Board Assurance Framework, the review of key performance indicators and the receiving of escalations from committees and groups
- Audit Committee – through the review of the internal audit programme and subsequent receipt of their reports, receipt of external audit reports and assurances gained through management reviews requested by the Audit Committee
- Quality Governance Committee – through the review and management of the Trust's Board Assurance Framework and Risk Register, the scrutiny of serious incidents and the review of the clinical audit workprogramme.

Conclusion

In conclusion, on the basis of the evidence provided I am satisfied that the Trust has effective governance assurance systems in place which enable the identification and control of risks reported through the Board Assurance Framework and Organisational Risk Register. Internal and external reviews, audits and inspections provide assurance that no significant internal control issues have been identified during 2017/18. Where weaknesses have been identified, appropriate plans are in place to deliver the required improvements. These are monitored and assurance sought via the Trust's governance framework.

Tracy Bullock
Chief Executive
Date: 21 May 2018

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Mid Cheshire Hospitals NHS Foundation Trust (the 'foundation trust') and its subsidiaries (the 'group'):

- **give a true and fair view of the state of the group's and foundation trust's affairs as at 31st March 2018 and of the group's and foundation trust's income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the group and foundation trust statements of comprehensive income;
- the group and foundation trust statements of financial position;
- the group and foundation trust statements of cash flow;
- the group and foundation trust statements of changes in taxpayers' equity;
- the statement of accounting policies; and
- the related notes 1 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Revenue recognition; and • Property Valuation of the Trust's land and Buildings Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with  .
Materiality	The materiality that we used for the group financial statements was £5.0m which was determined on the basis of 2% of operating income.
Scoping	We focussed our group audit scope primarily on the Trust. Audit work was performed at the Group's head offices at Leighton Hospital directly by the audit engagement team, led by the audit partner.
Significant changes in our approach	This year we identified a new significant risk of property valuation given that the Trust undertook a full revaluation at the 31st March 2018. This is referred to in the Key audit matters section of our report.

We are required by ISAs (UK) to report in respect of the following matters where:

- the accounting officer's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the accounting officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

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

NHS revenue and provisions	
Key audit matter description	As described in note 1, Accounting Policies and note 1.3, Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are significant judgements in recognition of revenue from care of NHS service users and in provisioning for disputes with commissioners due to: • the complexity of the Payment by Results regime, in particular in determining the level of over performance and Commissioning for Quality and Innovation revenue to recognise; • the judgemental nature of provisions for disputes, including in respect of outstanding overperformance income for quarters 3 and 4. Details of the Group's income, including £217m of Commissioner Requested Services, are shown in note 3.1 to the financial statements. NHS debtors are shown in note 15 to the financial statements. The Group earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position. Whilst a significant amount of the Group's income comes from block contracts agreed with South Cheshire and Vale Royal CCGs, a high value of income as received through Payment by results contracts, increasing the significance of associated judgements with respect to this income.
How the scope of our audit responded to the key audit matter	We tested recoverability of over performance income and adequacy of provision for income during Q4, and evaluated the results of the Agreement of Balances (AoB) exercise. All AoB differences between MCH and the relevant counterparty were reconciled to within trivial amounts. Where we identified management estimates that involved significant judgement in respect of recognition of unsettled revenue, including STF income, we evaluated the design and implementation of the Trust's controls around the review and approval of those estimates. We requested from management a paper summarising any areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted, in particular in respect of provisions held in respect of unsettled debts. As no disputes were present this year, we evaluated management's assertion that there were no disputes. We assessed the appropriateness of the judgements made in recognising revenue on the basis of discussion with staff involved, review of correspondence with commissioners and other relevant documentation, and consideration of the benchmark information from our knowledge of the local health economy. We reviewed with management the key changes and any open areas in setting 2018/19 contracts, and considered whether, taken together with the settlement of current year disputes, there are any indicators of inappropriate adjustments in revenue recognised between periods.
Key observations	We concluded that NHS revenue had been recognised appropriately and concurred with management's judgement not to recognise any debtor provisions.

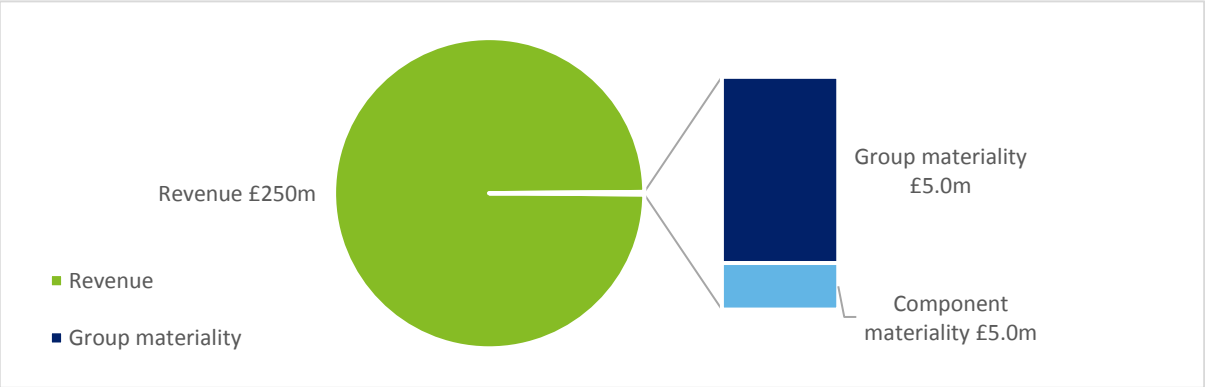
Property valuation	
Key audit matter description	The Group holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £83.6m as at 31st March 2018. The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value. As detailed in note 11, the Group has reassessed a number of valuation assumptions in the current year, such as reassessing the floor areas required to re-provide the hospital estate, with equivalent service potential, as a Modern Equivalent Asset. In valuing the land, the valuer has considered the alternative site potential and determined that the previous assumptions on the two separate sites are still valid per note 1.
How the scope of our audit responded to the key audit matter	We reviewed the Trust's capital and valuation plans as part of the planning process and discussed with management potential judgements required in determining the appropriate valuation of assets, in particular with regard to whether the MEA-AS should be recorded net or gross of VAT. We used our property specialists Deloitte Real Estate to review the approach, assumptions and conclusions from the Trust's valuation of its property, plant and equipment on an MEA-AS basis. We tested the accounting entries relating to the adoption of the revised valuation.
Key observations	We have completed our testing of the revaluation, and concur with the treatment adopted by the Trust. We have not identified any issues from our work on this Key audit matter.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

	Group financial statements	Foundation trust financial statements
Materiality	£5.002m (2017: £4.5m)	£5.000m (2017: £4.5m)
Basis for determining materiality	Approximately 2% of income (2017: 2% of income)	Approximately 2% of income (2017: 2% of income)
Rationale for the benchmark applied	Operating income was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements. The substantial majority of the Group's operations are carried out by the Trust.	



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £250k (2017: £227k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

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

Based on that assessment, we focused our group audit scope primarily on the Trust. Materiality (Group) was determined at £5.0m (2017: £4.5m). We performed a detailed risk assessment to

understand Account balances, Class of Transactions and Disclosures which presented a higher risk of material misstatement, on both quantitative and qualitative grounds.

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

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

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

Other information

The accounting officer is responsible for the other information. The other information comprises all information included in the annual report other than the financial statements, and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of accounting officer

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, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the group's and the foundation trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the group or the foundation trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Reports in the public interest or to the regulator

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

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

We have nothing to report in respect of these matters.

Certificate

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

Use of our report

This report is made solely to the Council of Governors and Board of Directors 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 Council and Board 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 foundation trust and the Council and Board as bodies, for our audit work, for this report, or for the opinions we have formed.

Paul Thomson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds
24 May 2018

Quality Report 2017/18

Statement on Quality from the Chief Executive

It has been a very eventful year at Mid Cheshire Hospitals NHS Foundation Trust, and I am delighted to share some of that with you through our Quality Account for the period of April 2017 to March 2018.

Mid Cheshire Hospitals NHS Foundation Trust (MCHFT) is the organisation that runs Leighton Hospital in Crewe, Victoria Infirmary in Northwich and Elmhurst Intermediate Care Centre in Winsford. In partnership with Cheshire Wirral Partnership NHS Foundation Trust and South Cheshire and Vale Royal GP Alliance, we also deliver Community Services across a number of community locations.

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

Throughout 2017/2018 we have continued to make good progress on our Quality Improvement and Safety Strategy, progress which has largely been achieved collaboratively as a result of the hard work, commitment and dedication of all our staff. We have continued to see and treat an increasing number of patients with more complex needs on both an elective and non-elective basis.

In March 2018, the Trust delivered four of the five NHS Improvement Standard Oversight Framework performance indicators. The standard not achieved was the four hour access standard (nationally known as the A&E Target), which delivered 87.12% in 2017/18. A full programme of improvement work is underway during 2018/19 to improve this performance.

Following the successful integration of Community Services last year we are proud that the programme of continuous improvement and transformation for these services has continued. The development of five care communities sets the future direction of patient centred care across geographical footprints and supports closer working relationships between partner organisations and enhances holistic patient pathways.

MCHFT was named nationally within the top three combined acute and community trusts for the annual staff survey results in 2017. This is a continued achievement that every one of our staff can be proud of.

Key achievements in 2017/18 include:

- Winner of the Patient Experience Network Awards (PENNA) 2017 for the introduction of a tablet to take out (TTO) sticker on the Acute Medicine Unit (AMU) that has reduced the patients wait to be discharged
- The introduction of a Virtual Fracture Clinic enabling all patients who have been referred to the Fracture Clinic to be reviewed virtually by an Orthopaedic Consultant and reducing the need to re-attend the hospital for minor fractures
- The re-launch of the Quiet Protocol in June 2017 to highlight the importance of minimising all avoidable noise at night
- Continued improvement in the experience of patients with Learning Disabilities - the Trust's Dignity Matron makes visits to their own home to plan elective admission to hospital
- A reduction of the number of patients having E-coli infections and the improvement of Patient Screening and treatment for sepsis
- MCHFT participated in phase one of the National Maternal and Neonatal Health and Safety Collaborative.

We recognise that providing health care is not without risk and that sometimes patients can be unintentionally harmed in the care of hospitals. You will read throughout this Quality Account of MCHFT's ambitious aims to continue to reduce harm across our organisation. Our Quality and Safety Improvement Strategy is the vehicle by which we have steered the direction of travel for quality and safety

- Zero tolerance to never events
- Sepsis
- Reducing hospital or community acquired avoidable pressure ulcers by 5%
- Reducing inpatient falls
- Reducing mortality figures.

Patients want to know that they will be provided with the best treatment and care available, based on up-to-date evidence and by well trained staff. This report also demonstrates that the Trust has a number of assurance mechanisms in place which demonstrate how we scrutinise the quality of the care that we deliver. Examples of these include our extensive audit program and the nursing acuity tool that is used to ensure the correct staffing is in place.

We are proud that our *C-difficile* infection rates have fallen from three avoidable to one avoidable in 2018. Overall we had 18 *C-difficile* infections against a target of 24. Importantly, of those, 17 were deemed to have been unavoidable following in-depth analysis with our commissioners. This is a considerable achievement and reflects the actions undertaken to help reduce healthcare associated infections. We have not achieved the target to have no MRSA bacteraemia infections reported during the year, with a total of four and have a number of actions in place to ensure that we do all we can to ensure we achieve this target throughout 2018/19.

With regard to our mortality rates, the latest publication for our mortality data for the period to September 2017 demonstrates a Summary Hospital-level Mortality Indicator (SHMI) of 103.71 and the Trust remains in the 'as expected' range.

I hope you will enjoy reading about the many examples of the improvement work that teams across the organisation are pursuing. We strive to deliver high quality, safe, cost-effective and sustainable healthcare services that meet the high standards that our patients deserve. We want MCHFT to continue to be the health care provider that patients trust to provide those highest standards of care - and the organisation that staff have pride in and are willing always to give of their best.

I am pleased to confirm that the Board of Directors has reviewed the 2017/18 Quality Account and confirm that it is a true and fair reflection of our performance. We hope that this Quality Account provides you with a clear picture of how important quality improvement and patient safety are to us at MCHFT.

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

Tracy Bullock
Chief Executive
Date: 21 May 2018

Priorities for improvement and statements of assurance from the Board

Following the successful completion of the 2016-18 Quality Strategy, the Trust has conducted an extensive engagement programme to inform the development of the 2018/19 Quality and Safety Improvement strategy. Nine Key priorities have been identified.

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

"***To deliver excellence in healthcare through innovation and collaboration."***

The Trust will be a provider that:

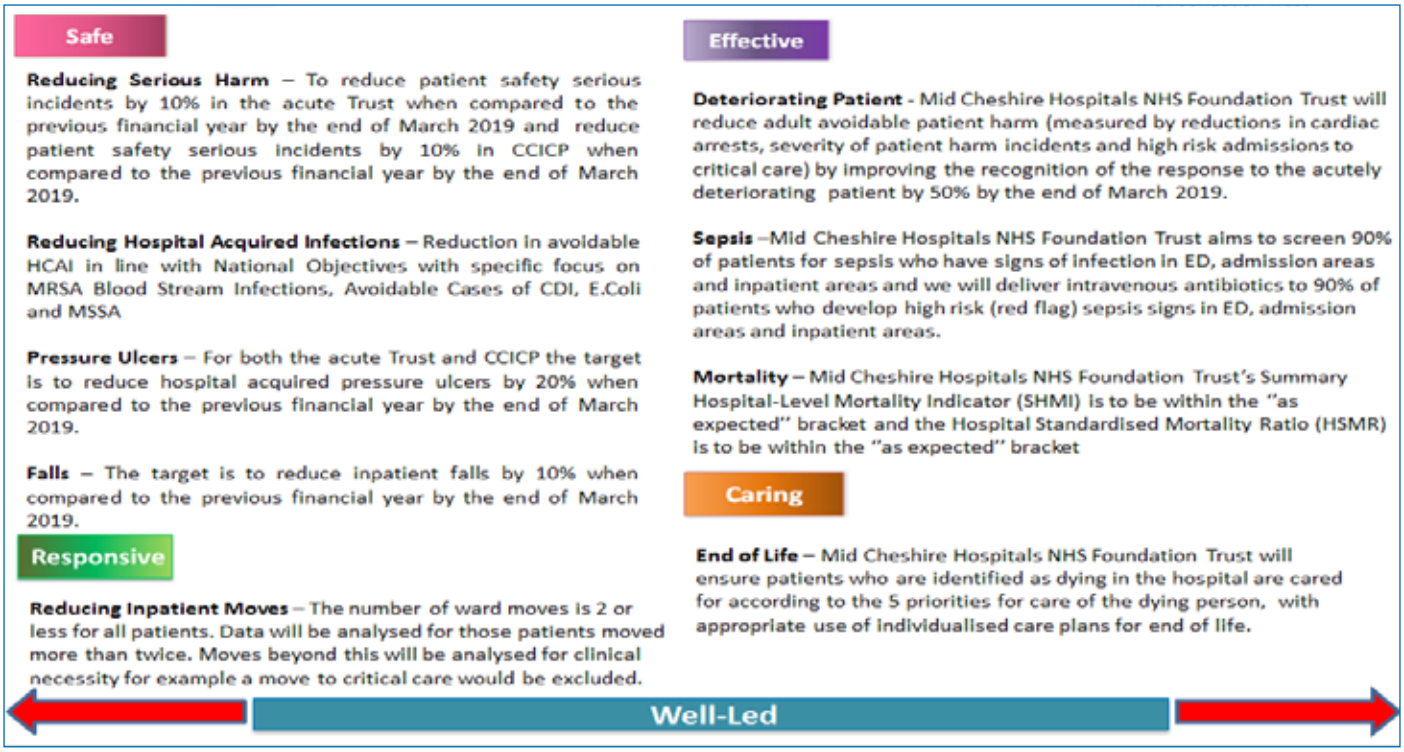
- Delivering outstanding clinical quality, safety and experience
- Being a leading partner in a progressive health economy
- Striving for outstanding organisational effectiveness
- Aspiring to excellence in practice through our workforce
- Creating a 21st century infrastructure for transformative health and social care

The strategy links closely with other key strategies such as the Trust Strategy and Our Workforce Matters Strategy 2018-21. It is when these work hand in hand that collectively the Trust can deliver the vision and mission of the organisation.

The strategy is based on views from people from Vale Royal, South Cheshire and the surrounding areas who told the Trust what they wanted from their hospital. In addition, staff, Governors and other stakeholders also contributed to the development of the strategy.

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

The Quality and Safety Improvement Strategy for 2018/19 will include the three key elements of quality, experience, effectiveness and safety, however it will focus on the quality domains set by the Care Quality Commission (CQC):



Priorities for Improvement in 2017/18: Feedback from patients

National patient surveys

The Trust is keen to ensure that patients, their families and carers receive an experience that not only meets but exceeds their expectations of services at the Trust. The Trust strives to ensure that all patients feel supported by the full range of Trust services, and that staff involve patients, their families and carers in decisions about their care at all stages of the patient journey.

The Trust values and encourages feedback on how all services perform. The Trust also actively seeks the views and involvement of patients, their carers, Foundation Trust members and the wider community in the design and delivery of all services. Their views play a central role in monitoring and driving improvements in the quality, safety and efficiency of Trust services.

The Trust participates in a national annual programme of patient satisfaction surveys. The Care Quality Commission uses the results from the surveys in the regulation, monitoring and inspection of trusts in England. Results are shared with the relevant teams and good practice is highlighted and action plans are developed to address issues identified from the results

National inpatient surveys 2017

The survey was distributed to patients admitted in July 2017. With 642 surveys returned completed, the Trust had a response rate of 53%.

The results include patients' perceptions of:

- The quality of communication between medical professionals (doctors and nurses) and patients
- The standards of hospital cleanliness
- Choice of food and rating
- Being involved in decisions about their care and treatment
- Information provided.

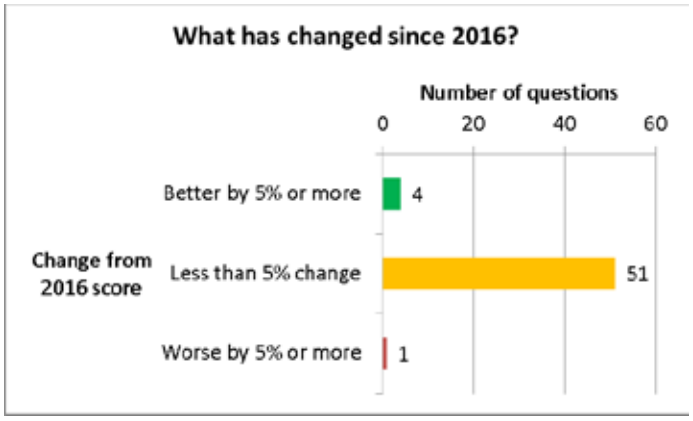
The Trust scored an average of 75% in 2017 compared with 2016 average score of 77.2%.

A new question included in 2017 resulted in 74% of patients confirming they were able to receive attention from a member of staff in a reasonable time.

Compared with the 2016 survey, the Trust showed a 5% or greater improvement on four question scores and a 5% or greater reduction in score on one question.

A poster was distributed to wards and departments with examples of comments made by patients from the national inpatient survey when asked what was particularly good about their care.

What has changed since the 2016 inpatient survey?



What has changed since the last inpatient survey?

The Trust has significantly improved on the following questions:

- Patients receiving enough information about their condition or treatment if they were admitted via the A&E Department
- Patients were not bothered at night by noise from other patients
- Beforehand, they were told how they could expect to feel after an operation or procedure
- An increased number of patients were asked for their views on the quality of care they received during the admission.

A workshop including all members of the multi-disciplinary team was established to review the outcomes and develop an action plan to ensure continuous improvement. Results are always shared widely across the organisation and at public meetings.

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

- A bedside information mat has been designed to be used as an information source to patients
- Staff aim to ensure that patients are aware of the name of the nurse looking after them on a daily basis
- The noise at night 'Quiet Protocol' was relaunched in June 2017, highlighting the importance of minimising all avoidable noise at night. Each division submitted a list of pledges committing to various actions to help reduce noise at night
- Discharge Delays - The previous national inpatient survey highlighted patient concerns around

Left: Members of staff from the Medical Assessment Unit, which was recognised at the Patient Experience Network Awards 2017

delays when waiting for discharge medication following discharge from inpatient hospital stays. Subsequently, a project team led by a Ward Manager was appointed on the Medical Assessment Unit (AMU) to address these delays at a local level, with the view to disseminating and rolling out any successful interventions across other areas of the hospital. By trialling new ideas, and measuring the outcome using quality improvement methods, a robust and sustainable improvement has been implemented. Discharge delays have been reduced since the introduction of a printer on AMU, which enables the ward-based pharmacist to dispense medication, decreasing the delays associated with the medications aspect of the discharge process and increasing patient satisfaction. This is currently being piloted on further wards. The project was also a winner at the Patient Experience Network Awards.

Patients were asked what was particularly good about the service they received as part of the national inpatient survey. Posters were distributed across the organisation to share these good examples:

- *"The ward was run very competently. Most of the staff were great and nothing was too much trouble for almost everyone. I met some lovely patients and staff."*
- *"Very smooth process from first arrival to discharge."*
- *"The staff were all happy and appeared to work well together as a team. This was reflected in the way they treated patients. The patients I was with appeared to respond to this atmosphere too which again bounced back to the staff."*

National Children's and Young People Survey 2016

The National Children and Young People's survey is designed to seek views from the perspectives of parents/carers, children and young people aged 0-15 following a hospital admission and discharge in November/December 2016. 826 questionnaires were sent with 206 returned, giving a 25% response rate.

Positive patient comments received included:

- *"All staff were professional, kind and helpful and we cannot praise them enough. We appreciated the play specialist providing age appropriate toys for our daughter."*
- *"My daughter received great care from all that were involved. She took a shine to a nurse and she was great with her. I was really grateful for all the help and advice and with all the information regarding my daughters operation."*
- *"Me and my daughter were transferred to Leighton Hospital when she was poorly and it was the nicest and cleanest hospital I have stayed at, would highly recommend to anyone."*

What has changed since the last survey?

Areas where we performed better than other Trusts:

- Before the operation or procedures, did hospital staff explain what would be done (8-15 age group)
- Was the ward suitable for the young person's age (12-15 age group).

Area where we performed worse than other trusts:

- Were members of staff available when children needed care and attention (parents andcarers of children aged 0-15 age group).

Based on the comments and the results, the paediatrics department decided to focus on:

- Reducing discharge delays
- Improving communication after surgery
- Improving facilities and reducing noise (Ward 17 is currently being refurbished).

Actions taken

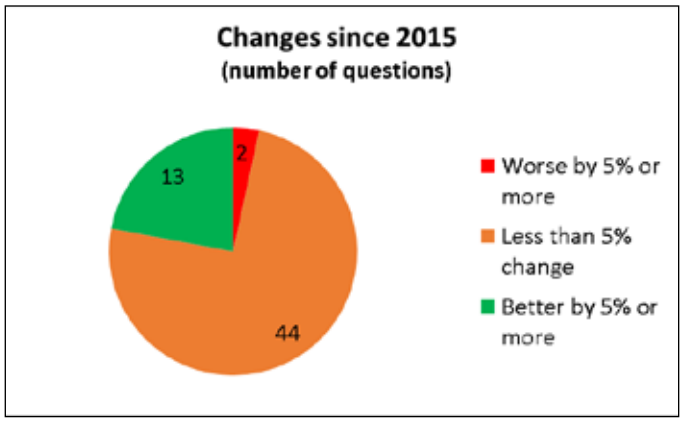
- The children's ward is adapting the 'Your Guide to Discharge' checklist document for use on the ward, for addressing expectations around the discharge process
- An audit is being conducted to collect data around delays associated with medications. The ward plans

to purchase a pharmacy printer so that they can dispense medications on the ward, therefore reducing discharge delays associated with medication
- The importance of communication after surgery has been shared with the surgical team at relevant forums
- Drinks for parents to be made available in flasks/ travel mugs so that they can be taken onto the wards.

National Maternity Survey

In order to seek the views of women, 300 surveys were sent to maternity service users in January/February 2017. 144 responses were received, a 48% response rate. The average mean score achieved across the survey was 84%, an improvement since the previous survey conducted in 2015 where the mean score was 81%. From 2017 the National Maternity Survey will be an annual survey in future.

What has changed since the last inpatient survey?



Areas where we have performed better than other trusts

- Skin to skin contact with your baby shortly after the birth
- Overall care in hospital.

There were no scores performing worse than other Trusts.

Areas with improved scores:

- Active support and encouragement about feeding your baby
- Telephone number for a midwife or midwifery team that you could contact
- Help and advice from a midwife or health visitor about feeding
- Help and advice from health professionals about baby's health and progress in the six weeks after birth
- Partners being able to stay as much as they wanted to
- The midwife advising about the need to arrange a postnatal check-up for Mum of their ownhealth with the GP (Around 6-8 weeks after the birth).

A poster was distributed to maternity areas to celebrate the positive feedback.

Based on the results and comments the maternity department decided to focus on:

- Post-natal check up
- Explore further post-natal care venues
- Virtual discharge chat
- Promoting home births.

Actions taken

- Fridge magnets to be issued to mothers who have given birth to remind them to book a post-natal check-up for their baby
- Alternative post-natal venues to be explored to give women more choice about where they see their midwife
- Midwifes to wear badges that read – 'Tell me about homebirth' to encourage women to start conversations about the option of homebirth
- Every woman who is discharged required a 'discharge' chat conveying key items of information. This is time consuming and can take up to 15 minutes per patient. Midwives are linking in with the Communication team to record a 'discharge chat' video, to be played to women before they are discharged.

National Cancer Survey

Patients were sent the postal questionnaire (with 2 reminders) and had the option to complete the survey online. The sample included all adult (aged 16 and over) NHS patients with a confirmed primary diagnosis of cancer (ICD10 codes). The sample included patients discharged from an NHS trust after an inpatient episode or day case attendance for cancer related treatment between April and June 2016 with results published nationally in 2017. The Trust had a 67% response rate (England national average 67%).

Patients were asked about all aspects of their care including:

- Deciding the best treatment
- Support available including from the Clinical Nurse Specialists
- Hospital care as a day patient / outpatient
- Overall NHS care.

What has changed since the last inpatient survey?

- Respondents gave an average rating of 8.9 for MCHFT where the scale was zero (very poor) to 10 (very good). The national average was 8.7
- Six questions from Phase 1 of the Cancer Dashboard developed by Public Health England and NHS England
- Patient experience at MCHFT was better than national average in 26 questions including the overall rating (16 in 2015)
- The same for seven questions (6 in 2015)
- Patient experience at MCHFT scored lower than the national average in 19 questions (27 in 2015)
- Less than 5% below national average in 17 questions (22 in 2015)
- Between 5% and 10% average in one question
- More than 10% below national average in one question (5 in 2015).

National Cancer Dashboard	MCHFT Score 2016	National Average Score 2016	MCHFT Score 2015	National Average Score 2015
Patient definitely involved in decisions about care and treatment	83%	78%	76%	78%
Patient given the name of the CNS who would support them through their treatment	93%	90%	96%	90%
Patient found it easy to contact their CNS	88%	86%	89%	87%
Always treated with respect and dignity by hospital staff	87%	88%	91%	87%
Staff told patient who to contact if worried post discharge	97%	94%	93%	94%
Practice staff definitely did everything they could to support patient	70%	62%	64%	63%

Actions taken:

Having analysed the tumour specific breakdown, Colorectal overall score was 8.23 (unadjusted – before case mix adjustment) and was a lower score than other tumour groups.

The National Cancer Survey is designed to drive improvements and, having analysed the 2017 results, the Trust is focusing on redesigning the colorectal pathway from initial referral to inpatient treatment and early discharge following surgery. This redesigned pathway is aligned to the service's workforce strategy and incorporated the recruitment of a new Navigator post and Colorectal Support Worker to support early diagnosis and to be a point of contact for information and support.

A further action related to information for patients before radiotherapy treatment and, although the service is not provided at the Trust, it is about information and support for patients. A review was completed by the Macmillan Information and Support Manager of specific information available to patients and carers across all tumour groups.

Local patient surveys

An annual patient and public involvement (PPI) programme is compiled at divisional level and agreed at Trust level. These divisional programmes comprise of a carefully selected list of patient and public involvement surveys, identified as key areas of interest.

In the financial year 2017/18, 51 local surveys have been undertaken. These surveys were completed by patients in various settings, including whilst they are receiving treatment on the wards, in outpatient clinics and in the community.

Additional to the 50 local surveys undertaken, there are four core surveys that are collected each quarter in inpatient areas. These core surveys collect patient feedback on key focus areas including communication, privacy and dignity, infection control and nutrition and hydration. Three of the surveys featured in the divisional PPI programmes are:

Acute Pain Survey

The Acute pain survey is run on a bi-annual basis. 100 surveys were sent out to the target population and 94 were returned, giving a response rate of 94%. The survey assesses the patient's views about the pain relief they received as an inpatient.

The results indicated that:

- 78% of respondents received pain relief information
- Information was mainly given verbally (75%)
- 98% of patients felt they were treated with dignity and respect.

Key issues and actions taken:

- **Issue**: Patients did not understand how their pain was scored.
  Action: Development of a short inpatient leaflet that can be given to patients when they are on the ward.
- **Issue**: 40% of patients felt they had no choice about pain relief.
  Action: Education of staff - assessing and reassessing patients' pain management (planned through training and awareness days run by the Acute Pain Team).
- **Issue** – Patients reporting side effects.
  Action: Guidelines have been updated to aid patients' rehab and recovery.

Patient views on discharge from hospital

The 'Your Views' on discharge survey is run on a bi annual basis. Surveys were distributed to wards and the Discharge Lounge for completion by patients who have been discharged from an inpatient stay. 62 surveys were completed.

The results indicated:

- 94% received a discharge letter
- 96% of patients who had the guide found it to be useful
- 84% were either quite, very or totally satisfied with their discharge.

Below: a copy of the 'Your Guide to Discharge' leaflet. Following feedback, the Integrated Discharge Team will be working with Ward Managers to ensure that it's available for all patients being discharged from an inpatient stay

Key issues and actions taken:

- Complex discharges were not fully represented in this audit. In the next round of the audit early discharge facilitators (EDFs) will support audit completion and identify appropriate patients to ensure group is represented
- 'Your Guide to Discharge' leaflets were given to only 38% of patients. The Integrated Discharge team is working with ward managers to ensure that this information leaflet is made available for all patients who are discharged from an inpatient stay
- 41% of the sample surveyed had To Take Out (TTO) medications provided and dispensed on the ward. There is work currently underway to increase the amount of patients who have TTOs readily dispensed prior to discharge to reduce delays associated with waiting for medication in the discharge lounge. Ward based pharmacists are to have access to potential discharge list to support flow and improve the speed of discharge.

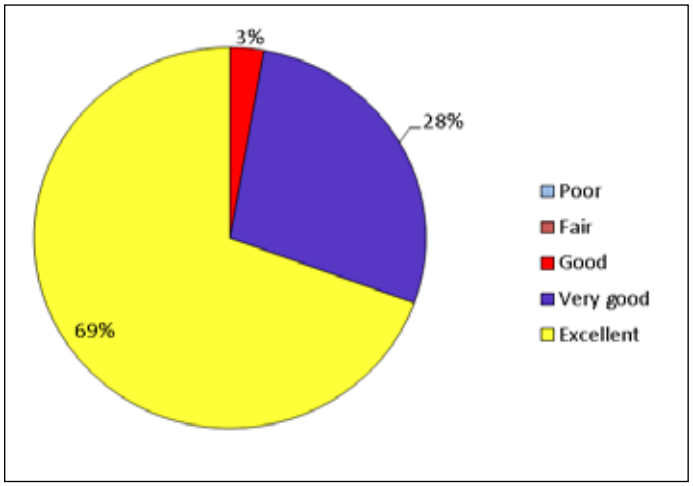
Diabetes Specialist Nursing Service Patient Feedback on Insulin Management Education

The Central Cheshire Integrated Care Partnership (CCICP) Community Diabetes Specialist Service conducted a survey to obtain feedback from insulin treated patients on whether completion of one-to-one education resulted in an increase in their diabetes knowledge and skills. During the period June to September 2017 a total number of 36 patients on insulin therapy who had completed an episode of care participated. Patients were asked to complete a questionnaire rating their self-management skills pre education and again post education.

The results indicated:

- **Pre education**: 69% of patients rated their knowledge on rate of insulin absorption from different sites as poor to fair.
- ***Post education:*** 91.67% of patients rated their knowledge as good, very good or excellent.
- **Pre education**: 58% of patients rated their knowledge on action profile of their insulin as poor to fair.
- ***Post education:*** 97% of patients rated their knowledge as good, very good or excellent.
- **Pre education**: 64% of patients rated their knowledge on how to adjust their insulin doses as poor to fair.
- **Post education**: 94% of patients rated their knowledge as good, very good or excellent.

On completion of an episode of care over 97% of patients rated care received as very good or excellent. None rated the care as poor or fair.



Key issues and actions taken:

- The results indicate that one-one education improved patient's perception of their knowledge of diabetes and self-management skills.

In order to get some further feedback:

- The team plan to continue to develop this education programme and repeat the survey next year with the addition of the question around how the service can be improved
- The results will be shared at numerous forums across the organisation.

Patient Experience Network Awards 2017

The Patient Experience Network (PEN) National Awards are the first patient experience awards in the UK, celebrating the delivery of outstanding patient experience by those involved in the health and social care industry. The Trust was delighted to have three applications shortlisted as finalists with two nominations winning.

Winner: Endoscopy Services in the "Turning it Around"

The team implemented a number of local and national interventions to ensure patients fully understand the process around withdrawal of consent and to ensure high levels of patient satisfaction and safety going forward. There is an ethos, in Endoscopy, of taking proactive steps to continually improve the service provided to users of the service and their relatives and carers. The nurses in the Unit are passionate about the quality of care delivered, and the senior nurses endeavour to create an environment in which this is encouraged. The patient is always at the centre of the service and, although receiving complaints can be unpleasant, the Unit strives to turn any negativity into a positive outcome going forward.

Winner: Acute Medical Unit, To Take Out Medications Project

Discharge delays have been significantly reduced since the introduction of a printer to speed up the process of dispensing medications for patients to take home on the Acute Medical Admissions Unit (AMU). This has seen a reduction in delays associated with the medications aspect of the discharge process and increased patient satisfaction. This was made possible by having a regular Ward Pharmacist and Pharmacy Technician on AMU who are able to dispense and check TTOs once the TTO has been authorised. This has reduced waiting times significantly from hours to minutes in some cases. This is currently being piloted on a surgical ward to establish if the same benefits can be seen. There have also been discussions around introducing a similar model on the children's ward.

Finalist: In This Moment - Dance and Dementia Project

The hospital was approached by Cheshire Dance with an idea of bringing dance and movement to the wards. The hospital had not tried this type of project with patients, and realising the benefits it could bring the ward, the nursing and therapy team on ward 21B were really excited about it.

The research that has been undertaken by Tuffnell (2017) demonstrates positive outcomes with dementia patients using music and movement to stimulate memories or moments of awareness and can be really special for the patient, family and team. It also has many benefits on the person's physical and mental health, as well as their social and creative sides.

Pictured above: Members of the Endoscopy team with their Patient Experience Network (PEN) award

NHS Choices

The NHS Choices website provides an opportunity for patients to provide comments about their recent experience in hospital (www.nhs.uk).

Reviews received via NHS Choices are shared with staff and a comment or response posted. The Trust, wherever possible, can respond to the posting thanking patients for feedback and providing information on how their comments can be shared with teams or acted on to improve services. Staff responding quite often invite the reviewer to contact them to discuss the care further (where appropriate) and provide contact details.

- There were a total of 115 new postings on the NHS Choices website in 2017/18
- There have been 94 positive postings and 21 negative.

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

Examples of comments posted on NHS choices include:

- **Ward 10** – ''*The staff were very helpful and nothing was ever too much trouble for them, they kept me informed, we're professional and kind at all times day and night. The surgical team were also excellent keeping me informed and explaining exactly what would be happening as I went into theatre*".
- **Ophthalmology** – ''*Cannot fault the treatment I have received from consultants and nursing staff but feel let down by administration staff. Appointments are constantly being changed and when the consultant tells me I have to be seen at a specific time I feel very concerned that administration change the appointments without considering the impact*".
- **A&E, Theatres and Children's Ward** – *''The A&E staff talked my daughter and me through everything and tried to reassure my daughter who was pretty distraught and in a lot of pain. The theatre staff were amazing there was one in particular who calmed my daughter in preparation for the procedure. Then we were admitted to children's ward where again the staff were attentive despite being busy. The nurses treated my child with so much respect and patience and went out of their way to reassure her (and us as parents"...*
- **GP Out of Hours** – ''*We attended the out of hours GP service as my daughter had hurt her neck. We were seen very quickly and the doctor was really helpful and easy for her to talk to. I think we are very fortunate to have such a high standard medical facility locally open when we need it*".
- **Ward 21B** – ''*During the period my mother had in Hospital I must give praise to ward 21B for their outstanding care and attention to a frail old lady who sadly passed away. The whole of the Staff on the ward were outstanding. Their devotion to duty and exceptional care was worth more than a thank you*".

Leighton Hospital:

Victoria Infirmary:

- **Bowel Screening and Breast Screening** – *''I attended for bowel and breast screening for both appointments the whole experience was first class. Friendly professional staff, everything explained every step of the way and no significant waiting. A huge improvement from my previous visit 4 years earlier*".

Friends and Family

The NHS Friends and Family Test (FFT) was created to help service providers understand whether patients are happy with the service provided, or where improvements are needed. It is a quick and anonymous way to give patient views after receiving care or treatment across the NHS. This simple survey is run in areas across the Trust ensuring patients have an opportunity to provide feedback on the care received. Responses are collected through postcards and by text messaging.

The Trust has recently introduced a text messaging service for patients to ask for feedback for the Friends and Family Test. This has resulted in an increased response rate from patients attending the Emergency Department and medical or surgical assessment areas from 3% to 22%. Patients can also receive an option of leaving a voice recorded message about their experience. The monthly number of responses for these areas has increased from 200 to 1600 per month. Feedback is shared with teams and reviewed in terms of themes emerging and action will be taken wherever possible to improve patient experience. Examples of improvements are displayed as "You Said, We Did" posters in the departments.

How are the results calculated?

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

Trust results

Over 31,000 patients have responded to the Friends and Family Test, with 94% of patients indicating that they are likely to recommend services or treatment to their friends or family.

94%

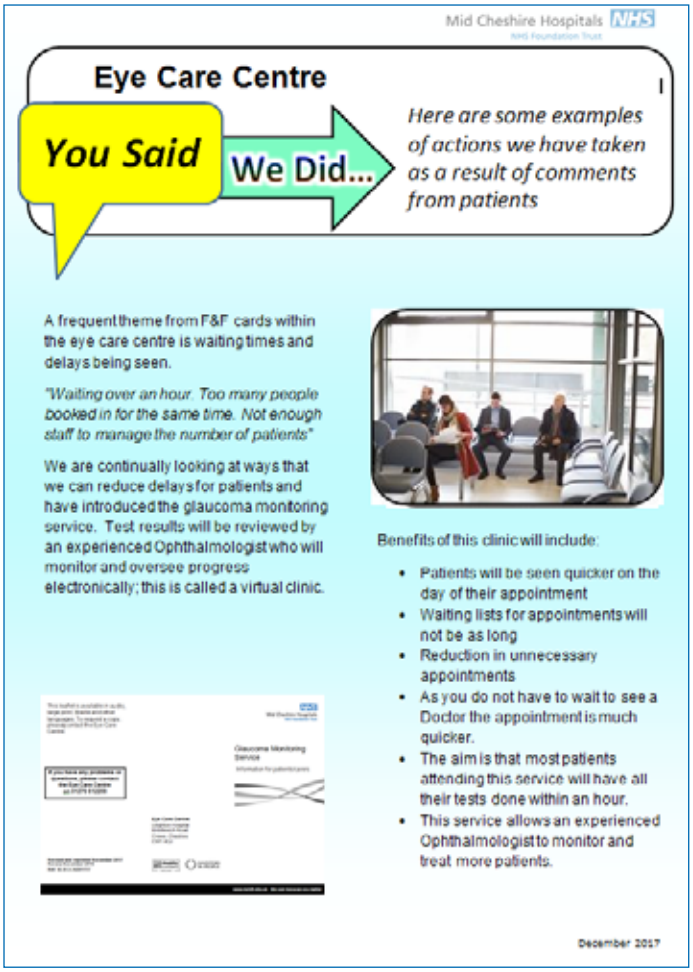
of patients say that they are likely to recommend the Trust for treatment (Friends and Family Test)

One of the key benefits of the Friends and Family Test is that results are quickly available to staff, enabling them to take swift action where poor experiences have been identified.

Comments and ratings are shared widely across the organisation and Friends and Family Test results are displayed in public facing areas. Recent examples include:

- **Endoscopy** – ''*The staff were friendly, professional and caring. I felt safe and in good handsand could not have asked for better care*".
- **Community Paediatric OT** – ''*I thought the appointment was dealt with professionally andthe staff concerned were knowledgeable about their subject and explained the process verywell*".
- **Community Rehab and Therapy** – ''*Very helpful and friendly, not patronising as some canbe when speaking to the elderly*".
- **Maternity** – ''*I've had great care from all staff I've seen along my triplet pregnancy. Veryprofessional and friendly members of staff*".
- **Paediatric Outpatients** – ''*Friendly staff– speak to children on their level*".
- **Elmhurst** – ''*The NHS is in safe hands if the staff at Elmhurst are anything to go by. I leavetomorrow with a heavy but grateful heart for the kindness and care which was way abovewhat is expected of them*".

Examples of actions/service improvements taken and displayed in a poster format (opposite):



Maternity Facebook comments

The Maternity Facebook page went live in April 2015 with the aim of promoting Leighton Hospital Maternity Services and making information accessible via social media. Since its launch, the Facebook page has grown in popularity rising to a total of 3,267 followers, so the information posted reaches a wide audience.

The Facebook page raises the profile of the services offered and provides current evidence based information to women and their families. Recent public health related posts include the promotion of smoking cessation information, a recent shoebox appeal and the Tommy's Sleep on Side campaign.

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

Some examples of the messages left:

- *Thank you to all the staff in the labour ward, HDU and ward 23 for the excellent care you gave my daughter Ivy and I. Thank you to midwife Sarah Chell and student midwife Katy for delivering Ivy into the world after a long and complicated labour and post-delivery problems. Everything was dealt with quickly and efficiently. The staff in HDU were so good with me and my husband as new parents with a poorly baby. They looked after Ivy so well. Finally, I cannot fault the care from the staff in ward 23. The 9 days we spent there (on my own and then with Ivy) everyone was just brilliant. The faculties in the kitchen were amazing for all the families in there and we were made to feel so comfortable and looked after. All the paediatricians, midwife's, nurses, healthcare assistants, consultants and anaesthetist, who all played a part, were wonderful and cared for us so well, lots of love from the very bottom of our hearts.*
- *I just wanted to post a message of thanks for all your hard work at Leighton maternity unit! Thank you to Phillipa on the induction bay for keeping me sane, and a big thank you to Martyne for helping us deliver our gorgeous baby boy Felix born on 10th Oct! All of the staff throughout the maternity unit are amazing at what they do! Thanks again! Paul, Jade and Baby Felix.*

Other patient and public involvement programme activities

Readers' Panel

The Trust continues to have an active panel with 65 members and they have reviewed 44 (36 for CCICP) leaflets. Members receive information leaflets in draft by post or email to review and comment on. Staff find the process helpful in developing information which they feel confident will meet the needs of patients. Leaflets reviewed by the panel include – St Luke's Lymphoedema Service, Delicious Nourishing Drinks, and Descemet's Stripping Automated Endothelial Keratoplasy (DSAEK) Surgery.

Patient Information Group

The group meets on a monthly basis and membership includes patient representatives and a multi-disciplinary group of staff. In 2017/18, the committee reviewed 25 leaflets and three posters. There have been requests from staff and patients for information to be translated or provided in other formats. Leaflets reviewed by the group include Manipulation of Nasal Bone Fracture, Electronic Palliative Care Records, and Staying Active in Hospital to promote the benefits including some helpful advice and exercises.

The Women and Children's patient information and documentation group have ratified six new comprehensive patient information leaflets including Menopause, Merional Injection Instructions, Intrahepatic Cholestasis of Pregnancy Support and Autistic Spectrum Disorder and Sensory Issues. During the year the group has produced 33 new leaflets and 84 revised leaflets.

Leaflets produced in other formats

Easy Read leaflets have been produced for 'Taking your bowel preparation' – Cheshire Bowel Cancer Screening Programme, and 'Checking for problems in your bowel (Colonoscopy)' - Cheshire Bowel Cancer Screening Programme.

Large print leaflets have been made available for 'Skin care advice before and after your operation'.

Information has been printed in languages other than English including Polish and Slovak for Varicose Veins, Sigmoidoscopy, Fasting Instructions and Anesthesia. Patient letters and documentation to support patients and staff have also been translated and printed.

Patient Register Group Meetings

In 2017 the Trust held three Patient Register Group meetings, attended by Governors, volunteers and

patient representatives. Meetings were held in public venues including local libraries and churches. The meetings profiled a wide variety of topics including recent developments in discharge planning (discharge to assess), updates on national patient survey results and subsequent action planning and interventions. Presentations were provided on new services, including the Virtual Fracture Clinic which has simplified the referral pathway for patients. Patients now receive a follow up telephone call to review their treatment and has reduced the number of outpatient appointments following a fracture. The meetings invited discussion and debate from the audience and gave members of the public the opportunity to ask staff members questions and offer ideas. The meetings were well attended.

Partnership Working

Hospital Garden Space - The Trust continues to forge new relationships with community groups and local businesses and solidify existing ones. Bentley Rotary has completed its second year of maintaining the Macmillan Unit patient garden. Barclays Bank (Gadbrook Park) has been regular visitors to Urology Outpatients (Ward 8), helping to convert an overgrown, tired space into a pleasant courtyard garden that patients can enjoy. We are delighted that the Barclays Gadbrook team has 'adopted' this garden and committed to maintaining it, thus providing a plan for sustainability.

Therapeutic Hand Massage - Volunteers have been providing therapeutic hand massages in the Macmillan Unit for the last 12 months. In November training was given to six ward volunteers with the intention of rolling out the massage programme to several inpatient wards in the New Year. As well as qualifying the new hand massage therapists, existing ones were re-assessed on their competencies and re-qualified for another year.

Collection for the Homeless - In December, Voluntary Services provided support to the Trust project to collect items for those homeless over the winter period. Volunteers donated items, collected donated boxes and helped with loading and delivery to the Salvation Army building.

Purple for Polio - A cross generational project saw Scouts from the 38th Cheshire troop work together with Crewe and Nantwich Rotary to plant 10,000 crocus bulbs in support of the Rotary Club's Purple for Polio programme. As well as lots of digging, the event provided a great teaching opportunity for the scouts to learn about polio and the continuing efforts to eradicate the disease worldwide. As the planting took place on 11 November, the Scouts paused at 11am and held a moving Remembrance Day observation in the main visitors' car park.

Widening participation is a key theme for future workforce planning. The Trust continues to work closely with Health Education England's Cheshire Career Hub visiting schools, colleges and employment centres to promote opportunities to get involved with the NHS and consider it as a possible future career choice.

Pets As Therapy (PAT) - The recent addition of Hector, a Great Dane, has enabled us to increase the number of PAT dogs regularly visiting the hospital to three. Visits are made to a wide variety of wards and patients enjoy chatting with the volunteers and stroking the dogs. Staff are equally delighted to have the dogs visit and enjoy seeing the patients engage with the dogs.

Pictured (top to bottom): members of staff and a representative from the Salvation Army with shoebox donations; Steve Bullock, Scoutmaster of 38th SWS Scouts, Crewe Mayor Diane Yates, Geoff Sheridan of Crewe and Nantwich Weaver Rotary Club and former Voluntary Services Manager Emma Clarke with the Trust's 'Purple for Polio' crocuses

Compliments/complaints

Customer Care Team

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

The Customer Care Team also receives Ecards from relatives who choose to send messages in this way. This year, 25 Ecards were delivered to patients in the Trust between April 2017 and March 2018.

Compliments

1,913 formal compliments were received by the Trust during 2017/18 which expressed thanks from patients and families about the care received. This is a slight increase compared with previous years. All compliments are shared with the relevant teams who are identified.

Overview of compliments received by the Trust:

	2014/15	2015/16	2016/17	2017/18
Number of compliments received	1,960	1,727	1,872	1913

Review of complaints

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

The Trust is committed to providing an accessible, fair and efficient service for patients and service users who wish to express their concerns or make a complaint with regard to the care, treatment or services provided by the Trust. The Trust promotes the Healthwatch advocacy service to anyone making a complaint to highlight the independent support available. To help raise awareness of this service, the Trust has developed a new poster to promote support on making a complaint, entitled 'Supporting your Voice in the NHS'.

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

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

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

All complaint meetings are recorded and a copy of the CD is given to the complainant at the end of the meeting. The Trust is also able, with the consent of the complainant, to provide copies of the disc to external bodies such as the Coroner's Office and The Parliamentary Health Service Ombudsman to assist them in their information gathering.

The Customer Care Team is active in seeking the views of its service users and sends out surveys to complainants in order to gain feedback. Responses from the surveys last year did highlight that clarification was needed regarding the purpose of the survey. An ongoing survey process has been ongoing since October 2016, where all complainants are contacted six-eight weeks following closure of their complaint, with a survey regarding the handling of their case. NHS England has also produced a recommended survey for complainants to feedback on the handling of their complaints and the Trust is currently looking to fall in line with these recommendations and use of the national survey questions to obtain valuable and useful feedback to ensure appropriate service development.

Some of the key themes of complaints received in 2017/18 were on nursing care, discharge delays and communication. Examples of these are summarised in the table opposite together with actions taken to address the concerns raised.

Examples of complaints and actions taken:

Themes	Actions Taken
Inpatient Wards: **Patients were experiencing delays to discharge due to availability of take home medication**	Label printers and stock pharmacy items available on wards to provide prompt take home medications. Pharmacy Technician posts have also been implemented on key wards to reduce delays.
Trust Site: **Concerns were raised regarding smoking on the Trust site and the cleanliness as a result of this**	Increased domestic service introduced over weekends. Smoking Champions recruited. Staff to direct patients and visitors to the dedicated smoking shelters on site. Dedicated stop smoking advisor introduced.
Women & Children's: **We found that the support for new mums with pre-existing mental health issues was not as good as it could be and more support should have been available.**	Student midwives are now to complete a module on mental health issues in year two. Qualified midwives have access to a post grad module specifically relating to mental health. Launch of Cheshire Perinatal Mental Health Service this year to provide support.

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

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

Overview of complaints received by the Trust:

	2014/15	2015/16	2016/17	2017/18
Number of complaints received	254	283	263	215
Number of requests for review by Ombudsman	6	7	6	7
Number accepted for review by Ombudsman	4	5	6	7
Number upheld/partially upheld by Ombudsman	1	7*	0	0

**The complaints upheld/partially upheld by the Ombudsman include those complaints that had been referred to them in previous years.*
***3 cases from previous years have been closed in 2017/18*

There are currently four cases not upheld by the Ombudsman. There are two cases under review with a further one case which is at the assessment stage. In addition there is one ongoing case with the Ombudsman which is a 2012/13 case being reviewed by a further body external to the PHSO.

Learning disability access

People admitted to hospital with a learning disability (LD) need to be supported, assessed and treated by competent and compassionate staff who have had access to appropriate education and training.

Mid Cheshire Hospitals NHS Foundation Trust (MCHFT) works exceptionally hard to ensure the care it provides to people with a LD is of a high quality, enabling good clinical outcomes and an enhanced patient and carer experience.

People with a learning disability are more likely to develop physical and mental health problems compared with the general population. Learning disability statistics demonstrate that:

- People with a LD have an increased risk of early death compared to the general population
- People with a LD are less likely to receive regular health checks
- People with learning disabilities are 2.5 times more likely to have health problems than other people
- The prevalence of dementia is much higher amongst older adults with LD compared to the general population
- Prevalence rates for schizophrenia in people with LD are approximately 3 times greater than for the general population.
  (Mental Health Foundation, 2018)

To address these issues and support patients who have learning disabilities, the Trust has introduced a number of initiatives at MCHFT. These are:

- Every quarter the Trust holds a LD Phlebotomy Clinic. The clinic is held out of hours to minimise distress for patients and provide a calm and non-threatening environment. The clinic is always fully booked, with double appointments so the Trust can take its time and not rush its patients. The cakes and chocolates afterwards always go down particularly well!

- The Trust has a large library of easy read information for our LD patients and carers to access. Recent additions include a “Checking for problems in your bowel” leaflet which was devised in conjunction with the Bowel Screening team.

- The Trust’s Dignity Matron continues to visit LD patients in their own home to plan elective admissions to hospital. This enables reasonable adjustments to be made such as:
  1. Carers accompanying patients into the anaesthetic room and recovery area after surgery
  2. Double appointments
  3. Tours prior to admission
  4. Completion of Hospital Passports
  5. Easy read information
  6. Make the most of our opportunities, i.e when patient is having a general anaesthetic, try to incorporate all health checks such as blood tests, podiatry, flu jabs
  7. Home visit(s) to take blood, perform ultra sounds if patients are reluctant to come into hospital.

The Dignity Matron also visits patients who have been admitted to the hospital via the Emergency Department. The Matron acts as a liaison between patients, carers, staff and community teams and helps to facilitate best interest and pre-discharge meetings.

- Every week the Dignity Matron works alongside the Pre-Operative Assessment (POAC) Nurses to provide a clinic specifically for patients who lack capacity to consent to procedures themselves. These clinics enable the consent process to be completed and reasonable adjustments to be highlighted at an early stage. Areas of concern can be discussed with patients and their carers, to alleviate worries and fears and improve the overall patient/carer experience
- The Trust holds a LD development group, which has representation from Trust and Community Services. The group shares patient feedback, local and national best practice and reviews LD deaths
- All deaths of patients with a learning disability are reviewed from a clinical perspective as well as a LD perspective. Lessons learnt are shared across Divisions and potentially into primary care (if there are issues for the wider learning disabled community).

Neonatal Critical Care Unit

The Neonatal Critical Care Unit underwent its peer review visit by the quality surveillance team from NHS England on 30 January 2018. The assessors found no immediate risks and no serious concerns were logged.

The assessors described the unit as friendly, spacious and welcoming with excellent facilities for families, parents and siblings. They were impressed with the robust collection of data for the national neonatal audit programme (NNAP), the implementation of a weekly board round which is attended by six or more consultants and feedback to the staff on the unit from the neonatal network meetings.

The assessors suggested a small number of areas for improvement, which included improving the facilities in the family room and breast feeding room, increasing the availability of hand gel at the entrance to the nursery, improving access to pathways and guidelines available on the intranet, improving engagement with the unit’s Facebook group and progressing the development of transitional care with the maternity unit. These recommendations will be taken forward into an action plan and monitored via the paediatric governance group.

You Said We Did... Customer Care Feedback and Action Taken

Here are some examples to show how we have responded to feedback from patients ...

You Said We Did...

We found that, on some occasions, patients were not being referred to by their preferred name in the treatment centre.

Patients coming into the treatment centre will be asked what their preferred name is and this will be written on the front of the patient's booklet.

You Said We Did...

We found that there was a delay in the typing of some clinic letters which led to a delay in any prescription changes for the patient.

Doctors now produce a handwritten note to give to the patient in clinic so that they can take this to their GP.

You Said We Did...

We found that patients attending cardiology were asked to bring a water sample. On arrival to their appointment, it was obvious that a sample was not needed.

Requests for water samples have now been removed from the appointment letters. We found that this was old information that is no longer required.

You Said We Did...

We found that a discharge letter had been inadvertently ticked to say it had been discussed with the parents, when it had not.

New documentation is being trialled. A box has been added to the paperwork for the parent to sign to say that the discharge discussion has taken place with them.

You Said, We Did Flyer April 2017

Mid Cheshire Hospitals NHS
NHS Foundation Trust

Pictured: An example of a 'Your Said, We DId' poster

Duty of Candour

The Trust has a contractual duty to be open and honest; the Statutory Duty of Candour ensures that all healthcare providers must 'notify anyone who has been subject to an incident which has resulted in moderate harm, serious harm or death' (Department of Health, 2013). The Trust is committed to being transparent, open and honest when things go wrong with patients/and or their relatives or carers. This is reflected in the Trust's *Being Open* (including Duty of Candour) policy.

When a patient safety incident is identified as having resulted in moderate harm, serious harm or death the Trust informs the patient or their relatives or carers as early as possible following the incident being identified. The patient and/or their relatives or carers are provided with an apology and explanation of the incident and any investigations which will be conducted. The patient and/or their relatives or carers are provided with contact details of a senior member of the Trust to contact if they have any queries. They are also informed that the investigation report and resulting implementation plans and lessons learned will be shared following the completion of the investigation.

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

In 2017/2018, the Duty of Candour was undertaken for all patient safety incidents, which resulted in moderate harm, serious harm or death.

Progress towards the 'Sign up to Safety' campaign

The Trust is committed to consistently delivering safe care and taking action to reduce harm to patients in its care and has been supportive of the NHS England national 'Sign up to Safety' campaign, which had the goal to reduce avoidable harm by 50% and save 6,000 lives. The Trust officially signed up to the campaign and identified six areas for improvement to enable the Trust to support the Sign up to Safety campaign.

The six areas chosen by the Trust were:

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

A driver diagram was developed for each of the six chosen areas. In 2016, the six aims were incorporated into the organisation's Quality and Safety Improvement Strategy 2016-2018. The Strategy is monitored by the Quality and Safety Improvement Strategy Group with escalation to the Executive Quality Governance Group. Progress against the six aims can be found in section three of the Quality Accounts.

Feedback from staff

The NHS staff survey is undertaken by all NHS trusts on an annual basis and continues to be recognised as an important way of ensuring the views of staff working in the Trust inform local improvements and outcomes for both staff and patients. The results from all trusts are made available and allow the Trust to be benchmarked. The survey is undertaken on behalf of the Trust by Quality Health (an independent contractor) using the nationally specified criteria.

Staff Survey Data

Equality and Diversity	2017	National 2017 average for combined acute and community Trusts	Best 2017 Score for combined acute and community Trusts	Ranking, compared with all combined acute and community Trusts in 2017
KF21. % believing the organisation provides equal opportunities for career progression and promotion *(the higher the score the better)*	92%	85%	93%	Above (better than) Average
Violence, harassment and bullying	2017	National 2017 average for combined acute and community Trusts	Best 2017 Score for combined acute and community Trusts	Ranking, compared with all combined acute and community Trusts in 2017
KF26. % experiencing harassment, bullying or abuse from staff in last 12 months *(the lower the score the better)*	23%	24%	20%	Average

Please be aware that there is no comparison data for 2016. This is because the Trust experienced a significant change in its staff profile with the inclusion of CCICP in late 2016 and as such no historical comparison has been provided as the data is not directly comparable as the Trust has moved from “acute” to “combined acute and community Trust”.

The Trust now falls under the reporting category for combined acute and community Trusts following the inclusion of Central Cheshire Integrated Care Partnership (CCICP). It is therefore not possible to compare the 2017 survey results to previous years.

The Quality Account Reporting Arrangements require the Trust to report on the responses for the following questions for the Workforce Race Equality Standard:

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

The Trust score in 2017 was 23%. This result is slightly better than other acute and community NHS tusts where the average is 24%. The scores for White and Black and Minority Ethnic (BME) staff as required for the Workforce Race Equality Standard are as follows:

Key Finding		**2017**
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	White	21%
	Black and Minority Ethnic	32%

The national trust average in the reporting category in 2017 was 23% for white staff and 29% for BME staff which puts the Trust in a slightly better than average position for white staff, however the results are slightly worse than the national trust average for BME staff:

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

92% of staff who completed the 2017 staff survey believe that the Trust provides equal opportunities for career progression and promotion. The national average for combined acute and community trusts in 2017 was 85% with the best score being 93%.

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

The national Trust average in the reporting category in 2017 was 88% for white staff and for BME staff 73%, which puts the Trust in an above average position.

Action plans will be developed in 2018 to address any areas of concern highlighted in the staff survey.

Key Finding		2017
Percentage of staff believing the organisation provides equal opportunities for career progression and promotion	White	93%
	Black and Minority Ethnic	84%

Progress Report on Equality And Diversity

Equality and Diversity at Mid Cheshire Hospitals NHS Foundation Trust is led and monitored by the Equality and Diversity Group which meets on a quarterly basis. The group is accountable to the Executive Workforce Assurance Committee. A review of the work undertaken by the Group is highlighted in the Trust Equality and Diversity Annual Report.

The Trust's equality objectives agreed for 2016-2020 are as follows:

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

The Trust has implemented the Accessible Information Standard. A standard operating procedure (SOP) has been developed for staff to ensure staff identify and record information and communication needs for patients' service users, carers and parents, where those needs relate to a disability, impairment or sensory loss. The guide also assists staff in accessing and providing accessible information for patients and their relatives on attending the Trust for community, outpatient visits or inpatient stays. A Trust policy is currently being written to support and advise staff on accessible information.

The Patient Management System has also been updated to enable requests for accessible information – all other requests are fed via the Patient Information Co-ordinator who records all requests. To enable staff to provide appropriate information to individuals with information and communication support needs, the Patient Accessible Information screen on the Patient Administration System (PAS) asks for a preferred method of communication.

Information is available in formats that disabled people, and people with sensory impairment or learning difficulties and, if appropriate, carers and their families can understand. Publications have included Easy read - 'Deprivation of Liberty Safeguards and you (sometimes called DoLs)' and large print – 'Reducing your risk of developing a blood clot and MRSA'.

During Deaf Awareness Week 2017 the Audiology Department had a display at Leighton Hospital which showcased some of the useful equipment available for those with hearing loss. The stand proved to be popular and was visited by staff, patients and members of the public throughout the day.

As part of LGBT (Lesbian, Gay, Bisexual and Transgender) History Month in February 2018 Body Positive Crewe and North Wales also attended an event to provide information and raise awareness to patients and staff of issues faced by LGBT people and how the service can offer support.

Trust guidance documents have recently been published to support and advise staff on providing acute healthcare to transsexual people and also a guide to transsexual inclusion in the workplace. Both are available to staff on the Trust intranet.

The recruitment conversion rates show that the gap between men and women, and people of different ethnicities

applying and being appointed to roles at the Trust has significantly reduced. This reduction was observed during previous years and has continued, giving more credibility to the success of measures implemented in 2015 to ensure all recruiting managers are routinely trained to recruit and select staff, and Trust training has a significant focus on equality and diversity as well as how bias affects recruitment decisions.

The Trust continues to ensure the completion of an Equality Impact Assessment (EIA) for each new service and policy. By undertaking equality impact assessments across all Trust services and Trust policies, the Trust is committing to ensuing that its policies, strategies, functions and services it delivers endeavour not to lead to any unfavourable effects on different people and help to identify any action in order to promote equality of opportunity and access. A complete set of EIAs for each patient facing service was completed in 2017 as part of the three-yearly update requirements.

Above: A representative from Body Positive Cheshire & North Wales visits Leighton Hospital during LGBT History Month

The NHS Equality and Diversity Council agreed action to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace. NHS trusts are expected to show progress against a number of indicators of workforce equality which include recruitment opportunities, likelihood of entering the disciplinary process and accessing non-mandatory training. The Trust has undertaken the Workforce Race Equality Standard (WRES) since 2015. The most recent WRES report was completed in June 2017 and the findings are available on the Trust website. This report is completed on an annual basis.

Below: The Trust has a rainbow flag which is raised to recognise LGBT-related campaigns and events

Statements of Assurance from the Board

Review of services

During 2017/18 the Trust provided and/or sub-contracted 40 relevant health services.

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

The income generated by the relevant health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by the Trust for 2017/18.

Participation in Clinical Audits and Research

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

National Clinical Audit

During 2017/18, 34 national clinical audits and four national confidential enquiries (Clinical Outcome Review Programmes) covered NHS services that MCHFT provides.

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

The national clinical audits and national confidential enquires that the Trust participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National Clinical Audit Participation 2017/18

National Clinical Audit and Clinical Outcome Review Programme	Participation	Data submission
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	100%
BAUS Urology Audits: Percutaneous Nephrolithotomy	Yes	27 cases
BAUS Urology Audits: Female stress urinary incontinence	Yes	17 cases
Bowel Cancer (NBOCAP)	Yes	75%*
Case Mix Programme (CMP)	Yes	100%
Child Health Clinical Outcome Review Programme	Yes	100%
Diabetes (Paediatric) (NPDA)	Yes	100%
Elective Surgery (National PROMs Programme)	Yes	72% / 100%
Endocrine and Thyroid National Audit	Yes	107 cases*
Falls and Fragility Fractures Audit programme (FFFAP)	Yes	100%*
Fractured Neck of Femur	Yes	100%
Head and Neck Cancer Audit	Yes	10 cases*
Inflammatory Bowel Disease (IBD) programme	Yes	NA
Learning Disability Mortality Review Programme (LeDeR Programme)	Yes	100%
Major Trauma Audit	Yes	100+%*
Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes	100%
Medical & Surgical Clinical Outcome Review Programme	Yes	100%
National Audit of Breast Cancer in Older Patients (NABCOP)	Yes	100%
National Audit of Dementia	Yes	27 cases
National Audit of Rheumatoid and Early Inflammatory Arthritis	Yes	NA
National Audit of Seizures and Epilepsies in Children and Young People	Yes	NA
National Cardiac Arrest Audit (NCAA)	Yes	100%
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	Yes	78 cases
National Comparative Audit of Blood Transfusion Programme	Yes	100%
National Diabetes Audit - Adults	Yes	100%
National Emergency Laparotomy Audit (NELA)	Yes	100%
National End of Life Care Audit	Yes	NA
National Heart Failure Audit	Yes	39%*
National Joint Registry (NJR)	Yes	100%
National Lung Cancer Audit (NLCA)	Yes	100%
National Maternity and Perinatal Audit	Yes	100%*

National Neonatal Audit Programme (NNAP) (Neonatal Intensive and Special Care)	Yes	100%
National Ophthalmology Audit	Yes	100%
Oesophago-gastric Cancer (NAOGC)	Yes	81-90%*
Pain in Children	Yes	100%
Procedural Sedation in Adults (care in emergency departments)	Yes	20 cases
Prostate Cancer	Yes	100%
Sentinel Stroke National Audit programme (SSNAP)	Yes	100%

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

The reports of 25 national clinical audits were reviewed by the provider in 2017/18 and the Trust intends to take the following actions to improve the quality of healthcare provided:

National Clinical Audit Participation 2017/18 – Actions

National Clinical Audit	Actions Taken / To Be Taken
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Work in progress to admit all STEMI and nSTEMI patients admitted direct to cardiac ward, all patients have angiography prior to discharge (joint working with UHNM) and development of secondary medications checklist according to eligibility.
Bowel Cancer (NBOCAP)	Use of a pathology technician to increase lymph node yield. Captured of circumferential resection margin status at the time of the pathology review at MDT and development of a minimum data set. Further work into identification of causes of prolonged stay.
Case Mix Programme (CMP)	Work is ongoing around recognition and review of the deteriorating patient through a steering and work stream groups. Recognition and initiation of the sepsis pathway in inpatients is also being monitored through a steering group and data review.
Diabetes (Paediatric) (NPDA)	Delivery of key care processes remains very good. The diabetic team has undergone training on the Twinkle database to aid data capture, extra clinics have been implemented to increase diabetes control and a psychologist appointed to address psychological issues.
Elective Surgery (National PROMs Programme)	Comparison of results with the National Joint Registry, continue to monitor feedback at outpatient clinics, individual review of cases where patient felt the outcome could have been better in relation to clinical outcomes, continued use of information leaflets around the PROMS process and 48 hour post discharge telephone calls for patients.
Falls and Fragility Fractures Audit Programme (FFFAP)	A full time ortho-geriatrician is now in post and the Trust has increased the number of trauma lists to all day lists Monday, Wednesday and Thursday, Tuesday afternoon, Friday, Saturday and Sunday mornings.
Severe Sepsis and Septic Shock (RCEM)	Promote the use of the sepsis pathway by all clinical staff. Communication with all staff via daily board rounds and at huddles. In house sepsis scenario simulations. Introduction of sepsis trolley at initial assessment point to include antibiotics and fluids for easy access.
Major Trauma Audit	The Trust continues to have one of the best data completeness rates in the country. Time to CT has improved following the introduction of a screening tool used at triage. The improvement has started to show in the quarterly dashboards and should show in the next formal TARN report as it will have been in place for a full year.
National Audit of Breast Cancer in Older People (NABCOP)	Local protocols under development in line with published guidance to improve assessment, treatment decisions and identification of patients who could benefit from care team intervention. Continued participation in the “Age Gap” study, a NICR trial that assesses management of patients over 70 years.

National Audit of Dementia (Round 3)	Work undertaken around consistent use of personal support plans through person centred training provided by Admiral Nurses to reinforce the importance of knowing the person and of involving and supporting their family. Open visiting on all wards for carers of people with dementia. New documentation for Admiral Nurse referral. Ongoing training as part of the local Dementia Strategy.
National Cardiac Arrest Audit (NCAA)	The rate of cardiac arrests per 1000 admissions is lower than NCAA and outcomes are above NCAA benchmarks. 33% survival to discharge with good cerebral performance category (CPC) compared to NCAA survival to discharge. Work being undertaken to look at pre-cardiac arrest factors.
National Emergency Laparotomy Audit (NELA)	Surgeon level benchmarking currently being implemented to drive performance of KPI. Amendments being made to the surgical admission proforma including pre and post-op p-possum (mortality risk). Updating the Critical Care Admission SOP in line with the national standard of threshold of predicted mortality of >10% as a default post-operative admission to critical care (unless agreed not to be appropriate). Scope possibility of orthogeriatrician support for elderly patients.
National Heart Failure Audit	Staffing, IT issues and problems registering staff to enable data submission on HF database which has now been addressed in-conjunction with the project supplier. Data is now being fully submitted.
National Joint Registry (NJR)	The Trust has acquired NJR Quality Data Provider (QDP) status which benefits hospitals and the NJR by helping recognise and reward best practice, increase engagement and awareness of the importance in quality data collection, and help embed the ethos that better data ultimately equals better care.
National Maternity and Perinatal Audit	Maternity system is being reviewed to ensure that it meets the new GDPR requirements and staff training and updates are managed. Local audit of Skin to Skin Policy underway.
Neonatal Intensive and Special Care (NNAP)	Work underway towards room temperature and interventions audit, recording parental presence at ward rounds, reviewing local initiatives for breast feeding, reviewing policies for insertion of central lines and ensuring two year review records are captured on in-house system.
National Ophthalmology Audit (NOD)	Development of process to capture 'out of area' data to increase availability of postop refractive/VA data and address increasing numbers. Raise awareness of data complexity for surgeons at in-house meetings.
Prostate Cancer	Improvements to data collection and recording at time of MDT discussion to ensure robust and complete COSD capture. Potential for creating joint surgical/oncology clinic and creation of End of Care Summaries under review.
Sentinel Stroke National Audit programme (SSNAP)	A modified seven day physiotherapy services has been implemented, while work is ongoing to address seven day therapy services across the Trust. A stroke booklet has been produced and is being reviewed to reflect ESD service and repatriation details.

Reports Currently Still Under Review

Consultant Sign Off (RCEM)
Moderate and Acute Severe Asthma – Adult and Paediatric (RCEM)
Maternal, Newborn and Infant Clinical Outcome Review Programme
Medical & Surgical Clinical Outcome Review Programme
National Lung Cancer Audit (NLCA)
Oesophago-gastric Cancer (NAOGC)

Reports Awaited

National Chronic Obstructive Pulmonary Disease Audit Programme (COPD)
National Comparative Audit of Blood Transfusion Programme
National Diabetes Audit - Adults

Local Clinical Audits

The reports of 78 local clinical audits were reviewed by the provider in 2017/18 and the Trust intends to take the following actions to improve the quality of healthcare provided:

Local Clinical Audit	Actions Taken / To Be Taken
Skin Cancer Quality Standards (QS130)	Targeted areas for improvement following this audit were around pigmented skin lesions undergoing a specialist assessment having lesions examined using dermoscopy and patient access to skin care nurse specialist for malignant melanoma and squamous cell carcinoma. Dermoscopy training has been addressed for all plastic surgeons and included in the annual appraisal process. Patient access to a Skin Cancer Nurse Specialist has been included as a routine discussion item at multi-disciplinary team meetings and as a mandatory field on the Somerset database system.
Radiation Exposure For Indicative Procedures	Although the majority of procedures were within acceptable limits thyroid collars and correctly fitting lead aprons have been made available with eye protection to protect theatre staff against radiation and posters have been created and are in use as an aide memoir. A timer is now available to screen radiation used in theatres by surgeons, to achieve the 97% of procedures which should be performed within standards.
Audit of Lipomodelling performed at MCHFT (New Technique Introduced to MCHFT)	Following demand for this technique and its photographic evidence of improvement, Lipomodelling was introduced in the Trust in April 2017. In line with NICE IPG recommendations an audit of all procedures has been undertaken and based on the results the equipment used has been refined and all patients now have imaging in clinic pre-operatively. The procedure continues to be monitored on an ongoing basis.
Outcomes of Paediatric Emergency Surgery Activities	Emergency operations were all undertaken in a timely manner and prescribed analgesia and IV fluid were administered where appropriate. Areas of improvement included advice/ teaching for parents prior to discharge in regards to pain management and control to help reduce re-admission due to poor pain control and documentation of decision to operate and side of surgery (where relevant) in medical notes and theatre booking sheets.
Re-Audit of the Checking and Maintenance of the MCHFT Resuscitation Trolleys [2204]	Although improvements and elements of good practice to be shared were noted, results remain inconsistent across the Trust. Resuscitation Officers continue to provide education/support to sustain improvement in the checking and maintenance of all resuscitation trolleys through: • Formal education included on resuscitation training programmes • Joint working with link nurses and ward/department managers around rotas and monitoring of resuscitation trolley checks • The introduction of 'Trolley Familiarisation Sessions' for wards/departments to enable cascade training • The introduction of an up to date 'Ordering Codes List' available on the Intranet • Random spot checks undertaken by resuscitation officers.

Participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by MCHFT in 2017/18 that were recruited during the period to participate in research approved by a research ethics committee was 420.

The Trust recruited 420 patients to NIHR portfolio trials between April 2017 and February 2018.

Commissioning for Quality & Innovation framework (CQUIN)

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

A proportion of the Trust's income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between MCHFT and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2017/18 and for the following 12 month period are available electronically at:

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

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

The financial value of the 2017/18 CQUIN scheme for the acute Trust was £4,274,560. The total amount the Trust received in payment for the CQUIN scheme was £3,917,099.

The financial value of the 2016/17 CQUIN scheme for the Trust was £3,795,787.

The financial value of the 2017/18 CQUIN scheme for CCICP was £697,148. The total amount the Trust received in payment for the CQUIN scheme was £697,148.

The financial value of the 2016/17 CQUIN scheme for the Trust was £333,974 (half year effect).

For 2017/19 there are **nine** National goals of which **five** apply to MCHFT, **two** apply to CCICP and **two** apply to both.

Public Health England has agreed **two** goals which relate to the breast and bowel screening programmes.
The North of England Specialised Commissioners has negotiated **two** goals in relation to chemotherapy banding and medicines optimisation.

Key CQUIN results for 2017/18:

Achieved ✓
Partially Achieved ✓
Not achieved ✗

Goal	Goal Name	Financial Value 0f the goal (£)	Status
Goal 1: PART A	Improvement of health and wellbeing of NHS staff	£144,109	✓
PART B	Healthy food for NHS staff, visitors and patients	£144,109	✓
PART C	Improving the uptake of flu vaccinations for front line staff within Providers	MCHFT £144,109 CCICP £23,171	✓
Goal 2: PART A	Timely identification of patients with sepsis in emergency departments and acute inpatient settings	£108,082	✓
PART B	Timely treatment for sepsis in Emergency Departments and acute inpatient settings	£108,082	✓
PART C	Antibiotic review	£108,082	✓
PART D	Reduction in antibiotic consumption per 1,000 admissions	Total £108,082 £36,027 £36,027 £36,027	✗ ✓ ✓

Goal 4:	Improving services for people with mental health needs who present to A&E	£432,328	✓
Goal 6:	Offering advice and Guidance (A&G)	£432,328	✓
Goal 7:	NHS e-Referrals	£432,328	✓
Goal 8a: **PART A & B**	Supporting Proactive and Safe Discharge - **Acute Providers**	Total £432,328	✗
Goal 8b:	Supporting Proactive and Safe Discharge – Community Providers - **Community Only**	£139,025	✓
Goal 9 PART A	Tobacco screening	N/A 2017/18	✓
PART B	Tobacco brief advice	N/A 2017/18	✓
PART C	Tobacco referral and medication offer	N/A 2017/18	✓
PART D	Alcohol brief advice or referral	N/A 2017/18	✓
PART E	Alcohol brief advice or referral	N/A 2017/18	✓
Goal 10:	Improving the assessment of wounds - **Community Only**	£139,025	✓
Goal 11:	Personalised Care and Support Planning - **Community Only**	£139,025	✓
Public Health England			
	Breast Screening Programme Clerical Staff Development (Health Promotion role)	£13,606	✓
	Cancer Screening Programme – reducing professional stress and building resilience	£23,349	✓
North of England Specialised Commissioning			
	Nationally Standardised Dose Banding for Adult Intravenous Systemic Anticancer Therapy (SACT)38	£38,283	✓
	Hospital Pharmacy Transformation and Medicines Optimisation	£57,424	✓

The table above briefly describes the goals included in this year's CQUIN and the Trust's performance against each of the CQUIN goals.

Feedback from the Care Quality Commission (CQC)

The Trust is required to register with the Care Quality Commission (CQC) under section 10 of the Health and Social Care Act 2008 and its current registration status is **unconditional** which means there are no conditions on its registration.

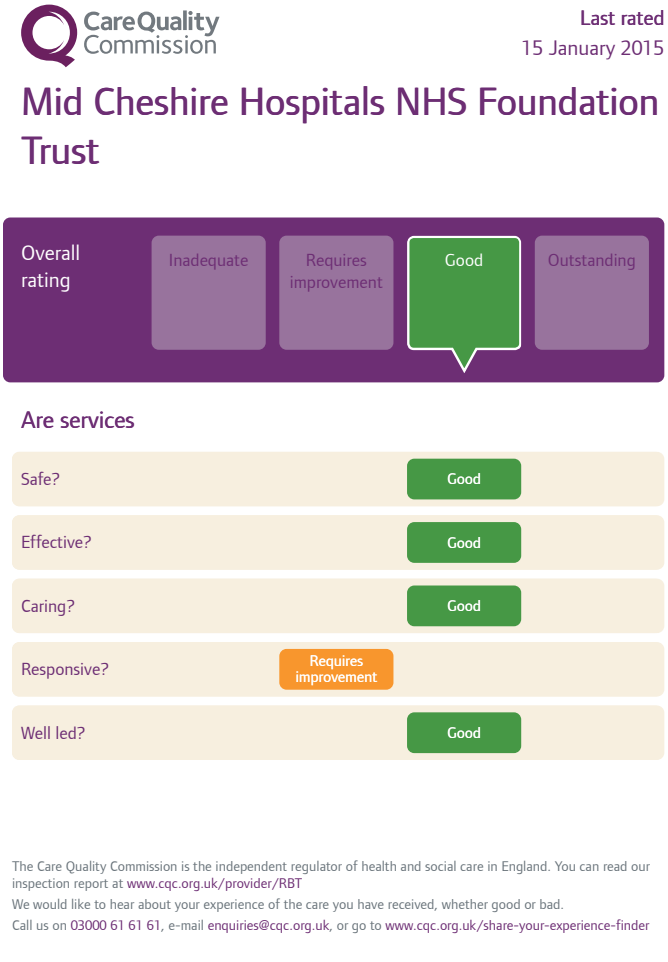
The Trust`s registration includes the services provided at Leighton Hospital, Victoria Infirmary in Northwich, Elmhurst Intermediate Care Centre in Winsford and the community services within the Central Cheshire Integrated Care Partnership (CCICP), and the Statement of Purpose was updated accordingly.

The Care Quality Commission has not taken enforcement action against the Trust during the period April 2017 to March 2018.

Following the CQC Comprehensive Inspection in October 2014 the Trust received an overall rating of 'Good'. The inspectors identified that improvements were required to ensure that services were responsive to people's needs but noted some areas of outstanding practice and innovation.

In response to the inspection an improvement plan to address the compliance actions, 'Must Do's' and 'Should Do's' was developed and has been monitored by the Executive Quality Governance Group with escalation and assurances to the Quality Governance Committee, a Board sub-committee with delegated authority from the Trust Board to oversee matters relating to quality of care and the maintenance of unconditional registration with the CQC. The improvement plan provides a progress update on the areas identified for improvement and provides identified monitoring and assurance routes to embed improvements into a business as usual approach.

As part of the Trust's 'Commitment to Quality' and journey from 'Good' to 'Outstanding', the Executive Quality Governance Group oversees the strengthening of the Trust's local quality governance and assurance systems and processes, including the position in each division and Community Services (CCICP) against each of the CQC



domains. Subsequent escalation and assurances will be via the committee structure to the Quality Governance Committee, and ultimately the Trust Board, maintaining a 'Ward to Board' approach.

The Trust has maintained its quarterly meetings with its designated CQC Relationship Manager. These quarterly Relationship meetings have a defined structure and format to ensure a consistent approach to relationship management. These meetings assist the Relationship Manager in developing an understanding of the organisation and, additionally, they will inform the CQC`s regulatory planning.

In July 2017 the CQC Insight report was developed to support the identification of performance across a wide number of quality indicators. CQC Insight replaces 'Intelligent Monitoring' as the CQC monitoring tool, and is set to become an integral part of relationship management between trusts and their inspection teams, and will inform how they plan their regulatory inspection activity. Over time, CQC Insight will support the wider ambitions of CQC's new five year strategy to become intelligence driven in its regulatory activities and promote a single shared view of quality. The CQC Insight dashboard is updated on a monthly basis, so it will show the most up-to-date information they hold about the Trust.

The NHS Improvement use of resources assessment is an additional sixth key question which has been introduced to the CQC inspection process. It has equal rating to the previous five key questions and will generate a combined rating at the trust level. The use of resources assessments are designed to improve understanding of how effectively and efficiently trusts are using their resources and look at aspects such as finances, workforce, estates and facilities, technology and procurement and the outcome of this assessment will be published alongside the Trust's CQC Inspection report.

In accordance with the CQC`s Inspection programme, focus groups have been held for staff to engage with the CQC inspectors and identified staff will also be interviewed by the CQC during this process. The inspection will be based around the five key questions (are we safe; caring; effective; responsive and well-led?) and will involve all sites of the Trust, inclusive of Community Services provided by CCICP.

MCHFT underwent its Core Services Inspection by the CQC between the 20 - 22 March 2018 and the well-led inspection, of which the Trust has been notified, will occur during the 8 – 10 May 2018. Following the awaited CCICP services inspection, a draft report will be disclosed to the Trust for comments before the final report and rating will be published on the CQC website.

Data Quality Assurance

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

The Trust submitted records during 2017/18 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:

- 99.6% for admitted patient care
- 99.9% for outpatient care
- 98.5% for accident and emergency care.

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

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

Information Governance toolkit attainment

The Trust is required to undertake a mandatory annual Information Governance Toolkit (IGT) self-assessment. The Information Governance Toolkit draws together legislation and relevant guidance and presents them in a single standard as a set of requirements. The assessment enables the Trust to measure its compliance against 45 standards to provide assurance to the organisation, patients and staff that information is handled correctly and protected from unauthorised access, loss, damage and destruction.

The Information Governance Toolkit assesses compliance against the following areas:

- Information governance management
- Confidentiality and data protection assurance
- Information security assurance
- Clinical information assurance
- Corporate information assurance.

The Information Governance Toolkit assessment provides an overall compliance score with each standard measured between level 0 and 3, with 0 being the lowest score. The Trust's most recent IGT submission (2017/18) resulted in all requirements meeting at least Level 2, providing a 'Satisfactory' compliance rating with an overall score of 91%.

At final submission of the Information Governance Toolkit, the Information Governance team had supported the training of 4,295 (98%) staff, students and volunteers over the course of 2017/18. The Trust met its target for the fifth year running to achieve the toolkit requirement

of at least 95% of individuals being trained in information governance.

Information Governance Incidents

A summary of serious incidents requiring investigations involving personal data as reported to the Information Commissioner's Office (ICO) in 2017/18 is provided in the table below. No action has been taken by the ICO in this financial year.

Date of incident (month)	Nature of incident	Nature of data involved	Number of data subjects potentially affected	Notification steps
February 2018	Technical security failing (including hacking)	Patient Name Dates of Birth Contact number Health Information Discharge Information	3	Individuals notified
May 2017	B Disclosed in Error	NHS numbers Hospital Number Patient Names Dates of Birth Consultant Names Diagnosis MDT Outcome (treatment plan)	18	Individuals notified
Further action on information risk	The Trust will continue to monitor and assess its information risks, in light of the events noted above, in order to identify and address any weaknesses and ensure continuous improvement of its systems.			

Clinical coding error rate

In 2017/18, the results from the IG Toolkit audit are as follows:

Coding field	Percentage correct	IG REQ 505 Level 2	Level 3
Primary Diagnosis	95.00%	90.00%	95%
Secondary Diagnosis	95.00%	80.00%	90%
Primary Procedure	92.55%	90.00%	95%
Secondary Procedure	91.89%	80.00%	90%

The results showed that we have exceeded the Level 2 requirements in three areas of coding and achieved a Level 3.

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

- Deliver the recommendations of the clinical coding audit
- The Coding Manager and auditor will develop the relationships between the coders and the clinicians
- Continue to deliver required training/individual audits for all clinical coders
- Continually review coding resources and performance.

Performance against quality indicators and targets

National quality targets

	2013-14	2014-15	2015-16	2016-17	2017-18	Target	Achieved
MRSA bacteraemias	4	1	1	3	4	0	✗
Clostridium Difficile infections	26	10 avoidable cases	10 avoidable cases	3 avoidable cases	2 avoidable cases	23	✓
Percentage of patients who wait four hours or less in A&E	95.38%	92.30%	93.40%	90.25%	87.12%	95%	✗
The percentage of patients waiting six weeks or more for a diagnostic test	0.49%	0.37%	0.55%	0.34%	0.31%	<1%	✓
Percentage of patients seen within two weeks of an urgent GP referral for suspected cancer	95.56%	95.96%	96.60%	98.12%	96.85%	93%	✓
Percentage of patients seen within two weeks of an urgent referral for breast symptoms where cancer was not initially suspected	95.39%	95.47%	95.53%	97.86%	80.94%	93%	✓
Percentage of patients receiving first definite treatment for cancer within one month (31 days) of a cancer diagnosis	99.59%	99.55%	99.48%	99.81%	99.32%	96%	✓
Percentage of patients receiving subsequent treatment for cancer within 31 days where that treatment is surgery or anti-cancer drugs	99.30%	99.20%	100.00%	100.00%	100.00%	94% (surgery)	✓
	100%	100%	100%	100%	100%	98% (drugs)	✓
Percentage of patients receiving first definite treatment for cancer within 62 days of an urgent GP referral for suspected cancer	90.82%	89.34%	91.22%	90.98%	93.70%	85%	✓
Percentage of patients receiving first definite treatment for cancer within 62 days of referral from an NHS Cancer Screening Service	94.84%	95.94%	97.94%	93.67%	97.09%	90%	✓
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for incomplete pathways	95.08%	94.41%	95.02%	94.82%	95.90%	92%	✓

National quality indicators

Since 2012/13, all trusts have been required to report performance against a core set of indicators using data made available to the trust by NHS Digital.

For each indicator the numbers, percentages, values, scores or rates of each of the NHS Foundation Trust's indicators should be compared with:

- The national average for the same, and
- NHS Trusts and NHS foundation Trusts with the highest and lowest for the same.

The value and banding of the summary hospital-level mortality indicator ('SHMI'):

Indicator	Measure Description			
SHMI	A) The value and banding of the summary hospital-level mortality indicator ('SHMI') for the Trust for the reporting: and			
Period	**Trust Performance**	**National Average**	**95% Upper Limit**	**95% Lower Limit**
October 2014 - September 2015	98.42	100.00	Data not available	Data not available
January 2015 - December 2015	96.84	100.00	111.60	89.60
April 2015 – May 2016	100.00	100.00	111.60	89.60
July 15 – June 2016	100.61	100.00	112.30	89.10
October 2015 - September 2016	101.72	100.00	112.70	88.80
January 2016 - December 2016	104.24	100.00	112.09	89.22
April 2016 – March 2017	103.85	100.00	112.31	89.04
July 2016 –June 2017	102.97	100.00	112.37	88.99

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

- For the reporting period July 2016 to June 2017. The SHMI is currently 102.97 and is in the 'as expected' range. This is above the national average of 100.00. This currently places the Trust 76 out of 134. This is an improvement on the previous reporting period of April 2016 to March 2017, when the SHMI was 1.03 with a position of 81 out of 135 Trusts.

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

- The Trust has a well-established Hospital Mortality Reduction Group (HMRG) led by the Medical Director. This group monitors the mortality reduction improvement plans across the Trust. On a quarterly basis the HMRG meets with the divisional mortality reduction groups to ensure a unified approach to mortality reduction across the Trust and to share learning opportunities.

The HMRG developed a reducing hospital mortality rates driver diagram, which was reviewed and approved in July 2017. There are five primary drivers are:

- **R**eliable Clinical Care
- **E**ffective Clinical Care
- **M**edical Documentation, Clinical Coding and Data Quality
- **E**nd of life Care
- **L**eadership.

Percentage of patient deaths with palliative care coded at either diagnosis or speciality level for the Trust:

Indicator	Measure Description			
SHMI	B) The percentage of patient deaths with palliative care coded at either diagnosis or speciality level for the Trust for the reporting period.			
Period	**Trust Performance**	**National Average**	**95% Upper Limit**	**95% Lower Limit**
October 14 - September 15	0.63%	0.89%	14.11%	0.00%
January 15 - December 15	0.55%	0.92%	14.90%	0.00%
April 15 - March 16	0.54%	0.94%	14.80%	0.00%
July 15 - June 16	0.57%	0.98%	22.40%	0.00%
October 15 - September 16	0.57%	0.99%	21.80%	0.00%
October 16 - September 17	0.91%	1.07%	16.52%	0.00%

This is an indicator designed to accompany the Summary Hospital-level Mortality Indicator (SHMI) and represents the percentage of deaths reported in the SHMI indicator where the patient received palliative care.

The SHMI makes no adjustments for palliative care. This indicator presents the crude percentage rates of death that are coded with palliative care either in diagnosis or treatment speciality.

The Trust's patient reported outcome measure scores for groin hernia surgery, varicose vein surgery, hip replacement surgery and knee replacement surgery during the reporting period:

Indicator	Measure Description				
PROM	The Trust's patient reported outcome measure scores for groin hernia surgery, varicose vein surgery, hip replacement surgery and knee replacement surgery during the reporting period.				
Date	**Measure**	**Trust performance**	**National Average**	**Highest Result**	**Lowest Result**
Groin Hernia					
2014-2015	EQ5D	0.073	0.084	0.154	-0.005
2015-2016	EQ5D	0.088	0.088	0.158	0.022
2016-2017	EQ5D	0.073	0.086	0.135	0.006
2014-2015	VAS	0.073	0.084	4.550	-6.351
2015-2016	VAS	0.088	0.088	5.587	-5.867
2016-2017	VAS	-1.155	-0.241	3.273	-6.507
Hip Replacement					
2014-2015	EQ5D	0.437	0.436	0.524	0.331
2015-2016	EQ5D	0.419	0.439	0.541	0.323
2016-2018	EQ5D	0.414	0.437	0.533	0.328
2014-2015	VAS	11.111	11.973	17.310	6.441
2015-2016	VAS	10.832	12.358	19.327	5.160
2016-2017	VAS	12.768	13.112	20.183	7.893
2014-2015	OXFORD HIP	20.637	21.443	24.652	16.291
2015-2016	OXFORD HIP	20.356	21.637	24.835	17.220
2016-2018	OXFORD HIP	20.441	21.379	25.044	15.968
Knee Replacement					
2014-2015	EQ5D	0.283	0.315	0.418	0.183
2015-2016	EQ5D	0.332	0.321	0.396	0.180
2016-2017	EQ5D	0.308	0.322	0.398	0.237
2014-2015	VAS	4.168	5.761	15.406	1.133
2015-2016	VAS	4.919	6.191	13.057	0.794
2016-2017	VAS	6.098	6.850	14.443	0.465

2014-2015	OXFORD KNEE	14.892	16.116	19.581	11.286
2015-2016	OXFORD KNEE	16.316	16.389	19.812	11.890
2016-2017	OXFORD KNEE	15.858	16.393	19.686	12.231
Varicose Vein					
2014-2015	EQ5D	No Data	0.094	0.154	-0.009
2015-2016	EQ5D	No Data	0.094	0.143	-0.005
2016-2018	EQ5D	No Data	0.091	0.154	0.010
2014-2015	VAS	No Data	-0.503	3.938	-5.792
2015-2016	VAS	No Data	-0.451	6.320	-7.861
2016-2017	VAS	No Data	0.080	6.271	-4.904
2014-2015	ABERDEEN	No Data	-8.237	5.700	-16.534
2015-2016	ABERDEEN	No Data	-8.543	3.080	-18.545
2016-2017	ABERDEEN	No Data	-8.248	2.117	-18.075

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

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

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

- Continuing to monitor feedback from patients at their follow-up clinic appointments
- Reviewing the results on a case by case basis for those patients who feel they did not have a good outcome against the outcome recorded in the clinical records
- Continuing to use information leaflets which describe the process and value of the information collected through the use of the PROMS questionnaire
- Undertaking phone calls to patients at home 48 hours following discharge from their hip and knee replacement surgery.

The percentage of patients aged 0 to 14 readmitted to a hospital which forms part of the Trust within 28 days of being discharged:

Indicator	**Measure Description**	
Readmission Rates	The percentage of patients aged 0 to 14 readmitted to a hospital which forms part of the Trust within 28 days of being discharged from a hospital which forms part of the Trust during the reporting period.	
Period	**Trust per HED**	**Peer Group av HED**
Jan 2013 – Dec 2013	10.70%	10.70%
Jan 2014 – Dec 2014	11.40%	10.90%
Jan 2015 – Dec 2015	11.40%	10.40%
Jan 2016 – Dec 2016	12.14%	10.44%
Jan 2017 - Sep 2017	11.56%	10.08%

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

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

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

- Continuing to promote open access arrangements which enable Paediatricians to discharge children and offer ‘open’ access for a limited time dependent on the child’s diagnosis and clinical pathway

- Consultant Paediatricians undertaking daily ward rounds seven days a week to review, make prompt clinical decisions and plan and co-ordinate their follow up care with the multidisciplinary team
- Continuing to deliver the rapid review clinic to avoid re-admissions. Additionally, the implementation of the advice and guidance line to support GPs offering care in the community
- Ensuring an active member of the regional Cheshire & Merseyside Women's and Children's Partnership project to review provision of paediatric services to enhance services in the community to prevent unnecessary admissions and re-admissions.

The percentage of patients 15 and over readmitted to a hospital which forms part of the Trust within 28 days of being discharged:

Indicator	**Measure Description**	
Readmission Rates	The percentage of patients aged 15 and over readmitted to a hospital which forms part of the Trust within 28 days of being discharged from a hospital which forms part of the Trust during the reporting period.	
Period	**Trust per HED**	**Peer Group av HED**
Jan 2013 – Dec 2013	8.10%	7.60%
Jan 2014 – Dec 2014	8.60%	7.70%
Jan 2015 – Dec 2015	7.90%	7.10%
Jan 2016 – Dec 2016	8.23%	7.73%
Jan 2017 - Sep 2017	8.81%	8.00%

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

Re-admissions are slightly higher than peer average. The Trust has a well-established ambulatory care model, with a significant number of patients now managed along this pathway. With this model in place, a number of patients will now be discharged from the ambulatory care units and along several pathways. An example of a readmission in this model may involve a planned (re)admission for surgical intervention. Re-attendance to the hospital for further advice outside of these pathways and out of hours may also show as a readmission. This practice varies between trusts dependant on how admissions are managed locally, therefore the comparison is not direct.

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

- Undertaking a sample clinical review of patients who have been readmitted to further understand the reason. The Trust, as part of its Access and Flow Improvement Workstream. will be focusing on information at discharge from both inpatient stays as well as ambulatory care.

The Trust's responsiveness to the personal needs:

Indicator	**Measure Description**			
Responsiveness	The Trust's responsiveness to the personal needs of its patients during the reporting period.			
Period	**Trust Performance**	**National Average**	**95% Upper Limit**	**95% Lower Limit**
2013	75.9	76.9	84.4	57.4
2014	76.1	Not available	Not available	Not available
2015	78.3	Not available	Not available	Not available
2016	75.6	Not available	Not available	Not available
2017	75.6	Not available	Not available	Not available

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

- There has been an improved set of results based on the national inpatient survey in some areas, however delays on discharge for patients remains a concern. New initiatives have been introduced such as ward based pharmacists enabling a more efficient turn around time for dispensing medications. This has been particularly effective in assessment areas through the purchase of a labelling machine to enable some routine medications to be dispensed on the ward.

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

- The Trust intends to role out this initiative in further wards and this has commenced on Ward 12 and is to be trialled in the Children's Assessment unit.

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

Indicator	Measure Description			
Friends & Family	Staff employed by, or under contract to, the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.			
Period	**Trust Performance**	**National Average**	**Upper Limit**	**Lower Limit**
2014 staff survey	3.86	3.67	4.25	2.99
2015 staff survey	3.89	3.76	4.20	3.30
2016 staff survey	3.91	3.76	4.10	3.34
2017 staff survey	3.87	3.75	4.18	Not given

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

- The 2017 results place the Trust in the new reporting category of 'combined acute and community trust', instead of solely 'acute trust' as in previous years.

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

- Over the last year there has been continued focus and communication to staff about how important all staff are in improving the quality of care and services it provides
- The Trust's appraisal documentation has recently been updated to include the Trust's values and behaviours which are discussed during appraisal
- The Trust has an Employee of the Month and Team of the Month scheme which provides staff with recognition for going above and beyond what is expected and for displaying the Trust's key values and behaviours
- Engagement sessions with the Trust's Chief Executive and other members of the Executive team take place which have quality and patient experience at the heart of those discussions
- Patient stories are told at Board meetings each month – to ensure that patients are at the heart of all decisions being made by the Board
- Staff focus groups are run following the staff survey results to ascertain their views and they are asked if they would recommend the Trust as a place to receive treatment and any negative responses are discussed.

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

Indicator	Measure Description			
VTE	The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.			
Period	**Trust Performance**	**National Average**	**95% Upper Limit**	**95% Lower Limit**
January 2015 – March 2015	96.02%	99.00%	100.00%	79.23%
April 2015 –June 2015	96.78%	98.90%	100.00%	86.10%
July 2015 – September 2015	97.19%	99.00%	100.00%	75.00%
October 2015 - December 2015	95.22%	96.00%	100.00%	78.52%
January 2016 - March 2016	95.44%	96.00%	100.00%	78.06%
April 2016 – June 2016	95.56%	96.00%	100.00%	80.61%
July 2016 – October 2016	96.52%	96.00%	100.00%	72.14%
October 2016 - December 2016	96.17%	96.00%	100.00%	76.48%
January 2017 - March 2017	95.61%	96.00%	99.87%	63.02%
April 2017 – June 2017	95.58%	96.00%	99.97%	51.38%
July 2017 - October 2017	95.55%	No data available	No data available	No data available
October 2017 - December 2017	95.31%	No data available	No data available	No data available

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

- The Trust has met the 95% national target for venous thromboembolism (VTE) risk assessment between January 2015 to December 2017.

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

- Monthly monitoring of the percentage of patients risk assessed for VTE by the clinical divisions
- Quarterly monitoring of the percentage of patients risk assessed for VTE by the Trust VTE Group, to ensure the continued compliance with the national target
- The development and implementation of a gap analysis and action plan to enable the organisation to become an Exemplar VTE Centre
- Regular review of the VTE risk assessment tool to ensure it continues to be compliant with National Institute for Health and Clinical Excellence (NICE) guidance. The tool is included within the Trust admission proforma to ensure it is completed in a timely manner at admission and the appropriate VTE prevention interventions are implemented
- Continued education for medical staff on induction on the importance of VTE assessment.

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

Indicator	**Measure Description**			
C.Difficile	The rate per 100,000 bed days of cases of C.difficile infection reported within the Trust amongst patients aged 2 or over during the reporting period.			
Period	**Trust Performance**	**National Average**	**95% Upper Limit**	**95% Lower Limit**
2013-2014	14.6	14.7	31.7	0
2014-2015	13.8	15.1	62.2	0
2015-2016	22.2	Not published	Not published	Not published
2016-2017	12.2	Not published	Not published	Not published
2017-2018	19.0	Not published	Not published	Not published

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

- The Trust continues to review all cases of Clostridium difficile (CDI) in line with the Department of Health guidance. All cases are reviewed using the Post Infection Review Process (PIR). This facilitates the opportunity to review the case and establish if any “lapse of care” has occurred either contributing or not contributing to the development of CDI. This is a learning opportunity aimed at implementing/strengthening procedures to reduce the risk of CDI developing in other patients.

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

- The Trust objective for 2017/18 was 24 cases. The Trust reported 19 cases of C.Difficile for 2017/18, of which two were avoidable cases and 17 unavoidable cases
- Antimicrobial stewardship is closely monitored in line with Trust policy ensuring a focus on antimicrobial prescribing and feedback to medical staff
- Multi-disciplinary bedside reviews of all CDI positive patients throughout their stay
- Review of current stool charts to ensure to strengthen the information recorded
- Shared learning via the divisions quality forums
- A peer review of all cases to identify any themes/trends which can be used to improve practice.

The number of patient safety incidents reported within the Trust:

Indicator	Measure Description			
Patient Safety Incidents	The number and, where available, rate of patient safety incidents reported within the Trust during the reporting period.			
Period	**Trust Performance**	**National Average**	**95% Upper Limit**	**95% Lower Limit**
October 2013 – March 2014	3,016	2,185	3,790	301
April 2014 – September 2014	2,814	2,052	4,301	908
October 2014 –March 2015	2,767	4,539	12,784	443
April 2015 – September 2015	3,159	4,647	12,080	1,559
October 2015 – March 2016	3,116	4,818	11,998	1,499
April 2016 – September 2016	3,348	4,955	13,485	1,485
April 2017 – September 2017	3485	5226	15,228	1133

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

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

The Trust has taken the following actions to improve the reporting of patient safety incidents and therefore the quality of its service:

- Patient Safety Summit is a twice-monthly meeting led by clinical teams. The Summit provides an opportunity for cross-divisional/CCICP learning and sharing of immediate learning following incidents. All moderate and above patient safety incidents are discussed at the Summit and clinical teams are encouraged to attend to promote learning and improvement. The Patient Safety Summit is chaired by the Medical Director
- Following each Patient Safety Summit a 'Safety Matters' newsletter is developed and distributed across the organisation. The newsletter contains learning from incidents, mortality case note reviews, local or national updates and Summit messages of the week.
- Incident report training for all new staff to the Trust. This training ensures that all staff in the Trust knows how to report a patient safety incident and they also understand the importance of incident reporting
- Direct feedback to all staff on the outcome of the incidents they have reported to demonstrate the changes in practice that have been made as a result of the incident
- Sharing of learning from reported incidents through safety alerts, lessons learned, episodes of care, individual patient stories and Safety Matters.

The number and percentage of such patient safety incidents that resulted in severe harm or death:

Indicator	Measure Description			
Patient Safety Incidents	The number and percentage of such patient safety incidents that resulted in severe harm or death.			
Period	**Trust Performance**	**National Average**	**Highest Result**	**Lowest Result**
October 2013 – March 2014	4	15	60	0
April 2014 – September 2014	3	15	51	0
October 2014 –March 2015	6	23	128	2
April 2015 – September 2015	6	20	89	2
October 2015 – March 2016	18	19	94	0
April 2016 – September 2016	18	18	111	0
April 2017 – September 2017	19	19	121	0

For the period of April 2017 to September 2017 Mid Cheshire Hospitals NHS Foundation Trust reported 19 serious incidents compared to the national average of 19.

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

- For the period of October 2016 to March 2017 Mid Cheshire Hospitals NHS Foundation Trust reported 19 serious incidents compared to the national average of 20.

The Trust has taken the following actions to improve the reporting of patient safety incidents and therefore the quality of its service:

- Patient Safety Summit is a twice monthly meeting led by clinical teams. The Summit provides an opportunity for cross-divisional/CCICP learning and sharing of immediate learning following incidents. All moderate and above patient safety incidents are discussed at the Summit and clinical teams are encouraged to attend to promote learning and improvement. The Patient Safety Summit is chaired by the Medical Director
- Following each Patient Safety Summit a 'Safety Matters' newsletter is developed and distributed across the organisation. The newsletter contains learning from incidents, mortality case note reviews, local or national updates and Summit messages of the week
- Undertaking a comprehensive investigation for all incidents, which result in severe harm or death. An Executive led review meeting is held following the incident investigation to ensure that lessons are learned and improvement plans are implemented to prevent a reoccurrence
- Reporting all incidents which result in severe harm or death to the Board of Directors to ensure openness within the Trust
- Implementation of the Trust's *Being Open* (including Duty of Candour) policy which ensures that, if an incident occurs which results in severe harm or death, the patient and/or their family are informed and the lessons learned and improvement plans from the comprehensive investigation are shared with them.

Central Cheshire Integrated Care Partnership (CCICP)

Since the inception of Central Cheshire Integrated Care Partnership in October 2016, Community Services have been working on a five year transformation programme. The principles of which are to ensure:

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

As of 15 January 2018, core community services have been aligned to five care communities:

- Winsford
- Northwich
- Crewe
- SMASH
- Nantwich and Rural.

These core services are Community Nursing and Community Rehabilitation with specialist services supporting patients across the geography.

Some of the improvement work that has been undertaken to date includes:

Advanced Community Practitioner

The Trust reviewed the traditional Community Matron role and redesigned the service to meet the needs of its patients. The service ensures that patients who cannot get to their GP practice can receive timely care within their own home. The new design provides a rapid response to those patients who are experiencing an acute episode. Following consultation, the role of Community Matron was renamed as Advanced Community Practitioner, and will now assess, diagnose and treat acute episodes of health. The service supports Primary Care by enabling the GP to focus on complex patients. Since its full roll, the service sees approximately 400 patients per month.

The Advanced Community Practitioner service has been rolled out across the five Care Community teams with investment in the service to ensure equity across all Care Communities.

Musculoskeletal Single Point of Access

A musculoskeletal single point of access service has been introduced providing a seamless pathway for all patients with musculoskeletal problems. This is designed to ease the pressure on GPs by providing a single referral point for musculoskeletal patients and will ensure that patients are seen in the right clinic and provided with the most appropriate treatment from the start. Patients will get faster access to the right assessments, tests and treatment for Orthopaedic, Rheumatology and musculoskeletal pain conditions.

Speech and Language Therapy – Children's Services

The service has introduced a risk assessment tool for identifying priorities of care for children. The tool determines the appropriate treatment pathway and is used in conjunction with Therapy Outcome Measures (TOMs).

A member of the team has put together a "selective mutism" Therapy Outcomes Measures (TOMs) care pathway with two national leads; this is now being trialled nationally with the staff member in CCICP collating the data. Both the member of staff, Angela Dance, and CCICP will be recognised in this piece of work.

Learning From Deaths

During 2017/18, 1,117 of Mid Cheshire Hospitals NHS Foundation Trust patients died. This comprised the following number of deaths, which occurred in each quarter of that reporting period:

- 250 patients in the first quarter
- 221 patients in the second quarter
- 300 patients in the third quarter
- 346 patients in the fourth quarter.

By 31 March 2018, 887 case record reviews have been carried out in relation to 1,117 of the deaths.

The number of deaths in each quarter for which a case record review or an investigation was carried out:

- 221 in the first quarter
- 203 in the second quarter
- 232 in the third quarter
- 231 in the fourth quarter.

Zero, representing 0%, of the patient deaths during the reporting period have been judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter, this consisted of:

- Zero, representing 0%, of the patient deaths in the first quarter
- Zero, representing 0%, of the patient deaths in the second quarter
- Zero, representing 0%, of the patient deaths in the third quarter
- Zero, representing 0%, of the patient deaths in the fourth quarter.

The LIKERT scale has been used as part of the case note review process to assess if the patient's death was preventable.

The LIKERT scale is a tool used to judge the preventability of a patient's death using a six-point scale ranging from one (definitely not preventable) to six (definitely preventable).

LIKERT Scale:

1. Definitely not preventable
2. Slight evidence for preventability
3. Possibly preventable but not very likely, less than 50-50 but close call
4. Probably preventable, more than 50-50 but close call
5. Strong evidence for preventability
6. Definitely preventable.

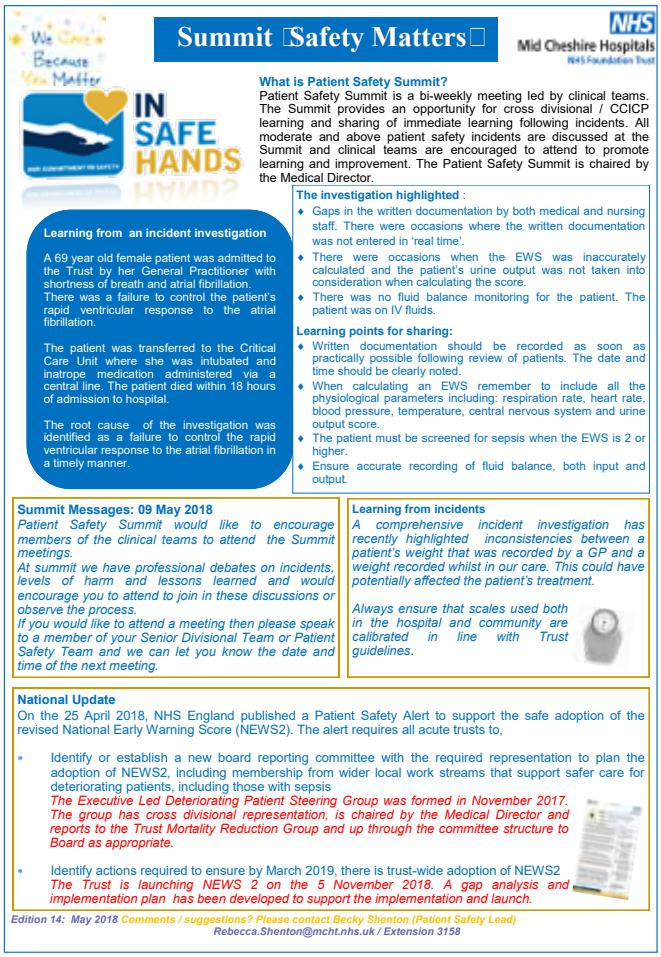
Although no cases were classed as preventable as above, learning has been shared because of the case note reviews conducted. Learning from mortality case note reviews are shared through the 'Safety Matters' newsletter which is distributed twice a month following the Patient Safety Summit.

An example of this is when a mortality review showed that the death was 'definitely not preventable' on the LIKERT scale; however there was 'room for improvement' clinically. The review highlighted there was a slow response to changes in the patient's condition. There was a delay in referral to the vascular team and a delay in undertaking the doppler scan. The patient was prescribed oral amlodipine on admission, but they had a postural drop on their lying/standing blood pressure. The patient was prescribed oral antibiotics for a urinary tract infection (UTI), but there was no clinical evidence that the patient had a UTI. The patient was not commenced on the end of life pathway even though she was reviewed by the palliative care team and commenced on a syringe driver. This was shared in the 'Safety Matters' newsletter.

Actions taken in the reporting period

The Hospital Mortality Reduction Group developed a reducing hospital mortality rates driver diagram, which has been reviewed and approved in July 2017. The five primary drivers are:

- **R**eliable Clinical Care
- **E**ffective Clinical Care
- **M**edical Documentation, Clinical Coding and Data Quality



Summit Safety Matters

Mid Cheshire Hospitals NHS Foundation Trust

We Care Because You Matter

IN SAFE HANDS

What is Patient Safety Summit?

Patient Safety Summit is a bi-weekly meeting led by clinical teams. The Summit provides an opportunity for cross divisional / CCICP learning and sharing of immediate learning following incidents. All moderate and above patient safety incidents are discussed at the Summit and clinical teams are encouraged to attend to promote learning and improvement. The Patient Safety Summit is chaired by the Medical Director.

Learning from an incident investigation

A 69 year old female patient was admitted to the Trust by her General Practitioner with shortness of breath and atrial fibrillation. There was a failure to control the patient's rapid ventricular response to the atrial fibrillation.

The patient was transferred to the Critical Care Unit where she was intubated and inatrope medication administered via a central line. The patient died within 18 hours of admission to hospital.

The root cause of the investigation was identified as a failure to control the rapid ventricular response to the atrial fibrillation in a timely manner.

The investigation highlighted :

- Gaps in the written documentation by both medical and nursing staff. There were occasions where the written documentation was not entered in 'real time'.
- There were occasions when the EWS was inaccurately calculated and the patient's urine output was not taken into consideration when calculating the score.
- There was no fluid balance monitoring for the patient. The patient was on IV fluids.

Learning points for sharing:

- Written documentation should be recorded as soon as practically possible following review of patients. The date and time should be clearly noted.
- When calculating an EWS remember to include all the physiological parameters including: respiration rate, heart rate, blood pressure, temperature, central nervous system and urine output score.
- The patient must be screened for sepsis when the EWS is 2 or higher.
- Ensure accurate recording of fluid balance, both input and output.

Summit Messages: 09 May 2018

Patient Safety Summit would like to encourage members of the clinical teams to attend the Summit meetings.
At summit we have professional debates on incidents, levels of harm and lessons learned and would encourage you to attend to join in these discussions or observe the process.
If you would like to attend a meeting then please speak to a member of your Senior Divisional Team or Patient Safety Team and we can let you know the date and time of the next meeting.

Learning from incidents

A comprehensive incident investigation has recently highlighted inconsistencies between a patient's weight that was recorded by a GP and a weight recorded whilst in our care. This could have potentially affected the patient's treatment.

Always ensure that scales used both in the hospital and community are calibrated in line with Trust guidelines.

National Update

On the 25 April 2018, NHS England published a Patient Safety Alert to support the safe adoption of the revised National Early Warning Score (NEWS2). The alert requires all acute trusts to,

- Identify or establish a new board reporting committee with the required representation to plan the adoption of NEWS2, including membership from wider local work streams that support safer care for deteriorating patients, including those with sepsis
  The Executive Led Deteriorating Patient Steering Group was formed in November 2017. The group has cross divisional representation, is chaired by the Medical Director and reports to the Trust Mortality Reduction Group and up through the committee structure to Board as appropriate.
- Identify actions required to ensure by March 2019, there is trust-wide adoption of NEWS2
  The Trust is launching NEWS 2 on the 5 November 2018. A gap analysis and implementation plan has been developed to support the implementation and launch.

Edition 14: May 2018 Comments / suggestions? Please contact Becky Shenton (Patient Safety Lead) Rebecca.Shenton@mcht.nhs.uk / Extension 3158

Above: An example of the 'Safety Matters' newsletter, which is distributed following the Patient Safety Summit

- **E**nd of life Care
- **L**eadership.

The main areas of focus from the driver diagram for the reporting period have been:

Actions to progress the four priority clinical standards for seven day working in the last quarter include:

- A seven day services working group is in place chaired by the Medical Director and led by the Divisional General Manager for Women's and Children
- Participation in the national seven day services audit with a focus on Standard 2 for the September 2017 data collection period, looking at consultant review within 14 hours of admission for non-elective patients
- On receipt of the data and benchmarking, actions will be progressed and monitored by the seven day Services Working Group reporting to HMRG
- Changes in practice include additional evening ward rounds in orthopaedics and more regular job planned board rounds in Medicine & Emergency Care
- General surgery and urology are undertaking a capacity and demand review to determine the impact of an increase of consultant out of hours onsite presence
- The NHS England team has been invited to the Trust to seek support against Clinical Standard 2 - Time to first consultant review

Actions to progress the use of medical and surgical ambulatory care pathways include:

- The Trust has a Surgical Ambulatory Care Unit (SACU) in place and development work is progressing led by the Associate Medical Director for the Surgery and Cancer Division as part of a national programme. A lead matron supporting unscheduled care has been appointed to support this work with the aim of patients having timely consultant reviews, treatment and management. The overall aim is to provide high quality care in the appropriate setting, reducing unnecessary hospital admission or reducing length of stay.
- The Ambulatory Care Unit (ACU) in the Division of Medicine and Emergency Careundertakes a similar function for medical patients with the focus on early consultant review and decision making. Patients also attend the ACU for a number of reasons including ascitic taps and blood transfusions.

Actions to progress the use of care pathways/bundles which are evidence based and applied in a consistent manner, as evidenced by clinical audit and include:

- The Trust re-joined the Advancing Quality (AQ) programme in April 2017 and has signed up for a further year in 2018/19
- The seven pathways chosen are:
  - Sepsis
  - Alcohol related liver disease (ARLD)
  - Pneumonia
  - Acute Kidney Injury (AKI)
  - Diabetes
  - Chronic Obstructive Pulmonary Disease (COPD)
  - Hip & knee
- Clinical leads have been identified for each of the pathways and monitoring is undertaken by the Care Pathway Group, reporting to the Quality and Safety Improvement Strategy Group with escalation to the Executive Quality Governance Group and assurances to the Quality Governance Committee
- In January 2018 the Trust received a letter from NHS England informing the organisation that MCHFT is '*one of the Trusts which has seen the greatest improvements in indicators relating to the timely identification of sepsis and the timely treatment of sepsis from the data NHS England have received on the CQUIN*'.

Actions to ensure the introduction of an electronic patient record include:

- The electronic patient record (EPR) business case was presented at the Board of Directors in December 2017 and approved.

Actions to improve the recognition of and the response to the acutely deteriorating patient include:

- The Deteriorating Patient Steering Group was formed in November 2017. The group has cross-divisional representation and is chaired by the Medical Director.
- The group has five work streams with a nominated lead for each:
  - Acute Care Model
  - Unplanned Admissions to the Critical Care Unit
  - Education and Training
  - Quality Improvement Projects
  - Policy
- The group will be looking to implement the National Early Warning Score (NEWS 2) which was released in December 2017.

Actions to share lessons learned from mortality reviews include:

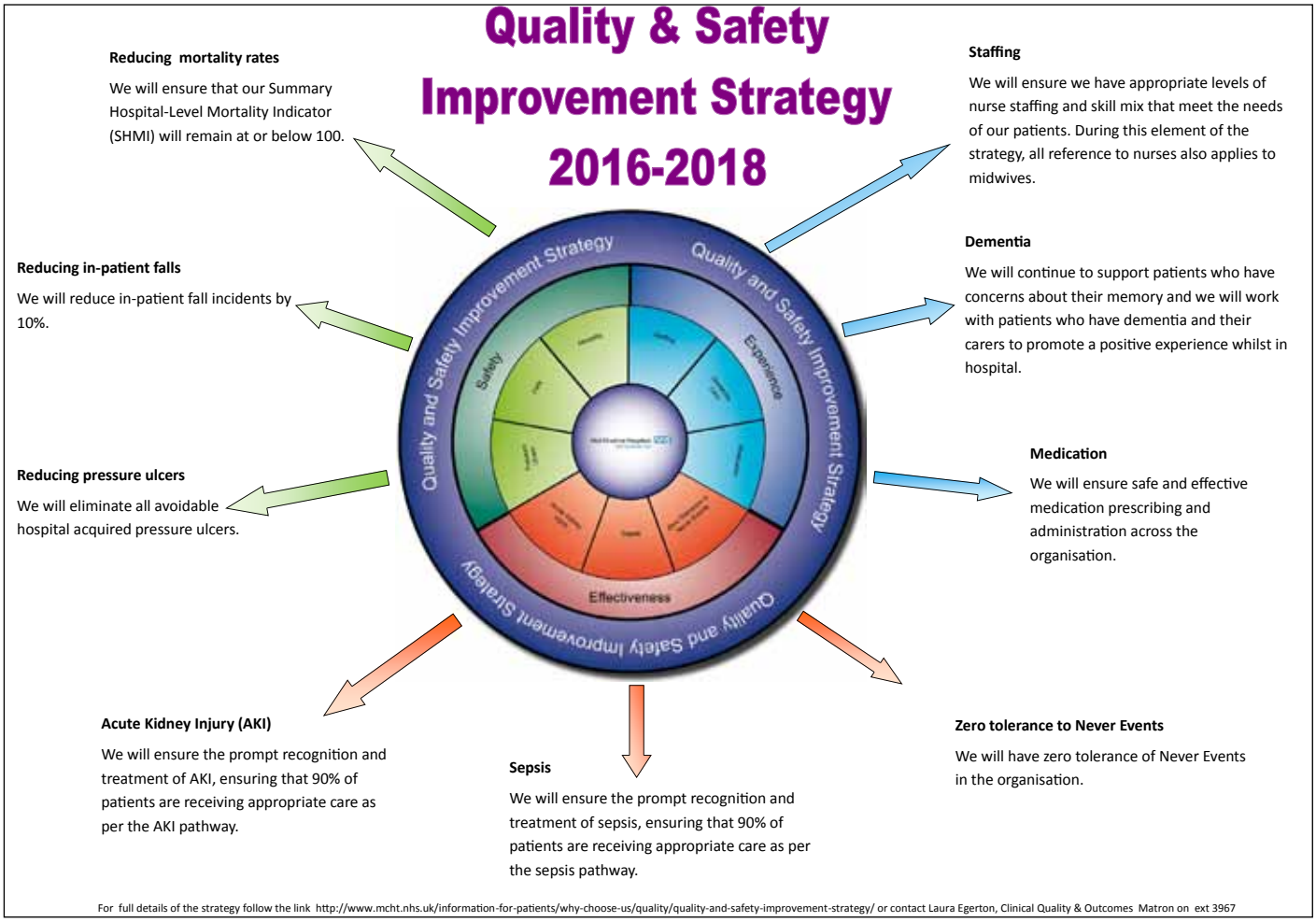
- A bi monthly 'Safety Matters' newsletter is now produced and distributed from the Patient Safety Summit
- The newsletter includes learning from the mortality case note review process
- This report is now shared at Divisional Boards and specialty level meetings.

There were no case record reviews or investigations completed after the reporting periods.

Seven Day Hospital Services

The Trust is proactively working to deliver the four priority clinical standards for acute sector organisations within the national seven Day Services programme. Clinically led by Dr Paul Dodds (Medical Director & Deputy Chief Executive), the Trust's services participate in national surveys twice a year. These surveys allow the Trust to benchmark, against national peers, its progress towards delivering the four priority standards. MCHFT performs well with regard to 'Access to Diagnostics' (Standard 5), 'Access to Consultant-directed Interventions' (Standard 6) and 'Ongoing Consultant Review' (Standard 8). In line with other trusts, the consistent delivery of the 'First Consultant Review within 14 hours of an Emergency Admission' (Standard 2) remains a challenge, although there are plans in place, down to specialty level, as to how this standard could be achieved.

Review of Quality Performance



Staffing

- Staffing boards remain in place in a visible location for staff, patients and visitors. This provides assurance around current and actual staffing levels on a daily basis, identifies the nurse in charge and highlights the uniforms for each professional working in the clinical area.
- Nursing acuity assessment is undertaken on a daily basis utilising the Safe Nursing Care Tool (SNCT) which measures the individual dependency of patients and uses generic multipliers to calculate the staffing required.
- Every six months formal establishment reviews are undertaken with each division. These meetings are chaired by the Director of Nursing and Quality utilising the real time nursing acuity data. The meetings have full input from the Deputy Director of Nursing and Quality, Heads of Nursing, Head of Midwifery and Matrons. Whilst focusing on the acuity and

Above: The Trust holds an information event for the Return to Practice programme

dependency results they also take into consideration a wider suite of quality indicators that need to be considered factoring in best practice and expertise to allow more informed decisions around future investment.

- Strategic Staffing Reviews took place led by the Director of Nursing and Quality, to review all wards and departments. The aim of this was to identify safe, effective, caring, responsive and well-led care across all specialities and identify areas for improvement and innovative ways of using the workforce.

- Staffing levels are recorded on a Unify database by each ward on a daily basis and results are reported each month to the public Board meetings and published on the Trust website.

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

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

- The Trust is continuing with its recruitment plans and has focused on:
  o Inspirational and ward specific adverts using social media, newspapers, etc.
  o Planned recruitment events specific to the divisions
  o Close working with the University of Chester and student nurses to improve MCHFT ownership and relationships
  o Flexible working arrangements where possible
  o Overseas recruitment
  o Trust attendance at job fairs and school fairs
  o Offering alternative career pathways to registered staff to encourage retention, i.e. ANP and specialist nurse roles
  o Increasing use of pharmacy technicians across in-patient wards
  o Continue development of Physicians Assistant role

- The Return To Practice programme for cohort 2 completed with seven of the staff successfully completing their course and gaining substantive posts within the Trust. Cohort three has also commenced in September 2017 with five further staff currently completing their training.

- The Trust has been successful in obtaining 12 places on the Nursing Associate programme in conjunction with the University of Chester. Recruitment is in progress with the first cohort to start in January 2018.

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

- The Director of Nursing and Quality has carried out regular engagement session with the divisions to update on latest events within the organisation and listen to staff concerns and issues.

Never Events

Our aim is to have zero tolerance of Never Events in the organisation. There have been zero Never Events in the organisation since November 2016.

A Local Safety Standards for Invasive Procedures Standard Operating Procedure has been developed and approved to ensure the Trust is compliant with the national alert for National Safety Standards for Invasive Procedures (NatSSIPs). NatSSIPs address many of the underlying causes of Never Events by ensuring that evidence based best practice is implemented. A task and finish group has been formed to implement NatSSIPs. Local Safety Standards for Invasive Procedures are currently in development.

Human factors simulation training is being undertaken within the Trust.

A review of the current Trust assurances relating to all Never Events detailed in the revised Never

Event Framework released in January 2018 is being undertaken.

A number of actions have been completed following the level two investigations into the Never Events that occurred in 2015/16 and 2016/17. These include:

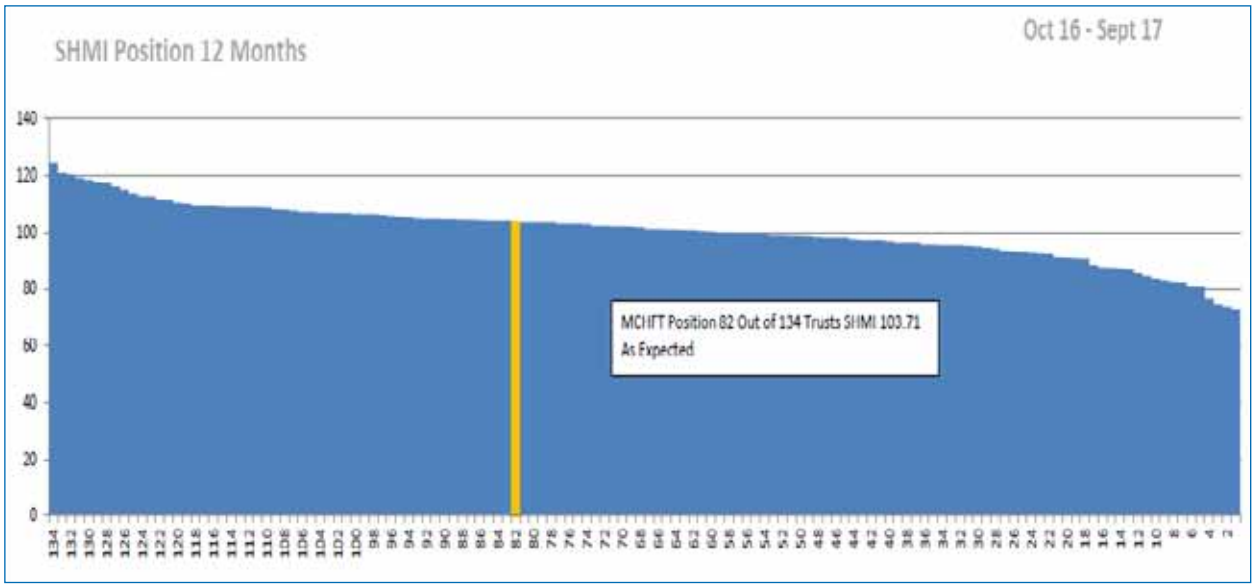
- The location of the marking for all orthopaedic surgical procedures has been standardised.
- A standard operating procedure has been developed to ensure there is an agreed process for ‘stop before you block’. A 'stop before you block' check has been incorporated into the anaesthetic section of the theatre documentation.
- The 'stop before you block' process has been included in the local induction programme for all staff groups within the Theatre department.
- To improve the checking of the size of implants prior to surgery, a whiteboard has been located in all theatres where the size of implants can be documented prior to opening.
- A standard operating procedure has been developed giving guidance on the standardised procedure for the checking of the implant sizes prior to implantation. The standard operating procedure supports the checking process of the implant size. An additional implant "time out" has been introduced in theatres so that the implant size can be clarified with the Theatre team prior to it being implanted.

Mortality

Our aim is for the MCHFT Summary Hospital-Level Mortality Indicator (SHMI) to remain at or below 1.00 and Hospital Standardised Mortality Ratio (HSMR) at or below 100 from April 2015.

SHMI Position

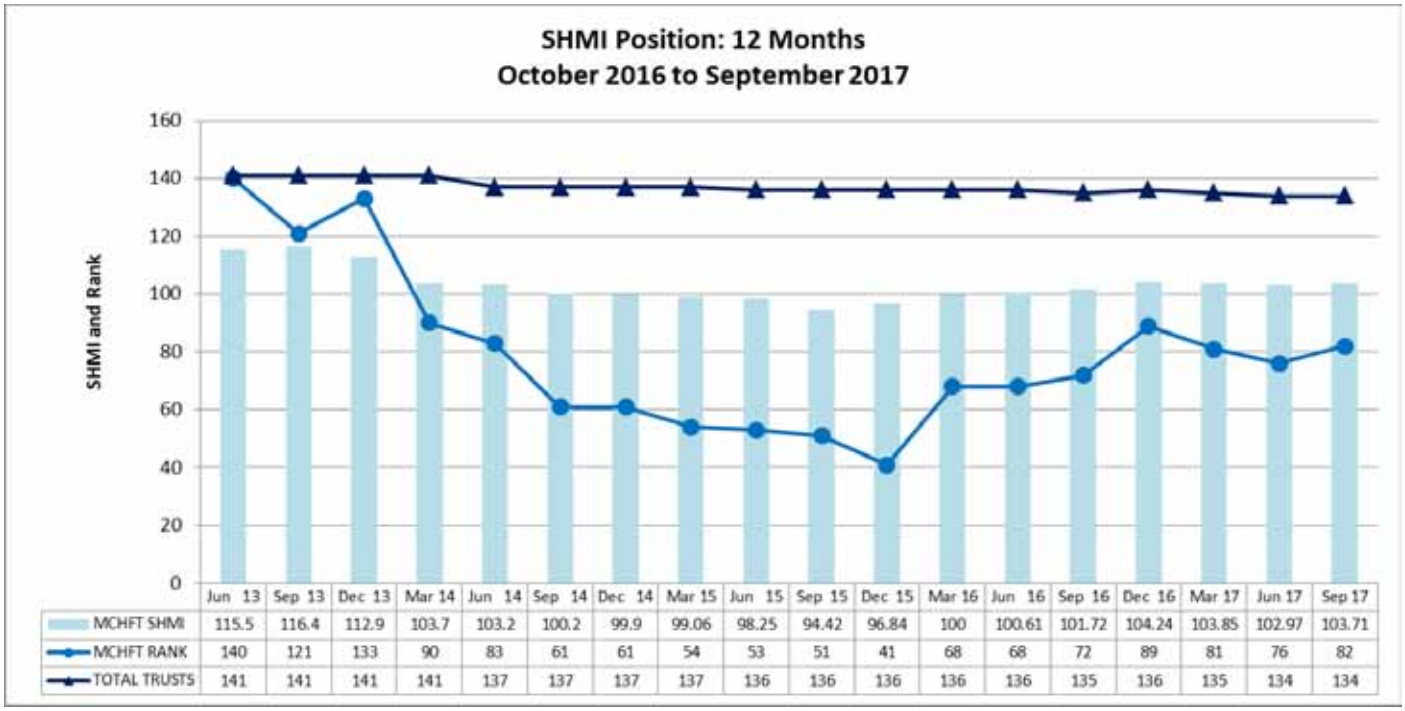
(Source: HED, 2018)



The above chart demonstrates the SHMI position for the reporting period October 2016 to September 2017. The SHMI is currently 103.71 and is in the 'as expected' range. This currently places the Trust 82 out of 134.

12 month rolling SHMI and position

(Source: HED, 2018)

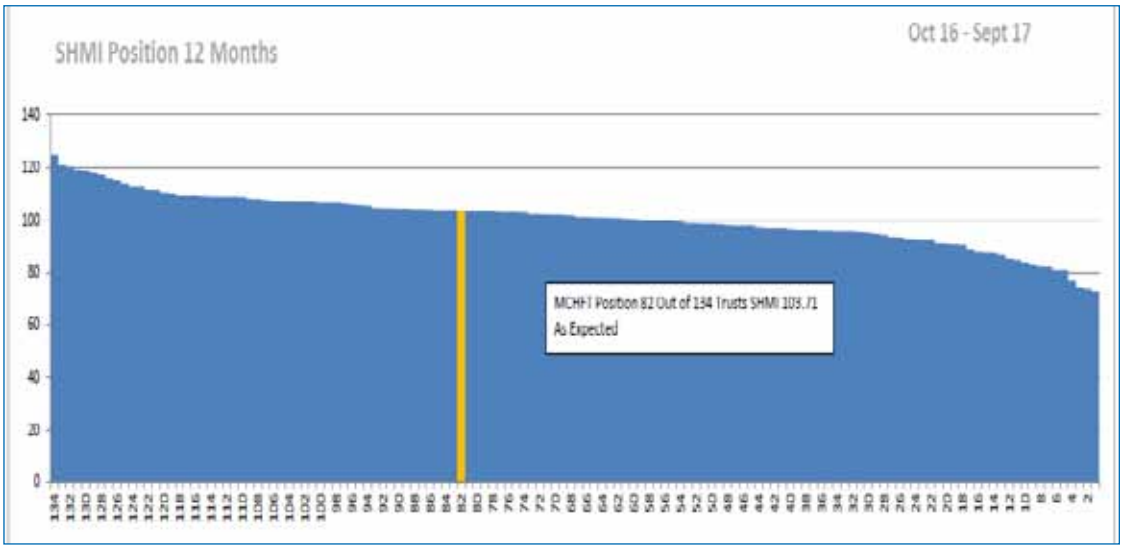


	Jun 13	Sep 13	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
MCHFT SHMI	115.5	116.4	112.9	103.7	103.2	100.2	99.9	99.06	98.25	94.42	96.84	100	100.61	101.72	104.24	103.85	102.97	103.71
MCHFT RANK	140	121	133	90	83	61	61	54	53	51	41	68	68	72	89	81	76	82
TOTAL TRUSTS	141	141	141	141	137	137	137	137	136	136	136	136	136	135	136	135	134	134

The above chart demonstrates the SHMI and rank of the Trust for each of the 12 month rolling position submissions for the period to the latest submission October 2016 to September 2017.

HSMR Position

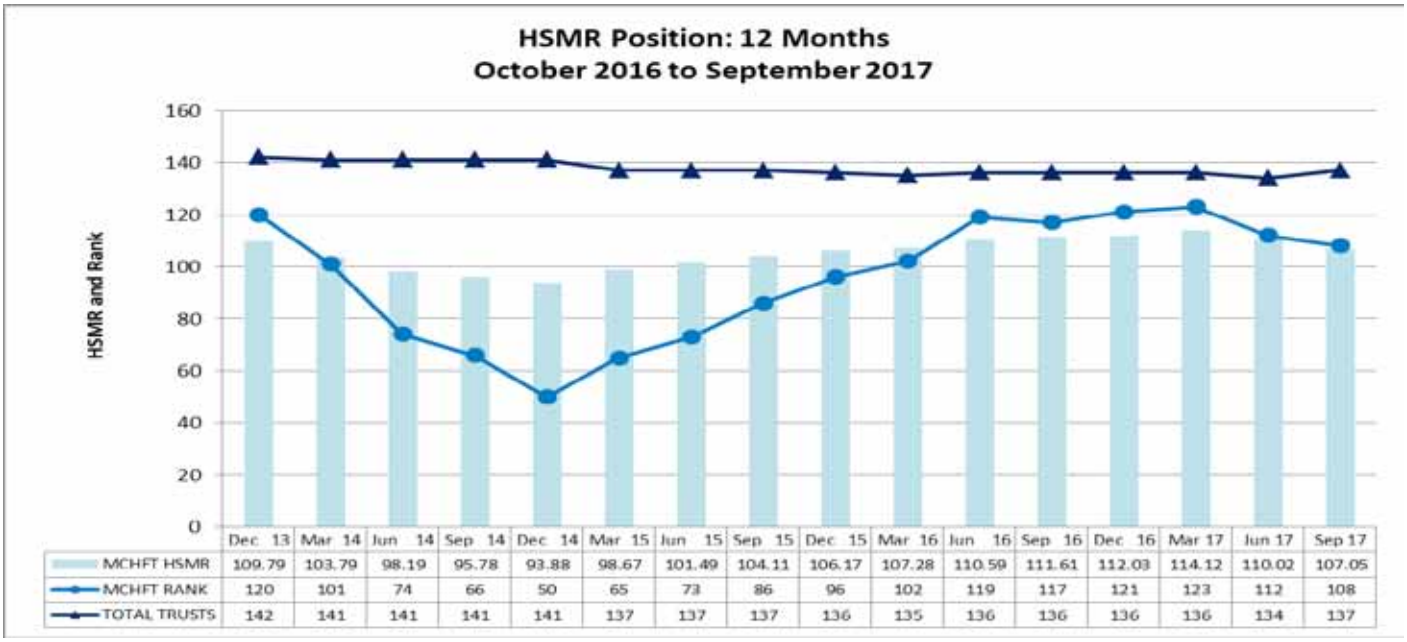
(Source: HED, 2018)



The above chart demonstrates the HSMR position for the reporting period October 2016 to September 2017. The HSMR is currently 107.05. This currently places the Trust 108 out of 137. This demonstrates an improving picture compared to the previous reporting period of July 2016 to June 2017, when the HSMR was 110.02 with a position of 112 out of 136 Trusts.

12 month rolling HSMR and position

(Source: HED, 2018)



	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
MCHFT HSMR	109.79	103.79	98.19	95.78	93.88	98.67	101.49	104.11	106.17	107.28	110.59	111.61	112.03	114.12	110.02	107.05
MCHFT RANK	120	101	74	66	50	65	73	86	96	102	119	117	121	123	112	108
TOTAL TRUSTS	142	141	141	141	141	137	137	137	136	135	136	136	136	136	134	137

The above chart demonstrates the HSMR and rank of the Trust for each of the 12 month rolling position submissions for the period to the latest submission October 2016 to September 2017.

All in-patient deaths are reviewed on a weekly basis by a team of consultants led by the Lead Consultant for Patient Safety. A short mortality case note review form is completed and if a death is identified where clinical care could potentially have been more appropriate, the case is referred for an in-depth review.

Cases referred for an in-depth review are reviewed by a senior consultant and senior nurse using the Trust's mortality case note review form. Simultaneously, the Medical Director asks the consultant supervising the patient's care to provide a written report on the care provided.The information derived from these two parallel processes is reviewed at the HMRG, where a decision is made about what, if any, further action is required and the lessons learned from the case are collated.

Organisational learning from this process must be dynamic, with immediate actions and improvements undertaken in a timely manner to prevent reoccurrence. Short-medium term improvements identified through organisational learning are introduced through the Trust's governance structure. In the longer term organisational learning will take place through the triangulation and theming of data and information. The Trust's incident reporting, investigation and organisational learning processes describe our approach to organisational learning.

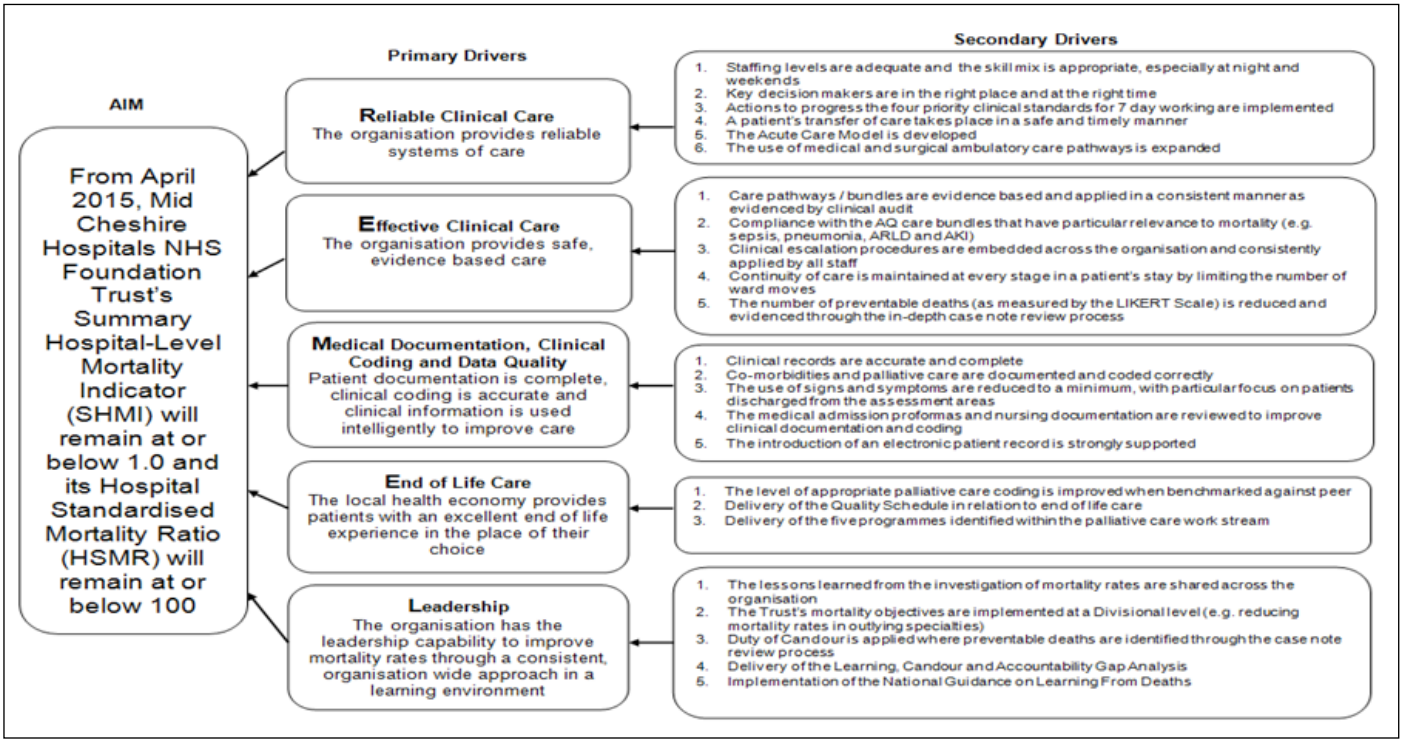
The Divisional Mortality Reduction Groups undertake mortality case note reviews in line with their terms of reference.

To share the lessons learned from mortality reviews a bi monthly 'Safety Matters' newsletter is now produced and distributed from the Patient Safety Summit. The newsletter includes learning from the mortality case note review process. This report is now shared at Divisional Boards and specialty level meetings.

The Trust has a well-established Hospital Mortality Reduction Group (HMRG) led by the Medical Director. This group monitors the mortality reduction improvement plans across the Trust. On a quarterly basis the HMRG meets with the divisional mortality reduction groups to ensure a unified approach to mortality reduction across the Trust and to share learning opportunities.

The HMRG developed a reducing hospital mortality rates driver diagram, which has been reviewed and approved in July 2017. There are five primary drivers are:

- **R**eliable Clinical Care
- **E**ffective Clinical Care
- **M**edical Documentation, Clinical Coding and Data Quality
- **E**nd of life Care
- **L**eadership.



To improve the recognition of and the response to the acutely deteriorating patient, a Deteriorating Patient Steering Group was formed in November 2017. The group has cross-divisional representation and is chaired by the Medical Director. The group has five work streams with a nominated lead for each:

- Acute Care Model
- Unplanned Admissions to the Critical Care Unit
- Education and Training
- Quality Improvement Projects
- Policy.

The group will be looking to implement the National Early Warning Score (NEWS 2), which was released in December 2017.

Dementia

The Trust values feedback from people living with dementia and their carers and has considered this when planning its Dementia Strategy for 2017-19. This clearly sets out our priorities to improve the quality of service provided for people with dementia and identifies the structures, systems and processes necessary to deliver and monitor all aspects of this.

Within the Strategy we have committed to:

Ensuring that carers of people with dementia feel involved and supported:

The Trust's aim is to involve carers from admission onwards. By using its dementia care bundle to work in partnership with carers, the Trust develops a personal support plan for the person we are caring for. The Partnership in Care initiative and John's Campaign (offering open visiting) both reinforce this collaborative approach.
In partnership with Dementia UK, the Trust has established an Admiral Nurse service within the hospital and local community.Admiral nurses provide specialist dementia support to carers of people with dementia and the team act as a bridge between the hospital and community. Although still in its infancy, positive feedback has been received about the service.

Enhancing the healing environment for people with dementia:

The Trust has been successful in its bid for dementia care to be supported by the Trust charity.The "Everybody knows Somebody" appeal has been established to raise funds to enhance the Trust's healing environments to become more dementia friendly.This will be Trust-wide but will initially focus on specific areas such as the Care of the Elderly and rehabilitation wards and our Emergency Department.This will positively impact on the experience of people with dementia accessing hospital services by minimising distress and enhancing independence and well-being.

Ensuring the workforce receives education and training to equip them to provide meaningful, person-centred support for people with dementia:

The Trust has reviewed the mandatory dementia training package and since April 2017 over 1,200 staff have completed this eLearning programme. Training figures are now received quarterly to monitor uptake.

Bespoke training is provided, tailored to the needs of individuals, teams and departments. Additionally, a new "Vulnerable Adults" study day took place in October 2017, coordinated through its relationship with external partners. This was evaluated positively and will be repeated in the next year.

Dementia Link training sessions continue quarterly and are well attended.

will be included in the Quality & Safety Improvement Strategy for 2018/19.

Reducing readmission rates for people with dementia in specific ward areas:

Work is in progress within the Dementia Strategy to audit readmission rates for people with dementia within 30 days of discharge from the care of the elderly ward. From this audit, individual case notes will be reviewed to identify gaps and make recommendations to bridge these.

The Admiral Nurse team works closely with carers and community services to explore ways of avoiding hospital admission. Effective links have been established with the Advanced Nurse Practitioners, Social Care teams and mental health providers to ensure that carers feel equipped to manage situations and have access to timely support.

Monitoring the safe use of antipsychotic medication:

An audit of antipsychotic medication use in patients with dementia discharged during April 2017 provided supporting evidence that antipsychotic medications are only considered as a very last resort when all other approaches have been exhausted.

The importance of de-escalation as the first line intervention is reinforced in training.

Policies and protocols are in place to ensure safe practice and the Liason Psychiatry service is available for support and advice throughout the 24 hour period.

Providing 1:1 support where necessary to minimise distress and promote independence:

The Partnership in Care initiative aims to identify people with dementia who may need enhanced care to ensure their safety and also appropriate resource allocation. The Royal Voluntary Service continues to provide a successfull ward based befriending service to support people with dementia. They have funded record players, radios and an electronic tablet for the wards to use as reminiscence aids.

In addition to this, Cheshire Dance continues to provide weekly “In This Moment” musical movement sessions on the rehabilitation ward. The social, physical and psychological benefits of these have been positively evaluated by the patients, carers and staff that have engaged with the sessions.

Avoiding uneccessary moves within the hospital:

The hospital teams continue to work closely together to avoid unneccessary ward moves for people with dementia. A recent internal audit shows some improvement in the number of ward moves for this patient group, but there remains room for improvement. This

Ensuring people with dementia have access to effective discharge planning:

Part of the Admiral Nurse role is to “join the dots” for carers and people with dementia to enable them to understand their plan of care and individual roles within this. Pre-discharge meetings are held to clarify needs and plan effective support on discharge. However, staff are encouraged to communicate continuously with families and the person with dementia to ensure their full involvement in planning and decision-making.

Any formal complaints relating to discharges will be reviewed and learning shared as appropriate.

Ensuring that we screen, assess and refer people for specialist memory assessment:

The Trust continues to consistently achieve the 90% target for screening people over the age of 75 admitted in an emergency for memory problems and referring them to their GP for further investigation.

Above (left to right): Sheridan Coker and Anna Chadwick, the Trust’s Admiral Nurses

Medication update

Wards are undertaking a monthly medication audit, the results of which are monitored through the Trust Operational Safety and Effectiveness Group. These audits include omitted medicines, medication security, prescribing and adherence to the MCHFT Controlled Drug Policy. Results demonstrate 98.7% of medicines are administered when they are due (omitted doses rate is 1.3%).

Criterion / Measure 1				**Exceptions**	
Medicines that were administered when they were due (critical and non-critical) (Target 98.0%)				None	
Audit Cycle	**Doses (n =)**	**Exceptions (n =)**	**Frequency**	**Compliance (%)**	**Status**
Dec '16	25,990	0	25,606/25,990	98.5%	
May '17	23,753	0	23,474/23,753	98.8%	
Nov'17	22,867	0	22,661/22,867	99.1%	

Criterion / Measure 2				**Exceptions**	
Critical medicines that were administered when they were due. (Target 100%)				None	
Audit Cycle	**Doses (n =)**	**Exceptions (n =)**	**Frequency**	**Compliance (%)**	**Status**
Dec '16	6373	0	6,313/6,373	99.1%	
May '17	7679	0	7,611/7,679	99.1%	
Nov'17	6389	0	6,340/6,389	99.2%	

Lessons learnt are disseminated through the Safe Medicines Management Group.

- The Trust has successfully piloted a Pharmacy Technician administering medicines on ward 21B. Due to the success of the pilot, Ward 2 has recruited a pharmacy technician to support the medication administration round.
- Improvements around reducing omitted doses are being made.
- All NICE approved medicines are added to the formulary within 90 days of publication.
- A self-medication policy is fully implemented at Elmhurst Intermediate Care Centre.
- A surgical admission prescribing pharmacist has also been appointed to support the surgical admissions process.
- Pharmacy is taking part in a trial of a new software system to send a patient's discharge prescription to their nominated community pharmacy (with the patient's consent). This will allow the patient to be supported by their community pharmacist once discharged from hospital.
- The self-administration of IV antibiotics in the community has commenced. Patients with infections requiring long-term IV antibiotics have been trained on the ward to be able to self-administer their antibiotics. The patient is then issued with the antibiotic in a specially made elastomeric device so it can be safely administered at home without the need of an infusion pump.
- Improvements have been made in 15 of the 18 criteria evaluated in the Trust Prescribing audit.

Acute Kidney Injury (AKI)

Within the Trust, processes are in place to ensure that patients with an AKI are triggered via the pathology system. For AKI stage 3 patients, the laboratory will phone results to the wards for early identification. If AKI is detected a management pathway is commenced for all stages of AKI. This is a sticker which is placed in the patient notes which allows the multi-disciplinary teams to follow appropriate management and referrals to specialist teams.

Monthly teaching is provided which is open to all nursing staff to update on AKI management. AKI link nurses have been identified in all adult inpatient areas who are invited to attend regular updates. Teaching is provided to medical staff, in particular for the new foundation doctors programme and in November 2017 AKI was presented at the Trust Quality Improvement session around response to deteriorating patients.

Above: Ward 21B's Pharmacy Technician, a role that has now expanded to other hospital areas

An AKI steering group has been formed which includes representation from Critical Care, Medicine, Surgery, radiology, pathology, Nephrology (from UHNM), pharmacy, Quality Matron, audit collector and AQuA representation. The group will meet four times a year to review progress and identify improvement opportunities. Urinalysis was identified as an area for improvement by the AKI steering group. Urinalysis stickers were designed and implemented in all adult inpatient areas. They are identifiable and allow the date and time to be documented to ensure the test is timely. These have been well received from ward feedback.

A key area of work has included a review of the ultrasound scan of kidneys. This investigation is now ordered via the order comms system which has enabled the Trust to look more closely of the timings of referral, the clinical information provided, the time from request to scan and the findings. The Trust's AKI leads are working closely with the radiology department to ensure all patients who have their AKI cause unknown or suspected obstruction have a scan within 24 hours of an AKI alert. This process is also highlighting the patients who receive an ultrasound when they may not have required this procedure, for example a pre–renal cause of AKI, such as sepsis or dehydration. This issue impacts on the "right patient having the right scan at the right time" where capacity and demand management issues are found.

To assist the identification of AKI patients to pharmacy in the acute medical admission areas, a kidney shaped sticker has been developed. This helps the staff who are prescribing, reviewing and administering medications to identify when a patient has AKI and to highlight an AKI pharmacy review, which needs to be completed within 24 hours of AKI alert. The Trust currently achieves 100% compliance in most months on the nephrotoxic medications being stopped on admission; however it has been identified that improvements are still required on the timely medication review from pharmacy. To help achieve this measure, a change to the pathway will be undertaken to prompt staff to refer to pharmacy when a patient with AKI is identified. This will ensure the pharmacy team is aware of patients that require a review.

The Trust has shown a significant improvement in many areas of AKI management, in particular the referral process to the appropriate team.

Through the Steering group, ongoing plans are in place to renew the pathway in line with advice from the expert group and ensuring it is user friendly with referral advice in line with NICE CG 169 guidance.

Pressure Ulcers

The Trust has seen a 30% reduction in the number of hospital acquired pressure ulcers in 2017/18 in comparison to 2016/17, the details can be seen in table below:

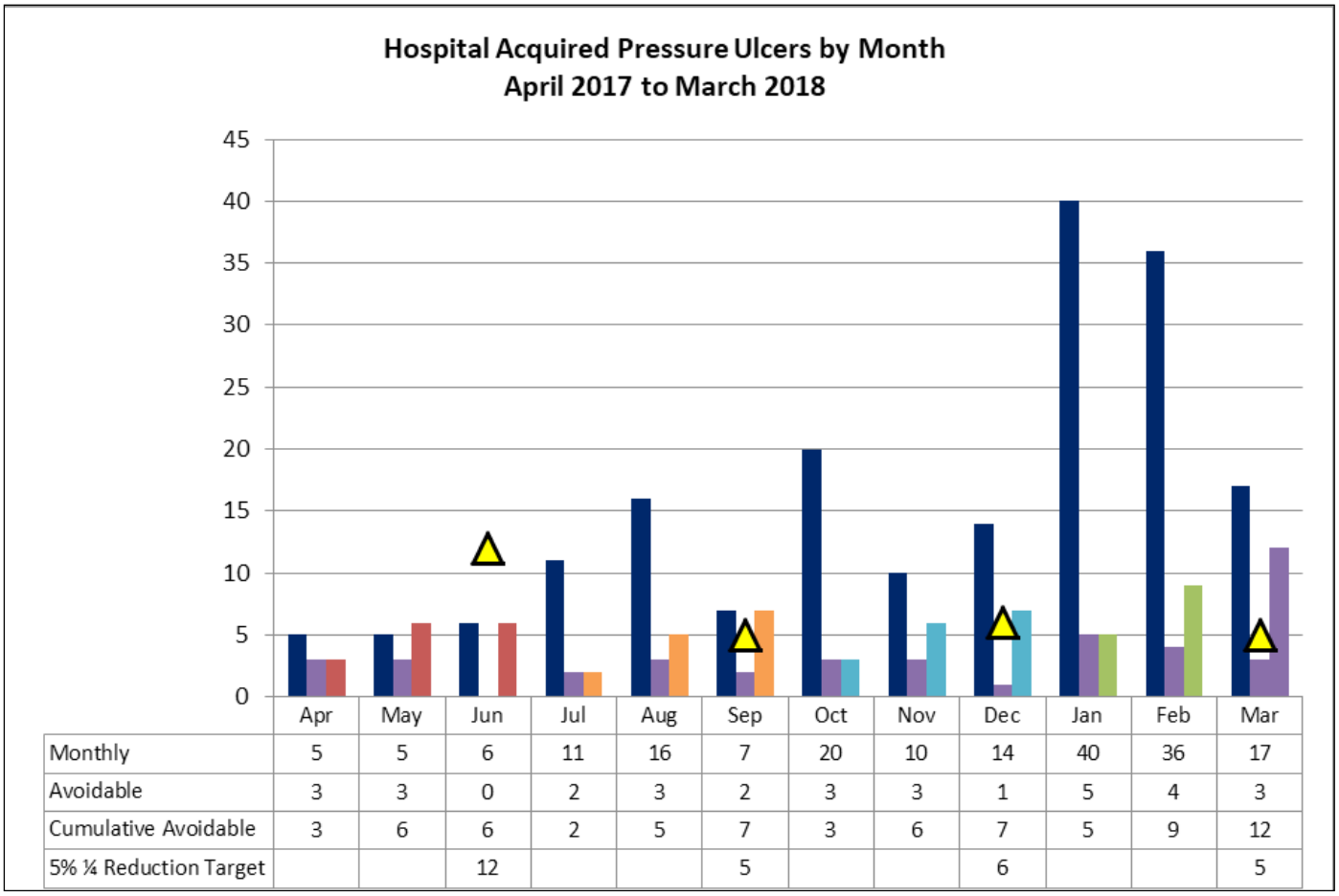
Financial Year	Total number of hospital acquired pressure ulcers
2015-16	211
2016/17	267
2017/18	187

Following a review of the Trust's strategy in March 2017, the Trusts aim was to reduce hospital acquired avoidable pressure ulcers by 5% quarter on quarter in 2017/2018. Although the Trust has seen an overall reduction in the number of reported hospital acquired avoidable pressure ulcers by 80%, unfortunately the Trust did not achieve its aim to reduce hospital acquired avoidable pressure ulcers by 5% quarter on quarter.

The table below demonstrates the number of reported hospital acquired avoidable pressure ulcers:

Financial Year	Total number of hospital acquired avoidable pressure ulcers
2016/17	163
2017/18	32

The graph below shows the number of hospital acquired pressure ulcers for 2017/18.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Monthly	5	5	6	11	16	7	20	10	14	40	36	17
Avoidable	3	3	0	2	3	2	3	3	1	5	4	3
Cumulative Avoidable	3	6	6	2	5	7	3	6	7	5	9	12
5% ¼ Reduction Target			12			5			6			5

In response to the number of reported pressure ulcers the Trust has made significant investment to eliminate the number of hospital acquired avoidable pressure ulcers:

- The Tissue Viability Nurse role within the Trust ensures a focus on the elimination of avoidable pressure ulcers. This nurse works closely with the Skin Care Specialist Nurse to provide education and support to staff in the skin care they provide to their patients. The team also provides enhanced support with weekly focus on a target ward. This has raised the awareness of pressure ulcer prevention within the organisation. This role is now embedded within the Trust.

- The Trust's appointed Divisional Head of Nursing for Surgery and Cancer has handed over the lead for pressure ulcer prevention to the Quality Matron, maintaining the senior leadership within the Trust to focus on the elimination of avoidable pressure ulcers.

- The skin care team reviews all reported hospital acquired pressure ulcers and moisture lesions to ensure all appropriate interventions are in place and to determine the staging of the pressure ulcer. In addition, a ward based mini root cause analysis is undertaken for all hospital acquired stage two pressure damage, so that staff can understand what led to the development of the pressure ulcer and implement corrective action to eliminate gaps in care. Outcomes of the root cause analysis are undertaken by the ward manager and matron for the area to ensure senior support.

- The Trust's skin care group continues to meet monthly and is chaired by the Quality Matron. The group has a multidisciplinary, cross divisional review. The agenda has been updated to include updates from both MCHFT and CCICP on pressure ulcer prevention strategies and initiatives.

- Staff education remains a priority within the Trust to eliminate avoidable pressure ulcers. Link Nurse study days have been increased to provide additional training, adding focus on the emergency/admission portals and ward assessment areas. The number of Link Nurses within each ward has increased to produce a 'link team' which includes support from both Registered Nurses and Healthcare Assistants.

- Link Nurse folders have been introduced to enable the link nurses to input information received from the study days provided and to enable all ward staff to maintain up to date on the changes/updates from the education and link days and facilitate effective working with both pressure ulcer prevention and holistic wound care.

- The skin care team has implemented the photographing of all pressure ulcers to ensure accurate documentation within the Trust. This supports the recognition of any deterioration or improvement in reported pressure ulcers, as well as accurate staging of pressure ulcers.

- A number of pressure relieving equipment trials are being undertaken within the Trust to support the patient's care journey. This includes the trials of a hybrid mattress, which is currently in process.

- The Trust has implemented the use of KerraPro silicone sheets to redistribute the pressure patient's pressure on at risk areas, such as Sacrum, elbows, heels, etc. This is embedded within everyday practice and the product is widely used within the Trust.

- The Tissue Viability Nurse Specialist within the Pressure Ulcer Prevention Team attends the bi-monthly Tissue Viability North West region meetings. This is a forum that meets and discusses best practice within the holistic patient care delivery and pressure ulcer prevention, as well as being up to date with both local and national initiatives.

- Ward staff workbooks for pressure ulcer prevention and grading have been reviewed and updated. This booklet is in the process of being added to an e-learning training package for healthcare assistants and registered nurses within the Trust.

- Within the last twelve months the team has increased its teaching education program around pressure ulcer prevention and now delivers training to the Healthcare Assistant induction students, Quality Matters sessions, preceptor students, pre-preceptor students, student nurses, pre-registration students, as well as adhoc ward based training as identified.

- The Trust documentation has been reviewed and the SSKIN Bundle has been updated – this has included the increase in body maps to accommodate the transfers that occur during in-patient moves, an increase in waterlow pages to help reduce additional papers, as well as the incorporation of 30 degree tilt and patient seating aid memoirs. The repositioning and care round documents has also been reviewed and updated to ensure that the information required is being captured.

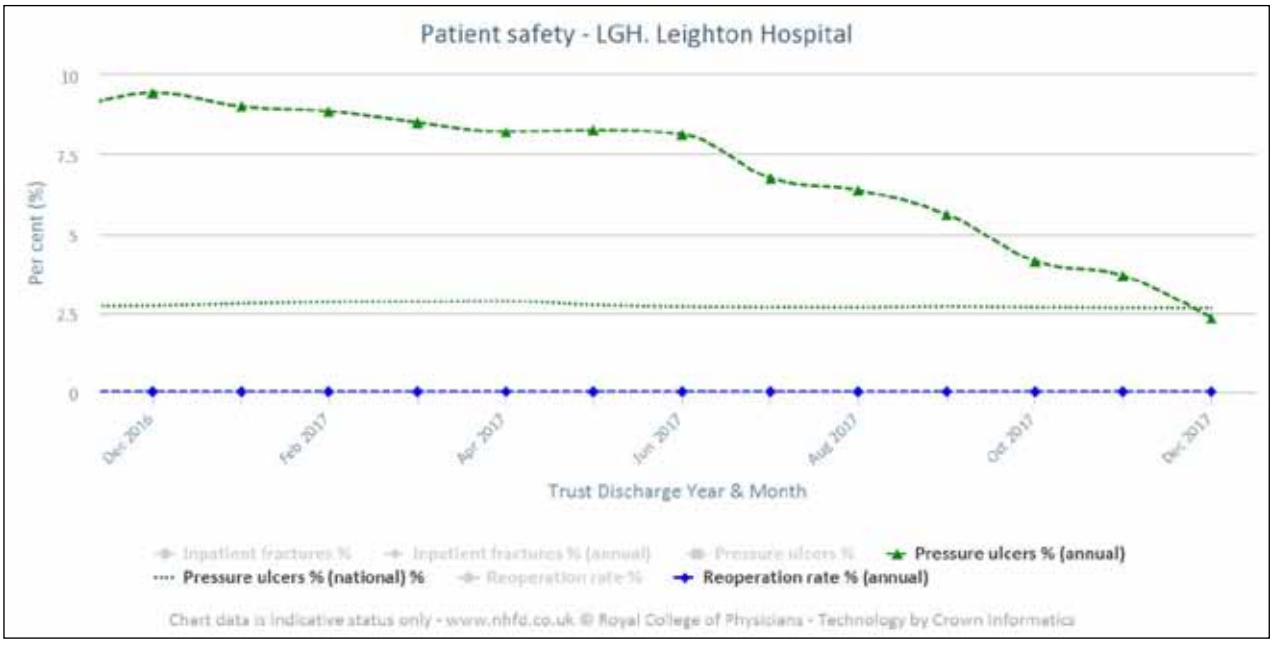
- The team held a pressure prevention proud conference in June that had 100 Trust attendees, the staff engagement within the pressure ulcer prevention process has continued with our crossroad promotional days as well as partaking in the National Stop the Pressure day in November 2017, where the team encouraged the multi-disciplinary team to make pledges on how they are going to advocate pressure ulcer prevention as well as engaging with staff, patients and relatives.

- A Twitter page has been introduced to share best practice, new initiatives and engage with both Trust staff and the wider audience.

- The team carries out weekly support wards, where we target the at-risk wards and spend time engaging in activities of daily living for the patients with both the HCAs and RNs to empower them on the skin assessment process and continually educate on areas of pressure ulcer prevention into their daily working regime and embedding best practice on pressure prevention and identification.

- React 2 Red has become embedded into everyday clinical practice, as has the safety cross, repositioning charts at the foot of the patients' beds, as well as the repositioning clocks at the end of each clinical bay are part of each ward's everyday clinical regime.

- The Trust has seen a significant decrease over the last twelve-twenty four months of patients with hip fractures developing pressure ulcers in the acute setting. As shown below, the Trust has now fallen below the national average.



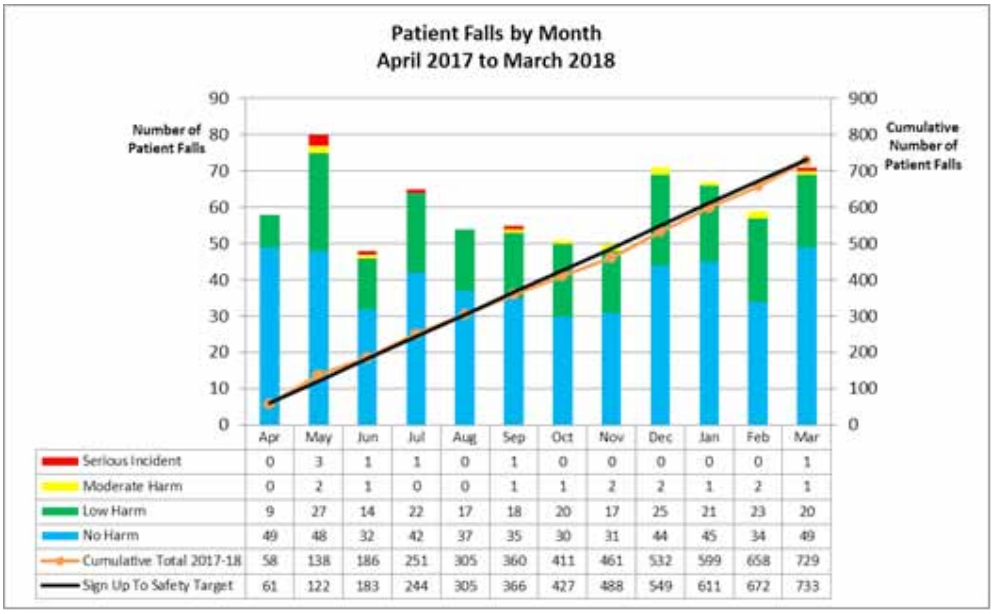
National Hip Fracture Database (NHFD)

Patient Falls

As part of the Trust's Sign up to Safety campaign and the Quality and Safety Improvement Strategy 2016-2018 the Trust aimed to reduce patient falls by 10% by January 2018. This has been achieved with an overall reduction of 11.4% since 2015/16.

Incident Type	2015/16	2016/17	2017/18	% Shift
Patient Falls	833	767	729	11.4% reduction

The graph below shows the number of patient falls for 2017/18:



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Serious Incident	0	3	1	1	0	1	0	0	0	0	0	1
Moderate Harm	0	2	1	0	0	1	1	2	2	1	2	1
Low Harm	9	27	14	22	17	18	20	17	25	21	23	20
No Harm	49	48	32	42	37	35	30	31	44	45	34	49
Cumulative Total 2017-18	58	138	186	251	305	360	411	461	532	599	658	729
Sign Up To Safety Target	61	122	183	244	305	366	427	488	549	611	672	733

In order to maintain the reduction in falls there have been a number of actions undertaken:

- Divisional staffing reviews and consequent investment
- Slipper socks introduced
- Fall sensors
- Falls lead and co-lead on each ward attend development days
- Falls lead and co-lead provide local training and education at ward/department level
- A post fall review is undertaken for each reported fall by the Lead Nurse for Older People
- For each fall requiring a Root Cause Analysis (RCA) an 'Episode of Care document' is produced that highlights local learning/ change required
- All toilet areas on non-refurbished wards have signage that informs patients and staff on the appropriate area to use if the patient has mobility problems
- Care rounds
- Declutter Programme.

In November 2016 the Trust fully implemented the 'One Step Ahead' Falls Safety Collaborative across all inpatient wards.

Four specific proven changes have been adopted by all ward areas within the Trust:

- Toilet/commode tagging
- Cohort higher risk patients
- Staff Placement/Changes to staff base
- Safety crosses.

The falls safety collaborative meets quarterly with senior ward representation to share and evaluate the impact of any changes within the ward areas in relation to falls and update on current practice.

The Lead Nurse for older people reviews all patients who have fallen and ensures appropriate interventions are in place. A Root Cause Analysis (RCA) investigation is undertaken where moderate or severe harm has occurred due to a fall. Outcomes of RCAs are shared with staff at ward level, at falls collaborative meetings and the Trust falls group.

All inpatients continue to be assessed for their risk of falls in hospital using the NICE guideline 161. This continues to be monitored via monthly documentation audits. Focus has also been maintained on areas within the Fall Safe care bundle that have the highest impact within the organisation. These include falls history, lying/standing blood pressure and urinalysis.

Care rounds continue in all inpatient areas and trials of assessment notifications at bay entrances are taking place across the divisions highlighting at risk patients.
The Divisional Matron for Surgery and Cancer has maintained her role as the Trust lead for falls prevention. This has ensured senior leadership within the organisation on the reduction and prevention of inpatient falls.

The Trust's falls group continues to meet monthly and is chaired by the Lead Nurse for older people. The group has a multidisciplinary, cross divisional review and the terms of reference have been reviewed to extend the group membership within the organisation.

Staff education continues as a priority. Workshops for the Falls Team continue on a twice yearly basis and falls prevention training also forms part of the Quality Matters and Preceptorship programmes. The number of link nurses within each ward has increased to produce a 'falls prevention team' which includes support from both registered nurses and healthcare assistants. Links have also been developed with the community who now have representation on the Falls Group.

There is now a much improved provision of mobility aids utilised in the ward areas and improved communication

system within the physiotherapy department allows for the prompt ordering of aids.

A number of sensor equipment trials have taken place within the Trust to support the patient's care journey. The declutter programme continues on a quarterly basis and is led by Estates and Facilities, supporting wards to ensure ward environments are clutter free and tidy.

The Trust participated in the second Royal College of Physicians National Falls audit in May 2017. Results were received in November and work is currently underway via a gap analysis to identify areas for improvement.

The Community Rehabilitation Team introduced a pilot in June 2017 providing a new seven days falls service. The therapist and paramedic offer an alternative response to emergency calls. As a partnership team, the therapist and paramedic are able to rapidly assess and respond to patients' needs in their home. They can provide immediate advice, equipment and support to help prevent further falls.

There is an acknowledgement that we are not going to eliminate falls altogether, and we do have to balance the encouragement of independence with the management of risk. However, we know that there are many risk factors that can be mitigated. The Trust is now working hard to sustain the success achieved and reduce the harm caused.

Governors' Choice of Indicator

Sepsis

There are a number of strategies in place to improve performance as we continue to work with the aim to achieve the national target of 90% for both part 2A (sepsis screening) and 2B (antibiotic administration) of the CQUIN and 78.9% for Advancing Quality target.

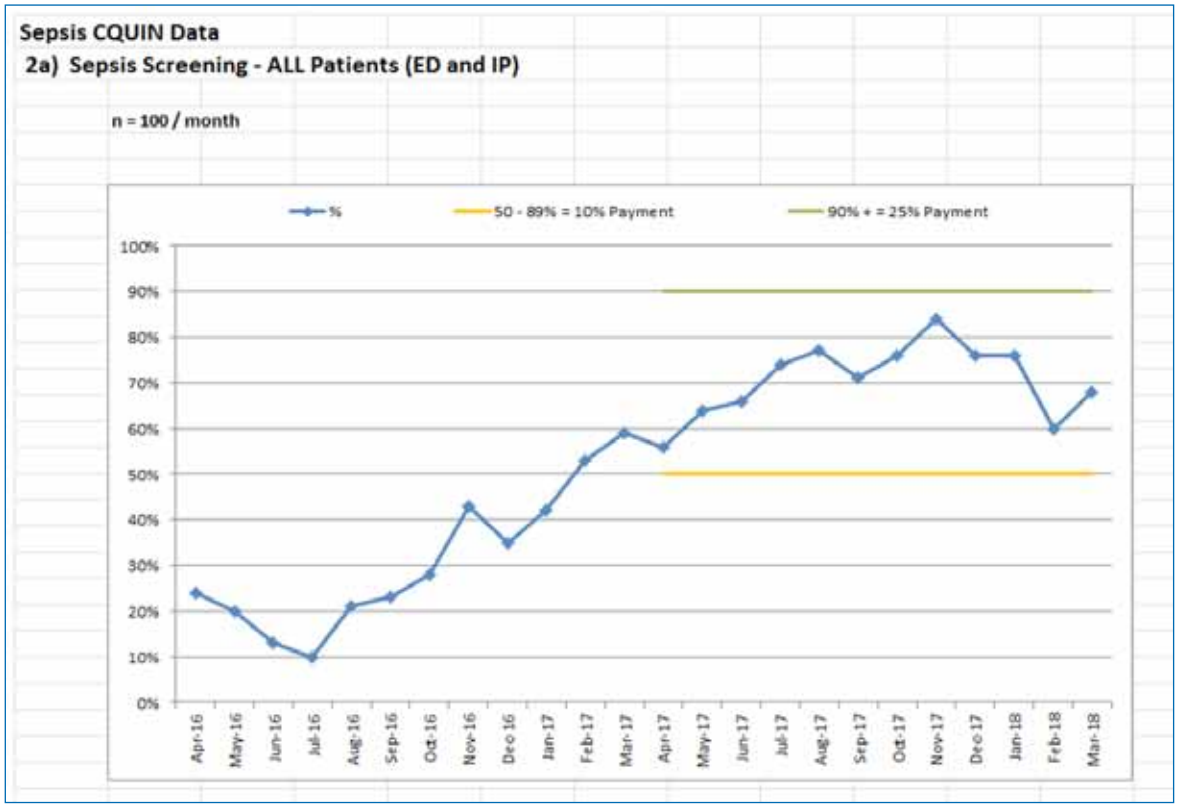
The results below demonstrate progress to date for screening and antibiotic delivery:

Screening

Sample size each area per month (n =) 50
Sample size both areas per month (n =) 100

	ED		IP		ALL (ED + IP)		Quarter	Screen	%
Month	Screen	%	Screen	%	Screen	%			
Apr-16	20	40%	4	8%	24	24%	Q1	57	19%
May-16	12	24%	8	16%	20	20%			
Jun-16	9	18%	4	8%	13	13%			
Jul-16	7	14%	3	6%	10	10%	Q2	54	18%
Aug-16	15	30%	6	12%	21	21%			
Sep-16	20	40%	3	6%	23	23%			
Oct-16	22	44%	6	12%	28	28%	Q3	106	35%
Nov-16	27	54%	16	32%	43	43%			
Dec-16	28	56%	7	14%	35	35%			
Jan-17	30	60%	12	24%	42	42%	Q4	154	51%
Feb-17	34	68%	19	38%	53	53%			
Mar-17	35	70%	24	48%	59	59%			
Apr-17	30	60%	26	52%	56	56%	Q1	186	62%
May-17	34	68%	30	60%	64	64%			
Jun-17	42	84%	24	48%	66	66%			
Jul-17	41	82%	33	66%	74	74%	Q2	222	74%
Aug-17	42	84%	35	70%	77	77%			
Sep-17	40	80%	31	62%	71	71%			
Oct-17	42	84%	34	68%	76	76%	Q3	236	79%
Nov-17	44	88%	40	80%	84	84%			
Dec-17	37	74%	39	78%	76	76%			
Jan-18	38	73%	38	76%	76	76%	Q4	204	67%
Feb-18	31	62%	29	58%	60	60%			
Mar-18	36	72%	32	63%	68	68%			

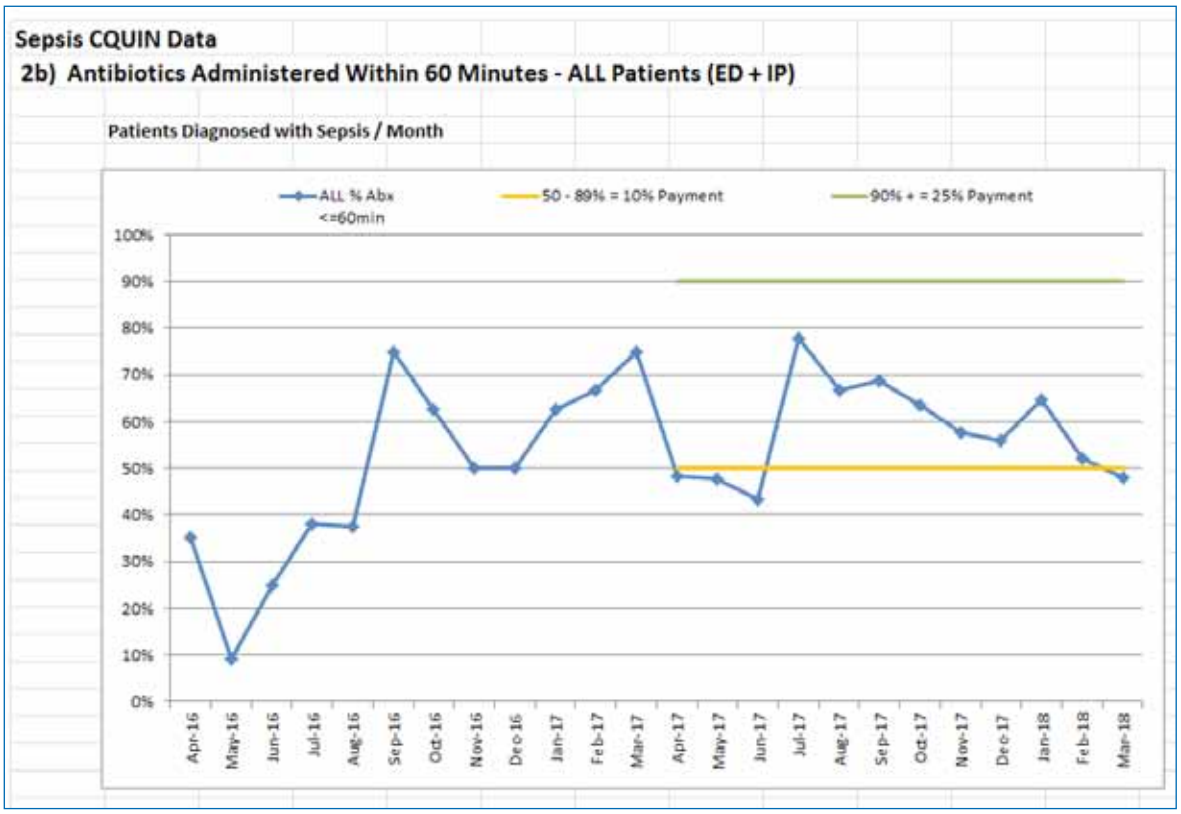
2A Sepsis Screening



2B Antibiotic Administration

Abx <= 60 minutes

	ED			IP			ALL (ED & IP)					Abx <=60mins	
Month	ED Total	ED Abx <=60min	ED % Abx	IP Total	IP Abx <=60mins	IP % Abx <=60min	ALL Total	ALL Abx <=60mins	ALL % Abx	Quarter	Sample		
Apr-16	12	4	33%	5	2	40%	17	6	35%				
May-16	8	1	13%	3	0	0%	11	1	9%	Q1	40	10	25%
Jun-16	8	1	13%	4	2	50%	12	3	25%				
Jul-16	14	5	36%	7	3	43%	21	8	38%				
Aug-16	6	1	17%	2	2	100%	8	3	38%	Q2	41	20	49%
Sep-16	8	5	63%	4	4	100%	12	9	75%				
Oct-16	5	3	60%	3	2	67%	8	5	63%				
Nov-16	5	1	20%	3	3	100%	8	4	50%	Q3	28	15	54%
Dec-16	6	4	67%	6	2	33%	12	6	50%				
Jan-17	7	4	57%	1	1	100%	8	5	63%				
Feb-17	10	6	60%	2	2	100%	12	8	67%	Q4	32	22	69%
Mar-17	9	8	89%	3	1	33%	12	9	75%				
Apr-17	25	13	52%	6	2	33%	31	15	48%				
May-17	19	9	47%	2	1	50%	21	10	48%	Q1	75	35	47%
Jun-17	17	8	47%	6	2	33%	23	10	43%				
Jul-17	24	19	79%	3	2	67%	27	21	78%				
Aug-17	13	10	77%	8	4	50%	21	14	67%	Q2	64	46	72%
Sep-17	11	8	73%	5	3	60%	16	11	69%				
Oct-17	37	24	65%	4	2	50%	41	26	63%				
Nov-17	37	23	62%	15	7	47%	52	30	58%	Q3	136	80	59%
Dec-17	38	22	58%	5	2	40%	43	24	56%				
Jan-18	38	26	68%	10	5	50%	48	31	65%				
Feb-18	17	10	59%	6	2	33%	23	12	52%	Q4	96	55	57%
Mar-18	19	10	53%	6	2	33%	25	12	48%				



Teaching is provided to all clinical staff across the Trust. Teaching sessions include: Quality Matters Program, Preceptorship, Sepsis Focus Week (inpatients wards only), university visits, doctors study days, link nurse days and simulation sepsis training. The Sepsis Specialist Nurse also attends arranged or spontaneous visits to individual departments on a daily basis to share sepsis updates. A sepsis board game has also been purchased which supports learning by adding the element of fun to training staff have become more engaged with learning, ensuring they are focused and retaining the information taught.

An interactive sepsis game has also been developed to aid training and decision making around sepsis for doctors. This is currently in the editing stages and will soon be available to be used Trust wide. The Trust plans to incorporate this into the sepsis e-learning package which is also in development. The e-learning package will include training for adult nurses, paediatric nurses, midwives and community nurses, incorporating all relevant/appropriate pathways and screening tools.

Raising awareness has been a large focus of the Sepsis Specialist Nurse, an example of this is a sepsis information event that took place with over 100 staff attending and participating in a sepsis quiz. Further examples include the development of the sepsis information leaflet for patients and relatives and a sepsis display board competition. A sepsis logo has been developed and launched in the Trust. This has ensured standardisation in all sepsis information, posters and events.

Individual sepsis steering groups have been developed in the Emergency Department and for each of the divisions across the Trust. This has enabled a focused view for individual departments to push forward with the screening, recognition and treatment of sepsis. Progress from the divisional steering groups feeds into the monthly sepsis steering committee. An example of progress includes improving the time to antibiotics, which has been developed as a result of the Emergency Department steering group. 'Sepsis Grab Bags' have been designed and are due to launch in April 2018. The grab bags will include all elements of the sepsis six pathway, which will save time for staff not having to gather all equipment and medication together, resulting in more time to provide the treatment. The aim of the 'grab bag' is to improve on all elements of the sepsis pathway, including antibiotic delivery. They will act as a visual aid to ensure staff are aware that the patient is being treated for sepsis, ensuring no element of the sepsis six is missed. The launch of the bags will also raise awareness as this will include teaching sessions to staff.

The Sepsis Specialist Nurse attends handover meetings in ED to enforce sepsis as a topic of the day, to encourage and support staff and to share recent figures and patient experiences with the team. Spontaneous visits to the department from the Sepsis Specialist Nurse also act as a prompt reminder for staff.

A 'High Risk Sepsis' Patient Group Direction (PGD) has been developed and approved. This will be used alongside the sepsis grab bags in ED, but is also available in the admission areas including the Acute Medical Unit, Ambulatory Care Unit and the Surgical Assessment Unit. The PGD has enabled specifically trained members of staff to provide initial antibiotics to the high risk septic patient without a doctor's prescription. This has prevented delays in antibiotic delivery and ensures the Trust achieves the one hour target to treatment. A PGD checklist has also been developed to

provide support to Registered Nurses and ensures they are making the right decision in giving the PGD. Training to use the PGD has been incorporated as part of the launch for the sepsis grab bags. A sepsis policy has also been developed. This is awaiting final approval by the sepsis committee team.

Sepsis link nurses have been allocated to each inpatient area. As part of their role a 'Roles and Responsibilities' document has been launched. This document ensures that they (alongside their manager) ensure all clinical members of staff have been provided with up to date sepsis training, and are fully aware and competent in carrying out the sepsis screening processes and delivery of the sepsis pathway. The 'Roles and Responsibilities' document ensures each department has sufficient stock of the screening sticker, observation screening tool and the sepsis pathway by providing guidance for the ward manager and link nurse. Link nurses are fully supported in their role as a sepsis link nurse by the Sepsis Specialist Nurse. As part of this role, the sepsis link nurses are expected to undertake a monthly audit in their own area to identify compliance of the use of the sepsis screening tools. This has enabled the sepsis specialist nurse to provide targeted support to individual areas depending on audit outcome. Support sessions take place to ensure all link nurses are fully supported in their role, with regular sepsis link nurse days.

Sepsis Pocket Guides have been developed to enable nurses to have a quick guide to sepsis. These include the sepsis high risk criteria and all six elements of the pathway including the antibiotic delivery.

The Trust audits pathway compliance, to demonstrate the effectiveness of the pathway alongside the antibiotic delivery compliance. Education on pathway use across all divisions, including maternity and paediatrics continues, promoting the importance of the delivery of the sepsis six.

The Sepsis Specialist Nurse highlights areas of good practice by monitoring full completion of sepsis pathways, including the delivery of antibiotics within an hour of identification of suspected sepsis. Staff recognition for areas of good practice are rewarded by presenting individual staff with a certificate of excellence in sepsis care. This reward system has been very successful with staff now striving to receive one themselves, which in turn results in more compliance with the sepsis pathway. The Trust recently received a letter from NHS England congratulating MCHFT for showing great improvements in sepsis care. Comments included:

"I am delighted to inform you that you are one of the Trusts which has seen the greatest improvements in indicators 2a) timely identification and 2b) timely treatment of sepsis from the data we have received on the CQUIN.

I would like to congratulate you and your colleagues for all the hard work and dedication you have shown, which has enabled these improvements in sepsis recognition and treatment to take place. Please pass my thanks on to the staff concerned for their achievements in improving the care for patients with sepsis. We would be very interested in hearing more about the improvements you have made and the steps you have taken to make these changes in your sepsis care."

Receiving positive feedback in this way is shared with ward teams. This is done verbally and also via a sepsis newsletter.

The Trust has successfully recruited a second Sepsis Specialist Nurses from April 2018. In 2018/19 the sepsis team hopes to develop the service with specific focus on CCICP, and specialist inpatient areas across all divisions including medical, surgical, paediatric and maternity, concentrating on education and awareness, expanding and implementing initiatives to improve sepsis care for our patients.

In response to the high profile national campaign on sepsis, CCICP has developed a Sepsis Pathway that ensures Community Nursing staff appropriately assess at risk patients. CCICP have worked in partnership with the acute Trust in order to design a robust pathway. Prior to the introduction all staff received comprehensive training in the use of the early warning scores for patients at risk of developing sepsis.

Left: Members of staff host an information event to raise awareness of sepsis amongst staff, patients and visitors

Annex 1 - Statements from commissioners, local Healthwatch organisations and overview and scrutiny committees

Council of Governors

The Council of Governors welcomes the opportunity to comment on the 2017/18 Quality Accounts and, as Lead Governor, I am pleased to offer a Governor's perspective.

As a Council of Governors (CoG) we are routinely provided with information relating to the Trust's performance, engagement activities, assurance workstreams, quality reviews and inspections. We are also kept abreast of specific developments relating to health and social care across the locality and of any specific issues relating to the services offered by MCHFT. The Quality Account therefore provides an opportunity to: reflect on how well the Trust has achieved key priorities during the year; highlight specific initiatives designed to improve services; hear from patients, families and staff about their experiences and to consider priorities for 18/19 and beyond.

As has been the case in previous years, the information and discussion presented in the Quality Account echoes the regular monitoring of quality and performance provided to and discussed with Governors - both through the Council of Governor's meetings and the various committees and groups upon which we sit. During 2017/18, reporting to the CoG was strengthened through provision of information about the Central Cheshire Integrated Care Partnership (CCICP) following its establishment in 2016 and additional insight reports in areas such as the 'Use of Resources' and 'Learning from Deaths'. The topical focus within council meetings also provides opportunity for Governors to explore, consider and challenge specific aspects of care, risk and/or assurance.

The Quality Account for MCHFT 2017/18 includes details from a range of engagement activities, patient/family surveys and improvement projects. Reflective of the commitment to improvement across the Trust, it is clear that many innovative projects and programmes are being developed to enhance patients' experience, to develop more efficient services and to support improved outcomes – ranging from Turning It Around (Endoscopy) to In This Moment (Dance and Dementia Project) to the TTO Project (Acute Medical Unit). Many of these have received national recognition and it is to be hoped that the learning from these is shared for the benefit of patients more widely.

Outside ofs pecific projects, the steps taken by the Trust to ensure that patients with specific learning disabilitiesor dementia are effectively supported is commendable.

The CoG is pleased to see the progress with aspects of the 2017/18 quality priorities and, specifically, the work that has been undertaken in year to ensure that care is delivered in line with National Quality Targets and the focus given to staff experience, patient experience and key outcome measures. There is also recognition within the Quality Account of areas that were not fully achieved and the further actions to be taken to improve care. It is also pleasing to note the progress made in relation to the Council of Governor's choice of indicator (sepsis) – details of which are contained on pages 142-145.

Given the significant pressures on all acute providers during 2017/18, and across the winter period in particular, the CoG was pleased to note not only the achievement of key national quality targets, but also the relative position of the Trust nationally in respect of many of these. This is testament to the culture and leadership across the Trust and the efforts of all staff to deliver the best care possible.

Within the Quality Account, and through our regular activities, the CoG recognises the focus given to staff, staff welfare and staffing – whether through innovative recruitment plans, education and professional development activities, escalation of concerns regarding staffing levels, the introduction of new roles or through opportunities for senior leads to hear directly about staffs' concerns. The transparency relating to staffing levels and staffing matters is welcome.

Given the required format for the Quality Account, there is an opportunity to consider the extent to which MCHFT is involved in national clinical audits and the actions taken as a result of engagement in these national programmes. Given that many of these are undertaken periodically it would be useful to see where the Trust sits compared to peer group/nationally (where such data is available), where improvement has been made year on year and also to consider key findings/results from these audits. The same is true for the local clinical audits, which identify key actions to be taken. Given that the 2016/17 quality account also discussed national and local audits plus actions, the CoG would be keen to see evidence of actions closed in year and the evidence arising from re-audits which

highlight improvements in the delivery of care.

The data within the 2017/18 Quality Account records that a small number of patients suffered an incident resulting in severe harm or death. This is broadly in line with national data and similar to previous years' data. Given the impact of an incident for patients, their families and staff, the CoG would encourage the Trust to focus closely on this topic in future reports – and in particular analysis of the themes and trends identified from incidents and actions to minimise harm/s.

As is noted in the Quality Account, MCHFT underwent its Core Services Inspection by the CQC between 20 - 22 March 2018 and the well-led inspection between the 8 – 10 May 2018. Following the awaited CCICP services inspection, a draft report will be provided to the Trust for comment before the final report and rating will be published on the CQC website. The CoG looks forward to receiving this report.

On behalf of the Council of Governors I am happy to endorse this Quality Account. I would also like to take this opportunity on behalf of the CoG to formally thank all staff and volunteers across both MCHFT and CCICP for the care and support that they provide to patients, families and communities.

Dr Katherine Birch
Lead Governor

Quality Accounts NHS South Cheshire and NHS Vale Royal CCG Statement –Mid Cheshire Hospitals NHS Foundation Trust.

NHS South Cheshire Clinical Commissioning Group (CCG) and NHS Vale Royal Clinical Commissioning Group (CCG) welcome the opportunity to provide a statement for Mid Cheshire Hospital Foundation Trust (MCHFT) Quality Account.

For this purpose, we have reviewed the content of the Quality Account and can confirm that this reflects a fair, representative and balanced overview of the quality of care in MCHFT.

NHS South Cheshire CCG and NHS Vale Royal CCG is committed to ensuring that the services it commissions provide high quality, safe and effective care for local people. Services are required to demonstrate compassionate and responsive care which means that patients receive the right care at the right time.

The CCGs work closely with MCHFT, and have conducted a number of quality review visits to clinical areas across the Trust during 2017-18 these reviews have provided the CCG'S with assurance of standards of delivery of care and performance. It also provided an opportunity for feedback from patients and workforce.

The CCGs meet with MCHFT monthly to review information through the Clinical Quality and Patient Safety Review meetings, this forum provides an opportunity for the CCGs to challenge and scrutinise the Trust and it's delivery of services. We have also provided challenge and scrutiny when performance has not met the expected standards.

The CCGs have been heartened by the collaborative nature of our discussions and working relationships relating to the quality of care delivered to patients at MCHFT and we congratulate them on the continued achievements for a significant number of the quality indicators. The priorities identified in the Quality Account continue to build on a strong patient focus, supported by staff values and behaviours which underpin the quality agenda. In particular, we would like to highlight the ongoing engagement with partners based on feedback from carers and patients.

MCHFT have demonstrated their commitment to the 'Sign Up to Safety Campaign' linked to the Quality and Safety Improvement Strategy. This has enabled a focus on the six priority areas and resulted in significant progress in all of them, including implementation of the 'Learning from Deaths' guidance; a reduction of falls of 11.4%; a reduction in hospital acquired pressure ulcers, significant improvements in early detection and awareness of sepsis following implementation of the sepsis pathway; and zero Never Events. MCHFT should be commended on this achievement.

The CCG agree with the areas identified by MCHFT that require further work, and acknowledge, for example, the significant work on pressure ulcers to achieve their ambitious target of a reduction of 5% per quarter. The CCG also support the initiatives identified to improve, for example, proactive and safe discharges (Acute services only); A&E 4 hour waits; and reduction in antibiotic prescribing.

There are three particular areas in which we can see progress and we look forward to working with MCHFT on making continuous improvements in:

1. The significant work and drive to improve hospital mortality rates
2. The improvement's in identifying and treating sepsis, and the trusts intention to take this as a priority for improvement for 2018-19.
3. Supporting patients with a Learning Disability, which has seen access to services and the patient's experience of care across the trust improved for patients, their families and carers.

As commissioners of the services the CCGs support the work of MCHFT and the ongoing commitment to continue to improve the quality of all of their services. We look forward to working with the Trust as they work towards their priorities for 2018-19.

Healthwatch Cheshire CIC Response to Quality Account 2017/18.

Healthwatch Cheshire CIC welcomes the opportunity to comment on the Mid Cheshire Hospitals Foundation Trust (MCHFT) Quality Account 2017/2018.

Healthwatch Cheshire East acts as the champion for the voice of the consumer and as such our comments and views on this report focus on how ECNHST have involved and listened to their consumers views (patients and their families).

We acknowledge the positive response from the Trust to recommendations from our Enter and View reports and how things have now changed for the benefit of patient experience. We would also like to acknowledge the importance the Trust have with regard to PLACE visits and improving the patient experience; we are pleased to contribute to this aim as key partners.

Having read the Quality Account document as presented to us we note and commend the trust on its recent work in particular –

- Work on its engagement strategy – In terms of vision, values and behaviours.
- Identifying priorities listed under categories to match CQC reporting.
- Acknowledgement of data collected from patient surveys and explanation regarding the usefulness of this information and, more importantly, 'What has changed' and 'What has been improved' with a clear outline of the actions taken.
- Good to see a separate section on equality and diversity.
- A clear breakdown of achievements over the year including staff achievement and awards received.
- Examples of partnership working including work with community groups.

Additional comment on the detail in the document:

- The complaints process is clearly laid out in the ***'You said, We did'*** section. However, there is an opportunity to here include a specific (anonymous) example of a complaint from start to finish including how this may have led to a change of practice. This would aid the reader's understanding of the complete process with reference to expected timescales.
- In regard to the presentation and look of the document we are pleased that the account is well presented and that graphs and tables presented do not over dominate the early part of the document, although there are considerably more towards the end - with quite small print.
- The clinical audit section forms a necessary part of this document, though in places, without any contextual explanation, is extremely difficult to read. For example under ***'National Ophthalmology Audit (NOD)'*** the comment, ***"Development of process to capture 'out of area' data to increase availability of postop refractive/VA data and address increasing numbers. Raise awareness of data complexity for surgeons at in-house meetings,"*** has no other explanation. Perhaps an extra column to the matrix titled 'Patient Outcome' would be helpful here.
- We feel that the document needs an appendix to explain many of the abbreviations used throughout.

We recognise that there have been significant challenges for the Trust during 2017/2018 and value the relationship that Healthwatch Cheshire CIC and the Trust have. We look forward to continue working with the Trust during 2018-2019 to enable our community to have a powerful voice helping to shape and improve these services for the future.

Healthwatch Cheshire CIC
May 2018

Health and Adult Social Care and Communitites Overview and Scrutiny Committee Review of Mid Cheshire Hospitals NHS Foundation Trust Quality Account 2017/18

As Chairman of the Committee I am writing to submit its statement to be included in Mid Cheshire Trust's Quality Account 2017/18 following our meeting on 03 May 2018. Please include the information below in the Committee's section of the Quality Account.

The Health and Adult Social Care Overview and Scrutiny Committee reviewed the draft Quality Account at a meeting on 03 May 2018. Overall the Committee was pleased with the content of the Quality Account and believes it provides a good picture of the performance of the Trust.

The Committee noted the significant success by the Trust in achieving sustainability and continuous improvement on the GOOD Care Quality Commission (CQC) rating. The Committee noted there had been an improvement in Sepsis performance and a drop to 30% of hospital acquired pressure ulcers.

The Committee was pleased to note that Patients were told how they could expect to feel after an operation or procedure and an increased number of patients were asked for their views on the quality of care they received during the admission.

The Committee noted the ongoing safety measures to reduce in-patient falls, reduce mortality rates, and reduce pressure ulcers.

The Committee are pleased to note the substantial measures implemented to reduce the instances of Sepsis, including the employment of two full time Sepsis nurses, education programmes to raise staff awareness and the introduction of 'Grab-Bags' to support staff to implement screening and antibiotics. The Committee were encouraged that this significant improvement in performance over the last year had been highlighted by NHS England.

Overall the Committee are pleased to note an increase in formal compliments received to 1,913 and a drop in formal complaints to 215.

I hope the comments above are well received by the Trust and that some of the Committee's points above can be address. Thanks to you for your attendance at our meeting. If you have any comments or questions about the Committee's submission please contact Helen Davies on the address provided.

Yours Sincerely

Councillor Stewart Gardiner
Chairman of the Health and Adult Social Care Overview and Scrutiny Committee

Annex 2 - Statement of Directors' responsibilities for the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation Trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS Foundation Trust boards should put in place to support the data quality for the preparation of the quality report. In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust annual reporting manual 2017/18 and supporting guidance
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers reported to the board over the period 1 April 2017 to 31 March 2018
  - Papers relating to the quality reported to the board over the period 1 April 2017 to 31 March 2018
  - Feedback from commissioners dated 10.05.2018
  - Feedback from Governors dated 15.05.2018
  - Feedback from local Healthwatch organisations dated 09.05.2018
  - Feedback from Overview and Scrutiny Committee dated 14.05.2018
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 15.05.2017
  - The (latest) national patient survey 07.07.2017
  - The (latest) national staff survey 14.05.2017
  - The Head of Internal Audit's annual opinion of the Trust's control environment dated 15.05.2018
  - CQC inspection report dated 15.01.2015.
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered
- The performance information reported in the Quality Report is reliable and accurate
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- The Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the board

Dennis Dunn
Chairman
21 May 2018

Tracy Bullock
Chief Executive
21 May 2018

Appendices

Appendix 1 - Glossary and abbreviations

Terms	Abbreviation	Description
Acute Kidney Injury	AKI	A sudden episode of kidney failure or kidney damage that happens within a few hours or a few days. AKI causes a build-up of waste products in the blood, making it hard for the kidneys to keep the right balance of fluid in the body.
Advancing Quality	AQ	A programme which rewards hospitals that improve care in a number of key areas – heart attacks, pneumonia, hip and knee replacements, heart failure and heart bypass surgery – when compared to research which identifies what best care constitutes.
Advancing Quality Alliance	AQuA	A North West NHS health and care quality improvement organisation.
Antimicrobial resistance & stewardship		A coordinated program that promotes the appropriate use of antimicrobials, improves patient outcomes, reduces microbial resistance and decreases the spread of infections caused by multidrug-resistant organisms.
Board (of Trust)		The role of Trust's Board is to take corporate responsibility for the organisation's strategies and actions. The Chair and Non-Executive Directors are lay people drawn from the local community and are accountable to the Secretary of State. The Chief Executive is responsible for ensuring that the Board is empowered to govern the organisation and to deliver its objectives.
Care Quality Commission	CQC	The independent regulator of health and social care in England. Its aim is to make sure better care is provided for everyone, whether in hospital, in care homes, in people's own homes, or elsewhere.
Central Cheshire Integrated Care Partnership	CCICP	A collaboration between Mid Cheshire Hospitals NHS Foundation Trust, Cheshire and Wirral Partnership NHS Foundation Trust and the South Cheshire and Vale Royal GP Alliance.
Clinical Commissioning Group	CCG	This is the GP led commissioning body who buy services from providers of care such as the hospital.
Clostridium Difficile	C-diff	A naturally occurring bacterium that does not cause any problems in healthy people. However, some antibiotics that are used to treat other health conditions can interfere with the balance of 'good' bacteria in the gut. When this happens, C-diff bacteria can multiply and cause symptoms such as diarrhoea and fever.
Commissioner		A person or body who buy services.
Commissioning for Quality and Innovations	CQUIN	CQUIN is a payment framework developed to ensure that a proportion of a provider's income is determined by their work towards quality and innovation.
Deprivation of Liberty	DOL's	The Mental Capacity Act allows restraint and restrictions to be used but only in a person's best interest. Extra safeguards are needed if the restrictions and restraints used will deprive a person of their liberty. These are called the Deprivation of Liberty Safeguards.
Duty of Candour		A legal duty to inform and apologise to patients if there have been mistakes in their care that have led to significant harm. It aims to help patients receive accurate truthful information from health providers.
Endoscopy		A nonsurgical procedure used to examine a person's digestive tract using an endoscope – a flexible tube with a light and camera attached to it.
Health Service Ombudsman		The role of the Health Service Ombudsman is to provide a service to the public by undertaking independent investigations into complaints where the NHS in England have not acted properly or fairly or have provided a poor service.

Terms	Abbreviation	Description
Hospital Evaluation Data	HED	This is an on-line solution delivering information which enables healthcare organisations to drive clinical performance in order to improve patient care and deliver financial savings
Intrahepatic Cholestasis		A condition that impairs the release of a digestive fluid called bile from liver cells. As a result, bile builds up in the liver, impairing liver function.
John's campaign		A campaign for extended visiting rights for family carers of patients with dementia in hospital.
Methicillin-Resistant Staphylococcus Aureus	MRSA	Staphylococcus aureus is a bacterium which is often found on the skin and in the nose of about three in ten healthy people. An infection occurs when the bacterium enters the body through a break in the skin. A strain of this bacterium has become resistant to antibiotic treatment and this is often referred to as MRSA.
National Joint Registry		Set up by the Department of Health and Welsh Government in 2002 to collect information on all hip, knee, ankle, elbow and shoulder replacement operations and to monitor the performance of joint replacement implants and effectiveness of different types of surgery.
National Patient Surveys		Co-ordinated by the CQC, they gather feedback from patients on different aspects of their experience of care they have recently received, across a variety of services/settings: Inpatients, Outpatients, Emergency care, Maternity care, Mental Health services, Primary Care services and Ambulance services.
National Safety Standards for Invasive Procedures	NatSSIPs	A set of national safety standards to support NHS hospitals to provide safer surgical care.
Nephrotoxic		Damage to the kidneys
Never Event		Serious, largely preventable patient safety incident that should not occur if the available preventative measures have been implemented.
Oncology		The study of cancer. An oncologist manages a person's care and treatment once he/she is diagnosed with cancer.
Patient Reported Outcome Measures	PROMs	A programme in which patients complete a questionnaire on their health before and after their operation. The results of the two questionnaires can be compared to see if the operation has improved the health of the patient. Any improvement is measured from the patient's perspective as opposed to the clinicians.
Percutaneous Nephrolithotomy		A minimally invasive procedure to remove stones from the kidney by a small puncture wound through the skin.
Preceptorship		A period transition for newly qualified nurses during which time they are supported by a mentor.
Quality Account		This is a statutory annual report of quality which provides assurance to external bodies that the Trust Board has assessed quality across the totality of services and is driving continuous improvement.
Re-admission Rates		A measure to compare hospitals which looks at the rate at which patients need to be readmitted to hospital after being discharged (leaving hospital).
Sepsis		A life threatening condition that arises when the body's response to an infection injuries its own tissue and organs.
Sign up to Safety		A national initiative to help NHS organisations and their staff achieve their patient safety aspirations and care for their patients in the safest possible way.
Sigmoidoscopy		A minimally invasive medical examination of the large intestine from the rectum using an instrument called a sigmoidoscope.
Submucosal tie		The posterior tongue-tie, hidden under the mucus lining of the tongue/ mouth.

Terms	Abbreviation	Description
Summary Hospital level Mortality Indicator	SHMI	SHMI is a hospital level indicator which measures whether mortality associated with hospitalisation was in line with expectations. The SHMI value is the ratio of observed deaths in a Trust over a period of time divided by the expected number given the characteristics of patients treated by that Trust Depending on the SHMI value, trusts are banded between 1 and 3 to indicate whether their SHMI is low (3), average (2) or high (1) compared to other Trusts. SHMI is not an absolute measure of quality. However, it is a useful indicator for supporting organisations to ensure they properly understand their mortality rates across each and every service line they provide.
To Take Out	TTO	Medication given to patient on discharge from hospital.
Venous Thrombo-Embolism	VTE	This is a blood clot which can develop when a person may not be as mobile as they are usually or following surgery. The blood clot itself is not usually life threatening, but if it comes loose it can be carried in the blood to another part of the body where it can cause problems – this is called a Venous Thromboembolism (VTE).
Workforce Race Equality Standards		Standards to ensure the Trust addresses race equality issues.

Appendix 2 - Feedback form

We hope you have found this Quality Account useful. To save costs, the report is available on our website and hard copies are available on request.

We would be grateful if you would take the time to complete this feedback form and return it to:

Clinical Quality and Outcomes Matron
Mid Cheshire Hospitals NHS Foundation Trust
Leighton Hospital
Middlewich Road
Crewe
Cheshire
CW1 4QJ
quality.accounts@mcht.nhs.uk

How useful did you find this report?

Very useful	□
Quite useful	□
Not very useful	□

Did you find the contents?

Too simplistic	□
About right	□
Too complicated	□

Is the presentation of data clearly labelled?

Yes, completely	□
Yes, to some extent	□
No	□

If no, what would have helped?

_____

_____

_____

Is there anything in this report you found particularly useful / not useful?

_____

_____

_____

Independent auditor's report to the Council of Governors of Mid Cheshire Hospitals NHS Foundation Trust on the quality report

We have been engaged by the Council of Governors of Mid Cheshire Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Mid Cheshire Hospitals NHS Foundation Trust's quality report for the year ended 31 March 2018 (the 'quality report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of Mid Cheshire Hospitals NHS Foundation Trust as a body, to assist the council of governors in reporting Mid Cheshire Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Mid Cheshire Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter
The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge
- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors
The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2017/18 Detailed requirements for external assurance for quality reports for Foundation Trusts; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with:

- board minutes for the period 1 April 2017 to the 31 March 2018;
- papers relating to quality reported to the board over the period 1 April 2017 to the 31 March 2018;
- feedback from Commissioners, dated 10th May 2018;
- feedback from governors, dated 15th May 2018;
- feedback from local Healthwatch organisations, dated 9th May 2018;
- feedback from Overview and Scrutiny Committee, dated 14th May 2018
- the trust's complaints reports published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 dated 15th May 2017;

- the latest national patient survey, dated 7th July 2017;
- the latest national staff survey dated 14th May 2017;
- the latest Care Quality Commission inspection report, dated 15th January 2015;
- the Head of Internal Audit's annual opinion over the trust's control environment, dated 15th May 2018.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed
We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations
Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual'.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Basis for qualified conclusion

Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

The "percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period" indicator requires that the NHS Foundation Trust accurately record the start and end dates of each patient's treatment pathway, in accordance with detailed requirements set out in the national guidance. This is calculated as an average based on the percentage of incomplete pathways which are incomplete at each month end, where the patient has been waiting less than the 18 week target.

Our procedures included testing a risk based sample of 25 items, and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

We identified the following errors:

- In 7 instances the start / stop dates in the data did not match the patient notes;
- In 3 instances there was insufficient information available in the patient notes to verify the start and stop dates in the data;
- In 3 instances a patient was reported for the first time in as an open pathway after the correct monthly snapshot;
- In 4 instances a patient was reported as still on an open pathway after the correct final monthly snapshot;
- In 2 instances a patient was reported as no longer on an open pathway before the correct final monthly snapshot;
- In 1 instance a patient was set up on an RTT pathway in error and should not have been; and
- In 2 instances a pathway opened and closed within the same month prior to the month end and should not have been reported in a monthly snapshot.

As a result of the issues identified, we have concluded that there are errors in the calculation of the "percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period" indicator for the year ended 31 March 2018. We are unable to quantify the effect of these errors on the reported indicator. The Data Assurance section on page 43 of the NHS Foundation Trust's Quality Report details the actions that the NHS Foundation Trust is taking to resolve the issues identified in its processes'.

Qualified conclusion

Based on the results of our procedures, except for the matters set out in the basis for qualified conclusion section of our report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- 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 above; 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 supporting guidance.

Deloitte LLP
Leeds
24 May 2018

Annual Accounts

Foreword to the Accounts

These accounts, for the year ended 31 March 2018, have been prepared by Mid Cheshire Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Tracy Bullock
Chief Executive
Date: 21 May 2018

Statement of Comprehensive Income for the Year Ended 31 March 2018

	Note	Group 2017/18 £000	Group 2016/17 £000	Foundation Trust 2017/18 £000	Foundation Trust 2016/17 £000
Operating Income from patient care activities	**3**	**219,663**	197,645	**219,663**	197,645
NHS Charitable Funds: Incoming Resources excluding investment income	**4**	**265**	210	**-**	-
Other operating income	**4**	**30,199**	29,473	**30,473**	29,646
Operating expenses	**5**	**(231,584)**	(223,850)	**(231,361)**	(223,612)
OPERATING SURPLUS		**18,543**	3,478	**18,775**	3,679
Finance Income/(Costs):					
Finance Income	**8**	**51**	35	**36**	22
Finance expense – financial liabilities	**9.1**	**(377)**	(407)	**(377)**	(407)
Finance expense – unwinding of discount on provisions	**22**	**(2)**	(4)	**(2)**	(4)
PDC Dividends paid	**28**	**(1,845)**	(1,749)	**(1,845)**	(1,749)
NET FINANCE COSTS		**(2,173)**	(2,125)	**(2,188)**	(2,138)
Losses on Disposal of Assets			-		-
SURPLUS FOR THE YEAR		**16,370**	1,353	**16,587**	1,541

Other comprehensive income

Impairments on property, plant and equipment	**23**	**(426)**	**-**	**(426)**	**-**
Revaluations gains on property, plant and equipment	**23**	**5,896**	**-**	**5,896**	**-**
Fair Value (losses)/gains on Available-for-sale financial investments	**34**	**(7)**	74	**-**	**-**
Total Other comprehensive income		**5,463**	74	**5,470**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**21,833**	1,427	**22,057**	1,541

The notes on pages 167 to 177 form part of these accounts.
All income and expenditure is derived from continuing operations.

*Impact of Property Plant and Equipment valuations

	Group 2017/18 £'000	Group 2016/17 £'000	Foundation Trust 2017/18 £'000	Foundation Trust 2016/17 £'000
Operating Surplus before adjustments for valuation	**18,543**	3,478	**18,775**	3,679
Net impairments charged to Statement of Comprehensive Income	**(10,471)**	-	**(10,471)**	-
Net Operating surplus	**8,072**	3,478	**8,304**	3,679

Group Statement of Financial Position as at 31 March 2018

	Note	31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	10	**660**	815
Property, plant and equipment	11	**95,975**	80,377
Other Investments	12	**590**	585
Trade and other receivables	15	**283**	384
Total non-current assets		**97,508**	82,161
Current assets			
Inventories	14	**3,456**	3,295
Trade and other receivables	15	**15,548**	12,784
Cash and cash equivalents	24	**7,829**	5,805
Non-current assets held for sale	13	**-**	-
Total current assets		**26,833**	21,884
Current liabilities			
Trade and other payables	18	**(17,628)**	(19,602)
Borrowings	20	**(1,962)**	(2,101)
Provisions	22	**(212)**	(170)
Other liabilities	19	**(1,067)**	(1,262)
Total current liabilities		**(20,869)**	(23,135)
Total assets less current liabilities		**103,472**	80,910
Non-current liabilities			
Trade and other payables	18	**-**	-
Borrowings	20	**(16,225)**	(17,066)
Provisions	22	**(1,586)**	(1,650)
Total non-current liabilities		**(17,811)**	(18,716)
Total assets employed		**85,661**	62,194
Financed by taxpayers' equity			
Public dividend capital		**76,791**	75,157
Revaluation reserve	23	**15,592**	10,162
Income and expenditure reserve		**(7,604)**	(24,231)
Others' equity			
Charitable Fund Reserve		**882**	1,106
Total taxpayers' and others'equity		**85,661**	62,194

The financial statements on pages 161 to 166 were approved and authorised for issue by the Board and signed on its behalf on 21 May 2018

Tracy Bullock
Chief Executive
Date: 21 May 2018

Foundation Trust Statement of Financial Position as at 31 March 2018

	Note	31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	10	**660**	815
Property, plant and equipment	11	**95,975**	80,377
Other Investments	12	**-**	-
Trade and other receivables	15	**283**	384
Total non-current assets		**96,918**	81,576
Current assets			
Inventories	14	**3,456**	3,295
Trade and other receivables	15	**15,312**	12,417
Cash and cash equivalents	24	**7,761**	5,647
Non-current assets held for sale	13	**-**	-
Total current assets		**26,529**	21,359
Current liabilities			
Trade and other payables	18	**(17,616)**	(19,598)
Borrowings	20	**(1,962)**	(2,101)
Provisions	22	**(212)**	(170)
Other liabilities	19	**(1,067)**	(1,262)
Total current liabilities		**(20,857)**	(23,131)
Total assets less current liabilities		**102,590**	79,804
Non-current liabilities			
Trade and other payables	18	**-**	-
Borrowings	20	**(16,225)**	(17,066)
Provisions	22	**(1,586)**	(1,650)
Total non-current liabilities		**(17,811)**	(18,716)
Total assets employed		**84,779**	61,088
Financed by taxpayers' equity			
Public dividend capital		**76,791**	75,157
Revaluation reserve	23	**15,592**	10,162
Income and expenditure reserve		**(7,604)**	(24,231)
Total taxpayers' and others' equity		**84,779**	61,088

Statement of Changes in Taxpayers' and Others' Equity for the Year Ended 31 March 2018 - Group

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total	NHS Charitable Fund Reserve	Group Total
		£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2017		**75,157**	**(24,231)**	**10,162**	**61,088**	**1,106**	**62,194**
Retained Surplus for the year			16,313	-	**16,313**	57	**16,370**
Transfer between reserves	**23**	-	40	(40)	-	-	-
Fair value loss on Available for sale financial investments	**34**	-	-	-	-	(7)	**(7)**
Net Impairments	**23**	-	-	(426)	**(426)**	-	**(426)**
Revaluations	**23**	-	-	5,896	**5,896**		**5,896**
Public Dividend Received		1,634	-	-	**1,634**	-	**1,634**
Other reserve movement – charitable funds consolidation adjustment		-	274	-	**274**	(274)	-
Taxpayers' and Others' Equity at 31 March 2018		**76,791**	**(7,604)**	**15,592**	**84,779**	**882**	**85,661**

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2018 - Foundation Trust

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total
		£000	£000	£000	£000
Taxpayers' Equity at 1 April 2017		**75,157**	**(24,231)**	**10,162**	**61,088**
Retained surplus for the year			**16,587**	-	**16,587**
Transfer between reserves	**23**	-	40	(40)	-
Impairments	**23**	-	-	(426)	**(426)**
Revaluations	**23**	-	-	5,896	**5,896**
Public Dividend Received		1,634	-	-	**1,634**
Taxpayers' equity at 31 March 2018		**76,791**	**(7,604)**	**15,592**	**84,779**

Statement of Changes in Taxpayers' and Others' Equity For the Year Ended 31 March 2017 - Group

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total	NHS Charitable Fund Reserve	Group Total
		£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2016		**75,157**	**(25,861)**	**10,251**	**59,547**	**1,220**	**60,767**
Retained Surplus/ (deficit) for the year			1,368		**1,368**	**(15)**	**1,353**
Transfer between reserves	**23**	**-**	89	(89)	**-**	**-**	**-**
Fair value loss on Available for sale financial investments	**34**	**-**	-	-	**-**	**74**	**74**
Impairments	**23**	**-**	-	-	**-**	**-**	**-**
Revaluations	**23**	**-**	-	-	**-**	**-**	**-**
Public Dividend Received		**-**	-	-	**-**	**-**	**-**
Other reserve movement – charitable funds consolidation adjustment		-	173	-	**173**	**(173)**	**-**
Taxpayers' and Others' Equity at 31 March 2017		**75,157**	**(24,231)**	**10,162**	**61,088**	**1,106**	**62,194**

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2017 - Group

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total
		£000	£000	£000	£000
Taxpayers' Equity at 1 April 2016		**75,157**	**(25,861)**	**10,251**	**59,547**
Retained surplus for the year		**-**	1,541	**-**	1,541
Transfer between reserves	**23**	**-**	89	(89)	-
Impairments	**23**	**-**	**-**	**-**	-
Revaluations	**23**	**-**	**-**	**-**	-
Public Dividend Received		**-**	**-**	**-**	-
Taxpayers' equity at 31 March 2017		**75,157**	**(24,231)**	**10,162**	**61,088**

Statement of Cash Flows for the Year Ended 31 March 2018

	Note	Group 2017/18 £000	Group 2016/17 £000	Foundation Trust 2017/18 £000	Foundation Trust 2016/17 £000
Cash flows from operating activities					
Operating surplus		**18,543**	3,478	**18,775**	3,679
Non-Cash income and expense					
Depreciation and amortisation	5.1	**4,872**	4,505	**4,872**	4,505
Impairments and Reversals	9.2	**(10,471)**	-	**(10,471)**	-
(Gain)/loss on disposal	11.1	**-**	-	**-**	-
Income recognised in respect of capital donations (cash and non-cash)		**(25)**	(236)	**(288)**	(383)
(Increase) in trade and other receivables	15	**(2,738)**	(3,158)	**(2,777)**	(3,170)
(Increase) in Inventories	14	**(161)**	(317)	**(161)**	(317)
(Decrease) in trade and other payables	18.1	**(1,186)**	(133)	**(1,186)**	(152)
(Increase)/Decrease in other current liabilities	19	**(195)**	202	**(195)**	202
(Decrease) in provisions	22	**(24)**	(14)	**(24)**	(14)
NHS Charitable Funds – movements in Charitable Fund working capital		**100**	279	**-**	-
Other movements in operating cash flows		**1**	(5)	**1**	(5)
Net cash generated from operations		**8,716**	4,601	**8,546**	4,345
Cash flows from investing activities					
Interest received	8	**36**	22	**36**	22
Payments for intangible assets		**(155)**	(349)	**(155)**	(349)
Payments for property, plant and equipment		**(3,661)**	(4,905)	**(3,661)**	(4,905)
Receipt of cash donations to purchase capital assets		**25**	236	**288**	383
NHS Charitable funds - net cash flows from investing activities		**3**	21	**-**	-
Net cash (used in)/from investing activities		**(3,752)**	(4,975)	**(3,492)**	(4,849)
Cash flows from financing activities					
Public dividend capital received		**1,634**	-	**1,634**	-
Loans received from the Department of Health		**9146**	13,795	**9146**	13,795
Other Loans received		**-**	-	**-**	-
Loans repaid to the Department of Health		**(9,892)**	(5,318)	**(9,892)**	(5,318)
Other loans repaid		**(56)**	(56)	**(56)**	(56)
Capital element of finance lease rental payments		**(1,534)**	(1,071)	**(1,534)**	(1,071)
Interest Paid	9.1	**(197)**	(258)	**(197)**	(258)
Interest element of finance lease	9.1	**(179)**	(149)	**(179)**	(149)
Public Dividend Capital Dividend paid	28	**(1,862)**	(1,556)	**(1,862)**	(1,556)
Net cash used in financing activities		**(2,940)**	5,387	**(2,940)**	5,387
Increase in cash and cash equivalents	24	**2,024**	5,013	**2,114**	4,883
Cash and Cash equivalents at 1 April		**5,805**	792	**5,647**	764
Cash and Cash equivalents at 31 March		**7,829**	5,805	**7,761**	5,647

NOTES TO THE ACCOUNTS

1. Accounting Policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC Group Accounting Manual 2017/18, issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going Concern

The use of going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the NHS Foundation Trust to continue as a going concern.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories and certain financial assets and financial liabilities.

1.3 Consolidation

Charitable Funds

The NHS Foundation Trust is the corporate trustee to Mid Cheshire NHS Charitable Fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- Recognise and measure them in accordance with the foundation trust's accounting policies, and
- Eliminate intra-group transactions, balances, gains and losses.

Charity accounting policies

Incoming Resources

All income is recognised once the charity has entitlement to the income. It is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis where the evidence of entitlement exists, when the charity has sufficient evidence that a gift has been left to it and the executor is satisfied that the gift in question will not be required to be required to satisfy claims in the estate. The recognition of the gift is also affected by the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Therefore a receipt of a legacy is recognised when it is probable that it will be received. Receipt is normally probable when:

- There has been a grant of probate;
- The executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- Any conditions attached to the legacy are either within control of the charity or have been met.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Resources Expended

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.The financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the accounts when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Resources expended are split into two main categories being the costs of generating funds and the actual costs of charitable activities.

Costs of activities in the furtherance of charitable activities are expenditure incurred on the provision of services or goods. Support costs are an integral and material part of the costs of activities in the furtherance of charitable activities and/or expenditure incurred in paying grants.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

A grant is any payment which is made voluntarily to any institution or to an individual in order to further the charity's objectives, without receiving goods or services in return.

Where VAT is irrecoverable on purchases, the gross cost is charged to the funds.

Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of comprehensive income includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains and losses

All gains and losses are taken to the statement of comprehensive income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of comprehensive income.

Contingent liabilities

A contingent liability is identified and disclosed for those transactions resulting from:

- A possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- A present obligation following a transactions offer where settlement is either not considered probable; or
- The amount has not been communicated in the transactions offer and that amount cannot be estimated reliably.

Structure of Funds

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund.

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Mid Cheshire Hospitals Charity holds no endowment funds. Other funds are classified as unrestricted funds. Unrestricted funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the donor has made known their non-binding wishes or where the Trustee at its discretion has created a fund for a specific purpose.

The Trustee involves each division, ward, department, and, where appropriate, staff representatives, in fundraising and decisions regarding expenditure of charitable monies. A Committee of the Trust Board meets regularly and approves all expenditure. Please see Note 34.

Pooling Scheme

Any official pooling scheme is operated for investments relating to all Mid Cheshire Hospitals NHS Foundation Trust Charitable Funds. This was registered with the Charity Commission on 8 April 1998.

Joint Ventures

Joint ventures are separate entities over which the Trust has joint control with one or more other parties. Control is defined as having the power to exercise control or as having a dominant influence so as to gain economic or other benefits. There are no joint ventures.

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 and that have the most significant effect on the amounts recognised in the financial statements.

1.5.2 Critical accounting judgements and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Incomplete Spells - until activity is fully coded on discharge the level of income calculation is described under note 3.1, Income from patient care activities. In addition Ante-natal pathway income has had an adjustment to reflect incomplete pathways as at 31 March 2018, where the Trust has been paid in full for the complete pathway up front. The calculation is described under note 3.1.

Provisions - the Trust is party to a number of employer and public liability claims which are detailed in Note 22. These are based upon probabilities of successful claims. However this is limited to a maximum excess of £10,000 in respect of employers' liability and £3,000 for public liability. The total provision as at 31 March 2018 is £102,000.

Employees' Expenses - at 31 March 2018 the accrual for outstanding holidays is £403,000. Staff other than Medical Staff are expected to take all annual leave by 31 March. The Medical staff has been based on a percentage of 89% of the total medical staff numbers and increased pro rata.

Valuation of Property, Plant and Equipment Management has estimated the asset values and useful economic lives of land and buildings using guidance given by the District Valuation Office. The values are determined using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. This considers the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space, efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. In addition, the site of the MEA may not be necessarily in the same location as the existing assets and therefore alternative sites have been considered.

In determining the fair value for non-specialised operational assets Existing Use Value has been used and for specialised operational assets as there is no market based evidence, Depreciated Replacement Cost has been used. The District Valuer has taken into account such factors as deterioration and technical obsolescence when determining the Modern Equivalent Asset valuation. Any deviation in these estimations could significantly impact on depreciation, impairments and the Public Dividend Capital Dividend.

1.6 Revenue

The main source of revenue for Mid Cheshire Hospitals NHS Foundation Trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. At the year end, Mid Cheshire Hospitals NHS Foundation Trust accrues income relating to activity delivered in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued and agreed with the commissioner.

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, including non-consolidated performance pay earned but not yet paid. The cost of annual leave entitlement which is earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to the foundation trust of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the foundation trust commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year. Employers pension cost contributions are charged to operating expenses as and when they become due.

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

Property, plant and equipment is 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 valuation. Land and buildings are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the Statement of Financial Position date. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost, modern equivalent asset basis (MEA).

The Trust uses the District Valuation Office as independent valuers to complete an assessment of the valuation of land and buildings. The Trust has completed a full revaluation of the buildings as at 31 March 2018. The Trust, in this valuation as at 31 March 2018, used a MEA alternative site and/or accommodation basis. This considers the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space, efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. In addition, the site of the MEA may not be necessarily in the same location as the existing assets and therefore alternative sites have been considered.

It is the opinion of the qualified external valuer that the value for existing use of the property has been primarily derived using the depreciated replacement cost approach

because of the specialised nature of the asset means that there are no market transactions of this type of asset except as part of the business or entity.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued a fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case it is credited to expenditure to the extent of the decrease previously charged there.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

1.10 Intangible fixed assets

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of an asset can be measured reliably.

Intangible assets are capitalised when they have a cost of at least £5,000. Intangible assets acquired separately are initially recognised at cost.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- The project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- The Trust intends to complete the asset and sell or use it
- The Trust has the ability to sell or use the asset
- How the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset
- The Trust can measure reliably the expenses attributable to the asset during development.

There was no such expenditure requiring capitalisation at the Statement of Financial Position date. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. NHS foundation trusts disclose the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately.

However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Software which is integral to the operation of hardware, e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Intangible assets acquired separately are initially recognised at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally-generated

intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Revaluations and impairments are treated in the same manner as for property, plant and equipment.

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 life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. The estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives or, where shorter, the lease term.

At each Statement of Financial Position date, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

In accordance with the DH GAM, impairments that arise from a clear consumption of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are credited to expenditure to the extent the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Buildings and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's Professional Valuers.

The estimated life of buildings ranges between 5 to 90 years.

Plant and Equipment are depreciated evenly over the estimated life of the asset, as follows:

- Plant and Equipment – 1 to 15 years
- Information Technology – 1 to 5 years
- Furniture & Fittings – 1 to 13 years.

1.12 De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteriaare met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- The sale must be highly probable i.e.:
    - Management are committed to a plan to sell the asset
    - An active programme has begun to find a buyer and complete the sale
    - The asset is being actively marketed at a reasonable price
    - The sale is expected to be completed within 12 months of the date of classification as "Held for Sale" and
    - The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their "fair value less costs to sell". Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as "Held for Sale" and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.13 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.14 Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the donation/grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.15 Revenue government and other grants

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.16 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Amounts held under finance leases are initially recognised as an asset at the inception of the lease at fair value or, if lower, at the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The asset is recorded as property, plant and equipment with a matching liability for the lease obligation to the lessor at the commencement pf the lease. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Operating lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.
Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.17 Private Finance Initiative (PFI) transactions

The Trust has not entered into any PFI transactions.

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.19 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of Mid Cheshire Hospitals NHS Foundation Trust cash management. Cash, bank and overdraft balances are recorded at current values.

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 as a result of a past event, of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The

amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury which are 0.10% for 2017/18 (0.24% for 2016/17).

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 Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHS Resolution which in return settles all clinical negligence claims. Although the NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the Trust is disclosed at Note 22 but is not recognised in the Trust's accounts.

Since financial responsibility for clinical negligence cases transferred to the NHS Resolution at 1 April 2002, the only charge to operating expenditure in relation to clinical negligence in 2017/18 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 Resolution and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses as and when the liability arises.

1.23 Contingencies

A contingent liability is:

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Mid Cheshire Hospitals NHS Foundation Trust, or
- A present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the foundation trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

Contingent assets and liabilities are not recognised, but are disclosed in Note 27.

1.24 Financial assets

Financial assets are recognised on the Statement of Financial Position when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through income and expenditure.

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the statement of comprehensive income. The net gain or loss incorporates any interest earned on the financial asset.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that does not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the statement of comprehensive income on de-recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.25 Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or other financial liabilities.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.26 Value Added Tax

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.27 Corporation Tax

The Mid Cheshire Hospitals NHS Foundation Trust is a Health Service body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the 17 exemption in relation to the specified activities of a Foundation Trust (s519A (3)to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of Corporation Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000pa. Her Majesty's Revenue and Customs havefor some time been considering how best to implement the requirement for Foundation Trusts to pay corporation tax on the profits of certain non-healthcare related activities. A consultation document was issued in August 2008 which put forward the suggestion that the profits from all non-healthcare activities should be aggregated and corporation tax paid thereon. The decision for payment of corporation tax has not been approved and thus there is no tax liability arising in respect of the current financial year.

1.28 Foreign exchange

The functional and presentational currencies of the trust are pounds sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- Monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March
- Non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- Non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.29 Third Party Assets

Assets belonging to third parties are not recognised in the accounts if, in the opinion of the directors,

a) The Trust has no beneficial interest in them;
b) They are of significant value and therefore justify the administrative costs of maintaining separate bank accounts. In all other cases, third party assets areincorporated 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 is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the trust. Relevant net assets are calculated as the value of all assets less all liabilities, except for:

- donated assets (including lottery funded assets)
- average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility) and
- any PDC dividend balance receivable or payable.

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets. In accordance with the requirements laid down by the Department of Health and Social Care, 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. The PDC dividend calculation is based upon the Trust's group accounts (i.e. including subsidiaries), but excluding consolidated charitable funds.

1.31 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and Special Payments are charged to the relevant functional headings on a cash basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, Note 33 is compiled directly from the losses and compensation register which reports on an accrual basis with the exception of provisions for future losses.

1.32 Transfers of functions between NHS bodies / local government bodies

For functions that have been transferred to the Trust from another NHS/local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation Amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS/local government body, the assets and liabilities

transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/ income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

1.33 Operating Segments

Income and expenditure are analysed in the Operating Segments note and are reported in line with management information used within Foundation Trust.

1.34 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.35 Accounting Standards that have been issued but have not yet been adopted

The DH GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 Revenue from Contracts with Customers – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitte
- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

1.36 Accounting standards, amendments and interpretations issued that have been adopted early

The Trust has not early adopted any new accounting standards, amendments orinterpretations

1.2 Acquisitions and discontinued operations

Activities are considered to be ‘acquired’ only if they are taken on from outside the public sector. Activities are considered to be ‘discontinued’ only if they cease entirely. They are not considered to be ‘discontinued’ if they transfer from one public sector body to another.

2. Segmental Reporting

The Trust considers the Board of Directors to be the Chief Operating Decision Maker. The Audit Committee has assessed the Trust's position against IFRS 8 and concluded that two operating segments, Healthcare and Community, are reported to the Board of Directors; however the segments are only shown at the Income Statement level. This recommendation was approved by the Board of Directors during its April 2018 meeting.

	Group			Foundation Trust		
	Total	Community	Other	Total	Community	Other
	2017/18	**2017/18**	**2017/18**	**2017/18**	**2017/18**	**2017/18**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Operating Income						
Operating income from patient care activities:						
Elective Income	30,211		30,211	30,211		30,211
Non Elective Income	58,975		58,975	58,975		58,975
First Outpatient Income	12,331		12,331	12,331		12,331
Follow up Outpatient Income	14,939		14,939	14,939		14,939
A&E Income	9,735		9,735	9,735		9,735
High cost drugs income from Commissioner	10,036		10,036	10,036		10,036
Other NHS Clinical Income	80,720	27,805	52,915	80,720	27,805	52,915
Total NHS Activity Income	216,947	27,805	189,142	216,947	27,805	189,142
Other Operating Income	33,180	1,251	31,929	33,189	1,251	31,938
Inter trust income	-	979	(979)	-	979	(979)
Total Operating Income	250,127	30,035	220,092	250,136	30,035	220,101
Operating Expenses						
Employee expenses - Staff	(166,673)	(19,970)	(146,703)	(166,595)	(19,970)	(146,625)
Supplies and services - clinical	(17,444)	(1,154)	(16,290)	(17,444)	(1,154)	(16,290)
Supplies and services - general	(3,968)	(1,103)	(2,865)	(3,968)	(1,103)	(2,865)
Drug Costs	(16,704)	(23)	(16,681)	(16,704)	(23)	(16,681)
Other operating expenses	(26,795)	(4,457)	(22,338)	(26,650)	(4,457)	(22,193)
Inter Trust Charges	-	(2,445)	2,445	-	(2,445)	2,445
Total Operating expenses	(231,583)	(29,152)	(202,432)	(231,361)	(29,152)	(202,209)
Total Operating surplus	18,543	883	17,660	18,775	883	17,892
Finance Costs:						
Finance Income	51	-	51	36	-	36
Finance expense – financial liabilities	(377)	-	(377)	(377)	-	(377)
Finance expense – unwinding of discount on provisions	(2)	-	(2)	(2)	-	(2)
PDC Dividends paid	(1,845)	-	(1,845)	(1,845)	-	(1,845)
NET FINANCE COSTS	(2,173)	-	(2,173)	(2,188)	-	(2,188)
SURPLUS FOR THE YEAR	16,370	883	15,487	16,587	883	15,704

	Group			Foundation Trust		
	Total	Community	Other	Total	Community	Other
	2016/17 £000	**2016/17 £000**	**2016/17 £000**	**2016/17 £000**	**2016/17 £000**	**2016/17 £000**
Operating Income						
Operating income from patient care activities:						
Elective Income	31,491	-	31,491	31,491	-	31,491
Non Elective Income	52,578	-	52,578	52,578	-	52,578
Outpatient Income	30,965	-	30,965	30,965	-	30,965
A&E Income	8,271	-	8,271	8,271	-	8,271
Other NHS Clinical Income	**71,579**	13,688	**57,891**	71,579	13,688	57,891
Income from activities (before private patient income)						
Total NHS Activity Income	194,884	13,688	181,196	194,884	13,688	181,196
Other Operating Income	32,444	722	31,722	32,407	722	31,686
Inter trust income	-	491	(491)	-	491	(491)
Total Operating Income	227,328	14,901	212,427	227,291	14,901	212,391
Operating Expenses						
Employee expenses - Staff	(152,901)	(9,576)	(143,325)	(152,843)	(9,576)	(143,267)
Supplies and services - clinical	(17,194)	(548)	(16,646)	(17,194)	(548)	(16,646)
Supplies and services - general	(3,082)	(391)	(2,691)	(3,082)	(391)	(2,691)
Drug Costs (inventory comsumed)	(15,583)	(3)	(15,580)	(15,583)	(3)	(15,580)
Other operating expenses	(35,090)	(2,858)	(32,232)	(34,910)	(2,858)	(32,052)
Inter Trust Charges	-	(286)	286	-	(286)	286
Total Operating expenses	(223,850)	(13,662)	(210,188)	(223,512)	(13,662)	(209,850)
Total Operating surplus/(deficit)	3,478	1,239	2,239	3,679	1,239	2,542
Finance Costs:						
Finance Income	35	-	35	22	-	22
Finance expense – financial liabilities	(407)	-	(407)	(407)	-	(407)
Finance expense – unwinding of discount on provisions	(4)	-	(4)	(4)	-	(4)
PDC Dividends paid	(1,749)	-	(1,749)	(1,749)	-	(1,749)
NET FINANCE COSTS	(2,125)		(2,125)	(2,138)	-	(2,138)
SURPLUS FOR THE YEAR	1,353	1,239	114	1,541	1,239	302

3. Income from Activities

3.1 Operating income from patient care activities by nature comprises:

Group and Foundation Trust	2017/18 £000	2016/17 £000
Elective Income	**30,211**	31,491
Non Elective Income	**58,975**	52,578
First Outpatient Income	**12,331**	13,032
Follow up Outpatient Income	**14,939**	17,933
A&E Income	**9,735**	8,271
High cost drugs income from Commissioner	**10,036**	10,110
Other NHS Clinical Income	**52,915**	47,781
Community Services	**27,805**	13,688
Income from activities (before private patient income)	**216,947**	194,884
Other non-protected clinical income	**1,163**	1,183
Private patient income	**1,553**	1,578
Total Activity Income	**219,663**	197,645

The elective and non-elective income includes the levels of incomplete spells as at 31 March 2018. 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 £14,017. An increase of £128,024 is due to a change in price and a decrease of £114,007 is due to a change in volume.

The Ante-natal pathway income has had an adjustment to reflect incomplete pathways as at 31 March 2018, where the Trust has been paid in full for the complete pathway up front. This calculation is based on all patients who have started an ante-natal pathway before 31 March 2018 and have not delivered by this date, which is calculated on the basis of the pathway tariff paid at that point multiplied by the percentage of days left of the incomplete pathway based upon on the patient's expected due date. The movement in year impacting the recognised income is an increase of £48,890.

Included in Other NHS Clinical Income is direct access income for Pathology and Radiology, high cost drugs income and income for screening programmes.

Injury Cost Recovery income included in 'Other non-protected clinical income' is subject to aprovision for doubtful debts of 22.84% (2016/17: 22.94%) to reflect expected rates of collection.

All of the income from activities before private income shown above has arisen from Commissioner requested Services as set out in the Foundation Trusts Provider Licence.

3.2 Income from patient care by source comprises:

	2017/18 £000	2016/17 £000
NHS England	**8,958**	4,797
Clinical Commissioning Groups	**206,971**	189,678
NHS Foundation Trusts	**21**	130
NHS Trusts	**25**	13
NHS other (including Public Health England	**972**	260
Non NHS: private patients	**1,553**	1,578
Non NHS: overseas patients (non-reciprocal, chargeable to patient)	**69**	55
Injury cost recovery scheme	**1,053**	1,086
Non NHS: other	**41**	42
Total income from patient care activities	**219,663**	197,645

3.3 Overseas visitors (relating to patients charged directly by the Foundation Trust

	2017/18 Total £000	2016/17 Total £000
Income recognised this year	**69**	55
Cash payments received in-year (relating to invoices raised in current and previous years)	25	10
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	8	23
Amounts written off in-year (relating to invoices raised in current and previous years)	**5**	5

4. Other Operating Income

	Group		Foundation Trust	
	2017/18 £000	2016/17 £000	**2017/18 £000**	**2016/17 £000**
Education and training	**6,163**	6,485	**6,163**	6,485
Education and training - notional income from apprenticeship fund	**338**	-	338	-
Received from NHS charities: Cash donations / grants for the purchase of capital assets	**-**	-	**263**	162
Received from NHS charities: Other charitable and other contributions to expenditure	**-**	-	**11**	11
Received from other bodies: Cash donations / grants for the purchase of capital assets	**25**	236	**25**	236
Received from other bodies: Other charitable and other contributions to expenditure	**114**	87	**114**	87
Non-patient care services to other bodies	**9,089**	9,478	**9,089**	9,478
Sustainability and Transformation Fund income	**9,774**	8,622	**9,774**	8,622
Other	**4,241**	4,054	**4,241**	4,054
Staff Recharges	**140**	192	**140**	192
Rental Revenue from operating leases	**315**	319	**315**	319
NHS Charitable Funds: Incoming Resources excluding investment income	**265**	210	**-**	-
Total other operating income	**30,464**	29,683	**30,473**	29,646

Other income includes Staff Accommodation, Catering Income, Staff & Visitors car parking fees, Occupational Health Income and Vending Income.

STF Table

	2017/18 £000	**2016/17 £000**
STF - core (excluding outstanding appeals)	**4,824**	6,365
STF - Incentive Scheme (finance)	**1,626**	1,276
STF - Incentive Scheme (general distribution)	**1,927**	-
STF - Incentive Scheme (bonus)	**1,397**	981
Total	**9,774**	8,622

4.1 Operating lease income

Group and Foundation Trust

Operating Lease Income	**2017/18 £000**	2016/17 £000
Rents recognised in the period	**315**	319
Total	**315**	319

Future minimum lease payments due	**2017/18 £000**	**2016/17 £000**
On leases of Land expiring		
Not later than one year;	**2**	2
Later than one year but not later than five years;	**9**	9
Later than five years.	**203**	200
Sub Total	**214**	211
On Leases of Buildings expiring		
Not later than one year;	**346**	308
Later than one year but not later than five years;	**942**	276
Later than five years.	**-**	**-**
Sub Total	**1,288**	584
Total	**1,502**	795

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 Group operating expenses comprise:

	Group		Foundation Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Employee expenses – Staff and Executive Directors'	**166,441**	152,689	**166,441**	**152,689**
Employee expenses - Non-Executives' Costs	**154**	154	**154**	**154**
NHS Charitable funds - employee expenses	**78**	68	**-**	**-**
Supplies and services - clinical	**17,443**	17,194	**17,443**	**17,194**
Depreciation on property, plant and equipment	**4,575**	4,016	**4,575**	**4,016**
Amortisation of intangible assets	**297**	489	**297**	**489**
Impairments net of (reversals)	**(10,471)**	-	**(10,471)**	**-**
Premises - business rates payable to local authorities	**1,017**	1,006	**1,017**	**1,006**
Premises	**9,325**	8,363	**9,325**	**8,363**
Inventories written down	**38**	50	**38**	**50**
Drug Costs (non-inventory costs)	**307**	389	**307**	**389**
Drug Costs (inventories consumed)	**16,359**	15,583	**16,359**	**15,583**
Clinical negligence	**7,197**	6,542	**7,197**	**6,542**
Other	**2,331**	1,766	**2,331**	**1,766**
NHS Charitable funds: Other resources expended	**141**	166	**-**	**-**
Consultancy services	**221**	243	**221**	**243**
Supplies and services – general	**3,968**	3,082	**3,968**	**3,082**
Printing, stationery, travel & recruitment advertising	**1,764**	1,617	**1,764**	**1,617**
Services from NHS bodies	**4,116**	5,397	**4,116**	**5,397**
Transport (business travel only)	**771**	505	**771**	**505**
Transport (other including Patient Travel)	**952**	693	**952**	**693**
Rentals under operating lease	**887**	1,064	**887**	**1,064**
Auditor's remuneration	**53**	53	**53**	**53**
Audit-related assurance services	**17**	18	**17**	**18**
Other Auditor's remuneration	**-**	-	**-**	**-**
Audit services - charitable fund accounts	**4**	4	**-**	**-**
Internal Audit	**99**	93	**99**	**93**
Purchase of healthcare from non-NHS bodies	**2,154**	2,363	**2,154**	**2,363**
Provision for impairment of receivables (including provision against Road Traffic income)	**289**	(623)	**289**	**(623)**
Legal Fees	**19**	41	**19**	**41**
Hospitality	**13**	15	**13**	**15**
Redundancies	**-**	-	**-**	**-**
Training Courses and Conferences	**368**	355	**368**	**355**
Education and training - notional expenditure funded from apprenticeship fund	338	-	338	**-**
Insurances	**173**	164	**173**	**164**
Other services	**120**	115	**120**	**115**
Change in provisions discount rate(s)	**23**	169	**23**	**169**
Losses, ex gratia and special payments	**3**	7	**3**	**7**
Total	**231,583**	223,850	**231,361**	**223,612**

5.2 Auditor's Remuneration

The analysis of auditor's remuneration is as follows:

	Group		Foundation Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Fees payable to the auditor for the audit of the Trust's annual accounts	**53**	53	**53**	53
Audit-related assurance services	**17**	18	**17**	18
Audit services - charitable fund accounts	**4**	**4**	**-**	**-**
Total audit fees	**74**	**75**	**70**	**71**
Other services	**-**	**-**	-	-
Total Non-Audit fees	**-**	**-**	**-**	**-**

Audit-related assurance services relates to the audit of the Quality Accounts and the other services relates advice provided on changes to competition regulations.

5.3 Operating leases

5.3.1 Operating lease receipts recognised in income

Group and Foundation Trust

	2017/18 Buildings	2017/18 Plant and Machinery	2017/18 Other	2017/18 Total
	£000	£000	£000	£000
Lease payments	**-**	**752**	**135**	**887**
Total	**-**	**752**	**135**	**887**

	2016/17 Buildings	2016/17 Plant and Machinery	2016/17 Other	2016/17 Total
	£000	£000	£000	£000
Lease payments	**-**	959	105	1,064
Total	**-**	**959**	**105**	**1,064**

There are no significant leasing arrangements included in the above.

5.3.2 Operating lease - future minimum lease receipts due:

Group and Foundation Trust

Future non-cancellable minimum lease payments due:	2017/18 Buildings	2017/18 Plant and Machinery	2017/18 Other	2017/18 Total
	£000	£000	£000	£000
- Not later than one year;	-	536	359	895
- Later than one year and not later than five years;	-	1,150	326	1,476
- Later than five years.	-	-	-	-
Total	-	1,686	685	2,371

Included in other lease arrangements are lease cars. In addition, the Trust introduced a car salary sacrifice scheme for staff and the commitment is included, however these costs are recovered via a monthly reduction in salary. In addition the Trust acquired the Community Care contract for the South Cheshire CCG and Vale Royal areas in October 2016. The Community Services teams occupy a number of premises which the Trust does not own. At the balance sheet date there were no formal leasing agreements signed for these premises, however over the remaining life of the contract the minimum payments would be circa £7,000,000 which have not been included in the figures above, however the costs for the 12 months have been recognised in expenditure.

Future non-cancellable minimum lease payments due:	2016/17 Buildings	2016/17 Plant and Machinery	2016/17 Other	2016/17 Total
	£000	£000	£000	£000
- Not later than one year;	-	647	356	1,003
- Later than one year and not later than five years;	-	1,227	215	1,442
- Later than five years.	-	117	-	117
Total	-	1,991	571	2,562

5.4 (A) Senior Manager remuneration and benefits - Emoluments 2017/18

Name	Title	Gross Pay	Other	Employers Superannuation Contributions	Benefits	Total Emoluments + Benefits	Employers National insurance
		£000s	£000s	£000s	£00s	£000s	£000s
Dunn D	Chairman	55	-	-	-	55	7
Hopewell D	Non-Executive	19	-	-	-	19	1
Church J	Non-Executive	13	-	-	-	13	1
McNeil R	Non-Executive	13	-	-	-	13	1
Bacon P	Non-Executive	16	-	-	-	16	1
Barnes J	Non-Executive	13	-	-	-	13	1
Davis M	Non-Executive	13	-	-	-	13	1
Bullock T	Chief Executive	163	-	23	92	196	21
Oldham M	Director of Finance	117	-	17	153	149	15
Frodsham D	Chief Operating Officer (to 15 May 2017). Director of Strategic Partnership (from 16 May 2017)	95	-	14	91	117	12
Chris Oliver	Chief Operating Officer (from 15 May 2017)	96	-	14	70	117	12
Lynch A	Director of Nursing and Quality (to 13 October 2017)	57	-	8	52	71	7
Cleary A	Interim Director of Nursing and Quality (from 1 October 2017 to 24 January 2018	42	-	-	-	42	-
Tunney J	Director of Nursing and Quality (from 23 January 2018)	19	-	3	-	22	2
Carmichael E	Director of Workforce and Organisational Development	91	-	13	88	113	11
Dodds P	Deputy Chief Executive Officer & Medical Director	184	21	29	-	234	27
Total		1,006	21	121	546	1,203	120

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

Name	Title	Gross Pay	Other	Employers Superannuation Contributions	Benefits	Total Emoluments + Benefits	Employers National insurance
		£000s	**£000s**	**£000s**	**£00s**	**£000s**	**£000s**
Dunn D	Chairman	**55**	**-**	**-**	**-**	**55**	**6**
Hopewell D	Non-Executive	**19**	**-**	**-**	**-**	**19**	**2**
Church J	Non-Executive (from 1 May 2015)	**13**	**-**	**-**	**-**	**13**	**1**
McNeil R	Non-Executive	**13**	**-**	**-**	**-**	**13**	**1**
Bacon P	Non-Executive	**16**	**-**	**-**	**-**	**16**	**1**
Barnes J	Non-Executive	**13**	**-**	**-**	**-**	**13**	**1**
Davis M	Non-Executive	**13**	**-**	**-**	**-**	**13**	**1**
Bullock T	Chief Executive	**161**	**-**	**23**	**87**	**193**	**21**
Oldham M	Director of Finance	**116**	**3**	**17**	**128**	**148**	**15**
Frodsham D	Chief Operating Officer	**113**	**-**	**16**	**85**	**138**	**14**
Lynch A	Director of Nursing and Quality	**100**	**-**	**14**	**87**	**123**	**13**
Carmichael E	Director of Workforce and Organisational Development (from 9 May 2016)	**80**	**-**	**11**	**-**	**91**	**10**
Dodds P	Deputy Chief Executive Officer & Medical Director	**183**	**20**	**28**		**231**	**27**
Total		**895**	**23**	**109**	**387**	**1,066**	**113**

6. Staff Costs and Numbers

6.1 Staff Costs

	Group		Foundation Trust	
	2017/18 £000	2016/17 £000	**2017/18 £000**	**2016/17 £000**
Salaries and wages	**135,147**	123,482	**135,147**	123,482
Social Security Costs	**11,468**	10,284	**11,468**	10,284
Apprenticeship Levy	**642**	-	**642**	-
Employer contributions to NHS Pensions Scheme	**15,060**	13,477	**15,060**	13,477
Pension cost - other	**19**	17	**19**	17
Termination Benefits	**-**	-	**-**	-
Temporary Staff - Agency and contract staff	**4,376**	5,748	**4,376**	5,748
NHS Charitable funds staff	**78**	68	**-**	-
Total Gross Staff Costs	166,790	153,076	**166,712**	153,008
Of which				
Costs capitalised as part of assets	**(271)**	(319)	**(271)**	(319)
Total Employee benefits excluding Capitalised Costs	**166,519**	152,757	166,441	152,689
Analysed into Operating Expenses (5.1 Op Ex)				
Employee Expenses – Staff and Executive directors	**166,441**	152,689	**166,441**	152,689
NHS Charitable funds: Employee expenses	**78**	68	**-**	**-**
Redundancy		-	**-**	**-**
Total Employee benefits excl. capitalised costs	**166,519**	152,757	**166,441**	152,689

Staff costs exclude Non-Executive Directors. A breakdown of Directors' costs can be found in Note 5.4(A) to the accounts.

6.2 Average number of persons employed (whole time equivalents)

Group and Foundation Trust

	Total 2017/18 Number	**Other permanent employees Number**	**Directors Number**	**Other Number**	**Total 2016/17 Number**
Medical & Dental	**352**	333	-	19	**344**
Administration & estates	**895**	857	6	32	**804**
Healthcare Assistants & other support staff	**655**	569	-	86	**606**
Nursing, midwifery & health visiting staff	**1,174**	1,082	-	92	**1,072**
Scientific, therapeutic and technical staff	**360**	345	-	15	**284**
Healthcare Science Staff	**335**	335	-	-	**314**
Other	**326**	301	**-**	25	**317**
Total average numbers	**4,097**	**3,822**	**6**	**269**	**3,741**
of which					
WTE engaged on capital projects	**6**	6	**6**		**6**

6.3 Employee Benefits

Other than those disclosed in note 5.4(A), the Trust operates a number of schemes relating to the use of cars. All these schemes apportion costs in such a way to ensure that employees pay a fair rate for private mileage.

6.4 Retirements due to ill-health

During 2017/18 there were three (2016/17: 0) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £137,000 (2016/17: £0). The cost of these ill-health retirements will be borne by the NHS Business Services Authority – Pensions Division.

6.5 Pension costs

6.5.1 NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

6.5.2 National Employment Savings Trust

The Pensions Act 2008 requires every employer to automatically enrol eligible workers into a qualifying pension scheme and pay contributions. For those employees who do not wish to be enrolled into the NHS Pension scheme the National Employment Savings Trust (NEST) is offered as an alternative. NEST is a defined contribution pension scheme.

NEST Corporation is the Trustee body that has overall responsibility for running NEST, it's a non-departmental public body that operates at arm's length from government and is accountable to Parliament through the Department of Work and Pensions (DWP).

NEST levies a contribution charge of 1.8% and an annual management charge of 0.3% which is paid for from the employee contributions. There are no separate employer charges levied by NEST.

6.6 Reporting of other compensation schemes - exit packages

Group and Foundation Trust

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of departures where special payments have been made
<£10,000	-(-)	14(9)	14(9)	(-)
£10,000 - £25,000	-(-)	1(1)	1(1)	(-)
£25,001 - £50,000	-(-)	- (-)	-(-)	(-)
£50,001 - £100,000	-(-)	- (-)	-(-)	(-)
Total number of exit packages by type	-(-)	**15**(10)	**15**(10)	(-)

Exit package cost band	Cost of compulsory redundancies	Cost of other departures agreed	Total cost of exit packages by cost band	Cost of departures where special payments have been made
	£'000	£'000	£'000	£'000
<£10,000	(-)	49(14)	**49**(14)	(-)
£10,000 - £25,000	(-)	15(10)	**15**(10)	(-)
£25,001 - £50,000	(-)	-(-)	-(-)	(-)
£50,001 - £100,000	(-)	-(-)	-(-)	(-)
Total cost of exit packages by type	(-)	**64**(24)	**64**(24)	(-)

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 2016/17.

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

	2017/18	**2017/18**	**2016/17**	**2016/17**
	Payments agreed	**Total value of agreements**	**Payments agreed**	**Total value of agreements**
	Number	**£000**	**Number**	**£000**
Contractual payments in lieu of notice	15	64	10	24
Exit payments following Employment Tribunals or court orders	-	-	-	-
Total	**15**	**64**	10	24

There are no non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary.

7. Better Payment Practice Code

Group and Foundation Trust

	2017/18		2016/17	
	Number	**£000**	Number	£000
Total Trade bills paid in the year	**55,696**	**160,771**	61,237	142,675
Total Trade bills paid within target	**42,392**	**134,888**	26,169	96,345
Percentage of Trade bills paid within target	**76%**	**84%**	43%	68%

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 paid £1,053.07 for the year ended 31 March 2018 under the Late Payment of Commercial Debts (Interest) Act 1998.

8. Finance Income

	Group		Foundation Trust	
	2017/18 £000	**2016/17 £000**	**2017/18 £000**	**2016/17 £000**
Interest on bank accounts	**36**	**22**	**36**	22
NHS Charitable funds: investment income	**15**	**13**	**-**	**-**
Total	**51**	**35**	**36**	22

9. Finance Costs

9.1 Finance Cost

Group and Foundation Trust

	2017/18 £000	2016/17 £000
Interest on obligations under finance lease	**179**	149
Interest on loans from the Department of Health – Capital Loans	**89**	106
Interest on loans from the Department of Health – Revenue Support	**108**	152
Interest on the late payment of commercial debt	**1**	-
Unwinding of discount on provisions	**2**	4
Total	**379**	411

Land, Buildings and Dwellings have been revalued as at 31 March 2018, any impairments and reversal of impairments above relate to this revaluation.

9.2 Impairment of Assets

Group and Foundation Trust

	2017/18		
	Net Impairment £000	**Impairment £000**	Reversals £000
Changes in market price	**(10,471)**	1,987	(12,458)
Total Impairments charged to operating surplus	**(10,471)**	**1,987**	**(12,458)**
Impairments charged to the revaluation reserve	**426**	426	**-**
Total Impairments	**(10,045)**	**2,413**	**(12,458)**

Group and Foundation Trust

	2016/17		
	Net Impairment £000	**Impairment £000**	Reversals £000
Unforeseen Obsolescence	**-**	**-**	**-**
Changes in market price	**-**	**-**	**-**
Total Impairments charged to operating surplus	**-**	**-**	**-**
Impairments charged to the revaluation reserve	**-**	**-**	**-**
Total Impairments	**-**	**-**	**-**

10. Intangible Fixed Assets

	Software Licences 2017/18 £000	Assets Under Construction 2017/18 £000	Total 2017/18 £000
Gross cost at 1 April 2017	**3,288**	**-**	**3288**
Additions purchased	66	**76**	**142**
Additions - Donated	-	**-**	**-**
Disposals	(95)	**-**	**(95)**
Gross cost at 31 March 2018	**3,259**	**76**	**3,335**
Amortisation at 1 April 2017	2,473	**-**	**2,473**
Provided during the year	297	-	**297**
Disposals	(95)	-	(95)
Amortisation at 31 March 2018	**2,675**	**-**	**2,675**
Net book value			
- **Total purchased at 1 April 2017**	**815**	**-**	**815**
- Total purchased at 31 March 2018	**584**	**76**	**660**

	Software Licences 2016/17 £000	Assets Under Construction 2016/17 £000	Total 2016/17 £000
Gross cost at 1 April 2016	2,921	**-**	**2,921**
Additions purchased	338	**-**	**338**
Additions - Donated	24	**-**	**24**
Reclassifications	5	**-**	**5**
Gross cost at 31 March 2017	3,288	**-**	**3,288**
Amortisation at 1 April 2016	1,984	**-**	**1,984**
Provided during the year	489	**-**	**489**
Amortisation at 31 March 2017	2,473	**-**	**2,473**
Net book value			
- **Total purchased at 1 April 2016**	**937**	**-**	**937**
- Total purchased at 31 March 2017	**815**	**-**	**815**

The reclassification is the transfer from intangible assets under construction to intangibles. All intangible assets relate to purchased software licences.

10.1 Intangible assets financing

	Software Licences 2017/18	Assets Under Construction 2017/18 £000	Total 2017/18
NBV - Purchased at 31 March 2018	**563**	76	639
NBV - Finance leases at 31 March 2018	**-**	-	-
NBV - Donated and government grant funded at 31 March 2018	21	-	21
NBV total at 31 March 2018	**584**	**76**	**660**

	Software Licences 2016/17	Assets Under Construction 2016/17 £000	Total 2016/17
NBV - Purchased at 31 March 2017	**791**	-	791
NBV - Finance leases at 31 March 2017	**-**	-	-
NBV - Donated and government grant funded at 31 March 2017	24	-	24
NBV total at 31 March 2017	**815**	**-**	**815**

10.2 Economic life of Intangible Assets

The economic life of the intangible assets ranges from three to seven years and amortised on a straight line basis.

11. Property, Plant and Equipment

11.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

Group and Foundation Trust

	Land £000	Buildings Excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and Machinery £000	Information Technology £000	Furniture & Fittings £000	Total £000
Cost or valuation at 1 April 2017	**3,157**	**66,941**	**1,970**	**1,354**	**16,465**	**4,918**	**222**	**95,027**
Additions – purchased	-	1,302		861	92	554	-	**2,809**
Additions – leased	-	-	-	-	1,353	-	-	**1,353**
Additions – Donations of physical assets	-	-	-	-	-	-	-	**-**
Additions - assets purchased from cash donations / grants	-	-	-	-	70	-	-	**70**
Impairments charged to operating expenses	-	(1,667)	(320)	-	-	-	-	**(1,987)**
Impairments charged to revaluation reserve	-	(426)	-	-	-	-	-	**(426)**
Reversal of impairments credited to operating expenses	-	9,110	-	-	-	-	-	**9,110**
Revaluations	383	3,619	862	-	-	-	-	**4,864**
Reclassifications	-	1,183		(1,354)		171	-	**-**
Disposals	-	-	-	-	(738)	(241)	-	**(979)**
Cost or valuation at 31 March 2018	**3,540**	**80,062**	**2,512**	**861**	**17,242**	**5,402**	**222**	**109,841**
Accumulated depreciation at 1 April 2017	**-**	**1,990**	**79**	**-**	**8,328**	**4,131**	**122**	**14,650**
Provided during the year	-	2,230	81	-	1,827	407	30	**4,575**
Reversal of impairments to credited to operating expenses	-	(3,348)	-	-	-	-	-	**(3,348)**
Revaluation	-	(872)	(160)	-	-	-	-	**(1,032)**
Disposals	-	-	-	-	(738)	(241)	-	**(979)**
Accumulated depreciation at 31 March 2018	**-**	**-**	**-**	**-**	**9,417**	**4,297**	**152**	**13,866**
Net Book Value								
NBV - Purchased at 31 March 2017	3,157	62,578	1,891	1,354	756	774	100	70,610
NBV – Finance Lease at 31 March 2017	-	-	-	-	6,366	13	-	6,379
NBV - Donated at 31 March 2017	-	2,373	-	-	1,015	-	-	3,388
NBV total at 31 March 2017	3,157	64,951	1,891	1,354	8,137	787	100	80,377
Net Book Value								
NBV - Purchased at 31 March 2018	3,540	77,280	2,512	861	663	**1,105**	70	**86,031**
NBV – Finance Lease at 31 March 2018	-	-	-	-	6,284	-	-	**6,284**
NBV - Donated at 31 March 2018	-	2,782	-	-	878	-	-	**3,660**
NBV total at 31 March 2018	**3,540**	**80,062**	**2,512**	**861**	**7,825**	**1,105**	**70**	**95,975**

In 2017/18 land and buildings were revalued using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. The Trust using the District Valuer's advice considered the likely position and design of the hospitals if they were constructed now. The Trust considered the differing internal space requirements taking into account; space efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. The valuation increased the value of land and buildings by £15,941K. A reversal of £10,471K was made to the Operating Expenditure, reflecting the difference between the downward valuation and the balance in the revaluation reserve. The net increase to the revaluation reserve was £5,470K.

Group and Foundation Trust

	Land £000	Buildings Excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and Machinery £000	Information Technology £000	Furniture & Fittings £000	Total £000
Cost or valuation at 1 April 2016	**3,157**	**62,941**	**1,922**	**473**	**13,857**	**4,945**	**222**	**87,517**
Additions – purchased	**-**	3,430	48	1,354	68	39	-	**4,939**
Additions – leased	-	-	-	-	3,333	-	-	**3,333**
Additions – Donations of physical assets	-							**-**
Additions - assets purchased from cash donations / grants	-	310	-	-	49	-	-	**359**
Impairments charged to revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	**-**
Transfers to/from assets held for sale	-	-	-	-	-	-	-	**-**
Reclassifications	-	260	-	(473)	208	-	-	**(5)**
Disposals	-	-	-	-	(1,050)	(66)	-	**(1,116)**
Cost or valuation at 31 March 2017	**3,157**	**66,941**	**1,970**	**1,354**	**16,465**	**4,918**	**222**	**95,027**
Accumulated depreciation at 1 April 2016	**-**	**-**	**-**	**-**	**7,958**	**3,700**	**92**	**11,750**
Provided during the year	-	1,990	79	-	1,420	497	30	4,016
Impairments charged to operating expenses	-	-	-	-	-	-	-	**-**
Reversal of impairments to operating income	-	-	-	-	-	-	-	**-**
Revaluation	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	(1,050)	(66)		(1,116)
Accumulated depreciation at 31 March 2017	**-**	1,990	79	**-**	8,328	4,131	122	14,650
Net Book Value								
NBV - Purchased at 31 March 2016	3,157	60,808	1,922	473	788	1,116	130	**68,394**
NBV – Finance Lease at 31 March 2016	-	-	-	-	4,016	63	-	**4,079**
NBV - Donated at 31 March 2016	-	2,133	-	-	1,095	66	-	**3,294**
NBV total at 31 March 2016	**3,157**	**62,941**	**1,922**	**473**	**5,899**	**1,245**	**130**	**75,767**
Net Book Value								
NBV - Purchased at 31 March 2017	3,157	62,578	1,891	1,354	756	774	100	70,610
NBV – Finance Lease at 31 March 2017	-	-	-	-	6,366	13	-	6,379
NBV - Donated at 31 March 2017	-	2,373	-	-	1,015	-	-	3,388
NBV total at 31 March 2017	3,157	64,951	1,891	1,354	8,137	787	100	80,377

11.2 Economic life of property, plant and equipment

Group and Foundation Trust

	Min Life	Max Life
Buildings excluding dwellings	5	90
Dwellings	21	50
Assets under construction	-	-
Plant & machinery	1	15
Information Technology	1	10
Furniture and Fittings	1	13

Land is treated as having an infinite life and other than assets under construction property, plant and equipment is depreciated on a straight line basis.

11.3 Assets held at open market value

At the Statement of Financial Position date there was no land, buildings or dwellings valued at open market value.

12. Other Investments

	Group	Foundation Trust
	NHS Charitable Funds: Other investments 2017/18 £'000	NHS Charitable Funds: Other investments 2017/18 £'000
Carrying Value 1 April 2017 (restated)	**585**	-
Acquisitions in year - other	114	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	(7)	-
Disposals	(102)	-
Carrying Value 31 March 2018	**590**	-

	Group	Foundation Trust
	NHS Charitable Funds: Other investments 2016/17 £'000	NHS Charitable Funds: Other investments 2016/17 £'000
Carrying Value 1 April 2016 (restated)	519	-
Acquisitions in year - other	80	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	74	-
Disposals	(88)	-
Carrying Value 31 March 2017	**585**	-

13. Non-current Assets Held for Sale and Assetts in Disposal Groups

There are no non-current assets held for sale or assets in disposal groups for 2017/18 or 2016/17.

14. Inventories

Group and Foundation Trust Inventory Movements 2017/18	Drugs	Consumables	Energy	Other	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April	**1,085**	**2,020**	**119**	**71**	**3,295**
Additions	16,425	13,994	(13)	552	**30,958**
Inventories recognised in expense	(16,359)	(13,822)	(9)	(569)	**(30,759)**
Write down of inventories recognised in expense	(38)	-	**-**	**-**	**(38)**
Carrying value at 31 March	**1,113**	**2,192**	**97**	**54**	**3,456**

Group and Foundation Trust Inventory Movements 2016/17	Drugs	Consumables	Energy	Other	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April	**1,001**	**1,882**	**95**	**-**	**2,978**
Additions	15,702	12,069	42	335	28,148
Inventories recognised in expense	(15,583)	(11,916)	(18)	(264)	(27,781)
Write down of inventories recognised in expense	(35)	(15)	**-**	**-**	(50)
Carrying value at 31 March	1,085	2,020	119	71	3,295

The other category includes wheelchairs which are part of the Community Services contract.

15. Trade and Other Receivables

Group

	2018 £000	2017 £000
Current:		
NHS Trade receivables	**11,220**	8,715
Other Trade Receivables	**1,864**	1,535
Provision for impaired receivables	**(300)**	(262)
Prepayments	**1,830**	1,785
PDC Receivable	**55**	38
VAT Receivable	**139**	105
Other receivables	**444**	480
NHS Charitable funds: Trade and other receivables	**296**	388
Total current trade and other receivables	**15,548**	12,784
Non-current:		
Other receivables	**494**	546
Provision for impaired receivables	**(211)**	(162)
Total non-current trade and other receivables	**283**	384
Total trade and other receivables	**15,831**	13,168

Foundation Trust

	2018 £000	2017 £000
Current:		
NHS Trade receivables	**11,220**	8,715
Other Trade Receivables	**1,864**	1,535
Provision for impaired receivables	**(300)**	(262)
Prepayments	**1,830**	1,785
PDC Receivable	**55**	38
VAT Receivable	**139**	105
Other receivables	**504**	501
Total current trade and other receivables	**15,312**	12,417
Non-current:		
Other receivables	**494**	546
Provision for impaired receivables	**(211)**	(162)
Total non-current trade and other receivables	**283**	384
Total trade and other receivables	**15,595**	12,801

15.1 Provision for impairment of receivables

Group and Foundation Trust	2017/18 £000	2016/17 £000
At 1 April	**424**	1,759
Increase in provision	**343**	438
Amounts utilised	**(202)**	(712)
Unused amounts reversed	**(54)**	(1,061)
At 31 March	**511**	424

Included above is a £321,197 which is based on 22.84% on the outstanding receivables from the Compensation Recovery Unit.

15.2 Ageing of receivables

Ageing of impaired receivables	31 March 2018 £000	31 March 2017 £000
0 to 30 days	**7**	11
30 to 60 days	**3**	8
60 to 90 days	**2**	-
90 to 180 days	**17**	22
Over 180 days	**482**	383
Total	**511**	424

Ageing of non-impaired receivables past their due date	31 March 2018 £000	31 March 2017 £000
0 to 30 days	**593**	262
30 to 60 days	**533**	392
60 to 90 days	**264**	133
90 to 180 days	**338**	232
Over 180 days	**327**	246
Total	**2,055**	1,265

16. Other Financial Assets

The Group and Foundation Trust have no other financial assets as at 31 March 2018 or 31 March 2017.

17. Other Current Assets

The Group and Foundation Trust have no other current assets as at 31 March 2018 or 31 March 2017.

18. Trade and Other Payables

18.1 Trade and other payables at the Statement of Financial Position date are made up of:

Group

	31 March 2018 £000	31 March 2017 £000
Current:		
Trade Payables - NHS	**3,331**	4,112
Trade Payables - NHS pensions	**2,005**	2,004
Trade Payables - Other	**5,495**	5,323
Trade payables capital	**584**	1,379
Social Security costs	**1,774**	1,733
Other taxes payable	**1,338**	1,401
Other payables	**67**	87
Accrued Interest DH Loans	**29**	30
PDC dividend payables	-	-
Accruals	**2,993**	3,529
NHS Charitable funds: Trade and other payables	**12**	4
Total current trade and other payables	**17,628**	**19,602**

	31 March 2018 £000	31 March 2017 £000
Non-current:		
Other payables	**-**	**-**
Total non-current trade and other payables	**-**	**-**
	17,628	**19,602**

Foundation Trust

	31 March 2018 £000	31 March 2017 £000
Current:		
Trade Payables - NHS	**3,331**	4,112
Trade Payables - NHS pensions	**2,005**	2,004
Trade Payables - Other	**5,495**	5,323
Trade payables capital	**584**	1,379
Social Security costs	**1,774**	1,733
Other taxes payable	**1,338**	1,401
Other payables	**67**	87
Accrued Interest DH Loans	**29**	30
PDC dividend payables	-	-
Accruals	**2,993**	3,529
Total current trade and other payables	**17,616**	19,598

	31 March 2018 £000	31 March 2017 £000
Non-current:		
Other payables	**-**	-
Total non-current trade and other payables	**-**	-
	17,616	**19,598**

19. Other Liabilities

Group and Foundation Trust

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	**1,067**	**1,262**
Total current liabilities	**1,067**	1,262

Included in the balance is £934,237 (2016/17: £980,000) relating to Maternity income.

20. Borrowings

Group and Foundation Trust

	31 March 2018 £000	31 March 2017 £000
Current		
Capital loans from the Department of Health	**401**	346
Working capital loans from the Department of Health	**-**	-
Other Loans	**56**	55
Obligations under finance lease	**1,505**	1,700
Total current borrowings	**1,962**	2,101
Non-current		
Capital loans from the Department of Health	**6,987**	4,689
Working capital loans from the Department of Health	**4,997**	8,098
Other Loans	**56**	110
Obligations under finance lease	**4,185**	4,169
Total non-current borrowings	**16,225**	17,066

Other loans relate to a loan for the funding of environmental schemes where the funding is provided up front and paid back over the payback period of the scheme.

21. Finance Lease Obligations

Group and Foundation Trust

Minimum Lease Payments	31 March 2018 £000	31 March 2017 £000
Gross liabilities	**6,059**	**6,286**
of which liabilities are due		
-not later than 1 year	**1,643**	1,875
-later than 1 year but not later than 5 years	**4,139**	4,186
-later than five years	**277**	225
Finance charges allocated to future periods	**(369)**	(417)
Net lease liabilities	**5,690**	5,869
-not later than 1 year	**1,505**	1,700
-later than 1 year but not later than 5 years	**3,921**	3,950
-later than five years	**264**	219
	5,690	5,869

All the finance lease obligations relate to plant and equipment.

22. Provisions

Group and Foundation Trust

	Current		Non-Current	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Legal Claims	**102**	61	**-**	-
Pensions	**110**	109	**1,586**	1,650
Total	**212**	170	**1,586**	1,650

	Legal Claims £000	Pensions £000	Other £000	Total £000
At 1 April 2017	61	**1,759**	**-**	**1,820**
Change in the discount rate	**-**	23	-	**23**
Arising during the year	63	22	-	**85**
Utilised during the year	(11)	(110)	-	**(121)**
Reversed unused	(11)	**-**	-	**(11)**
NHS Charitable funds: movement in provision	**-**	**-**	-	**-**
Unwinding of discount	**-**	2	-	**2**
At 31 March 2018	**102**	**1,696**	**-**	**1,798**
Expected timing of cash flows :				
Not later than 1 year	**102**	**110**	-	**212**
Later than 1 year and not later than 5 years	**-**	**439**	-	**439**
Later than 5 years	**-**	**1,147**	-	**1,147**
At 31 March 2018	**102**	**1,696**	**-**	**1,798**

Provisions for pension benefits are based on tables provided by the NHS Pensions Agency, reflecting years to normal retirement age and the additional pension costs associated with early retirement.

Legal claims consist of amounts due as a result of public and employee liability claims. The values are based on information provided by and the NHS Litigation Authority.

Clinical Negligence

The NHS Litigation Authority (NHS Resolution) 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 NHS Resolution at 31 March 2018 (2016/17 : £2,355,984) (for which NHS Resolution is administratively responsible but the Trust has legal liability).

Financial responsibility for all other clinical negligence claims transferred to the NHS Litigation Authority (NHS Resolution) on 1 April 2002.

£98,856,358 (2016/17: £76,643,104) is included in the provision of the NHS Resolution at 31 March 2018 in respect of the Clinical Negligence Schemes for Trusts liabilities of the Trust (of which the NHS Resolution is administratively responsible but the Trust has legal liability).

In addition to the clinical negligence provision, contingent liabilities for clinical negligence are given in Note 27.

23. Revaluation Reserve

Movements on reserves in the year comprised the following :

Group and Foundation Trust

	Revaluation Reserve Property, plant and equipment £000	Total 2018 £000
Revaluation reserve at 1 April 2017	10,162	**10,162**
Impairments	(426)	**(426)**
Revaluations	5,896	**5,896**
Transfer to I&E reserve upon asset disposal	(40)	**(40)**
At 31 March 2018	**15,592**	**15,592**

Group and Foundation Trust

	Revaluation Reserve Property, plant and equipment £000	Total 2017 £000
Revaluation reserve at 1 April 2016	10,251	10,251
Impairments	**-**	-
Revaluations	**-**	-
Transfers to other reserves	(89)	(89)
At 31 March 2017	10,162	10,162

24. Cash and Cash Equivalents

Group and Foundation Trust	Cash and Cash equivalents (excluding charitable funds)	NHS Charitable Funds : cash and cash equivalents	Cash and Cash equivalents (excluding charitable funds)	NHS Charitable Funds : cash and cash equivalents
	31 March 2018	31 March 2018	31 March 2017	31 March 2017
	£000	£000	£000	£000
At 1 April	5,647	158	764	28
Net change in year	2,114	(90)	4,883	130
At 31 March	**7,761**	**68**	**5,647**	158
Broken down into				
Cash at commercial bank and in hand	257	68	**903**	158
Cash with Government Banking Service	7,504	-	**4,744**	-
Cash and Cash equivalents as in SoFP and SoCF	**7,761**	**68**	5,647	158

25. Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date for both Group and Foundation Trust were £1,224,000 (2016/17: £522,000). For Property Plant and Equipment assets these are £100,000 relating to backlog maintenance. For Intangible assets these are £447,000 EMIS Community Services, £659,000 cyber security measures and £18,000 for inter-site connectivity.

26. Events after the Reporting Period

There are no post balance sheet events requiring disclosure.

27. Contingencies

The Trust has received claims to the value below for compensation for alleged public or employer liability. These claims are disputed and the Trust's financial liability, if any, cannot be determined until these claims are received. Where the Trust feels it is unlikely that these claims will be successful the estimates are included in contingencies otherwise they are included in provisions.

27.1 Contingent Liabilities

Group and Foundation Trust

	NHS Litigation legal claims 31 March 2018	Other 31 March 2018	Total 31 March 2018
	£000	£000	£000
Total value of contingent liability	630	-	630
Payable by NHSLA	(580)	-	(580)
Net contingent liability	50	-	50

Group and Foundation Trust

	NHS Litigation legal claims 31 March 2017	Other 31 March 2017	Total 31 March 2017
	£000	£000	£000
Total value of contingent liability	331	-	**331**
Payable by NHSLA	(307)	-	**(307)**
Net contingent liability	24	-	**24**

28. Public Dividend Capital Dividend

The Trust is required to pay a dividend to the Department of Health at a real rate of 3.5% of average relevant net assets less the average daily cleared Government Banking Service balances. The Trust's public dividend paid in year totals £1,862,000 (2016/17: £1,556,000) which included a receivable of £38,000 from 2016/17, however based on actual average relevant net assets this figure should be £1,845,000 (2016/17: £1,749,000) and a receivable of £55,000 has been recognised.

29. Related Party Transactions

Mid Cheshire Hospitals NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. NHS Improvement (NHSI) (formerly Monitor, the Regulator of NHS Foundation Trusts and NHS Trust Development Authority) does not prepare group accounts; instead, NHSI prepares NHS Foundation Trust Consolidated Accounts, for further consolidation into the Whole of Government Accounts. NHSI has powers to control NHS Foundation Trusts, but its results are not incorporated within the consolidated accounts, and it cannot be considered to be the parent undertaking for Foundation Trusts. Although there are a number of consolidation steps between the Trust's accounts and Whole of Government Accounts, the Trust's ultimate parent is HM Government.

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:

- South Cheshire CCG
- Vale Royal CCG
- Eastern Cheshire CCG
- Western Cheshire CCG
- North Staffordshire CCG
- Stoke-on –Trent CCG
- NHS England
- East Cheshire Trust
- University Hospitals of North Midlands
- NHS Resolution
- Health Education England
- The Christies NHS Foundation Trust
- Welsh Health Bodies
- Cheshire East Unitary Authority
- Cheshire West and Chester Unitary Authority
- Her Majesty's Revenue and Customs
- NHS Pension Scheme.

The Trust has also received revenue and capital payments from a number of charitable funds, for which the Trust Board acts as Trustee. There are separate audited accounts for charitable funds.

30. Financial Instruments

IFRS 7, Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Mid Cheshire Hospitals NHS Foundation Trust actively seeks to minimise its financial risks. In line with this policy, the Trust neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

30.1 Market Risk

30.1(i) Interest-Rate Risk

All of the Trust's financial liabilities carry nil or fixed rates of interest. In addition, the only element of the Trust's assets that are subject to a variable rate are short term cash investments. The Trust is not, therefore, exposed to significant interest-rate risk.

30.1(ii) Foreign Currency Risk

The Trust has negligible foreign currency income or expenditure.

30.2 Credit Risk

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations, as disclosed in note 3. There is therefore little risk that one party will fail to discharge its obligation with the other. Disputes can arise, however, around how the amounts owed are calculated, particularly due to the complex nature of the Payment by Results regime. For this reason the Trust makes a provision for irrecoverable amounts based on historic patterns and the best information available at the time the accounts are prepared. The Trust does not hold any collateral as security.

30.3 Liquidity risk

The Trust's net operating costs are incurred under annual service agreements contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to the National Tariff procedure cost. The Trust receives cash each month based on an annually agreed level of contract activity and there are monthly payments made to adjust for the actual income due under PBR. This means that in periods of significant variance against contracts there can be a significant cash-flow impact. The Trust presently finances its capital expenditure from internally generated funds or funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the Trust can borrow, both from the Foundation Trust Financing Facility and commercially to finance capital schemes. Financing is drawn down

to match the capital spend profile of the scheme concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area.

30.4(i) Financial assets by category

Group

	Total	Loans and receivables	Available for sale
	31 March 2018 £000	31 March 2018 £000	31 March 2018 £000
Trade and other receivables (excluding non-financial assets) - with NHS and DH bodies	**11,220**	11,220	-
Trade and other receivables (excluding non-financial assets) - with other bodies	**2,557**	2,557	-
Cash and cash equivalents (at bank and in hand)	**7,761**	7,761	-
NHS Charitable funds: financial assets	**954**	954	**-**
Total	**22,492**	**22,492**	**-**

	Total	Loans and receivables	Available for sale
	31 March 2017 £000	31 March 2017 £000	31 March 2017 £000
Trade and other receivables (excluding non-financial assets) - with NHS and DH bodies	8,715	8,715	-
Trade and other receivables (excluding non-financial assets) - with other bodies	2,242	2,242	
Cash and cash equivalents (at bank and in hand)	5,647	5,647	-
NHS Charitable funds: financial assets	1,131	1,131	**-**
Total	17,735	17,735	**-**

Foundation Trust

	Total	Loans and receivables	Available for sale
	31 March 2018 £000	31 March 2018 £000	31 March 2018 £000
Trade and other receivables (excluding non-financial assets) - with NHS and DH bodies	**11,220**	11,220	-
Trade and other receivables (excluding non-financial assets) - with other bodies	**2,351**	2,351	-
Cash and cash equivalents (at bank and in hand)	**7,761**	7,761	-
Total	**21,332**	**21,332**	**-**

	Total	Loans and receivables	Available for sale
	31 March 2017 £000	31 March 2017 £000	31 March 2017 £000
Trade and other receivables (excluding non-financial assets) - with NHS and DH bodies	8,715	8,715	-
Trade and other receivables (excluding non-financial assets) - with other bodies	2,263	2,263	-
Cash and cash equivalents (at bank and in hand)	5,647	5,647	-
Total	16,625	16,625	**-**

All financial assets are denominated in Sterling.

30.4(ii) Financial liability by category

Group

	Total	Other financial liabilities
	31 March 2018 £000	31 March 2018 £000
Borrowings excluding finance lease and PFI liabilities	**12,497**	12,497
Obligations under finance leases	**5,690**	5,690
Trade and other payables (excluding non-financial liabilities) - with NHS and DH bodies	**4,069**	4,069
Trade and other payables (excluding non-financial liabilities) - with other bodies	**10,406**	10,406
Provisions under contract	**1,798**	1,798
NHS charitable funds: financial	**12**	12
Total	**34,472**	**34,472**

	Total	Other financial liabilities
	31 March 2017 £000	31 March 2017 £000
Borrowings excluding finance lease and PFI liabilities	13,298	13,298
Obligations under finance leases	5,869	5,869
Trade and other payables (excluding non-financial liabilities) - with NHS and DH bodies	**4,112**	**4,112**
Trade and other payables (excluding non-financial liabilities) - with other bodies	**12,322**	**12,322**
Provisions under contract	1,820	1,820
NHS charitable funds: financial	**4**	**4**
Total	**37,425**	**37,425**

Foundation Trust

	Total	Other financial liabilities
	31 March 2018 £000	31 March 2018 £000
Borrowings excluding finance lease and PFI liabilities	**12,497**	12,497
Obligations under finance leases	**5,690**	5,690
Trade and other payables (excluding non-financial liabilities) - with NHS and DH bodies	**4,069**	4,069
Trade and other payables (excluding non-financial liabilities) - with other bodies	**10,406**	10,406
Provisions under contract	**1,798**	1,798
Total	**34,460**	**34,460**

	Total	Other financial liabilities
	31 March 2017 £000	31 March 2017 £000
Borrowings excluding finance lease and PFI liabilities	13,298	13,298
Obligations under finance leases	5,869	5,869
Trade and other payables (excluding non-financial liabilities) - with NHS and DH bodies	4,112	4,112
Trade and other payables (excluding non-financial liabilities) - with other bodies	12,322	12,322
Provisions under contract	1,820	1,820
Total	37,421	37,421

30.4(iii) Maturity of Financial liabilities

Group

	31 March 2018 £000	31 March 2017 £000
In one year or less	**17,117**	22,474
In more than one year but not more than two years	**6,973**	844
In more than two years but not more than five years	**4,042**	1,333
In more than five years	**6,340**	12,774
Total	**34,472**	37,425

Foundation Trust

	31 March 2018 £000	31 March 2017 £000
In one year or less	**17,104**	22,500
In more than one year but not more than two years	**6,973**	844
In more than two years but not more than five years	**4,042**	1,333
In more than five years	**6,340**	12,774
Total	**34,459**	37,451

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 2018.

31. Third Party Assets

Group and Foundation Trust

	2017/18	2016/17
	Money on deposit £000	Money on deposit £000
At 1 April		-
Gross inflows	6	7
Gross outflows	(6)	(7)
At 31 March	-	-

The Trust held £130 cash at bank and in hand at 31 March 2018 (£454 at 31 March 2017) which relates to monies held by the Trust on behalf of patients. This is not included in cash at bank and in hand figure reported in the accounts.

32. Limitation on Auditor's Liability

The Trust's external auditor has no liability cap as at 31 March 2018.

33. Losses and Special Payments

Group and Foundation Trust	2017/18 Total number of Cases Number	2017/18 Total value of Cases £000's	2016/17 Total number of Cases Number	2016/17 Total value of Cases £000's
Losses:				
Cash Losses	-	-	-	-
Fruitless payments and constructive losses	9	1	4	3
Bad debts and claims abandoned in relation to:				
private patients	3	-	1	-
overseas visitors	1	5	4	5
other	90	3	36	7
Damage to buildings, property and stores losses				
Theft, fraud, etc.			3	-
Stores losses	1	38	2	50
Other	1	-	-	-
Total Losses	105	47	50	65
Special payments:				
ex gratia payments	8	2	18	4
Other	-	-	1	-
Total special payments	8	2	19	4
Total Losses and special payments	113	49	69	69

During 2017/18 there have been no individual cases of fraud, personal injury, compensation under legal obligation and fruitless payment cases, where the net payment exceeds £300,000.

The amounts reported are shown on an accruals basis but excluding provisions for future losses.

34. Mid Cheshire Hospitals Charity Summary Statements

Statement of financial activities for the year ended 31 March 2018

	2017/18 £000	2016/17 £000
INCOME		
Donations	**250**	241
Legacies	**15**	(31)
Other Income	**-**	-
Investment Income	**15**	13
TOTAL INCOME	**280**	223
EXPENDITURE		
Cost of Raising Funds	**(78)**	(68)
Charitable Activities	**(419)**	(343)
	(497)	(411)
Net (losses)/gains on investments	**(7)**	74
Net (Expenditure)	**(224)**	(114)
Transfer between Funds	**-**	-
NET (OUTGOING) RESOURCES	**(224)**	(114)
GAINS ON INVESTMENT ASSETS		
Total Funds Brought Forward	**1,106**	**1,220**
Fund balances carried forward at 31 March 2018	**882**	**1,106**

Balance Sheet as at 31 March 2018

	Total at 31 March 2018 £000	Total at 31 March 2017 £000
FIXED ASSETS		
Investments at market value	**590**	585
CURRENT ASSETS		
Debtors	**296**	388
Cash at bank and in hand	**68**	158
TOTAL CURRENT ASSETS	**364**	546
CREDITORS		
Amounts falling due within one year	**(72)**	(25)
NET CURRENT ASSETS	**292**	521
TOTAL NET ASSETS	**882**	1,106
FUNDS OF THE CHARITY		
Unrestricted income funds	**882**	1,106
Restricted income funds	**-**	-
TOTAL FUNDS	**882**	1,106

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