Central Manchester University Hospitals **NHS**

NHS Foundation Trust

CENTRAL MANCHESTER UNIVERSITY HOSPITALS NHS FOUNDATION TRUST

ANNUAL REPORT AND ACCOUNTS 2016/17

Central Manchester University Hospitals NHS Foundation Trust Annual
Report and Accounts - 1 April 2016 to 31 March 2017

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

Contents

Welcome and overview by our Chairman and Chief Executive

While increasing demand on our services and financial pressures have undoubtedly had an impact on our Trust during 2016/17, we are very proud of what our teams have achieved over the past 12 months. Delivering excellent patient care has remained at the centre of everything we do across our hospital and community services.

Colleagues at Central Manchester University Hospitals NHS Foundation Trust (CMFT) are absolutely committed to making sure all our patients and their families have the 'Good' experience they should expect from our Care Quality Commission (CQC) rating. And we have extremely worked hard this year as part of our aspiration to become 'Outstanding'. The focus has been on the drive to improve the quality and safety of care across our services, while also increasing efficiency.

One way we have been able to do this is by investing in developing new services and facilities. These include an innovative project to provide physical and nutritional support to cancer patients before their surgery to support their recovery, a new nurse-led service for liver and stomach disease patients and a new school nurse messaging service 'app' to help young people manage their mental and physical health.

The CMFT Charity has again made a significant contribution to creating patient-friendly hospitals, enhancing care and funding research. Around £5.5 million has been raised in 2016/17, and has paid for arts projects, additional equipment and facilities for patients, their families and staff to use.   Our charity team did a fantastic job in quickly reaching the target of £3.9m to fund a helipad to enable the safe and rapid transfer of seriously ill or injured patients to hospital, the first in the city centre. Work on the helipad commenced in November 2016 and it will be operational by April 2018.

Two years since it was launched in February 2015, our three-year 'Transforming Care for the Future' strategy continues to have a significant impact on both patient care and productivity. Our staff are working with colleagues, patients and carers to identify ways to improve quality, leading to a number of absolutely transformational initiatives.

For example, surgical teams across adult and children's services have been working hard to optimise theatre lists for planned surgery, and reduce cancellations on the day of admission. They have also developed a new pre-operative system, which enables suitable patients to have an 'on the day assessment' to save them an extra journey to hospital for a pre-op before their planned surgery.

Patients and their families have contributed to developing a set of 12 core standards for our outpatient services, and to practical ideas such as using patient pagers. Patients waiting for their clinic appointment can take a pager and go for a drink or a walk around, and the pager will buzz when they are ready to be seen. Pagers are now being rolled out across Manchester Royal Eye Hospital (MREH), Royal Manchester Children's Hospital (RMCH) and Manchester Royal Infirmary (MRI).

Ensuring patients who are ready to go home or to receive care in the community can be discharged promptly is the aim of our 'Heading Home' campaign.

In a successful pilot, our teams have improved the discharge process through collaborative multidisciplinary working. Following positive feedback from staff and patients, a plan is now being developed for rolling out the campaign to the rest of the MRI.

Another exciting initiative this year was the launch of our "What Matters To Me" programme in November 2016, a new and personalised approach to patient experience at CMFT. It is based on extensive work with patients and staff to identify what is important to them, and then to ensure this becomes the focus of how we deliver care which is tailored to the individual needs of each patient.

You can find out more about all these innovative transformation projects on pages 48 to 59 of this report.

Patients and their families continue to play an important role in developing our services and ensuring that we meet the needs of the community we serve. That may be through being a member of our Trust, taking part in surveys or attending meetings.   We also have many expert patient groups who help others by sharing their experience of managing long–term conditions. And of course both patients and healthy volunteers make a huge contribution to our research and innovation programme.

CMFT is one of the top Trusts in the country for recruiting patients to clinical research studies, working in partnership with our academic colleagues at The University of Manchester. Major research breakthroughs in 2016/17 included work by Professor Jonathan Green on a parent-led intervention for autism which has shown reduction in symptom severity, and a new pre-surgery technique for treating emergency bowel cancer patients.

Other milestones include five Manchester patients with retinitis pigmentosa being among the first in the country to receive the Argus II 'bionic eye' device in a scheme funded by NHS England, and Manchester dental researchers being awarded more than £5 million to study whether the timing of a baby's cleft palate surgery has an influence on its speech development.

In 2016 the National Institute for Health Research (NIHR) announced a £41m investment into research and supporting infrastructure across Greater Manchester under the Biomedical Research Centre and Clinical Research Facility schemes. At CMFT we have ambitious plans for pioneering research into major causes of premature death and high disability. Ultimately we want to develop new and better tests and treatments for musculoskeletal disease, hearing health, respiratory disease, dermatology and cancer.

Science and technology businesses linked to our hospital campus continue to play a major role in giving our patients access to the latest diagnostic technology and treatments.   They are also boosting economic growth and bringing jobs and investment to Manchester.

Our Trust is working alongside Manchester Science Partnerships (MSP) on the next phase of Citylabs, delivering space where biomedical companies can grow and develop new health products, in collaboration with the NHS and academic institutions, for the benefit of patients. MSP is investing £60m to develop two new Citylabs buildings on our Old Saint Mary's Hospital site.

Partnership has been a significant theme during 2016/17 across the wider health economy in Manchester. Strong progress has been made on developing the city's Single Hospital Service. The aim is to provide access to consistently excellent healthcare services for people across the city, regardless of where they live.

This will be achieved by creating a new organisation, which will take responsibility for the full range of services currently provided by CMFT, the University Hospital of South Manchester NHS Foundation Trust and ultimately North Manchester General Hospital. The final stages of the regulatory, approval and planning processes are well under way and it is anticipated that the new organisation will come into being in October 2017. You can read more about all these changes and what they will mean on page 18 onwards.

Our staff will play a vital role in developing this exciting new approach to healthcare across Manchester. CMFT is committed to recruiting the best people, and helping everyone to reach their potential through providing excellent training, education, mentoring and staff wellbeing programmes.

The dedication of our staff is acknowledged through our annual 'We're Proud of You' and 'Going the Extra Mile' awards, and the willingness of so many colleagues to go above and beyond in caring for our patients is very humbling. Numerous CMFT staff have also won external recognition during 2016/17, and you can read about their achievements on pages 35-37.

We would like to conclude by thanking our staff, Governors, volunteers, fundraisers, and members for all you have done to make CMFT a place where we can be exceptionally proud of the outstanding care provided to patients and their families.

Kathy Cowell OBE DL
Chairman

Sir Michael Deegan CBE
Chief Executive

Steve Mycio OBE, former Trust Chairman

We are very sorry to report the untimely death of our former Chairman Steve Mycio. He retired from the Board of Directors due to ill-health in October 2016 and very sadly died in December 2016.

Steve joined our Trust Board in December 2009 as a Non-Executive Director, bringing strengths and skills that have helped to shape our organisation and steer it through challenging times. His dynamic personality, passion for the welfare of local people and deep knowledge of the city of Manchester and its institutions were all significant assets.

In January 2015, Steve became Chairman of our Trust, after a competitive appointment process in which he was an outstanding candidate. His clear vision for CMFT, and passionate commitment to our patients and staff, made him the obvious choice.

He quickly identified opportunities to develop our services, enjoyed listening to and learning from others, and encouraged new ways of thinking. His starting point was always to put himself in the position of our patients and their families – how could we improve their experience of care and support them on their journey through our services.

In his first year as Chairman, Steve helped to lead our response to the five-yearly inspection by the Care Quality Commission (CQC). His leadership has also been fundamental to the success of the Singe Hospital Service programme. He immediately identified with the end goal of providing everyone across the city of Manchester with access to the same high quality health care – regardless of where they live.

One of Steve's key qualities was his ability to engage with people at every level and from very diverse backgrounds. He regularly visited our wards and clinic areas, keen to hear the views and experiences of patients, staff and visitors. He also had a very special relationship with our Council of Governors and our staff and public members.

Steve was a great advocate for our staff, whether that was in supporting equality and diversity projects, or presenting awards to outstanding colleagues. Another area in which his leadership and commitment made a huge difference was his chairmanship of our Trust Charity.

Steve was a tremendous supporter of our dedicated fundraising team, patrons, sponsors, families and individuals who together raise millions of pounds each year to support treatment, research and care at CMFT.

It was entirely fitting that both his healthcare and charity work were recognised by Her Majesty the Queen in her 2016 birthday honours.

Steve was such a huge inspiration in so many ways to so many people – which makes his loss all the harder for us to bear. However, our task now is to celebrate and maintain his legacy.

The CMFT culture of putting patients and colleagues first, striving to do the best for everyone every day is a reflection of Steve's own outlook. Whatever changes the future brings, the values of this kind, compassionate and deeply caring man will sustain us and drive us on to realise his vision of creating a fair and equal society, where everyone has access to high quality healthcare throughout their lives.

1. Performance Report

1.1 Overview of performance

Chief Executive's Statement – Sir Michael Deegan

As Chief Executive, I see on a daily basis the level of demand faced by our hospitals and community services and the impact on our services of operating in a very challenging financial environment. There are many pressures on our services, particularly urgent care, and during the past year we have continued to face challenges to our clinical, operational and financial performance.

Against this backdrop, the majority of our clinical teams have delivered consistently high quality care in a timely way, with excellent outcomes and patient experience. However, across some of our services there is still scope to improve outcomes and use NHS resources more efficiently. Our Transformation Programme team is leading a range of initiatives to identify and share opportunities to achieve this.

Our Performance Report and Quality Report provide wide-ranging details about CMFT's performance. My personal highlights for the year include:

- Manchester Royal Infirmary's cochlear implant team and their patients were featured in a live 'switch on' TV programme on Channel Four, showing how this surgery is transforming the lives of deaf people and their families
- A ten-year-old patient at Saint Mary's Hospital became the 1000th participant in the ground-breaking 100,000 genomes project that is revolutionising the way those with rare genetic diseases are diagnosed and treated.
- Our Transplant Team celebrated carrying out more than 6,000 transplants since the first procedure in 1968. They passed this amazing milestone in October 2016 after carrying out a transplant on a 27-year-old man.
- Experts at Manchester Royal Eye Hospital were funded by NHS England to extend treatment using the 'bionic eye' artificial retina to patients with retinitis pigmentosa. This followed their successful trials involving patients with macular degeneration.
- Our Research & Innovation teams involved almost 13,000 patients and volunteers in research studies and clinical trials, with many of our patients being the first to benefit from access to the latest drugs, diagnostics and therapies. This is a significant increase on the previous year's figure of just over 8,700 participants.
- Cancer experts at Royal Manchester Children's Hospital were the first team in the UK to trial a new therapy to investigate whether it removes tumour cells in young leukaemia patients.
- Our emergency team made it into the UK top three for 24/7 Quality in Emergency Care at the CHKS Top Hospitals Awards in May 2016.

Having a motivated, well-trained workforce is key to operational effectiveness, and our HR team have been working across the Trust to ensure vacancies are filled as quickly as possible, sickness absence rates are reduced and mandatory training targets are met.

Significant achievements in 2016/17 included:

- A further successful domestic and international recruitment campaign which has seen the employment of over 600 nurses with further nurses due to arrive during 2017. This work has contributed to reducing the overall number of nursing vacancies, supporting the reduction in the cost of using temporary staff and ensures that clinical areas have the right staff numbers and skills to provide care to our patients.
- A successful recruitment campaign of over 60 Nurse Associates - a role developed nationally as a bridge between Health Care Nursing assistants and graduate Registered Nurses positioned as both a stand-alone role as well as a new route to becoming a Registered Nurse.
- Launch of the CMFT Careers Website – an on line '*one stop shop'* for potential candidates to learn about working at CMFT and enabling them to view all our job opportunities, created to support our quest to be recognised as an Employer of Choice' in the market both locally, regionally and internationally.
- In recognition of our continued dedication to workplace diversity, CMFT made it on to the prestigious Inclusive Top 50 UK Employers List - a definitive list of UK based organisations that promote inclusion across all protected characteristics, throughout each level of employment within an organisation.

This excellent performance does need to be seen in the context of the increasing financial pressures facing the NHS. Foundation Trusts across England have again recorded significant deficits during this financial year and CMFT has not been immune to this. Particular factors which have affected our financial stability include:

- Increasing demand for services, particularly emergency care which saw a rise in A&E attendances to 309,484 up 1.1% from 306,484 in 2015/16
- The additional costs associated with using agency staff to fill medical and nursing vacancies
- Not achieving all the planned productivity improvements to our clinical services.

In 2015/16 the Board adopted an internal turnaround approach, which meant greater challenge and scrutiny of all our spending, and this continued in 2016/17, alongside our ongoing programme of efficiencies and improvements.

By focusing on providing the best possible patient care in the most efficient way, I'm certain that we can continue to meet the challenges ahead in 2017/18 and achieve even higher standards of safety and quality while also balancing the books.

About us

Central Manchester University Hospitals NHS Foundation Trust (CMFT) is an integrated health, research and teaching hospitals group with a comprehensive range of services, an extensive research portfolio and state-of-the-art facilities.

We are the leading provider of hospital, community and specialist health services for Manchester and Trafford. We treat more than a million patients every year, and our hospitals are home to an outstanding team of clinicians, nursing and support staff, all committed to providing safe, high quality and compassionate care. We are also proud to be a major teaching hospital, training the health professionals of the future.

Our vision is to be recognised internationally as leading healthcare; excelling in quality, safety, patient experience, research, innovation and teaching; dedicated to improving health and well-being for our diverse population.

Our values underpin everything we do. We have a framework that sets out the core behaviours and attitudes that we expect of our staff, recognising how important these are to delivering a positive patient and staff experience.

Our values are:
- **Pride** - showing pride by being the best in everything we do.
- **Respect** - showing regard for the feeling, rights and views of others.
- **Empathy** - showing empathy by understanding the emotions, feelings and views of others.
- **Consideration** - showing thoughtfulness and regard for others, showing consideration for their feelings and circumstances.
- **Compassion** - showing understanding, concern and contributing to providing a safe, secure and caring environment for everyone.
- **Dignity** - showing respect and valuing all individuals and their diverse needs.

Our hospitals

CMFT became a Foundation Trust in 2009, although we can trace our roots back to 1752. We are responsible for running a family of six hospitals across central Manchester and Trafford. We also provide adult and children's community services for central Manchester and city-wide services for children, dentistry and sexual health.

Central Manchester University Hospitals NHS Foundation Trust					
Manchester Royal Eye Hospital (MREH)	**Manchester Royal Infirmary (MRI)**	**Royal Manchester Children's Hospital (RMCH)**	**Saint Mary's Hospital (SMH)**	**Trafford Hospitals**	**University Dental Hospital of Manchester (UDH)**
Specialist eye hospital	Emergency care Complex secondary & tertiary services Integrated community	Specialist children's hospital	Specialist hospital for women, babies and genetics	Secondary services in Trafford and Altrincham	Specialist dental hospital

More detailed information about our individual hospitals and community services can be found on page 252 onwards of the Quality Report.

Research and teaching are a fundamental part of our activities. We have a long-established and very successful relationship with The University of Manchester, together forming the country's largest clinical-academic campus. Both organisations are founding members of the Manchester Academic Health Science Centre (MAHSC) and Health Innovation Manchester (HInM).

Together, we are ambitious to make Manchester a leading centre for applied health research, innovation and education, to the benefit of our patients and the wider community. See our Research Report on pages 108 to 110 for more information.

Since gaining foundation status in 2009, the Trust has expanded its facilities, workforce and range of services to meet growing demand for complex and specialist treatments. Working in close partnership with local Clinical Commissioning Groups, other NHS trusts, social care colleagues, our members and the local community has enabled us to shape and develop our vision and strategy to meet this demand. Our key priorities for the coming year are summarised in our plan on pages 37 to 39.

The fundamental principles that underlie all our clinical activity are to provide safe, high quality care, delivered in an efficient and productive way.

Activity summary
The tables below give an indication of the number of patients we treated during 2016/17 compared with the previous year, and details of waiting times for treatment.

Accident & emergency attendances	2015/16	2016/17
Attendances	306,033	309,484
Clinic attendances	5,101	4,319
Total	**311,134**	313,803

In-patient/day case activity	2015/16	2016/17
In-patient (Non-elective)	84,192	80,300
In-patient (elective)	18,791	19,438
Day cases	78,135	85,578
Total	**181,118**	185,316

Day cases as a % of elective activity	80.6%	81.5%
Day cases as a % of total activity	43.1%	46.2%

In-patient waiting list	As at 31st March 2016			As at 31st March 2017		
	In-patient	Day case	Total	In-patient	Day case	Total
Total on waiting list	3,347	11,424	14,771	3,349	11,909	15,258
Patients waiting 0-12 weeks	1,745	6,359	8,104	1,875	7,855	9,730
Patients waiting 13-25 weeks	764	2,117	2,881	741	1,996	2,737
Patients waiting over 26 weeks	838	2,948	3,786	733	2,058	2,791

Out-patient activity	2015/16	2016/17
Out-patients first attendances	292,532	310,476
Out-patients follow-up attendances	820,707	839,353
Total	**1,113,239**	1,149,829

Bed usage	2015/16	2016/17
Average in-patient stay	4.5 days	4.9 days

How our performance is regulated and monitored

CMFT's performance is regulated by two national statutory bodies: the Care Quality Commission and Monitor (Monitor is now part of NHS Improvement). You can read much more about this on page 181 onwards of the Quality Report.

Locally, CMFT sits within both the Manchester and Trafford local health economies (LHEs). The Central Manchester LHE comprises Central Manchester Clinical Commissioning Group and Manchester City Council. The Trafford LHE is made up of Trafford Clinical Commissioning Group and Trafford Local Authority.

The Manchester and Trafford LHEs also partners within the Greater Manchester Health and Social Care Partnership

- *Central Manchester LHE*

Manchester is served by three Clinical Commissioning Groups (CCGs); North, Central and South CCGs. It is covered by one local authority; Manchester City Council. We have long-standing and well developed engagement arrangements in place with Central Manchester CCG and across the city of Manchester. During 2016/17 they included:

Manchester Health & Well Being Board – chaired by the leader of Manchester City Council brings together CEOs of the health and social care providers and commissioners across Manchester. It sets the overarching strategy for health improvement and the development of health and social care services. The Health and Well Being Board is supported by the *Executive Health & Well Being Group.*

Board and Executive Team meetings – there are regular bilateral meetings of the CMFT and CM CCG Board and Executive Teams throughout the year.

- *Manchester Provider Board*

Chaired by the Deputy Chief Executive of CMFT, this brings together all of the provider organisations across Manchester including primary care and the out of hours provider, North West Ambulance Service (NWAS), mental health services and the voluntary sector.

One of the key challenges facing the local health economy is how we can better integrate health and social care. The group is exploring how out of hospital care can be integrated and coordinated across the city including responding to the prospectus issue by commissioners for a Local Care Organisation for Manchester.

- *Trafford LHE*

We have well-established working relationships with senior colleagues at Trafford CCG and Local Authority. Regular meetings take place between the senior leaders from both organisations.

Trafford Health and Wellbeing Board (HWB) CMFT is represented on the statutory Health and Wellbeing Board which is a sub-committee of Trafford Council. There is a review of these arrangements underway.

During 2016/17 there has been progress in the development of the Care Coordination Centre, Trafford CCG's project to join-up patient care across the borough through providing a single point of contact for patients, their families and health professionals that tracks patients as they move through the system.

Key issues and risks for CMFT – and how we manage them

During 2016/17, the Trust identified a number of issues and risks that could affect the delivery of our services. These are listed below and covered in greater detail in the Annual Governance Statement (page 126 onwards).

The Trust's Risk Management Committee, chaired by the Chief Executive, meets bi-monthly to ensure these risks are monitored and addressed.

Key risks in 2016/17

	Risk	Category	Current / New
1.	A&E performance and Emergency Department capacity	Clinical	2016/17
2.	SMH Obstetric Capacity	Clinical	2016/17
3.	Infection control – CPE	Clinical	2016/17
4.	Regulatory framework	Clinical	2016/17
5.	Patient records	Organisational	2016/17
6.	Never events	Clinical	2016/17
7.	Communication of diagnostic test and screening test results	Clinical	2016/17
8.	Compliance with Building Regulations – Fire Stopping	Organisational	New 2016/17

9.	Financial control and failure to deliver trading gap savings / financial challenge for future years	Financial	2016/17
10.	Corporate and clinical mandatory training compliance	Clinical	2016/17
11.	Nurse staffing	Clinical	New 2016/17–Downgraded
12.	Management of the Mental Health Act	Clinical	2016/17 – Downgraded
13.	End of Life Care	Clinical	2016/17 – Downgraded
14.	Community Services: Building Fabric	Organisational	New 2016/17
15.	Nutrition – Royal Manchester Children's Hospital	Clinical	2016/17 - Downgraded
16.	Nutrition – Patient Dining Experience	Organisational	2016/17
17.	Diagnostics Waiting Times	Clinical	2016/17
18.	Mortality	Clinical	New 2016/17
19.	Wrong blood in tube	Clinical	New 2016/17
20.	Referral to Treatment (RTT)	Clinical	New 2016/17

What's happening across Greater Manchester and managing external risks
CMFT sits within the Greater Manchester city region. The region is made up of ten localities or local health economies; these are the ten local authority areas and the CCGs and NHS health care providers that sit within their geographic boundaries.

The Greater Manchester region faces some very significant challenges:
- People die younger than people in other parts of England.
- Cardiovascular and respiratory illnesses mean people become ill at a younger age.
- The number of older people, who often have multiple long term health issues to manage, is growing.
- Many people are treated in hospital when their needs could be better met elsewhere.
- Care is not joined up between teams and not always of a consistent quality
- The configuration of our health services is designed to meet the health needs of the last century.
- Many of the illnesses people suffer from are caused by poverty, stress, air quality, debt, loneliness, smoking, drinking, unhealthy eating and physical inactivity.

At the same time as demand for services is rising, the available funding is falling. It is projected that if we carry on as we are now, by 2021 more people will be suffering from poor health and there will be a £2 billion shortfall in funding for health and social care.

The health and social care organisations across GM believe that these challenges can best be met by working together and taking charge of spending and decision-making locally. In April 2016 the Greater Manchester Health and Social Care Partnership was established and took control of the combined health and social care budget for GM, a sum of more than £6 billion.

The aim of the Partnership is to achieve the greatest and fastest improvement to the health, wealth and wellbeing of the 2.8 million people living in Greater Manchester. In order to achieve this, there needs to be a radical change in how health and social care are provided.

The Partnership received funding which is to be used to support the transformation of the health and social care system. Five key changes have been agreed that need to take place to transform the health and social care system. These are known as 'transformation themes' and are shown below.
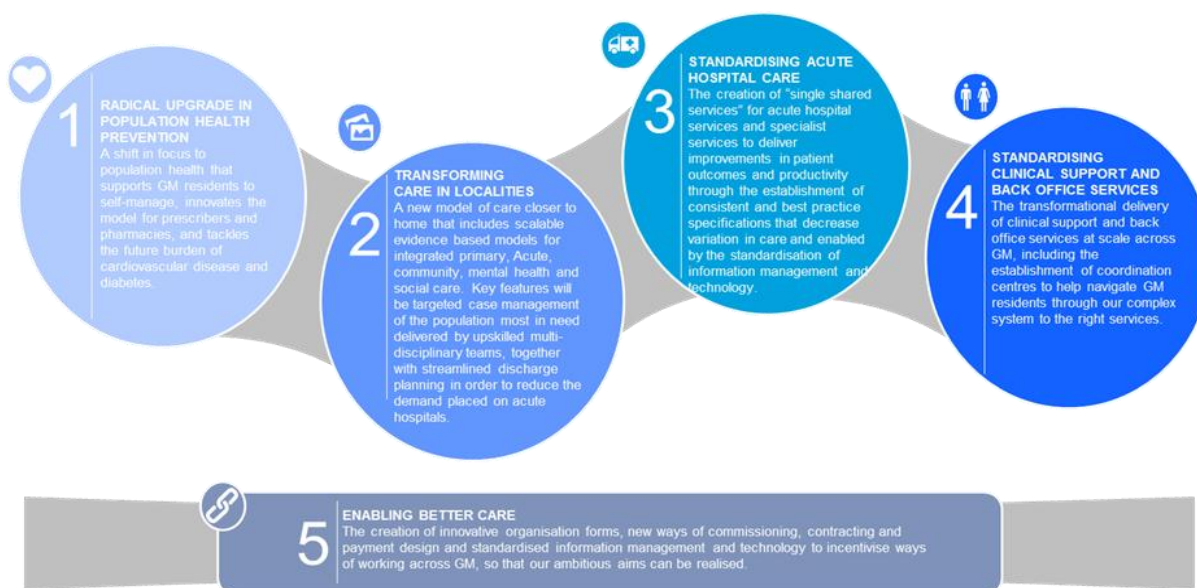
What does this mean for CMFT?
The key strategic changes for CMFT sit under transformation themes 2, 3 and 4 as shown below.

Theme 2	Transforming care in localities	Manchester Local Care Organisation
Theme 3	Standardising acute and hospital care	Single Hospital Service
		Healthier Together
		Specialty chains
Theme 4	Standardising clinical support and back office services	Pathology
		Radiology

- **Single Hospital Service**

The development of a Single Hospital Service (SHS) across Manchester will be the most significant change in the provision of hospital services in the area for decades.

This new, city-wide hospital Trust will provide much better, safer, more consistent hospital care that's fit for the future for people living in the City of Manchester, Trafford, and beyond.

It will also bring many opportunities for us to grow our research, education and investment into our region, and attract highly skilled staff. All of this will not only benefit people living in the City of Manchester and Trafford, it will benefit patients from across Greater Manchester who use our hospitals.

We are creating this new organisation in two parts. Firstly, CMFT and the University Hospital of South Manchester NHS Foundation Trust will join together to create a new Foundation Trust in September 2017. Then North Manchester General Hospital (which is currently part of The Pennine Acute Hospitals NHS Trust) will join the new organisation around 12-18 months later.

During 2016/17, we have undertaken a significant amount of work in preparation for becoming a new organisation. Clinical engagement has been at the heart of this with over 500 contacts made with clinicians across both sites. A Clinical Advisory Group comprising 28 representatives from CMFT, PAHT, UHSM and an advisor from NHS Improvement, is meeting regularly. Five Clinical Leads have been appointed to the Programme Team through secondment arrangements on a job share basis

Work this year began with an initial due diligence exercise for the two Trusts, UHSM and CMFT, which involved a strategic analysis of the risks that may impact on the success of the creation of the new Trust if not managed and mitigated.

An initial submission was made to the Competition and Markets Authority (CMA) before Christmas, and this assessed the effects of the proposed merger on competition. A subsequent submission was made on 31st January 2017, and this described a number of specific benefits that the merger is expected to facilitate.

The CMA then announced the commencements of its Phase 1 investigation into the anticipated merger and in February we received confirmation that our application to be fast tracked onto Phase 2 of the process had been granted. The assessment process takes about six months, and an outcome is expected in the summer.

The SHS Programme Team has also developed the Full Business Case that is required to gain approval from NHS Improvement (the regulator of NHS Trusts), and this was submitted at the end of March.

A programme of communications and engagement activities have also been developed targeting key stakeholder to ensure members of staff and other key partners feel fully involved in the programme. Three joint Council of Governors meeting have been held to ensure Governors have the information and assurance they need as part of this process.

As part of this engagement work, in March we issued a survey asking for views on three proposed names for the new organisation and this will circulated to staff, Governors and key external stakeholders.

- **Manchester Local Care Organisation**

The vision for the Manchester Local Care Organisation (MLCO) is a partnership between the main statutory health and social care providers in the city and a wide range of non-statutory organisations such as the voluntary, community and social enterprise sector.

This means it will coordinate care across primary, community and secondary settings and will focus upon six key population groups in the first instance:

- Frail older people.
- Adults with long term conditions and at the end of life.
- Mental health, learning difficulties and dementia.
- Children and young people.
- People with complex lifestyles.
- Prevention and those at greater risk of hospital admission.

The Manchester LCO will provide a high standard of care closer to home, co-ordinated partnership working to simplify care pathways and accessibility to services, and deliver population health.

During 2016/17, the Manchester Provider Board members received the draft LCO prospectus which was developed by the three Manchester Clinical Commissioning Groups and Manchester City Council. This described from a commissioner's point of view what the LCO will deliver and how it will work. The LCO Prospectus was discussed at the Manchester Health and Wellbeing Board on 2nd November as part of a consultation process with local stakeholders on the proposals set out.

The consultation period ran from 2nd November 2016 to 2nd January 2017, during which all Manchester Provider Board organisations were given the opportunity to provide comments on the LCO prospectus.

In December 2016, the Manchester Provider Board submitted a response to the commissioners as part of the consultation process on the LCO commissioning prospectus. This:

- Endorsed the Prospectus' vision for a single LCO for Manchester.
- Welcomed the fact it supports the partnership work undertaken so far to develop the Manchester approach to integrated, place-based care.
- Stated the Manchester Provider Board's intention to respond to any procurement exercise for provision of the LCO.
- Included a number of specific comments relating to where the Manchester Provider Board felt that the prospectus could be strengthened either by clarification or inclusion of further detail.

Since then, the commissioners have issued a Prior Information Notice requesting submissions for the Manchester LCO contract, and the Manchester Provider Board members are actively now working on developing a single response.

We also welcomed Michael McCourt to the role of interim Chief Executive of the Manchester Provider Board in March 2017. Dr Sohail Munshi also took up the post of interim Chief Medical Officer.

- **Healthier Together**

Aligned to the SHS is the implementation of Healthier Together. Healthier Together is the programme of work to create single services for acute care across UHSM and CMFT. Under this arrangement, clinical teams within A&E, acute medicine and general surgery will come together across both hospitals to form three single teams and each team i.e. A&E, Acute Medicine and General Surgery, will deliver acute care across both MRI and Wythenshawe hospitals working to the same high quality and safety standards.

CMFT will be the 'hub site' with 24/7 A&E and a full emergency general surgical team will be on site 24/7 to undertake emergency general surgery. UHSM will be the 'non-hub site', which will have a full A&E department 24/7. It will still assess and care for the majority of acutely ill patients but will not undertake any emergency general surgery.

Patients who will require immediate admission for emergency or urgent general surgery will be transferred to the hub site at CMFT. In addition, the hub site at CMFT will also undertake all general surgery for complex, high risk, elective general surgery patients. Low risk general surgery, diagnostics and outpatient services will all continue to be provided at both hospital sites.

In 2016/17, the two surgical teams from both sites worked together as one team on the detailed design of the model of care and the new patient pathways. This included understanding how patients will be managed and cared for at every step in their pathway, what will happen at each stage of assessment and treatment, where it will take place and by whom. Particular attention was given to understanding and identifying the process for how patients will be transferred between the two hospitals, minimising the impact to ensure a smooth transition for patients. This was also done in collaboration with our Healthier Together Patient Partnership Group, liaising and working with patients and carers directly to understand the impact the changes may have on different minority groups.

This work informed the actions and supporting mechanisms needed to be in place to ensure a fair and equal service can be provided for all patients.

As a result of the work undertaken in 2016/17, plans are on schedule for transferring complex high risk elective patients to the CMFT hub site by November 2017, with non-elective emergency services transferring from early 2018/19.

- **Specialty Chains**

A Specialty Chain is where we take responsibility for the provision of a service across the whole of GM, irrespective of which hospital site it is delivered on. Services will continue to be provided locally, but the clinicians will all be part of the same single team working to the same procedures and protocols. This model will be applied in the more specialist areas such as children's surgery and ophthalmology.

During 2017/18 we plan to explore further the service chain model for vascular services, ophthalmology and in some specialist cancer surgery.

- **Standardising Clinical Support**

In 2016, 10 Trusts across Greater Manchester, including East Cheshire, came together to form a consortium for the procurement of a replacement PACS system.

A Project Board has been formed, with two representatives from each of the 10 Trusts. In addition, The HCI Group has been commissioned to support the consortium in producing an outline business case (OBC) and an output based specification (OBS). Support with the financial aspects of the business case has also been sought.

Various workstreams have been set up, including information governance, technical and OBS, with CMFT having representation on each.

The OBC has been finalised and will be going to the Provider Federation Board by the end of March 2017 to recommend approval to proceed to a Full Business Case (FBC). The OBS is in progress, with workshops planned and a completion date in mid-May for final approval by the Project Board.

Important events after the financial year end
There were no other events following the Statement of Financial Position date, either requiring disclosure, or resulting in a change to the financial statements of the Trust or the Group.

The Trust is currently in discussions in relation to a proposed merger between UHSM and CMFT to create a new Foundation Trust (FT). Subject to appropriate regulatory approvals being granted, it is anticipated the new FT would be created in October 2017.

Any changes to organisational structures arising from the transaction will be accounted as a Machinery of Government change, and therefore would not impact the Going Concern status of the entity or require any of the Trust's activities to not be considered as 'continuing'.

Going concern
After making enquiries, the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Sir Michael Deegan CBE
Chief Executive
26th May 2017

1.2 Performance Analysis

Measuring our operational performance

The Trust has a number of specific local measures against which we check our performance. These cover clinical quality and safety, patient experience, service development, research and innovation, staff development and finance. We also assess how we are performing against a range of national standards and targets.

We develop an **operational plan** each year which summarises all our aims, key priorities and how we will measure success. Our staff, partner organisations, Governors and members all contribute to developing this plan. Table 1 shows how we performed against these aims and priorities.

Theme	Priorities	Key Priorities for 2016/17	Metrics	Year-end Position
QUALITY	Providing the safest, high quality care for everyone who uses our services.	1. Delivering safe, harm-free care focusing on evidence based pathways, supervision and clinical leadership and embedding CMFT Clinical Standards in day to day practice	Improvement / reduction compared to 2015/16 position for: • Never events • Actual harm incidents 4-5 • Mortality - HSMR, SHMI, crude mortality • Number of CPE acquisitions • OPD Standards • 7 day services	• 1 in year – reduction of 7 • Unchanged • Crude mortality unchanged but metrics >100 • Pending results of March 2017 survey (results in June)
			Percentage of patients aged 75 years and over admitted as emergency inpatients identified as potentially having dementia or delirium are appropriately assessed.	88% (End of February 2017)
		2. Ensure professionally informed, evidence based nursing and midwifery establishments supported by recruiting and retaining an engaged workforce able to respond to future care delivery needs.	11.6% NB there has been 1.6% increase in establishments during 2016//17	9.9% (End of Jan 2017 position) Predicted year end position is a further reduction to 7.4% vacancy rate
			20.3%	18.9% (End of Jan 2017 position for band 5 staff nurses)
			Q4 Pulse Check results Advocacy – 3.85 Improvement – 3.83 Motivation – 4.11	Q2 Pulse Check results Advocacy – 3.80 Improvement – 3.80 Motivation – 4.04
			Theatre Scrub assistant role implemented 10 individuals completed training at end April 2017, with further 13 completing July 2017. 68 trainee nursing associates have commenced 2 year programme of training.	Theatre Scrub role implemented 10 individuals complete training at end March 2017, with further 13 completing July 2017. 68 trainee nursing associates have commenced 2 year programme of training.

				Pharmacy technician has completed programme of training to support administration of medications for ward 9. Currently planning recruitment to further 3-4 posts to support other clinical areas.	Commenced integrated care post graduate programme to enable registered nurses to work across community and acute setting. Pharmacy technician has commenced programme of training to support administration of medications for pilot on ward 9. Pilot will commence April 2017. Implemented 12 months programme with HEI partner to enable registered adult nurses to gain skills and knowledge to gain registration as child branch nurses. First cohort due to complete July 2017 (8 individuals).
				1,330 registrants have successfully revalidated	1,171 registered nurses and midwives have successfully completed revalidation process.
				4 new nurse consultants have commenced in post during last 12 months. Further appointment to Nurse Consultant in Urgent Care to be made in Q1. Chair in Nursing commenced in post January 2017 Bids submitted to Heath Education England (North West) for training funding to support development of 28 advanced nurse practitioner roles across the Trust. 7 bids have been successful due to overwhelming demand (i.e. 450 bids against 140 funded training roles). Work on going with divisions and partner HEI to identify mechanism to support further training for unsuccessful bids	3 new nurse consultants have commenced in post during last 10 months. Further appointment made of Nurse Consultant in March 2017. Chair in Nursing commenced in post January 2017. Bids submitted to Heath Education England (North West) for training funding to support development of 28 advanced nurse practitioner roles across the Trust.
				Bank and agency staff spend £1,937K average per month year to date NB Increase in Q4 when compared to Q3 due to supporting winter escalation capacity	£1,888K average per month year to date (down from £1,937K)

		3. Achieve all key NHS commissioned standards and deliverables, including access and quality outcomes	Delivery of 4 hour emergency access target for 2016/17	YTD (31 March) 91.99% STF cumulative performance trajectory for March is 92.75%. CQUINS cumulative Year March trajectory 93.88%.
			Delivery of all other access targets including referral to treatment time and cancer wait times for 2016/17	RTT performance delivered in 8 out of 12 months, with the 92% standard achieved in Q4. Cancer performance is measured against a range of standards, in the main these have been achieved with the exception of the 62 day, and 31 day first treatment standards in Q3 and Q4. Diagnostic 6 week standard was not achieved in 2016/17, although a significant improvement was delivered in Q4.
			Delivery of national quality outcome measures including stroke, trauma and access to emergency surgery for 2016/17	Latest position: Q4 – 76% Trust performance against 80% standard. Major Trauma meet 7/12 indicators. Access to emergency surgery as clinically indicated. Clinical activity, risks and outcomes managed through network standards and performance.
		4. Delivery against the Trusts Transformation strategy with the aim to reach the top decile for quality - clinical outcomes, safety, patient and staff engagement & experience and operational efficiency measures.	Reduce Length of Stay (LoS)to 4.3 by March 2017	4.5 We have increased our ambulatory care pathways and daycase activity which has avoided admissions but this means that the acuity in our beds has increased and thus LoS
			Improve Theatre Utilisation from 79% to 84.78% by October 2016.	Following work with FourEyes Consultancy a review of the theatre utilisation measurement has been undertaken and refined to measure "Touch Time". Touchtime has increased from 72% in October 16 to 79% in March 17.
			Achieve an improvement on 2015/16 position for - Staff Survey (Light) – staff engagement	3.84

			score 3.83 - National Patient Surveys – patient experience score 8.1	
Delivering an excellent experience for patients, their families and carers.	5. Deliver well-led compassionate, individualised care in partnership with patients and families in appropriate environments, safeguarding vulnerable people		Friends & Family Test (FFT) response rates – achieve Shelford Group average (22% response rate for inpatient areas and 15% for A&E) *The Shelford Group averages are based on 2015/16 averages as 2016/17 data not published till 12th May*	Inpatient (IP) 17.0% A&E 7.5% (overall scores April 16 to March 17) FFT KPI meetings introduced in February 2017.
			Exceed March 2016 position for FFT percentage of respondents likely and extremely likely to recommend the Trust's services by March 2017	IP 95.0% (overall scores April 2016 to March 2017) A&E 86.7% (overall scores April 2016 to March 2017)
			Achieve full compliance with Monitor Risk Assessment framework requirements regarding access to healthcare for people with a learning disability	Achieved
			Complete annual safeguarding work programme	On-going and on target
			QCR performance – achieve >85% for: - Involving Patients and Carers - Satisfaction with quality of food - Satisfaction with cleanliness - Satisfaction with effective pain management	95.5% 94.24% 94.8% 91.74%
			PET performance - achieve >85% for: Children and young people satisfaction things to do whilst in hospital	85.8% (overall scores 2016/17 year to date)
			End of life care - Individualised care plan utilised for 100% of patients at end of life (demonstrated through audit)	77%
			Develop new model to replace statutory midwifery supervision	Partnership work being undertaken with UHSM to develop model for implementation 2017/18

OUR SERVICES	Working as one team with GPs and social care colleagues so that local patients benefit from joined-up care services	6. Playing our part in transforming the health and social care system through supporting Greater Manchester Devolution, and the delivery of Locality Plans (particularly in Manchester and Trafford)	Integrated community health and social care teams established in all four neighbourhoods in Central Manchester by the end of June 2016	Established
			A Local Care Organisation established with the other Manchester health and social care organisations to deliver out of hospital services by March 2017	Established
			Specialty level plans, including timescales, for working more closely with UHSM and PAHT as a single acute hospital service developed by September 2016	Single hospital service programme underway with clear timescales for the creation of a single acute hospital service
			Key Stakeholder Communications & Engagement Strategy developed and implemented by March 2017	The Phase 1 Strategic Communications Strategy was approved through Trust Management Board at the end of January and the action plan is now being implemented
	Developing our specialist services such as heart and transplant surgery		Specialist service chain proposals developed and agreed with the GM Devo Team by March 2017	Discussion on-going
RESEARCH	Undertaking ground-breaking research to discover and develop new treatments	7 Strengthen and drive the translation of cutting-edge science into new tests and treatments that benefit patients	Application for NIHR** Biomedical Research Centre and Clinical Research Facility submitted by July 2016	BRC and CRF awarded Sept 2016 To start April 2017
			Precision Medicine Hub established on Campus by Autumn 2016	Precision Medicine project established Sept 2015
			Launch Clusterlabs project (onsite accommodation for biomedical companies) by Spring 2016	Citylabs 2 and 3 (formerly known as Clusterlabs) launched July 2016
			Pilot Technology & Innovation Adoption process for assessing and/or adopting new technologies within CMFT by Dec 2016	Pilot successfully completed. Process has been adopted to facilitate adoption of innovative technologies

	Giving as many of our patients as possible access to new and experimental treatments.	8 Drive engagement with research through participant recruitment, public and patient involvement (PPI)*, and communications *PPI in research can comprise using public and patient input to: shape the direction of our research; design studies in a way that maximises the retention of volunteers; and ensure patient information is accessible.	10% uplift in studies recruiting to time and to the target number of participants by Mar 2017 **The NIHR, National Institute for Health Research is the part of the Department of Health, which funds research. NIHR support of our facilities is indicative of the international quality of our research.	The Division has achieved a 10% uplift in studies recruiting to time and target at 58.5%
OUR PEOPLE	Providing the best quality assured education and training	9 Delivering excellent education and learning with the aim of further developing reputation, innovation and attracting and retaining a highly skilled workforce	Mandatory Training compliance at 90%	Corporate 94% Clinical 92%
			To be above average (as compared to benchmark group) for all indicators relating to pledge 2 of the staff survey 'to provide staff with personal development, access to appropriate training and education to do their jobs and line management support to enable them to fulfil their potential'	We are benchmarked as 'above average' for 1 of the 4 composite Key Findings, and 'average' for the remaining 3. We are 'above average; for number of staff having appraisals; we are average for quality of appraisals, quality of training and for support from immediate managers,
			10% increase in the number of apprentice starts	15% increase
	Developing our organisation, supporting the well-being of our workforce and enabling each member of staff to reach their full potential	10 Implement the OD Strategy, focusing on: developing a high performing, inclusive and values based culture that increases organisational resilience and agility and City of Manchester system leadership and integration (LCO)	Maintain the staff response rate (Staff Survey) to ensure it is either equal to or above the national average.	10% decrease. The national average was for our benchmark group was 40% Our response rate dropped from 42% to 32%. We are carrying out Pulse Checks each quarter in addition to the Staff Survey. Our response rate is still within the threshold for a 95% confidence rate in the results
			Maintain the staff engagement score (Staff Survey) to within the threshold for the highest 20% and those key findings where this was achieved this year	Our staff engagement score decreased, primarily due to 0.07 reduction in advocacy. We have seen an increase in staff reporting that they are able to make improvements in their workplace. We are benchmarked as 'above

				average' for two of the three Key Findings that make up the staff engagement score
			Continue to increase the number of key findings scoring in the top 20% of trusts by a minimum of 10% (Staff Survey)	We have 14 Key Findings that are categorised as 'above average' when benchmarked against acute and community trusts (17 in 2015). Additionally, we have 11 Key Findings that can be categorised as in the 'Top 20%' when benchmarked against acute trusts (14 in 2015).
			To have no key findings in the bottom 20% of acute trusts (Staff Survey)	We have 5 Key Findings that are categorised as 'below average' when benchmarked against acute and community trusts (4 in 2015). We have 1 Key Finding that can be categorised as in the 'bottom 20%' of acute trusts (2 in 2015).
			To achieve improvements in the areas where staff experience had deteriorated in 2015/16 (Staff Survey)	One statistically significant change to our Key Findings' results in 2015. Of the 8 Key Findings that showed a deterioration in the 2015 survey, 6 have seen an improvement in scores.
			To achieve improvement in Workforce Race Equality Standard (WRES) over the next 3 years	The final WRES data is not available until after 1st April. Progress will be reported in June 2017. We saw small improvements in the WRES in 2015/16.
		11 Implement the people strategy focussing on: workforce information and policies, workforce design and succession planning, attraction and resourcing; staff engagement; talent and performance management	Retention of staff more than 80% with over 12 months service	87.4% (Feb 2017)
			Vacancies reduced to 5% (all staff groups) by March 2017	7.7% (Feb 2017)
			Time taken to fill vacancies reduced to 65 days by March 2017	68.3 (Feb 2017)
			Maintaining attendance at 96.4%	95.0% (Jan 2017)
			Staff Engagement score for 2016/17 within top 20% of acute trusts	3.84 (Top 20% for acute Trusts = 3.89)
			Appraisal rates achieved at 90% for 2016/17	85.5% (Feb 2017)

		12 Develop a clear action plan and measurement framework to implement three year ED&I strategy	3 year plan in place and balanced scorecard developed to measure progress	A 3 year plan is in place and a BSC is being developed in partnership with key teams. Progress is being measured against the plan.
FINANCES	Remaining financially stable	13 Ensure short & medium term financial stabilisation, the on-going management of cash and ensuring the delivery of CIPs	Progressively reduce the monthly deficit month on month throughout the year	Position substantively improved from Month 8-11 now at £1.8M per month
			Maintain the Trust liquidity position	Liquidity Rating (NHSI returns) remains at 1
			Delivery of CIPs	In year delivery below planned levels. For 17/18 plans of £35M have been identified against a planning challenge of £50.1M
		14 To refresh the *'Going Digital'* Informatics strategy for 2016-21, following engagement and consultation on this with stakeholders	Updated strategy, reflective of stakeholder feedback and resource climate, approved by the Board of Directors (by December 2016)	Strategic Review completed and presented to Board of Directors February 2017. Existing Strategy extended pending creation of Single Hospital Service (SHS). New strategy to be created within first year of SHS.
			Delivery programme for 2016/17 clearly identified and executed (July 2016 and milestones thereafter)	2016/17 Informatics Programme agreed and executed in line with milestones. Programme delivery is overseen by Informatics Strategy Board (ISB).
			Benefits realisation reviews undertaken for all significant implementations achieved during 2015/16 (by September 2016)	Benefits realisation reviews completed and will be formally signed off at ISB March 2017.

Measuring our operational performance

- **Performance Governance**

CMFT's performance is measured against an extensive range of indicators and targets, which are set by the NHS nationally and also by our local commissioners. These indicators cover a wide range of areas, including: quality, clinical performance, patient safety and experience, finance, human resources and key performance standards subject to the regulatory framework. Some of the indicators within the contract are subject to the national Sustainability and Transformation Fund (STF) and therefore, delivery of the required target thresholds is associated with funding.

Furthermore, some indicators carry financial penalties if we do not achieve the required outcomes. More detailed information about these measures, and our performance against them during 2016/17, can be found in part two of the Quality Report starting on page 190.

- **External**

Organisational performance is subject to external governance through the formal contracting process and structures, whereby Commissioners oversee and seek assurance of Trust delivery against the national and locally agreed KPIs within the contract. These review meetings with commissioners enable our teams to ensure everything is on track to provide excellent care to our patients, and to manage financial and other resources effectively. Furthermore, the Trust is an active partner within the Greater Manchester (GM) economy and attends a number of Boards that are focused on GM performance against the planned and urgent care agendas.

- **Internal**

The Trust has a corporate governance structure in place to support the achievement of organisational performance against our key standards. The Trust Board of Directors is responsible for the oversight of CMFT performance which is underpinned by a number of Committees that provide scrutiny, risk management and seek assurance that standards will be achieved. Operational groups are in place that focus on planned and urgent care delivery, the outcomes of which feed into organisational committees and the Board of Directors. The corporate structure is mirrored within Divisions, which have in place Boards to oversee how the Division is performing against its strategy, plans and agreed standards and indicators. These are underpinned by operational meetings that focus on the day to day management of the broad agenda each Division needs to deliver.

The Trust corporate performance team strengthens organisational governance through supporting regular external and internal auditing of trust data to ensure compliance with national reporting rules, ensuring that learning and best practice from outside of the organisation is considered for adoption, liaison with the Trust external Regulator and Commissioners with regards to performance issues, a source of expertise and independent opinion on national standards and reporting rules to Divisional teams, and furthermore provide additional capacity and support to the Divisions to rectify and enable performance improvement.

- **Performance Reporting**

Information on organisational performance is available to Board members and Governors through the online Board Assurance Framework system, in a clear Red, Amber, Green (RAG) rated graphical format. Each Executive Director has responsibility for a range of indicators related to their areas of operation, and monitors progress on resolving any issues identified. The data within the system feeds the monthly Board of Directors integrated Trust Board Assurance Report that comprises quality, patient safety and experience, operational performance, human resources and financial performance. The report provides oversight of trends and historical performance, highlights areas of risk, factors impacting on performance and the actions being taken to bring performance back to the required standard.

The Trust uses a reporting and analysis platform to support the organisation to manage its services and performance. The system is available to all staff from Board to ward, who can view the system on a daily basis and access up to date performance information. The system is used to support the internal governance structure described above and any performance reporting required by external organisations.

In addition, our clinical and operational staff use the information to produce bespoke reports which analyse patient activity and assist with planning and administration as well as performance management tracking. Using this information tool reinforces that performance management is part of everyone's job.

- **Identifying and responding to trends**

All Trust performance reporting to the Board, Committees and underpinning operational groups, and our reporting and analysis platform includes trend analysis to provide early identification of any deterioration or positive improvement in performance. Using our reporting and analysis platform, we are continually tracking both performance and demand and adjusting our services to deliver the patient care that is needed.

Looking beyond our own hospitals and community services, CMFT works closely with the System Resilience Group covering Manchester and Trafford. This group assesses demand for health services across our entire local health economy, and collaborates on forward planning. Having robust CMFT performance information enables us not only to assess past performance delivery, but also to anticipate and plan for likely future demand alongside other Trusts, primary care and social services across Greater Manchester.

- **Our financial performance**

The Trust's financial out turn for 2016/17 was an operating surplus of £56.4m (2015/16: restated deficit of £16.6m) before taking account of donated asset income and impairments. This performance substantially exceeded the plan for the year. Improvements in our month-by-month operating performance over the second half of the year; reductions in the PDC dividend and depreciation charged to expenditure due to revisions to the carrying values of land & buildings assets (explained further in the paragraphs which follow); and more than double the original allocation of Sustainability Funding - received as a result of the scale of improvements delivered by the Trust - each contributed significantly to these results.

During 2015/16, the Trust had reviewed the valuation basis of the property and estate used to provide services, to ensure that it remains the most appropriate basis. This resulted in a change in the valuation basis of the land owned by the Trust, so that it is now valued by reference to alternate sites that may be available to provide the services from. During 2016/17, work was commissioned on the valuation of the buildings on the same basis – this resulted in a downward valuation on the Trust's buildings of £148m which has been recognised in the Statement of Comprehensive Income as part of the impairment charge for the year.

During 2016/17, we have also reviewed the carrying value of the PFI managed assets in the financial statements. Under rules which were clarified in the year, the recoverable VAT on these assets should have been excluded from the carrying value in the financial statements for 2015/16 and previous years. We have therefore restated prior year figures in relation to the value of this portion of the Trust's estate. This restatement reduced the depreciation charge previously reported for the Trust for 2015/16 by £1.9m and reduced the carrying value of property, plant and equipment previously reported for 2015/16 by £65.9m.

The Trust's financial plan for 2016/17 was to achieve a Use of Resources rating of '2' (with '1' being the best score achievable and '4' being the worst score). The results delivered at the end of the year achieved a rating of '1', as a result of our Capital Service Cover and Income and Expenditure Margin being better than plan.

Given the scale of the financial challenge for 2016/17 and future years, the Board committed itself to a process of 'Internal Turnaround' from January 2016, to drive stronger and more fully engaged processes for delivering a return to financial sustainability through the year. The scale of beneficial effects drawn through from the levels of engagement achieved - with wide-ranging contributions from thousands of our staff across front-line and support teams to improvements for our patients and more effective use of our resources - are tangible and visible throughout the Annual Report as well as in the financial results reported here.

Substantial further work will still be needed to consolidate the progress already made and to again rise to the further fresh annual efficiency challenge of another £26.5m in 2017/18.

Significant themes of this work for 2017/18 are as follows:
- Continuation of cross-cutting work streams to improve efficiency and productivity and thus further support effective and timely treatment for our patients across all of our services, delivering the further plans agreed with our main NHS Commissioners.
- Further reductions to run-rate overspending where excess costs of medical, nursing and other agency cover continue, despite the significant progress made on securing substantive staffing solutions across all services through 2016/17.
- Continuing programmes of supply chain efficiency and procurement savings through continuing effective engagement with our suppliers.
- Continuation of management controls on expenditure to reinforce and maintain financial discipline.

The Board has approved a Financial Plan for 2017/18 which contains a forecast surplus of £10.7m for this financial year, in line with the Control Total set for the Trust by NHS Improvement. As a result, the Trust's Use of Resources rating under NHS Improvement's *Single Oversight Framework* will remain at '2' (the second strongest level) in 2017/18.

The CMFT Charity

Central Manchester University Hospitals NHS Foundation Trust **Charity**

We are also the Corporate Trustee to the CMFT Charity (registration no 1049274) and have sole power to govern the financial and operating policies of the Charity so as to benefit from the Charity's activities for the Trust, its patients and its staff. The Charity is therefore considered to be a subsidiary of CMFT and has been consolidated into the accounts in accordance with International Financial Reporting Standards.

The accounts disclose the Trust's financial position alongside that of the Group which is the Trust and the Charity combined. A separate set of accounts and annual report are being prepared for the Charity for submission to the Charities Commission.
http://www.cmftcharity.org.uk/

Our impact on the environment
We are committed to being a leading sustainable healthcare organisation, and to carrying out our business with the minimum impact on the environment.

Our Sustainable Development Management Plan (SDMP) priorities are:
- To reduce our carbon footprint by a minimum of 2% year on year, through a combination of technical measures and staff behaviour change.
- To embed sustainability considerations into our core business strategy.
- To work collaboratively with our key contractors and stakeholders to deliver a shared vision of sustainability.
- To comply with all statutory sustainability requirements and implement national strategy.

During 2016/17, across the Trust we:
- Reduced total waste volumes by 4.5% compared with 2015/16.
- Recycled 210 tonnes of waste paper and 93 tonnes of cardboard.
- Invested over £200,000 in energy efficiency measures.
- Reduced single occupancy car travel by 4.3% and increased cycling by 3.4% over the same period through our Sustainable Travel Plan.
- Involved staff in a Green Impact campaign, which saved around £65,000 and generated 1,400 environmental improvement actions.
- Introduced initiatives to make our procurement more sustainable.

You can find more details about all these activities in our Sustainability Report on page 89 onwards.

Responding to social, community and human rights issues
Our Trust hospitals and community services provide care to diverse and complex communities in Manchester and Trafford.

Manchester wards such as Ardwick, Moss Side, Rusholme, Hulme and Longsight are some of the most deprived in the UK. They have higher than average emergency hospital admissions, cases of lung cancer, childhood obesity and teenage pregnancy. Areas such as Hulme face major challenges linked to deprivation with 49.5% of children living in poverty, compared to England's average of 27%.[1]

The life expectancy of Trafford residents is higher than the national average, with 79.4 years for men and 83.5 years for women, compared to a national average of 78.3 for men and 82.3 for women. 14.5% of the residents are from a black or minority ethnic (BME) population, compared to a BME population of 9.8% for the North West region, and 14.6% for England.

In Trafford, it is estimated that there will be a 23% increase in the number of people aged 65 and above, from 2008 to 2025.

It is expected that there will be 25% more people aged 65 to 69 years and a 56% increase in the number of people aged 85 years and above in the same timeframe.

Over 33,000 people in Manchester (almost 1 in 10 working age residents) are inactive in the labour market due to a health condition, accounting for over half of all key working age benefit claimants in the city.

Manchester has a vibrant and diverse population with 33.4% of residents from ethnic minority groups, an estimated 35,750 lesbian, gay and bisexual people living in the city and 153 languages spoken.

During 2016/17 we delivered the first year of our action plan to implement the three-year Equality, Diversity & Inclusion (ED&I) strategy. Our strategy sets out our vision and aims for the Trust and the communities we serve, and builds on the effective ED&I policies already in place. We consulted with over 450 people and organisations, and by listening to what they had to say we have built a strategy that focuses on what is important to the Trust and its people. The new strategy was approved by the Board of Directors in November 2015.

This year we have continued to grow our staff diversity networks, deliver on our plan for improving our Workforce Race Equality Standards and our divisions have continued their great work on the Equality Delivery System. In addition to equality impact assessing all policies, we have also have built equality impact assessments into our new business plans for delivering efficiencies.

Our widening participation programme has continued to deliver outstanding access to employment and opportunities for our local communities. Every year we run events, conferences, training and activities across the Trust to help provide inclusive care for our patients and staff. We are really proud in 2016/17 to host the Greater Manchester Careers Hub which is actively promoting careers in health to young people across the Greater Manchester area.

More details about our policies and performance can be found in our ED&I Report starting on page 99.

[1] Statistics from the State of the City Report 2014
http://www.manchester.gov.uk/info/100004/the_council_and_democracy/6469/state_of_the_ci ty_report

- **Case study: involving the LGBT and BME communities in research**
Dr Manju Luckson from CMFT's Research and Innovation Division was named as the 2016 Equality and Diversity Champion at our annual 'We're Proud of You' staff awards.

Manju was nominated by three colleagues for her role in organising a campaign to recruiting participants from the Lesbian, Gay, Bisexual and Transgender (LGBT) community to take part in research. She worked closely with research colleagues to help them understand the issues faced by LGBT patients and to enable them to feel confident about approaching these patients and meeting their specific needs.

She has also dedicated a huge amount of effort to working with her colleagues to encourage more people from Black and Minority Ethnic (BME) groups to consider participating in research studies. The awards judging panel praised Manju for actively promoting diversity and as a great example of role modelling and inclusivity.

Recognising exceptional performance by our staff
The outstanding performance, skills and innovation of a wide range of CMFT staff have been recognised with regional, national and international awards during 2016/17. The individuals and teams who won these accolades included:

- **Children's Clinical Research Facility**, outstanding contribution to research award, Greater Manchester Research Awards
- **MREH**, AbbVie's Sustainable Healthcare 'Patients as Partners' Award
- **RMCH,** "Kid's Hospital: Your Child in Their Hands", Royal Television Society North West Award
- **Professor Deborah Symmons**, Distinguished Member Award, British Society for Rheumatology
- **CMFT Sodexo team**, Waste Management Team of the Year, 2016 Sodexo Service Excellence Awards
- **Mr Stephen Charles**, MREH, The Ophthalmologist Magazine's Top 100 Most Powerful List 2016
- **Bernie Ryan**, Saint Mary's Sexual Assault Referral Centre (SARC), appointed OBE
- **Stephanie Slater**, Paralympian and CMFT volunteer, appointed MBE
- **Steve Mycio**, former Chairman of CMFT, appointed OBE
- **Dr Cath White**, Saint Mary's Sexual Assault Referral Centre (SARC),, BBC's 100 Inspirational Women for 2016
- **Emergency Team** in the UK top three for 24/7 Quality in Emergency Care, CHKS Top Hospitals Awards.
- **Saint Mary's Sexual Assault Referral Centre**, monitoring, reporting and evaluation category winners, Patient Experience National Network Awards
- **Dr Emma Crosbie**, Saint Mary's, highly commended in the NIHR New Media Competition
- **Organisational Development and Training (OD&T)** - Team Outstanding Achievement – Non Clinical, NHS NW Leadership Recognition Awards 2016
- **Helen Ashley Taylor**, Points of Light Award for ICU Hear Project pioneered at MRI
- **Acute Care Team and Informatics**, 'Best Improvement in Patient Safety', NW Connect Conference 2016
- **CMFT** ranked 23rd in The Inclusive Top 50 UK Employers List
- **Geraldine Thompson**, 3 awards, Institute of Medical Illustrators Professional Awards
- **Newton Heath Health Visiting Team** won the Journal Of Health Visiting Team of the Year Award in March 2017
- **Debra Armstrong**, in partnership with the Estates & Facilities, Sodexo, Patient Experience and Quality Improvement teams, won the Patient Experience National Network Environment of Care Award for their work on the Perfect Dining Week in March 2017

Over 270 nominations were received for our annual **'We're Proud of You Awards'**, which recognise teams and individuals who go the extra mile to provide excellent patient care and to support their colleagues.

The Ward 31 team at Manchester Royal Infirmary were chosen by Chief Executive Mike Deegan to receive the Outstanding Achievement Award from among all the finalists and winners. This team, which included nursing, medical, spiritual and domestic staff, went the extra mile to provide a real gold standard in end of life care.

They helped one of our patients to get married on the ward before she sadly passed away just 48 hours later. Staff bought flowers, chocolates and wine to help the couple celebrate, and a nurse was honoured to be their bridesmaid. The whole team demonstrated the care and compassion that we should all aspire to in providing the best possible experience for our patients and their families.

Key priorities and performance for 2017/18
Each year, through our annual planning process we agree, in discussion with our Council of Governors, a set of key priorities – these are the must-dos for the coming year and are developed in the context of our vision and strategic aims. The summary plan below links our key priorities for 2017/18 to our vision and strategic aims.

The Trust's Operational Plan sets out in detail how we plan to achieve our key priorities and meet all our quality, operational and financial requirements for 2017/18, and our summary operational plan is available on our website at http://www.cmft.nhs.uk/your- trust.

Strategic Aims	Key Priorities - What we need to do in 2017/18	Metrics - How we will know we have delivered
To improve patient safety, clinical quality and outcomes	1. Delivering safe, harm-free care focusing on evidence based pathways, supervision and clinical leadership and embedding CMFT Clinical Standards in day to day practice	Improvement on 2016/17 position for Never Events achieved Improvement on 2016/17 position for Mortality - Hospital Standardised Mortality Ratio, Summary Hospital-level Mortality Indicator, crude mortality achieved Improvement on 2016/17 position for 7 day services achieved
	2. Ensure professionally informed, evidence based nursing and midwifery establishments supported by recruiting and retaining an engaged workforce able to respond to future care delivery needs.	Band 5 staff nurse vacancies reduced from 2016/17 level Improvement on 2016/17 staff survey results for nurses & midwives achieved Spend on Locum & Agency staff reduced from 2016/17 level
	3. Achieve all key NHS commissioned standards and deliverables, including access and quality outcomes	4hr emergency access target delivered Waiting time targets delivered National quality outcome measures achieved

Strategic Aims	Key Priorities - What we need to do in 2017/18	Metrics - How we will know we have delivered
	4. Delivery against the Trust's Transformation strategy with the aim to reach the top decile for quality - clinical outcomes, safety, patient and staff engagement & experience and operational efficiency measures.	Average length of stay reduced from 2016/17 level Theatre utilisation improved on 2016/17 Improvement on the 2016/17 position for National Patient Survey achieved
To improve the experience for patients, carers and their families	5. Deliver well-led compassionate, individualised care in partnership with patients and families in appropriate environments, safeguarding vulnerable people	Improve on 16/17 Friends & Family Test % likely/extremely likely to recommend CMFT Full compliance with requirements for access to care for people with a learning disability Individualised care plans utilised for all patients identified as at end of life
To develop single services that build on the best from across all our hospitals	6. Playing our part in transforming the health and social care system through supporting Greater Manchester Devolution, the delivery of Locality Plans (particularly in Manchester and Trafford) and achieving a successful merger with UHSM	Integrated health and social care teams established across Central Manchester Achieve Competition and Markets Authority approval for merger with UHSM Achieve approval for development of CMFT led specialty chains across GM
To develop our research portfolio and deliver cutting edge care to patients	7 Strengthen and drive the translation of cutting-edge science into new tests and treatments that benefit patients	Progress toward a full set of translational infrastructure Development of Citylabs 2 and 3 Competence established in advanced therapeutics (e.g. Gene Therapy)
	8 Drive engagement with research through participant recruitment, public and patient involvement (PPI), and communications	Number of patients taking part in research studies increased on 2016/17 levels
To develop our workforce enabling each member of staff to reach their full potential	9 Delivering excellent education and learning with the aim of further developing reputation, innovation and attracting and retaining a highly skilled workforce	Mandatory Training compliance at 90% 10% increase in the number of apprentice starts achieved Above average score in staff survey for providing staff with personal development
	10 Implement the Organisational Development Strategy, focusing on: developing a high performing, inclusive and values based culture that increases organisational resilience and agility and City of Manchester system leadership and integration (Local Care Organisation).	Maintain the 16/17 response rate to Staff Survey Staff engagement score achieved within the top 20% Number of key findings scoring in the top 20% increased on 2016/17
	11 Implement the people strategy focussing on: workforce information and policies, workforce design and succession planning, attraction and resourcing; staff engagement; talent and performance management.	Retention of staff (over 12 months service) rate >80% achieved Vacancies reduced to 5% (all staff groups) Time taken to fill vacancies reduced to 65 days
	12 To deliver the Equality, Diversity and Inclusion Strategy 2016-2019 Action Plan and to develop a strategy for working in partnership with the communities we serve.	3 year plan in place and progress tracked Annual Report produced

Strategic Aims	Key Priorities - What we need to do in 2017/18	Metrics - How we will know we have delivered
To achieve financial sustainability	13 Fully deliver our control total for the year through ensuring short and medium term stabilisation, the full delivery of the identified financial improvement savings target and the on-going management of cash	Monthly deficit progressively reduced throughout the year Trust liquidity position maintained Cost improvement programmes delivered
	14 To refresh the *'Going Digital'* Informatics strategy for 2016-21, following engagement and consultation on this with stakeholders	Information Management and Technology strategy reviewed (IM&T revised strategy deferred in line with Single Hospital Service).

2. Accountability Report

2.1 Directors' Report

The CMFT Board of Directors is responsible for preparing the Trust's annual report and accounts. We believe that, taken as a whole, the report and accounts is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess CMFT's performance, business model and strategy.

In preparing this report, the Directors have ensured that so far as we are each aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.
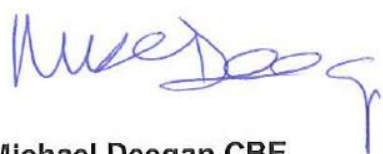
Each Director has also:
- made such enquiries of his/her fellow directors and of the Trust's auditors for that purpose; and
- taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the Trust to exercise reasonable care, skill and diligence.

The Board of Directors is responsible for determining the Trust's:
- strategy, business plans and budget
- policies, accountability, audit and monitoring arrangements
- regulation and control arrangements
- senior appointment and dismissal arrangements.

The Board is also responsible for approving the Trust's annual report and accounts and ensuring that CMFT acts in accordance with the requirements of its Foundation Trust license.

Sir Michael Deegan CBE
Chief Executive
26th May 2017

Board of Directors' Profiles

Mrs Kathy Cowell OBE DL, Chairman (Appointed Chairman November 2016. Previously Non-Executive & Senior Independent Director March 2013-November 2016)
A banker by profession, having worked for Cheshire Building Society for 24 years until taking early retirement in 2006.

Past roles include:
* Chairman of the Queen's Award for Voluntary Service
* Chairman of the Cheshire & Merseyside Courts Board since its inception in April 2004
* A member of the Lord Chancellor's Advisory Committee on the appointment of Justices of the Peace
* A member of the Manchester United Foundation
* Chairman of Your Housing Group (a social housing provider)

Kathy has held several Chairman & Non-Executive roles in health, in both the provider and commissioner roles including Chairman of the East Cheshire NHS Acute Trust; NHS Cluster/PCT Chairman; and Vice Chairman of Warrington Hospital NHS Acute Trust.

Current roles include:
* Deputy Lieutenant of Cheshire
* Ambassador for Diversity in Public Appointments
* Panel member for Queens Volunteers Awards (QVAs)
* High Sheriff of Cheshire (ends March 2017)
* Vice Chair of Cheshire Young Carers.

Mr Steve Mycio OBE, Chairman (January 2015 –November 2016) Qualified as a Fellow of the Chartered Institute of Housing.

* Interim Chief Executive, Office of the Police Commissioner, Greater Manchester (March – September 2014)
* Deputy Chief Executive, Manchester City Council (1998 - retired September 2011)
* Background in Housing Management and Regeneration culminating in the role of Director of Housing (1992-1998)
* Board member of Manchester United Foundation Charity
* Deputy Chair of Governors at Manchester Health Academy

Sir Michael Deegan CBE, Chief Executive (Appointed September 2001)
Holds a first degree in Law and a Masters degree in Industrial Relations from the University of Warwick.

* Previously Chief Executive at Warrington Hospital and then North Cheshire Hospitals NHS Trust
* Involved in the preparation of the Government's NHS Plan in 2000
* Held post of Director of Human Resources for the NHS
* Has worked widely across the public sector including roles in local government and education
* Chair of the Shelford Group of Foundation Trusts (2016/17).

Mrs Gill Heaton OBE, Deputy Chief Executive (Appointed December 2001) Undertook nurse training at the Manchester Royal Infirmary in the late 1970s. Trained as a Health Visitor within community services. In the early 1990s completed the General Management Training Scheme.

- Held Executive Director roles for over 20 years in a variety of leadership positions
- April 2007 designated as the Deputy Chief Executive
- Previously held roles of Chief Operating Officer and Chief Nurse
- Worked as a senior nurse in various clinical areas, such as intensive care and medical wards
- Has held senior management posts in large acute Trusts, including Mental Health, as well as leading the General Management Training Scheme for the North West Region
- Chair, Manchester Provider Board

Professor Robert Pearson, Executive Medical Director (Appointed April 2006) BSc, MB ChB (Hons) MD FRCS Trained in Manchester, London and Nottingham.

- Responsible Officer for CMFT
- Appointed Consultant Surgeon MRI 1990
- Spent 12 years on the Northwest Surgical training committee, the last four as Chair and Programme Director for General Surgery and associated subspecialties
- Previously Clinical Head of the Division of Surgery
- Previously Chair of the NHS National Technology Adoption Hub Stakeholder Board
- Member of Executive Management Team, Manchester Academic Health Science Centre (MAHSC)
- MAHSC representative on Greater Manchester AHSN (Academic Health Science Network) Strategic Board

Mr Adrian Roberts, Executive Director of Finance (Appointed May 2007) Qualified as a Chartered Certified Accountant in 1988 and designated a Fellow of ACCA in 1994. Honours degree in Modern History, University of Oxford, 1984.

- Executive Director of Finance since May 2007
- Prior to joining the Trust, 16 years' experience as an NHS Director of Finance, predominantly in Stockport, including securing Stockport's authorisation as one of the first 10 Foundation Trusts in April 2004

Mrs Margot Johnson, Executive Director of Human and Corporate Resources (Appointed May 2013)
Worked in the NHS for over 30 years, mostly within Human Resources. Is a fellow of the CIPD. Holds a Masters in Strategic HRM and is a qualified coach.

- First started work in Finance but after 3 years took the opportunity to transfer into Human Resources. Has worked across all sectors of the NHS but mostly in the Acute hospital environment.
- During career she worked in generalist HR roles and has also specialised in Workforce Planning, Organisational Development and Medical Staffing and as part of a team responsible for developing a privately financed NHS hospital, from business case through to opening.

- Has also spent a short period working in general management and took a secondment to work as part of a multiagency inquiry team, working alongside the police, Social Services and Education.
- A HR Director in teaching hospitals for 13 years.

Mrs Julia Bridgewater, Chief Operating Officer (Appointed September 2013) Julia has over 30 years' experience in the NHS, holding a range of operational management roles across the acute sector.

- Joined NHS Graduate Training Scheme in 1984 after completing a degree in Theology at the University of Manchester. She has spent the majority of her career in the acute sector in the West Midlands, in various roles, including managing Surgery, Orthopaedics, Business Planning and Service Development.
- Appointed Chief Executive of the University Hospital of North Staffordshire NHS Trust (UHNS) in 2007 where she guided the hospital through a period of turnaround.   UHNS was successful in having approved a £400 million PFI Scheme in May 20007 and services were transferred to the single site development in 2012.
- Lead Shropshire Community Trust for a period of six months before joining CMFT.

Mr Darren Banks, Executive Director of Strategy (appointed April 2015) Darren is a qualified accountant and has held senior financial and operational management positions within the NHS.

- Director of Strategy for CMFT since April 2006 and has led a number of major organisation-wide initiatives including the successful Foundation Trust application in January 2009, the acquisition of Trafford
- Healthcare Trust in April 2012 and played a pivotal role in the establishment of the Greater Manchester Major Trauma Centre Collaborative - a delivery mechanism for genuine cross-institutional working.
- Member of the Greater Manchester Devolution Transition Team, which is helping to shape the future governance arrangements linked to this historic agreement.
- Responsible for all aspects of strategic planning and for providing a robust framework for the development of corporate and service strategy.
- Manages many of the Trusts major stakeholder relationships and works closely with our hospital leadership teams to ensure appropriate strategic positioning to deliver our vision.

Mrs Cheryl Lenney, Chief Nurse (appointed July 2015)
Cheryl has over 35 years' experience as a nurse and a midwife. She is the Director of Infection Prevention and Control and is accountable for nursing and midwifery on the Board of Directors

- Trained as a nurse in Blackpool and as a midwife in Cornwall.
- Gained the Advanced Diploma in Midwifery at Saint Mary's Hospital
- Completed a Masters in Health Service Management at Manchester University.
- Has held a number of senior nursing and leadership roles across the NHS including Head of Midwifery and Director of Nursing.

Mr Anthony Leon, Non-Executive Director & Deputy Chairman (Appointed April 2001)
A Chartered Accountant who was Managing Partner of the Manchester practice of Binder Hamlyn for 15 years

- Director of Bright Futures Educational Trust
- Previously Chairman of the Mancunian Community Health NHS Trust, from 1995 to 2001
- Treasurer of The University of Manchester Institute of Science and Technology to 2003
- Chair of the Audit Committee
- Deputy Lieutenant in the County of Greater Manchester

Professor Rod Coombs, Non-Executive Director (Appointed 2016)
Deputy President and Deputy Vice Chancellor University of Manchester. BSc in Physics, and MSc and PhD degrees in the economics of innovation and technical change.

- After a short period at the beginning of his career working in laboratory research, he switched to social science. Worked for over 25 years on analysing the role of technical change in the economy; the management of R&D and innovation processes in large companies; and the role of government policy in promoting innovation in the economy.
- In 1993 became the first Professor of Technology Management at UMIST. During that period he initiated and ran several large collaborative research programmes, and also worked as a consultant to a number of large research- intensive companies, as well as advising national and European government agencies.
- In 2002 he became a Pro-Vice-Chancellor of UMIST, and was heavily involved in the project to merge UMIST with the former Victoria University of Manchester to create a new University of Manchester (which legally came into existence in October 2004).
- In 2004 he was appointed as one of the Vice-Presidents of Manchester University and had responsibility for various aspects of Knowledge Transfer, Research and External Relationships.
- In August 2010 he became Deputy President and Deputy Vice Chancellor of Manchester University.

Mr John Amaechi OBE, Non-Executive Director (appointed March 2015) Psychologist and former professional basketball player.

- Works extensively with both public and private sector companies throughout the UK, Europe and USA as an executive coach. His specialist field is organisational change, particularly in the areas of motivation, engagement and leadership.
- Global ambassador for Amnesty International
- Member of the Greater Manchester Police and Crime Commissioner Ethics Committee
- Held a number of high profile positions including Non-Executive Director of the Inclusion Board of the 2012 Olympic Games in London.
- Involved with NHS leadership North and South West and the NHS Inclusive Leadership masterclass programme.

Mr Anil Ruia OBE, Non-Executive Director (appointed March 2015)
Anil is a director of a Manchester textile firm and Chairman of a tea company in India.
- Chair of the Governing Body of The University of Manchester
- Board member of the Higher Education Funding Council

- Previously was High Sheriff of Greater Manchester 2010-2011
- He has many external interests which involve supporting local community, business, educational and charitable organisations.
- Previously Chair of the Arts Council North West and a Board member of the Arts Council England. Board member of the North West Development Agency and the North West Cultural Consortium, a Trustee of National Museums Liverpool. Also a Governor of Manchester Grammar School and a Non-Executive Director at Granada Television.

Mrs Chris McLoughlin Non-Executive Director (appointed October 2015) Chris's professional background is in nursing and social work, and she is Director for Safeguarding and Prevention at Stockport Metropolitan Borough Council.

- Worked as a nurse in Manchester Royal Infirmary in the 1980s and subsequently became a social worker based in a community team in central Manchester.
- Held a number of key leadership roles in Manchester City Council in Children and Family Services (1992-2009).
- Joined Stockport Metropolitan Borough Council in 2009 as Director for Social Care and Health
- Since October 2012 has been responsible for the multiagency Safeguarding Children's Unit and all Integrated Children's Services including Social Care, Health, Youth Offending , Drug and Alcohol services for young people, parent support and Early Intervention teams
- Chair of Greater Manchester (GM) Teaching Partnership
- Represents the GM Directors of Children's Services on the GM Mental Health Executive and also the GM Justice & Rehabilitation Executive

Dr Ivan Benett, Non-Executive Director (appointed January 2016)
Ivan has worked as a GP in Central Manchester for 30 years, and is Clinical Director of NHS Central Manchester Clinical Commissioning Group (he retires from this post and clinical practice in August 2016).

- Primary Care Champion for Greater Manchester Healthier Together Programme
- Member of NICE Quality Standard Advisory Committees
- Previously Professional Executive committee (PEC) Chair with NHS Central Manchester Primary Care Trust.
- Has worked in general practice since 1985, and was the first honorary consultant in primary care at the Manchester Royal Infirmary.
- Trained at CMFT, and was a junior doctor at Saint Mary's Hospital and MRI.

Professor Colin Bailey, Non-Executive Director (appointed March 2016) Colin has been the Deputy President and Deputy Vice-Chancellor at The University of Manchester since January 2015.

- Chair and Trustee of The Northern Consortium Board
- Co-Chair and Trustee of 'Find a Better Way'
- Chair of the Governing Board of the Knowledge Centre for Materials Chemistry
- Chair Panel 1 of the Membership Committee at The Royal Academy of Engineering Member of the Manchester Museum of Science and Industry Advisory Board.

- Joined the University in 2002, where his roles have included Vice- President and Dean of the Faculty of Engineering & Physical Sciences (2009-2015) and Head of School of Mechanical, Aerospace and Civil Engineering (2007-2009).
- Previously a Principal Engineer at The Building Research Establishment
- Contributed to Manchester's strategy and vision for the Northern Powerhouse
- Was a member of the Steering Group for the NW Business Leadership Team.

Mr Nicholas Gower, Non-Executive Director (appointed March 2016) The majority of Nic's executive career, twenty-three years, was spent as a partner in PricewaterhouseCooper LLP (PWC).

- Non-Executive Director of both the Furness Building Society (since 2014) and the Seashell Trust (since 2007) - he also chairs the Audit Committee of both organisations
- Board nominated Governor of the Royal School Manchester for Seashell.
- Leadership roles at PWC included Partner Lead on Assurance Quality and Risk Management for the Northern business and Leader of the Regions Valuation Team.
- Joined Coopers & Lybrand (now PWC) in 1985 as a manager, having begun his career at Spicer & Pegler (now merged with Deloitte).

Attendance at Board Meetings

	May 16	Jul 16	Sept 16	Nov 16	Jan 17	March 17
Kathy Cowell Non-Executive Director (until November 2016) and Chairman (from November 2016)	✓	✓	✓	✓	✓	✓
Steve Mycio Chairman	✓	✓	✓			
Sir Michael Deegan Chief Executive	✓	✓	✓	✓	✓	✓
Professor Robert Pearson Medical Director	✓	✓	✓	✓	✓	✓
Gill Heaton Deputy Chief Executive	X	✓	✓	✓	✓	✓
Margot Johnson Executive Director of Human & Corporate Resources	✓	✓	X	✓	✓	✓
Adrian Roberts Executive Director of Finance	✓	✓	✓	✓	✓	✓
Julia Bridgewater Chief Operating Officer	✓	✓	✓	✓	✓	✓
Darren Banks Executive Director of Strategy	✓	✓	✓	✓	✓	✓
Cheryl Lenney Chief Nurse (appointed July 2015)	✓	✓	✓	✓	✓	✓
Anthony Leon Non-Executive Director and Deputy Chairman	✓	✓	✓	✓	✓	✓
Professor Rod Coombs Non-Executive Director	✓	✓			✓	X

John Amaechi Non-executive Director	✓	✓	✓	✓	X	✓
Anil Ruia Non-Executive Director	X	✓	✓	✓	X	X
Chris McLoughlin Non-Executive Director (appointed October 2015)	✓	✓	✓	✓	✓	✓
Dr Ivan Benett Non-Executive Director (appointed January 2016)	✓	✓	✓	✓	✓	✓
Professor Colin Bailey Non-Executive Director (appointed March 2016)	✓	✓	X	X	✓	X
Nicholas Gower Non-Executive Director (appointed March 2016)	✓	✓	✓	✓	✓	✓

✓ attended the meeting, X did not attend the meeting,   not applicable

The Trust maintains a Register of Interests for directors, which is open to the public. This can be accessed on the Board of Directors page of our website:
http://www.cmft.nhs.uk/your-trust/meet-the-board-of-directors

The Trust maintains a Register of Interests for governors, which is open to the public. This can be accessed on the Meet the Governors page of our website:
http://www.cmft.nhs.uk/foundation-trust/council-of-governors/meet-the-governors

To communicate with the Board of Directors, please contact the Director of Corporate Services/Trust Secretary by email trust.secretary@cmft.nhs.uk or telephone **0161 276 6262**

Financial compliance

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

The Trust has made no political donations during the financial year (2015/16: nil)

The Better Payment Practice Code requires the Trust and the Group to aim to pay all undisputed invoices by the due date, or within 30 days of receipt of goods or a valid invoice, whichever is later.

The Trust continues to process all ordering and receipting of goods and services via an electronic purchase to pay system and this is reflected in the overall performance. The results in 2016/17 were, overall, 95% (96% in 2015/16) by volume and 94% (93% in 2015/16) by value of invoices paid within the target of 30 days.

No payments were made under the Late Payment of Commercial Debts (Interest) Act in either 2016/17 or 2015/16.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of

goods and services for any other purposes. Central Manchester University Hospitals NHS Foundation Trust has complied with this requirement and is satisfied that the income received from provision of non-NHS goods and services does not have any significant impact on the provision of NHS goods and services for the purposes of the health service in England.

Enhanced quality governance reporting

We have a number of arrangements in place to govern service quality, including our Board Assurance Framework, internal Quality Reviews, Quality Committee, Clinical Effectiveness Committee and Clinical Accreditation Programme.   These are explained in more detail in the Annual Governance Statement on page 126 onwards, and within the Quality Report on from page 188 onwards.

We use NHS Improvement's quality governance framework to help us reach our overall evaluation of the Trust's performance, internal control and board assurance framework and a summary of action plans to improve the governance of quality.

Patient care

Providing high quality, safe and compassionate care to patients and their families is at the heart of what we do each and every day.

In our Quality Report, you can read more about how we performed in meeting key health care targets, the way we monitor improvements in the quality of the healthcare services we provide and our progress towards meeting national and local targets (page 191 onwards)

We have listened to the views and experiences of our staff and patients, the wider public and our commissioners throughout our drive for consistent quality across all our services. Here are just some of the highlights of the quality improvement and service transformation programmes we have carried out over the past year.

1. *New services and patient care projects introduced in 2016/17*

- **Unique exercise and nutrition approach for cancer patients**

An innovative project to provide physical and nutritional support pre-surgery to patients diagnosed with hepato and pancreatic cancers is seeing positive results for patient recovery and outcomes.

Led by Derek O'Reilly, Consultant Surgeon, the year-long 'Prehabilitation and Enhanced Recovery' project (ERAS+) is being funded by Macmillan Cancer.

Cancer patients are well known to suffer from involuntary weight loss and muscle wasting at diagnosis and this is highly prevalent in HPB cancers, especially pancreatic. Patients who suffer malnutrition and loss of muscle strength are well documented to have increased complication rates and length of stay after surgery."

By bringing together both physiotherapists and dieticians together with the consultant team prior to surgery, patients can be supported to ensure they remain exercising and have the right nutritional intake to help them recover quicker.

The project is expected to show that this unique approach pre-surgery can reduce lengths of stay and mean there are fewer complications because our patients are fitter when they have surgery.

- **Staff share more to help them care**

Dr Katherine Potier, Consultant in Emergency and Paediatric Emergency Medicine, introduced Schwartz Rounds at CMFT in July 2016.

Schwartz Rounds originated in Boston, USA and were established to allow all staff to meet once a month for an hour to discuss and reflect on the emotional impact of their work in a supportive and confidential setting. They are for every member of our staff, both clinical and non-clinical. By sharing their own stories on a regular basis, staff are able to show compassion to each other and themselves, and remain compassionate towards their patients.

A typical Round would have three or four staff on a panel presenting a case or speaking to a theme that raises emotional issues. Staff in the audience then discuss the topic and share their own experiences of similar cases and experiences. Over 150 acute Trusts are running them in the UK, and they have been highlighted by the Francis Report as a mark of excellence.

Formal evaluation of Schwartz rounds in the UK has shown an increased empathy for patients, reduced staff stress, and increased confidence in handling sensitive and non-clinical issues.

- **New nurse-led clinic improves patient care**

Over 100 ward admissions have been saved through a Nurse Led Rapid Access Ascitic Drain Service for hepatology and gastroenterology patients.

Until recently, most of our patients came through the acute medical wards to have their ascites drained. They often had to wait for days in discomfort for a bed to become available and some patients ended up going through A&E as their symptoms became so severe. Once on a ward, patients could still wait some time before draining and the stay in a hospital bed would be a minimum of one or two nights, often more.

The new service became fully operational in June 2016 and since then:
- There has been specialist advanced practitioner training to insert ascitic drains
- Collaboration with the Specialist Medicine Day Unit (SMDU) enables patients to have their ascitic drains performed as a day case.
- Patients now have the benefit of a direct line to the paracentesis service and specialist care. If they require a drain this can be done often the next day or certainly within a few days on SMDU. Patients attend early in the morning for drain insertion and following removal of the drain are discharged late afternoon/early evening of the same day.
- The patient experience has improved dramatically.

We have seen clear benefits in reduced ward admissions and lengths of stay.

- **Bionic eye implants for blind patients**

Five blind Manchester patients are among the first in the country to receive revolutionary bionic eye implants funded by the NHS.

NHS England will provide funding for further testing of the Argus II, also known as the Bionic Eye, for ten patients with Retinitis Pigmentosa (RP), an inherited disease that causes blindness. Five of these procedures will take place at the Manchester Royal Eye Hospital (MREH) in 2017, with the other half at Moorfields Eye Hospital in London.

Surgeons at Manchester and Moorfields made history by delivering the world's first trial of the Argus II bionic eye implants in RP. MREH surgeons also performed the first ever bionic eye implant on a patient with age-related macular degeneration (AMD) in 2015.

Patients using the system, developed by American company Second Sight Medical Products, are given an implant into their retina and a camera mounted on a pair of glasses sends wireless signals direct to the nerves which control sight. The signals are then 'decoded' by the brain as flashes of light.

- **New-look Urgent Care Centre for Trafford**
The Trafford Urgent Care Centre (UCC) and Walk-in Centre at Trafford General Hospital joined forces in October 2016.

Patients no longer have to decide where to go for urgent health advice and treatment at the Trafford General site, as there is now a single 'front door' and a single assessment process, where patients will be directed to the most appropriate part of the service.

The service is staffed by GPs, experienced advanced and emergency nurse practitioners, amongst other clinicians, and operates between the hours of 8am and 8pm, seven days a week. The new enhanced model of care provides Trafford patients with a safe and effective service that will meet their urgent care needs. Providing the two services with a single point of access takes away any confusion about where's best to go for patients

New approach helps to detect and treat pancreatic cancer faster
Pancreatic cancer has the lowest five year survival of any cancer in Europe. Some of the reasons for such poor outcomes are delays in diagnosis and treatment. Experts at CMFT believe that pancreatic cancer should be treated as an oncological emergency, and have been instrumental in setting up the Manchester Cancer Jaundice Pathway. Most patients with pancreatic cancer initially have jaundice when they go to see their GP or a specialist.

The key innovations in this new pathway are:
- Same day definitive radiological imaging for patients presenting with obstructive jaundice not due to gallstones. The purpose is to enable earlier diagnosis and timely referral and to improve patient experience.
- Fast-track referral for jaundiced patients with pancreatic cancer for early surgery. The aim is to reduce overall complications and prolong survival.

One-stop jaundice clinics based on the Manchester Cancer Jaundice Pathway template have been established at CMFT, Macclesfield Hospital, Pennine Acute Trust, Stepping Hill Hospital and Salford Royal Hospital.

These clinics deliver same day imaging, have a high cancer pick up rate (24%) and facilitate timely diagnosis and treatment. Fast-track surgery for pancreatic cancer is feasible and safe and greatly reduces time to treatment.

Between 1st January 2016 and 1st October 2016, there were 31 referrals for fast-track (same week) pancreatic surgery, of which 15 proceeded (16 did not go ahead for clinical or other reasons.) Comparing information from before and after the new pathway was implemented, time from ultrasound and CT scan to surgery has decreased from 57 and 33 days pre-pathway to 13 and nine days respectively post pathway.

- **Helping young people to talk about health**

A new school nurse messaging service for young people was launched by our school health service across Manchester in April. ChatHealth is a new way for young people to get advice and support around health related issues direct from the School Nurse service.

It is a safe and secure messaging service which protects confidentiality and anonymity and is monitored by a small team of trained nurses. Young people aged between 11 and 16 can text for advice on all kinds of health issues, such as sexual health, emotional health and wellbeing, bullying, healthy eating and any general health concerns.

The aim is to further improve access to healthcare for young people and to continue to improve the quality and safety of the service whilst working in a young people friendly manner. The new service has been championed by one of our school nurses, Anna Davies.

2. Transforming Care for the Future programme

In 2014 we set out our ambition to be in the top ten per cent for quality through our 'Transforming Care for the Future' (TCF) strategy, which would save 230 extra lives and enable 26,000 more inpatients to have a good experience whilst in our hospitals.

We launched our three-year strategy to staff at an event in February 2015, outlining our intention to build upon the good work within our hospitals, co-ordinating large scale improvement projects to promote best practice both from elsewhere in the Trust and further afield, ensuring care is not just 'good' but 'great'.

The key measures for success align to the overall Trust's key indicators for patient experience, staff engagement, mortality, operational and financial targets.

To achieve these targets, TCF aims to:
- Provide cutting edge care through looking at best practice examples, ensuring seamless care and integration, improved partnership working and further development of networks.
- Skill up our leaders both clinical and non-clinical, developing consistent improvement techniques and empowering staff at all levels to be involved in change.
- Co-ordinate projects to ensure lessons are shared – CMFT is a large organisation and therefore it becomes more important to share across the organisation and also share examples of good practice nationally and internationally.
- Deliver large scale change, supporting the delivery of services in an increasingly demanding climate.

Over the past three years, working with patients and staff, we have developed and started to embed 'CMFT standards' for outpatients, planned and emergency treatment pathways. These are standards of care that should be expected for all patients whichever hospital or service they are using, a level of service that we would hope to receive if we were patients. Setting these standards has helped clinical teams to assess the care they give, demonstrating when they have best practice examples to share, or where they might need support for improvement.

This work has contributed to making improvements for our patients, particularly this year in theatre usage, treating more patients who require an operation and reducing length of stay in hospital. These improvements have enabled £8m in efficiency savings to be delivered which ensures we can continue to invest in our services and meet the growing demand.

As well as delivering improvements, we have been sharing learning across our hospitals and spreading good practice not only internally but across the NHS through quarterly Transform Together events. Examples include:
- Patient pagers - instead of waiting in traditional NHS waiting rooms, patients can take a pager and go and have a coffee in the knowledge the pager will buzz when they are ready to be seen in clinic. These are now being rolled out across three of our hospitals – Manchester Royal Eye Hospital, Royal Manchester Children's Hospital and Manchester Royal Infirmary.
- The 'Reject Me Not' campaign to reduce blood wastage – this was picked up by Twitter in other Trusts and also other CMFT departments are adopting the approach.
- We have an enhanced recovery plus programme whereby Dr Moore, Consultant Intensivist, has received a national innovation award to roll this out across Manchester and beyond.
- Professor Rick Body's work on a Manchester chest pain scoring system is being rolled out across the national healthcare sciences network.

We have supported and engaged with over 2,500 staff across the Trust who have been involved in change projects including:
- bringing sexual health services together across Manchester
- away days in renal services
- linking general surgical services across CMFT and University Hospital of South Manchester through the Healthier Together programme
- outpatient staff helping to redesign patient letters to be more user-friendly
- experience based design for MRI outpatient services - bringing patients and staff together to co-design improvements

We continually strive to be the best that we can be, and to share learning across the NHS we have set up a Shelford Transformation Network. This brings together colleagues from other large hospitals (the Shelford Group) across the country to work together and generate ideas to tackle some of the areas we all struggle with.
The following case studies showcase some of the activities and achievements of the TCF programme.

- **New pre-operative model in Surgery**
Our Surgical team have developed a new pre-operative model for patients having planned surgery. It enables suitable patients to have an 'on the day assessment' to save them an

extra journey to hospital for a 'pre-op' assessment prior to their operations. It was piloted in Urology during July 2016 before being rolled out across the Surgical Division during 2017/18.

- **Rapid Improvement in Paediatric ENT**

At the end of June 2016 the Transformation Team supported a two week Rapid Improvement Initiative in Ear, Nose and Throat (ENT) theatres at RMCH. The aim was to improve efficiency, maintain patient safety and enhance the children's journey by ensuring they got their surgery on time without unnecessary delays.

- **Transform Together Fund**

In July 2015, we set up a small fund with support from our hospital charity to encourage staff to implement their ideas for transforming patient care. Staff can apply for up to £5,000 to develop and implement ideas for change. During 2016/17, 38 bids were received, and 12 projects have been given awards.

These include:
- an electronic pre-op health questionnaire for children which has the potential to speed up the pre-op process and make better use of IT facilities.
- a web-based exercise programme, which came from the Physiotherapy Department at Trafford Hospital. This will give patients access to a library of exercises on line and will hopefully increase compliance with treatment.
- a new electronic queuing system in the Accident and Emergency waiting room to inform patients when a receptionist is available and the questions they will be asked when they book in at reception. This has created a more welcoming, friendly environment and allowed patients greater privacy and dignity.
- introducing resources for 'Kangaroo Care' of babies in the Newborn Intensive Care Unit. This enables mothers to have skin to skin contact while breastfeeding babies who are ventilated to help with their breathing.

Heading Home campaign

Heading Home is a campaign to improve discharge processes by encouraging collaborative multidisciplinary working at all stages of the patient's journey. After its successful pilot on ward AM1 and positive feedback from staff and patients, a plan now is being developed for rolling out the campaign to the rest of the MRI to make it part of business as usual.

The campaign seeks to improve the experience for our patients through:
- Better pre-admission information.
- Engaging patients in their discharge earlier in their care.
- Consistency in staff approach to discharge planning.
- More rapid discharge on the day of discharge.

Outpatient Transformation Programme

The pilot version of this programme was launched in January 2017 in Manchester Royal Eye Hospital. It is based on 12 core standards that our patients can expect us to meet – see the diagram below.

The pilot was a great success, with lots of learning coming from the assessment for the future programme. This has been used to develop the future outpatient accreditation framework and programme, which will be rolled out during 2017/18.

Elective Transformation Programme
Surgical teams across adult and children's services have been working hard to optimise theatre lists for planned surgery, and reduce cancellations on the day of admission.

In the Catheter labs, staff have been able to increase the number of patients seen from an average of 88 patients to 100 patients per week. In MRI theatres, the work has resulted in a 20% reduction in cancellations and increased the number of patients treated each week from 238 to in excess of 270. The teams have also run cochlear weeks and living donor weeks which have resulted in reducing waits for life changing surgery.

At RMCH, staff have run a trigger thumb and curly toe week to reduce waits for children for these minor procedures. Trafford theatres have run a hip and knee week to provide adults with joint replacements to improve their quality of life.

PAtTH 2: Return to Theatre
A week-long project aimed at improving the patients' journey to theatre ended on 25th January 2017. It was a great success, in particular how staff worked together to tackle problems and implement immediate changes.

Within the week there were a number of real factors including: technical issues with anaesthetic equipment, air conditioning problems in theatres, patients not arriving, patients arriving but not fit for surgery, list order changes, high demand for critical care beds and a number of other challenges, all of which proved useful to test the changes made.

Supporting adolescent patients
We have developed a Transition Strategy that sets out the principles for the way young people are supported to move from children's to adult services. Professionals in a range of services work in partnership with young people and their families to support them to make a smooth transition.

Reducing missed clinic appointments

The Trafford Hospital team were concerned about the number of patients failing to attend appointments and wanted to reduce this by 1%. This would reduce wasted appointments, increase capacity, improve the patient experience and save around £12,000. Innovations have included timely appointment reminders, enabling patients to book their subsequent appointments directly and making it easier to cancel appointments in advance.

Transforming patient care together

Over the past three years CMFT staff have played a vital role in our Trust-wide transformation programme, by contributing ideas and then putting them into practice. Their hard work and innovative suggestions for transformation projects have helped us to make significant improvements to the experience of our patients.

For example, in January over 140 staff took part in a Transform Together event to share ideas and spread best practice in innovation. Tweets for #transformtogether reached 109,463 accounts and generated 100 tweets from 31 contributors. http://www.cmft.nhs.uk/media-centre/latest-news/our-teams-transform-together-and-fly-the-flag-for-innovation

There were over 20 projects on display from across our Divisions, showing some great enthusiasm for change and innovation. Delegates were asked to vote on their favourite project from the event and the winner of the vote was "Prehabilitation and Enhanced Recovery" from the Division of Surgery (see page 48 above).

3. Service improvements following staff/patient surveys and comments

We want to ensure that all our patients and their families to have the best possible experience when they use our services. To help us respond to their feedback and suggestions, patients and their relatives or friends can:

- Fill in questionnaires.
- Complete the Friends and Family Test.
- Use our Patient Experience Tracker electronic tool.
- Speak to senior staff during monthly Quality of Care Rounds.
- Leave comments on the NHS Choices and Patient Opinion websites.
- Contact our Patient Advice and Liaison Service (PALS).
- Children can complete our story book survey or record their views on a 'tops and pants' washing line.

All this feedback informs our Patient Experience programme, so that we can act on the feedback and continually improve our services. Here are some examples of action taken over the past year in response to patient/staff feedback.

- **Focus on food standards**

Patient satisfaction with meals is an area that has been highlighted by the national Inpatient Survey, local patient feedback and the CQC as needing improvement. We have set the target of reaching and maintaining a score of 85% satisfaction or above.

The Trust wide Patient Experience Tracker result for overall satisfaction with food was 85.9% in 2016/17, compared with **84.8%** in 2015/16 and **82.5%** in 2014/15

We have a dedicated Patient Dining Group which looks at ways to improve food quality, choice and the dining experience for patients. This group oversaw the planning and delivery of the very successful 'Perfect Dining Week' from 4th to 10th July 2016.
The aim was to provide a perfect, personalised dining experience to all patients at every meal throughout the week and beyond.

Afternoon tea trolley

Oliver was in charge for the Change-1-Thing cards on Ward 78

The week was jointly led by the Deputy Director of Nursing (Quality) and the Sodexo management team, and involved a wide range of staff including nurses, Allied Health Professionals, our Patient Experience Team, Informatics staff and the Communications Team. The event was very well received by patients and the overall Quality Score throughout the week was 90% and above, with no noticeable difference between weekday and weekend day service.

We captured a huge amount of very useful feedback and information during the week, which formed the basis of a 6-12 month work plan to deliver improvements to achieve our vision of providing a perfect, personalised dining experience for all our patients.

Some of the practical steps taken to improve the patient dining experience during 2016/17 include:

- Extending the times of the electronic meal ordering process (MAPLE), providing more flexibility to patients when ordering their meals.
- Introducing snack rounds in a number of adult areas, and snack and milkshake rounds in many children's areas.
- Holding workshops to improve team work and the integration of catering and nursing staff on wards.
- A 'Pledge' developed and prominently displayed on each ward to help patients understand the service they can expect.
- Introducing an improved range of sandwiches.
- Introducing a dedicated cancer patient menu, that includes a cooked breakfast and a wider range of snacks.
- Developing a new menu in Royal Manchester Children's Hospital to provide hot meals at both lunch and dinner.

The feedback from Perfect Dining Week also contributed to our sixth annual CMFT Nutrition & Hydration Week, from 13th-17th March 2017.

The event was all about highlighting, promoting and celebrating improvements in nutrition and hydration, as an important part of providing high quality care and the patient experience. Daily activities and competitions include the re-launch of Protected Meal Times, and a very enjoyable afternoon tea party for patients. We were delighted that this work was awarded the Patient Experience Network National Environment of Care Award in March.

- **Improving patient communication and interaction**

Following a review of complaint themes on Ward 5, the Ward Manager introduced a 'Going the Extra Mile' day. The intention was to improve patient experience and reduce the number of complaints about communication by providing interactive and personal activities on the ward, where patients tend to have longer term stays.

A Nursing Assistant on the ward, originally trained as a hairdresser and beautician, provided hairdressing services for men and women, manicures, pedicures and assistance with male grooming. This was so well received by patients and their relatives that it has become a regular feature, with a booking system!
Staff on the ward also regularly bake cupcakes and provide assortments of fruit, hot and cold drinks and spend extra time with the patients talking to them. The feedback from patients and their relatives has been overwhelming, which has in turn been reflected in the ward Friends and Family Test scores.

Excellent personalised care - What Matters To Me

On 30th November 2016 we launched **What Matters to Me,** a new and personalised approach to patient experience at CMFT. It is based on extensive work with patients and staff to identify what is important to them, and then to ensure this becomes the focus of how we deliver patient care and services.

Continuously improving the experience for our patients and their families is a key strategic priority for us. To help us do this, we learn from direct patient feedback, compliments and complaints plus surveys such as the Friends and Family Test and local and national surveys. All this information shows that we are steadily improving the patient experience, and consistently performing at the same level as many other Trusts.

What we want to do now is move beyond performing at the average level, and strive to achieve our aspiration of delivering outstanding patient experience. We want *What Matters to Me* to be the catalyst that helps us move from good to excellent.

The key themes of *What Matters to Me* that have emerged from our patient and staff engagement sessions are:

What Matters To Me is intended to give all our staff the confidence to ask patients 'what matters to you?' as they travel through our services, to listen to the unique needs of everyone who uses our services and to respond to those needs in ways which demonstrate our core values in action

The campaign launch was a truly inspiring day, bringing together staff and patients across our services to share what is important to them about providing and receiving excellent patient care. Our 24 hour tweetathon was a fantastic success, and you can see the many comments and photos on our website at this link: https://storify.com/CMFTNHS/what-matters-to-me-launch

Since then, the campaign has gone from strength to strength:

- Over 200 Nursing & Midwifery staff made their commitment to providing excellent personalised patient care at a 'Brilliant Basics' staff development event
- Patients, relatives and visitors are continuing to share What Matters to them at events and during ward visits [
- Great examples of excellent patient care are regularly shared across our Trust

"We feel like we know all the staff members as mum has been in the hospital for a number of weeks and all of the staff have been outstanding during this time, this includes the doctors, nurses, the caterers, the cleaners, every single person is friendly and we would describe them as angels. We do not feel alone despite mum deteriorating and they have let us get involved in our mum's care – they haven't taken that away from us."

"I received a visit off a lovely staff member who told me her name was Emily and explained what would be happening to me. I didn't know she was the ward manager and when I asked the staff who she was, they were singing her praises too, saying how supportive and great she was."

"All staff have a smile and when I was taken for a cardiac test the porter treated me really carefully and it was the little things like coffee and biscuits in the cardiac department afterwards that make a difference. On my return back to the ward it was a female porter and she was so happy in her work it was clear to everyone."

"During my home treatment the nurses took the time to chat with me about my condition as well as just making small talk, which put me at ease in a time of anxiety. The mixture of genuine caring, good humour and professionalism of all of these staff members was just right – and very impressive."

4. Communicating with patients and carers

Clear and effective communication is a key element of caring for our patients and their families. In addition to personalised, face to face communication, our staff make a key contribution to the wide range of leaflets and online information we provide to patients and their relatives.

Recent developments include enabling more patients to take part in the Friends and Family Test by:
- Creating a range of resources specifically for patients with a learning disability, and those who are deaf or deaf/blind
- Developing surveys for children and young people of different age ranges.

5. Complaints handling

Sometimes things do go wrong, and we have a clear process for handling, responding to and learning from complaints – and from positive feedback. Patients can find details on our website http://www.cmft.nhs.uk/information-for-patients-visitors-and-carers/patient-advice-and-support/comments-compliments-concerns-and-complaints or speak to a member of staff about how to contact our Patient Advice and Liaison Service (PALS)

We have also rolled out across all our hospitals a rapid-response system for hospital inpatients called 'Tell us Today'. Patients or their relatives can call a dedicated telephone service operated by a senior nurse or manager, who will listen to their concerns and put them in contact with a senior member of staff in the area of concern within one hour.

PALS staff have also started using a new self-assessment tool – the 'My Expectations' review - to check how effectively they are meeting the national standards for responding to complaints. The outcome of these assessments, together with patient feedback, has been used to support improvements to the service during 2016/17.

We also held a 'Patient Panel' to discuss the development of the PALS service in spring 2016. The group comprised people with experience of using the service and their input was very informative. The session helped us to understand how we can develop the service to meet the needs of people using it, specifically those with communication and accessibility needs. It also provided valuable feedback on the wider PALS service and offered insights into future development of the service to meet patients' needs.

Our Director of Nursing regularly reports to senior colleagues on how complaints are being managed, highlighting any trends and concerns. This information is also reported quarterly to our Board of Directors and reviewed by the Trust Quality Committee.

This provides assurance that issues are regularly monitored, appropriate action is taken and every opportunity for learning and improvement is shared across the Trust.

You can find details about the number of complaints we received and how they were addressed on pages 237 to 240 of the Quality Report.

6. Our Volunteer Service

At CMFT we understand the unique quality that volunteering brings to the NHS. Volunteers make a personal difference in helping support our frontline teams and in providing care to our patients and visitors.

The overall number of volunteers at the end of March 2017 stood at 700, with a continued commitment to recruit in order to maximise the number of active volunteers by the end of March 2018. Due to our Trust's location in the City of Manchester and close to the universities, a significant number of Trust volunteers are within the younger age brackets. Furthermore, 75% of our volunteers are female. We greatly value these existing volunteers and also have initiatives underway to attract volunteers from the under-represented groups so that our volunteer population more closely represents our patient population.

During 2016, a new volunteering database called 'Better Impact' was implemented. This database has enhanced the management of volunteers as it enables the whole volunteer recruitment process to take place via the unique CMFT Volunteering website.
Working alongside the Organisational Development and Training Department, there has also been a significant improvement during 2016/17 with the development of a Volunteers Recruitment Day. This is currently hosted twice a month and was launched alongside the new database.

The Volunteer Service continues to work towards accreditation under 'Investing in Volunteers', a nationally recognised accreditation scheme for volunteer services. This is a UK Quality Standard for good practice in volunteer management and will enable our Volunteer Service to benchmark the quality and improve the effectiveness of the Trust's work with volunteers.

When achieved, the Investing in Volunteers accreditation will benefit the volunteer service in many ways, including:
- Enabling us to publicly demonstrate the organisation's commitment to volunteering and effective volunteer management;
- Increasing volunteers' motivation and enhancing their experience;
- Encouraging more people to volunteer at CMFT;
- Enhancing our reputation within the local community and with commissioners;
- Minimising any potential risks arising from the involvement of volunteers.

Over the past six months the Volunteer Service has listened to how patients and staff would like the Volunteer Service to support them and has responded by developing a number of new and exciting roles. These include roles supporting Critical Care and helping with their patient engagement group; breast feeding support volunteers who assist new mums in Saint Mary's; and the newly developed Activity Volunteers.

This Activity Volunteer role is designed to improve our patient and staff experience by offering patients an opportunity to undertake different interesting activities with volunteers.

Celebrating success

A Senior Volunteer role has also been developed and volunteers in this role act as ambassadors for the service, demonstrating an overall commitment to improving patient experience. One such volunteer is Roy Williams who was awarded 'Corporate Divisional Star' at the 'We're Proud of You' Awards for his successful work in developing and supporting the use of iPads by volunteers as an innovative way to help patients and visitors navigate their way across the central site.

Roy Williams receives his Divisional Star certificate

Stephanie Slater (left), MBE and Paralympic Gold and Silver Medallist, was also recently appointed as a Senior Volunteer. Stephanie has volunteered at the Trust for three years and hopes to fulfil her dream of becoming a paediatric nurse.

Priorities for 2017/18
The Patient Services Team will continue to develop the Volunteer Service in 2017/18 to ensure it keeps providing a high quality service that supports both patients and staff and achieves the 'Investing in Volunteers' Quality Standard.

Stakeholder relations
CMFT is a leading player in the GM health and care system which serves almost three million people. During 2016/17, our leadership team have built on strong existing partnerships key stakeholders in order to deliver the best care for our patients, their families and the wider community.

1. ***Working in partnership to deliver improved healthcare***
CMFT is proud to work with a large number of partner organisations to share skills, innovation and resources, with the aim of delivering even better care to patients. Here are just a few examples:

- **Salford Royal Foundation Trust**

Our two Trusts work collaboratively in a number of areas. We undertake the vast majority of elective orthopaedic activity through shared use of the Manchester Orthopaedic Centre on the Trafford General Hospital site.

Surgeons at work in the Manchester Orthopaedic Centre

We jointly provide the Greater Manchester Immunology Service, which is based on the CMFT site and are planning to bring together the associated clinical services such as immunology and allergy outpatient clinics.

- **Partnering with Nuffield Health**

Throughout the year we have worked collaboratively with Nuffield on diagnostic imaging focusing on flexible use of capacity in the Nuffield Diagnostic Suite on the CMFT site in order to reduce waiting times for patients.

- **Manchester Provider Board**

The Manchester Provider Partnership is a collaborative working arrangement between all of the key organisations providing health and social care in Manchester. The work of the Manchester Provider Board is particularly focused on out of hospital care, and further progress was made on this agenda in 2016/17.

The Manchester Provider Board have signalled their intention to work together to deliver more integrated out of hospital working through the establishment of a Local Care Organisation

- **Joint working with Bolton FT**

Bolton Foundation Trust had a small vascular service and was finding it difficult to sustain. We worked with Bolton FT to support their vascular service in the short term. During 2016/17 we completed the transfer of the inpatient service to MRI and the implementation of an out-reach model of care with outpatient and daycase services still provided on the Bolton site.

- **Greater Manchester NHS Genomic Medicine Centre 100,000 Genomes Project**

The team at Greater Manchester NHS Genomic Medicine Centre, based at Saint Mary's Hospital, have been awarded the lead role in a major European Reference Network (Prof Clayton-Smith) and actively involved in a number of other networks. Prof Evans (NIHR Senior Investigator) has been awarded >£1 million by NIHR to lead a study using genetic information to personalise breast cancer prevention. Prof Black has led a national program to improve access to genetic testing and lead research in inherited forms of blindness. Dr Jones, working with colleagues in the Trust and the Wellcome Trust Children's Facility, has led a number of clinical trials of new treatments for children with rare metabolic disorders. Dr Briggs has been awarded a fellowship from NIHR to lead a program of research for patients with rare inflammatory conditions.

The project, which involves collecting and decoding 100,000 complete sets of people's genes nationally, will transform the way that healthcare professionals approach the care and treatment of patients with cancer and rare diseases. Since the launch in late 2014, our team have recruited over 2200 people to the study.

It has also expanded beyond Saint Mary's, with recruitment now taking place at our partner hospitals of Salford Royal, University Hospital of South Manchester (UHSM) and The Christie. The project is working closely with the Academic Health Sciences Network and Academic Health Sciences Centre.

Manchester has been awarded the contract to deliver training for all genetic counsellors and genomic scientists from Health Education England. Strategic relationships are being developed with pathology to ensure that patients with cancer get state of the art genomic tests to determine the best treatment plan.

Genetic results are now being returned to patients proving new diagnostic information which is allowing risk estimation in other family members and determining the most appropriate treatment. In 2017 the major focus will be to recruit many patients with cancer to the study as part of the Manchester Cancer Strategy.

2. *Service development and other local initiatives*

You can read earlier in this report about our work on establishing the Single Hospital Service and Local Care Organisation with partners in health and social care (pages 18 to 21).

3. *Consultation with local groups and organisations*

Over the last year CMFT has worked with local groups and organisations through a range of mechanisms. In Manchester we have engaged with the local council and elected members through two statutory boards:
- The Manchester Health and Wellbeing Board, which oversees delivery of the Manchester Health and Wellbeing Strategy, with the Chairs of commissioner and provider organisations, including the Chair of CMFT.
- The Manchester Health Scrutiny Committee, which reviews and investigates health and care service delivery in Manchester through regular update reports and discussion with commissioners and providers, including CMFT.

In a similar way, we have continued to engage with the equivalent consultative structures within the Trafford health and social care system:

- The Trafford Health and Wellbeing Board, which oversees delivery of the Trafford Health and Wellbeing Strategy, where CMFT is represented by the Deputy Chief Executive.
- The Trafford Health Scrutiny Committee, which reviews and investigates health and care service delivery in Trafford through regular update reports and discussion with commissioners and providers, including CMFT.

Manchester City Council and Trafford Council have also established a Joint Health Scrutiny Committee to consider issues following on from the "New Health Deal for Trafford" consultation undertaken in 2012. During the year, the Trust (in close collaboration with commissioners) actively worked with the Joint Health Scrutiny Committee on issues such as the changes to the Trafford Urgent Care Centre.

During the year, we have taken an active role in the Greater Manchester Health and Social Partnership Board arrangements including the Provider Federation Board.

We are working also in close collaboration with University Hospitals of South Manchester NHS Foundation Trust and Pennine Acute Hospitals NHS Foundation Trust on the Manchester Single Hospital Service Programme, and with the wider membership of the Manchester Provider Board on the Local Care Organisation.

4. Other patient and public involvement activities

Drawing on patient experience
Central Manchester University Hospitals NHS Foundation Trust (CMFT) welcomes feedback from patients and the public about the services we provide. This enables learning and helps us to identify and implement continuous service improvements.

CMFT also actively seeks patient involvement into the design of services and works with a wide range of patient groups. These groups range from disease-specific support groups, to groups of patients who come together at patient listening events, to discuss a service or to help co-design services.

Over the last 12 months, events have provided the opportunity for engagement with patients to consider the development of services at both strategic and local levels. Examples include; patient input into the 'Healthier Together' Programme and the development of a new PALS office within the Manchester Royal Infirmary.
Other similar on-going activities include working with the Deaf Community in Trafford to shape our services for people who are deaf, and holding a regular 'Disability Forum' to discuss issues such as accessibility with our patients who are disabled.

The Trust is currently actively engaging with 47 patient groups and is constantly looking at ways to increase the range and type of involvement and engagement activities with our patients and service users to continuously improve our services.

- **Working closely with the communities we serve**
CMFT believes that working in partnership with the communities we serve should be part of everyday life at our Trust. We continue to engage with patients and the public through a range of events and activities.

Examples include our 'What Matters to Me' campaign, asking patients to tell us what is important to them and the new Disability Patient forum group which works with patients to help improve the services we offer. The teams have also worked in collaboration with city wide programmes for example supporting the Homelessness Charter led by Manchester City Council. This year as part of the Healthier Together in partnership with UHSM and CMFT have jointly set up a patient participation group that is working with the clinical and management teams to ensure the new services meet the needs of the communities it serves.

Our community services colleagues actively engage directly with local groups such as Chorlton Good Neighbours, while our central site hospitals work with partners such as the Whitworth Art Gallery on key areas including dementia. Our hospital in Trafford has also worked in partnership with carer and dementia groups to implement 'John's Campaign' for open visiting times on its wards.

We are actively promote employment and volunteering opportunities with CMFT, with over 1021 opportunities taken up by people from the five local wards in Manchester to engage with us.

CMFT's Equality, Diversity and Inclusion External Review Group continued to develop in 2016/17 and it played a strategic role in helping the team at CMFT consult widely on its new Equality, Diversity & Inclusion strategy. The External Review Group's membership is from local partner organisations across Manchester and Trafford.

Over the next 12 months, we will be building a partnership programme to help bring together the work that we do with our communities to improve the health and well-being of the people we serve.

- **Council of Governors' role**

Our Council of Governors also plays an important part in connecting the Trust with our staff and public members and the wider public. Governors are here to listen to members' views and suggestions and to share information about the performance of the Trust and developments across the wider NHS with them. We have two key events each year which are open to members and the wider public and are supported by our Governors: the Annual Members' Meeting and our Young People's Event.

The 2016 Annual Members' Meeting was held on 27th September and was open to both our members and the public - over 250 people attended. The theme was 'Working Together to Care for You' and our staff provided information stands with our partners, showcasing how we all work together to care for you and your family. Attendees also helped us to celebrate our Care Quality Commission rating of 'Good'.

The Trust's Board of Directors and Governors also provided information about our performance and achievements in 2015/16 in addition to our future plans. . You can find further information on our website: http://www.cmft.nhs.uk/foundation-trust/events.

Each summer, the CMFT Membership Team also hosts a Young People's Open Day. Since the event began in 2010, around 2,500 young people, teachers, friends and parents have attended.

They have not only gained an insight into CMFT, but also discovered more about career opportunities in the NHS, volunteering and work experience in our hospitals, as well as receiving health and well-being advice from our health experts.

Attendees visited our exciting career and information stands and test a new health advice app in our special 'Looking After You' area. Our staff were very happy to talk about their roles in the NHS, in addition to providing health information. There were also plenty of interactive sessions for everyone to join in, including Wii yoga, arm casts and emergency first aid training. Our employment team were also available to tell attendees about work experience opportunities, and they could also find out how to become a hospital volunteer and join our Youth Forum.

Governors enjoyed the opportunity to talk to delegates about their role and the benefits of being an NHS Foundation Trust Member, and listened to views on our future priorities and health care services.

The 2016 event was held on 29th June and included a wide range of exciting career and information stands, plus the opportunity to test a new health advice app for young people in our 'Looking after You' area.

Our staff talked to the delegates about their roles in the NHS, in addition to providing practical information and guidance to the young people on looking after their physical, mental and sexual health.   There were also plenty of fun interactive sessions, and our employment team were available to tell delegates about work experience opportunities, and how to become a hospital volunteer. You can find further information on our website: http://www.cmft.nhs.uk/foundation-trust/young-peoples-event.

You can read more about how our Governors engage with members and the wider public on page 140 onwards.

2.2 Remuneration Report

This Remuneration Report describes how the Trust applies the principles of good corporate governance in relation to Directors' remuneration, as required by the Companies Act 2006, Regulation 11 and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 and elements of the NHS Foundation Trust Code of Governance.

Annual statement on remuneration

During 2016/17, no new appointments were made to the role of Executive Director.

CMFT's Executive Directors are employed on contracts of employment whose provisions are consistent with those relating to other employees within the Trust. There are no components within the remuneration relating to performance measures, bonuses or benefits in kind. Contracts for directors do not contain any obligations which could give rise to or impact on remuneration payments or payments for loss of office.

Senior managers' remuneration policy

The CMFT executive pay structure is very simple. There is basic pay, which includes a small non-pensionable 'car allowance'. All pay is taxed at source. There are no bonus payments.

Salaries are benchmarked each year against the comparator group of Shelford Trusts or, where necessary, other professional groups. All new appointments are sourced at the benchmark level and adjustments are made only if the market rate or existing salary indicates this is necessary.

The remuneration policy for other senior managers (those reporting directly to Executives) provides a progression ladder between the pay of other employees and that of Executive Directors. CMFT did not consult with employees when preparing the senior managers' remuneration policy, but did consult with individuals about how the application of the policy would apply to them. Individuals were given a choice about whether to remain on an Agenda for Change (AfC) payscale or move onto the new pay framework..

The Trust's underlying principle in respect of Directors' remuneration is to ensure that individuals are appropriately rewarded relative to their responsibility, breadth of portfolio and performance. This principle must be applied consistently and fairly in line with best practice and equality requirements. Only in this way will CMFT be able to attract, retain and motivate high calibre senior managers who can perform to the highest levels of expectations in order to ensure we maintain our excellent standards of clinical outcomes and patient care, functions efficiently and are well positioned to deliver the business strategy.

The recruitment market is competitive for high quality candidates and therefore CMFT must ensure that compensation packages, and any associated benefits, are attractive in order to compete both locally and nationally. But, at the same time, we must also be flexible enough to accommodate the differing experience levels of candidates, and take into account other variables which may impact on our the ability to attract and retain suitable staff.

Directors of the Trust are employed on a permanent contract basis. Required notice periods are 12 weeks, except for the Chief Executive whose notice period stands at six months.

Where salaries of very senior managers exceed £142,500 per annum, these have been reviewed and found to be appropriate to match market rate, maintain relativities with other very senior manager posts and to match pay in the jobs from which individuals were recruited.

Performance of the Executive Directors is assessed and managed through regular appraisal against predetermined objectives along with monthly one to one reviews with the Chief Executive. Similarly, the Chairman holds monthly one to one's with the Chief Executive. Any deficit in performance is identified during these regular meetings. Serious performance issues are managed via our organisational performance capability management policy.

Performance of the Non-Executive Directors is assessed and managed through regular appraisal by the Chairman against predetermined objectives along with regular one to one reviews with each NED. Any deficit in performance is identified during these regular meetings along with opportunities for regular professional development.

Appraisals led by the Chairman - for the Chief Executive and Non-Executive Directors – are also used as an opportunity to identify continuing professional development needs.

No performance payment element has been paid to any of the Trust's Executive Directors during 2016/17. Equally, there have been no payments to both Executive and Non-Executive Directors for loss of office.

There are no special contractual compensation provisions for early termination of Executive Directors' contracts. Early termination by reason of redundancy is subject to the normal provisions of the Agenda for Change (AfC): NHS Terms and Conditions of Service Handbook (Section 16). For those above the minimum retirement age, early termination by reason of redundancy is in accordance with the NHS Pension Scheme. Employees above the minimum retirement age who themselves request termination by reason of early retirement are subject to the normal provisions of the NHS Pension Scheme.

The principles for determining how payments for loss of office will be approached, including:
- How each component will be calculated
- Whether , and if so how, the circumstances of the loss of office and the senior manager's performance are relevant to any exercise of discretion would all be considered on a case by case basis by the Remuneration Committee and would be approved by NHSI in advance.

Remuneration Committee (of the Board of Directors)

The Remuneration Committee is a subcommittee of the Trust Board of Directors. The Committee met twice during 2016/17, once in April 2016 and then in January 2017. The Committee's main purpose is to set rates of remuneration, terms and conditions of service for the Chief Executive, Executive Directors and Directors, i.e. those people in senior positions having authority or responsibility for directing or controlling the major activities of the Trust.

The Chief Executive, Sir Michael Deegan, and the Executive Director of Human & Corporate Resources, Margot Johnson, are also in attendance to provide information on Directors' performance and a review of general pay and reward intelligence including comparative data on Directors' salaries and NHS guidance on pay and terms and conditions, as requested. Individuals do not participate in any discussion relating to their own remuneration.

Attendance at the meeting held on 13th April 2016 included:

- Steve Mycio   Chairman
- John Amaechi   Non-Executive Director
- Colin Bailey   Non-Executive Director
- Ivan Bennett   Non-Executive Director
- Nic Gower   Non-Executive Director
- Anthony Leon   Non-Executive Director (Deputy Chairman)
- Chris McLoughlin   Non-Executive Director
- Anil Ruia   Non-Executive Director
- Sir Michael Deegan   Chief Executive
- Margot Johnson   Executive Director of Human & Corporate Resources
- Alwyn Hughes   Director of Corporate Services/ Trust Board Secretary

The Committee also received an update report on the application of the Remuneration Policy for senior managers to reflect the changes in the senior management structure since the Remuneration Committee approved the policy in May 2013. The changes were noted, with confirmation that there had been no impact on budgets from the changes.

Following consideration of a paper on local pay, the Committee approved an uplift of 1% for Executive Directors and their direct reports from April 2016, to award doctors and nurses on non-standard terms and conditions the same award as had been agreed nationally for doctors and dentists employed on standards NHS contracts and to award an uplift of 1% for 'other' groups of staff on ad hoc salaries from April 2016.

Attendance at the meeting held on 9th January 2017 included:

- Kathy Cowell   Chairman
- Professor Colin Bailey   Non-Executive Director
- Dr Ivan Benett   Non-Executive Director
- Professor Rod Coombs   Non-Executive Director
- Nicholas Gower   Non-Executive Director
- Anthony Leon   Non-Executive Director
- Chris McLoughlin   Non-Executive Director & Deputy Chairman
- Sir Michael Deegan   Chief Executive
- Margot Johnson   Executive Director of Human & Corporate Resources
- Alwyn Hughes   Trust Board Secretary

The Committee considered a report setting out the changes to the structure of the Medical Director's office. The Committee approved the recommendations.

Remuneration & Nominations Committee (of the Council of Governors) The Remuneration & Nominations Committee of the Council of Governors met three times during 2016/17 to consider the remuneration of the Non- Executive Directors (which included the appointment of a Chairman on an interim basis until the proposed merger of CMFT with UHSM).

The Non-Executive Directors are not employees of the Trust. They receive no benefits or entitlements other than fees and are not entitled to any termination payments. The Trust does not make any contribution to the pension arrangements of Non-Executive Directors.

The terms of office for Non-Executive Directors at the Trust are managed in accordance with Monitor's (NHSI's) Code of Governance, i.e. any term beyond six years (two three-year terms) will be subject to rigorous review and subject to annual reappointment.

The Nominations Committee has a responsibility to consider the structure, size and composition of the Board of Directors and make recommendations for any changes. It is also, with external advice as appropriate, responsible for the identification and nomination of new Non- Executive Directors.

When appointing new Non-Executive Directors to the Board during 2016/17, the Trust engaged an external recruitment agency to act as its recruitment advisor.

Attendance at the Nominations Committee of the Council of Governors meeting held on **20th June 2016** included:

- Dave Edwards   Lead & Public Governor (Greater Manchester)
- Cheryl Rivkin   Public Governor (Trafford)
- Isobel Bridges   Staff Governor (Non-Clinical & Support)
- Dr Alexander Heazell   Nominated Governor (Manchester University)

- Margot Johnson   Executive Director of Human & Corporate Resources
- Alwyn Hughes   Director of Corporate Services/Trust Board Secretary

An external appraisal specialist was appointed by the Trust Board Secretary (with support from the Lead Governor) to undertake an independent 360° appraisal of the Chairman. This individual is a Chartered Member of the CIPD and provides a Resourcing & Human Capital Solutions Consultancy Service established in 2005. She is known to the organisation and has been involved in Chairman Appraisals in Central Manchester for a number of years. The fee for the independent input received was £960. In addition, a Governor questionnaire fed in views on Non- Executive Directors and the Chairman to the Lead Governor and Senior Independent Director respectively.

The following recommendations were made by Committee Members to the Council of Governors at their meeting held on **6th July 2016**, at which the Committee's recommendations were approved:

- The Council of Governors ratified the confirmation of the Senior Independent Director, the Lead Governor and the Council of Governors' Nominations Committee (Panel of Governors) that the agreed appraisal process has taken into account all views and that Performance Reports have been received for the Chairman and each Non-Executive Director.

- The Nominations Committee recommended a 1% uplift in salary for 2016/17 for the Chairman, Chair of the Audit Committee and Non-Executive Directors.

Due to the resignation of the Chair of CMFT (Mr Steve Mycio OBE), who was unable to perform his duties as Chair owing to his progressive illness, there was a requirement to appoint a new Chair at the earliest opportunity.

A new Chairman was appointed on an interim basis to lead the Trust to the point of its merger with UHSM.

A consequence of appointing one of the existing Non-Executive Directors as Interim Chair was that a new Non-Executive Director would need to be recruited, as the Trust's Constitution required that there be at least a 50:50 balance on the Board of Directors of Executive Directors and Non-Executive Directors, excluding the Chair.

Lastly, Mr Anthony Leon's term as a Non-Executive Director was due to expire on 31st December 2016. The Council of Governors were requested to give their consent to Mr Leon's term of office to be extended until the merger takes place in order to maintain the correct balance of NEDs and Executive Directors.

At the meeting of the Council of Governors on the **12th October 2016**, and in response to the position outlined above, the following recommendations were approved:

- the Trust will have an Interim Chair until the merger takes place, or, if a merger does not proceed, until a substantive Chair is appointed;

- that the process of appointment be conducted in accordance with the *'Interim CMFT Chairman Recruitment Schedule'*

- that the Nominations Committee be instructed to identify appropriate candidates for the recruitment of an Interim Non-Executive Director until the merger takes place; and

- **Mr Anthony Leon's** term as Non-Executive Director be extended until the merger takes place.

Attendance at the Nominations (Appointments) Committee held on **24th October** 2016 included:
- Chris McLoughlin   Non-Executive Director (and Chair of the Appointments Panel)
- David Edwards   Lead and Public Governor
- Isobel Bridges   Staff Governor
- Dr Alex Heazell   Nominated (Appointed) Governor
- Gillian Easson   External Assessor (Chair, Stockport NHS FT)

In Attendance:
- Sir Michael Deegan   Chief Executive

The following recommendations were made by the Nominations (Appointments) Committee to the Council of Governors at their 'Extraordinary Meeting' held on 31st October 2016 at which the Committee's recommendations were approved:

- The Council of Governors approved the Nominations (Appointments) Committee's recommendation that **Kathy Cowell** be appointed as Interim Chair for Central Manchester University Hospitals NHS Foundation Trust with effect from Monday, 7th November 2016 and for a period until the anticipated merger of CMFT and UHSM in 2017.

Attendance at the Nominations (Appointments) Committee held on **25th November 2016** included:
- Kathy Cowell   Chairman (and Chair of the Appointments Panel)
- Chris Turner   Public Governor
- Sharon Green   Staff Governor
- Julie Cheetham   Nominated (Appointed) Governor
- Gillian Easson   External Assessor (Chair, Stockport NHS FT)

In attendance:
- Sir Michael Deegan   Chief Executive
- Emma Pickup   External Recruitment Agency

The following recommendations were made by the Nominations (Appointments) Committee to the Council of Governors at their **'Extraordinary Meeting'** held on **6th December 2016**, at which the Committee's recommendations were approved:

- The Council of Governors approved the Nominations (Appointments) Committee's recommendation that **Professor Rod Coombs** be appointed as Interim NED for Central Manchester University Hospitals NHS Foundation Trust with effect from 12th December 2016 and for a period until the anticipated merger of CMFT and UHSM in 2017.

Sir Michael Deegan CBE
Chief Executive
26th May 2017

Details of directors' remuneration

	A Salary (Bands of £5,000) £000	B Taxable benefits in kind (Rounded to nearest £100) £	C Annual performance related bonuses (Bands of £5,000) £000	D Long term performance related bonuses (Bands of £5,000) £000	E All pension related benefits (Bands of £2,500) £000	F Total (Bands of £5,000) £000
			2016/17			
S Mycio, Chairman (to 6th November 2016)	35-40					35-40
K Cowell, Chairman (from 7th November 2016)	25-30					25-30
K Cowell, Non-Executive Director (to 6th November 2016)	5-10					5-10
R Coombs, Non-Executive Director (from 12th December 2016)	0-5					0-5
A Leon, Non-Executive Director	15-20					15-20
J Amaechi, Non-Executive Director	15-20					15-20
A Ruia, Non-Executive Director	15-20					15-20
C McLoughlin, Non-Executive Director (from 26th October 2015)	15-20					15-20
I Benett, Non-Executive Director (from 4th January 2016)	15-20					15-20
C Bailey, Non-Executive Director (from 14th March 2016)	15-20					15-20
N Gower, Non-Executive Director (from 14th March 2016)	15-20					15-20

2016/17						
	A Salary (Bands of £5,000) £000	B Taxable benefits in kind (Rounded to nearest £100) £	C Annual performance related bonuses (Bands of £5,000) £000	D Long term performance related bonuses (Bands of £5,000) £000	E All pension related benefits (Bands of £2,500) £000	F Total (Bands of £5,000) £000
M Deegan, Chief Executive	215-220				27.5-30	245-250
R Pearson, Medical Director	175-180					175-180
G Heaton, Deputy Chief Executive	100-105					100-105
J Bridgewater, Chief Operating Officer	175-180				37.5-40	215-220
A Roberts, Executive Director of Finance	155-160				40-42.5	195-200
M Johnson, Executive Director of Human & Corporate Resources	135-140				30-32.5	165-170
C Lenney, Chief Nurse	150-155				172.5-175	325-330
D Banks, Executive Director of Strategy	135-140				32.5-35	170-175

Highest paid director's salary	£222, 500
Median total remuneration	£28,462
Remuneration ratio	7.8
Range of staff remuneration	£14,100 to £205,400

Explanatory notes

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The fulltime equivalent remuneration of the highest paid director in Central Manchester University Hospitals NHS Foundation Trust in the financial year 2016/17 was £222,500 (2015/16 £222,500). This was 7.8 times (2015/16 7.9 times) the median remuneration of the workforce, which was £28,462 (2015/16 £28,180).

In 2016/17 no employees received remuneration in excess of the highest paid Director (2015/16 nil). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, and any severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The 2016-17 remuneration stated for K Cowell only reflects the first 5 months of her appointment as Chairman; annual remuneration for this position would be within the banding £60k - £65k.

From 1st April 2016 R Pearson, Medical Director, reduced working hours and remuneration; the full time equivalent remuneration would be in the banding £220k to £225k

During 2016/17 R Coombs was reappointed as a Non-Executive Director; remuneration reported only reflects his term of office to this date. A full year's remuneration would be in the banding £15k to £20k

C Lenney was appointed as Chief Nurse from 1st July 2015. The amount disclosed in 2015/16 in the table below reflects pay received in her capacity as a member of the Board of Directors and therefore the comparative for 2015/16 only includes pay relating to nine months in that year.

In June 2015 G Heaton changed posts from Executive Director of Patient Services/Chief Nurse to Deputy Chief Executive

2015/16						
	A	B	C	D	E	F
	Salary	Taxable benefits in kind	Annual performance related bonuses	Long term performance related bonuses	All pension related benefits	Total
	(Bands of £5,000) £000	(Rounded to nearest £100) £	(Bands of £5,000) £000	(Bands of £5,000) £000	(Bands of £2,500) £000	(Bands of £5,000) £000
S Mycio Chairman (from 1st January 2015)	60-65					60-65
R Bradley Non-Executive Director (to 4th December 2015)	10-15					10-15
R Coombs Non-Executive Director (to 14th March 2016)	10-15					10-15
K Cowell Non-Executive Director	15-20					15-20
A Leon Non-Executive Director	15-20					15-20
B Smith Non-Executive Director (to 4th December 2015)	10-15					10-15
J Amaechi Non-Executive Director (from 16th March 2015)	15-20					15-20
A Ruia Non-Executive Director (from 16th March 2015)	15-20					15-20
C McLoughlin Non-Executive Director (from 26th October 2015)	5-10					5-10
I Benett Non-Executive Director (from 4th January 2016)	0-5					0-5
C Bailey Non-Executive Director (from 14th March 2016)	0-5					0-5

	2015/16					
	A	B	C	D	E	F
	Salary	Taxable benefits in kind	Annual performance related bonuses	Long term performance related bonuses	All pension related benefits	Total
	(Bands of £5,000) £000	(Rounded to nearest £100) £	(Bands of £5,000) £000	(Bands of £5,000) £000	(Bands of £2,500) £000	(Bands of £5,000) £000
N Gower Non-Executive Director (from 14th March 2016)	0-5					0-5
M Deegan Chief Executive	215-220				45-47.5	260-265
R Pearson Medical Director	220-225					220-225
G Heaton Executive Director of Patient Services/Chief Nurse (to May 2015)	25-30				12.5-15	40-45
G Heaton Deputy Chief Executive (from 2nd June 2015)	80-85					80-85
J Bridgewater Chief Operating Officer	175-180				22.5-25	195-200
A Roberts Executive Director of Finance	155-160				20-22.5	175-180
M Johnson Executive Director of Human & Corporate Resources	135-140				17.5-20	150-155
C Lenney Chief Nurse (from 1st July 2015)	105-110				130-132.5	235-240
D Banks Director of Strategic Development (from 1st April 2015)	135-140				125-127.5	260-265

Highest paid director's salary	£222, 500
Median total remuneration	£28,180
Remuneration ratio	7.9
Range of staff remuneration	£12,900 to £203,700

Pension benefits 2016/17

Name and title	(a) Real increase in pension at pension age (bands of £2,500) £000	(b) Real increase in pension lump sum at pension age (bands of £2,500) £000	(c) Total accrued pension at pension age at 31 March 2017 (bands of £5,000) £000	(d) Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5,000) £000	(e) Cash Equivalent Transfer Value at 31st March 2017 £000	(f) Cash Equivalent Transfer Value at 1 April 2016 £000	(g) Real increase in Cash Equivalent Transfer Value £000	(h) Employer's contribution to stakeholder pension £000
M Deegan, Chief Executive	0 to 2.5	5.0 to 7.5	50 to 55	160 to 165	1,101	998	103	Nil
J Bridgewater, Chief Operating Officer	2.5 to 5.0	7.5 to 10	65 to 70	205 to 210	1,352	1,259	93	Nil
A Roberts, Executive Director of Finance	2.5 to 5.0	7.5 to 10	55 to 60	175 to 180	1,137	1,055	82	Nil
M Johnson, Executive Director of Human & Corporate Resources	0 to 2.5	5.0 to 7.5	55 to 60	170 to 175	1,098	1,027	71	Nil
C Lenney, Chief Nurse	7.5 to 10	25 to 27.5	55 to 60	175 to 180	1,315	1,094	221	Nil
D Banks, Executive Director of Strategy	2.5 to 5.0	0 to 2.5	35 to 40	95 to 100	547	507	40	Nil

The above table gives pension benefits accruing from the NHS Pension Scheme up to 31st March 2017. Note that as Non-Executive Directors do not receive pensionable remuneration, there are no entries in respect of pensions for these Directors.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a scheme 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 which the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity within this Trust and this Group, to which the disclosure applies.

The CETV figures and 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.

Directors' Remuneration and Benefits

The aggregate amount of Directors' remuneration for 2016/17 was £1,800k (£1,537k in 2015/16). The Trust and the Group made a contribution to the NHS Pension Scheme, a defined benefit scheme, of £127k in respect of eight Directors in 2016/17 (2015/16: £130k in respect of six Directors).

Expenses

Directors

- The total number of Directors in office during 2016/17 was 18 (2015/16 - 20 Directors)
- The number of Directors receiving expenses in 2016/17 was 9 (2015/16 - 7)
- The total amount of expenses paid to Directors in 2016/17 was £3,759 (2015/16 - £4,507)

Governors

- The total number of Governors in office during 2016/17 was 41 (2015/16 – 40 Governors)
- The number of Governors receiving expenses in 2016/17 was 6 (2015/16 - 6)
- The total amount of expenses paid to Governors in 2016/17 was £832 (2015/16 - £1,426)

2.3 Staff Report

Staff numbers and roles

At CMFT we had a workforce of 13,421 people (at 31st March 2017). The table below gives a breakdown of our staff numbers by role and type of contract.

Staff Group	Permanent	Fixed Term	Sodexo*	Total
Administration and estates staff	2,914	305	521	3,740
Health care assistants and other support staff	2,071	166	-	2,237
Medical and dental staff	403	771	-	1,174
Nursing, midwifery, health visiting staff & learners	4,134	205	-	4,339
Healthcare Science and Other Scientific, therapeutic and technical staff	1,792	139	-	1,931
All employees	11,314	1,586	521	13,421*

*Some of our administration and estates staff are managed by our facilities management partner Sodexo.

In 2016/17 the split between female and male employees was:
- Female: 10,585
- Male: 2,836

The gender split for senior managers (defined as anyone who reports to an Executive Director) and Directors was:
- Female: 26
- Male: 22

Our Board of Directors, including Non-Executive Directors, had a gender split of:
- Female: 6
- Male: 12

The staff sickness absence rate for 2016/17 across the Trust was 4.93%.

Staff policies and actions during the year

- **Offering opportunities to disabled people**

The Trust is positive about employing disabled people and our recruitment and selection procedure includes provision to ensure that all discriminatory practices are avoided. We require Trust employees to comply with all appropriate policies and procedures, including the equality and diversity policies, when recruiting staff. The Trust is signed up to the Disability Confident initiative and guarantees providing an interview to any disabled candidate who wishes to be considered under this scheme and meets the essential criteria outlined in the Person Specification for a role. If candidates are progressed to short listing through to assessment and selection stage, they will also be asked whether they require any adjustment to be considered to enable them to attend and participate fully in the selection process.

- **Supporting all colleagues**

We continue to work to strengthen our policies and procedures to help deliver a more effective service.

In 2016, we designed and introduced a new governance framework for developing our people policies in a more open and transparent way and which also provides for better scrutiny of our HR practices. A number of policies inherited from previous employer organisations have now been merged whilst maintaining the key essential terms and conditions of each, making them easier for our managers and staff to identify and use when required.

During the year we have embarked on a review of the Occupational Health provision with a view to introducing an approach which focuses on the broader Health and Wellbeing of our staff. This in turn supports our staff in maintaining good attendance and managing themselves during times of change.

- **Consulting with and informing our staff**

Employee Relations continues to remain a key focus as we work towards assisting our managers, staff and Trade Union representatives to work collaboratively and help improve working relationships across the Trust. Core functions include facilitating the Joint Negotiating and Consultation Committee for both medical and non-medical staff groups, as well as providing assistance in discipline, grievance and dignity at work processes.

Throughout 2016/17, regular meetings were held with our Trade Union colleagues where improved committee structures and terms of reference helped ensure emerging issues could be resolved before they escalate. Similarly, work continued to improve consultation and engagement with our managers through the Operational Workforce Committee.

A number of formal consultation exercises were also undertaken in the period as the Trust embarked on a series of service reviews and restructuring exercises as part of its continuous improvement and efficiency drive, involving both staff and their representative bodies.

- **Involving our staff in our performance.**

All staff have an annual appraisal at which they agree with their manager performance and development objectives that are aligned to divisional business plans and the Trust's key priorities. Over the last 12 months all staff have had the opportunity to attend Divisional staff engagement sessions led by the Chief Executive and Executive Director team that highlight how Divisional performance contributes to the Trust's strategic objectives. All staff have also had the opportunity to attend Divisional 'Ideas into Action' sessions allowing them to make improvement suggestions and implement agreed actions that have resulted in very substantial improvements to the Trusts financial and quality performance.

- **Looking after staff health and safety.**

The Trust's *Safe, Effective, Quality Occupational Health Service (SEQOHS) accredited Occupational* Health Service provides confidential and impartial health advice to staff and to line managers to protect and promote their health, safety and well-being at work. This is done in a number of ways including:

- management referrals assessments to support attendance and fitness for work;
- providing advice on rehabilitation and adjustments at work;
- immunisations and vaccination screening programmes;
- clinical management of staff who sustain accidental inoculation injuries;
- workplace risk assessments and health surveillance programmes;
- therapeutic interventions including counselling, physiotherapy and osteopathy;
- annual influenza vaccine campaign for health care workers providing direct patient care.

The **Health & Safety** service continue to provide a one-day 'Managing Health & Safety' course and are introducing annual update/workshop sessions to promote the sharing of lessons learned between wards, departments and divisions. The results from the Annual Health and Safety Performance Review Audit show a positive correlation between levels of performance and those areas with trained Health and Safety coordinators.

The Corporate Directorates' Health and Safety Committee was re-established in August 2016. The scope of the Committee was reviewed to ensure that all corporate functions were included and that it was able to meet identified objectives. This forum supports corporate directorates in the management of health and safety and assists in identifying key risks, improving health and safety performance and learning from incidents. The Committee will facilitate effective two-way reporting with already established directorate forums and will provide assurance to the Trust's Operational Health and Safety Committee via 6-monthly positional reports.

The **Moving & Handling** service are working closely with all divisions to identify how training can be effectively delivered and accurately recorded. New equipment and techniques are also being introduced which will enhance the patient experience, reduce risks to staff and results in cost/efficiency savings.

The **Staff Support Service** provides support to individuals and teams on managing under pressure and maintaining healthy and effective team working. The service continues to develop new ways to support staff including a Computerised Cognitive Behaviour Therapy (CCBT) programme, and also provides training to promote psychological health and wellbeing, whether personal or work-related. These courses include Stress and Wellbeing Workshops; Mindfulness Drop in Sessions; Performing Under Pressure; Resilience Training for Managers & Senior Clinicians; and Managing Mental Health at Work.

Introduction of SWARTZ rounds
Schwartz Round were launched in July 2013 and provide a structured forum where all staff, clinical and non-clinical, come together regularly to discuss the emotional and social aspects of working in healthcare. Schwartz Rounds are designed for all staff in our hospitals and community services, no matter what their role. Everyone is welcome to come along and share their experiences.

The underlying premise for Rounds is that the compassion shown by staff can make all the difference to a patient's experience of care, but that in order to provide compassionate care staff must, in turn, feel supported in their work. Rounds are based on either different accounts of one patient or an event, or exploring a particular theme (such as 'when things go wrong' or 'memorable patients').

- **Countering fraud and corruption**.

The Trust is committed to reducing the level of fraud, bribery and corruption within both the Trust and the wider NHS and aims to eliminate all such activity as far as possible. The Trust ensures compliance in accordance with its contractual requirements under the NHS Standards Contract in respect of Anti-Fraud, Bribery and Corruption as required by NHS Protect's Standards for Providers; and has an Anti-Fraud, Bribery and Corruption Policy in place which encourages anyone having reasonable suspicions of fraud, bribery or corruption to report them.

It is also CMFT's policy that no employee will suffer in any way as a result of reporting reasonably held suspicions. All members of staff can therefore be confident about reporting their suspicions. This protection is given under the Public Interest Disclosure Act, which the Trust is obliged to comply with.

2016 NHS Staff Survey results

The national staff survey reports against 32 Key Findings, three of which are then used to provide an overall indicator of staff engagement. In 2016, a random sample population of 1219 staff were asked to complete the annual national staff survey. The response rate was 32%, compared with a response rate of 42% in 2015, which was against a smaller sample size. Nationally, the average response rate for our benchmarking group, combined acute and community trusts, was 40%. The Trust's staff survey results for each key findings still fall within 95% confidence intervals.

Response rate

	2016	2015		
	Trust	Trust	Benchmarking group (combined acute and community trusts average	**Trust improvement/ deterioration**
Response rate	32%	42%	40%	Decrease of 10%

Our quarterly pulse surveys are currently sent to all staff in the Trust with an email address. These achieve a response rate of around 20%, and provide feedback from a greater number of staff (typically around 2,300 each quarter). Improving the response rate for the national staff survey will be a priority for 2017.

Summary of performance

We have a number of recurring annual priorities for staff engagement, staff experience and the NHS staff survey. For the staff survey, we aim to maintain or improve the response rate to at least the national average; to improve our staff engagement score year-on-year and to be amongst the best performing Trusts in our benchmarking group; to improve our Key Findings scores year-on-year and increase the number of Key Findings that are included in the best performing trusts in our benchmarking group; to have no Key Findings below average compared with our benchmarking group; and to achieve improvements in areas where staff experience has deteriorated.

Since 2015 there has been one statistically significant change to our Key Findings' results, with the percentage of staff experiencing physical violence from staff in the last 12 months down from 3% to 1%. 14 Key Finding scores show an improvement on 2015, with 18 showing a decline, none of which are statistically significant.

We are ranked as 'above average' for 14 Key Findings and 'below average' for 5 Key Findings, when compared with other combined acute and community trusts. These 5 Key Findings are the same as those that make up our 5 lowest ranking scores and are key priorities for improvement in 2017/18. All of our 5 top ranking Key Findings have seen an improvement in scores since 2015.

Key Strengths (above average)
- Staff Motivation at work (also in top 20% of all Acute Trusts)
- Effective team working (top 20% of all Acute Trusts)
- Percentage of staff satisfied with the opportunities for flexible working patterns (top 20% of all Acute Trusts)
- Percentage feeling unwell due to work related stress in last 12 months
- Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months (top 20% of all Acute Trusts)
- Percentage experiencing physical violence from staff in part 12 months (top 20% of all Acute Trusts).
- Percentage of staff reporting most recent experience of violence (top 20% for all Acute trusts)
- Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months (top 20% of all Acute Trusts)
- Percentage of staff able to contribute towards improvements at work (top 20% of all Acute Trusts)
- Percentage of staff reporting good communication between senior management and staff (top 20% of all Acute Trusts)
- Percentage of staff appraised in last 12 months
- Percentage of staff reporting errors, near misses or incidents witnessed in the last month (top 20% of all Acute Trusts)
- Fairness and effectiveness of procedures for reporting errors, near misses and incidents
- Effective use of patient / service user feedback (top 20% of all Acute Trusts).

Areas for improvement (below average)
- Organisation and management interest in and action on health and wellbeing (also bottom 20% of all Acute Trusts)
- Percentage of staff experiencing discrimination at work in last 12 months
- Percentage of staff believing the organisation provides equal opportunities for career progression/promotion
- Percentage of staff reporting most recent experience of harassment, bullying or abuse
- Staff satisfaction with the quality of work and care they are able to deliver.

Four of the Key Findings that made up our bottom five ranked scores in 2015 have seen an improvement, with two now featuring in our top five ranked scores.

Staff engagement score
Overall staff engagement scores are based on a composite of three Key Findings. Our staff engagement score decreased by 0.05 compared with 2015, which in turn had seen a .13 increase on 2014.

	2016	2015		Trust improvement/ deterioration
	Trust	Trust	Benchmarking group (combined acute and community trusts)average	
Overall staff engagement	3.84	3.89	3.80	Decrease of 0.05 (deterioration)
KF1. Staff recommendation of the Trust as a place to work	3.73	3.80	3.71	Decrease of 0.07 (deterioration)
KF4. Staff motivation at work	3.98	4.00	3.94	Decrease of 0.02 (deterioration)
KF7. Staff ability to contribute towards improvements at work	76%	74%	71%	Increase of 2% (improvement)

Although there has been no statistically significant change to 31 of the 32 key findings, there is deterioration of in our overall staff engagement score, primarily due to 0.07 reduction in staff recommending the Trust as a place to work. We have, however, seen an increase in staff reporting that they are able to make improvements in their workplace.

We have quarterly 'pulse checks' in place so that we are continually monitoring staff engagement, and the feedback from the NHS staff survey reflects the results that these have been generating. Additionally, we have carried out a comprehensive cultural diagnostic during 2016, the outcomes from which are also consistent with our staff survey results.

Improvement plans
The recurring annual priorities for staff engagement listed above will continue for 2017/18. Additionally, we will:
- Maintain our continuous process for gathering staff feedback on key elements of the staff survey and culture through the pulse checks and cultural diagnostics
- Develop and deliver divisional and Trust-wide action plans to build on strengths and address issues identified in the staff survey, pulse checks and cultural diagnostics
- Build quality improvement capability through implementation of the Transformation Strategy
- Continue implementation of our Equality, Diversity & Inclusion strategy and plan
- Continue implementation of our organisational development strategy and business plan

- Review and redesign of the Trust's Occupational Health Service into an employee Health and Wellbeing Service and the identification.

Developing supportive leadership cultures

The culture at CMFT- 'the way we do things around here' - shapes the behaviour of everyone in the Trust and so affects the quality of care we provide. Research shows that the most powerful factor influencing culture is leadership and in particular collective leadership. Collective leadership is where everyone no matter what level or where they work is able to work together to lead positive change and deliver the best for patients.

To help us further develop our culture so that it enables and sustains continuously improving, safe, high quality and compassionate care we are working with NHS Improvement and The Kings Fund to co-design, develop and test tools and techniques to develop and implement strategies for collective leadership.

There are 3 phases to the programme. The first is 'discover' which is the implementation of a series of diagnostics to identify cultures; this is followed by the design of a leadership and culture strategy and then the implementation phase. During 2016/17 we completed phase 1 of the programme, our culture diagnostic, and during 2017/18 we will developing our strategy which will enable us to achieve our ambitions on culture and leadership.

Expenditure on consultancy

During the year the Trust spent £4,679k on consultancy (£1,640k in 2015/16).

Off-payroll engagements

The Trust seeks assurance in respect of tax arrangements of individuals engaged off-payroll and the information is recoded centrally. No individuals with significant financial responsibility will be engaged off-payroll.

For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last for longer than six months

No. of existing engagements as of 31 March 2017	**10**
Of which...	
No. that have existed for less than one year at time of reporting.	**0**
No. that have existed for between one and two years at time of reporting.	**2**
No. that have existed for between two and three years at time of reporting.	**2**
No. that have existed for between three and four years at time of reporting.	**2**
No. that have existed for four or more years at time of reporting	**4**

All have been risk assessed in line with IR 35 Guidance indicating they are self-employed for the purposes of their services to the Trust.

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017, for more than £220 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017	0
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017

Nmber of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure **must** include both off-payroll and on-payroll engagements.	0

Employee costs

Central Manchester University Hospitals NHS Foundation Trust - Annual Accounts 2016/17

4 Employee Expenses and Numbers

4.1 Employee Expenses

	2016/17 Permanently Employed Trust £000	2016/17 Other Trust £000	2016/17 Total Trust £000	2016/17 Permanently Employed Charity £000	2016/17 Other Charity £000	2016/17 Total Charity £000	2016/17 Permanently Employed Group £000	2016/17 Other Group £000	2016/17 Total Group £000	2015/16 Total Trust £000	2015/16 Total Group £000
Salaries and Wages	416,259	31,709	447,968	1,369	201	1,570	417,628	31,910	449,538	433,101	434,433
Social Security Costs	38,061	0	38,061	0	0	0	38,061	0	38,061	29,080	29,080
Pension Costs:											
Employer's Contributions to NHS Pensions	49,789	0	49,789	0	0	0	49,789	0	49,789	48,246	48,246
Pension Cost - Other Contributions	28	0	28	0	0	0	28	0	28	19	19
Temporary staff - bank	0	16,928	16,928	0	0	0	0	16,928	16,928	15,660	15,660
Agency/Contract Staff	0	16,898	16,898	0	0	0	0	16,898	16,898	27,182	27,182
Total	504,137	65,535	569,672	1,369	201	1,570	505,506	65,736	571,242	553,288	554,620

Staff costs for 2016/17 of £14,712k (£11,780k in 2015/16) in respect of Research and Development are disclosed separately in Note 3 . Executive Director remuneration in 2016/17 was £1,583k (2015/16, £1,537k), and is also disclosed seperately in Note 3 of these accounts.

4.2 Average Number of People Employed

	2016/17 Permanently Employed Trust Number	2016/17 Other Trust Number	2016/17 Total Trust Number	2016/17 Permanently Employed Charity Number	2016/17 Other Charity Number	2016/17 Total Charity Number	2016/17 Permanently Employed Group Number	2016/17 Other Group Number	2016/17 Total Group Number	2015/16 Total Trust Number	2015/16 Total Group Number
Medical and Dental	1,500	74	1,574	2	2	4	1,502	76	1,578	1,465	1,468
Administration and Estates	2,648	10	2,658	17	6	23	2,665	16	2,681	2,605	2,628
Healthcare Assistants and Other Support Staff	1,628	313	1,941	1	0	1	1,629	313	1,942	1,843	1,843
Nursing, Midwifery and Health Visiting Staff	4,021	205	4,226	0	0	0	4,021	205	4,226	4,211	4,213
Scientific, Therapeutic and Technical Staff	2,212	20	2,232	1	1	2	2,213	21	2,234	2,163	2,163
Agency / Contract Staff	0	261	261	0	0	0	0	261	261	458	458
Total	12,009	883	12,892	21	9	30	12,030	892	12,922	12,745	12,773

The number of employees is calculated using the contracted whole time equivalent.

Staff exit packages

Central Manchester University Hospitals NHS Foundation Trust - Annual Accounts 2016/17

4.4 Staff Exit Packages

2016/17	Number of compulsory redundancies No. Trust and Group	Cost of compulsory redundancies £000 Trust and Group	Number of other departures agreed No. Trust and Group	Cost of other departures agreed £000 Trust and Group	Total Cost of Exit Packages £000 Trust and Group
Exit Package Cost Band:					
Less than £10,000	4	14	53	168	182
£10,000 - £25,000	6	98	6	95	193
£25,001 - £50,000	6	201	2	53	254
£50,001 - £100,000	2	154	2	149	303
£100,001 - £150,000	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0
Over £200,000	0	0	0	0	0
Total Departures	18	467	63	465	932

2015/16	Number of compulsory redundancies No. Trust and Group	Cost of compulsory redundancies £000 Trust and Group	Number of other departures agreed No. Trust and Group	Cost of other departures agreed £000 Trust and Group	Total Cost of Exit Packages £000 Trust and Group
Exit Package Cost Band:					
Less than £10,000	4	26	48	150	176
£10,000 - £25,000	21	370	4	44	414
£25,001 - £50,000	20	731	0	0	731
£50,001 - £100,000	3	258	2	114	372
£100,001 - £150,000	2	249	1	122	371
£150,001 - £200,000	0	0	0	0	0
Over £200,000	0	0	0	0	0
Total Departures	50	1,634	55	430	2,064

The nature of 'Other Departures' agreed are shown in Note 4.5 below.

4.5 Exit Packages: Other (Non-Compulsory) Departure Payments

2016/17	Payments Agreed Trust and Group Number	Total Value of Agreements Trust and Group £000
Voluntary Redundancies Including Early Retirement Contractual Costs	4	191
Contractual Payments in Lieu of Notice	59	274
Exit Payments Following Employment Tribunals or Court Orders	0	0
Total	63	465

2015/16	Payments Agreed Trust and Group Number	Total Value of Agreements Trust and Group £000
Voluntary Redundancies Including Early Retirement Contractual Costs	3	236
Contractual Payments in Lieu of Notice	49	167
Exit Payments Following Employment Tribunals or	3	27
Total	55	430

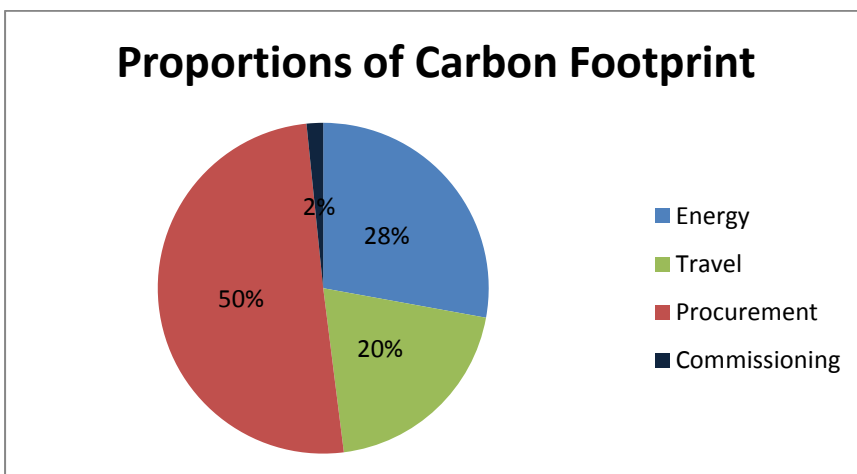## 2.4 Activity Reports – Sustainability, Equality and Research
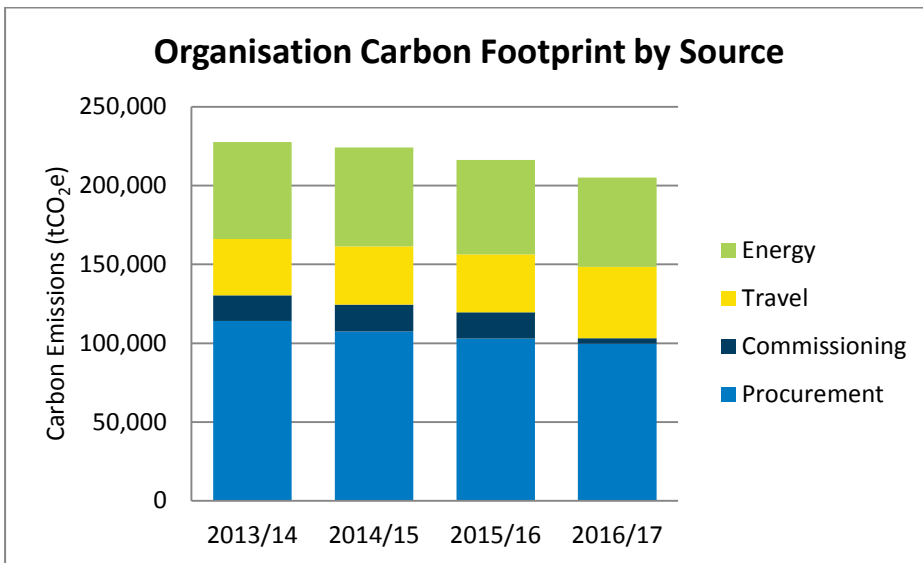
Sustainability Report 2016/2017

We remain firmly committed to improving the sustainability of our organisation and have continued to deliver an innovative and multi-faceted approach across the key delivery areas outlined in our strategy. As a publicly funded NHS organisation, we have a responsibility to make smart and efficient use of resources and improve the health and resilience of the communities we serve.

We are now into the third year of delivering our ambitious Sustainable Development Management Plan (SDMP). Priorities are to:

1. Reduce our carbon footprint by a minimum of 2% year on year, through a combination of technical measures and staff behaviour change.
   - We are achieving just over a 2% reduction in our carbon footprint year on year and have made significant process this year in accelerating the pace of delivery of technical efficiency measures and identification of opportunities.
2. Embed sustainability considerations into our core business strategy.
   - We have made some progress with incorporating sustainability measures into our capital programme, procurement processes and in some of the day to day decisions we make.
3. Work collaboratively with our key contractors and stakeholders to deliver a shared vision of sustainability.
   - There have been some good examples of joint working, and we have a strong governance process in place for delivering sustainability with cross representation from all areas.
4. Comply with all statutory sustainability requirements and implement national strategy.
   - There is a structured compliance system in place for all environmental legislation and associated requirements, and we are linked in to regional and national working groups and feeding into developing national strategies.

Our carbon footprint is over 200,000 tonnes a year, with half of that arising from our procurement activities – this equates to 221g of CO_2e against an acute hospitals sector average of 200g CO_2e per £ of operating expenditure. This section highlights some of the work we have delivered this year towards our SDMP goals and carbon reduction targets.

Proportions of Carbon Footprint

- Energy — 28%
- Travel — 20%
- Procurement — 50%
- Commissioning — 2%

Organisation Carbon Footprint by Source

Carbon Emissions (tCO_2e)

Legend:
- Energy
- Travel
- Commissioning
- Procurement

Years: 2013/14, 2014/15, 2015/16, 2016/17

Y-axis: 0, 50,000, 100,000, 150,000, 200,000, 250,000

Energy and Water Efficiency

Improving energy and water efficiency is a cost effective way of managing our utility budgets as demand for services continues to increase. We have delivered an ambitious programme of upgrades and efficiency measures, funded by cost savings from lower tariffs and by reinvesting savings into new initiatives.

Gas use has decreased by just over 3% relative to last year although we have seen a 2% increase in electricity consumption corresponding to an increase in intensity of activity on site and increased summer cooling demand. Water use has increased this year, we have experienced some leaks which have now been rectified.

Highlights from this year include:

- Delivering savings of £29,000 per annum through auto powerdown of PC monitors across the whole Trust.
- Measures implemented to date as part of our ambitious programme of Building Management System (BMS) optimisation across the Estate will save £140,000 per year in electricity costs.
- We have delivered a number of LED lighting upgrades at Central and Trafford sites.
- Insulation of a number of areas in the older Trust Estate has been completed, saving £50,000 per year in gas costs.
- We have made significant progress with our business case for Combined Heat and Power (CHP) at the Central site.

Energy and water in numbers

Over £200,000 has been invested in energy efficiency measures

Measures implemented this year will save 800 tonnes of carbon every year

We have installed over 1,000 low energy LED light fittings

Resource		2014/15	2015/16	2016/17
Gas	Use (kWh)	113,819,888	114,558,234	111,080,629
	tCO$_2$e	23,880	23,975	23,214
Oil	Use (kWh)	480,266	381,441	460,000
	tCO$_2$e	154	122	115
Electricity	Use (kWh)	62,552,551	62,199,779	63,313,831
	tCO$_2$e	38,741	35,760	32,721
Total Energy CO$_2$e		62,774	59,856	55,950
Total Energy Spend		£ 8,467,257	£ 8,154,532	£7,707,464

Carbon Emissions - Energy Use
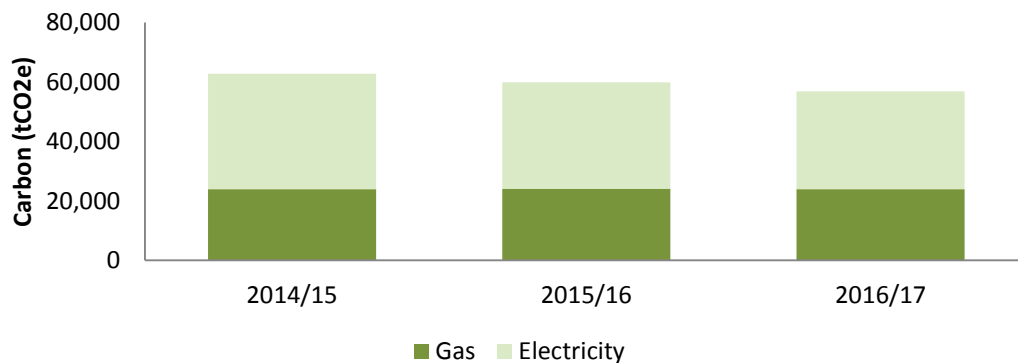
Water		2014/15	2015/16	2016/17
Mains	m^3	414,646	388,666	415,422
	tCO$_2$e	378	354	378
Water & Sewage Spend		£ 963,867	£ 864,327	£ 924,131

Next steps
- Continue with our ambitious capital programme of energy and water efficiency measures, including upgrading the lighting in our Hathersage Road multi-storey car park to efficient LED's.
- Implement an independent measurement and verification (M&V) process on the larger delivered schemes to ensure we are achieving value for money.
- Seek approval for the business case for a Combined Heat and Power (CHP) system at the Central site.

Waste

We generate over 4,300 tonnes of waste a year across 27 different waste streams. We operate a proactive and innovative approach to waste management, aiming to:
- Continuously improve segregation and compliance, moving waste 'up the hierarchy'
- View waste as a resource and engage with staff to improve awareness and behaviour.

In 2016/17, the Trust's absolute waste volumes have reduced by almost 1% compared to the previous year. Recycling has decreased due to limitations of our current waste contract arrangements and we are currently working to address this. However, waste to landfill has decreased by 8% as more of our waste is recovered for energy.

Significant activities this year have included:
- Rollout of Warp It, an online system for redistributing unwanted furniture, uniform and other items for reuse within the organisation. Currently, 740 staff are members of Warp It and we have recently merged our account with University Hospital South Manchester, saving over £77,000 to date in procurement and waste disposal costs.
- In May 2016, we launched a new confidential waste collection service, with all paper waste now being disposed of in 750 secure consoles, shredded off site and sent to local paper mills for turning into new products such as tissues and bedpans.
- We have piloted innovative waste segregation, including chewing gum recycling, healthcare plastics from Theatres and coffee cup recycling.

Waste in numbers

Waste		2014/15	2015/16	2016/17
Recycling	(tonnes)	1960.18	956.56	764.57
	tCO_2e	41.16	19.13	16.06
Other recovery	(tonnes)	456.50	1524.38	1618.70
	tCO_2e	9.59	30.49	33.99
High Temp disposal	(tonnes)	633.11	626.34	627.00
	tCO_2e	139.28	137.17	137.94
Landfill	(tonnes)	1583.15	1398.16	1289.00
	tCO_2e	386.95	341.74	399.59

Total Waste (tonnes)	4632.94	4505.44	4299.27
% Recycled or Re-used	42%	21%	18%
Total Waste tCO$_2$e	576.98	528.52	587.58

210 tonnes of waste paper and 93 tonnes of cardboard was recycled – if all the paper was stacked up it would reach seven times as high as the Eiffel Tower

In a 5 week trial period we collected nearly 7,000 coffee cups for recycling from only 6 dedicated bins, this would equate to over 70,000 in a year if we continue to deliver this scheme

We inspected the contents of 1,200 bins and carried out waste audits for 56 wards and departments

We trained 320 frontline staff in waste management via our bespoke waste e-learning package

Next steps

- Work closely with our facilities management providers, Sodexo to reduce the production of and better manage the food waste stream, we disposed of around 200 tonnes last year.
- Implement targeted initiatives and campaigns to reduce paper waste at source.
- Develop and launch a new waste behaviour change campaign including anti littering, waste segregation in our public areas and improvements in clinical practice with regards to waste production and segregation.
- Seek opportunities for further segregation at source of healthcare waste streams, such as theatre wraps.
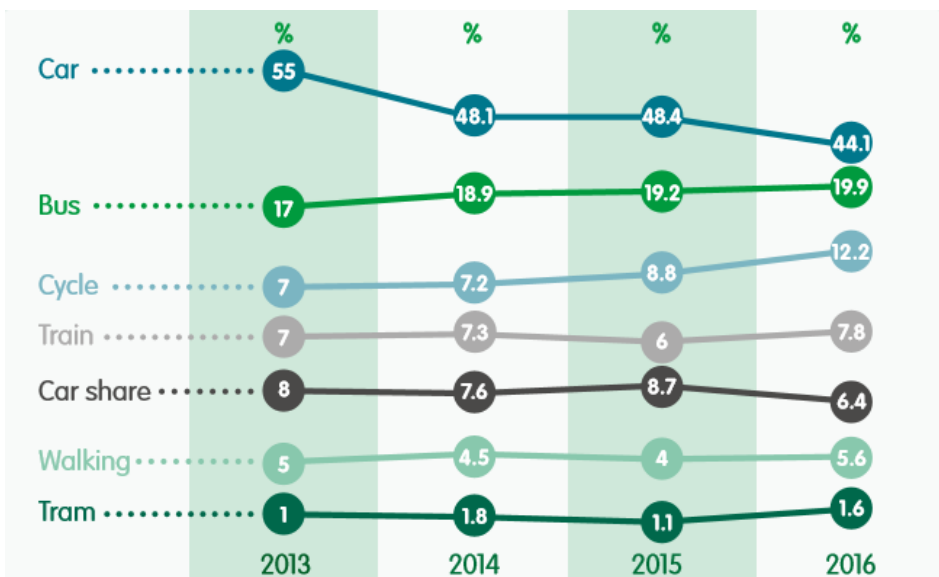
Sustainable Travel

In February 2016 we approved a new Sustainable Travel Plan, setting out an action plan to achieve a modal shift of 10% of our staff onto more sustainable and active travel modes by 2020. This year we have invested significant resources into continuing to support both new and existing cyclists. Specific activities delivered this year have included:

- Installation of an additional 4 electric vehicle (EV) charging points in our Grafton Street multi-storey car park for staff and public use (90% grant funded) and supported a staff EV user group.
- Piloted a car club scheme, providing a cost effective and low emissions 'hire by the hour' vehicle service to staff.
- Ran a 'bikes for business' scheme, offering free hire of bikes and associated equipment to staff who want to try out cycling.
- Working closely with our Corridor Manchester partners to deliver a joint programme of sustainable travel support to staff working on the Oxford Road corridor.
- Achieving recognition of our work to embed sustainable travel practice by attaining the Transport for Greater Manchester (TfGM) Travel Choices Gold award in March 2017.
- Continued delivery of the subsidised 147 hybrid bus service, linking Piccadilly Station and the Central site.

The transformation of Oxford Road into a pedestrian friendly boulevard is now almost complete, with the 'bus gate' soon to be in full operation. We have continued to work closely alongside TfGM to ensure that progress and disruption from the roadworks taking place throughout 2016 was clearly communicated. The First Bus premium Vantage cross-city bus services from Leigh and Atherton, following the new guided busway and stopping on the Central site, have been launched with the services reaching full capacity of eight buses per hour in spring 2017.

Travel in numbers

Every year we measure how staff get to work; the following infographic shows how this has changed since 2013.

Mode	2013 %	2014 %	2015 %	2016 %
Car	55	48.1	48.4	44.1
Bus	17	18.9	19.2	19.9
Cycle	7	7.2	8.8	12.2
Train	7	7.3	6	7.8
Car share	8	7.6	8.7	6.4
Walking	5	4.5	4	5.6
Tram	1	1.8	1.1	1.6

In partnership with TfGM we provided over 1,000 personal travel plans (PTPs) for staff, giving staff tailored options for travel to work and free try out tickets for public transport where appropriate

Provided over 3,350 discounted annual, monthly and weekly public transport tickets to staff

Held 12 cycle maintenance sessions for staff

1 in 6 staff now use active travel (cycling, walking and running) to get to work

Single occupancy car travel is down by 4.3% since 2015 and cycling is up by 3.4% over the same period

Next steps

- . • Develop a strategy around our EV (electric vehicle) charging network and future plans for expansion based on increasing demand
- Work closely with our Corridor Manchester partners and TfGM to improve the public transport discounts on offer to staff.
- Continue to improve travel related information for staff, patients and visitors on all communication channels.

Staff engagement and communications
Engaging staff and raising awareness throughout the organisation is key to maximising our environmental efficiency. We encourage any member of staff who is passionate about sustainability to get involved, and during 2016/17 we completed the third cycle of our innovative and sector leading Green Impact programme in partnership with the National Union of Students (NUS).

Green Impact is a series of bite size sustainability challenges delivered by departmental and ward teams. For those teams that want to go the 'extra mile' we launched our excellence projects this year, where teams delivered their own project in addition to the standard criteria.

We were delighted to be awarded the highest achievable 'Green Level' accreditation of the Investors in the Environment (iiE) accreditation scheme, providing evidence of continuous improvement in our environmental performance. In February, we hosted the first Manchester Sustainability Day Roadshow event; these events are delivered across the country in the lead up to NHS Sustainability Day in March to raise awareness and share best practice.

We were extremely proud to be recognised by some prestigious national awards including:
- Green Apple Awards 2016 'Environmental Best Practice' NHS & Health Sector silver award
- HSJ Value in Healthcare Awards 2017 – finalist (winner announced May 2017)
- NHS Sustainability Day Awards – finalist in 5 categories (winners announced May 2017)

The Trust was also recognised for its excellent sustainability reporting by the Sustainable Development Unit (SDU), NHS Improvement and Healthcare Financial Management Association (HFMA).

The Children's Theatre and Anaesthetics Green Impact team focused on waste reduction, and carried out a mini waste audit over 10 days in one of the theatres. They introduced clear waste bags for general domestic waste into all 10 theatre suites, halving the number of bags of healthcare waste.

Staff engagement and communication in numbers

28 teams participated in the Green Impact programme, saving an estimated £65,000 and delivering 1,406 greening actions

Next steps:
- Delivering the fourth cycle of the Green Impact staff sustainability behaviour change programme, engaging more of our staff in helping to improve our environmental performance.
  - Working with Global Action Plan to run an innovative behaviour change programme, 'Operation TLC', which trains clinical staff to adopt simple, energy efficiency behaviours, creating healing environments.

- Continue our collaborative approach to sustainability through working with partners both locally and nationally and sharing best practice.

Climate change adaptation and resilience

Climate change is recognised as one of the biggest public health threats this century. As well as negatively impacting the physical and mental health and wellbeing of the UK population, climate change could impact the operational delivery of our services. The system infrastructure (buildings, communications, models of care) and supply chain (e.g. food, fuel, supplies) need to be prepared for and resilient to weather events and other impacts.

With this in mind, we ran two workshops with various staff to raise awareness of future climate change and using a prioritised risk assessment process to assess the risks to CMFT and agree mitigation strategies. The outcome of this work will result in a comprehensive climate change adaptation and resilience strategy early in 2017/18 with a summary to be included in our updated strategy.

Next steps:
- Engage a wider stakeholder group to identify likely service changes required as a result of adapting to climate change

Sustainable procurement

The procurement of goods and services represents the largest contributor to our organisational carbon footprint. At CMFT we are committed to delivering wider economic, environmental and social benefits through our procurement activities alongside achieving value for money. We work closely with our supply chain to realise opportunities for wider benefits and embedding sustainability principles into all of our contracts and throughout the lifetime of our goods and services.

Achievements during 2016/17 include:
- The managed print programme is now fully rolled out and embedded across the Trust, with the introduction of default double sided printing, energy saving devices and a reduced number of machines.
- A two year agreement was awarded to a local company for supply of pulp products. Standardisation has resulted in an overall reduction in the number of products required, as well as securing local employment, reducing transport costs and environmental impacts.
- There has been a focus on improved inventory management, using live data resulting in less product waste, reduced consumption of resources and cost savings.

Next steps
- To encourage SME non-pay spend opportunities.
- To further develop sustainability within procurement processes, including wider engagement of our supply chain.
-

In September 2016, a review of endodontic instrument packs at the Dental Hospital and subsequent conversion of some items to single use, therefore avoiding sterilising unused instruments, resulted in cost savings of over £25,000 per annum.

NHS Good Corporate Citizenship Assessment

Overview   65%

Overview Report
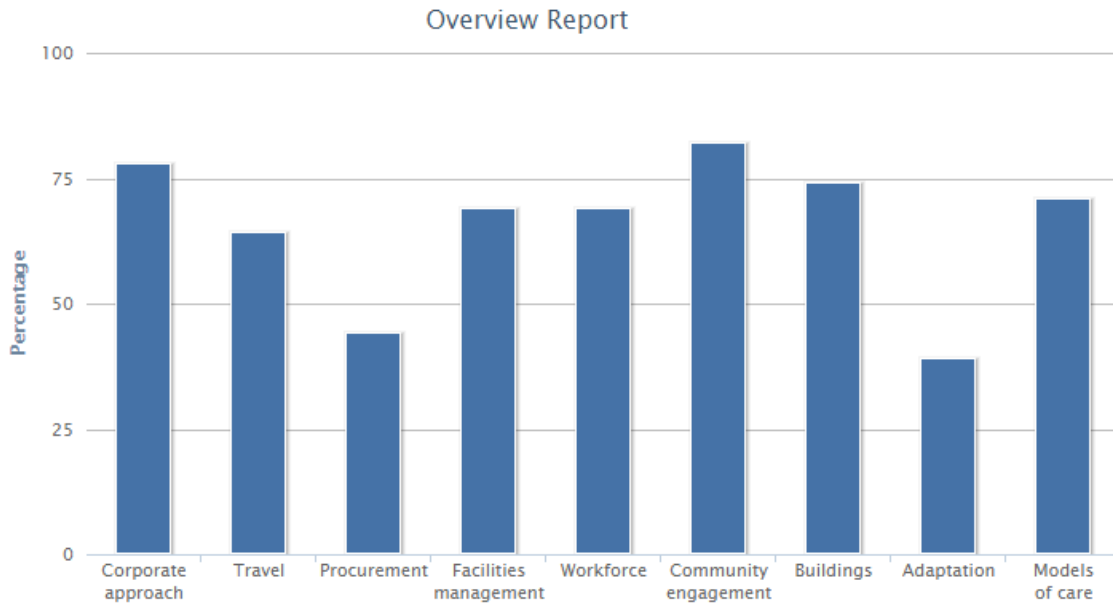
One of the ways in which we measure and benchmark our sustainability performance is by using the NHS Good Corporate Citizenship Assessment. In February 2017, we achieved a score of 65% which is an improvement of 1% against the previous year, with some of the work currently underway contributing to a further increase in score when completed.

Equality, Diversity & Inclusion Strategy

We are in the first year of delivering our Equality, Diversity & Inclusion three year strategy. Our vision statement is: 'Valuing the voices of our diverse people to be the best we can.'

By **people** we mean our staff, patients, carers, visitors, governor's board directors, volunteers and the communities we serve.

To deliver this vision we will aim to:
- Be accessible to all
- Listen and respond to all our people
- Benefit from the diverse, skills and knowledge of our people
- Provide opportunities for our communities to live healthy lives.

The priority focus for this year across the Trust has been working on the first aim of ensuring our services; employment opportunities and volunteering are open to all.

Trust Accessibility Board
The work on accessibility is overseen by the Trust Accessibility Board, chaired by David Furnival, Director Estates & Facilities for CMFT has led the programmes of work aimed at improving the trusts accessibility. The Board leads three key areas of work: improving the accessibility of our sites, improving communications and implementing the Accessibility standard.

The membership of the board is senior members of staff, ensuring strong leadership for the work and a co-ordinated approach across CMFT.

"I'm proud to be the Chair of the Accessibility Board. At CMFT we have set out of vision to be accessible to all and the work we are doing will deliver that vision. We still have a lot of work to do to, but I know that the teams are committed to delivering the changes needed. Working in partnership with our Patient Disability Forum over the next two years we will continue to improve and develop our services."
David Furnival, Chair of the Trust's Accessibility Board

Patient Disability Forum
In 2016 the Trust set up a Patient Disability Forum to support the programme of improving

accessibility. Led by Safina Nadeem, the Trust Lead on Equality & Diversity, we established the group to listen to the views and experiences of disabled people and enable them to influence decisions about the design and delivery of our health care services.

The group holds regular meetings

Anyone can join the group who is a disabled person who has used our services in the last two years, a disabled person who is a member or Governor at CMFT, or someone who has experience of the barriers faced by disabled people and is able to attend four meetings per year. The group currently has 35 people on the membership list but this continues to grow as more people get to know about the group.

The purpose of the group is to work with CMFT to develop equal access for disabled people across all CMFT service areas, help identify barriers to health care services for disabled people and find ways to remove these barriers. They also share experiences and views about health care services for disabled people.

This year the group has worked on several improvement programmes; helped to develop the new outpatient letters as part of our wider programme of transformation, and worked with the property & estates team in reviewing Trust maps. They have also supported the patient experience team in the development of a buddy scheme for patients who need support during a visit to CMFT. At the last meeting they reviewed proposed new dementia friendly signage for our wards.

"Setting up the Disabled People's User Forum has created a fantastic opportunity for CMFT to listen to what our patients are telling us about our services. We are very fortunate to have so many passionate and supportive members of the Forum who have worked with us determinedly to create positive change across the Trust.

"We have lots more to do and we have a work plan for 2017/18. It's going to be exciting to see the partnership between CMFT and our Disabled People's User Forum grow."
Safina Nadeem, Lead for the Disabled People's User Forum

Transforming Outpatient Letters
In 2016 the Transformation Team and a group of newly appointed consultants led a programme of work to improve our outpatient services. A key part of this work was to improve the thousands of outpatient letters that are sent out to all our patients.

A working group was formed with membership from colleagues across the Trust, the group was led by Dr Ajit Mahaveer, Consultant Neonatologist. Together the group have created a new accessible patient letter template and a set of standards for all outpatient letters that is being implemented across CMFT.

The Disability Patient Forum was one of the key groups who have helped develop the letter, along with wider consultation with patient. The Adult Neurophysiology Department team also piloted the new letter and worked with the patient experience team to get direct feed from patients. The group is now working to develop a leaflet that contains all the information patients need to know before their appointment about getting to their appointment and accessing our services.

Developing accessible patient information
Working with Manchester People First, Saint Mary's have reviewed the content of the information in client leaflets with the aim of improving the accessibility of the leaflets not only for people with learning disabilities but to help people with limited literacy and people who have English as a second language.

The leaflets will be launched in 2017 after being piloted by the team at Manchester People First. Saint Mary's team are also working on developing a tool that the crisis workers would use when someone comes in for the forensic examination. This tool was originally developed for clients who have a learning disability but it will now be rolled out for every SARC client that arrives in a potentially traumatised state, any time of the day or night, and is given lots of information to retain. The tool will give information on care received and important follow-up medical care. '

Empowering staff in Clinical & Scientific Services (CSS) to provide outstanding care for people with disabilities
The team at CSS have rolled out a programme of training and development for colleagues to provide them with the skills and confidence to support their patients and colleagues. The team have been trained on a number of equality & diversity (E&D) topics which includes:
- The Power of Difference, Autism in the workplace and Trans awareness
- Supporting guide dog users in Critical Care run by Guide Dogs for the Blind
- Training for senior leaders in Clinical Services on Trans awareness and supporting people with learning disabilities.

The teams have also been offered E&D training with the uptake of these courses, and on line training is monitored monthly. E&D appraisal objectives are to be audited to ensure staff have an appropriate objective.

"In CSS we have been working really hard to engage all staff in our work on Equality & Diversity. We are really proud that we have seen improvement in our scores for our annual audit of Equality & Diversity. We were assessed as being Achieving overall with exceling in four outcomes. This was a significant improvement from the previous year. It is thanks to all our teams that we have seen this improvement."
Maria Roberts, Equality & Diversity Lead for CSS

Improving Access to Research & Innovation
The Research and Innovation (R&I) Division have used their participation in the annual Equality Diversity and Inclusion Week as a springboard to specifically improve the recruitment of all communities into research studies and to ensure the best treatment of all once they are involved.

In 2015 we ran a workshop with 80 R&I staff (including research nurses and trial coordinators) focused on Black Asian and Minority Ethnic communities participation in research. This looked at possible barriers and strategies to overcome them, which included presentations from the Trust's multi-faith chaplaincy service and the BNJ nurse of the year at the time Agimol Pradeep who conducted a ground breaking study into SE Asian organ donation. The group work element from the event was an important contribution to the guidance document we subsequently distributed to our teams for writing recruitment strategies. Issues relating to religion and language were a significant part of the event.

For 2016, we focused on sexuality and gender, especially the trans gender experience. To another large audience of R&I staff we had presentations from the LGBT+ staff network, LGBT Foundation and clinicians on a range of subjects relevant to the health research experience of patients from differing gender and sexuality backgrounds.

The star turn for this event was a special performance from Kate O'Donnell who had recently finished touring her one woman show A Big Girl's Blouse, about her own transition to a trans woman. This was a radical departure from typical PowerPoint based training, and even breakout group work as it involved the entire audience taking part in a 'gender spectrum'.

We also gave each attendee a rainbow lanyard to increase visibility in the Trust of a symbol widely recognised as indicating a welcoming attitude to sexualities. To further broaden the scope of the event, there was also a presence from the Sophie Lancaster Foundation, which campaigns against hate crimes based on prejudice toward people from alternative lifestyles.

These events, and subsequent related activities which they have initiated, are important to our Division in ensuring that our staff approach their work with the right attitude and tools to ensure that a positive experience of research participation is available to all.

Improving accessibility across Property, Estates & Facilities
One of the key focuses of the accessibility programme has been to improve the accessibility of the Trust's building and sites. Whilst the majority of the Trust's estate is compliant, the Property, Estates & Facilities team have set their ambitions much higher, with the aim to champion and improve accessibility across the Trust's many sites.

The team have pulled together a multi-disciplinary team of estates and clinical professionals to drive this work. The team have undertaken site audits, identified areas for improvement and worked closely with the Disabled Patients forum to deliver change. From changing the signage in our car parks, to improving the accessibility of our outpatient departments and implementing dementia friendly environments on the wards; the team have plans to deliver change across the Trust.

"We have created a phase one plan that we are in the process of delivering, but in parallel with the delivery of the phase one plan we are also developing plans for the subsequent phases."
Mike Beevers, Lead for Property, Estates & Facilities.

Improving Accessibility to Employment for people with Learning Disabilities - Supported Internship Programme
The Trust has two Supported Internship Programmes that support young people with learning disabilities access employment. Delivered at both Trafford Hospital and Central Manchester Hospital sites, it is a yearlong programme for 20 people aged 18-24. The programme supports Interns complete three work placements, gain a City and Guilds Award, build confidence, employability skills and obtain and retain paid employment.

The programme is delivered in partnership with Trafford College, The Manchester College and Pure Innovations Ltd. Recruitment open days for the programme take place throughout the year, a recent promotional recruitment film for Trafford Supported Internship is as follows: https://www.youtube.com/watch?v=oSN6NABnJRY.

Over half of each intake secure employment at the end of the programme, either at our Trust or with an external employer.

The Trust has gone on to develop positive action interventions such as working interviews, accessible induction and bespoke training for staff and managers to continue to support the inclusion of disabled talent within the trust workforce.

Key outcomes to date
- 108 people accessed the programme
- 99% completed the programme and achieved the qualification
- 64% obtained paid employment either at the Trust or with an external employer
- 93% retained paid employment at one year
- 324 high quality placements delivered for Supported Interns across all areas.

Trafford Hospitals Supported Interns 2016/17

Highlights 2016/17
- A new 'Pre-Internship' at Trafford Hospitals. The aim is for students to achieve an Entry Level 2 Certificate in Independent Living, improve confidence and increase student readiness for the demands of the Supported Internship Programme.
- Trafford Supported Internship has moved classroom this year and is now operating from an excellent facility in the heart of Trafford Hospital, next to pharmacy
- Trafford Supported Internship was 'Highly Commended' in the Learning and Work Institute National 'Festival of Learning Awards' 2016 http://www.pureinnovations.co.uk/recognition-at-national-awards/
- Wesley Lohan, Supported Intern at the Manchester Hospitals Supported Internship was a runner up for The Manchester College Supported Learning Student of the Year. https://students.themanchestercollege.ac.uk/news/student-excellence-awards-2016-%E2%80%93-finalists-announced

Case study: catching up with Supported Intern Ryan Folawiyo
Ryan has been in employment with the trust since November 2012 in the Genetic Medicine department after completing three successful placements and a working interview.

Ryan was referred to the Supported Internship as a NEET young person, (not in Education, Employment or Training). When Ryan started the programme in September 2011 he was very shy and thus found it challenging to complete certain tasks that involved speaking to staff or peers. Following intense support from the programme staff and natural support from trust and Sodexo staff over the year, Ryan's confidence grew.

Ryan's placements were firstly in the Receipt and Distribution Service, where he was able to build confidence and skills in order picking and delivering around the Trust. Ryan's second placement was in the Cashier's Department where he adapted quickly, needing minimal support to carry out his core work routines. Ryan then completed a placement and a 'working interview' in Genetic Medicine where he was able to demonstrate his skills and attributes within carrying out the job role and was successful in being appointed.

Gill Reed, Operational Manager for Department of Genetic Medicine saw that Ryan had the skills required and offered a contract of 20 hours per week. As the department and role have evolved, Ryan has responded to these needs by undertaking further training and also setting up his own systems to aid the file tracking process. He has not required any further support or training from the Internship team, instead becoming confident enough to seek support as and when needed from his colleagues and peers.

Gill comments, "I am delighted to have Ryan as a member of my team. He has made so much progress within the department over the last four years. I am thrilled that he was given the initial opportunity through the Supported Internship."

Ryan has been supported with his career development and moved onto full time hours. Ryan comments, "Having a paid job has given me the money and freedom to be able to go on holiday abroad with friends; as well as getting my first tattoo!"

Ryan Folawiyo, Clerical Assistant, Genetic Medicine in 2012 (left) and with Gill Reed, Operational Manager Genetic Medicine (right) in 2016.

Improving Accessibility to Employment to Our Local Communities Pre-Employment Programme
The Trust Pre-Employment programme offers an outstanding opportunity for local unemployed people in Manchester and Trafford. Since 2009, the Trust has worked with partners to offer a vocational programme for people interested in working at the trust, either in a clinical or non-clinical capacity.

The programme consists of four weeks sector based learning and completion of a Level One Certificate in 'Skills for Working in Health Care', four weeks work placement and a guaranteed interview on successful completion of all aspects of the programme.

Outcomes 2016/17
- 56 Manchester residents offered a place on the programme
- 48 people completed the programme and offered and interview in chosen field
- 35 people gained permanent employment and apprenticeship training (73% of people who completed).

Many of the participants who secured employment via the Pre-Employment Programme have gone onto further study and employment at a higher level in Nursing, Administration, Pharmacy and Scientific careers.

Candidate Snap Shot: Dhanay Reeves
Dhanay attended the Pre-Employment Administration and Clerical programme open day in October 2015 and was offered a place on the programme. During the academic element, Dhanay actively took part in all activities whilst supporting and assisting her fellow classmates throughout the duration of the programme. During the four week work placement, Dhanay worked within the Neurology department supporting the Epilepsy Network Co-ordinator and completing a variety of tasks. Since completing the programme Dhanay has successfully gained employment at CMFT as an Administration Assistant to the Epilepsy Network Co-ordinator, Emily Tolno.

Emily says: *"Dhanay has been an asset to the team from Day One. She is extremely capable and is always willing to go the extra mile. She is capable of working with minimum supervision and often takes her own initiative. She is aware of her strengths and weaknesses and is not afraid to ask for help. We are delighted that she has joined us in supporting the Epilepsy Surgery Service at Royal Manchester Children's Hospital."*

In 2016, Dhanay won the Adult Student of the Year Award at The Manchester College Student Excellence Awards.
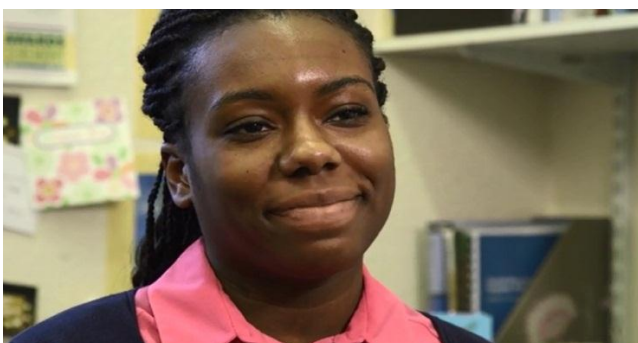
Improving accessibility to Careers in the NHS - Greater Manchester NHS Careers & Engagement Hub

CMFT currently hosts the GM NHS Careers & Engagement Hub. The

hub acts as an initial contact point for individual learners and outside organisations who want to find out about career options in the NHS and benefit from engagement from NHS staff to highlight and showcase their roles.

The hub has developed working agreements with 13 different NHS provider trusts in the Greater Manchester area and is engaging with a large number of schools, local authorities, careers advice organisations and crucially the learners themselves. The hub has so far supported with 152 individual learners with requests for information or signposting on NHS careers and has engaged with 96 organisations, 67 of which are schools. As awareness grows the team expect these numbers to grow.

The team are also piloting innovative new ways to engage with learners about NHS careers including recruitment workshops, role play sessions, workshops on values in healthcare and creating role profiles of existing staff. The team delivers careers insight days at CMFT and have also profiled 40 different CMFT staff members from a variety of professions and backgrounds.

Students from a local college at the GM Careers Hub Insight Day in November 2016

Careers and Community Engagement

In addition to the large numbers of work experience opportunities available and annual Young Peoples event, the Trust works hard to deliver innovative and informative careers information and guidance sessions to all members of our community. During 2016/17 the Community Engagement team attended a variety of careers events at local Schools, College's and Job Centre's. These events including local jobs fairs at Job Centre Plus Offices, Careers Fairs at many local schools, colleges and adult education and employment services. Many opportunities are also available for individuals and schools to participate in actives at the trust, for example World Radiology Day celebration.

World Radiography Day took place on 8th November 2016 and to celebrate the Radiology department supported by the Community Engagement Team organised an event where students from local schools and colleges could meet staff from the department as well as find out more about the different roles and specialisms a Radiographer can undertake.

As part of the event students were given an outlook on:
- A career in diagnostic radiography
- Personal story on the a career of a Lead Radiographer
- Cardiac imaging
- Student radiographer experience
- An insight into the equipment used in Radiology

The feedback from the event was very positive with students stating that it met their expectations, gave clear understanding about the profession and an insight into what to

expect whilst studying at University and being on placement to become a Radiographer.

Mohammed Rehman, a Radiographer at Manchester Royal Infirmary, talking to local school and college students

Community engagement with the Army Reserve

The Trust recognises the importance of supporting the Armed Forces, The Army Reserve and their families and is proud to have been awarded in 2016 a Bronze Award by the Armed Forces Covenant Employer Recognition Scheme (ERS).

In addition to supporting staff reservists to attend training and promoting Army Reserve opportunities to all staff, we are proud to support an Army Reserve Apprentice Training Programme in partnership with Army Reserve Field Hospital 207 and Trafford College. After a successful pilot year, the programme supports Army Reserve Apprentices to gain practical clinical care skills on the Emergency Surgery and Trauma Unit, MRI.
https://www.gov.uk/government/publications/defence-employer-recognition-scheme/defence-employer-recognition-scheme#bronze-award

Army Reserve Apprentice partnership including CMFT, Army Reserve Field Hospital 207 and Trafford College. Celebrating the graduation of the first apprentice through the programme, Rory, and welcoming new apprentice Josh.

Research and Innovation Report

Revolutionising treatment and changing lives through research
We work with universities, industry and others to take the best new ideas from cutting-edge science and use them to create real-life tests and treatments that benefit our patients more quickly. But without the involvement of patients in our research, we wouldn't be able to deliver improved patient care.

During 2016/17 12,949 patients and healthy volunteers participated in clinical research studies across our hospitals, up from 8,759 in 2015/16. Here are just a few of their stories.

Luca's story

Luca was 11 years old when he took part in a study to trial an experimental drug in children with immune thrombocytopenia, an autoimmune disease affecting platelets which can cause excessive bleeding, bruising and rashes.

Since taking part on the study Luca has made fantastic progress and he's now well enough to take part in sports at schools and go on a skiing holiday. Something he had to avoid previously.

"When we were first approached about the possibility of Luca taking part in a research study, I had absolutely no hesitations; we wanted to do it, and to play our part in helping someone else in the future."
Luca's mum

Peter's story

After reoccurring chest pains, Peter was diagnosed with ischemia of the heart, a condition where narrowed arteries caused decreased blood flow.

Peter agreed to take part in a study which compares two standard forms of treatment, a medicine versus a procedure, to see which is most effective. As a result of being on the study, doctors also identified that he needed to have quadruple bypass surgery, which has improved Peter's quality of life.

"I cannot thank the research team enough – they have helped me every step of the way and advised, educated and reassured me throughout the process." *Peter*

Jackie's story

In 2013 Jackie was diagnosed with amyloidosis, which is caused by deposits of abnormal protein, amyloid, in tissues and organs throughout the body which can lead to organ failure.

There are currently no treatments available to directly remove these proteins, so keen to find out more about her options Jackie signed up to a study trialing a new drug. Jackie, who is still on the study, is now in remission. Due to the regular study visits and additional monitoring including scans, she is confident that any flare ups of the condition will be spotted quickly.

"If it means playing a role in developing new treatments for the future, I don't see why anyone would turn that offer down."
Jackie

Research impact

- Findings from a Cancer Research UK funded study found that a new pre-surgery technique, involving an expandable tube that unblocks the bowel before surgery, could lead to fewer emergency bowel cancer patients needing a colostomy bag.

- Five Manchester patients with retinitis pigmentosa will be among the first in the country to receive the Argus II 'bionic eye' device in a scheme funded by NHS England to gather vital evidence for treatments that show significant promise for the future.

- Research co-led by Professor Jonathan Green into a parent-led intervention for autism is the first to show reduction in symptom severity, with improved social communication and reduced repetitive behaviours, through to ages 7-11.

An integrated approach to research

We want our research to have the greatest impact possible and that means working with other researchers across Greater Manchester to deliver a cohesive approach.

In 2016 the National Institute for Health Research (NIHR) announced a £41m investment into research and supporting infrastructure across Greater Manchester under the Biomedical Research Centre and Clinical Research Facility schemes.

We have ambitious plans for the next five years to drive forward pioneering research into clinical areas which are major causes of premature death and high disability. We will bring new and improved tests and treatments in the areas of musculoskeletal disease, hearing health, respiratory disease, dermatology and three cancer themes (prevention, radiotherapy and precision medicine).

We have also strengthened our research capability across our hospital infrastructure:

- Researchers took to the road in a unique research van, travelling around the country to validate a new solution to tests hearing in infants who have hearing aids.

- Dr John Moore, was awarded one of eight prestigious NHS Innovation Accelerator (NIA) Fellowships to roll out the successful enhanced recovery surgery pathway, ERAS+.

- A unique art project showing how artificial and natural sight have been combined for the first time in history, based on Professor Paulo Stanga's research, launched at Manchester Science Festival.

- Dr Rachel Lennon was awarded a prestigious Wellcome Senior Research Fellowship in Clinical Science, to help identify therapeutic targets to treat chronic kidney disease.

- The NIHR/Wellcome Manchester Children's Clinical Research Facility team took home the Outstanding Contribution award at the fourth annual Greater Manchester Research Awards.

- Manchester dental researchers were awarded more than £5 million from the US based National Institute of Dental and Craniofacial Research, to look into if timing of infant's cleft palate surgery has an influence on speech development.

- Dr Claire Bailey was awarded a British Heart Foundation Clinical Research Training Fellowship to further her research into a rare cardiac condition which can cause the sudden and unexpected death of young people.

- Research led by the Community Learning Disability teams went on to inform the development of new Public Health England resources to improve the management of dysphagia in people with learning disabilities.

- Dr Tracy Briggs was awarded an NIHR Transitional Research Fellowship. This award will allow research from the laboratory to be translated into the clinic, and help improve the diagnosis and understanding of rare genetic disorders affecting the immune system.

- Manchester Science Partnerships invested £60m into the expansion of Citylabs with plans for two new buildings, creating space to enable biomedical companies to grow and co-create new health products, in collaboration with the NHS and academic institutions for the benefit of patients.

- Manchester scientists, who developed stem cell gene therapy to reverse a Sanfilippo disease, a fatal childhood illness, agreed to work with a new therapeutics company to test it in a human trial.

2.5 NHS Foundation Trust Code of Governance disclosures

Central Manchester University 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 and the Council of Governors are committed to continuing to operate according to the highest corporate governance standards.

In order to do this, the **Board of Directors**:
- meets formally on a bi-monthly basis in order to discharge its duties effectively. Systems and processes are maintained to measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery.
- regularly reviews the performance of the Trust against regulatory and contractual obligations and approved plans and objectives. Relevant metrics, measures and accountabilities have been developed in order to assess progress and delivery of performance.
- has a balance of skills, independence and completeness that is appropriate to the requirements of the Trust.

All Directors have a responsibility to constructively challenge the decisions of the Board. Non-executive Directors scrutinise the performance of the Executive management in meeting agreed goals and objectives and monitor the reporting of performance. Where board member does not agree to a course of action it is minuted.

Non-executive Directors are appointed for a term of three years by the Council of Governors. The Council of Governors can appoint or remove the Chairman or the Non-executive Directors at a general meeting. Removal of the Chairman or another Non-executive Director requires the approval of three-quarters of the members of the Council of Governors.

The Chairman ensures that the Board of Directors and the Council of Governors work together effectively and that Directors and Governors receive accurate, timely and clear information that is appropriate for their respective duties.

The **Council of Governors:**
- represents the interests of the Trust's members and partner organisations in the local health economy in the governance of the Trust.
- acts in the best interests of the Trust and adheres to its values and code of conduct.
- holds the Board of Directors to account for the performance of the Trust and receives appropriate assurance and risk reports on a regular basis. The Governors are consulted on the development of forward plans for the Trust and any significant changes to the delivery of the Trust's business plan.
- meets on a regular basis so that it can discharge its duties, and the Governors have elected a lead Governor. The lead Governor's main function is to act as a point of contact with Monitor, our independent regulator.

The Directors and Governors continually update their skills, knowledge and familiarity with the Trust and its obligations, to fulfil their role on various Boards and Committees.

A performance review process involving the Governors, of the Chairman and Non-executive Directors has been developed. The Senior Independent Director supports the Governors through the evaluation of the Chairman. Each Executive Director's performance is reviewed by the Chief Executive who in turn is reviewed by the Chairman. The Chairman also holds regular meetings with Non-Executive Directors without the Executives present.

Independent professional advice is accessible to Non-Executive Directors & Trust Board Secretary via the appointed Independent External Auditors, and Senior Associate of a local firm of solicitors. All Board meetings and Board Sub-Committee meetings receive sufficient resources and support to undertake their duties and this was independently reviewed in 2014/15 with recommendations for further refinement and strengthening successfully introduced in 2015/16.

The Chief Executive ensures that the Board of Directors and the Council of Governors of CMFT act in accordance with the requirements of propriety or regularity. If the Board of Directors, Council of Governors or the Chairman contemplates a course of action involving a transaction which the Chief Executive considers infringes these requirements, he will follow the procedures set by Monitor (NHSI) for advising the Board and Council for recording and submitting objections to decisions. During 2016/17 there have been no occasions on which it has been necessary to apply the Monitor (NHSI) procedure.

CMFT staff are also required to act in accordance with NHS standards and accepted standards of behaviour in public life. In 2014/15, the Trust reported on a programme of work to develop a values and behaviours framework with over 4,000 staff. In 2015/16, the Trust introduced the 'Living the Values' training and have trained over 900 trainers across the Trust to deliver this programme to as many people as possible. The Trust has also been measuring through quarterly pulse checks how well our values are known by staff (need to add some more here from Helen F)

The Trust ensures compliance with the Fit and Proper Person (FPP) requirement for the Board of Directors. All existing Directors completed a self-declaration and this exercise will be repeated out on an annual basis. All new appointments are also required to complete the self-declaration and the full requirements of the FPP test has been integrated into the pre-employment checking process.

The Trust holds appropriate insurance to cover the risk of legal action against its directors in the roles as directors and as trustees of the CMFT Charity.

Relationship with stakeholders and duty to co-operate
CMFT has well developed mechanisms for engagement with third party bodies at all levels across the organisation. These include regular arrangements such as standing meetings, as well as time-limited arrangements set up for a specific purpose.

GM Devolution has continued to change the landscape significantly and a set of governance arrangements have been established that are designed to ensure co-operation and close working across the whole of the GM health and social care system.

The Board ensures that effective mechanisms are in place and that collaborative and productive relationships are maintained with stakeholders through:

- Direct involvement – e.g. attendance at Board–to–Board and Team-to-Team meetings, attendance at Partnership Board meetings
- Chair involvement – e.g. attendance at Manchester Health & Wellbeing Board
- Feedback – e.g. from the Council of Governors and in particular nominated Governors
- Board updates on Strategic Development
- Board Assurance report - delivery of key priorities (many of which rely on good working relationships with partners)

The following describes some of the arrangements in place with our key stakeholders.

Commissioners
Effective mechanisms to agree and manage fair and balanced contractual relationships include:

- A range of executive team–to–executive team and board–to–board meetings with key commissioners:
  - Central Manchester CCG (up to 31st March 2017)
  - Specialised Commissioners
- Dedicated Contracts and Income Team that liaise between the Trust, the clinical divisions and commissioners

Other Providers
Partnership boards have been established with partners in service delivery which have representation from executive and non-executive directors, for example:

- Salford Royal NHS FT (SRFT). A collaborative working arrangement was put in place between the Trust and SRFT, and this operated successfully between November 2014 and October 2016. At this point the arrangement was wound-up in light of the progress that had been made in the key areas of activity, and the changing strategic landscape across Greater Manchester.
- The GM Provider Federation Board, which is part of the GM Devolution arrangements, facilitates joint and joined-up working across all GM providers.

City of Manchester (NHS and Manchester City Council)
Collaborative working arrangements exist across the City Council, the providers and the CCGs. These include:

- Health & Wellbeing Board - Manchester Health & Wellbeing Board has included the NHS providers from it establishment. It brings together representatives from Manchester City Council, acute trusts, CCGs, mental health trust, public health and Healthwatch

- Health & Wellbeing Executive – as above
- Manchester Provider Board - brings together acute trusts, GP federations, pharmacy, mental health trust, Manchester City Council and the voluntary sector working together on the development of out-of-hospital services.

City of Manchester Single Hospital Service Programme.
Following the independent review undertaken between January and June 2016, there was agreement from across all key stakeholder organisations to establish a single hospitals service, being one Trust to run all of the hospital services in Manchester and Trafford. A programme team was established in August/September 2016, along with a Programme Board (involving all key stakeholders) and overseen by a Joint Sub-Committee of the Boards of the three Trusts (UHSM, CMFT and NMGH (PAHT)). The programme is being implemented in two phases, with UHSM and CMFT expected to merge to form a new organisation in October 2017, and NMGH being brought into the new FT 12 – 18 months later.

Academic institutions
The Trust has a strong and well documented relationship with its key academic partner, The University of Manchester, and there are joint committees that support the main activities e.g. clinical appraisals, research and education. CMFT has function links with Manchester Metropolitan University and Salford University to support training of nurses, allied health professionals (AHPs) and scientists, and some specific research collaborations.

The Trust is a founder member of the Manchester Academic Health Science Centre that provides for a relationship between CMFT and the other main academic hospitals and UoM to deliver improvements in healthcare, driven from a platform of research excellence.

The Greater Manchester Academic Health Sciences Network, whose remit is to drive forward the adoption of innovations to improve healthcare, is located in Citylabs on our central Manchester site.

Health Innovation Manchester was established in 2015/16 to create a compelling shop window for external stakeholders and potential customers to access the Greater Manchester NHS ecosystem and CMFT has representation on the governance board.

Industry
The Trust has a range of industry interfaces that encompass both large corporates and SMEs. These collaborations and partnerships enable us to acquire new equipment, facilities and services using a shared risk approach. Our approach to selecting and securing our industry partners is to choose the best partner to help us to further improve our delivery of care and business efficiencies. For example the Trust has a 10 year relationship with Bruntwood to provide a range of property and estates related services. The Trust has a long term agreement with Roche to provide laboratory equipment (diagnostics) and Fresenius (renal services) are other examples.

The Trust, in a joint venture with Manchester Science Partnerships and TRUSTECH operate a medtech centre that provides early stage incubation space for NHS spinouts and SMEs that wish to co-develop novel solutions with the Trust. The partnership has been expanded and bolstered by the addition of the Manchester Metropolitan University into the joint venture.

The Trust and MSP are working together to develop the next phase of the Citylabs development on the former Saint Mary's site that will houses SMEs and corporates which are developing new products and services relevant to our core services, including laboratory diagnostics, genomics, digital health and clinical trials.

Audit Committee Annual Report 2016/17

Purpose of the report
The purpose of his annual report is to demonstrate to the Trust's Board of Directors that the Audit Committee has met its terms of reference during 2016/17.

Producing an Audit Committee Annual Report represents good governance practice and ensures compliance with the Department of NHS Audit Committee Handbook, the principles of integrated governance and NHSI's Single Oversight Framework.

The Audit Committee supports and assists the Board of Directors to ensure that robust and effective internal control arrangements are in place and regularly monitored.

The Audit Committee receives regular updates on the Board Assurance Framework and is therefore able to focus on risk, control and related assurances that underpin the delivery of our Trust's key priorities.

Committee membership
The Audit Committee membership during 2016/17 comprised:

Mr John Amaechi	-	Non-Executive Director
Professor Colin Bailey	-	Non-Executive Director
Dr Ivan Benett	-	Non-Executive Director
Professor Rod Coombs	-	Non-Executive Director (from December 2016)
Mrs Kathy Cowell	-	Non-Executive Director (up to November 2016)
Mr Nic Gower	-	Non-Executive Director & Chair of the Audit Committee (from November 2016)
Mr Anthony Leon	-	Deputy Chairman of the Board & Chair of the Audit Committee (up to October 2016)
Mrs Chris McLoughlin	-	Non-Executive Director & SID
Mr Anil Ruia	-	Non-Executive Director

Compliance with the Committee's terms of reference
The Audit Committee met five times during 2016/17, and the meeting minutes are submitted to the next available Board of Directors' meeting. Audit Committee members met in private with the External Auditors prior to the Audit Committee meeting in February 2017.

The Director of Operational Finance, Chief Accountant, Director of Corporate Services, Head of Internal Audit and Internal Audit Manager, representatives of External Auditor and the Anti-Fraud Specialist have attended Audit Committee meetings. Executive Directors, Corporate Directors and other members of staff have been requested to attend meetings of the Audit Committee as required.

The Audit Committee reviewed its terms of reference in April 2017.

Meeting attendance

	April 16	May 16	Sept 16	Nov 16	Feb 17
Kathy Cowell Non-Executive Director (until November 2016) and Chairman (from November 2016)	✓	✓	✓	✓	
Anthony Leon Non-Executive Director and Deputy Chairman	✓	✓	✓	X	✓
Professor Rod Coombs Non-Executive Director					X
John Amaechi Non-executive Director	X	✓	X	✓	X
Anil Ruia Non-Executive Director	✓	✓	X	X	X
Chris McLoughlin Non-Executive Director & SID	✓	✓	✓	✓	✓
Dr Ivan Benett Non-Executive Director	X	X	X	✓	✓
Professor Colin Bailey Non-Executive Director	X	X	X	X	✓
Nic Gower Non-Executive Director	✓	✓	✓	✓	✓

✓ = attended the meeting, x = did not attend the meeting

Audit services provision
Internal Audit has been provided by Mersey Internal Audit Agency (MIAA). External Audit has been provided by Deloitte LLP for the past five years.

The Audit Plan for 2016/17 was based on detailed planning work including discussion between the External Auditors and Trust management team(s), consideration of recent sector developments and prior year knowledge. Consideration was also given to the level of staffing capacity required to satisfy the delivery of the comprehensive audit programme.

Assurance
The Audit Committee agenda is constructed in order to provide assurance to the Board of Directors across a range of activities including corporate, clinical, financial and risk governance and management.

The Audit Committee agenda covered the following:

- Monitoring of the Audit Committee's work programme 2016/17
- Receiving minutes and considering reports (as required) from the following Board Committees:

  o Trust Risk Management Committee

- Finance Scrutiny Committee
- Quality & Performance Scrutiny Committee
- HR Scrutiny Committee
- External Audit progress reports
- Internal Audit reports
- Anti-fraud reports
- Losses and special payments reports
- Tenders waived reports.

Work and performance of the Committee during 2016/17
The Audit Committee has adhered to the work programme agreed in April 2016. All reports scheduled for each Committee meeting have been received on time.

Reports from Board Committees
The Audit Committee has continued to focus its attention throughout the year on the Trust Risk Management Committee and Board Scrutiny Committee reports. Non-Executive Directors have an 'open invitation' to attend the Trust Risk Management Committee and all Scrutiny Committees.

A number of risks reported through the Risk Management Committee and scrutinised by the Audit Committee were further highlighted at the Board of Directors' meetings or Finance Scrutiny meetings, in particular the 'Run Rate' and Trading Gap challenges facing Divisions within the Trust.

The Board Assurance process was reviewed at the Audit Committee with two key strategic aims from the Board Assurance Framework (BAF) scrutinised on a rolling basis. The key strategic aims reviewed at the Audit Committee during 2016/17 were:

May 2016
- Developing our specialist services and, with our partners in health and social care, leading on the development and implementation of integrated care
- Providing the best quality assured education and training

September 2016
- Improving the Safety & Clinical Quality of our Services
- Improving Experience for Patients, Carers and their Families

November 2016
- Developing our organisation, supporting the well-being of our workforce and enabling each member of staff to reach their full potential
- Remaining Financially Stable

The Committee's focus was on seeking assurance that the process outlined had been adhered to, along with identifying any gaps in control/assurances. It also considered whether actions were clearly identified to mitigate and/or reduce the risk(s). The focus on outstanding actions in the Board Assurance Framework is ongoing to ensure that risks are managed throughout the year.

The Committee continued to develop and refine the Board Assurance Framework during

2016/17 with particular emphasis placed on the continued use of the BAF to support and guide the Board Scrutiny Committees to develop their assurance programmes and targeted 'deep dives' (on behalf of the Board) in key areas e.g. Performance Targets (RTT, 4hrs Access Target; Diagnostics, Cancer), Workforce (Medical & Nurse Staffing, Sickness Absence), Quality & Safety (Mortality, Coding, Infection Prevention & Control). A pilot approach was adopted by the HR Scrutiny Committee in December 2016 which is being rolled-out to the remaining Scrutiny Committees.

The key risks aligned to the key strategic aims reviewed by the Committee, on behalf of the Board, included:

	Risk	Category	Current / New
1.	A&E performance and Emergency Department capacity	Clinical	2016/17
2.	SMH Obstetric Capacity	Clinical	2016/17
3.	Infection control – CPE	Clinical	2016/17
4.	Regulatory framework	Clinical	2016/17
5.	Patient records	Organisational	2016/17
6.	Never events	Clinical	201617
7.	Communication of diagnostic test and screening test results	Clinical	2016/17
8.	Compliance with Building Regulations – Fire Stopping	Organisational	New 2016/17
9.	Financial control and failure to deliver trading gap savings / financial challenge for future years	Financial	2016/17
10.	Corporate and clinical mandatory training compliance	Clinical	2016/17
11.	Nurse staffing	Clinical	New 2016/17 –
12.	Management of the Mental Health Act	Clinical	2016/17 – Downgraded
13.	End of Life Care	Clinical	2016/17 – Downgraded
14.	Community Services: Building Fabric	Organisational	New 16/17
15.	Nutrition – Royal Manchester Children's Hospital	Clinical	2016/17 Downgraded
16.	Nutrition – Patient Dining Experience	Organisational	2016/17
17.	Diagnostics Waiting Times	Clinical	2016/17
18.	Mortality	Clinical	New 16/17
19.	Wrong blood in tube	Clinical	New 16/17
20.	Referral to Treatment (RTT)	Clinical	New 16/17

The Audit Committee reviewed the External Audit plan for 2016/17 and agreed the following

significant risks as being the key areas of focus for the 2016/17 external audit:

- Revenue recognition
- Internal Turnaround Programme
- Valuation of the Trust's Estate
- Potential Merger with UHSM
- CQC Inspection

External Audit

The 2015/16 financial statements were audited by Deloitte LLP and the findings presented to the Audit Committee in May 2016. Based on the results of the External Auditor's procedures, except for the effects of the matters described in the 'Basis for qualified conclusion' 18 week referral to treatment indicator, and, A&E four-hour wait indicator), the Audit Committee noted that nothing had come to the External Auditor's attention that caused them to believe that, for the year ended 31st March 2016:

- the quality report was not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual';

- the quality report was not consistent in all material respects with the sources specified in NHS Improvement's detailed requirements for quality reports 2015/16; and

- the indicators in the quality report subject to limited assurance had not been reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual'.

The Chairman of the Audit Committee and Non-Executive Directors had met earlier with the Executive Director of Finance and the Director of Operational Finance to discuss and interrogate the 2016/17 financial statements. The External Auditor commented on the additional assurance this had given to the process.

The Audit Committee considered the External Audit Annual Governance report, the report from the Executive Director of Finance and changes to accounting policies.

The Audit Committee approved the accounts for the period 1st April 2015 to 31st March 2016. The Council of Governors subsequently received the report on the accounts from the Independent Auditor in July 2016.

Deloitte LLP provided regular progress reports to the Audit Committee throughout the year. In addition regular updates were provided on:

- 2015/16 Foundation Trust Performance – year to 31st March 2016
- The 2016/17 Compliance Framework
- NHS Improvement's Enforcement Guidance
- Monitor consultation on the 2016/17 Annual Reporting Manual (ARM)
- 2016/17 Annual Reporting Manual changes.

Internal Audit

The Audit Committee considered and approved the Internal Audit plan for 2016/17 in April 2016.

Delivery of the Internal Audit Plan enables the Head of Internal Audit Opinion to be provided, which in turn contributes to the assurances available to the Board in completing its Annual Governance Statement.

The Draft Head of Internal Audit Opinion 2016/17 was presented to the Audit Committee in April 2017 and significant assurance was given on the adequacy of the system of internal control. Once the remaining assignments have been finalised a final Head of Internal Audit Opinion will be reported to management and the Audit Committee to include in the Annual Governance Statement.

The following Internal Audit Reports have been received by the Audit Committee throughout the year.

Report	Reported to Audit Committee	Assurance Rating
Absence Management	September 2016	Significant Assurance
Complaints	September 2016	Significant Assurance
Nursery Business Model	September 2016	Significant Assurance
Reference Costs	September 2016	Advisory
Control Accounts	November 2016	Significant Assurance
Critical Application Review: Inform System (Sexual Health)	November 2016	Significant Assurance
Activity Waiting Lists: Referral to Treatment (Data Quality)	February 2017	Limited Assurance
Clinical Audit Arrangements	February 2017	Significant Assurance
Discharge Planning	February 2017	Significant Assurance
Nursing Revalidation	February 2017	Significant Assurance
Assurance Framework Opinion	April 2017	N/A
A&E 4 Hour Wait: Data Quality	April 2017	Significant Assurance

The Audit Committee received updates on the status of implementing Internal Audit recommendations at each meeting. This year the Committee focused again on the timescales for the implementation of action plans and monitored the breaches.

Performance against key indicators in the Internal Audit Plan was reviewed at each meeting by the Committee.

Limited assurances and significant issues considered
The Committee focused on audit reports which had received a limited assurance and where the risk profile represented significant issues for the Trust. When appropriate, the Committee requested the presence of key individuals to present their action plans to fulfil the recommendations. In particular presentations and reports were received on:

- Activity Waiting Lists: Referral to Treatment (Data Quality)

During the course of the year, Internal Audit have undertaken follow-up reviews and reported the outcome to Audit Committee in relation to:

- IT Asset Management
- E-Rostering
- Patient Records
- Referral to Treatment
- Car Parking
- Complaints
- Absence Management
- Critical Application
- Activity Waiting Lists RTT
- Electronic Patient Record System
- Combined Financial Systems
- Off Payroll
- Risk Maturity: Divisional Level
- Safe Staffing Levels
- Nursery Business Model
- Control Accounts.

A total of 55 recommendations have been actioned out of 68. The Trust are actively progressing all actions. There are two outstanding actions rated as high relating to the Car Parking review. Internal Audit will continue to track and follow up outstanding actions.

Internal Audit has also provided support in the development of the Board Assurance Framework including the role of the Audit Committee. The Audit Committees' role in relation to the BAF and how it is used by other committees is currently under review to explore these areas further.

Anti-fraud measures
The anti-fraud service to the Trust ias provided by Mersey Internal Audit Agency who were appointed from April 2013, and a nominated anti- fraud specialist works with the Trust.

All work related to fraud, bribery and corruption is completed in accordance with the Trust's requirements set out within NHS Standards Contract and as required by NHS Protect's Standards for Providers.

The Audit Committee received regular progress reports. Details of investigations carried out during the year were provided to the Committee. A programme of work was presented to the Committee in April 2016. Areas which continued to be covered during 2016/17 included:

- Strategic Governance - Submission of the NHS Protect Standards Self Review Tool (SRT)
- Hold to Account - National Fraud Initiative
- Prevent & Deter - Conflicts of Interest (COI) Review

An anti-fraud annual report was presented to the Audit Committee in April 2017 and this provided a summary of the anti-fraud work undertaken based upon the annual work plan.

Losses and compensation
At each meeting, the Committee received information about the levels and values of losses incurred and compensation payments made by the Trust. Additional analysis was included on payments for the loss of dentures, glasses and hearing aids, recognising the particular impact these losses have on patient experience. Throughout the year bad debts and claims abandoned accounted for the biggest proportion of losses reported to the Committee.

Tenders waived
A summary of all tenders waived was presented at each Audit Committee meeting. In addition, the number of quotation waivers was reported. All waivers were in accordance with the Trust's Standing Financial Instructions.

Other reports
The Audit Committee also received the following reports and information:

- The Annual Report and the Quality Report for the Trust, in May 2016. The Committee also received and approved the Annual Accounts following the delegation of approval power from the Board of Directors.
- The Annual Governance Statement for 1st April 2015 to March 2016, in May 2016. This described the system of internal control that supports the achievement of the Trust's policies, aims and key priorities. The Annual Governance Statement was supported by independent assurances.
- An update on the 2016/17 annual accounts.

Developing the role and skills of the Audit Committee
Audit Committee members are encouraged to attend workshops arranged by the Trust's Internal and External Auditors.

Priorities for 2017/18

The Audit Committee will review the arrangements to be put in place/developed in relation to:

- Compliance with Foundation Trust authorisation/licence
- Care Quality Commission and ongoing compliance
- Approval of internal regulatory documents
- Board Assurance Framework
- Clinical Audit Strategy and Plan
- Monitoring audit recommendations and reviewing all audits with a limited assurance.
- Independence and effectiveness of the audit functions
- Accounting policies and considering significant risks in the 2017/18 financial statements

Nic Gower
Chairman, CMFT Audit Committee
26th May 2017

2.6 Regulatory ratings

Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:
- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led).

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework was introduced part way through 2016/17. Prior to this, Monitor's *Risk Assessment Framework* (RAF) was in place. Calculations relating to performance under the RAF have not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports. The table below shows the final score under the Single Oversight Framework for 2016/17.

Finance and use of resources
The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

During the period the Trust achieved the highest attainable score of 1.

2016/17

Area	Metric	2016/17 Score
Financial sustainability	Capital service capacity	1
	Liquidity	1
Financial efficiency	I&E margin	1
Financial controls	Distance from financial plan	1
	Agency spend	1
Overall scoring		1

2.7 Statement of accounting officer's responsibilities

Statement of the Chief Executive's responsibilities as the accounting officer of Central Manchester University 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 Central Manchester University 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 Central Manchester University 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.

Sir Michael Deegan CBE
Chief Executive
26th May 2017

2.8 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 Central Manchester University 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 the Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:
- identify and prioritise the risks to the achievement of the policies, aims and objectives of Central Manchester University Hospitals NHS Foundation Trust;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- to manage them efficiently, effectively and economically.

The system of internal control has been in place in Central Manchester University Hospitals NHS Foundation Trust for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts.

Capacity to handle risk
The Trust leadership plays a key role in implementing and monitoring the risk management process (see further details below). The Chief Executive chairs the **Trust Risk Management Committee** and actual risks scoring 15 or above are reported to the committee. Risk reports are received from each responsible Director and each Executive Director, with details of the controls in place and actions planned and completed against which assessment is made by the committee.

The **Audit Committee** monitors assurance processes and seeks assurance across all risks in order to provide independent assurance to the Board of Directors that risks have been properly identified and appropriate controls are in place.

The risk appetite is determined by the Board and monitored by the Audit Committee to ensure that the risks faced are consistent.

The Board has designated the Medical Director as the lead Executive and Chairman of the **Clinical Effectiveness Committee**. This committee has a focus on patient safety, clinical effectiveness and clinical governance. A significant amount of work has been undertaken to develop clinical effectiveness indicators across all clinical divisions.

A Trust risk management training programme has been designed and delivered which undergoes an annual evaluation process. The risk management team includes a training post dedicated to risk management training.

The Trust has operational risk and safety meetings at all levels which review high level incidents and incident trends so that lessons can be learnt for the future. We have developed robust mechanisms for recording untoward events and learning from them.

As part of our Clinical Effectiveness Performance Framework, each division records its activity and performance against the key clinical effectiveness indicators and produces a summary for discussion at their divisional review. Areas of good practice are collected on a corporate basis and shared throughout the organisation. CMFT is also represented on a number of national and regional working groups.

The Trust has established a **Quality and Performance Scrutiny Committee** a forum where Board members can scrutinise specific subjects. Examples of areas examined this year have been mortality, referral to treatment time (RTT), A&E target, complaints, local Quality Review, nutrition and hydration. This ensures a level of detailed review and challenge in areas of identified risk.

The risk and control framework
A risk management process covering all risks has been developed throughout the organisation at all levels with key indicators being used to demonstrate performance. The whole system of risk management is continuously monitored and reviewed by management and the Board in order to learn and make improvements to the system.

The Trust's management structure has established accountability arrangements through a scheme of delegation covering both corporate and clinical divisional arrangements. This is reflected in the corporate and divisional work programmes/key priorities and the governance arrangements within the Trust. The responsibilities of each Executive Director are detailed below:

Deputy Chief Executive
- Assumes responsibilities for the Chief Executive in his absence.
- Responsible for developing integrated care across acute, community and local authority boundaries with the City of Manchester.

Chief Nurse
- Responsible and accountable for leading professional nursing, patient experience and engagement.
- The Trust's Director of Infection Prevention and Control.
- Chairs the Quality Committee and the Infection Control Committee.

Executive Director of Finance
- Responsible for the wide range of interrelated work programmes around finance, contracting, information and strategic planning.
- Responsible for developing and overseeing delivery of financial plans across the Trust for current and future financial years, ensuring these are integrated with operational and service delivery requirements.

- Holds regular meetings with local commissioners and with the North West Specialised Commissioning Team, maintaining dialogue across service delivery and planning issues including forward projections, significant developments within individual services and strategic service changes.
- Responsible for developing and delivering on any transactions which may be contemplated by the Board, which may extend the scope of the Trust's activities and responsibilities.
- The Senior Information Risk Officer for the Trust.

Medical Director
- Responsible for leading on patient safety and clinical effectiveness, research and innovation and medical education.
- Chairs the Clinical Effectiveness Committee, the Safeguarding Effectiveness Committee and the Research Governance Board.
- Responsible for ensuring compliance with statutory requirements regarding Safeguarding children and vulnerable adults as well as ensuring the Trust is compliant with the Human Tissue Act.
- The Responsible Officer for the Trust, for the purposes of the revalidation of doctors with the General Medical Council, and the Caldicott Guardian for the Trust.

Executive Director of Human and Corporate Resources
- Provides strategic direction and leadership on a range of corporate functions to enable the delivery of the highest quality of services to patients.
- Provides strategic advice to the Chief Executive and Board of Directors on all employment matters.
- Responsible for developing, implementing and monitoring a comprehensive HR Strategy ensuring that employee recruitment, retention, leadership, motivation and effectiveness are maximised.
- Responsible at Board level for effective internal and external communications ensuring at all times the appropriate positive projection of the Trust through the media.
- Responsible to the Board for its secretariat function, Governors and membership, to include support for its various meetings and internal processes.

Chief Operating Officer
- Responsible for the successful delivery of clinical operations in the Trust, playing an active role in the determination and implementation of corporate strategies and plans.
- Has responsibility for four key elements:
  - Operational leadership of all clinical Divisions and Directorates.
  - Performance management and delivery of all national and local targets.
  - Modernisation and process redesign of Trust clinical and business processes.
  - Business continuity management (including emergency planning).
- Provides effective management of the Trust on a day-to-day basis, ensuring the provision of appropriate, effective high quality patient-centered care, which meets the needs of patients and can be achieved within the revenues provided.

- Contributes to the development and delivery of the wider Trust agenda, including implementation of the Trust's strategic vision.

Executive Director of Strategy
- Responsible for all aspects of strategic planning and for providing a robust framework for the development of corporate and service strategy.
- Produces the Operational Plan submission to NHS Improvement and maintains the on-going compliance relationship with Monitor, through monitoring submissions and exception reporting as required.
- Manages many of the Trust's major stakeholder relationships and works closely with our hospital leadership teams to ensure appropriate strategic positioning to deliver our vision.
- Plays a pivotal role as a member of the Greater Manchester Health and Social Care Partnership and helps to shape the future governance arrangements linked to this historic agreement.

Our **Risk Management Strategy** provides us with a framework that identifies risk and analyses its impact for all individual management units e.g. directorates, departments, functions or sites for significant projects and for the organisation as a whole. The completion of Equality Impact Assessments is part of this process.

Any hazard identified is analysed against its severity and the likelihood of it occurring. This determines the overall risk ranking and ensures there is a common methodology being used to rank risks across the organisation. The strategy clearly sets out the individual and corporate responsibilities for the management of risk within the organisation. Implementation of the strategy ensures the Board is informed about significant risks and is then able to communicate those effectively to external stakeholders.

The Risk Management Strategy is distributed throughout the organisation and to all local stakeholders and is reviewed every two years. There is increasing involvement of key stakeholders through mechanisms such as the Quality Reviews, the annual Clinical Audit and Risk Management Fair and Governors' learning events.

Each division and corporate service systematically identifies, evaluates, treats and monitors action on risk on a continuous basis. This work is then reported back through the local and corporate risk management and governance frameworks. This also connects the significant risks (those appraised at level 15 or above on the risk framework) to the organisation objectives and assesses the impact of the risks.

The outcome of the local and corporate review of significant risk is communicated to the Risk Management Committee so that plans can be monitored. All divisions report on all categories of risk to both the Trust Risk Management and Clinical Effectiveness Committees.

The Risk Management Committee undertakes further evaluation of the risks presented and their action plans and updates the Assurance Framework so that at any given time the significant risks to the organisation are identified. Risk Management and Assurance Framework processes are closely aligned and the Assurance Framework is dynamic and embedded in the organisation.

Controls and assurances provide evidence to support the Annual Governance Statement. A significant level of assurance has been given by Internal Audit during 2016/17 in its Head of Internal Audit Opinion.

All identified risks within the organisation are captured in the Risk Register. This document also contains the detailed risk assessments and resulting action plans associated with the external assurance sources detailed under 'review of effectiveness'. The Board is therefore able to monitor progress against such action plans. Risk assessment is a fundamental management tool and forms part of the governance and decision making process at all levels of the organisation.

The Medical Director and Chief Nurse work closely on the alignment of patient safety and the patient experience. Clinical risk assessment is a key component of clinical governance and forms part of the Risk Register.

The Trust also has established arrangements to advise and engage with both the Manchester and Trafford Health & Wellbeing Overview and Scrutiny Committees when there are proposed service changes which may impact on the people who use our services. We endeavour to work closely with patients and the public to ensure that any changes minimise the impacts on patients and public stakeholders.

As a Foundation Trust, we also inform our Council of Governors of proposed changes including how any potential risks to patients will be minimised. The Chief Executive Officer makes regular reports to the Governors on the position against all of the Trust risks scored at 15 or above. Progress on mitigation is RAG rated and shared with the Governors.

Overview of the organisation's major risks
The Trust has identified a number of significant risks, during 2016/17. These have been or are being addressed through robust monitoring at the bi-monthly Risk Management Committee, chaired by the Chief Executive and are presented below. More detail on work completed to mitigate these risks can be found in the Annual Quality Report and the Performance Report.

Risk	Risk Type	2016/17 Status
A&E performance and Emergency Department capacity	Clinical	Continued from 2015/16
Royal Manchester Children's Hospital Emergency Department Capacity	Clinical	Separated out from a combined risk in 2016/17
Saint Mary's Hospital Obstetric Capacity	Clinical	Continued from 2015/16
Infection control – Carbepenamase-Producing Enterobacteriacaea (CPE)	Clinical	Continued from 2015/16
Management of the Patient Record	Clinical	Separated out from a combined risk in 2016/17
Quality of the Patient Record	Clinical	Separated out from a combined risk in 2016/17

Risk	Risk Type	2016/17 Status
Regulatory framework and clinical quality	Clinical	Downgraded July 2016
Never events	Clinical	Continued from 2015/16
Communication of diagnostic test and screening test results	Clinical	Continued from 2015/16
Compliance with Building Regulations – Fire Stopping	Organisational	Continued from 2015/16
Financial control and failure to deliver trading gap savings / financial challenge for future years	Organisational	Continued from 2015/16
Corporate and clinical mandatory training compliance	Clinical	Continued from 2015/16
Nurse staffing	Clinical	Downgraded March 2016
Management of the Mental Health Act	Clinical	Downgraded March 2016
End of Life Care	Clinical	Downgraded May 2016
Community Services: Building Fabric	Organisational	Downgraded July 2016
Nutrition – Patient Dining Experience	Patient Experience	Downgraded July 2016
Diagnostics Waiting Times	Clinical	Continued from 2015/16
Mortality	Clinical	New 2016/17
Wrong blood in tube	Clinical	New 2016/17
Referral to Treatment (RTT)	Clinical	New 2016/17

Quality governance arrangements

Our Quality Report 2016/17 describes all the key elements of the Trust's quality governance arrangements, from measuring the patient experience through the improving quality programme to the initiatives for measuring clinical effectiveness, compliments, complaints and patient safety. Compliance with CQC registration is monitored through a number of Trust Committees but the main Committees are the Clinical Effectiveness Committee, the Quality Committee and the Risk Management Committee.

The Trust undertakes an annual programme of internal quality reviews (see below); the review is structured using both the core standards and key lines of enquiry. This review along with the internal and clinical audit programmes, the ward accreditation programme and the Divisional Review process all provide assurance on compliance with the CQC Standards of Care.

All divisions report risks via an electronic system and risks are escalated up to the Risk Management Committee above a score of 15. These risks are mapped against the key priorities on the Board Assurance Framework. This can be mapped to the CQC Standards. The Information Governance section below contains more information about data security risks.

The quality of performance information is subject to an annual audit which evaluates the key processes and controls for managing and reporting the indicators. Each year two indicators are chosen along with an indicator put forward by the governors of the Trust. For 2015/16 the indicators chosen are the referral to treatment standard, the A&E 4 hour standard and Friends and Family testing.

Quality Reviews
CMFT established internal peer Quality Reviews to provide further assurance on the quality of care being delivered and in order to quickly identify and respond effectively where improvement is required. The aim of the reviews is to strengthen clinical quality assurance information and they have been led by the Medical Director and Chief Nurse. The Quality Review was also designed using our Trust values and behaviours framework and this very much formed part of the training and the ethos for the review.

The process for the Quality Reviews was aligned with those questions helpfully set out by the Care Quality Commission (CQC) in their intended review of clinical care going forward:
- Is care safe?
- Is care effective?
- Are staff caring?
- Is the organisation responsive?
- Is the organisation well led?

For 2016/17 it was agreed that the reviews would focus on areas identified by the CQC as requiring improvement, areas of required annual review (the well led domain) and in addition it was agreed that a team would review Learning Disability Services, an area not covered by the CQC in their 2015 Inspection. The Trust included three questions as part of the review:
- What has changed since the CQC Inspection in November 2015?
- What has improved?
- What still needs to be done?

Most importantly, the findings and resulting action are intended to provide confidence for patients and service users that they will receive the best experience and the best care at the right time. The outcome of the reviews is captured in detail within the Quality Report (page 183 onwards).

The findings from the reviews have been used to inform our work plans for 2017/18 and they will be repeated this year.

Care Quality Commission
Central Manchester University Hospitals NHS Foundation Trust is required to register with the CQC and our current registration status is fully registered with no conditions. The CQC has not taken enforcement action against the Trust during 2016/17.

The Trust has not participated in any special reviews or investigations by the CQC in 2016/17.

The Trust is fully compliant with the CQC registration requirements.

Divisional Review Process

The Divisional Review Process informs the Board of Directors, the Risk Management Committee and the Divisional Clinical Effectiveness Groups on aspects of all risks identified through the analysis of incidents, complaints, clinical audit, concerns and claims reported throughout the Trust.

Assurance Framework

The Assurance Framework structures the evidence on which the Board of Directors depends to assure it is managing risks which could impact on the organisation's key priorities.

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

We invest significant time in improving systems and controls to deliver a more embedded range of monitoring and control processes. The in-year use of resources is closely monitored by the Board of Directors and the following sub committees:

- Audit Committee
- Remuneration Committee
- Finance Scrutiny Committee
- Quality & Performance Scrutiny Committee
- Trust Risk Management Committee
- Human Resources Scrutiny Committee.

The Trust employs a number of approaches to ensure best value for money (VFM) in delivering its wide range of services. Benchmarking is used to provide assurance and to inform and guide service redesign. This leads to improvements in the quality of services and patient experience as well as financial performance. A range of key performance metrics are highlighted in the Performance Analysis (Measuring our operational performance) section on pages 23 to 39.

CMFT maintains a record of attendance at the Board and details of this for 2016/17 can be found on pages 46 to 47. The Audit Committee produces an annual report of its effectiveness (pages 115 to 123) which is included together with an overview of the work of the Remuneration and Nomination Committees.

The Trust is compliant with the principles and provisions of the NHS Foundation Trust Code of Governance following an annual review with Board members. The Board's statement on compliance is contained in detail on page 111 onwards.

Information governance

Information Governance (IG) is a framework of legal principles and best practice guidelines to be followed by CMFT and individuals to ensure compliance with legal, regulatory and Trust requirements and the provision of a secure and confidential information environment.

This includes:

- Ensuring Data Protection registration and compliance
- Implementation of policies, processes and templates to govern document, promote and support the IG framework

- Development and implementation of an IG review programme to strengthen evidence of IG with Trust divisions and departments through reviews and audits and provision of specific IG training as required
- Promoting and supporting the roles within Trust divisions and departments of the Divisional IG lead, Information Asset Owners (IAO) and Information Asset Administrators (IAA).
- Liaising with other NHS organisations to ensure that there are robust information sharing agreements to enable appropriate sharing of data required to support the delivery of the best possible care and service
- Completion of the annual NHS Information Governance (IGT) toolkit which is a self-assessment of performance against key IG standards including Information Governance Management, Confidentiality and Data Protection, Information Security, Clinical information, Secondary Use and Corporate Information. For financial year 2016/17, the Trust's Information Governance assessment report shows an overall score of 72% and is graded green (satisfactory).

Information Governance breaches are managed in line with the Trust's incident management policy. Serious information governance breaches are also managed in line with the Health and Social Care Information Centre (HSCIC) Checklist Guidance for Reporting, Managing And Investigating Information Governance and Cyber Security Serious Incidents Requiring Investigation (IG SIRI).

The table below shows a summary of Information Governance incidents for 2016/17.

Category	Breach Type	Total
A	Corruption or inability to recover electronic data	7
B	Disclosed in Error	85
C	Lost in Transit	0
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	29
F	Non-secure Disposal - Hardware	2
G	Non-secure Disposal - Paperwork	4
H	Uploaded to Website in Error	1
I	Technical Security failing (including hacking)	4
J	Unauthorised access / disclosure	37
K	Other	85

* These figures include 27 incidents associated with the Wellcome Trust Clinical Research Facility.

There were no incidents in 2016/17 at a level which required to be reported to the Information Commissioner's Office (ICO), Department of Health and other central bodies/regulators.

The principal risks to compliance with the NHS foundation trust condition 4 (FT Governance)
The principal risks to compliance with the NHS FT Condition 4 are outlined below although the action taken by the Trust to mitigate these risks in the future is outlined elsewhere in the Annual Governance Statement.

Compliance with Care Quality Commission registration requirements
The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

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

Compliance with the NHS Pension Scheme
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 Trust's obligations under equality, diversity and human rights legislation are complied with.

Compliance with Carbon Reduction Delivery Plans
We have undertaken risk assessments and Carbon Reduction Delivery Plans and these are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects. This ensures that the organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Annual Quality Report
The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*. The Medical Director, as a member of the Board, is appointed to lead and advise on all matters relating to the preparation of the Trust's Quality Report.

The Trust continues to have robust data quality procedures in place that ensure that the data used in the Quality Report reflects the position accurately.

These data quality procedures span from ensuring data is input into transactional systems correctly, information is extracted and interpreted accurately and that it is reported in a way that is meaningful and precise.

All staff who have a responsibility for inputting data are trained fully in both the use of the systems and in how the information will be used. Furthermore, there are corporate data quality links with each of the clinical Divisions that work with operational staff to ensure the highest levels of integrity.

Before the Quality Indicators are made available in the Quality Report or any Trust monitoring report, they go through a series of sign off steps resulting with Executive Director sign-off. The content of the Quality Report and the indicators that make up the metrics section are added to and amended as priorities change or whenever a shift in focus is required.

There is a formal annual review whereby the metrics are decided on for the coming year however this does not prevent changes in year. All changes to the Quality Report and any of the metrics reports are signed off by the Executive Medical Director and Director of Clinical Governance.

In 2016/17 the audit of the RTT indicator has identified a significant improvement in data quality, in comparison to the error rate found in the 2015/16 audit. However, some errors were identified resulting in a modified opinion for this indicator, although these were less significant, with fewer RTT pathways created in error than in previous years.

Within the Trust, a significant validation exercise is undertaken each month to ensure the accuracy of our reported elective waiting time position. This validation effort is supported by a suite of reporting that allows all of our operational teams to view their elective waiting list positions at patient level detail. To provide assurance to the organisation that this validation process is completed, a monthly meeting is held where every element of our waiting list is reviewed and signed-off by the senior Corporate Performance Team.

The Trust also regularly updates, and provides training on, its Patient Access Policy to ensure that all staff are working to the correct standards in terms of managing an elective waiting list. Compliance with these standards is regularly audited by both our internal and external auditors.

The key risk to ensuring the quality and accuracy of our waiting list position is to ensure that our administrative and managerial staff have the correct knowledge and skills to fully understand the standards that we work to.

It is on this basis that significant resource is put into ensuring that our training processes for staff (especially of newly recruited staff) are robust.

Recognising the concerns raised in the previous year's quality accounts regarding RTT data quality, the Trust has implemented additional training solutions, improved performance reporting and formal sign off processes at period ends. The steps taken have been subject to internal audit reporting, which has provided the audit committee with the overall outcome of significant assurance.

The recommendation is that ongoing assurance is provided by the internal audit programme set for 2016/17.

In terms of the A&E indicator, the Trust recognises the limitation of scope barriers which has proved challenging for a complete audit – a position highly prevalent across the NHS. But there are also qualitative improvements in administrative practice that can be made which will to stand up to future scrutiny. The internal audit programme will similarly be used as the vehicle to provide the assurance moving forward.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within our Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the Quality Report included in this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Trust Risk Management Committee, the Audit Committee, the Quality & Performance Scrutiny Committee, and the HR Scrutiny Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed by other major sources of assurance such as:

- Internal Audit Reports
- External Audit Reports
- Clinical Audit Reports
- Patient Surveys
- Staff Survey
- Royal College accreditation
- Health and Safety Executive Inspection Reports
- Care Quality Commission Intelligent Monitoring Standards
- PLACE assessments
- Senior Leadership Walk-rounds
- Clinical Pathology Accreditation
- Care Quality Commission - registration without conditions
- Equality and Diversity Reports
- General Medical Council Reports

The Trust applies a robust process for maintaining and reviewing the effectiveness of the system of internal control. A number of key groups, committees and teams make a significant contribution to this process, including:

- **Board of Directors**

The statutory body of the Trust is responsible for the strategic and operational management of the organisation and has overall accountability for the risk management frameworks, systems and activities, including the effectiveness of internal controls.

The Terms of Reference and responsibilities of all Board Committees are reviewed regularly in order to strengthen their roles in governance and focus their work on providing assurances to the Board on all risks to the organisation's ability to meet its key priorities.

- **Audit Committee**

The Audit Committee provides an independent contribution to the Board's overall process for ensuring that an effective internal control system is maintained and provides a cornerstone of good governance. The Audit Committee monitors the assurance processes of all other Board Committees (see also the Audit Committee Annual Report 2016/17 on pages 115 to 123).

- **Quality & Performance Scrutiny Committee**

This committee provides assurance on the Trust's work on quality (Patient Safety & Patient Experience) and performance (all key performance measures excluding Workforce & Finance). The committee is led by a Non-Executive Director who identifies areas that require more detailed scrutiny arising from: national reports, Board Reports, the Board Assurance Report, patient feedback and public interest issues.

The committee does not replicate the work of other committees with related interests e.g. the Trust Risk Management Committee, the Clinical Effectiveness Committee and the Quality Committee.

- **Human Resources Scrutiny Committee**

This committee reviews CMFT's Human Resources Strategy and monitors the development and implementation of the key workforce deliverables:
  - organisational Development and Equality, Diversity and Inclusion Strategies which enable us to build on our strengths and improve quality and effectiveness where necessary
  - Workforce Planning Strategy and Plan which supports patient safety and other core priorities including strategic service developments and the requirement for economic sustainability
  - Reward, Recognition and Accountability Strategy and Plan
  - Staff Health and Wellbeing Strategy and implementation plan

Examples of key areas of focus during 2016/17 include: Update on progress with the Workforce Recovery Programme; Progress report from the Employee Wellbeing Enabler Group; Update on Sickness Absence Management from three Divisions; Progress report from the Performance Management & Capability Enabler Group; Progress report from the Employee Resourcing Enabler Group; Update on Staff Engagement in Turnaround.

- **Internal Audit**

Internal Audit provides an independent and objective opinion to the Accounting Officer, the Board and the Audit Committee, on the degree to which the Trust's systems for risk management, control and governance support the achievement of the Trust's agreed key priorities.

Internal Audit work to a risk based audit plan, agreed by the Audit Committee, and covering risk management, governance and internal control processes, both financial and non-financial, across the Trust. The work includes identifying and evaluating controls and testing their effectiveness, in accordance with Public Sector Internal Audit Standards.

A report is produced at the conclusion of each audit and, where scope for improvement is found, recommendations are made and appropriate action plans agreed with management. Reports are issued to and followed up with the responsible Executive Directors. The results of audit work are reported to the Audit Committee which plays a central role in performance managing the action plans to address the recommendations from audits.

Internal audit reports are also made available to the external auditors, who may make use of them when planning their own work. In addition to the planned programme of work, internal audit provide advice and assistance to senior management on control issues and other matters of concern.

The Internal Audit team also provides an anti-fraud service to the Trust. Internal Audit work also covers service delivery and performance, financial management and control, human resources, operational and other reviews.

Based on the work undertaken, including a review of the Board's risk and assurance arrangements, the Head of Internal Audit Opinion concluded in April 2017 that significant assurance could be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

- **Trust Risk Management Committee**

The Risk Management Committee provides the Board of Directors with an assurance that risks are well managed with the appropriate plans in place. Reports demonstrate that the Risk Management reporting process includes all aspects of risk arising out of clinical and non-clinical practice.

The key areas of focus during 2016/17 are highlighted under 'Overview of the organisation's major risks' section on page 130.

- **Clinical Audit**

The Clinical Audit Department oversees the development and delivery of an annual Clinical Audit Plan. This plan includes mandatory national audits, locally agreed priority audits and monitoring audits in respect of external regulation and accreditation.

The calendar is presented to the Trust Audit Committee and provides assurance on both clinical outcomes and compliance with guidance such as that provided by the National Institute for Health & Care Excellence (NICE) and the National Confidential Enquiry into Patient Outcome and Death (NCEPOD).

The Trust registered 375 clinical audits in 2016/17, which took place across all our Divisions with their results disseminated and action taken in response.

Conclusion

All significant internal control issues have been identified in this statement as part of the Risk and Control Framework section.

The Board confirms that it is satisfied that, to the best of its knowledge and using its own processes and having regard to Monitor's Quality Governance Framework (supported by Care Quality Commission information, our own information on serious incidents, patterns of complaints) CMFT has, and will keep in place, effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to our patients.

Sir Michael Deegan CBE
Chief Executive
26th May 2017

Our Council of Governors

The Council of Governors was established following the Trust's authorisation in January 2009 to become Central Manchester University Hospitals NHS Foundation Trust. The Board of Directors is committed to understanding of the views of Governors and Members via its Council of Governors and holding and attending regular Governor and Members' Meetings.

The Council of Governors discharges its statutory duties at its meeting of the Council of Governors which has met five times during the course of 2016/17 (included two Special Council of Governors' Meetings) in addition to attending a sixth event at our Annual Members' Meeting. Our Constitution, which was agreed and adopted by the Council of Governors, outlines the clear policy and fair process for the removal from our Council of Governors, any Governor who consistently and unjustifiably fails to attend the meetings of the Council.

The Board of Directors and Council of Governors operate by the Board being responsible for the direction, all aspects of operation and performance and effective governance of the Trust with the Council of Governors being responsible primarily for assuring the performance of the Board. The Board of Directors and Council of Governors are provided with high quality information appropriate to their respective functions and relevant to the decisions that they have to make.

The Chairperson is responsible for leadership of both the Board of Directors and the Council of Governors with Governors also having a responsibility to ensure arrangements work and take the lead in inviting the Chief Executive to their meetings and inviting attendance by other Executives and Non-Executives as appropriate.

The Chair ensures that the views of Governors and members are communicated to the Board as a whole with the interaction between the Board of Directors and the Council of Governors being seen primarily as a constructive partnership seeking to work effectively together in their respective roles. Governors are encouraged to act in the best interests of the Trust and are bound to adhere to its values and code of conduct.

In a recent Governor Survey (March 2017), of those that responded, 100% of our Governors cited that they "acted in best interests of the Trust, adhering to its values and Code of Conduct" (93% return rate received).

The Council of Governors adopts a policy to proactively engage with the Board of Directors in those circumstances when they have concerns. The Council of Governors is encouraged to ensure its interaction and relationship with the Board of Directors is appropriate and effective, with the Trust's Constitution outlining the process to resolve any disagreements between the Council of Governors and Board of Directors. Governors also have the right to refer a question to the Independent Panel for Advising Governors if more than 50% of Governors who vote, approve the referral.

In a recent Governor Survey (March 2017), of those that responded, 100% our Governors cited that they "felt proud to be an NHS Foundation Trust Governor" (93% return rate received).

Governor role and statutory requirements

The Trust has developed a Governor Framework which outlines the role and responsibilities of Governors and incorporates the statutory mandatory duties defined in the Health and Social Care Act (2012) namely:

- To hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors, and
- To represent the interests of the members of the Foundation Trust as a whole and the interests of the public.

Further details in relation to the role and responsibilities of Governors are detailed on page 150.

In a recent Governor Survey (March 2017), Governors cited that they have been activity engaging with members and the public throughout the course of the year in order to represent their views, via their various contacts and networks including family, friends and colleagues with specific engagement activities including attendance at Public Meetings, GP Surgeries including Patient Participation Groups in addition to various BME Community and Volunteer Groups. Staff Governors also report regularly attended Staff Groups/Meetings in order to directly engage with staff members.

Governors hold our Non-Executive Directors (individually and collectively) to account for the performance of our Board of Directors by ensuring that they act so that we do not breach the terms of our authorisation. In addition, Governors receive agendas and approved minutes and are encouraged to attend each Board of Directors' Meeting of the Trust, which facilitates real-time review of the performance of our Board of Directors. Governors also actively monitor the performance of our Trust via attendance at quarterly Performance Review Meetings, ensuring that high performance standards are maintained.

In a recent Governor Survey (March 2017), Governors cited that they have held Non-Executive Directors to account for the performance of the Board of Directors throughout the course of the year via active engagement during Meetings, Governor Groups and Events with interactions including direct questioning and discussion of performance information/reports and topical matters. Governors also seek to understand key risks and receive appropriate assurances directly from the Chair and Non-Executive Directors in addition to observing their performance during attendance at Board of Directors' Meetings with Governors also actively participating in the Chair's and Non-Executive Directors' Performance Review (Appraisal) processes.

Governors are responsible for feeding back information about the Trust i.e. its vision, forward plan (including its objectives, priorities and strategy) and its performance to members and the public. In the case of Nominated Governors, this information is fed-back to the stakeholder organisations that nominated them. Governors are, in return, also responsible for communicating back to the Board of Directors the opinions canvassed ensuring that the interests of our members and the public are represented.

In order to support Governors to canvass the opinions of members, public and stakeholder organisations and effectively represent members' and the public's interests, we hold a Governors' Annual Forward Planning Workshop at which Governors' and Members'/public's views received are considered during the development of the Trust's forward plans.

An overview of our forward plans in addition to the full public versions, are available on our website (www.cmft.nhs.uk) and via Our Forward Plans – Tell Us Your Views webpage http://www.cmft.nhs.uk/foundation-trust/our-forward-plan which provides members and the public an opportunity to contact Governors and forward their views. Governors are issued with forward plan key information documents (includes the Operational Plan, Plan on a Page, Forward Plan Overview and Frequently Asked Questions) in order to support them to fulfil their duties of canvassing the views of members, the public and stakeholders and communicating to them the details on how they have discharged their responsibilities in relation to the development of our Forward Plans.

In addition, Governors are also actively encouraged to identify and prioritise quality indicators/priorities as part of the Annual Forward Planning process and from the suggestions made, Governors agree a local quality indicator for the forthcoming year.
The Trust each year, at a Council of Governors' Meeting, provides the Council of Governors with the following documents:

- Its Annual Accounts
- Any report of the auditors on them and
- Its Annual Report.

An Annual Report overview is presented by Directors to Members at the Trust Annual Members' Meeting which is open to the public and was held on 27th September 2016.

As part of this reporting process, the Board sets out clearly its financial, quality and operating objectives for the Trust and discloses sufficient information, both quantitative and qualitative, of the Trust's business and operation including clinical outcome data so to allow members and Governors to evaluate its performance.

At each Annual Members' Meeting, the Board of Directors invites questions from Governors, members and the public with formal minutes being taken in order to capture questions raised/ corresponding responses and actions to be taken forward. Copies of previous minutes are published on our website – Foundation Trust "Events" webpage http://www.cmft.nhs.uk/foundation-trust/events

Governor elections
Our Council of Governors has both Elected and Nominated Governors with Public Governors being elected directly from and by our public members, Staff Governors directly elected from and by our staff members and Nominated Governors being nominated from partner organisations.

The table below outlines the composition of our Council of Governors:

Governor Constituency/Class/Partner Organisation		Number of Governor Posts
Public	Manchester	9
	Trafford	3
	Greater Manchester	4
	Rest of England & Wales	2
	Total:	18

Staff	Nursing & Midwifery	2
	Other Clinical	2
	Non-Clinical & Support	2
	Medical & Dental	1
	Total:	7
Nominated	Manchester University	2
	Central Manchester Clinical Commissioning Group	1
	Trafford Clinical Commissioning Group	1
	Specialised Commissioning	1
	Manchester City Council	2
	Trafford Borough Council	1
	Youth Forum	1
	Volunteer Services	1
	Total:	10

Governors usually serve a term of office of three years at the end of which time they are able to offer themselves for re-election/re-nomination. A Governor may not hold office for more than nine consecutive years, and shall not be eligible for re-election if he/she has already held office for more than six consecutive years. Governors also cease to hold office if they no longer live in the area of their constituency (Public Governors), no longer work for our Trust or hold a position in the staff class that they represent (Staff Governors) or are no longer supported in office by the organisation that they represent (Nominated Governors).

Governor elections were held during summer 2016 in order to fill the seats of those Governors whose term of office ended during 2016 in addition to filling vacant seats.   As part of the Governor election process, the names and biographies of Governor candidates (contested seats) were forwarded to relevant member constituencies in order to enable members to make informed election decisions and, where applicable, included the prior performance of those Governors standing for re-election.

A Governor Election webpage http://www.cmft.nhs.uk/foundation-trust/governor-elections has been developed which outlines to members and the public the process for standing for election as a Governor and includes all candidate statements (names and biographies) and Governor election documents produced during the election process. In addition, each year a bespoke Potential Candidate Governor Election Information Pack is developed which includes a list of Frequently Asked Questions, the role and duties of Governors in addition to outlining key election information. The pack is published on the Governor Election webpage during the election process and mailed to those members who have expressed a specific interest in the role of Governor/standing for election.

All successfully elected/nominated Governors' biographies (pen portraits) are available via the Trust's "Meet the Governors" webpage http://www.cmft.nhs.uk/foundation-trust/council-of-governors/meet-the-governors

Our Board of Directors can confirm that elections for both Public and Staff Governors were held in accordance with the election rules as stated in our Constitution (approved by Monitor now part of NHS Improvement - Independent Regulator of Foundation Trusts).

The Trust's Governor Election Turnout Data – 2016					
Date of Election	Constituencies Involved	Number of Eligible Voters (Members)	Number of Seats Contested	Number of Contestants	Election Turnout
September 2016	Public – Manchester	6,046	5	12	11.1%
	Public – Greater Manchester	N/A (election unopposed)	2	2	N/A
	Public – Rest of England & Wales	1,667	2	6	10%
	Staff – Other Clinical	N/A (election unopposed)	1	1	N/A
	Staff – Nursing & Midwifery	N/A (no nomination received)	1	0	N/A
	Staff – Non-Clinical & Support	3,892	1	2	9.6%

Successful candidates (both new and re-elected) were announced at our Annual Members' Meeting held on 27th September 2016 and formally commenced in post following closure of the meeting.

We have described our work on developing the Single Hospital Service earlier in this report. As part of that programme (subject to approval), during 2017/18 a review will be undertaken to determine appropriate Governor representation in keeping with any resultant changes made to corresponding membership constituencies. Corresponding plans will be developed/progressed to undertake a Governor Election Campaign in order to encourage members to stand for election and fill open/new seats.

Members of the Council of Governors (2016-17) – Constituency/Partner Organisation, Election/Nomination and Term of Office Information (The Terms of Office end dates outlined below are subject to the aforementioned ongoing Single Hospital Service programme and as a result may change).

Lead Governor & Public Governor

David Edwards – Greater Manchester Constituency
Elected September 2013 and re-elected 2016
Term of Office – 3 years ending 2019

Lead Governor elections were held during September 2016 with Dave Edwards being elected (unopposed) for a one year term of office.

Public Governors

Jayne Bessant - Manchester Constituency

Elected Spring 2008 (shadow Council of Governors) and re-elected 2011 & 2014
Term of Office - 3 years ending 2017

Janet Heron - Manchester Constituency
Elected September 2016
Term of Office – 3 years ending 2019

Philip Largan - Manchester Constituency
Elected September 2016
Term of Office – 3 years ending 2019

Susan Rowlands – Manchester Constituency
Elected 2010, re-elected 2013 & 2016
Term of Office – 3 years ending 2019

Sue Webster – Manchester Constituency
Elected 2008 (shadow Council of Governors) and re-elected 2011 & 2014
Term of Office - 3 years ending 2017

Abebaw Yohannes – Manchester Constituency
Elected 2014
Term of Office – 3 years ending 2017

Nik Barstow – Trafford Constituency
Elected 2015
Term of Office – 3 years ending 2018

Cheryl Rivkin – Trafford Constituency
Elected 2015
Term of Office – 3 years ending 2018

Christine Turner – Trafford Constituency
Elected 2015
Term of Office – 3 years ending 2018

Ivy Ashworth-Crees - Greater Manchester Constituency
Elected 2008 (shadow Council of Governors), re-elected 2009, 2012 & 2015
Term of Office - 3 years ending 2018

Carol Shacklady – Greater Manchester Constituency
Elected 2014
Term of Office – 3 years ending 2017

Michael White - Greater Manchester Constituency
Elected September 2016
Term of Office – 3 years ending 2019

Kate Johnson – Rest of England & Wales Constituency
Elected September 2016
Term of Office – 3 years ending 2019

Public Governor Term of Office ended during 2016/17:

- **Paul Cunningham** - Manchester Constituency - Elected September 2016 with Term of Office ending March 2017
- **Peter Dodd** – Manchester Constituency – Elected Spring 2008 (Shadow Council of Governors) and re-elected 2010 & 2013 with Term of Office ending September 2016
- **Mary Ann Hargreave** – Rest of England & Wales Constituency - Elected September 2016 with Term of Office ending February 2017
- **Thomas Marsh** – Manchester Constituency - Elected September 2015 with Term of Office ending June 2016
- **Patrick McGuinness** – Manchester Constituency – Elected September 2014 with Term of Office ending January 2017
- **Mike Molete** – Manchester Constituency - Elected September 2015 with Term of Office Ending April 2016
- **Martin Rathfelder** – Manchester Constituency – Elected September 2016 with Term of Office ending January 2017
- **Barrie Warren** – Greater Manchester Constituency - Elected September 2013 with Term of Office ending September 2016
- **Alan Jackson** – Rest of England & Wales Constituency - Elected September 2013 with Term of Office ending September 2016
- **Richard Jenkins** – Rest of England & Wales Constituency - Elected September 2010 and re-elected 2013 with Term of Office ending September 2016

Staff Governors

Isobel Bridges – Non-Clinical & Support Constituency
Elected 2012 and re-elected 2015
Term of Office - 3 years ending 2018

Sharon Green – Nursing & Midwifery Constituency
Elected 2012 and re-elected 2015
Term of Office - 3 years ending 2018

Malgorzata (Gosia) Siekowska – Other Clinical Constituency
Elected September 2016
Term of Office – 3 years ending 2019

Selton Smith – Non-Clinical & Support Constituency
Elected September 2016
Term of Office – 3 years ending 2019

John Vincent Smyth – Medical & Dental Constituency
Elected 2012 and re-elected 2015
Term of Office - 3 years ending 2018

Geraldine Thompson – Other Clinical Constituency
Elected 2014
Term of Office – 3 years ending 2017

Staff Governor Term of Office Ended during 2016/17:

- **Theresa Clegg** – Nursing & Midwifery Constituency - Elected September 2015 with Term of Office ending September 2016
- **Peter Gomm** – Non-Clinical & Support Constituency - Elected September 2013 with Term of Office ending September 2016
- **Beverley Hopcutt –** Other Clinical Constituency **-** Elected Spring 2008 (Shadow Council of Governors) and re-elected 2010 & 2013 with Term of Office ending September 2016

Nominated Governors

Rabnawaz Akbar – Manchester City Council
Nominated 2011 and re-nominated 2014
Term of Office - 3 years ending 2017

Angela Harrington – Manchester City Council
Nominated 2008 (shadow Council of Governors) and re- nominated 2011& 2014
Term of Office - 3 years ending 2017

Alexander Heazell – University of Manchester
Nominated 2015
Term of Office – 3 years ending 2018

Mariam Naseem – Youth Forum
Nominated 2015
Term of Office – 3 years ending 2018

Paul Lally – Trafford Borough Council
Nominated 2014
Term of Office – 3 years ending 2017

Graham Watkins – Volunteer Services
Nominated 2014
Term of Office – 3 years ending 2017

Jane Worthington - University of Manchester
Nominated 2015
Term of Office – 3 years ending 2018

Nominated Governor Term of Office Ended during 2016/17:
Julie Cheetham – Central Manchester Clinical Commissioning Group – Nominated 2012 and re-nominated 2015 with Term of Office ending March 2017

Governor contact details
Governors welcome the views and suggestions of Members and the Public with Governor contact details and biographies (pen portraits) being available via the Trust's website – "Meet the Governors" webpage http://www.cmft.nhs.uk/foundation-trust/council-of-governors/meet-the-governors.

Alternatively Members and the Public can contact Governors via the Foundation Trust

Membership Office (0161 276 8661 or ft.enquiries@cmft.nhs.uk). Governors particularly welcome the opinion of our members and the public in relation to our forward plans.

Governors are encouraged to canvass membership and public views during attendance at key Membership and Trust Events including our Annual Members' Meeting and Young People's Event which include dedicated Governor Engagement Sessions and again, this year, included an interactive questionnaire for attendees to complete. Participants were invited to forward their key priorities around 5 key areas namely *Quality, Our Services, Our People, Research and Finance* with views canvassed being shared with the Governors' Membership Group and Governors.

Membership event information is available on the Trust's Membership Events webpage http://www.cmft.nhs.uk/foundation-trust/events and promoted via our Membership Newsletter (Foundation Focus) which again, this year, included a calendar of events for members and the public (events/meetings and involvement opportunities open to members and the public).

Communicating with the Board of Directors
Directors can be contacted via the Director of Corporate Services/Trust Secretary by e-mail Trust.Secretary@cmft.nhs.uk or telephone 0161 276 6262.

Governor governance arrangements
As part of our Governance arrangements, in order to become (or continue as) a Governor, individuals must meet our Governor Criteria. The criteria outlines the mandatory requirements that all Governors upon election/nomination are required to comply with and includes:

- Statutory Restrictions as outlined by our Constitution
- Declaration of Interests
- Code of Conduct (includes Nolan Principles)
- Disclosure and Barring Service Check (formerly CRB)
- Trust Internet and E-mail Use Policy
- Trust Media Policy
- Social Media – A Guide for Governors.
- Fit and Proper Persons Test (as described in our provider licence).

All Governors positions (Public, Staff and Nominated) are subject to the fulfilment of the aforementioned eligibility criteria with Governors ceasing to hold office should this criteria be/become unfulfilled. A copy of the Governor Criteria is available via our "Council of Governors" webpage http://www.cmft.nhs.uk/foundation-trust/council-of-governors or by contacting the Foundation Trust Membership Office (contact: 0161 276 8661 or ft.enquiries@cmft.nhs.uk).

Declaration of interests
Details of the Council of Governors' declarations of interests are held by the Foundation Trust Membership Office with a copy of the register being available to members and the public via the Trust's website "Meet the Governors" webpage http://www.cmft.nhs.uk/foundation-trust/council-of-governors/meet-the-governors#elections.

Alternatively Members and the Public can contact the Foundation Trust Membership Office to obtain a copy (contact: 0161 276 8661 or ft.enquiries@cmft.nhs.uk).

The Governors' Declaration of Interest Register is updated on an annual basis following which it is formally recorded at a Council of Governors' Meeting. The register discloses the details of any company directorships or other material interests held by Governors with none of our Council of Governors holding at the same time positions of Director and Governor of any other NHS Foundation Trust.

Our Constitution, which was agreed and adopted by the Council of Governors, outlines the clear policy and fair process for the removal from our Council of Governors, any Governor who has an actual or potential conflict of interest which prevents the proper exercise of their duties.

Governors' role and responsibilities under the legislation

The Council of Governors receives and considers appropriate information required to enable it to discharge its duties.

	Statutory Roles and Responsibilities of the Council of Governors	Additional Powers
2006 Act	• Appoint and, if appropriate, remove the Chair • Appoint and, if appropriate, remover other Non-Executive Directors • Decide the remuneration and allowances and other terms and conditions of office of the Chair and the other Non-Executive Directors • Approve (or not) any new appointment of a Chief Executive • Appoint and, if appropriate, remove the NHS Foundation Trust's Auditor	In preparing the NHS Foundation Trust's forward plan, the Board of Directors must have regard to the views of the Council of Governors
Amendments to the 2006 Act made by the 2012 Act	• Hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors • Represent the interests of the members of the Trust as a whole and the interests of the public • Approve significant transactions • Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution • Decide whether the Trust's non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions • Approve amendments to the Trust's Constitution	The Council of Governors may require one or more of the Directors to attend a Governors' Meeting to obtain information about perfo of the Trust's functions or the Directors' performance of thei duties, and to help the Council of Governors to decide whether to propose a vote on the Trust's or Directors' performance

Source: Your Statutory Duties; A Reference Guide for NHS Foundation Trust Governors (Monitor now part of NHS Improvement – August 2013)

Governor Aim & Objectives

In keeping with the aforementioned duties, we have developed the following Governor Aim and Objectives:

Governor aim

- Governors proactively representing the interests of members as a whole and the interests of the public via active engagement and effectively holding the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors.

Governor objectives

- *Governor Engagement* – Governors to be proactive in developing and implementing best practice membership and public engagement methods.

- *Governor Assurance* – Governors to act as the conduit between the Foundation Trust Board of Directors and members/public by conveying membership/public interests and providing Board performance assurance.

- *Governor Development* – the Foundation Trust to support the developing and evolving role of Governor by equipping Governors with the skills and knowledge in order to fulfil their role.

Governor engagement, assurance and development

We provide many opportunities for Governors to be actively involved, which we feel helps us to make a real difference to our patients and the wider community. Over the course of the past year Governors have attended a wide variety of meetings/events from which Governor-driven actions have been agreed and taken forward. These have included actions to improve both our patient and staff experiences in addition to raising issues on behalf of our members and the public.

Members and the public receive information about how Governors have discharged their responsibilities via our Membership Newsletter (Foundation Focus Newsflash) in addition to our Lead Governor providing an overview at our Annual Members' Meeting.

The main Governor involvement areas include:

- Holding the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors by attending regular Performance Meetings in order to review the Trust's performance across patient quality, clinical effectiveness, patient experience, finance and productivity and formally receive Board Assurance Reports.
- Representing the interests of the members of the Foundation Trust as a whole and the interests of the public and canvassing and forwarding member and public views to the Board of Directors during meeting attendance.
- Regularly attending Governor Meetings and Development Sessions to discuss and agree with our Board of Directors how Governors will pursue opportunities and undertake other additional roles in order to represent members and the public and/or to meet the needs of our local community.
- At a Council of Governors' Meeting, Governors are formally presented with the final Annual Report/Accounts and Annual Plan and are consulted on the development of

forward plans for the Trust and any significant changes to the delivery of the Trust's Business Plan.

- Governors are presented with the Trust's progress in attaining its Forward Plan priorities at Governor Development Sessions and working closely with the Board of Directors, Governors are involved in the Trust's Annual Forward Plan priority decision-making process.
- Governors encouraged to identify and prioritise quality indicators/priorities as part of the Annual Forward Planning process and from the suggestions made, Governors agree a local quality indicator for the forthcoming year. As part of this process, Governors are formally presented with the finalised Quality Report which helps them to fulfil their duty of holding the Non-Executive Directors to account for the performance of the Board of Directors.
- Governors being involved in recruiting new members and monitoring our membership profile, helping to develop membership engagement initiatives, ensuring that our membership communication is effective and review the progress of our Membership Strategy.
- Casting a critical eye over the experience that our patients have, in areas such as accessibility, cleanliness and the environment, and overall 'customer care'.
- Ensuring that the Trust meets its responsibilities to the wider community and plays a key role in monitoring employment, education, procurement and environmental initiatives.
- The Council of Governors' Remuneration and Nominations Committee (panel of Governors rotated each year and chaired by the Lead Governor) reviews and makes recommendations to the Council of Governors as a result of actively participating in:
  - an annual appraisal programme which facilitates the 360° appraisal process for the Chairman (led by the Senior Independent Director) and receives feedback on the appraisals of the Non-Executive Directors including any re-appointments (led by the Chair) and the remuneration of the Chair and Non-Executive Directors. The panel of Governors then reports directly to the Council of Governors seeking approval of their recommendations.
- Governors are actively involved in the selection of and approving the appointment of the Chair and Non-Executive Directors and agree with the Nominations Committee a clear process for new nominations and takes into account the views of the Board and Nominations Committee on the qualifications, skills and experience required for each position.
- Governors are actively involved in the selection of and approving our External Auditors and take the lead in agreeing with the Audit Committee the criteria for appointing, re-appointing and removing External Auditors.
- Governors cast a critical eye over the health and wellbeing of our staff in areas such as staff survey findings, training programmes, workforce data and appraisals etc. with Governors assisting in the development/progression of staff engagement initiatives.
- Governors actively participate in Ward Assessments including Quality Mark Assessments for "Elder-Friendly Hospital Wards", Patient Led Assessments of the Care Environment (PLACE) and 15 Step Challenge.
- Governors have actively participated in our Complaints Scrutiny Group.
- Governors have been involved in several staff initiatives including the selection panel for our Staff Recognition Programme i.e. "We're Proud of You Awards" and "Going the Extra Mile Awards".

- Governors have continued to be actively involved in our Internal Quality Reviews which was an evolutionary process developed in order to give us a better understanding of our delivery of care.
- Governors have continue to be actively involved in driving improvements in relation to our Out-Patient Services including participating in our Out-Patient Visits and providing feedback regarding patient letters.
- Governors have participated in our Smoking Policy Working Group to explore ways to improve the Trust's surrounding environment and patient/visitor experience.
- Governors have been involved in a Patient Experience Workshop in order to support the Trust to develop a new approach to "patient experience".
- Governors have been proactive in raising awareness and issues in relation to accessibility for disabled people which previously included a Governor-led review of accessibility for disabled attendees at Membership Events and the development and implementation of an associated accessibility plan.
- Governors have participated in our Disabled People's User Forum with the aim of the forum being to listen to the views and experiences of disabled people and to help improve access and quality of health care in CMFT.
- Continued Governor involvement in the development of our annual questionnaires to canvass views of members and the public (and for Nominated Governors the partner organisations that they represent) in relation to our future priorities.
- Governors have been instrumental in forwarding ideas/suggestions in relation to the current Governor Meeting Framework in order to identify both areas of strength and areas requiring further development in order to further improve the effectiveness and impact of Governors.
- Governors have attended celebration events including the Trust's SHINE event which celebrated the Trust's rating of 'Good' following the recent Care Quality Commission inspection.
- Governors have been actively involved and are regularly appraised of developments in relation to several major on-going health programmes including Greater Manchester Devolution, Single Hospital Service, Local Care Organisations, Manchester Locality Plans etc. at meetings, dedicated briefing sessions and via Chairman's Briefings.

The Health and Social Care Act (2012) states that Foundation Trust must take steps to secure that the Governors are equipped with the skills and knowledge in order to fulfil their role with the Trust being committed to providing high quality information including regular updates, presentations, and training to Governors in order to facilitate this in addition to aiding the Governor decision making process.

In a recent Governor Survey (March 2017) of those that responded 100% of our Governors cited that "the Trust provides the appropriate level of support for Governors to carry out their role and responsibilities as Governors (93% return rate received).

The Trust encourages Governor Development in a number of key areas, namely:-
- Equality, Diversity & Inclusion (ED&I) Training – Annual workshop held for Governors with training sessions, this year, including "Our local economy including the diverse communities were serve, why ED&I is important, values and behaviours, how Governors can seek assurance and Inclusive Community Engagement". Governors previously actively participated in the consultation for the Trust's ED&I Strategy and regularly receive key information/updates.

- Complaints Training – session held for Governors in order to be appraised of the Trust's complaint's process including the role of Governor and provide an overview of the Trust's compliments/complaints performance in addition to key work streams being progressed.
- Leadership & Values Training - session held for Governors in order to be appraised of the Trust's Supportive Leadership Programme and Culture and its impact on leadership in addition to the Trust's values and key work streams being progressed.
- Induction Training for all new Governors including the establishment of a Governors' Resource Pack and additional support arrangements for Governors.
- Governor mentor/buddy assigned to our Nominated Youth Governor with support including attendance at Youth Forum Meetings.
- Chairman led Governor Development Sessions (Summer and Winter Development Events) – topical health matters (impact on Trust/Governor role) in addition to the progress made by the Trust in achieving our Annual Forward Plan objectives and a dedicated session to enable a detailed review of the Trust's Annual Report, Accounts, External Auditor Reports and Quality Report.
- Governor attendance at External Training Events – MIAA (Mersey Internal Audit Agency) '*Significant transactions in the NHS and governors' role in them'* which provided an opportunity for Governors to learn more about their role in relation to this process.
- Governor Development informed via Governor Questionnaire findings, Governor Skill Mix Matrix findings and from feedback from Governors as part of a previous Governor Framework Review.
- Annual Lead Governor elections. The Lead Governor role facilitates direct communication between Monitor (now part of NHS Improvement - Independent Regulator of Foundation Trusts) and our Council of Governors in the circumstance that it is not appropriate to communicate through normal channels.
- Dedicated Lead Governor/Governor meetings established both before and after formal Council of Governors' Meetings to promote free discussion/debate.
- Bespoke Governor Engagement Packs are also produced in preparation of key Membership Events i.e. Annual Members' Meeting and Young People's Event in addition to providing support to Governors around the Forward Planning process.
- Encouraged Governor attendance at Board of Directors' Meetings (open to the public) to directly observe Non-Executive Directors' scrutiny, challenge and support of Executive Directors. In addition, patient story film clips are presented to Governors to enable them to listen to the real-life experiences of patients of our Trust. Following the public meeting, a dedicated private session has been established for Governors to raise any questions and/or observations on the items discussed at the Board of Directors.
- Chairman's briefings, produced on a bi-monthly basis, which provide key NHS and Trust performance information in addition to strategic developments. From information received at meetings and via the Chairman's briefings, Governors are encouraged to forward Board of Directors' assurance to members/public in relation to Trust's Performance, Services/Plans and the effectiveness of Governors in representing members/public views.
- Governors regularly receive briefings and updates regarding internal programmes of work e.g. Turnaround Programme, Transforming Out-Patient Services, Patient Dining Experience, End of Life Care and Informatics Strategy Review
in addition to external programmes i.e. the Greater Manchester & Social Care

Devolution Agreement and Manchester Locality Plans including Single Hospital Services, Local Care Organisation in addition to Single Commissioning developments.

- Dedicated Governor Tour undertaken to provide an opportunity to Governors to view some of the key LIME Arts Projects located on Central Site.

Future priorities to facilitate Governor Development during the course of the forthcoming year include:

- The continued provision of bespoke Governor Development/Training Sessions informed via the Governor Development & Training Plan (previously informed via NHSI's Guidance Documents, Governor Framework Review findings, Governor Questionnaire Findings, and Governor Skill Mix Assessment – comparable data findings being utilised to specifically highlight areas of particular strength and those requiring further support).
- The continued provision of Performance Review Meetings focusing on patient safety, patient experience and productivity & efficiency – review and scrutiny of Board Assurance Reports including performance, patient experience and workforce data enabling Governors to effectively hold the Board of Directors to account.
- Governor Skill Mix Matrix which enables Governor competencies/expertise to be captured ensuring and utilised when assigning/progressing Governor-led involvement projects.
- To continue to hold dedicated Governor and Non-Executive Director Networking/Assurance Meetings in order to facilitate assurances to be sought directly from Non-Executive Directors in addition to identifying and capturing Governor development needs. Meetings also facilitate Non-Executive Directors gaining a deeper understanding of Governor/Member views about the Trust.
- Governors to continue to be issued with updated information to form part of their bespoke Governor Engagement Packs, Chairman's Briefings in order to further support Governors to engage with members and the public and further enhance Governor/Membership Engagement practices.

Monitoring arrangements

Governor development is monitored in a number of ways:

- An annual questionnaire is completed by Governors which identifies development needs.
- Governors meet with the Chairman on a regular basis outside of the Council of Governors' Meetings, to highlight any development needs.
- The Governor Skill Mix Matrix enables any competency gaps (individually or the Council of Governors as a whole) to be highlighted and corresponding training needs to be identified.
- Led by the Chairman, Governors are invited to self-evaluate their collective performance/effectiveness as part of the annual Governor Questionnaire process with ideas/suggestions to facilitate further improvements being considered/progressed as part of the Governor Development programme of work.
- The Chairman meets regularly with the Lead Governor in order to be apprised of any Governor issues and identifying areas for further development.

Additional support

As an NHS Foundation Trust, we are committed to establishing a truly representative

membership and welcome Members and Governors from all backgrounds and protected characteristics including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation (this is not exclusive of other diverse backgrounds). We do not tolerate any form of discrimination, harassment or victimisation.

We are committed to supporting Governors so that they are able to undertake their role to the best of their ability and we recognise that they may need additional support in order for them to do this. We appreciate that additional support may be required for a variety of reasons including:
- Physical accessibility (e.g. disability, older or frail people)
- Language
- Culture and traditions
- Social expectations (young people)
- Lifestyles.

In relation to disabilities we appreciate that these are of a diverse nature and if a Governor considers him/herself to have a disability and/or require additional support in relation to this or for any other reason, support arrangements are provided via the Director of Corporate Services/Trust Secretary or Foundation Trust Membership Manager. As an NHS Foundation Trust we ensure that we support Governors to undertake their role via any reasonable adjustment.

Governor Groups & Youth Forum
Governors play a vital role in helping us to plan and develop future services by responding to feedback from their constituents and the wider community. We have four Governor Groups which look at practical ways to make a difference to patient care within our hospitals and aspire to help to reduce health inequalities in our surrounding communities. Staff wellbeing is also a key priority with the groups usually each meeting four times per year.

Each Governor Group is assigned a Non-Executive Director and supporting Director in order for the views of Governors to be considered/understood, which are, in return, conveyed to the Board. Non-Executive Directors and the supporting Directors support the progress of initiatives in relation to each Group's work streams. Trust Officers also attend each Governor Group in order to provide Governors with high quality information which is appropriate to their respective functions.

In addition, at each Governor Group Meeting the assigned Non-Executive Director provides a Board Update to further support Governors in forwarding Board of Directors' assurance to members and the public in relation to Trust's Performance, Services and Plans.

Staff Experience – supports the development and implementation of the Trust's People's Strategy and staff engagement initiatives in addition to the Trust's staff survey findings and workforce data including equality and diversity data.

Recent work projects include the monitoring of Nurse Recruitment Plans, Workforce Data and associated Key Performance Indicators (People and Development Performance Dashboard), Administration and Clerical Staff Initiatives, 7 Day Service Plans, Junior Doctor Contracts, Culture Programme, Staff Networks in addition to their continuing involvement in

the Trust's Staff Recognition Programme.

Corporate Citizenship – advises and engages with the Trust's Corporate Citizenship programme with work projects being generated around five main themes namely Employment, Carbon Reduction (Energy and Sustainability), Sustainable Travel & Transport, Sustainable Procurement and Cultural Partnerships.

Recent work projects include supporting the Trust's employment, apprenticeships and work placement programmes (Supported Traineeships, Clinical Pre-Employment, Manchester Health Academy and Greater Manchester NHS Careers Hub). Support is also given to the development of carbon reduction and sustainable procurement initiatives with the group also receiving updates in relation to NHS Professionals and the Transport for Greater Manchester Bus Priority Scheme.

Patient Experience - supports the implementation of the Trust's Quality Strategy by advising on accessibility, customer focus, front of house/reception areas, patient information, and developing meaningful involvement with patient partnership groups.

Recent work projects include, supporting the Trust's Patient Dining/Experience initiatives and receiving updates in relation to the Trust's Pharmacy, Accessibility and Diabetes Centre Plans, involvement in the Nursing & Midwifery Going the Extra Mile Awards Review Panel and Out-Patient Visits in addition to monitoring cancer patient experience/survey findings.

Membership – helps to recruit, retain, communicate and engage with members, ensuring a representative base is established which accurately portrays the diverse communities that we serve. Membership engagement best practice methodologies continue to be developed and supported by Governors.

Recent work projects include:
- Governors' support of the Trust's Public Member recruitment campaign and involvement in the development of the Governors' Development and Training Plan.
- Governors are actively involved in the planning of membership engagement events (Young People's Event and Annual Members' Meeting) which include dedicated Governor Engagement Sessions and interactive questionnaires.
- Governors continue to support the Trust's Engagement and Communications Plan including CMFTV with Governors supporting initiatives targeted at reaching Seldom Heard Groups.
- The group also received updates in relation to Trust's Zero Tolerance of Abuse, Harassment & Violence Policy, Foundation Trust Website Reports, feedback from the Trust's Annual Members' Meeting and Young People's Events and School's Engagement Programme in addition to Governor Elections.
- An overview of the Single Hospital Service and Local Care Organisations Communication and Engagement Plans were also provided to Group Members.

Governors have been proactive in improving accessibility for disabled at our membership events.

Youth Forum – provides an opportunity for young people's views to be forwarded in relation to a variety of hospital and health related issues with the group helping to monitor

and shape the services delivered and provided to young people.

Recent work projects include forum members participating in the *15 Step Challenge* Ward assessment process, the development of young people's complaint leaflets, supporting ward improvement and nurse recruitment initiatives in addition to participating in the Trust's Young People's Events. Group have been proactively developing new Forum Member recruitment initiatives and branding with Forum Members also being successfully recruited to join a National Youth Forum.

Monitoring arrangements

The meeting papers for all Governor Groups and Youth Forum are circulated to all Governors and Non-Executive Directors to provide them with a deeper understanding of the work projects being progressed by each Group and the corresponding views of Governors and Members. The minutes of each Group is also incorporated into each Council of Governors' Meeting Pack with the Governor Chair of each Group providing responses to any queries raised and/or requests for further information at each meeting.

Governor and Director Attendance at Council of Governor Meetings – 2016/17

Our Constitution, which was agreed and adopted by the Council of Governors, outlines the clear policy and fair process for the removal from the Council of Governors of any Governor who consistently and unjustifiably fails to attend the meetings of the Council of Governors or has an actual or potential conflict of interest which prevents the proper exercise of their duties.

Governor attendance at Council of Governor Meetings – 2016/17 (including 2 Special Council of Governors' Meetings)					
Governor name	6th July 2016	12th October 2016	31st October 2016 (Special Meeting)	6th December 2016 (Special Meeting)	1st March 2017
Rabnawaz Akbar	x	✓	✓	✓	✓
Ivy Ashworth-Crees	✓	✓	✓	✓	✓
Nik Barstow	✓	✓	x	x	✓
Jayne Bessant	✓	x	x	x	✓
Isobel Bridges	✓	x	✓	✓	✓
Julie Cheetham	x	✓	✓	✓	✓
Theresa Clegg	x		✓		
Paul Cunningham		x	✓	✓	
Peter Dodd	✓		✓		
David Edwards	x	✓	✓	✓	✓
Peter Gomm	✓				
Sharon Green	✓	x	✓	x	✓
Mary Ann Hargreave		✓	x	x	
Angela Harrington	✓	x	✓	✓	x
Alexander Heazell	✓	✓	x	x	✓
Janet Heron		x	✓	✓	✓
Beverley Hopcutt	✓				

Name	6 July 2016	12 October 2016	31 October 2016	6 December 2016	1 March 2017
Alan Jackson	x				
Richard Jenkins	✓				
Kate Johnson		✓	x	x	✓
Paul Lally	✓	✓	x	x	x
Philip Largan		x	✓	✓	✓
Thomas Marsh					
Patrick McGuiness	✓	x	x	x	
Mike Molete					
Mariam Naseem	x	✓	x	x	x
Martin Rathfelder		✓	✓	✓	
Cheryl Rivkin	x	✓	✓	✓	✓
Sue Rowlands	✓	✓	x	✓	x
Carol Shacklady	✓	✓	✓	x	✓
Malgorzata (Gosia) Siekowska		✓	✓	✓	✓
Selton Smith		✓	✓	✓	✓
John Vincent Smyth	✓	✓	x	✓	x
Geraldine Thompson	✓	✓	✓	✓	✓
Christine Turner	✓	✓	✓	✓	✓
Barrie Warren	x				
Graham Watkins	✓	✓	✓	x	✓
Sue Webster	✓	✓	x	x	✓
Michael White		✓	x	✓	✓
Jane Worthington	✓	x	x	✓	x
Abebaw Yohannes	x	✓	x	x	✓

Not applicable	✓ - in attendance	X – non-attendance

Director attendance at Council of Governor Meetings – 2016/17 (including 2 Special Council of Governors' Meetings)					
Director name	6th July 2016	12th October 2016	31st October 2016 (Special Meeting)	6th December 2016 (Special Meeting)	1st March 2017
John Amaechi Non-Executive Director	x	x			✓
Colin Bailey Non-Executive Director	x	x			x
Daren Banks Executive Director of Strategy	✓	✓			✓
Ivan Benett Non-Executive Director	✓	✓			✓
Julia Bridgewater Chief Operating Officer	✓	✓			✓
Rod Coombs Non-Executive Director					x
Kathy Cowell Chairman (from Nov 16)	✓	✓		✓	✓
Mike Deegan	✓	✓			✓

Chief Executive					
Gill Heaton Deputy Chief Executive	✓	✓	✓		✓
Nic Gower Non-Executive Director	✓	✓			✓
Margot Johnson Executive Director of Human &Corporate Resources	✓	✓	✓	✓	✓
Cheryl Lenney Chief Nurse	✓	x			x
Anthony Leon Deputy Chairman/Non-Executive Director	x	x			✓
Chris McLoughlin Senior Independent Director/ Non-Executive Director	✓	x	✓		✓
Steve Mycio Chairman (until Nov 16)	✓	x			
Robert Pearson Medical Director	✓	✓			✓
Adrian Roberts Executive Director of Finance	✓	✓			✓
Anil Ruia Non-Executive Director	x	x			x

Not applicable	✓ - in attendance	X – non-attendance

Membership

Membership aim & key priorities

Membership aim:
- For the Trust to have a representative membership which truly reflects the communities that it serves with Governors actively representing the interests of members as a whole and the interests of the public.

Key priorities:
- *Membership Community* – to uphold our membership community by addressing natural attrition and membership profile short-fallings.

- *Membership Engagement* – to develop and implement best practice engagement methods.

- **Governor Development** – to support the developing and evolving role of Governor (membership representatives) by equipping Governors with the skills and knowledge in order to fulfil their role. (see page 154 for further details).

Membership Community
Our membership community comprises both public and staff constituencies with the public

constituency being made up of Public Members (vote for and elect Public Governors) and the staff constituency being made up of Staff Members (vote for and elect Staff Governors).

Public Members

Public membership is voluntary and free of charge and is open to anyone who is aged 11 years or over and resides in England and Wales. Our Public Member constituency is subdivided into 4 areas:

- Manchester
- Trafford
- Greater Manchester
- Rest of England & Wales.

Public Constituencies	Number of public members
City of Manchester	5,867
Rest of Greater Manchester	5,347
Trafford	1,395
Rest of England & Wales	1,640
Total	14, 249

The maps below illustrate the Manchester, Trafford and Greater Manchester constituency (areas which fall outside of these wards are captured in the Rest of England & Wales constituency).

Greater Manchester   Manchester
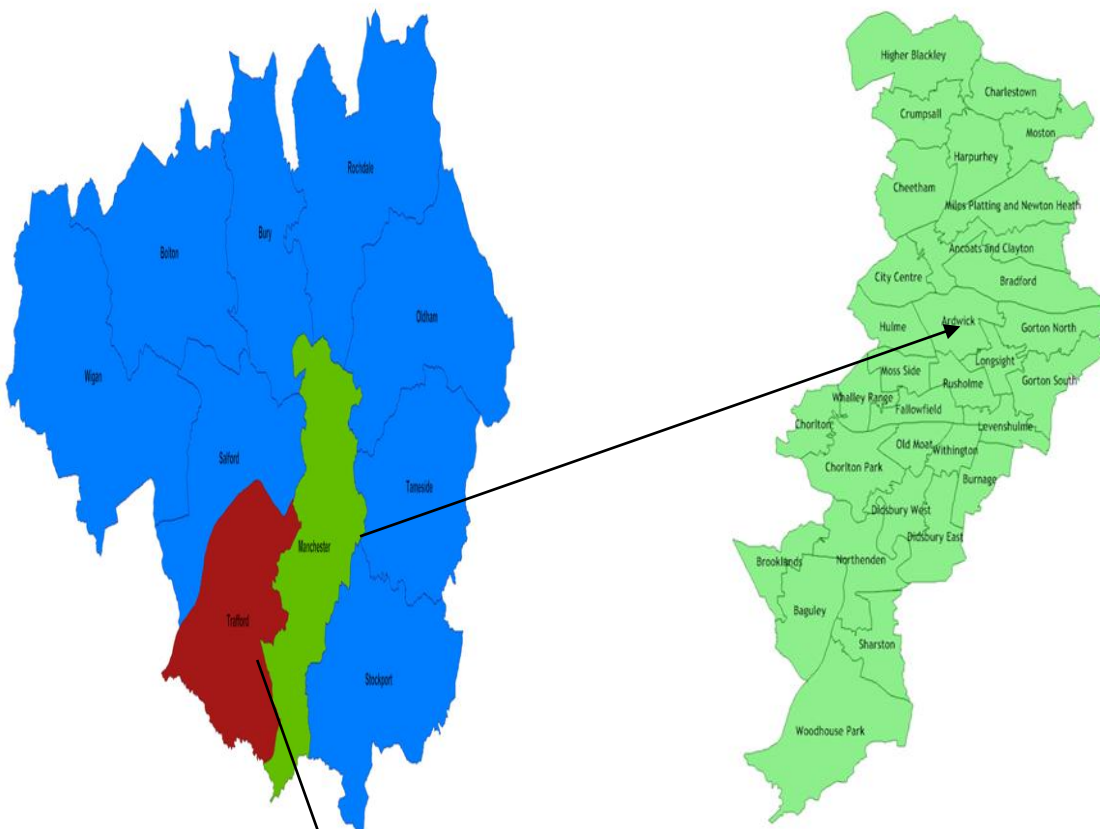
Trafford

Staff Members

Staff membership is open to individuals who are employed by the Trust under a contract of employment including temporary or fixed-term (minimum of 12 months) or exercising functions for the Trust with no contract of employment (functions must be exercised for a minimum of 12 months).

All qualifying members of staff are automatically invited to become members as we are confident that our staff want to play an active role in developing better quality services for our patients. Staff are however able to opt out if they wish to do so.

The Staff Member constituency is subdivided into 4 staff classes:
- Medical & Dental
- Other Clinical
- Nursing & Midwifery
- Non-Clinical & Support.

Staff classes	Number of staff members
Medical & Dental	1,359
Nursing & Midwifery	4,131
Other clinical staff	4,557
Non-clinical & support	3,961
Total	**14,008***

*This figure includes clinical academics, facilities management contract staff and full head counts which include bank staff and staff on zero hours contracts'.

Membership Engagement & Membership Strategy

A Membership Engagement & Membership Strategy has been produced with its purpose being to outline how patients, carers, members of the public and the local communities that we serve can become more involved by becoming members of our Trust with the Strategy defining our membership community, outlining how we recruit, retain, engage, support, and involve our membership in addition to facilitating effective member communication.

In addition, the Strategy outlines the Governor role and duties and key areas to support and develop the evolving role of Governors.

The Strategy also outlines the composition of the Council of Governors which is reviewed as and when any changes occur in relation to our public membership (to be representative of the communities of the Trust) and our staff membership (to be representative of the staff employed at the Trust) with consideration being given to ensure that the Council of Governors shall not be so large as to be unwieldy.

The review process for the composition of our Non-Executive Directors is outlined in the Strategy and is undertaken as and when a Non-Executive Director vacancy arises to ensure that appropriate skill sets are identified prior to commencing the recruitment process. The Board of Directors work with an external organisation (recognised as an expert at appointments), to identify the skills and experience required for Non-Executive Directors.

Historically, the Trust's Membership Strategy is reviewed/updated by the Governors' Membership Group. However, as part of the ongoing Single Hospital Service programme (subject to approval), during 2017/18 a comprehensive review will be undertaken to produce a corresponding Membership Strategy in keeping with any resultant changes/reflect plans going forward. A copy of the current strategy is available to members and the public via the Trust's Membership webpage http://www.cmft.nhs.uk/foundation-trust/membership. Alternatively, a copy can be obtained from the Foundation Trust Membership Office (contact: 0161 276 8661 or ft.enquiries@cmft.nhs.uk)

Membership community

As part of the on-going Single Hospital Service programme (subject to approval), during 2017/18 a review will be undertaken to determine appropriate membership representation/constituencies in keeping with any resultant changes. Corresponding plans will be progressed to undertake a public member recruitment campaign to address any public membership natural attrition, constituency and profile shortfalls in order to achieve a representative public membership profile of the communities that we serve.

As an interim measure during 2016/17, the Trust held a mini-public membership recruitment campaign to help to address shortfalls in its membership profile, as a result of natural attrition and, in keeping with our Membership Strategy, to sustain a majority of public members.

The Trust's total public membership is currently 14,249 (public members) in addition to housing a staff membership of around 14,008 (staff members) giving an overall membership community of over 28,000 members at year end.

Membership promotion was facilitated via the Trust's Website Homepage (electronic banner), Facebook and Twitter pages which include a statement from our Lead Governor outlining the benefits of becoming a member. In addition, Membership is promoted via a Membership Display Stand which is rotated throughout the various entrances to the Trust's hospital sites.

Membership welcome packs are sent to all new public members and include an invitation to their family/friends to become a member. Regular membership newsletters (Foundation Focus Newsflash) and an Annual Members' Meeting invitation is circulated to members (electronically and via post) in addition to being circulated to key community groups (seldom heard groups) and displayed on the Trust's website. Membership promotional materials are also regularly circulated to patient/public areas throughout our hospitals.

The dedicated Foundation Trust section of the Trust's website is regularly updated promoting membership, the role of Governor, Elections and forthcoming membership events and includes the facility for individuals to apply for membership via the completion of an online application form.

Members and the public views are encouraged and canvassed by Governors throughout the course of the year in relation to our forward plans via "Our Forward Plans - Tell Us Your Views" webpage http://www.cmft.nhs.uk/foundation-trust/our-forward-plan, in addition to seeking views of attendees during our Membership Events (Annual Members' Meeting and Young People's Events) and via our Membership Newsletter (Foundation Focus).

Monitoring arrangements
The Board of Directors monitor how representative our membership is and the level and effectiveness of membership engagement as part of the Annual Reporting Process.

Governors support the Board of Directors in monitoring our membership community/representation via the Governors' Membership Group to ensure natural attrition and profile short-fallings are identified with membership recruitment initiatives being developed to address any imbalances. The Group reports to the Council of Governors attended by the Board of Directors.

Membership Analysis Data

	Membership 2015/16	%	Membership 2016/17	%
Age				
0 – 16	772	5.2	558	3.9
17 – 21	1,086	7.4	1,038	7.3
22+	12,063	81.8	11,849	83.2
Not Stated	832	5.6	804	5.6

Ethnicity				
White	10,728	72.7	10,320	72.4
Mixed	379	2.6	367	2.6
Asian or Asian British	1,935	13.1	1,892	13.3
Black or Black British	954	6.5	912	6.4
Other	159	1.1	159	1.1
Not Stated	598	4.0	599	4.2
Gender				
Male	6,955	47.2	6,684	46.9
Female	7,676	52.0	7,447	52.3
Not Stated	122	0.8	118	0.8
Recorded Disability	1,915	13.0	1,766	12.4

Note: Although the 0 – 16 year old membership group figure may appear low, the Trust's membership base for this group is between the ages of 11 – 16 years.

Total Public Membership (31st March 2017) = 14,249 (804 members with no stated age, 599 members with no stated ethnicity and 118 members with no stated gender). Staff membership at 31st March 2017 = 14,008 this includes facilities management contract staff and clinical academic (Manchester University) staff. (See page 165 for workforce analysis data)

A new Membership Community and Representation webpage http://www.cmft.nhs.uk/foundation-trust/membership/membership-community-and-representation has been developed which provides an overview of the Trust's Membership in terms of representation and outlines our commitment to Equality, Diversity and Inclusion in addition to encouraging members and the public to contact Governors to forward their views and suggestions.

How to join membership of our NHS Foundation Trust
We are committed to establishing a truly representative membership and we welcome members from all backgrounds and protected characteristics including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation (this is not exclusive of other diverse backgrounds).

Membership application forms can be found via the Trust's website (www.cmft.nhs.uk) or via the Foundation Trust Membership Office (contact: ft.enquiries@cmft.nhs.uk or 0161 276 8661).

Changes to your membership details or cancelling your membership
As part of the membership application process, the Department of Health asks NHS Foundation Trusts to capture information in relation to ethnicity, language and disability status so that we can be sure that we are representing all sections of our communities. We therefore ask membership applicants to disclose this information during the application process with all information collected being confidential, in keeping with Data Protection

rules and is not released to third parties. Informational changes or membership cancellations are forwarded to the Foundation Trust Membership Office (details above).

Help us to reduce our carbon footprint

Little things, big difference:
putting sustainability at the heart of everything we do

Our Trust has a Sustainable Development Management Plan which contains an action plan to reduce our carbon footprint and save valuable, natural resources. One of our sustainability commitments is to reduce the number of documents that we print, and we hope that members will help us to achieve this. Members are encouraged to receive information via email by providing their email address.

Membership engagement

In addition to upholding our membership community, the Trust also strives to actively engage with members so that their contribution and involvement is turned into tangible service benefits thus improving our overall experiences for patients. Membership engagement is facilitated via our strong working relationship with our Governors and by developing engagement best practice methodologies. Membership engagement initiatives have included:

- An interactive **Young People's Health Event** which includes health information and interactive demonstrations from varying health professionals with stands promoting key health service areas (including support services), within the Trust in addition to advice on NHS careers/voluntary services. The invitation e-mail to schools/colleges encouraged invitees to forward any particular health-related topic and/or NHS career that they liked to be included at the event with additional stand holders being subsequently invited to attend the event in order to accommodate the requests received (where possible).

  The latest event (June 2016) included attendance by a number of Governors and provided an opportunity for young people to forward their views and opinions:
  - Nearly 350 young people, students, teachers, staff and staff children attended
  - Attendees also included groups of students from 8 various schools/colleges/universities from across Manchester, Trafford and Greater Manchester.
  - 30 stands enlisted to promote various NHS careers (including non-clinical and clinical roles) and provide young people's health information as part of the "Looking After You" area which this year included a new Lifeline Project stand (external organisation providing drug and alcohol advice).
  - Governors' Engagement Sessions were provided with members being signposted to engage with Governors and participate in a young people's interactive questionnaire which facilitated direct face-to-face engagement and views to be canvassed in relation to our forward plan priorities and membership involvement opportunities.
  - Participants were invited to forward their views in relation to the Trust's and general NHS Services including any service improvement suggestions.

  We continue to receive very positive comments from teachers with the following feedback being received in relation to our 2016 event:

- o *Very interesting really interactive and very enthusiastic stall holders* (Altrincham College)
  - o *Our students could not stop talking about the stands they thought they were amazing. The students found the people really easy to talk to and they answered all their questions in a way that they understood.* (Flixton Girls' School)
  - o *This is the best event we have been to - we have been coming for the last four years. Loads of interesting people to talk to and activities to do.* (Manchester Health Academy)

- An **interactive Annual Members' Meeting** which included a presentation from Directors in relation to the Trust's Annual Report and Accounts including past performance and plans for the future. Governors also presented a Membership Strategy and Governor & Membership overview. The meeting event was held on 27th September 2016 and focused on the theme 'Working Together to Care for You'. Our staff showcased the outstanding patient care provided across all our hospitals and services and how we work together to provide this care.

  The event was also used as a forum to celebrate our Care Quality Commission rating of 'Good'. Governors were also in attendance with the event providing an opportunity for members and the public to forward their views and opinions.
  - o A total of around 220 members and the public attended.
  - o 31 Stand holders enlisted from the Trust and partner organisations to showcase the outstanding services we provide and centred upon the theme "Working Together to Care for You".
  - o All Hospitals/Divisions were represented by stand-holders with stands also including teams from our Volunteer Services, Membership, Finance and Procurement, Charities, Strategic Development, Energy & Sustainability, Equality and Diversity, Organisational Development, Staff Benefits, End of Life Care, Specialist Nurses, Proud to Care on Camera, Perfect Dining Week and Sodexo.
  - o Governors' Engagement Sessions were provided, with members being signposted to engage with Governors and participate in an interactive questionnaire. The event facilitated many engagement discussions (direct face-to-face engagement) between Governors and attendees.

Other engagement activity has included:
- Invitations sent to members to attend our membership events, including personalised invitations sent via e-mail and post
- Event information also circulated to seldom heard groups.
- Invitations sent to members to become involved in the Trust's Patient Led Assessment of the Care Environment (PLACE) Assessments.
  Invitation sent to members to participate in the Trust's Disability User Forum.
- Governor attendance (youth and adults) at the Trust's Youth Forum Meetings with Youth Forum representatives contributing to the Governors' Membership Group which has facilitated more effective engagement practices between young members and Governors.
  A Membership Engagement Communication Plan has been developed to enable meaningful engagement and communications with both Governors and Members.

- Patient Experience and Equality and Diversity Teams assist in promoting membership events to Seldom Heard Groups.
- Public and Members are also encouraged to contact our Governors with their views and suggestions via our "Meet the Governors" webpage http://www.cmft.nhs.uk/foundation-trust/council-of-governors/meet-the-governors in addition to contact information being promoted in our Membership Newsletter (Foundation Focus Newsflash). In addition, views and opinions are welcomed by Governors during their attendance at key Membership and Trust Events (including Annual Members' Meeting and Young People's Event).
  Foundation Focus Newsletters periodically produced and circulated to members and the public which include:
  - Members in Action and Governors in Action features providing an overview of how Governors have discharged their responsibilities and Membership involvement/feedback plus a bespoke Membership Calendar of Events.
  - A Young People's Newsletter promoting our Annual Young People's Event and feedback from attendees.
  - The canvassing of Members and Public views by Governors is encouraged during attendance at both Trust and local Public/Patient events and via the Trust's Membership and Governors web pages, newsletters and e-mail with views and suggestions also be encouraged to be received via the Trust's freepost address.
  Annual questionnaires are developed and made available at Membership Events held throughout the year in order to support Governors to canvass the views of members and the public in relation to our future priorities. As part of these questionnaires, participants are also invited to forward their views in relation to the Trust's and general NHS Services including any service improvement suggestions.

- Regular Staff Governor features/articles in our internal staff communications including Wednesday Weekly News and Staff Insight Magazine with a new Staff Governor intranet webpage being developed to further raise the profile of our Staff Governors and encourage staff member engagement with Governors.

Periodic updates provided to members in relation to the Single Hospital Service Programme via e-mail, Foundation Focus Newsletter and at the 2016 Annual Members' Meeting.

- A dedicated FT Enquiries e-mail account is available to members and the public (promoted via all Membership promotions and website) enabling direct contact with the Foundation Trust Membership Office and/or Governors and responses being returned in a timely manner. Membership and Public contacts over the past year have included:
  - Interest in becoming a Member and/or role of Governor
  - Interest in Governor Elections/Standing for Election as a Governor
  - Information sharing between other NHS Foundation Trusts
  - Information about job vacancies and work placements
  - Information about volunteer opportunities
  - Removal from membership list or changes to membership details
  - Request for contact with Lead Governor/Governors and/or wish to share ideas/suggestions
  - Request for dates of meetings/events that are open to the public
  - Request for membership/public involvement opportunities.

- All new Public Members are sent Membership Welcome Packs with packs being segmented into:

Public (Adult - 18+ years) Welcome Pack and includes:
- o Welcome letter from the Chairman
- o Welcome Pack
- o Involvement Form
- o Freepost Envelope.

Children & Young People's (11 – 17 years) Welcome Pack and includes:
- o "Parent/Guardian of" welcome letter – seeks permission for young person to become a member
- o Welcome Pack
- o Involvement Form
- o Freepost Envelope.

- Completed Membership Involvement Forms – members' interests are recorded with a "thank you" letter sent to member (or parent/guardian for young members). The members' involvement interests are forwarded to relevant Trust Officers to facilitate involvement with contact being made as and when relevant involvement opportunities occur (e.g. personal invitation to Member Events, Governor election details etc.)

Membership involvement opportunities

CMFT is very keen to involve members, patients and the local community in developing our services, and you can read more about our engagement and consultation activities on pages 63 to 66.

The table below outlines the involvement opportunities that members are encouraged to participate in:

Membership Engagement – Involvement Opportunities			
Involvement Opportunity	**Children & Young Public Members (11 – 17 years)**	**Adult Public Members (18+ years)**	**Staff Members**
Participating in Surveys	✓	✓	✓
Attending Member Events/Meetings	✓	✓	✓
Attending Open Days/Health Promotional Events	✓	✓	✓
Recruiting New Members	✓	✓	✓
Fundraising Activities	✓	✓	✓

Membership Engagement – Involvement Opportunities			
Involvement Opportunity	Children & Young Public Members (11 – 17 years)	Adult Public Members (18+ years)	Staff Members
Participate in Consultation of Trust Plans	✓	✓	✓
Find out more about the Work of the Trust	✓	✓	✓
Standing for Election as a Governor	✓ (If aged 16+ years)	✓	✓
Join the Trust's Volunteer Services	✓ (If aged 16+ years)	✓	N/A
Become a Member of the Trust's Youth Forum Meetings	✓	N/A	N/A

Membership engagement will continue to be our key priority over the forthcoming year with Governor-driven suggestions and actions being encouraged to further enhance and develop Governor/Membership Engagement initiatives. We are confident that by engaging with our members in a way that meets their needs and continuing to uphold a membership community that truly reflects the diverse communities that we serve, we aim to ensure that as many people as possible have the opportunity to contribute and be involved in the development of services that mirror our patients' needs.

Monitoring arrangements
The Trust is committed to supporting Governors in canvassing the views and opinions of our Members and the public with membership and public engagement initiatives being developed and monitored via the Governors' Membership Group in conjunction with the Council of Governors. The involvement interests indicated by members and attendance at key membership events are utilised to gauge levels of engagement.

Board of Directors engagement with Governors
The Chair ensures that the views of Governors and members are communicated to the Board as a whole. The interaction between the Board of Directors and the Council of Governors is seen primarily as being one of a constructive partnership seeking to work effectively together in their respective roles. The Council of Governors adopts a policy to proactively engage with the Board of Directors in those circumstances when they have concerns.

The Council of Governors is encouraged to ensure its interaction and relationship with the Board of Directors is appropriate and effective, with the Trust's Constitution outlining the

process to resolve any disagreements between the Council of Governors and Board of Directors. The Council of Governors would only exercise its power to remove the Chairperson or any other Non-Executive Director after exhausting all means of engagement with the Board.

The Board of Directors engages with Governors on a regular basis via attendance at meetings and via direct face-to-face contact in order to understand and obtain both Governors' and members' views and respond to any concerns.

In a recent Governor Survey (March 2017), of those that responded 100% of our Governors cited that "the Chair ensures that all Governors have an opportunity to contribute" (93% return rate received).

Executive and Non-Executive Directors attend Council of Governors' Meetings at which Governors have the opportunity to directly forward their views to Directors and seek assurances to any concerns or issues that may arise.

At quarterly Governor Performance Review Meetings, attending Directors hold discussions with Governors in order to understand their views on the Trust's performance and provide details of actions in place to improve performance where required. Governors are actively encouraged to provide feedback on the Trust's Board Performance Report (Board Assurance Reports) with a view to ensuring that the right level of detail/information is provided, appropriate assurances received and/or action taken, in order to inform accurate decision making, appropriate to their respective functions and relevant to the decisions that Governors have to make.

In a recent Governor Survey (March 2017), of those that responded, 100% of our Governors cited that "the Chair supports Governors to update their knowledge and familiarity with the Trust" (93% return rate received).

A Non-Executive Director is a member of each Governor Group and is a meeting forum for the views of Governors and Members to be considered/understood and, in turn, are conveyed to the Board of Directors.
At each Group, Non-Executive Directors provide Board/NED updates in order to further support Governors in forwarding Board of Directors' assurance to members and the public in relation to the Trust's Performance, Service and Plans. Non-Executive Directors and supporting Directors support the progress of initiatives in relation to each Group's programme of work. Trust Officers also attend in order to provide Governors with high quality information, appropriate to their respective functions and relevant to the decisions that they have to make.

The Chair also hosts a number of Governor Development Sessions attended by both Executive and Non-Executive Directors (as appropriate). A range of topics are discussed for example performance against the Trust's key priorities, annual report and patient experience information. At these sessions, Governors are encouraged to proactively engage, raising any concerns or issues and offer their views and suggestions for consideration.

Governors play a key role in the Trust's Forward Planning process which is facilitated via an Annual Forward Planning Workshop, hosted by the Chair, and led by the Executive Director

of Strategy. Key Trust Officers again provide high quality information with Non-Executive Directors also being attendance. During this workshop, Governor and member views are sought, with the Board of Directors taking account of their views (where appropriate). In addition, Governors are also encouraged to identify and prioritise quality indicators/priorities as part of the Annual Forward Planning process and from the suggestions made, a local quality indicator is agreed for the forthcoming year.

The Board of Directors, in consultation with the Council of Governors, appointed one of the independent Non-Executive Directors to become the Senior Independent Director. Governors are encouraged to attend Board of Directors' Meetings (open to the public) to directly observe Non-Executive Directors' scrutiny, challenge and support of Executive Directors with agendas and minutes being circulated to Governors in preparation of each meeting.

Governors are also signposted to associated meeting papers in order to receive and consider appropriate information required to enable them to discharge their duties. In addition, patient story film clips are presented to Governors to enable them to listen to the real-life experiences of patients of our Trust. Following the public meeting, a dedicated private session has been established for Governors to raise any questions and/or observations on the items discussed at the Board of Directors.

Governors are also regularly appraised of developments in relation to several major on-going health programmes including Greater Manchester Devolution, Single Hospital Service (SHS), Local Care Organisations (LCO), Manchester Locality Plans etc. with the Board of Directors establishing dedicated Governor Briefing Sessions and Joint Governor Workshops (between Central Manchester Foundation Trust and University of South Manchester Foundation Trust Governors) which have been held throughout 2016/17. In addition, regular briefing notes are also issued to Governors with key updates being provided at each Council of Governors' Meeting in order for Governors to obtain sufficient briefings from the Board to make informed decisions going forward.

Quality Report[1]

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Independent Assurance Report to the Council of Governors of Central Manchester University
Hospitals NHS Foundation Trust on the Annual Quality Report

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[1] All statements in this report highlighted in italic text in the blue boxes are mandated by NHS Improvement.

Part 1: Welcome and Overview

Statement on Quality from Sir Michael Deegan, Chief Executive

Central Manchester University Hospitals NHS Foundation Trust (CMFT) is committed to continually improving the quality of the services provided to our patients and clients. I am proud to present here our quality report which gives an account of our performance against national and local quality targets, compares our performance year on year to demonstrate continuous improvement; shows our outcomes benchmark against other healthcare providers and identifies where we need to improve. The report also sets out our priorities for the coming year.

The Care Quality Commission (CQC) conducted a comprehensive inspection of the care provided at our hospitals and community services in November 2015, and we were delighted to begin this year with confirmation that the CQC rated our Trust as "Good" overall.

The CQC inspection found many examples of outstanding practice across a range of specialties and a deep commitment to the innovative and active development of services and research. Areas of outstanding practice included the electronic monitoring of patients' vital signs, the use of innovative new technology for assessing coronary artery disease and the gynaecology emergency unit for problems in early pregnancy. The CQC also cited as outstanding the unique clinic for treating sexual dysfunction, the extensive research being undertaken in Saint Mary's Hospital, the one stop baby hip clinic, the identification of the Manchester Royal Eye Hospital by NICE as an exemplar site for the management of glaucoma and an early intervention scheme for parents as part of the Child and Adolescent Mental Health Service (CAMHS). We are very proud of our CAMHS, which the CQC rated as Outstanding, the first CAMHS in the country to achieve this rating.

Inspectors were particularly impressed with the care and compassion shown by staff, the willingness to report and learn when things go wrong and the high standard of clinical care delivered by all of our teams.

Since 2013 CMFT has undertaken an annual programme of internal Quality Reviews. These reviews have involved staff of all disciplines and are designed as a learning and quality improvement process. This year we have focused these reviews specifically on the outcomes of the CQC Inspection, using this process to review the small number of areas that were identified as requiring some improvement such as end of life care and patient flow.

Our focus on continuous improvement is underpinned by a well-embedded Improving Quality Programme and our Transform Together Project. This year we have expanded our accreditation programme, which is underpinned by a set of measurable standards and includes patient feedback as well as a formal and rigorous assessment of practice to assess the quality of care received by patients, to include; not only wards but also theatres, outpatient areas and Emergency Departments. We have also begun to pilot the process in our community services. We are delighted that 29 areas achieved "Gold" in their annual accreditation this year compared to 16 last year.

The Trust's quality improvement work is underpinned by our '*What Matters to Me*' patient experience programme, which aims to provide everyone who used CMFT's services with a high quality, personalised experience. The launch of our programme in November 2016, which followed extensive engagement with patients, families, carers and staff, created widespread interest through social media, supporting our ambition to create a social movement around the common purpose of excellent patient experience. You can read more about this on pages 57 to 59.

Creating the right culture is a key element of delivering high quality care, and this year CMFT has been one of just three Trusts nationally to work with the King's Fund and NHS Improvement on the Leading Together – Creating Supportive Cultures programme. This work will drive our Leadership and Culture Strategy as we move forward into 2017.

Our workforce is our greatest asset and their work has continued to be recognised on the national stage this year with a number of our teams and individuals winning national recognition for the work they do. Some of these accolades are outlined in this report on pages 36 to 37.

One of the key measures for the organisation is the number of patients who die and this is monitored through two key metrics call the Standardised Hospital Mortality Indicator (SHMI) and Hospital Standardised Mortality Ratio (HSMR). Both of these key national mortality metrics are closely scrutinised by the Trust. Though fewer patients have died, there has been an increase in both SHMI and HSMR during 2016/17 and this has prompted a number of reports and reviews and the approval of an action plan to provide assurance on the quality of clinical information, improve the quality of data capture, and further strengthen processes in the organisation for reduction of avoidable deaths. The Medical Director has reported in more detail on this on pages 177 to 180.

Research is a high priority for CMFT and a vital component of the quality agenda. This year we were delighted to be granted funding of £28.5m by the National Institute for Health Research (NIHR) for the Manchester Biomedical Research Centre (BRC). This will enable us to drive forward pioneering research into new tests and treatments in the areas of musculoskeletal care, hearing health, respiratory disease, dermatology and three cancer themes: prevention, radiotherapy and precision medicine.

Our Trust was also successful as a partner in a single citywide bid to the Department of Health, which brought £12.5m to fund the cutting-edge research space, highly trained staff and specialist equipment required to develop and deliver pioneering new treatments across three NHS sites in Greater Manchester. This funding is enabling expansion of existing clinical research capacity across Manchester and is hosted by CMFT in partnership with The Christie NHS Foundation Trust, University Hospital of South Manchester NHS Foundation Trust (UHSM) and The University of Manchester.

We have seen investment in our pathology services, this year as we entered into a ten year plan with Roche Diagnostics to transform every aspect of our laboratories.

We have made progress this year in the face of the simultaneous challenges of restoring financial sustainability, meeting increasing demand on many of our services and recruiting the right nursing workforce in the context of a national shortage of nurses.

I am especially pleased to report that we have continued to tackle these challenges progressively through further recruitment of more nurses and midwives. This has allowed us to reduce our reliance on temporary staff, which enables us to provide better quality of care whilst reducing the amount spent on bank and agency staff.

A major programme of work this year has been our response to the Manchester Locality Plan, which sets out our ambition for a Single Hospital Service for Manchester. A continued focus on quality, safety and patient experience, putting patients and service users at the centre of all that we do, will be key as we continue on this journey in 2017/18, developing our services to best meet the needs of the population we serve.

I am pleased to confirm that the Board of Directors have reviewed the full 2016/17 Quality Report and confirm that it is a true and accurate reflection of our performance.

Sir Michael Deegan
Chief Executive Officer
26th May, 2017

Statement from the Medical Director

My aim as Medical Director is to ensure that Clinical Quality and Patient Safety remain absolutely central to what we do here in Central Manchester University Hospitals Foundation Trust (CMFT).

2016/17 has been one of the most challenging years for the NHS as a whole in a long time and CMFT has not been an exception to that. As last year, challenging financial targets coupled with increased pressures on services such as our Accident and Emergency Departments have meant our staff have had to work even harder to deliver high quality care.

We started the year as usual with a challenging work programme with ambitious targets. I am pleased to say we were able to achieve many of these and where we have not, we continue to work hard to improve. The Trust Quality Report sets out all of these achievements in detail but here are some of the headlines:

We have worked hard over the year to improve on the success of our CQC inspection in November 2015. We were rated as 'good' overall and we are striving to become an 'outstanding' organisation. Where the CQC identified that we needed to improve, Trust teams have implemented action plans over the year to do just that. Significant improvements can be seen in areas such as end of life care, care for patients with a mental health condition and nurse staffing. We have aligned our improvement plans going forward with the five CQC domains and will continue to provide care that is safe, caring, effective, responsive and well led.

Last year we set five key quality priorities, these were:
- Mortality
- Sepsis
- End of Life Care
- Dementia
- Out-patient Care

Mortality
As one of a number of key measures on quality of care mortality measures are kept in continual focus.

I am disappointed to report this year that whilst continuing to have low numbers of reported deaths (the crude death rate) the metrics used to measure mortality (the Hospital Standardised Mortality Ratio and the Summary Hospital-level Mortality Indicator) do not now reflect this, with both indicators being above the expected rate of 100. As a Trust we are working hard to understand the reasons for this whilst using other information available to us to ensure care is safe and effective.

In the section on mortality you will see some of the work we are doing to address this.

Sepsis
Severe sepsis is a response to infection that involves all body organs, and which can lead to severe organ dysfunction and septic shock and death. It is a major healthcare issue in the UK with around 100,000 cases presenting to hospital every year. Although it is known to be a condition with a mortality rate of up to 50%, it is also known that early diagnosis and rapid treatment can lead to very good survival rates. Across the organisation, we are implementing a programme of education in early recognition of severe sepsis and rapid implementation of the gold standard of practice called the Sepsis 6. We are engaged in a cycle of monitoring and improvement strategies to embed best practice in all clinical areas.

End of Life Care
Whilst the CQC identified that we were extremely caring in our approach to End of Life Care, they were concerned that our Palliative Care Team (the specialist team of doctors and nurses looking after patients at the end of life) did not have adequate resources for an organisation of this size. They were also concerned that we did not have a strategy or enough guidance for staff.

The Trust has made a number of changes to the way we support all staff to deliver End of Life Care. A written strategy is now in place for the care of patients at end of life and guidance available for all staff. A number of staff have been recruited to the Palliative Care Team to ensure that the right support is available to all patients and their families when needed.

The Trust performed very well in the National Audit that looks at end of life care. In the section on End of Life Care you will see some of the work we are doing.

Dementia (John's Campaign)
John's Campaign was founded in 2014 by the daughter of a patient based on the key principle of families/carers having the right to stay with patients with dementia when they are admitted to hospital. John's Campaign supports the concept of allowing families of patients with dementia to stay with them by using a carer's passport, and encouraging them to be involved in their family members care.

The Trust has continued to implement the principles of John's campaign across our wards, with a specific focus on supporting families through the implementation of 'open visiting' on the Trafford site and in a number of wards on the Central site, the purchase of portable beds to allow a family member to stay with their relative overnight and encouraging family members to be involved in care delivery, such as meal times. The Trust is currently undertaking a research funded evaluation of the impact of implementing John's Campaign on two elderly care wards, to assess the impact of this work on the patient, family members and staff.

Outpatient Care
We see over a million patients in our outpatient services each year. Our work to improve the patient experience in these services continues to be a priority. This is led by a team of seven consultants who work in the service itself. Each of our Hospitals is working hard to achieve excellence in patient experience and the key achievements this year include:

- a new appointment letter co-designed with patients
- a focus on improving processes for making appointments by developing clear processes for administration staff to follow
- improving information to patients by sending out text reminders for patients across all services
- For our administration staff, we have developed a directory of staff, a mentoring programme for new starters, administration and clerical guides and introduced values based recruitment (looking for the best people for the job based on their values and behaviours).
- An administration and clerical conference was held in July 2016 to launch the professional standards for this discipline and recognise the invaluable work our administration staff undertake.

Across the hospitals our wards have for some time utilised a formal accreditation process to measure and improve on the quality of care. This year we have developed the same process for our outpatient services, first trying it out in the Manchester Royal Eye Hospital. We will roll this out to all other outpatient areas during 2017/18.

During the year our teams have also had national and international recognition of some of the astounding work they have done. I have set out here just a few examples:

- The Diabetes in Pregnancy Team at Saint Mary's have been awarded 1st prize in the Sanofi Diabetes awards 2016 for their Quality in Care Programme for Empowering Adults with Diabetes. This was a collaboration with Queen's University Belfast in producing a DVD for women diagnosed with gestational diabetes (GDM). The DVD was originally produced in four languages (English, Urdu, Arabic and Somali) and later converted to a website. It was evaluated in a randomised controlled trial among 150 multi-ethnic women with newly diagnosed GDM. It is now used routinely in patient education. The judges said they "loved the principle of this entry and that it truly empowered patients and their families by aiding them in asking the right questions to gain valuable answers."
- The Manchester Royal Eye Hospital's glaucoma service won a national award for enabling patients to use a new hand-held device at home to detect raised pressure inside the eye, a key risk factor linked to glaucoma. Using the 'Icare HOME' device leads to fewer hospital admissions and less disruption to day-to-day living for patients. The award, in the 'Enabling patients with technology' category, was given by a global biopharmaceutical company. It's inaugural Sustainable Healthcare 'Patients as Partners' Awards recognise those who have made an exceptional contribution to the lives of patients and contributed toward a more sustainable health service.
- In November 2016, the Manchester Royal Infirmary and our cochlear implant team hosted a ground breaking primetime live broadcast on Channel 4 which saw a group of patients share the moment they could potentially hear again with the nation. The broadcast was the first of its kind as patients accompanied by their audiologists from centres across the country had their recently implanted devices switched on live on air from the Richard Ramsden Centre for Hearing. Head of Audiology Martin O'Driscoll and Adult Implant Coordinator Deborah Mawman both featured in the programme with their patients John and Marion. In the run-up to the broadcast, the programme caused a stir in the media garnering international attention.

The programme provided a great opportunity to promote the benefits that Cochlear implantation can have. This is particularly important as of the population that can benefit only 5% of people actually have the device.

- The Trust won Best Improvement for Patient Safety. It was given jointly to our Acute Care and Informatics Teams, at the North West Connect Conference 2016 (hosted by Informatics Skills Development Network). We faced tough competition from other local Trusts. The Trust has pioneered the use of electronic observations and early warning score alerting system (Patientrack). The system is used across 5 hospitals in inpatient wards. We have uniquely combined technology and acute care education to improve safety and engage all staff. This is done through analysis of real-time timeliness of response, clinical observation assessment, emergency call data and general acuity of patients. This programme of work is helping to deliver clinical benefits such as: more rapid clinical attendance for patients most in need, which has helped a 50% reduction in cardiac arrests; and reduced risk of mortality for out of hours admissions.

I am proud to present just a few of the many examples here of amazing work done by both our clinical and support teams that is enabling the Trust to achieve its aim of being a safer hospital providing outstanding care.

The work now continues into 2017/18, which will be a time of great change and improvement to the healthcare of the people of Manchester, Trafford and beyond that we serve. This year we have chosen as our three main clinical priorities as:

- Mortality
- Nutrition and Hydration
- Patient Journey (Patient Flow)

The following pages will set out how and why we have chosen these priorities and there is more detail in the body of this report on our work this year and plans going forward.

I would like to thank all of our Trust staff who work day and night to deliver outstanding services they can be proud of, and look forward to more in 2017/18.

Professor Robert C Pearson
Executive Medical Director
26th May 2017

Care Quality Commission Comprehensive Inspection

Care Quality Commission Rating **- Good**

As reported in our last year's Annual report, the Care Quality Commission (CQC) carried out a scheduled comprehensive inspection of our hospitals and community services in November 2015.The inspection was welcomed by the organisation and has been a key external assurance mechanism for the assessment of quality of care.

We were pleased to report that the CQC gave the Trust an overall rating of **'Good'** putting us in the top 10% of large acute Trusts in the country at the time. We were also really delighted to report that our Child and Adolescent Mental Health Services were rated as **'Outstanding'** for both in-patient and community services. This is a fantastic achievement of which we are immensely proud.

The CQC assess all relevant core services against five key lines of enquiry:

- Are services safe?
- Are services caring?
- Are services responsive?
- Are services effective?
- Are services well led?

The positive themes in the report include staff being caring, compassionate and proud of their services. The CQC noted that the Trust was open and honest in its approach when things went wrong and willing to learn and change to improve safety.

As expected, the CQC also made a number of recommendations which have been addressed during the year. The Trust has made progress across all of the recommendations and some of these are detailed in the report.

- Nursing and Midwifery Recruitment
- End of Life Care
- The patient journey (seeing, admitting and discharging patients in a timely way)
- Medication safety
- Care of patients with a mental health condition
- Improvements to the patient record

We are not at the end of the journey yet but we will continue to work with the CQC and our other partners to improve services and deliver safe, high quality care. Set out below are the current ratings for the organisation and within the report you will find more detail of progress on our plans to address all areas identified as requiring improvement.

Manchester Royal Infirmary
(The Manchester Royal Infirmary, Saint Mary's Hospital, the Manchester Royal Eye Hospital and the Royal Manchester Children's Hospital)

	Safe	Effective	Caring	Responsive	Well Led	
Urgent and Emergency Services	Requires Improvement	Good	Good	Requires Improvement	Good	Requires Improvement
Medical Care – including older people	Requires Improvement	Good	Good	Good	Good	Good
Surgery	Good	Good	Good	Good	Good	Good
Critical Care	Good	Good	Good	Requires Improvement	Good	Good
Maternity and Gynaecology	Good	Good	Good	Requires Improvement	Good	Good
Neonatal Services	Good	Good	Good	Good	Good	Good
Services for Children and Young People	Good	Good	Good	Requires Improvement	Good	Good
End of Life Care	Good	Requires Improvement	Good	Requires Improvement	Requires Improvement	Requires Improvement
Outpatients and Diagnostic Imaging	Good	Not Rated*	Good	Good	Good	Good
Overall Rating	**Good**	**Good**	**Good**	**Requires Improvement**	**Good**	**Good**

Trafford Hospital

	Safe	Effective	Caring	Responsive	Well Led	
Urgent and Emergency Services	Good	Good	Good	Good	Good	Good
Medical Care – including older people	Good	Good	Good	Requires Improvement	Good	Good
Surgery	Good	Good	Good	Good	Good	Good
Services for Children and Young People	Good	Good	Good	Good	Good	Good
End of Life Care	Requires Improvement	Requires Improvement	Good	Requires Improvement	Requires Improvement	Requires Improvement
Outpatients and Diagnostic Imaging	Good	Not Rated*	Good	Good	Good	Good
Overall Rating	**Good**	**Good**	**Good**	**Requires Improvement**	**Good**	**Good**

Altrincham Hospital

	Safe	Effective	Caring	Responsive	Well Led	
Minor Injuries	Good	Good	Good	Good	Good	Good
Outpatients and Diagnostic Imaging	Good	Not Rated*	Good	Good	Good	Good
Overall Rating	**Good**	**Good**	**Good**	**Good**	**Good**	**Good**

*CQC are currently not confident they are collecting sufficient evidence to rate effectiveness for Outpatients & Diagnostic Imaging

Community Services

	Safe	Effective	Caring	Responsive	Well Led	
Community Services for Adults						**Good**
Community In-Patient Services						**Good**
Community Services for Children and Young People						**Requires Improvement**
Community End of Life Care						**Requires Improvement**
Community Dental Services						**Good**

Child and Adolescent Mental Health Services

	Safe	Effective	Caring	Responsive	Well Led	
Child and Adolescent Mental Health Wards		★			★	**Outstanding**
Specialist Community Mental Health Services for Children and Young People			★	★	★	**Outstanding**

The CQC report can be read in full at http://www.cqc.org.uk/provider/RW3

Internal Assessment of Quality of Care: Trust Quality Review

The Trust has carried out internal Quality Reviews now for four years; this is part of the annual Shine programme of quality improvement. Following Board of Directors approval the Quality Review process 2016/17 commenced.

For 2016/17 it was agreed that the reviews would focus on areas identified by the CQC as requiring improvement. It was also agreed that a team would review Learning Disability Services, an area not covered by the CQC in their 2015 Inspection.

Responsiveness
- Maternity Services
- Royal Manchester Children's Hospital
- Trafford
- Manchester Royal Infirmary

Leadership
- Division of Surgery
- Manchester Royal Eye Hospital

Community Services for Children and Young People

End of Life Care

Learning Disability Services

The reviews took place during November and December 2016 and each review was led by a senior member of Trust staff with approximately 120 other staff involved in the teams.

Overall Findings

The reviews set out to look at each area using the CQC domains and core service prompts. To inform the review all teams had access to quality performance data relevant to the respective areas and the CQC action plan complete with progress to date. The teams were asked to reach overview conclusions on the following questions:

- What has changed since the CQC visit?
- What has improved?
- What do we still need to do?

The teams were asked to group these where possible under the safe, caring, effective, responsive and well led headings as set out by the CQC.

In summary, improvements were seen across all areas and whilst it was evident that there is still work to do much progress has been made. Each area is discussed in more detail below.

1. Responsiveness

What has changed since the CQC visit?

Much has changed since the CQC visit and significant improvements were seen across all areas. The continuing commitment of staff to deliver a service of which they are proud in challenging circumstances was evident throughout.

What has improved?

Particular improvements were seen in:
- Nursing and midwifery staffing
- Development of enhanced roles to improve capacity and the patient journey
- Enhanced recovery – improving both the patient experience and journey
- Flexibility of shift and rota patterns to deliver a better experience for patients and staff
- Transformation projects
- Care model changes across Trafford and the MRI
- The care environment – particularly in Saint Mary's Delivery and Triage areas and Royal Manchester Children's Hospital.

What do we still need to do?

The Trust still needs to:
- Streamline discharge processes, particularly for complex cases
- Review the allocation and use of space – as activity increases the capacity of certain areas (such as ante-natal clinic) to examine patients in a timely way is challenged
- Improve record keeping – this came up in almost all areas and remains a Trust wide risk
- Make improvements to the transition process for children moving over to adult services
- Improve theatre utilisation – particularly in trauma and paediatrics

- Appoint orthogeriatrician support to improve adherence to care pathways for frail elderly orthopaedic patients
- Improve sickness and absence rates – particularly at Trafford Hospital.

2. Leadership

As part of the overall leadership programme of work this report was set out slightly differently and reviewed leadership across two Divisions, the Manchester Royal Eye Hospital and the Division of Surgery.
Evidence shows that there are five key elements in high quality care culture:
- Vision and values
- Goals and performance
- Support and compassion
- Learning and innovation
- Teamwork

If everyone works to create and support these consistently across an organisation – they lead to a culture of collective leadership, and better patient outcomes and performance.

The review team's findings suggested that there were some very positive areas which the Division of Surgery can build on. Examples of these are a strong work ethic and passion for what they do at all levels, staff confident of raising concerns, good performance is areas such as infection control and a good sense of team work.

There are also a number of areas where the Division can focus attention to improve the leadership and culture. Examples of improvements required include, timely actions on concerns raised, clear communication to staff that quality is a focus in the Division, visibility of senior managers and movement to gold ward accreditation for some wards across the Division.

In the Manchester Royal Eye Hospital the review team's findings are overwhelmingly positive, with only one key theme being raised as an issue which related to the volume and workload for administration staff, particularly outpatient and health record staff. Examples of excellence were clear brand/identity for the Hospital but staff felt part of the Trust, staff feeling proud and highly supported, clear performance dashboards and time taken up front to get them right, leadership team clear on areas for improvement from the data, patient focused and aware of what the issues are for patients, nursing staff feel strongly supported and no teams were greater than 30 in size which aids delivering excellent communication and commitment to team goals.

3. Community Services for Children and Young People

What has changed since the CQC visit?
Again a number of changes since the CQC were identified and enthusiastic, well-motivated and committed staff who are proud of their services and caring and compassionate towards children, young people and families were observed throughout.

What has improved?

Estates management has improved in many ways with patient areas in particular benefitting and staff are aware of how to raise concerns. The management team reported that there are robust monitoring systems in place and any issues and risks are highlighted. Regular monitoring visits have been established by the Divisional Management Team to all clinics and schools and regular six weekly operational meetings are in place to oversee the work.

Staff report feeling well supported and have directly accessible managers. Inspirational leaders were recognised in a number of teams, with some being well supported by each other.

Good knowledge and use of incident reporting and the risk register, but this could be further improved in some areas with regards to staff and reporting managed risks. Staff and the management team highlighted there are still some services who do not report incidents.

The team saw improved documentation and record keeping.

The introduction of the EMIS IT system phase 1 has been welcomed and staff are keen for phase 2 and also the hardware that will support the use of electronic systems in real time. EMIS is a web based system that allows healthcare professionals to record, share and use vital information, so they can provide better, more efficient care.

The newly formed Immunisation Team is fully recruited to and is working effectively and efficiently with schools and young people.

Good partnership working was seen with schools. Reflection of sessions takes place to see what can be improved.

What do we still need to do?

Information Technology (IT) systems require on-going development; there is uncertainty about future developments and there are on-going problems with connectivity and back-up systems. Patient care is not directly affected because staff work hard to compensate.

Communication with an ethnically diverse population remains mainly an issue for universal written communication. Interpretation services are used across the directorate both telephone and face to face and some staff use the 'Big Word' system. In recognising access to services is related to reading ability as well as language barriers the management team reported a piece of work is taking place with the Translation Service to help services better understand barriers and how current practice can be improved.

Transition documentation between community children's nurses and adult community staff needs further development.

4. End of Life Care (EoLC)

At the time of the CQC visit in 2015, the Trust had already identified that the EoLC service required improvement, and a business case was in the process of being developed to increase the numbers of both nursing and medical staff to meet the demands on the Specialist Palliative Care Team (SPCT). A *'Palliative and End of Life Care Strategy'* document was published in March 2016.

The CQC report was received in April 2016 and the business case was approved in May 2016, with nursing appointments made shortly afterwards. Therefore the proposed changes to EoLC really began to take shape in June 2016.

The review team witnessed individualised care being delivered to patients at the end of their lives that was sensitive, caring and compassionate to the needs of patients from both the SPCT and staff in the clinical areas, with staff providing support to carers who were obviously anxious and worried.

What has changed since the CQC visit?
Significant improvements have been made and publication of the 'Palliative and End of Life Care Strategy' has set out an overarching vision for EoLC, additional finance has been allocated, a leadership structure is now in place, with clear executive and senior leadership, and oversight is improving and staffing numbers are increasing.

What has improved?
A matron for Palliative and EoLC (adults) has been appointed and has been in post for several months. The Matron is very visible in ward areas and is pushing ahead with implementation of the strategy as well as liaising with all staff groups. The majority of staff are aware of the CMFT *'Individualised Care Plan'*, where to find it and how to use it, although there was less certainty among band 5 nurses than more senior staff. Syringe drivers are now easily obtained from on-site 'libraries' at both Trafford and MRI, including out of hours, and staff training is proceeding according to the Trust plan. An open culture of incident reporting was identified.

What do we still need to do?
The most pressing need is to appoint a further 2 consultants. Access to specialist palliative care is not yet available seven days a week, other than the advice line to the local hospice. An overall Palliative and EoLC 'Educational Training needs analysis' is required to inform an EoLC Educational Strategy. The Strategy should include continued EoLC education - required at ward level - but also needs to focus on further training related to the *Individualised Care Plan* (which will need to become 'electronic'), as completion of the Care Plan was found to be variable.

5. Learning Disability Services

As stated the CQC did not inspect Learning Disability Services in 2015 and therefore the Trust felt that it was important to undertake a review of these services led by an Independent person with experience in the field. The Trust therefore appointed an individual on a temporary basis with experience in both Learning Disability Services and governance to lead this review.

The review team was impressed by the level of knowledge, commitment and passion for the service that the two joint service leads demonstrated.

The person-centered focus of their leadership translated across all teams and individual professionals observed, both in terms of expertise and compassionate care. The Community Learning Disability teams in particular demonstrated a sense of pride in their work and their role as advocates for people with learning disabilities and this was noted by all reviewers without exception.

Reviewers observed staff in teams across all areas of service with strong core values; staff were extremely caring and respectful. Oakwood Lodge staff working with people who had complex needs knew them very well and had developed strong relationships.

Community Learning Disability teams had a strong team ethos and appeared to be working well despite periods of absence of senior staff , this was particularly true for South CLDT who had been without a team manager for a number of months.

There were concerns regarding the service provision at Oakwood Lodge which mainly related to the environment of care. The Trust is pleased to report that the service has since moved out of this building to more suitable premises.

For 2017/18 recommended areas for improvement are now being incorporated into the CQC action plan and work will be undertaken to make improvements throughout the year.

From Ward to Board – the golden thread

CMFT is a large organisation with a complex structure of hospitals and community services each containing numerous wards and departments.

Each of us working here in the Trust, in whatever service, discipline or level of seniority has responsibility for the quality of care received by all of our patients and their loved ones. The Board of Directors has overall responsibility for the quality of the service. One of the challenges faced by all organisations of this size is how we ensure that messages are communicated effectively in such a large and complex service. It is hugely important that any staff member is able to communicate a good idea or a concern to their colleagues or up to the Board of Directors if necessary and equally important that the Board can get messages to staff and other stakeholders. How we do this is sometimes referred to as 'Ward to Board, the golden thread'.

There are many ways that the organisation ensures that messages are effectively communicated and these include:
- Committees and groups – the Trust has a governance structure designed to ensure that messages can be communicated and effective decisions made at the right level
- Freedom to Speak Up – the Trust has appointed a Freedom to Speak Up Guardian to ensure that a culture is in place whereby staff feel able to raise concerns whenever needed
- Chief Executive Engagement sessions – an opportunity for all staff to meet the Chief Executive and his team and raise any issues they have directly with them
- Team structures
- Newsletters and briefings
- The Trust Risk Register – any member of staff can contribute to this and it is reviewed regularly
- This Risk Registers inform the Board Assurance Framework a document which provides information on strategic risks and mitigation
- Senior Leadership walk rounds – members of the Board of Directors visit wards and departments to discuss issues with staff, patients and their visitors
- The Trust Incident Reporting System – this is an online system open to all staff to report any incidents or safety concerns they have

- The Trust Excellence Reporting System – it is equally important that good practice is recognised and shared
- The Trust Quality Reviews – all staff are invited to take part in this process annually
- The Patient Safety Forum – this is a group open to any member of staff who wishes to attend where safety issues are discussed and lessons shared
- The Staff Survey and 'Pulse Check' – these are the national and local staff opinion checks.

Through its organisational development programme and embedding of the Trust values and behaviours the Trust seeks to strengthen this 'golden thread' at every opportunity and will continue to do this in 2017/18.

Part 2: Statements of Assurance from the Board and Priorities for Improvement from the Board of Directors

Overview of Priorities

In 2016/2017 we sought to improve performance across many areas of care. In the following section we present those areas of work with performance data.

We have set these out in the table on page 197 and the detail is contained over the following pages. The Board of Directors of CMFT is assured that the priorities for quality improvement agreed by the Board are closely monitored through robust reporting mechanisms in place in each Division.

CMFT uses indicators extensively to inform and monitor the quality agenda. We formally use this data to triangulate quality, workforce and financial indicators on a monthly basis at a number of different forums, including the Operational Managers Meeting chaired by the Chief Operating Officer and at every Board of Directors meeting.

The Board of Directors intends to use this information to inform all decision making processes including priority setting throughout 2017/18. Our organisation will use the information to understand performance against the strategic aim of improving the safety and clinical quality of our services. This understanding will then inform prioritisation and quality improvement plans.

Triangulation of this information and comprehensive understanding of cause and effect enables a focus on work streams that will improve both quality and productivity. Whilst all Executive Directors have responsibility for the delivery of quality improvement, the named Executive leads for quality are the Medical Director and the Chief Nurse. They have set three clinical quality priorities for 2017/18 and these are:

- Mortality
- Nutrition and Hydration
- Patient Journey (Patient Flow)

These priorities have been set in response to the following:

- Discussion with our Governors
- Internal assessment such as our Quality Reviews and Ward Accreditation which both involve discussion with patients, visitors and staff
- External review, such as our CQC Comprehensive Inspection Report
- National concerns and campaigns supported by the public

The broad commitments set out in the Quality Strategy remain relevant and, along with the ambitions set out in the Trust Transformation Strategy, will underpin Divisional and corporate work programmes for 2017. The following areas will be a focus for delivery in 2017/18:

- Leadership
- Evidence based care
- Research and innovation
- Communication
- Listening and responding

- Openness and transparency
- Accountability
- Celebrating success.

Delivery of the Quality Strategy commitments will be underpinned by the development and delivery of a new Patient Experience Framework during 2017/18.

The Trust Risk Management Committee oversees the management of all high level risks to the delivery of the organisational strategic aims and key priorities and these are mapped on the Board Assurance Framework.

A thematic review of current risks on the Trust's risk register highlights the following three overarching risks to clinical quality:
- **Demand** - maintaining and improving the quality of clinical services with an increasing demand on services
- **Clinical Information**-maintaining and improving the quality of clinical data in order to fully understand quality, design and plan services
- **Finance** – maintaining and improving the quality of clinical services within the current financial constraints.

All risks are monitored, and those presenting a more significant threat to the Trust objectives - scored at 15 and above - are monitored bi-monthly at the Trust Risk Management Committee. Detailed plans are in place to reduce all of these risks to an acceptable level. See more detail under 'Clinical Risks' on page205.

To deliver high quality services and continuous improvement we will maintain a continued focus on leadership. CMFT invested significantly in the development of all of our leaders in 2013/14 and 2015/16 and this is expected to continue to deliver quality improvements into 2017/18.

The Board of Directors maintains a focus on performance against the Trust's quality metrics through the organisational governance processes and through regular review of a comprehensive suite of quality metrics from which Board members drill down into the organisation to interrogate performance.

The NHS Outcomes Framework

In this report, you will see performance figures and, where possible, comparative information so that you can see how well we are doing alongside our other NHS colleagues.

1. Preventing people from dying prematurely	2. Enhancing quality of life for people with long-term conditions	3. Helping people to recover from episodes of ill-health or following injury

4. Ensuring that people have a positive experience of care	5. Treating and caring for people in a safe environment and protecting them from avoidable harm
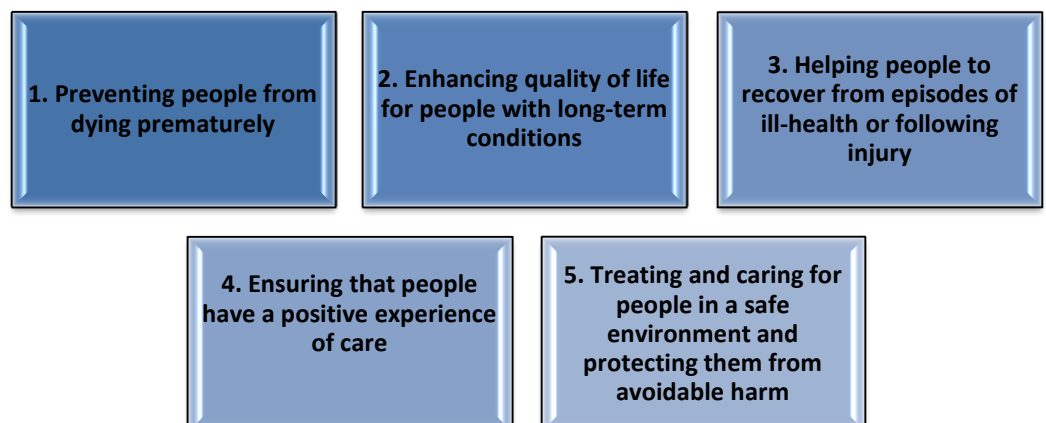
There are some indicators which are measured as part of the NHS Outcomes Framework and we are presenting those here. This is so that all organisations are clear about performance in these areas and that comparisons can be made.

The NHS Outcomes Framework is a set of indicators designed to improve standards of care in five key areas.
The following indicators all directly inform the five key areas of the framework.

Summary Hospital-Level Mortality Indicator (SHMI)

The Central Manchester University Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

The Summary Hospital-level Mortality Indicator (SHMI), introduced during 2011, is a method to measure hospital mortality. It is based on all patient deaths including those which happen up to 30 days following discharge from hospital. It relies heavily on accurate record keeping and coding. The patient case note is examined by clinical coding staff who reflect what doctors and other clinical staff have written in relation to any existing conditions the patient has, such as diabetes, as well as their diagnosis for their current hospitalisation episode and any procedures undertaken.

As detailed later in the report we are currently working hard to improve the quality of our clinical records in order that we can be fully confident in the mortality metric. The Central Manchester University Hospitals NHS Foundation Trust has taken the following actions to improve its SHMI, and so the quality of its services. This is detailed on page 217.

Indicator	Outcome/s	CMFT 2015/16	CMFT 2016/17	National Average 2016/17	Highest Performing Trust 2016/17	Lowest Performing Trust 2016/17
SHMI	To be less the 100	103.75	111.30	100	68.97	116.39

Patient Reported Outcome Measures

The Central Manchester University Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

All patients undergoing these procedures have the opportunity to complete quality of life assessment questionnaires before and after surgery, the figures represent the indicative participation rate.

The Central Manchester University Hospitals NHS Foundation Trust has taken the following actions to improve Patient Reported Outcome Measures, and so the quality of its services by supporting fully the process for gathering patient feedback prior to surgical procedures as part of the pre-operative process.

This is collected by surveys which are then returned to our survey providers, the questionnaires which are sent to patients following their surgery are co-ordinated by an independent survey organisation. By sharing patient level detail with clinicians we will ensure learning and development. We need to continue promoting the completion of the surveys and continue to work with our survey providers to achieve high quality data which allows comprehensive review.

Indicator	Outcome/s	CMFT 2015/16 (Provisional data)	CMFT 2016/17 (Indicative)	National Average 2016/17	Highest Performing Trust 2016/17	Lowest Performing Trust 2016/17
Groin hernia surgery	To improve health outcomes following each of the 4 procedures	48.35%	39.25%	Not available at time of reporting	Not available at time of reporting	Not available at time of reporting
Varicose vein surgery		Very small sample size not enough data	13.21%	Not available at time of reporting	Not available at time of reporting	Not available at time of reporting
Hip replacement surgery		66.19%	71.36%	Not available at time of reporting	Not available at time of reporting	Not available at time of reporting
Knee replacement surgery		49.03%	47.47%	Not available at time of reporting	Not available at time of reporting	Not available at time of reporting

The percentage of patients readmitted to a hospital within 28 days of being discharged from a hospital

The Central Manchester University Hospitals NHS Foundation Trust considers that this data is as described for the following reason: it is nationally standardised data which allows us to draw comparisons against the NHS as a whole.

The Central Manchest	Outcome/s	Relative Risk 2015/16	Actual Risk 2016/17	Relative Risk 2016/17	Expected 2016/17	Super Spells 2016/17	Rate 2016/17
Aged 0-15	To reduce readmissions and improve health outcomes	94.73	2319	97.00	2390.65	30,182	7.68%
Aged 16 or over		92.95	4708	95.97	4905.91	73529	6.40%

The percentage of 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

The Central Manchester University Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

Staff are asked whether or not they thought care of patients and service users was the organisation's top priority, whether or not they would recommend their organisation to others as a place to work, and whether they would be happy with the standard of care provided by the organisation if a friend or relative needed treatment.

Questions 12a, Q12c and Q12d feed into Key Finding 1: "Staff recommendation of the Trust as a place to work or receive treatment".

Possible scores range from 1 to 5, with 1 indicating that staff would be unlikely to recommend the organisation as a place to work or receive treatment, and 5 indicating that staff would be likely to recommend the organisation as a place to work or receive treatment.

NHS England introduced the Staff Friends and Family Test (SFFT) in all NHS Trusts that provide acute, community, ambulance and mental health services in England from April 2014. Their vision is that all staff should have the opportunity to feedback their views on their organisation at least once a year.

The Trust also surveyed all staff every quarter through the "Staff Opinion Pulse Check", which asked additional questions about raising concerns, quality of care and values and behaviours. Regular surveys allow us to identify any working areas or staff groups that might require a particular focus in order to ensure that staff experience of working in the Trust and receiving care is favourable. Evidence suggests this improves quality of care overall.

The Central Manchester University Hospitals NHS Foundation Trust has taken the following actions to improve the percentage of 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. This is detailed on pages 85-86.

Indicator	Outcome/s	CMFT 2015/16	CMFT 2016/17	National Average 2016/17	Highest Performing Trust (Acute and Community) 2016/17	Lowest Performing Trust (Acute and Community) 2016/17
Staff Survey Key Finding 1 –staff recommending the Trust as a place to work or receive treatment – an indicator of the Friends and Family test (Previously KF21)	Staff report that they are treated with the appropriate values and behaviours by colleagues and by the organisation and that they would recommend the Trust	3.80	3.73	3.71	4.20	3.32

The results above are rounded to two decimal places and for both years is based on our agreed staff survey sample.

The percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months (KF26), the percentage believing that Trust provides equal opportunities for career progression or promotion (KF21).

The data below is taken from the 2016 NHS Staff Survey. The results are rounded to two decimal places and for both years is based on our agreed staff survey sample.

The Central Manchester University Hospitals NHS Foundation Trust considers that this data is as described for the following reason:

Indicator	Outcome/s	CMFT 2015/16	CMFT 2016/17	National Average 2016/17	Highest Performing Trust (Acute and Community) 2016/17	Lowest Performing Trust (Acute and Community) 2016/17
Staff Survey Key Finding 21 – Percentage of staff believing that the organization provides equal opportunities for career progression or promotion.	Staff report that the organisation acts fairly with regard to career progression/promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age.	86%	85%	87%	94%	72%
Staff Survey Key Finding 26 – Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months.	Staff reporting experience of harassment, bullying or abuse at work from mangers or other colleagues in the last 12 months.	24%	22%	23%	19%	32%

The percentage of patients who were admitted to hospital risk assessed for venous thromboembolism (VTE) during 2016/17

The Central Manchester University Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

Patients are assessed, unless if part of the agreed group of exclusions (the exclusions relate to patients who are at little or no risk such as day cases). This is documented and then checked by the coding team. All patients who have a correctly completed VTE assessment are coded accordingly and this is the figure presented.

The table below demonstrates that CMFT has continued to maintain its performance of assessing at least 95% of appropriate patients for VTE year on year.
The aim is to maintain a minimum of 95% compliance throughout the year.

Indicator	Outcome/s	CMFT 2015/16	CMFT 2016/17	National Average 2016/17	Highest Performing Trust 2016/17	Lowest Performing Trust 2016/17
VTE assessment	To risk assess 95% of appropriate patients	96%	95%	96%	100%	76.48%

The Central Manchester University Hospitals NHS Foundation Trust has taken the following actions to improve the percentage of patients who were admitted to hospital risk assessed for venous thromboembolism: we will continue to work with staff to maintain our performance.

The rate, per 100,000 bed days of cases of clostridium difficile infection reported within CMFT amongst patients aged 2 or over in 2016/17

The Central Manchester University Hospitals NHS Foundation Trust considers that this data is as described for the following reason: it is nationally standardised data which allows us to draw comparisons against the NHS as a whole.

Indicator	Outcome/s	CMFT 2015/16	CMFT 2016/17	National Average 2016/17	Highest Performing Trust 2016/17	Lowest Performing Trust 2016/17
Clostridium Difficile infection per 100,000 bed days	To reduce C Difficile infection	18.0	18.13	13.29	11.1	33.6

The Central Manchester University Hospitals NHS Foundation Trust has taken the following actions to improve the rate, per 100,000 bed days of cases of clostridium difficile infection reported within CMFT amongst patients aged 2 or over. This is detailed on page 210.

The rate of patient safety incidents reported and the number and percentage of such incidents which led to severe harm or death (April to September 2016 published data)

The Central Manchester University Hospitals NHS Foundation Trust considers that this data is as described for the following reasons:

Comparison with other Trusts
We report all our Patient Safety Incidents to NHS England (NHSE) and we are monitored alongside all other acute hospital Trusts. Data is made available from NHSE in 6 month groupings. The information table below provides details of the latest published data. (April-September 2016)

Area	CMFT	Best Trust	Worst Trust	Average
Number of Incidents	11,835	13, 485	1485	4955
Rate of incidents reported per 1000 bed days	57.69	71.11	21.15	40.7
Number Resulting in Severe harm or death	34	1	98	19
Percentage Resulting in Severe harm or death	0.3	0.0	1.7	0.4

The Trust reported a total of 11,835 incidents (57.69 incidents per 1000 bed days) during the period of April 2016 – September 2016. This places us in the top two nationally for acute trusts in terms of the total numbers of incidents that are reported, and the percentage of no harm/near miss incidents. We are also in the top 10 acute trusts for the incident rate reported per 1,000 bed days.

The Central Manchester University Hospitals NHS Foundation Trust has taken the following actions to improve the rate, the rate of patient safety incidents reported and the number and percentage of such incidents which led to severe harm or death. This is detailed on page 200 onwards.

Performance on 2016/17 Priorities

Set out below is a summary of our performance against our priorities last year.
A green tick indicates that we met our objectives for the year, a dash means we made good progress but did not quite reach our objective and a cross means we did not meet the objective and further work is required and will be undertaken.

Page no.	Priority	2014/15	2015/16	2016/17
		Patient Safety		
198	Speak Out Safely (SOS)	N/A	N/A	✓
198	Being Open and Duty of Candour	N/A	N/A	✓
199	Learning from incidents	✓	✓	✓
200	Serious Harm	✓	✓	⊖
200	Never Events	⊖	✗	✓
201	Type of Incidents	N/A	N/A	N/A
201	Medication Safety	✓	⊖	⊖
203	Safety Strategy - Maternity	N/A	N/A	✓
204	Clinical Risks	N/A	N/A	N/A
		Clinical Effectiveness		
208	Infection prevention	✓	⊖	✗
216	Mortality	✓	✓	⊖
217	Sepsis	N/A	✓	✓
218	Clinical Audit	✓	✓	✓
220	National Confidential Enquiries (NCEPOD)	✓	✓	✓
224	Medical Appraisal	✓	✗	✗
221	Research	✓	✓	✓
222	Medical Education and Library Services	✓	✓	✓
		Patient Experience		
225	What Matters to Me	N/A	N/A	✓
227	Ward/Outpatient and Community Accreditation	✓	✓	✓
230	Real time patient feedback - Friends and Family Test	✓	✓	✓
232	Patient Dining	✓	✓	✓
236	Complaints, concerns and compliments	✓	✓	✓
239	End of life care	✓	⊖	✓
241	Learning Disability and Autism	N/A	N/A	✓
243	Dementia Care	✓	✓	✓
245	Transition	N/A	⊖	⊖
246	Urgent Care	⊖	⊖	⊖
		Other Priorities		
248	Nursing and Midwifery Staffing	N/A	N/A	✓
249	Informatics	N/A	N/A	✓

Patient Safety

The information detailed below is the position as of April 2017. As in previous reports this information may change; as such it will be updated in future reports.

Speak Out Safely (SOS)

The Trust joined a national campaign which aims to encourage NHS organisations and independent healthcare providers to develop honest cultures and to actively encourage staff to raise the alarm when they see poor practice, and to protect them when they do so. We updated our Raising Concerns Policy to inform and guide staff to their responsibility to speak up, had an SOS launch campaign which visited wards, clinics, community services and departments throughout the organisation.

"How to guides" were provided to staff and discussions around the changes and what staff could do to raise their concerns took place. A Trust Freedom to Speak Up Guardian has been appointed. He is one of the Trust Non-Executive Directors. He has been working with staff to foster a safe environment & culture for staff to feel empowered to raise concerns.

Being open and Duty of Candour

The Trust is committed to promoting a culture of openness and transparency across all areas of its activities and as such communicating honestly and sympathetically with patients and their families or carers when things have gone wrong. In line with the findings of the Francis report (2013) we believe that patients, their families /carers should receive a meaningful and sincere apology of regret for any harm that has occurred. This process involves being open, honest and transparent.

In November 2014, the Statutory Duty of Candour came into force. This requires all clinicians to be open and candid with patients about avoidable harm and for safety concerns to be raised. Our policy is that following any incident resulting in harm information must be given to the patient and or their relatives as soon as possible after the event. This can range from informing the patient of the error as it occurs to sharing our investigation findings and actions planned to prevent reoccurrence.

For our actual harm incidents level 3 to 5, this has been completed in all cases. This demonstrates that staff have a great awareness and understanding of the process and that there are effective systems in place to meet the statutory Duty of Candour arrangements. We provide Being Open and Duty of Candour training for staff and have trained 349 staff since its development and have also updated electronic processes for staff to follow when completing the process.

We also want our staff to be supported within these processes and as such advocate the Speak out Safely campaign which encourages staff to raise concerns freely. In support of this our Freedom to Speak Up Guardian, Non-Executive Director Dr. Ivan Benett makes himself available to any member of staff who wishes to speak to him.

Learning from Incidents

Organisations that report more incidents usually have a better and more effective safety culture demonstrated by high numbers of no harm or near miss incidents. It is vital that staff feel comfortable to report when errors occur so that learning can be shared, improvements made and reoccurrence prevented.

This year the level of Patient Safety Incident reporting is 57.7 incidents per 1000 bed days. This is a slight decrease in volume from last year. Of all incidents reported, 92.1% were no harm or near miss compared to a national average of 76%.

The level of serious harm incidents reported has slightly increased from 14 per 10,000 days to 16 (this includes some incidents that are unconfirmed). This is partly because we have seen an increase in patients who have broken their hip following a fall this year.

After every incident we review what happened and where possible make changes to prevent the same thing happening again, examples of some of the actions following incidents are given below.

- Improving Sepsis Recognition and engaging with patients and the public
- Fluid balance Improvement Project
- Work on maternity services supported by the National Campaign Sign Up to Safety.

To communicate learning and feedback from incidents, we produce a twice yearly electronic publication accessible to all staff entitled **Lessons Learned.** This contains information around learning from various types of incidents, patient safety issues and initiatives, improvements and general risk and governance updates.

This year we implemented a new monthly patient safety bulletin called **Safety One Liners** which shares information, initiatives and good practice.

We have also utilised social media (TWITTER) to facilitate wider learning join us **@CmftPtSafety**

This year we introduced a system for learning from successes called 'Excellence Reporting', we have had 424 of these reported in the last financial year (2015/16). The majority of the excellence reports are regarding the recognition of outstanding individual and team performance. There have also been several regarding changes and innovation in practice and new initiatives in increasing patient safety culture within the organisation. We will be developing systems to support structured learning from these further next year.

Central Manchester University Hospitals NHS NHS Foundation Trust

Proud to Care

Safety Improvement Strategy

2014-2017

A patient commended Daniel for the excellent he had provided- patient was made to feel cared for and safe

Well done to Fiona for encouraging good clinical practice for challenging colleagues

A big thank you to Paul seen as an asset to the hospital at night team, always supportive to staff ensuring the smooth flow of patients across the hospitals

Well done to Suzanne for making sure her patients and a colleague were safe and cared for when the colleague became unwell

A big thank you to Andrea for keeping patients reassured with her smile and for supporting staff at night

Training is available for staff to help improve and engage in a culture of safety including, Human Factors - Patient Safety and Root Cause Analysis. This training and feedback helps staff to understand how errors can occur and what we can do to help prevent this.

Serious Harm Incidents

Whilst our aim is to increase incident reporting it is also to reduce the levels of serious harm. Incident grading ranges from 1–5 with serious harm incidents being classed as actual harm level 4 and 5. The table below demonstrates these. It can be seen that there has been a small increase in these from the previous year although this includes a number of incidents that are still under investigation so this figure may change. There are key safety programmes in place to reduce these over the next year as detailed in our Safety Improvement Strategy.

(*includes 6 unconfirmed which are still under investigation)

Year	Level 4 /5 Actual Harm	Per 10,000 bed days
2012-13	59	1.5
2013-14	47	1.2
2014-15*	56	1.4
2015-16*	56	1.4
2016-17*	66*	1.6

Note the methodology for calculating the rate per 10,000 bed days matches NHS England.

Significant types of incident that resulted in serious harm this year are:
- Falls account for around half of our serious harm incidents (31)
- Delay in access to services/diagnosis or test results (10)
- Recognition and response to deterioration (10)

Never Events

A Never Event is described by NHS England as a serious largely preventable Patient Safety Incident that should not occur if the available preventative measures have been implemented. There are 14 Never Events which include wrong site surgery, retained instrument and wrong route administration of chemotherapy. Practice for these is set nationally and we have risk assessments and measures in place to prevent them.

We had a total of 1 Never Event reported this year which is a reduction from 7 the previous year.

New National Safety Standards for Invasive Procedures were published in collaboration with a Patient Safety Alert with actions to be completed by all Trusts. These included the identification of procedures undertaken across all care settings, with a risk assessment against each of these, to identify whether local safety procedures are in place or required and the implementation of local Safety Standards in a number of non-theatre environments.

All Divisions have undertaken work on assessing all invasive procedures and initially focusing on developing and implementing local safety standards for the highest risk areas as appropriate. This work will continue across all invasive procedures over the coming year.

Type of Patient Safety Incidents Reported
A breakdown of the top ten types of patient safety incidents reported is detailed in the table below, including a comparison with the previous year.

It can be seen from this that there was a decrease in the number of Access, Admission, Transfer and Discharge, Medication, Medical Device and Clinical Assessment incidents which demonstrates improvement work done in these areas. There were also increases observed in a number of areas including Communication / Documentation and Patient Falls reported.

Incident Type	2015-16	2016-17	Change
Treatment / Clinical Care	5148	5188	▲
Communication / Documentation	2854	3098	▲
Patient Falls	2038	2199	▲
Access, Admission, Transfer, Discharge	2744	2697	▼
Infrastructure Including Staffing	2535	2625	▲
Clinical Assessment Including Screening	3557	2453	▼
Medication Errors	2383	2286	▼
Pressure Ulcers	1089	1099	▲
Medical Device	775	757	▼
Safeguarding Adult / Children	184	235	▲

Medication Safety
Taking a medicine is the most frequent action we take to improve health – 2.5 million doses of medicines are administered every year in the average acute hospital. However medicines can also cause harm and errors can potentially occur at any stage from admission to discharge.

We aimed to have no serious harm medication incidents this year however we have not achieved this aim as two serious harm medication incidents occurred. We also wanted to maintain a strong culture of reporting medication safety incidents to make sure we learn lessons from when things go wrong. The number of incidents reported was similar to last year which shows that we have maintained our strong reporting culture.

Next year we will continue to work hard to reduce the level of harm caused by medication incidents and to avoid incidences of serious harm.

This graph shows the level of harm due to medication incidents in the last 2 years. In 2016-2017:

CMFT Medication Incidents - Actual Harm

A bar chart showing Number of incidents (y-axis, 0 to 3000) against Medication Incidents - Level of Harm (x-axis). Values shown:
- No Harm: 2287, 2181
- Low: 74, 88
- Moderate: 20, 12
- Severe: 1, 1
- Death: 1, 1

Legend: 2015-2016
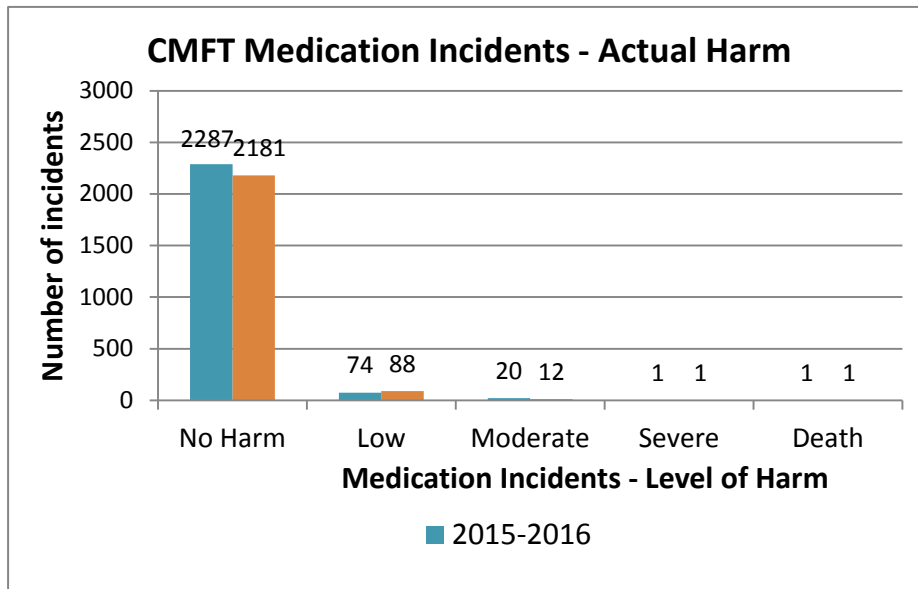
Most medication incidents reported caused no harm.
There were no 'Never Events' involving medication
Both serious harm incidents have been fully investigated in order to identify what went wrong and lessons learned to prevent harm in the future.

The lessons learned from these incidents have been shared across the Trust.
As a consequence of these investigations we will:
- Increase the availability of prefilled syringes for intravenous medicines
- Provide additional training on reviewing and interpreting ECG results
- Implement a process to document that diagnostic results have been shared with senior clinicians.

This year we have made the following improvements:
- Introduced e-learning training on the safe use of insulin
- Improved access for staff to resources on insulin administration
- Introduced ENFIT syringes for administration of oral/enteral liquid medicines to reduce the risk of wrong route administration errors between enteral tubing attachments and syringes and other types of device, e.g. intravenous syringes/catheters
- Implemented a national patient safety alert on the safe use of desmopressin to prevent missed or delayed doses.
- Introduced an electronic calculator to make the prescribing of heparin, a high risk medicine, safer.

- Changed the administration time for oral anticoagulants to reduce the risk of missed or delayed doses
- Met external quality standards for the percentage of patients missing a medicine dose and for documentation of medication allergies
- Issued Medication Safety Bulletins on safe use of sumatriptan and the risks of missed doses of beta blockers

We want to do more – planned improvements next year:
Next year we will:
- Improve the recording of antibiotic allergies to ensure they are used safely and the most effective treatment is used by making changes to Trust medication prescription chart and developing an algorithm to help assessment of allergy history
- Explore the opportunity to get a Trust Anticoagulant Pharmacist to improve standards of prescribing and monitoring with anticoagulants.
- Implement measures to improve the safe use of injectable phenytoin.
- Include pharmacists on the enhanced recovery team to reduce the length of stay for patients having surgery.

Learning Lessons from Medication Incidents
The Trust aims to learn lessons from medication incidents in a number of ways.

We have a Medication Safety Group which includes doctors, pharmacists, nurses and patient representatives. The group reviews and shares learning from all medication high level incidents through analysing trends in low level incidents to identify common themes. There is Medicines Management training for all clinical staff highlighting high risk medicines and common errors.

The Trust has a Medication Safety Officer who is part of the national medicines safety network that highlights medicines safety concerns and shares good practice regarding medication safety.

Safety Improvement Strategy
The Trust was one of the first to commit to the national **'Sign up to Safety'** campaign which aims to reduce avoidable harm by 50% over three years 2014-2017. Harm can be defined in many ways, but is usually referred to as any unintended physical or emotional injury resulting from, or contributed to by clinical care.

Safety programmes are being implemented to reduce risk and improve patient experience. These include improvements in safety culture, safety in theatres, improving communication of test results and obstetric care. We are proud to have received funding for the programme to improve patient safety in obstetrics from the NHS Litigation Authority.

This supports our work implementing safety strategies to reduce risk in obstetric care, including:
- **Detection of fetal compromise**: expansion of the intrapartum electronic documentation system and extended ultrasound services for women who are of high risk of fetal compromise or stillbirth.

- **Antenatal screening**: development of a pregnancy app.
- **Reduction in maternal and neonatal morbidity associated with caesarean section**: reduce operative complications performed in second stage of labour by the introduction of 'fetal pillow' device.
- **Reduction of obstetric and anal sphincter injuries:** introduction of 'Episcissors'.
- **Development of an electronic system for patients who either phone or attend Triage:** an electronic system to respond and track triage phone calls.

We can show that the levels of all harm and serious harm with in maternity services have decreased significantly over the last year. The total number of harm incidents has reduced by 47% from 385 incidents in 2015-16 to 203 in 2016-17. This has also been reflected in the most serious level 5 harm occurring with a decrease from 6 in 2015-16 to 3 in 2016-17. Our full **Safety Improvement Strategy** can be found on our website: **www.cmft.nhs.uk**

Clinical Risks

Through the year the Trust records risks on the Trust Risk Register. The risk register is used to ensure that staff are aware of risks and that actions are being taken to mitigate those risks. A small number of those risks are deemed serious enough to require a regular report to the Trust Risk Management Committee. This committee is attended by Executive and Non-Executive Directors and progress reports are made on progress to reduce the risk.

The risk register is by its nature a changing document and the Trust sets out to mitigate and reduce all risks to patient safety as quickly as possible.

The table below sets out the high level clinical risks identified through the year and a summary of what has been done to address them.

Risk	2016/17 Status
A&E performance and Emergency Department capacity This risk is overseen by the Trust Chief Operating Officer and reviewed on a daily basis. An Urgent Care Strategy was agreed in 2015 and is now being delivered and the Trust has established a comprehensive transformation programme which is focusing on ambulatory care, the patient journey, bed management, complex discharge and safer standards of care. The MRI Emergency Department was built in 1991. It was designed to manage 56,000 attendances per year and whilst a redesign pushed this to approximately 82,000 the department now sees 130,000 people per year and demand continues to grow. In the short term the Trust has made changes to the department to enable safe care of extra patients, particularly those who are critically ill. The Trust is planning further changes to the MRI Emergency Department which will make significant changes in capacity to resuscitation bays, cubicles and minors/primary care spaces. The project has been approved and is currently at the design phase.	Continued from 15/16

Royal Manchester Children's Hospital Emergency Department Capacity To aid running and ensure appropriate escalation is made, the Hospital has: • Daily demand and capacity meeting to ensure patient flow and identify any risks to staff resources • Clinical coordinators to aid the patient journey and bed management • Operational Managers allocated on a daily basis to assist with all aspects of the patient journey. In the short term the Royal Manchester Children's Hospital has undertaken initial work to identify opportunities to expand the Paediatric Emergency Department (PED) and Ward 75 in order to preserve current bed provision whilst enabling the expansion of PED by eight additional patient assessment areas.	Separated out from a combined risk in 16/17
Saint Mary's Hospital Obstetric Capacity Saint Mary's Hospital closely monitors all incidents relating to staffing levels, capacity and acuity to make sure that there has been no negative impact on safe care. The Hospital has increased the numbers of midwives during the year and this is continuing in order maintain safety and stability. Medical staff at all levels have also been recruited and our obstetric service was one of the first in the country to offer 168 hour Consultant Obstetric cover.	Continued from 15/16
Infection control – Carbepenamase-Producing Enterobacteriacaea (CPE) The Trust remains a national outlier in regard to the number of CPE acquisitions. Actions to date have impacted on the level of control although the number of acquisitions still remains a concern. The Trust has worked throughout the year to reduce this risk including continued enhanced screening of patients, environmental cleaning and upgrade and management of patents to prevent the spread of infection.	Continued from 15/16
Management of the Patient Record The Trust has been working now for some time on the development of an electronic patient record. Whilst this work takes place we are in the position of still using paper records for a proportion of our patients and their care. In order to ensure records are in a fit state and available to clinicians when they need them the Trust is working towards Best Practice Standards for Records Management implemented through Health Records Improvement Programme. The Trust continues in its development of the electronic record which will fully mitigate the risks in respect of records availability.	Separated out from a combined risk in 16/17
Quality of the Patient Record The quality of the content of the patient record is a separate but related risk to the management of the record. A combined group from the Informatics, Clinical Effectiveness and Organisational Development teams is continuing to work through a detailed plan of improvement work.	Separated out from a combined risk in 16/17

This will include work on education, systems review, implementation of an electronic patient record and cultural change in relation to record keeping. Audit results have shown that the majority of clinical teams are achieving good compliance with core standards such as signing and dating but there are still areas to improve.	
Regulatory framework and clinical quality This risk related to the ability of the organisation to evidence the high quality of care delivered when visited by regulators. The primary regulator for clinical quality in the NHS is the Care Quality Commission. This was downgraded once the Trust received a rating of 'Good' from the CQC providing assurance on the quality of care provided.	Downgraded July 2016
Never events As reported in the Patient Safety section the Trust had 1 Never Event in 2016/17 against an aim of 0. These events have not resulted in serious harm this year but because of their potential to do so we maintained the high risk score during the year, we were aiming for a period of six months without any events before we can be assured that the work undertaken has addressed the risk, this aim was met in March 2017. We are pleased to report that this is a significant improvement on the previous year where the Trust reported 8, we are continuing with our aim of 0 events going forward.	Continued from 15/16
Communication of diagnostic test and screening test results Last year we reported that this was a risk and that whilst every year the vast majority of tests results are communicated to clinicians and acted upon in a timely way in a small number of cases we had identified harm occurring as a result of the results not being communicated or acted upon quickly enough. This year we have focused on local procedures for the communication of test results and managing a backlog of radiological reports. This backlog arose as we needed more staff to review the increasing number and complexity of tests undertaken. We are pleased to report that this backlog is now being addressed and we have recruited a number of new staff to work on this in the future.	Continued from 15/16
Corporate and clinical mandatory training compliance It is really important that all staff have training and appraisal to ensure they are kept up to date. Corporate Mandatory training compliance continued at 4% above target at 94%, Clinical Mandatory training increased by 3% to 93% and Appraisals by 1% to 86%.	Continued from 15/16
Nurse staffing The Trust has worked during the year to reduce the vacancies in nursing. This work has included both local and international recruitment, work on retention of staff and the development of new roles to support nurses. The position is significantly improved and this risk was downgraded in March 2016.	Downgraded March 2016

Management of the Mental Health Act The Trust identified last year that patients presenting with both mental and physical health problems may not always get the right support for their mental health. In 2015/16 we appointed an independent consultant to advise us on what we needed to do differently to ensure every patient had all their healthcare needs met to the best of our ability. We are pleased to report that this plan has now been implemented and the Trust has reduced this risk score accordingly.	Downgraded March 2016
End of Life Care The Trust and the CQC both identified End of Life Care as an area where staff needed more support to deliver the care required. The CQC observed staff delivering a high quality caring service but recommended that the Trust needed more Palliative Care staff in post and a Strategy for the delivery of care. These actions have now been addressed and this risk was downgraded in May 2016.	Downgraded May 2016
Diagnostics Waiting Times and Referral to Treatment (RTT) The Trust is working hard to ensure that patients are seen quickly and get their tests and treatment done as soon as possible. We have been actively recruiting nursing staff to the MRI and working collaboratively across sites during the year. Additional capacity providers have been engaged and will be working with the Trust this risk is addressed during the year.	Continued from 15/16 New 2016/17
Mortality There are a number of key mortality measures which are reported publically. Two of the main indicators are Summary Hospital–level Mortality Indicator (SHMI) and Hospital Standardised Mortality Indicator Ratio (HSMR). Both of these indicators compare acute Trusts in England, and have an average of 100. The key differences between HSMR and SHMI are: HSMR and SHMI are not a measure of quality of care, rather they are a tool that can identify patient groups with a higher death rate than average, and are tools and triggers for investigation. Over the last twelve months the Trust has seen an increase in the two published mortality measurements. However this increase in the measurement is set against a decrease in actual deaths. The Trust is working hard to understand why these measures do not reflect this. You can see what we are doing in response in the section on Mortality at page 177.	New 2016/17
Wrong blood in tube Despite work on this during the year analysis of wrong blood in tube events indicates a slight increase in the number of incidents reported.	New 2016/17

A number of solutions have been discussed and the key interventions over the coming months will be:	
• A pilot of a safety display in high frequency in-patient areas to raise awareness • The appointment of Phlebotomy Staff for the Adult Emergency Department and analysis of impact • A redesign project on the blood sampling laptop trolleys • A review of label size and design • The impact of this work will be reviewed in April 2017. The primary aim remains a 10% reduction in reported incidents.	

Clinical Effectiveness

• Infection Prevention and Control

The Care Quality Commission (CQC) inspection Report published in June 2016 found that there was a good standard of cleanliness across the Trust, staff were aware of infection prevention guidelines and there was a robust framework in place for the prevention and control of infection.

The prevention and control of infection is a high priority for the Trust. There is a strong commitment to preventing all Healthcare Acquired Infections (HCAI). Since the objective for Meticillin Resistant *Staphylococcus aureus* (MRSA) bacteraemia was first introduced in 2006 the Trust has achieved a 81.4% reduction (from 54 to 10) in the number of incidents of 'attributable MRSA bacteraemia and a 72.9% reduction in the number of attributable incidents of *Clostridium difficile* infection (CDI) (from 274 to 74).

Meticillin Resistant *Staphylococcus aureus* (MRSA) bacteraemia
What	To reduce the number of cases of MRSA bacteraemia (bloodstream infections) within the Trust.
How Much	Zero avoidable infections
By When	March 2017
Outcome	There was a total of 10 incidents of MRSA bacteraemia attributed to the Trust this year, and a further 3 cases attributed to the community/third parties.

Progress
During the year 2016 – 2017 the Trust reported a total of ten attributable MRSA bacteraemia. In total, 4 of the attributable incidents reported by CMFT during 2016/2017 were agreed to have been avoidable infections, compared to 5 cases of avoidable bacteraemia reported last year.

Yearly MRSA bacteraemia versus trajectory 2009/2010 - 2016/2017

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
■ Total	8	11	4	13	10	7	10	13
■ CMFT Attributable	5	7	4	10	8	6	5	10
■ Trajectory	24	6	6	3	0	0	0	0
■ Avoidable					4	5	5	4
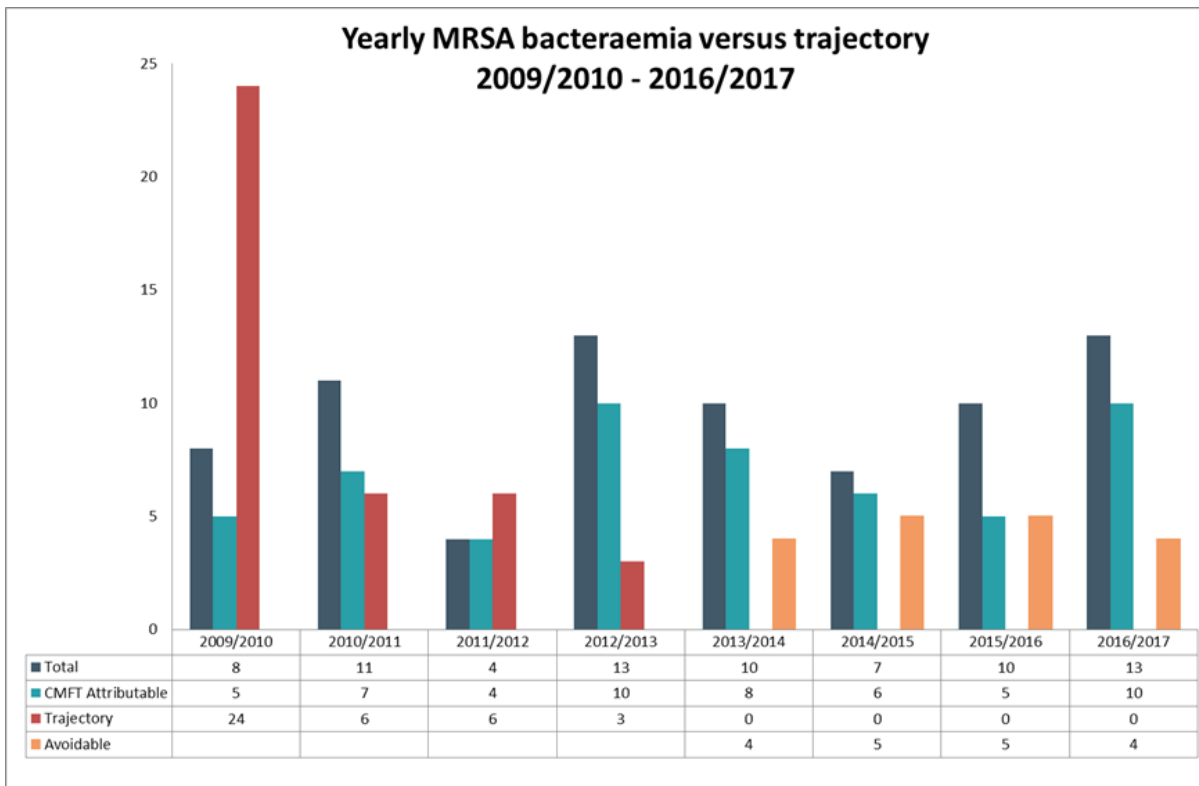
Clostridium difficile Infection (CDI)

Clostridium difficile is a common bacterium that exists harmlessly in the bowel of 3% of healthy adults and in up to 30% of older people. In some instances, this can be the cause of healthcare associated diarrhoea which can lead to serious illness. *Clostridium difficile* has the ability to produce toxins that cause diarrhoea and illness and is often associated with antibiotic use.

A trajectory of no more than 66 hospital attributable cases was set by NHS England for 2016-17.

What	To reduce the number of cases of CDI within the Trust
How much	No more than 66 lapses in care
By when	31 March 2017
Outcome	The number of attributable incidents of CDI reported to Public Health England (PHE) for 2016 – 17 was 74

Progress

All CDI cases are reviewed at a multi-disciplinary meeting to establish whether the case is associated with a lapse in care. This decision is based on the quality of care that the patient received when measured against local policies and guidelines. If a lapse is identified in the patients' care this is recorded as an avoidable infection.

There were 74 attributable (the term used when an infection is considered to have been acquired at the Trust), CDI cases in all patients over the age of two for the year 2016/17 reported to Public Health England (PHE). The Trust objective was to achieve no more than 66 cases that demonstrated a lapse in care.

Issues which are considered to demonstrate a lapse of care include evidence of transmission of C. difficile within hospital, breakdowns in cleaning or hand hygiene, or where issues were identified with choice, duration, or documentation of antibiotic prescribing (poor antimicrobial stewardship).

Following external peer-review, 12 of the 74 attributable cases were considered to demonstrate a lapse in care.

Cumulative CMFT Attributable CDI cases 2014/15 - 2016/2017

	April	May	June	July	August	September	October	November	December	January	February	March
2014/2015	6	14	18	25	38	44	46	50	55	61	69	75
2015/2016	2	4	11	22	25	30	37	47	54	58	63	67
2016/2017	5	11	17	22	25	34	43	49	56	60	65	74
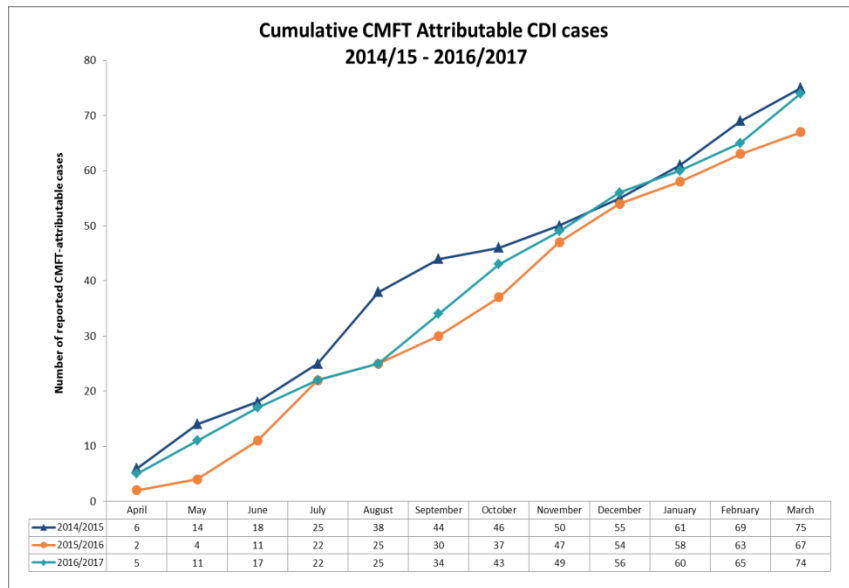
Carbapenemase Producing Enterobacteriaceae (CPE)

Carbapenemase-producing Enterobacteriaceae (CPE) is the name given to gut bacteria which have developed resistance to a group of antibiotics called carbapenems. Infections caused by CPE bacteria can usually still be treated with antibiotics. However, treatment is more difficult and may require combinations of drugs to be effective.

What   To reduce the number of cases of CPE within the Trust

By when   31 March 2017

Outcome   There has been a decrease in the number of new acquisitions from 512 in 2015/16 to 378 in 2016/7(26.1%).

Progress
There was a significant decrease in the number of new cases of CPE from April 2016 – March 2017 compared to the previous year (from 512 cases to 378). The increases observed in August and September 2016 was due to two separate outbreaks of CPE.

Between March 2016 and August 2016 the Trust was able to reduce the isolation/cohort bed numbers from four wards (85 beds) to one ward (27 beds) based on a sustained reduction in the number of in-patients with CPE.

CMFT CPE Acquisitions by Month
01/01/2015 - 31/03/2017

■ Clinical Isolate ■ Enteric Screen
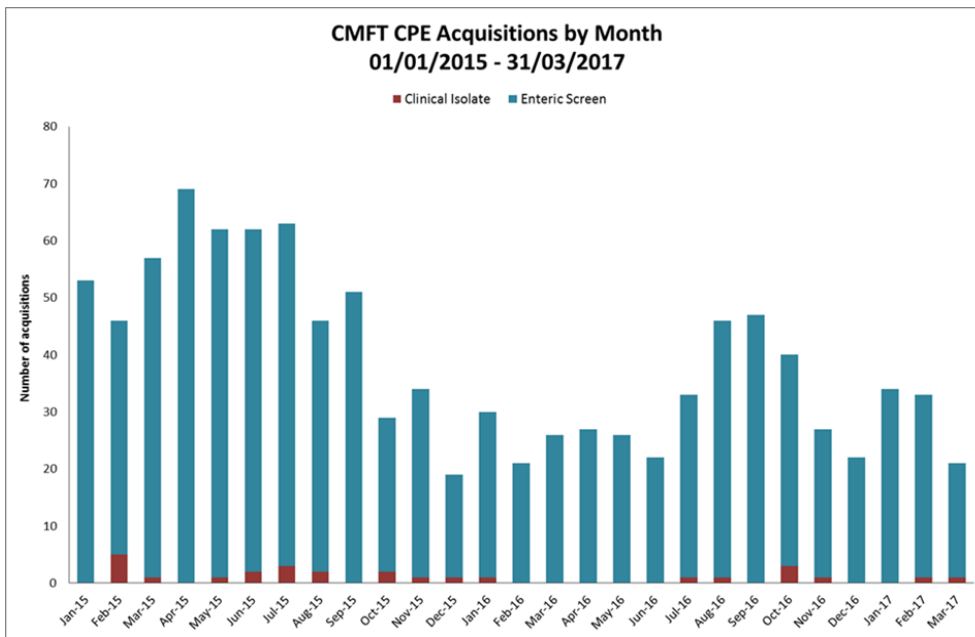
The Trust is at the forefront of developing national as well as local policy for the management and control of patients with CPE and continues to liaise with Public Health England (PHE) at a local and national level throughout the year. PHE launched a national level 3 incident into the incidence of CPE in Greater Manchester in November 2013. As part of that on-going investigation, during 2015/2016 the IPC Team worked with PHE and the National Institute for Health Research (NIHR), Public Health Research Unit (PHRU) and the national Lead for Infection Control Professor Derrick Crook, based at the University of Oxford, on the TRACE project.

This study investigated the role of the environment in the transmission of CPE and involved taking patient screens and environmental samples for CPE across six wards in the Manchester Royal Infirmary. The field work was completed in January 2017 and a report is expected later this year.

CMFT-Attributable CPE Blood Stream Infections by Reporting Year
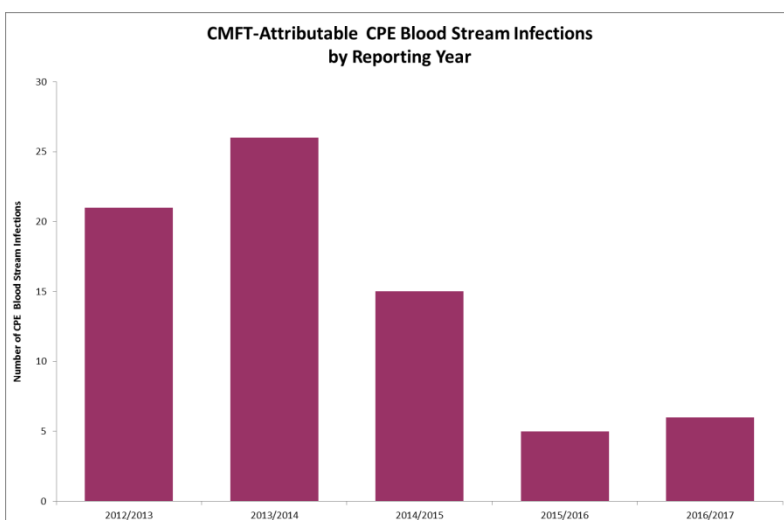
Hydrogen Peroxide Vapour

Hydrogen peroxide vapour (HPV) is considered the 'gold standard' for cleaning in high risk patient environments following discharge of an infected patient or an outbreak of infection. It is created by using ultrasonics to convert the hydrogen peroxide chemical solution into a vapour which is distributed homogenously throughout the environment, ensuring all areas are successfully decontaminated.

The Deprox HPV decontamination system (manufactured by Hygiene Solutions) has been employed on an 'on-call' reactive basis at the Trust, mainly in response to outbreaks of Carbapenemase producing Enterobacteriaceae (CPE) over the past five years.

In order to provide a more streamlined and efficient service and reduce the cost, the Trust put in place a two year managed contract for the use of Deprox, this commenced on 11th July 2016.

Focus on Practice - Hand Hygiene

International Hand Hygiene Day May 2016 and International Infection Control week October 2016

The Trust participated in two national initiatives focusing on Infection Prevention and Control. These included the World Health Organisation (WHO) Save Lives: Clean your hands campaign in May 2016 where the focus was placed on undertaking hand hygiene using the correct technique at the correct time.

The second initiative was International Infection Control week in October 2016. During this week the Infection Prevention and Control/Tissue Viability team (IPC/TV) focused on equipment cleaning. They generated a quiz, word search and appropriate activities for Children which were well received.

Both campaigns were undertaken across all areas of the Trust and received positive feedback from both staff and members of the general public who participated.

Key Priorities/next steps for 2017/18

- Continue to implement actions to further reduce the incidence of CPE and contribute to National strategy.
- To develop a method for keeping a record of the use of intravenous devices using an electronic monitoring system. This will be trialed across the wards in the Division of Surgery from March 2017
- To continue to expand the programme for identifying patients who develop a wound infection following a surgical operation.

Tissue viability

Reduction in Harm from pressure ulceration

What   To reduce harms caused to patients from pressure ulceration
How Much To reduce the number of acquired pressure ulcers on 2016/2017
By When   March 2017
Outcome   The Trust has achieved a further reduction in avoidable grade 2, 3 and 4 pressure ulcers

Progress

The Trust has continued to reduce the number of incidents of pressure ulceration across both community and acute services. We have achieved a further reduction in grade's 2, 3 and 4 pressure ulcers for a fourth year. Building on from the progress of 2015/2016 the Trust has again significantly reduced the number of pressure ulcers patients have developed whilst in our care.

Financial Year	1	2	3	4	Unclassified	Total
2013/2014	327	641	68	14	6	1056
2014/2015	241	439	29	9	22	740
2015/2016	148	429	8	4	20	609
2016/2017	187	382	6	3	36	614

Pressure Ulcer 1 & 2

	2013/2014	2014/2015	2015/2016	2016/2017
Grade 1	327	241	148	187
Grade 2	641	439	429	382

Pressure Ulcer 3 & 4

	2013/2014	2014/2015	2015/2016	2016/2017
Grade 3	68	29	8	6
Grade 4	14	9	4	3
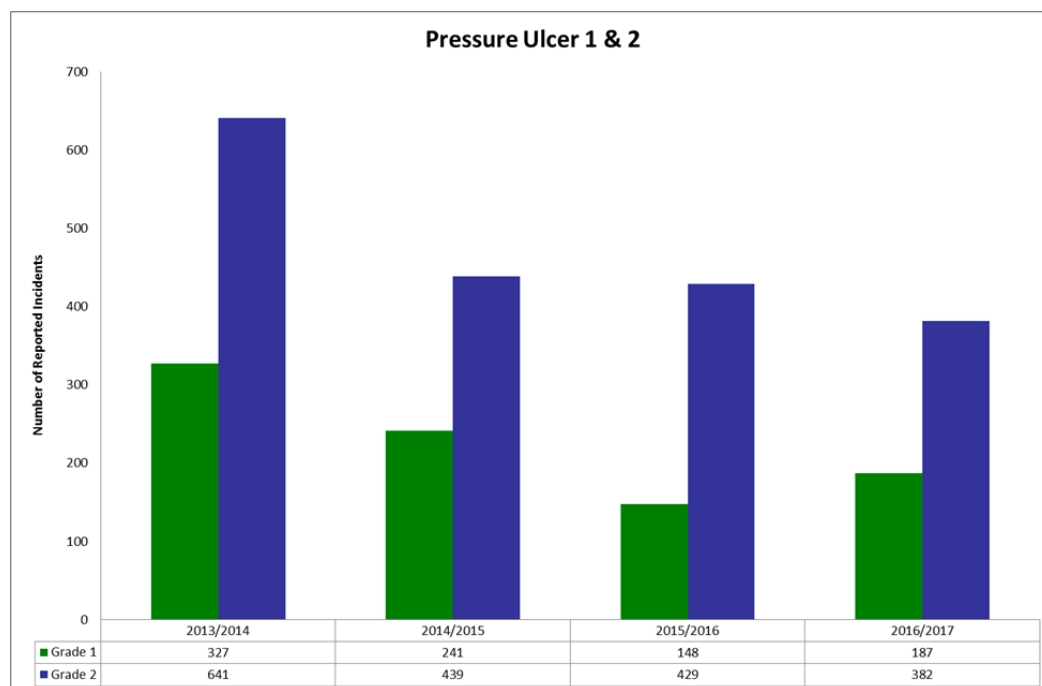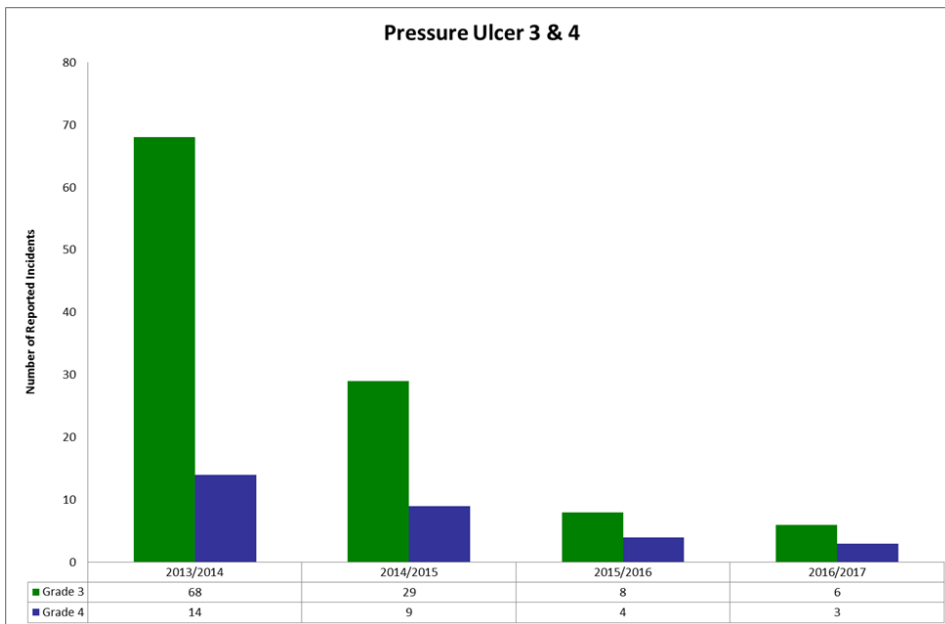
Infection Prevention and Control Education

The Infection Prevention and Control /Tissue Viability Team have continued to provide support to clinical staff on pressure ulcer prevention and management.

- Clinical staff and students have undertaken shadowing opportunities with the team enhancing their knowledge and skills.
- Education is continually provided monthly to new starters and international nurses at the Corporate and local divisional inductions.

The Infection Prevention and Control/Tissue Viability Team took part in an International event 'Stop the Pressure' day in November 2016, for the fourth year running. The team visited patients and staff in the clinical areas. Patients were given information on pressure ulcer prevention and where encouraged to take part in 5 minute pressure relief sessions by moving arms and legs and redistributing pressure whilst sitting.

The Team also visited Outpatients and Accident & Emergency departments to discuss with patients/ visitors and staff how to identify the early stages of tissue damage. Alongside visiting clinical areas, an exhibition of products was set up within Manchester Royal Infirmary and the Children's Hospital supported by the company representatives. This enabled the public and staff to obtain information on products and pressure relieving devices that are used within the organisation.

Specialist Mattress Contract (mattresses to reduce the risk of pressure damage)

The current contract for the supply of specialist mattresses across acute and community service is due for renewal August 2017. Currently the team is working with University Hospitals of South Manchester and the Procurement team on a new contract to meet the needs of patients within our care.

Review of new technologies

During 2016/2017, Clinical Support Services undertook an evaluation of a new technology that can detect damage before it is visibly seen on the skin. The results of the evaluation were inconclusive and further evaluation is required. Further work is planned in the Division of Surgery.

As new technologies and equipment becomes available in pressure ulcer prevention, the Infection Prevention Control/Tissue Viability Team continue to work with the research teams to review products that will support changes within practice to improve patient care.

Next steps/further improvements

The Trust is also working with Shelford Group (a group of similar Trusts) colleagues who comprise of ten leading NHS multi – specialty academic healthcare organisations, in developing standard guidance for the prevention and management of pressure ulcers. This will give the Trust the opportunity to benchmark progress against similar sized organisations and improve standards of care.

Catheter Associated Urinary Tract Infection (CAUTI)

This is defined as a urinary tract infection acquired whilst a patient has a urinary catheter in situ.

What   To reduce the number of catheter associated urinary tract infections
By when   March 2017
Outcome   The Trust has experienced a minimal increase in avoidable catheter associated urinary tract infections
Progress

Surveillance of CAUTI's has continued throughout the year. This year the number of CAUTI's has increased, this is likely to be as a result of more robust reporting We are currently working with information technology department to develop the electronic patient monitoring system to improve the documentation, recording and reporting of catheter insertions and catheter associated infections.

Investigation outcome	2015/2016	2016/2017
Non Cauti	1220	1757
CAUTI	146	157

Following the analysis of the results of the Urinary Catheter Care Audit undertaken in July 2016, the policy for Urinary Catheterisation and Catheter Care was reviewed to include an updated integrated care pathway and described competencies for nursing assistants and registered practitioners in order to standardise practice and reduce variations in care.

A root cause analysis is completed for all CAUTI incidents. These are presented at Divisional Harm Free Care Meetings. The Continence Specialist Nurse attends these meetings to discuss themes and assist in developing divisional action plans for improvement. The benefit of the Continence Specialist Nurse attending these meetings is in the sharing of knowledge to develop clinical practice, improve patient care and reduce harms.

CAUTI Education

The Continence Specialist Nurse and Urology Specialist Nurse have continued to provide a programme of education related to catheterisation and catheter care. This includes a monthly and as required sessions. There is also input in the nursing and midwifery induction programme

CAUTI Policy

This year the urinary catheterisation and catheter care policy have been reviewed and updated. The care plan for catheterisation has been reviewed and updated. We have also developed and implemented a community care plan. We have developed and introduced catheterisation and catheter care competencies for registered practitioners and for health care support staff. To ensure staff are able to provide evidenced base care.

Next Steps
- Continued work with informatics to develop an electronic system of CAUTI identification
- Catheter Re audit to focus on compliance to practice in catheterisation and catheter care
- Working with the procurement team to have universal adoption of appropriate products to ensure correct practice are adhered to.

- **Mortality**

Over the last twelve months the Trust has seen an increase in the two published mortality measurements Summary Hospital-level Mortality Indicator (SHMI) and the Hospital Standardised Mortality Ratio (HSMR). The current position is SHMI – 111.3 and HSMR – 100.79. Both the HSMR and SHMI are still within tolerance limits but the Trust would always aim to have both metrics at below the 100 baseline average. The crude death rate is unchanged at 1.3%, and remains the lowest in hospitals in the North West. Mortality rates have increased nationally in year and the impact of this on regional and local rates need to be understood.

HSMR and SHMI are not a measure of quality of care, rather they are a tool that can identify patient groups with a higher death rate than average, and are tools and triggers for investigation.

Recent concerns in the increase in both SHMI and HSMR over 2016/17 have prompted a number of reports and reviews and the approval of an action plan designed to improve the quality of data capture, provide assurance on the quality of clinical information and further strengthen processes in the organisation for reduction of avoidable deaths.

The Trust has a documented Strategy for improving patient safety and understanding mortality that takes a triangulated approach. This triangulated approach utilises the review of metrics with the recommendations of mortality review, scrutiny of all cardiac arrest calls, and investigation of any potential patient harm identified from any other source, such as an incident report.

The processes of monitoring mortality continue to be overseen by the Trust Mortality Review Group chaired by an Associate Medical Director. This group includes clinicians and other specialists who review the information to identify trends and changes; this information is then used to make improvements to care.

A detailed internal and external analysis suggests that some of these changes in HSMR and SHMI could be due to the way clinical care is documented. The metrics are based on care information translated from the medical record into codes. These codes inform health information including mortality metrics and are used to determine expected death rates in certain conditions. If this information is not accurate it can lead to inaccuracies in the expected rate of death and impact on the HSMR and SHMI accordingly. In order to ensure an independent view an external review was commissioned from Dr Foster.

This demonstrated a changing demographic as a contributing factor, and several other areas for investigation. These reviews demonstrated a problem with the clinician and coding interface as described above, with many diagnoses in broad categories, an over use of symptom codes and deficiencies in palliative care and co-morbidity coding. All of these factors will decrease the numbers of expected deaths, with a consequent rise in HSMR and SHMI. The Trust is working hard to ensure this information is collected accurately and a number of improvements have been made in 2016/17.

The Trust has always responded to identified fluctuations in quality of care indicators by seeking to understand the problem and then implementing programmes of work to improve. Examples of these programmes are the work on acute kidney injury (AKI), pneumonia, complex sick children, stroke and sepsis. All of these programmes have delivered improvements to patient outcomes and have undoubtedly contributed to the reduction in crude mortality figures over the years.

The crude number of deaths has fallen by circa 200 deaths in each year over the period April 11 to January 17 (highest 1983 Jun 12 - July 13, lowest 1687 April 15 – March 16). This means that from 2013/2014 200 less patients died each year against an increase over the period of 3000 discharges.

Priorities for the coming year are:
- A review of all clinical specialties where triangulated data suggests attention is needed
- Reviewing the Trust Mortality Review procedures in line with the new national requirements in 2017/18
- A detailed action plan has been developed to improve understanding at directorate and divisional level of local issues with accurate clinical information and coding, and the use of R codes, palliative care coding and co-morbidity coding. This will be supported by a divisional specific mortality and coding dashboard. Simultaneously, a plan has been developed to improve capture of mortality review information.
- The Trust teams will continue to work to understand the reason for the change in the overall HSMR and SHMI for the organisation

- **Sepsis**

Deaths from sepsis are largely preventable with timely recognition and therapy. Following a twelve month Health Foundation funded project in the Adult Emergency Department (AED) (October 2014/5), the improvements seen in prompt recognition and treatment of sepsis have been maintained.

In 2016, a new Trust wide Sepsis Operational Group commenced to oversee education around sepsis, training, monitoring and quality improvement activities. In line with National Confidential Enquiry into Patient Outcome and Death (NCEPOD) recommendations, the role of a CMFT sepsis lead was developed as Chair person, supported by the Lead Nurse for Acute Care and an Associate Medical Director.

Time to implementation of elements of the sepsis six in patients with sepsis or septic shock in A&E.
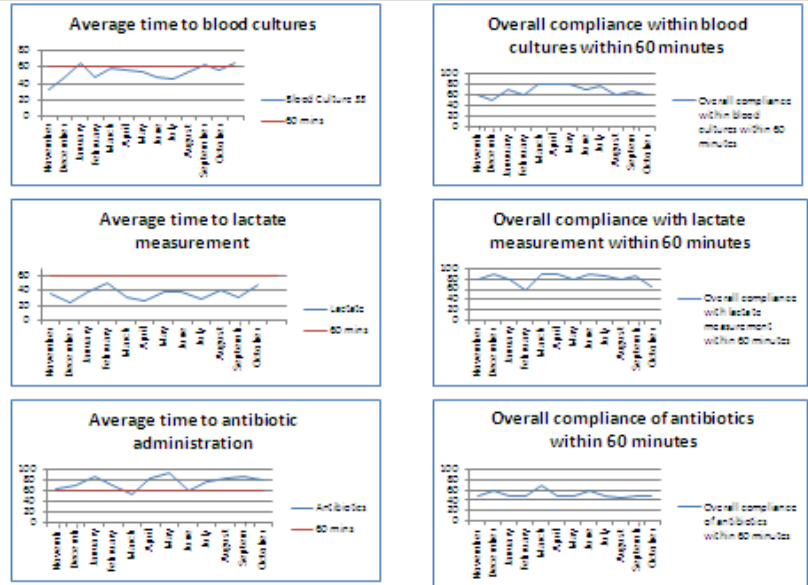
In 2016, the group reviewed and altered the Trust Sepsis Policy and pathway documentation to ensure compliance with NICE and other national guidance. An educational video was developed and displayed on television monitors throughout the organisation. Educational events were held on World Sepsis Day. Education around sepsis was undertaken in a variety of settings.

The performance on sepsis in the Accident and Emergency Department continued to be monitored and supported. An audit tool for regular use in ward areas was developed and piloted. In two areas, this demonstrated that consideration of sepsis and use of the pathway documentation needed improvement and this is being addressed. A business case is being prepared to replicate the analysis and education that has been so successful in adult Accident and Emergency Department across the organisation.

- **Learning from Clinical Audit to Improve Care**

National Audit
National clinical audit is designed to improve patient outcomes across a wide range of conditions. Its purpose is to engage all healthcare professionals across England and Wales in systematic evaluation of their clinical practice against standard, to support and encourage improvement and deliver better outcomes in the quality of treatment and care.

National audit is divided into two main categories: snapshot audits (patient data collected over a short, pre-determined period) and those audits where data on every patient with a particular condition or undergoing specific treatment is included, for example patients who have had a stroke and patients who have treatment for certain types of cancer.

During 2016/17, 43 national clinical audits and 3 national confidential enquiries covered relevant health services that Central Manchester NHS Foundation Trust provides.

During that period Central Manchester NHS Foundation Trust participated in 98% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits that Central Manchester University Hospitals NHS Foundation Trust participated in, and for which data collection was completed during 2016/2017 are listed on appendix 1 alongside the number of cases submitted to each as a percentage of the number of registered cases required by the terms of that audit.

Local Audit

In 2016-17 CMFT carried out over 300 audits across all its hospitals. Of these projects 120 were repeat audits covering a topic to see if the quality of care or treatment provided to patients had improved following earlier audits.

In just over two thirds of these repeat audits there had been an improvement in compliance with the standards.

Did Results Improve on Re-audit?

3%

26%

71%

- Yes
- No
- Unchanged
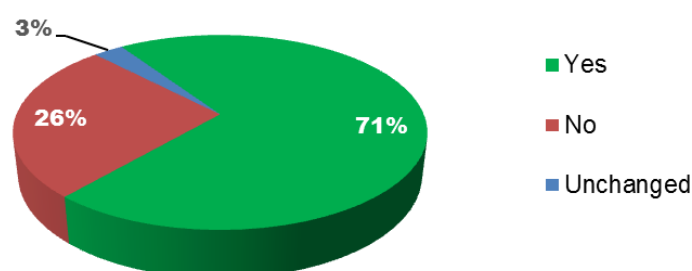
Individual Case Studies

Shoulder Dystocia

St Mary's Hospital undertook an audit of cases where mothers have difficulty giving birth due to the position of the baby causing an obstruction called shoulder dystocia. These cases are considered an emergency as the newborn baby can be injured during delivery in these circumstances. This audit was the second project following an earlier audit undertaken in the Hospital.

The audit showed that the actions taken following the first audit had a positive impact which has led to an improvement in quality and patient safety.

Antibiotics Audit

The Pharmacy team at the Trust carries out an audit on the use of antibiotics every year. The aim of the audit is to make sure that doctors are following our policy in prescribing antibiotic drugs.

As part of this project Pharmacists visit the wards and look through the medication charts to see if the use of antibiotics has been correctly recorded and to check that the right antibiotics have been chosen to treat the right conditions.

This year, the results of the audit showed a marked improvement from the previous year. As part of this improvement we have managed to reduce our use of antibiotics when they were not needed and to manage patients who have allergies to certain antibiotics in a safer way.

Fasting

Fasting refers to not eating and /or drinking for a defined period for example before a surgical procedure.

Increasingly our teams are using clinical audits to check if there has been an improvement following changes in practice.

This was the case with a repeat of the fasting audit at Trafford Hospital in June 2016. The staff leading on this project wanted to know if their changes had improved the way in which patients were treated before their operation. All staff working in the Surgery wards had been told about these changes in order to pass on this information to patients.

The audit looked at 50 cases of adult patients arriving at Trafford Hospital for planned surgery. New guidelines are now in place which means patients can drink clear fluids up to 2 hours before going into theatre. This change reduces the chances of a patient having headaches, being sick and of course becoming too thirsty beforehand.

The staff involved in this audit found that the patients were less anxious and less thirsty and hungry before their surgery. After their operation it was also found that there was a reduction in patients feeling or being sick overall. This was an improvement from the previous audit

- **National Confidential Enquiries (NCE)**

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

National Confidential Enquiries (NCE)

NCE Study	Eligible	Participated	% Submission	Status
Non - invasive ventilation study	Yes	Yes	20%	On-going
Cancer in Children, Teens and Young Adults	Yes	Yes	Patient data sent to NCEPOD. Clinician questionnaires not yet received from NCEPOD	On-going
Acute Heart Failure	Yes	Yes	Patient data sent to NCEPOD. Clinician questionnaires not yet received from NCEPOD	On-going

Outcomes
The Trust received the report from one study, this was the report on the Mental Health - "Treat as One", published January 2017. The Trust is currently reviewing the report and the recommendations to identify what we need to do and, where applicable, actions will be taken to address any gaps identified.

- **Research**

Research and innovation continues to be a major drive across all our hospitals. The past 12 months has seen major investment into Greater Manchester's research infrastructure and capabilities, with CMFT leading a number of successful pan-Manchester partnerships to enable the acceleration of translating research discoveries into improved health.

Investing in research across Greater Manchester
In September it was announced that Manchester was to receive £28.5m from National Institute of Health Research (NIHR) Biomedical Research Centre (BRC) scheme, to bring new and improved tests and treatments a step closer for millions of people. The NIHR Manchester BRC partnership is hosted by CMFT and The University of Manchester, in partnership with The Christie NHS Foundation Trust, Salford Royal NHS Foundation Trust, and University Hospital of South Manchester NHS Foundation Trust and is supported by the Manchester Academic Health Science Centre.

The funding will see clinical researchers drive forward pioneering research into new tests and treatments in the areas of musculoskeletal disease, hearing health, respiratory disease and dermatology and three cancer themes (prevention, radiotherapy and precision medicine).

In November, £12.5m in renewed funding for Manchester's NIHR Clinical Research Facilities was announced.

These facilities (CMFT, The Christie NHS Foundation Trust and University Hospital of South Manchester NHS Foundation Trust) will work in partnership with the BRC to provide cutting-edge research space, highly trained staff and specialist equipment required to develop and deliver pioneering new treatments across Greater Manchester.

Development of a biomedical campus
A major investment of £60m was also announced to expand Citylabs, a biomedical centre of excellence in a joint venture partnership between CMFT and Manchester Science Partnerships (MSP).

The development will create Citylabs 2.0 and Citylabs 3.0 to provide additional space to enable biomedical companies to grow and co-create new health products, in collaboration with the NHS and academia for the benefit of patients.

> You can learn more about the impact of our research, including inspirational stories from our patients on pages 108 to 110, oron our website www.research.cmft.nhs.uk. or follow us on Twitter (@CMFT_Research).

Improving our research figures

Number of external researchers enabled to conduct research in our organisation via research passports	77
New studies approved this year	271
Research studies open to recruitment or in the follow up phase	894
The number of patients receiving relevant health services provided or sub-contracted by CMFT in 2016/17 that were recruited during that period to participate in research approved by a research ethics committee	12949

- **Medical Education and Library Services**

Undergraduate Medical Education

The Trust is working in partnership with the Division of Medical Education – part of the Faculty of Biology, Medicine and Health at The University of Manchester – to train over 400 undergraduate degree students each year on our hospital sites. The MBChB degree is a 5 year course at the University of Manchester. During the past academic year, the Undergraduate Medical Education Team have organised clinical placements & teaching sessions, organised and recruited for clinical examinations (OSCEs), supported students with welfare & professionalism issues and launched a student experience & wellness pilot, amongst a range of other core functions.

There have been some significant revisions to the MBChB curriculum for the 2016/17 academic year which have been challenging but the student feedback so far has been positive. All students have an individualised timetable that includes time in a variety of departments across the Trust's hospitals, ensuring they receive an overview of all aspects of medicine. Placements are also organised in a variety of community settings including GP surgeries and associated district general hospitals.

All students are supported and supervised by our consultants, as well as by other medical staff, nurses and other healthcare professionals. Their experience is closely monitored to ensure it meets the workplace agreement defined by the University of Manchester that it enables students to graduate successfully and move on to Foundation training. 94.8% (110) of our 5th year medical students passed their final year exams to successfully complete their degree course.

This is a tremendous achievement for the Trust and highlights the commitment of staff to teaching the next generation of doctors.

Photo 1: Nick Smith (Head of Clinical Skills & Assessment, Professor Ray McMahon (retired Hospital Dean, October 2016) and Dr Morgan Back) Photo 2: Medical students at their graduation

Postgraduate Medical Education

After completing a medical degree, our doctors undertake a two-year Foundation Doctor training placement. This is followed by a number of years working as a Specialty Trainee either in our hospitals or in linked General Practices.

The annual General Medical Council National Training Survey told us that 7 of our departments were in the top 10 nationally for trainee satisfaction:

- *Genitourinary Medicine*
- *Paediatrics and Child Health – Foundation Training*
- *Rheumatology*
- *Acute Internal Medicine*
- *Histopathology*
- *Clinical Genetics*
- *Medical Microbiology*

We also had some areas to improve on such as:

- *GP training in Obstetrics & Gynaecology*
- *Tertiary Paediatrics*
- *Paediatric Surgery.*

We have been working closely with our external stakeholders (Health Education North West) and our staff in those departments to improve the experience of our junior doctors. The Postgraduate Medical Education Team will continue to work collaboratively with its trainees and trainers to promote and improve its practice and deliver a high quality training programme for doctors at all levels. The team remains committed to delivering educational outcomes that will enhance the futures of its trainee doctors and, through them, improve the quality of patient care.

Library Services

The Trust Library Services provides a service to all staff and students on clinical placement. In 2016 the library service achieved an accreditation score of 93% against national standards (Library Quality Assurance Framework). This was an increase of 3% from 2015. The library service underpins education and training by providing access to the latest knowledge, information, and evidence published in the disciplines of medicine, nursing, and allied health.

In October 2016 the library at Trafford General Hospital moved from the Education Centre to a new location within the main hospital building.

The Clinical Librarians have contributed to a number of evidence based projects including an update to Stoke Guidelines for the Royal College of Physicians, a Cochrane Review on the effects of stroke, and a Priority Setting Partnership with Saint Mary's Hospital and the James Lind Alliance on research uncertainties in Endometrial Cancer. The work on Endometrial Cancer was published in the journal *Gynaecologic Oncology.*

The new library at Trafford General Hospital

The library team are also supporting The National Institute for Health Research/Wellcome Trust Clinical Research Facility, tracking publication outputs from NIHR/Wellcome funded research. In September 2016 the team presented four presentations at the CILIP Health Libraries Group bi-annual conference in Scarborough.

- **Medical Appraisal**

Revalidation was formally launched in the UK in January 2013 and is the process by which all licensed doctors are required to demonstrate, on a regular basis, that they are up to date and fit to practice in their chosen field and able to provide a good level of care. Revalidation aims to give extra confidence to patients that their doctor is being regularly checked by both their employer and the General Medical Council (GMC).

Licensed doctors have to revalidate every five years, by having an annual appraisal based on the GMC Good Medical Practice framework. The Trust's appraisal and revalidation process is managed operationally by the Responsible Officer; a role established in statutory legislation and part of the Medical Director's portfolio. We aim for 90% of licensed doctors to have completed an annual appraisal. This year 87% of doctors completed an annual appraisal.

Medical appraisal is at the heart of revalidation; it is where a doctor's performance is reviewed against four areas that are set out by the GMC. These are:
- knowledge, skills and performance
- safety and quality
- communication, partnership and teamwork
- maintaining trust.

It was decided that from April 2014, appraisals should occur in the doctor's birth month, enabling all of our hospitals to monitor appraisal on a monthly basis, address non-compliance at an early stage and seek to avoid an end of year rush to complete appraisals. Although this has proved beneficial for permanent staff, issues have arisen with short term contract holders. Due to the nature of their contracts, using birth months for an appraisal is not suitable as this may be at the start of the doctor's contracted period, or they may leave before having a completed appraisal. It has therefore been decided that they will undergo an initial appraisal within 3 months of starting in post, followed by a full appraisal a few months before the end of their contract if this is for 12 months or less.

As most of the doctor's information relevant to an appraisal is available, this has proven to be more beneficial. CMFT's doctors use the Trust's electronic appraisal system to store their appraisal documents. This system tracks every doctor's appraisal, making it easier for them to store information that will help to demonstrate they meet the required standards.

To further support the monitoring and management of appraisal, the Trust also sends quarterly and annual appraisal and revalidation reports to NHS England, using the Framework for Quality Assurance (FQA) and Annual Organisational Audit (AOA) respectively. A paper is also presented annually to the Trust Board, highlighting the results of the AOA and any actions that are required to improve the appraisal and revalidation process.

Work has taken place between the Medical Director's Office, the Divisional Clinical Heads and staff to establish an action plan for increasing the appraisal rate going forward.

Divisional responsibilities for appraisal and revalidation have been discussed and formalised with the intent of greater Divisional oversight helping to increase the appraisal rate and the escalation of fewer non-compliant doctors to the Medical Director's team.

Patient Experience

Patient experience is one of the three dimensions of quality alongside patient safety, clinical outcomes. Excellent Patient Experience can support a number of benefits for patients and healthcare organisations, including; informed choice for patients, enhanced recovery, lower staff turnover and absenteeism and improved productivity and efficiency.

In 2015/16 the Board of Directors approved a new approach to sustaining a high quality patient experience across the Trust and has subsequently received progress reports describing the development of the Trust's new Patient Experience Framework, **What Matters to Me.**

What Matters to Me was launched on 30th November 2016 with a very successful "twitterthon", where staff and patients were encouraged to consider and express what matters to them and share this widely in order to generate a social movement around a common purpose and to trigger local conversations and personal commitments to work differently in order to respond to the things that matter most to individual patients.

Development of **What Matters to Me**, which is being aligned to organisational strategies, has been underpinned by gaining an extensive understanding from patients and staff, what components create an excellent patient experience.

Personal ownership and accountability are central to our approach and extensive staff engagement has been, and continues to be, key to gaining commitment at every level. **What Matters to Me** is underpinned by the Trust's 'Creating a Supportive Leadership Culture' Programme, which is supported by NHS Improvement and the King's Fund.

What Matters to Me commenced with extensive engagement conversations with patients/their representatives and staff of all disciplines and bands, from which a graphic record was created.

What Matters to Me Patient Experience graphic

The over-riding message from this work highlighted the complexity of patient experience and the need for a personal approach every time, underpinned by personal relationships; where staff see the individual and respond to the issues that matter to them. Based on this finding the Framework was named *What Matters to Me*.

The six overarching elements of excellent patient experience

In support of our ambition to achieve excellence in patient experience, the Trust's Charitable Funds Committee authorised funding in September 2016 to enhance existing patient experience activity and to expedite roll out of the new approach. This decision was underpinned by the support of the Chairman, the Board of Directors and the Trust Quality Committee.

In the autumn of 2016, work commenced, assisted by this funding, to drill down into each of the themes at a local level. Extensive engagement was undertaken with patients and families in each of the Trust's hospitals, and in community locations, providing each hospital and community service with a bespoke graphic summary of what matters to the patients who access their services, enabling teams to identify specific commitments in relation to the core themes.

Facilitated engagement sessions were also undertaken with administrative and clerical staff to develop specific commitments; recognising the key role of this staff group in creating the first impression and in facilitating communication with patients and families.

Trust Chairman, Kathy Cowell

During this event the hash tag **#WMTM** was used over 1000 times and tweets from the Trust Twitter account alone were seen over 12,000 times. In addition Facebook posts had a reach of circa 1,700 people.

A patient shares what matters to him

Our distinctive **What Matters to Me** branding (below) and ongoing communication plan has ensured that **What Matters to Me** has continued to build momentum across the Trust.

Measures of improvement

Patient and staff experience is measured and monitored using a wide range of measures and indicators, such as patient surveys, compliments and complaints. These measures are regularly monitored and reported at a local and Trust-wide level. Although it is too early in the programme to demonstrate impact of *What Matters to Me;* this will continue to be measured through the existing metrics, undertaking targeted and bespoke work with teams in response to analysis of these data.

Looking forward to 2017/18

In 2017/18 we will develop and deliver a multi-disciplinary organisational development and training programme to support behavioural change at all levels in order to create an environment where staff have the skills and authority to act to deliver personalised care. This will specifically include the co-designed *First Impressions* training programme for administrative and clerical staff. Learning from high performing teams will be incorporated into these programmes to encourage and spread best practice.

We will continue to build *What Matters to Me* into the everyday activity of the organisation such as clinical assessments, policies, annual appraisals, objective setting processes, staff induction and mandatory training, thereby ensuring that responsibility and accountability are defined at every level for the delivery of an excellent, personalised experience for every patient.

- **Ward, Outpatient and Community Accreditation**

The annual accreditation process was launched in 2011, as part of the Trust assurance mechanism for ensuring high quality care and the best patient experience. The process, which is underpinned by the Trusts' values and behaviours framework and the Nursing and Midwifery Strategy, initially included inpatient wards, day case areas, critical care areas and dialysis units. In 2016/17 the accreditation programme has been expanded to include all Emergency Departments, Theatre areas and Clinical Research Units.

Annual unannounced accreditation visits are led by a Director or Deputy Director of Nursing, along with a Head of Nursing and a member of the Quality Improvement Team. For larger areas, other senior staff join the accreditation team. The process involves the team undertaking a half day observation visit to the clinical area, informed by analysis of a range of data relating to the area. This includes; audit data, the Quality Dashboard which comprises of Quality Care Round and Patient Experience data along with information related to complaints, incidents, compliments and student feedback. Discussions with patients and staff are also a key element of the process.

The process aims to provide a level of assurance for the Board of Directors and patients that areas are consistently delivering high quality care across four main categories. The categories have remained consistent since 2011, but the standards required within each category are reviewed annually to ensure that they remain current and relevant.

The categories are:
- **Culture of Continuous Improvement:** including leadership, team culture and use of evidence based practice and safer staffing.
- **Environment of Care:** including infection control, accessibility and safety standards.
- **Communication About and With Patients:** including team communication, documentation and patient perceptions.
- **Care Processes:** including medication management and the meals service.
-

Each category is scored, using standard criteria as White, Bronze, Silver or Gold, with the collated scores providing the overall accreditation result for the area. This result is validated by the Directors and Deputy Directors of Nursing to ensure consistency in approach. The criteria for each of the scores are:
- **Gold:** Excellent, achieving highest standards with evidence in data that success sustained for a minimum of six months.
- **Silver:** Very good, achieving minimum standards or above with evidence of improvement in relevant data.
- **Bronze:** Good, achieving minimum standards or below but with evidence of active improvement work.
- **White:** Not achieving minimum standards and no evidence of active improvement work.

During 2016/17, in addition to the accreditation process being successfully rolled out to all the Emergency Departments, Theatre areas and Clinical Research Units, the development and piloting of an Outpatient Department Accreditation has also successfully been achieved.

2016/17 has been another highly successful year with 15 areas retaining their gold results and a further 14 areas moving to gold from silver last year.

Accreditation Results 2016/2017

Accreditation Results 2016/17		
	Number	*% (based on N= 80)*
Gold	29	36.25%
Silver	35	43.75%
Bronze	16	20%
White	0	0
Total	**80 ***	**100%**

* 81 areas have been accredited but one area is still awaiting validation

All areas are supported to continuously improve and when wards/departments achieve gold, this success is formally recognised by the Chief Executive, Chief Nurse and senior divisional staff who attend the area to present their certificate. In addition, a small team is invited to the annual "We're Proud of You" gala dinner where a plaque to display in their areas is presented to the team by the Trust Chairman.

Patient Experience Improvement Initiative Awards
In 2015/16 innovation prizes of £10,000 and £5,000 to fund improvements to enhance patient experience were introduced in recognition of areas that demonstrated the most improvement in the quality of their patients' experience. The aim of the initiative was to engage clinical teams to demonstrate and sustain success. Winners are presented with their awards at the annual Nursing and Midwifery Conference. This year's winners will be spending their prize money on the following items in order to improve both patient and staff experience:

- Central Delivery Unit (CDU) – First place: Additional seating, TV, fridge and coffee table for staff area and additional seating, pictures and TV for patient areas.

- Ward 30 – Runner-up: Tactile wall planner, Sea life wall planners, reclining chairs, Relatives' fridge, microwave and toaster

- Galaxy House – Runner Up: Sofas, soft furnishings, tables and chairs

New for 2016/17

Accreditation Portfolio
An Accreditation Portfolio was introduced during 2016/17 to enable teams collate their achievements in order to assist them to embed, sustain their improvements.

Teams collect and display evidence in the accreditation Portfolio throughout the year, in line with each of the accreditation Categories, demonstrating their continuous improvement journey. The electronic portfolio of evidence is reviewed by the accreditation team at a number of points during the course of the year and prior to the area's accreditation. This approach has added a further tier of assurance into the process and provided a database of best practice, which can be shared across the organisation.

Areas that have achieved Gold status for two consecutive years present their portfolio alongside a shorter clinical visit and data review.

Outpatient Accreditation
Following the successful pilot of the Outpatient accreditation in one Outpatient Department in 2016/17, the Outpatient accreditation process will be rolled out to all other Outpatient areas of the Trust in 2017/18. This will support the monitoring of the impact of the extensive transformation work that has taken place in these areas such as development of the Outpatient Standards.

Community Accreditations

The Trust provides a wide range of services in both acute and community settings. During 2016/17 community-based staff have been involved in the development of a Community Services accreditation, which was piloted in March 2017 with a view to roll out across all community areas during 2017/18.

Accreditation is a well embedded assurance process that supports continuous improvement to enhance patient experience and recognises excellence so that it can be shared and spread across the organisation and beyond. The Senior Nursing Team continue to review and enhance the programme to ensure it reflects current priorities and practice whilst continuously expanding the programme, with the aim that all areas that care for patients will be involved in the accreditation process in the future.

- **Friends and Family Test**

The Friends and Family Test (FFT) is a single survey question which asks patients:

'How likely are you to recommend our service to friends and family if they needed similar care or treatment?'

The FFT survey question was launched in 2013 and initially feedback was asked of adult patients who attended Accident and Emergency Departments, received inpatient care and all women using Maternity Services. In 2015, the FFT survey was expanded to include patients in the community, outpatients and children and young people with the requirement to capture 'narrative comments'.

The FFT is an important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience.

FFT is a quick and simple survey used to collect feedback from patients. One of the advantages of FFT over other patient feedback tools is that patients are able to provide feedback in near real time, making results quickly available to staff. This allows timely action to address poor experiences and celebrate and promote good practice. Within our organisation we use the valuable FFT feedback, alongside other data (such as our Quality of Care Round and Patient Experience Tracker) to further inform continuous improvements to patient care whilst truly providing an insight into **'What Matters to Patients'.**

Feedback is captured from patients through several collection methods including; FFT postcards, the electronic Patient Experience Tracker (PET) survey, kiosks, bedside TVs, online surveys and within one department SMS text messaging.
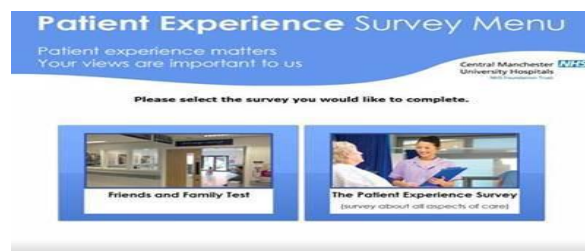
Front screen of hand held survey device

The Trust continues to promote FFT and, in order to ensure our patients can easily provide feedback in all our wards and departments, we have actively worked with Divisional Teams and the Informatics Team to undertake a further detailed review of how we capture FFT. Based on the review, developments for 2017/18 include:

- Addition of a separate icon onto the front screen of our hand held survey devices so that patients can now with 'one touch' access the FFT question or the PET survey

- Further modifications have been made to our external website with the aim of providing a system that is easier to navigate and provide feedback

- Our Trust volunteers continue to support FFT collection and a specific FFT Volunteer Role has been developed

- The use of FFT Feedback postcards (bookmarks) has been expanded and this method of data collection is now being used in our outpatient departments and day case areas

Qualitative feedback using the 'We did…You said…' poster

- A further review of the data systems for FFT feedback to ensure that data is accurately collated and reported both internally and externally for all wards/departments

- A monthly performance meeting was launched in January 2017 to oversee and monitor the implementation and monitoring of FFT response rates across all divisions. Learning about the overall quality of the processes for capturing FFT responses will be identified through these meetings to inform future improvements in the overall management of FFT within the Trust.

FFT Feedback from our Patients

Comments from patients who have used our services includes:
- *'Quick service, very nice staff, especially the A+E doctor'*
- *'Great team'*
- *'We would like to say thank you for our child's care'*
- *'Excellent care'*
- *'Great care'*
- *'Very happy with the service'*
- *'Really lovely staff and helpful regardless of long waiting times and lots of patients to see at once'*

The FFT feedback is displayed in a variety of methods using 'You said… We did…' posters and 'Tops and Pants' display boards in our Children's services.

Qualitative feedback using the 'Tops and Pants' display boards

Friends and Family Test Response and Results		
Area	Response Rate (2016/17)	Percentage of patients who were' likely' and' extremely likely 'to recommend our services (2016/17)
Inpatients*	17%	95%
Emergency Departments*	7.5%	86.7%
Outpatients	N/A	89.8%
Community	N/A	95.1%
Maternity	N/A	95.4%

- **Patient Dining**

The Dining Experience – What Matters to Me

It is important that food and snacks are presented and served to patients in a timely manner to

Blue = Patient Experience Tracker feedback
Turquoise = Ward Managers Quality of Care Round

ensure their dining experience is enjoyable based on their personal preferences and needs.

Patient Experience feedback provides a rich source of data to support continuous improvement of the Trust's services and is sought continuously through a range of formats.

Local feedback from our patients about the quality of the meals shows us that patient satisfaction has improved this year.

The improvements demonstrate that the extensive programme of work undertaken over the last two years to review and improve our patients' dining experience is beginning to take effect.

Senior staff supporting a meal service

However, to support and encourage a continued emphasis and to deliver sustained improvements to the patient dining experience the Trust had an intensive focus on patient dining during a designated *Perfect Dining Week* this year.

Perfect Dining Week
This was scheduled and undertaken between 4th – 10th July 2016 with the intention of delivering a perfect, personalised dining experience to all patients at every meal throughout the week and beyond.

The **Perfect Dining Week** was undertaken over seven days and involved planning, co-ordination, capturing data and challenging the ward and corporate teams to develop initiatives during the week to improve our patients' dining experience. The partnership working between the Nursing and Midwifery, Estates and Facilities, Sodexo, Dieticians and Patient Services Teams made the week an immense success.

Perfect Dining Activities:

Patient Dayroom Dining

Quality Measures
Three types of data were captured during the week to help us identify areas that we are doing well and areas for improvement as follows:

1. Patient Experience: Every area was asked to survey 5 patients after every meal by asking 11 patient experience questions. In addition, to ensure patients' opinions about improvements were captured, designated Perfect Dining Week Change-1-Thing cards were designed and given to patients to complete.

The cards asked *'If you could Change-1-Thing' about your dining experience….. What would it be?*

2. Quality Standards: Process, leadership and care standards were assessed during the week.

3. Delivery of Food Process: Using the Sodexo Standard Operating Procedure for Patient Meal Service Process as a measure, the Sodexo Team captured data relating to the *Delivery of the Food Process.* This included from the food arriving on site, to the patient choice being delivered to the patient, for lunch and dinner.

In addition, the number of food related items (cutlery, trays), snack box orders and timeliness of snack box delivery was also monitored.

The Results

Patient Experience: 5,870 patient experience questionnaires were submitted during the week, with overall quality rated at 90% and above.

Key Findings:
- Extremely positive feedback was received from some patients
- Staff were engaged and very motivated to be involved and deliver improvements to the patient experience
- Issues were identified relating to aspects of Food Choice, Food Temperature (especially cold toast), Electronic Ordering (MAPLE) and Special Diets
- Different satisfaction ratings between the different food delivery methods

Comments from Change-1-Thing Cards included:

- Patient *"Nothing, everything is perfect"*
- Patient *"The food I would change to be more edible as the texture is very soggy"*
- Patient *"Before I came here, I wasn't eating. But ever since I came to this fine establishment, I've eaten every morsel. Food here is really good. I wouldn't change a thing"*
- Parent "*Smaller/ plastic cutlery for toddlers"*

Quality Standards: Over the course of the week staff undertook 1,174 audits of the dining service, which included process, leadership and care standards.

Key Findings:
- Uptake of Protected Meal Times is variable between wards and there are inconsistencies around which meal time services are protected from interruption. The main barriers identified were:
  - Ward rounds
  - Lack of understanding amongst staff about Protected Meal Times
- Registered Nurses/ Midwives were not involved in the dining process on some wards, due to other responsibilities including medication rounds
- Generally, across the Trust trays were not used to serve breakfast, even if patients were identified as requiring a red tray; this meant a patient needing assistance may not be identified. This issue was identified on the first day of Perfect Dining Week and as a result a number of areas reviewed the breakfast delivery system and commenced using trays.

Delivery of Food Process: 21,724 meals were served during the week. Key themes identified from the feedback relating to the process were:
- Missing food items/out of stock items
  - Portion Size
  - Unavailability of equipment
  - Under/over-cooked/quality of food

- Some areas were ordering more than 5 snack boxes per day, which are intended to be supplementary meals, generally ordered for patients who have missed the main meal service

Priorities for 2017/18

The results from the Perfect Dining Week have been analysed and developed into a detailed report for the Trust Quality Committee. The results have also been widely shared with divisional teams to encourage identification of local improvements.

Based on the results a 10 High Impact Action Plan for 2017/18 has been developed and includes:

- Trust wide review of the process and quality standards at the breakfast meal service; inclusive of the process for the preparation of toast
- Joint review between Nursing/Midwifery, Estates & Facilities and Sodexo of the different meal process delivery systems that are used in the Trust, which include Bonne Santé individually portioned meals, which are prepared, pre-cooked and then frozen in special packaging ready to heat in special ovens on the ward and bulk ordering processes, where food is delivered in large trays and served to patients by ward staff
- Establishment of a Trust wide Housekeeper Forum
- Re-launch of Protected Meal Times
- Initiatives to promote patient preparation and ensure Registered Nurse/Midwife involvement
- Development of a 'Key Facts Sheet' for dining quality standards, how to use the electronic ordering system called MAPLE (including special diets), cutlery and crockery ordering, roles and responsibilities
- Review of portion size options, specifically in RMCH for younger children and teenagers
- Review of cooking cycles for food items consistently reported as cold and over cooked throughout the week
- Review of areas with high orders of snack boxes to ensure this is the most appropriate dining option for these patients
- Review of the process for checking the correct items have been picked and delivered to reduce the occasions when patients do not receive the meal they have ordered.

- **Meeting Patients' Hydration Needs**

Drinking sufficient fluid is crucial to staying healthy and maintaining the function of every system in the body. To support patients to stay hydrated, a hydration pathway was introduced during 2015/16 and has now been implemented in all the main adult areas within the Trust.

The robust daily hydration assessment ensures that patients receive the correct level of support, monitoring and timed reviews by a Registered Nurse over the 24 hour period. It also enables the care team to provide and record the appropriate amount of fluid to people who need assistance with drinking, as well as supporting early identification and escalation of any hydration issues to senior nursing staff and the medical teams.

In 2016/17 we audited the use of the hydration pathway and the results have shown an improvement compared to previous audit results in many of the policy standards. However, where challenges remain in relation to compliance with the standards, these wards are now undertaking Improving Quality Programme (IQP) work to ensure high standards of patient hydration are achieved and maintained.

In 2016/17 we held a hydration awareness week, where we launched a new fluid balance policy. Next year we will link in with the International Nutrition & Hydration week and various activities will take place around the Trust to support best patient hydration practice. This will be an opportunity to give advice, assistance and support to ward/department teams in order to sustain compliance and share good practice.

- **Complaints, concerns, compliments & the Complaint Handling Service**

During 2016/17, efforts have continued to improve complaint response times, especially those complaints registered for 40 days or longer. We have also continued to maintain our focus on using the learning from complaints, compliments and concerns to continuously improve the quality of the Trust's services.

Formal complaints, Patient Advice and Liaison Service (PALS) concerns and compliments

The quality of complaints data and reporting has continued to improve during 2016/17. This data is reported monthly to members of the Board of Directors, the Trust Management Board and our commissioners. In addition, the Trust publishes in-depth quarterly Complaints Reports and an Annual Complaints Report.

The first table below provides a comparison of the number of formal complaints, PALS concerns and compliments received by the Trust for the past five years. The second table presents this data for in the context of the clinical activity undertaken within the Trust.

Formal Complaints, PALS concerns and Compliments					
	2012-13	2013-14	2014-15	2015-16	2016-17
Formal Complaints	1044	1112	1023	1160	1051
PALS Concerns	2777	2768	3573	4138	4363
Compliments	*	*	*	604	974

* Compliments received have been formally recorded since 2015/16

Formal Complaints received in context of Clinical Activity				
		2014-15	2015-16	2016-17
Inpatients	Formal Complaints received(FC)	445	446	404
	Finished Consultant Episodes (FCE)	291537	288519	289295
	Rate of FCs per 1000 FCEs	1.53	1.55	1.40
Out-patients	Formal Complaints received (FC)	413	481	476
	Number of appointments	1606953	1656731	1706663
	Rate of FCs per 1000 appointments	0.26	0.29	0.28
A&E	Formal Complaints received (FC)	85	109	69
	Number of attendances	295869	305810	309428
	Number of FCs per 1000 attendances	0.29	0.36	0.22

Parliamentary and Health Service Ombudsman (PHSO)

If a complainant remains dissatisfied following completion of the local resolution process for a complaint (the first stage of the NHS complaints procedure), they can refer their complaint to the PHSO.

The PHSO will then assess their complaint and may decide to undertake a further investigation.

The table below provides the number and outcome of Trust complaint cases closed in 2016/17 or under on-going investigation by the PHSO at the end of 2016/17.

Formal Complaint Themes 2016-17

| Access, Admission, Transfer, Discharge 9% |
| Appointment Delay Cancellation 7% |
| Clinical Assessment 15% |
| Communication 17% |
| Documentation 4% |
| Other 8% |
| Infrastructure 3% |
| Security 1% |
| Treatment / Procedure 36% |
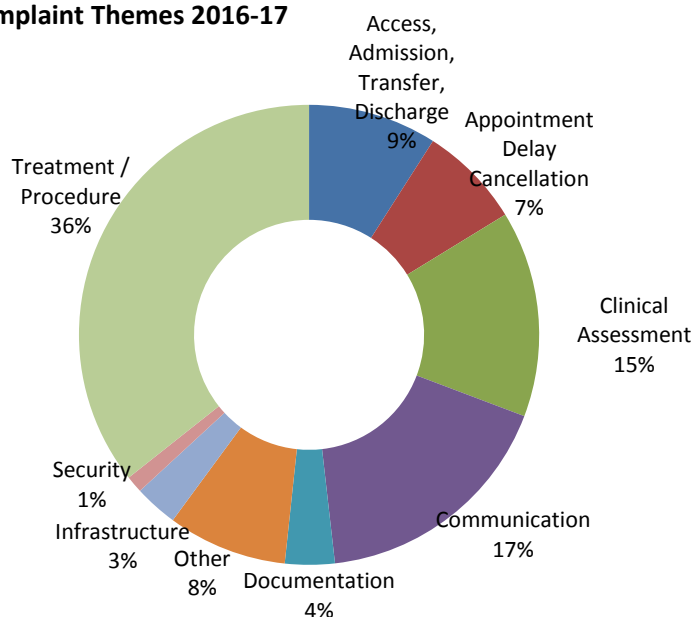
Closed and Current PHSO cases					
	Current cases under investigation at end of 2016/17	Closed cases	Number fully-upheld	Number partly-upheld	Number not-upheld
2016-17	12	31	3	7	21
2015-16		33	2	14	17

Patient feedback via Patient Opinion and NHS Choices
During 2016/17 the Trust has continued to provide individualised responses to all patient feedback received via patientopinion.org.uk or NHS Choices websites. If on-going care is affected, the relevant clinical staff respond promptly to address the concern and improve the patient's experience. Local teams use the learning from this feedback to make any identified service improvements.

PALS and complaints improvements
During 2016/17, PALS and complaints staff completed a self-assessment of the service based upon the vision set out in 'My Expectations'. In addition, a Patient Panel discussed the future development of the PALS service and the relocation of the PALS office for the central site to a more visible location in Manchester Royal Infirmary. The Panel highlighted improvements to meet the needs of people using the service, specifically those with communication and accessibility needs.

This year, service improvements have also been informed by two process mapping events focusing on the management of patient concerns within the formal complaints and informal PALS teams. As a result Complaints and PALS team members are developing a series of revised Standard Operating Procedures for the services to improve the experience for patients and families who use any of the Trust's services across the hospital and community sites.

New PALS office
During 2016, work started on the design phase to relocate the PALS office to a new, central, more visible location within Manchester Royal Infirmary. Work commenced in early 2017 and hand over of the new facility took place in March 2017.

The new PALS facility will enable members of the public to make enquiries and book appointments to see a PALS case worker. The service is also now supported by dedicated PALS volunteers who help to manage enquiries and offer way finding assistance at this location.

PALS and Complaints Education Programme
A programme of education for PALS Case Managers, Divisional Complaints Coordinators and other key staff directly involved in responding to complaints was developed and delivered in 2016/17.

The 'Developing Effective Written Responses to Complaints' course included:
- Understanding what is working and what needs to improve
- Learning from best practice
- How to effectively assess and plan a response
- Developing techniques to elicit information from colleagues
- Creating credible correspondence

Feedback from the course was very positive, with attendees reporting 96% of their learning objectives were met, with an average 28% self-reported increase in skill and knowledge levels.

Following this, a further educational session was externally facilitated by the Parliamentary and Health Service Ombudsman (PHSO) and focussed on:
- Understanding the role of the PHSO in complaints investigations
- What the PHSO look for in when investigating complaints
- How the PHSO undertake their investigations
- How they make decisions on cases
- Sharing good practice & learning
- Local investigations

The course was very well attended by 59 staff who commented upon how informative and helpful the day was in helping them to fully understand the role of the PHSO and their role within the management of complaints. We hope that this will lead to an improved experience for patients a speedy resolution of any problems identified.

Complainants Satisfaction Survey

During 2016/17, the Trust worked with the NHS England Patient Experience Team to pilot a new national complainants satisfaction survey. The new survey, based upon 'My Expectations', was developed jointly by the PHSO, Local Government Ombudsman and Healthwatch.

The pilot survey commenced for all complaints responded to from 1st November 2016, and is sent to complainants 4 weeks after the final response has been provided to their concern, and followed up with a two-week reminder. Early indications show that, where the reminders have now all been sent (i.e. November 2016 complaints), there has been a response rate of 25%. This is a significant improvement compared to the Trust's previous survey which achieved a response rate of 8% in Quarter 2 and 12.6% in Quarter 1 2016/17.

Early results from the survey indicate:
- 95% felt their complaint was handled professionally by the organisation
- 85% of complainants were confident that their care would not be negatively affected by making a complaint
- 85% of complainants felt the response received addressed their complaint
- 75% were satisfied with the recommendations made within their response

Comments received include the following:
- "*Well the outcome was very good, extra staff were needed to improve the service provided, so I am very pleased.*"
- "*I was impressed at the way PALS handles this so thoroughly and that they took the trouble to speak to me.*"
- "*We are happy that some procedures have been changed as a result of our complaint and care was excellent after. Thank you.*"

Next Steps

The Patient Service Team will continue to develop and improve our complaints handling process underpinned by our 'What Matters to Me' approach to improving patient experience.

Other updates

- **End of Life Care (EoLC)**

> Our vision: We will ensure that all patients under the care of Central Manchester University NHS Foundation Trust, their families and carers receiving palliative and end of life care are listened to and cared for compassionately by staff with the right skills.
>
> We will adhere to best practice where available and deliver holistic patient centred care that recognises individual circumstances and addresses diverse needs.
>
> We will ensure that the patient and their family / carers receive the care and support that meets their identified needs and preferences ensuring respect and dignity is preserved both during and after the patient's life.

Ensuring our patients and families receive the best care at the end of their lives is an important priority for the organisation. The Trust has a three year strategy to promote and support EoLC for adult patients, babies, children and young people.

During the last 12 months the development of the vision and strategy aims have resulted in significant progress being made to ensure that the end of life provided to our patients and families meets their individual needs and is aligned to the Trust values.

Achievements
During 2016/17 the implementation of the Priorities for Care for the Dying Person individualised care plan and communication record across acute wards and community settings has been completed. Collaboration with community teams has resulted in the care plan document being standardised across adult acute and community.
The individualised care plan records for the journey for babies, children and young people has also been reviewed, new documentation and guidance has been developed based on the National document, 'Together for Short Lives'.

These changes have been supported by a rolling programme of training for staff across the Trust and is included as part of the annual clinical mandatory training requirements.

To promote best practice palliative care across the Trust in both community and hospital settings the End of Life Care Champion 'CHAMPS' Network was re-launched in January 2016. A full day workshop was hosted in March 2016 which was well attended and received excellent feedback from the participants. Co-ordinated by both community and hospital Macmillan palliative care teams a meeting structure was agreed for biannual full day workshops, the first of which was held in October 2016.

'What Matters to Me' changes made:
- Refurbishment of Adult Mortuary entrance has been completed including improved signage to make the approach to this area less clinical
- Children and Young Persons EoLC group participating in national work to establish standards which has resulted in the new NICE Guidelines for end of life care in Children and Young People being issued at end of 2016
- Additional T34 syringe drivers purchased and equipment library organised to ensure all patients have rapid access to effective pain management
- Commenced work with NHS Improving Quality Transform Programme (Phase 3) to support programme of work in relation to advance care planning with patients and their families
- Commenced working with Manchester Metropolitan University to develop a postgraduate community palliative care module for health professionals
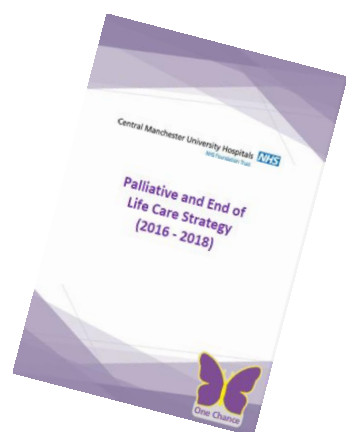
- Created and implemented an adult end of life care dashboard which is circulated monthly to Divisional Clinical Governance teams to ensure that any areas for improvement are identified and addressed in real time
- Commenced work with patient experience and bereavement team to identify an appropriate method of obtaining feedback from families about their end of life care experience

Knowing How We Are Doing

To provide the assurance the changes that have been made have made a difference, the standards have been audited on an on-going basis and the Trust has participated in the Royal College of Physicians National Care of the Dying Audit 2016.

The Trust performed above the national average in all these quality indicators with excellent practice (90% and above) in the following quality indicators:
- recognition of dying
- listening to family and patient concerns
- holistic assessment such as meeting hydration needs, and care after death.

Following the CQC comprehensive inspection in of EoLC in 2015, the inspectors noted that whilst they observed caring and compassionate care at end of life throughout, there were a number of areas that were assessed as requiring improvement. To ensure that significant improvements had been made an Internal Quality Review was undertaken to benchmark our EoLC with the national standards defined by the Care Quality Commission. The initial results demonstrate that significant progress has been made across all areas and highlighted priority areas for further improvement work including the appointment of more EoLC Consultants and further development of the EoLC strategy.

The working during the next 12 months will continue to focus on delivering excellent end of life care to our patients and families which is individual and evidence based.

- **Improving the healthcare experience of people who have a learning disability and/or autism**

In 2016/17 energy and focus has continued to support patients with a learning disability and/or autism.

The Trust's Learning Disability Liaison Nurse has continued to provide support and expert advice to staff, patients and carers, in order to provide the best experience and seamless care for people, accessing our services in both acute and community settings. The identification of patients with a learning disability was a key priority for 2015/16 and this work has continued to go from strength to strength.

The graph below demonstrates the increased number of patients identified on our electronic patient information system with a flag designed by members of the Trust Learning Disability Patient and Carers' Forum following its introduction in April 2015. This flag alerts the Learning Disability Liaison Nurse and enables expert advice to be offered to meet the patient's individual care needs.

Patients with a learning disability flag

Number of patients with a learning disability "flag" between April 2015 and January 2017
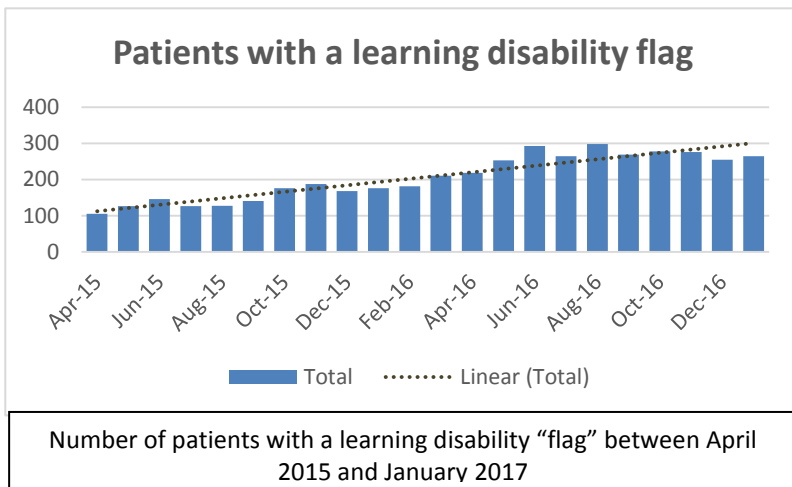
The Trust is committed to providing personalised care to every patient. Staff education and training has been a key priority for the Learning Disability Liaison Nurse who attends the Trust's induction programme for all nursing and midwifery staff as they commence their role in the Trust. Learning Disability training is also included in enhanced supervision training for nursing staff, which focuses on providing the best individualised care for patients who may require one to one support and supervision whilst in hospital.

Additionally an e-learning package has been developed and rolled out over the past 12 months to improve the skills and knowledge of staff caring for patients who have a learning disability/autism or both. Over 1,000 clinical staff have accessed this training over the past year. Specific targeted training has also been provided to our student nurses in order to support our future nursing workforce to continue to deliver the best standards of care to people with a learning disability and/or autism.

In addition to the focus on education and training, we have established and supported a network of Divisional Clinical Champions within clinical teams across the Trust.

Our continued focus on the care of patients with learning disabilities and/or autism is supported by a focused work plan underpinned by national best practice standards. This has been cascaded to clinical divisions in order to ensure it is embedded within their governance structures.

In 2016, the incident reporting system was further developed to record whether any patient involved in a clinical incident has a learning disability or autism. This has enabled themes and learning to be identified to inform continuous improvement.

Crucially, engagement with service users and carers has been a priority for 2016/17. The Learning Disability Patient and Carers' Forum has continued to meet quarterly, with the group supporting and actively engaging in Learning Disability Awareness Week in the summer of 2016. This Forum has also supported work on accessibility within the central Manchester campus, including reviewing the Trust website in order to provide feedback to ensure that information is accessible to all and in easy read format.

Patients' family members are also invited to come along and share experiences with learning disability/autism champions. Champions training is held every quarter for ward champions.

The Patient Experience Team have recently worked with the father of a young adult who has autism to share his experience of attending the Dental Hospital. The family had poor experiences previously when supporting their son into hospital that prevented him from accessing care and treatment. The experience at the Dental Hospital was however really positive. The patient's father worked with the team to produce a video that is shared with staff within the Trust to raise awareness of important considerations and lessons learnt.

Another parent and her adult daughter who has a learning disability are due to work with the Patient Experience Team to develop a video about her stay on the Acute Medical Unit (AMU) at the MRI.

- **Dementia Care**

The Trust has integrated the National Dementia five year Strategy into the organisational Dementia Strategic Plan. The plan has six key strategic objectives to improve care for people living with dementia and their carers within the Trust:

- Provide a comprehensive education and training framework for all staff working within the Trust to empower teams to deliver the best possible care
- Improve the Patient experience and journey in our hospitals and community services
- Create vibrant and positive dementia friendly environments
- Care for carers and friends of people with dementia
- Raise standards of care and promote activities that improve the wellbeing of patients and carers
- Improve communication to ensure appropriate information is collected and shared between healthcare staff, patients, carers and family members.

The core vision of dementia care within the Trust is driven by the need to ensure all patients receive care that is safe, inclusive, effective and caring. To make this a reality requires the energy, passion and commitment of all the organisations staff as well as clear procedures and protocols to oversee its delivery.

The Trust Dementia Group is the key group which oversees delivery of the strategic plan and has representation from pivotal members of the Trust team as well as carer representation and third sector representation. The group meets on a monthly basis to manage Dementia Strategy priorities and work plan.

It is recognised that the number of people living with dementia is increasing and it is vital that all staff have a greater awareness and knowledge of dementia in order to meet the specific needs of our patients.

Awareness raising events, in the form of monthly information stands by the Alzheimer's Society have been a great success in the hospital atriums. The Alzheimer's Society Roadshow and dementia bus have visited both the Central and Trafford sites three times, providing information and advice to visitors and staff.

Dementia Friends sessions are facilitated by the Alzheimer's Society on alternate months throughout 2016 and sessions are planned for the whole of 2017 on both the Trafford and Central site to increase awareness across all staff groups. Training for clinical staff continues through an e-learning awareness package and a full Dementia care study day which is offered to all staff. 158 members of staff attended the day in 2016/2017.

The Dementia Champions are updated on a regular basis through training days which are delivered in partnership with the Whitworth Art Gallery/Manchester Museum; these events are held twice a year. The last event, held in November 2016, had 35 attendees on the day.

Dementia Champions continue to have an active role in raising awareness and fully embraced "Elf Day" in December 2016; all Divisions participated in the raising awareness day.

To promote communication between the Dementia Champions and members of staff has resulted in the development of a Dementia Care Newsletter, this is distributed across all divisions and provides an update on improvements to dementia care. The champions are supported by the Dementia Nurse specialist during ward visits.

Shared care planning is in place with our patients and families to support the provision of individualised care. When a patient is identified as having a known dementia or cognitive impairment within the ward areas, the nursing teams commence the 'Getting to know me card' which is a visible prompt with details of the patient, their likes and dislikes, interests kept on the patients locker visible for all members of the multi-disciplinary team to access with families and carers. This care plan follows the patient throughout their admission and so allows staff to get to know the person, to maintain normal routines as much as possible and to work in partnership with carers. The care plan document itself is jointly used by professionals and the patient's own carer during their hospital stay.

The Divisions are embracing John's Campaign which offers flexible visiting, involvement in mealtimes and even assisting with personal care needs. This is supported wherever preferred but we are also careful to check whether carers would value an opportunity for some respite during this time. This approach ensures that we listen and respond to individual patient and carer needs.

A Dementia Care Dashboard has been implemented which enables monitoring of our process meeting the national requirements of the early identification of people with dementia and possible cognitive impairment.

We regularly reach the national standard of 90% of identified patients being screened on admission to the hospital.

Central Manchester University Hospitals NHS
NHS Foundation Trust

Dementia Dashboard

FIND Question (National Requirements)

Definition for the numerator
Number of admissions of patients aged 75 years and over admitted as emergency, inpatients who have scored positively on the case finding question or who have a clinical diagnosis of delirium reported as having had a dementia diagnostic assessment including investigations.

Definition for the denominator
Number of patients aged 75 years and over admitted as emergency inpatients who have scored positively on the case finding question or who have a clinical diagnosis of delirium.

Month	Numerator	Denominator	Percentage
December 2015	321	363	88%
January 2016	345	392	88%
February 2016	321	348	92%
March 2016	326	354	92%
April 2016	326	360	90%
May 2016	304	347	87%
June 2016	325	353	92%
July 2016	332	375	88%
August 2016	293	330	90%
September 2016	281	312	90%
October 2016	327	375	87%
November 2016	311	343	90%
December 2016	328	362	90%

Patient / Carer Comments including Complaints

No comments left this month

No complaints received from the Clinical Effectiveness teams across all Divisions for the month of December.

Dementia Friends – January 2017 Monthly total

Trafford Site

Dementia: Involving Carers: December 2016 CCG Quality Framework KPIs

The patient experience tracker (PET) is a well-established questionnaire used within CMFT to capture "realtime" patient experience. Each clinical area provides the opportunity for patients and their carers to rate their experience on a regular basis. It is possible to isolate the responses number in December 18 responses from carers whose relative has a known diagnosis of dementia.
Displayed below in percentages the responses

Summary
The FIND question monitoring is at 90%.

There has been an increase in the use of the Patient Experience Tracker from 5 responses in July to 18 the month of August, 38 in

The Dashboard records the data gathered from the Patient Experience Trackers and displays any feedback from relatives and carers as well as recording the number of staff attending Dementia Friends Awareness Sessions.

Dementia care continues to be a high priority for the organisation. Through the Dementia Care Strategy we will continue to aim to provide the best possible person-centred care for patients living with dementia, their family and carers. The success of the delivery of the dementia care strategy will be measured by a change in dementia awareness across CMFT and its partners. Recognising that to deliver a clear care strategy to promote dementia awareness will need to develop and improve. The dementia care strategy will align with the CQUIN goals of continuous improvements.

- **Transition**

Making an effective transition from children's to adult health services is important for young people with chronic and long term health conditions. Building on the work previously undertaken by individual specialties, this year we have undertaken further work to improve the consistency of pathways across the Trust to support young people to make an effective transition. Commissioned by the Medical Director, this work has been underpinned by development of a Transition Strategy, which sets out the following objectives:

- Every young person who is able to participate in decision making will be involved in discussions and make informed decisions about their own care
- There will be a key accountable individual responsible for supporting the transfer of every young person from children's to adult health services
- Every young person moving/transferring across care settings will have a documented transition plan and a communication or 'health passport' to ensure relevant professionals have access to essential information about the young person
- Every young person moving/transferring across care settings will have training and advice to prepare them and their families for the transition and transfer to adult care, including consent, confidentiality and advocacy
- All services will be inclusive and responsive to the needs of young people and their families during transition and including when transferring to adult services
- Responsibility for funding will be agreed early in the process and clearly communicated to the young person and their family in order to minimise distress or worry
- All staff involved in transition of care will have training and support to enable them to care for young people and manage transition of care effectively
- The organisation will have up to date guidance and policy support for young person friendly transition services which will have measurable outcomes for monitoring
- The organisation will work closely with primary care colleagues, commissioners and general practitioners to ensure the Transition process is efficient.
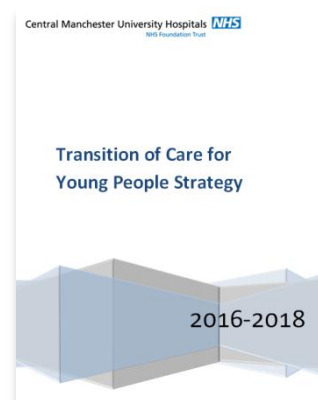
Our aim is to provide a consistent, safe and individualised, high quality transition service that enables young people and carers to move into adult services with minimal disruption to their care and a good patient and carer experience of the change.

A tool kit has also been developed to support clinical teams in adult and children's services to develop individual transition programmes and plans. Drawing on the overarching principles of Nice Pathway (2016): Nice Quality Standards and CMFT's Transition of Care for Young People Strategy, the toolkit will support clinical services to meet the Trust's aims and objectives in the transition and planned transfer of young people moving from children's to adult services.

The toolkit provides a clear transition and transfer pathway consisting of:
- when discussion on transition should commence and who this should include
- the steps involved in transition for the young person and carers and the clinical services
- a self-assessment matrix for the clinical services
- signposting to the supportive resources
- e-learning training
- support to create developmentally appropriate transition programmes and plans/health passports in partnership with young people and their carers, which can be linked to education and social care transition plans where appropriate

A training programme is being developed for consultants which will be rolled out to all relevant specialties.

Annual audits of the pathway will contribute to assurance that appropriate transition and transfer arrangements are in place within each clinical specialty and of the outcomes that are being achieved.

- **Urgent Care – Pathway Transformation**

Ambulatory Care

Ambulatory care is when patients suffering from certain conditions (such as cellulitis, mild chest pain and lower respiratory tract infection) are treated on the same day without being admitted into hospital. This allows for an improved patient experience with timely assessment by the senior medical team and the ability to discharge patients on the same day.

A key driver in managing the urgent care flow has been to establish a robust ambulatory care service for medicine. We started in April 2016 by changing the use of the Community Assessment Area on Ward 30 and transferring ambulatory care into the Observational Medicine Area adjacent to the Emergency Department, which was renamed Ambulatory Care Unit (ACU). Prospective data on acute medical admissions with a zero day length of stay, suggested that as many as 40% of patients could be treated on an ambulatory basis.

Although 'ambulatory care' has been in place in the Division for some time, constraints in physical environment and staff resources limited its scale and scope.

We now have evidence to suggest that the opening of the ACU in June 2016 has made a significant difference to patient flow over the last few months. Over a six month period 5,000 ambulatory patients were seen in ACU, on average 28 patients per day with an average length of stay of 5.20 hours. The efficient management of this cohort of patients

with ambulatory conditions is critical to supporting patient flow through all of our hospitals, ensuring that patients are seen by the right person, in the right place, at the right time and that people are not admitted to hospital when they do not need to be.

Troponin only Manchester Acute Coronary Syndromes (T-MACS) Pathway
We have successfully introduced a summarised guideline (pathway) for staff to follow, on how to treat patients suffering from chest pain; this work has been led by one of our Emergency Care Doctors, Dr. Rick Body. This pathway allows patients presenting to the Accident and Emergency Department with chest pain to be seen and assessed in a more timely manner. Patients can be identified with mild, moderate or high risk chest pain (via blood testing) enabling patients to be discharged earlier following assessment with appropriate treatment or referral to specialist services. The success of the pathway has recently been shared with colleagues in North Manchester General Hospital and University Hospitals of South Manchester. There is considerable interest in implementing the pathway with colleagues at both of these hospital sites.

Discharge to Assess
Discharge to assess (D2A) is about funding and supporting people to leave hospital, when it is safe and appropriate to do so and continuing their care and assessment outside of hospital. They can then be assessed for their longer-term needs in the right place.

As part of the preparation for winter and the additional pressures that this brings, Central Manchester, South Manchester and Trafford Hospitals were given approval by the commissioners to fund an extension of the current community Intermediate Care

Discharge to assess pathway (guideline) 2017

Assessment Team based in Central Manchester. This will support a pilot to be undertaken of the D2A model at the Manchester Royal Infirmary. This pilot will support the development of close working relationships across different professions with acute, community and adult social care services. The pilot consists of dedicated staff identifying patients on admission who can be discharged home earlier with support in place, rather than have to stay in hospital longer.

A steering group has been established with a project plan to ensure that this work is supported and links in with other projects taking place in the local area such as the Living Longer Living Better agenda. This is a citywide Integrated Care Strategy for Manchester which was established to set out the vision to transform community based health and care services.
The intention between now and 2020 is to transform Manchester's community based care system and it is hoped that this transformation will support people to live longer healthier lives by ensuring services are easily accessible within local communities and to provide

well-coordinated care that is centered on the individual and their specific health needs. The overall aim of this work is to manage more patients in the community rather than in hospital whenever appropriate. In Central Manchester, Integrated Health and Social Care Teams have been established in four neighbourhoods since June 2015 to support this work and to strengthen links between health and social care.

Collaborative working with North West Ambulance Service in the Emergency Department

The Trust has started a six month pilot scheme in the Emergency Department to consider how the department could work more closely with colleagues from the North West Ambulance Service. A nurse, paramedic and two support workers came together to create the Ambulance Liaison & Capacity Team.

The aim of the team is to look at reducing ambulance handover times in the Emergency Department which will mean that there is a shorter handover time from the ambulance team to the medical teams. This will also mean that the ambulance teams can quickly get back out into the community. Since this pilot started the department has shown a sustained improvement of 10.4% in the handover times. This reduction has led to improvements in patient experience as they are accessing more timely assessments and treatment from the medical and nursing teams in the Emergency Department.

- **Nursing and Midwifery Staffing**

The Trust has continued to focus on the recruitment and retention of nursing and midwifery staff to support the safe and effective delivery of care. Against the national background of a nursing and workforce supply challenge the Trust has made a significant reduction in the number of vacant posts over the last 12 months.

The Trust has continued to attract high quality applicants through the 'Proud to Care' campaign which has ensured that we have access to prospective applicants in social media at local and national recruitment events. Partnership with local Higher Education Institutes has enabled the Trust to proactively attract nursing and midwifery students.

Our successes:
- Reduction in vacancies through effective attraction strategy
- EU and International recruitment – 48 staff commenced in post since April 2016, with over 100 commenced in last 18 months
- Reduction in turnover
- Effective management/use of staff with E Roster
- Creation of new roles/training/ways of working
- Assistant Scrub Practitioners (Band 3)
- Pharmacy Technicians administering medications
- 68 Nursing Associates commenced training January 2017
- Registered nurse to Registered child nurse programme
- Bespoke Anaesthetic Programme
- Rotation programmes
- Implementation of 12.5 hours shift pattern commenced.

As a result of the reduced number of vacancies since July 2016, there has been a 45% increase in clinical areas achieving their planned staffing requirements.

The Trust remains committed to attracting and retaining the appropriate numbers of registered nurses and midwives to meet the care needs of our patients and families.

- **Informatics Update**

2016/17 has been an exciting year for Informatics. A comprehensive review of the departments work programmes has been undertaken. In February 2017 the Information Strategy Review 2017-2021 was carried out and a plan taking the Trust forward was approved.

The review has seven themes:
1. Maximising the value delivered by Informatics to the organisation
2. Building a modern electronic patient record service
3. Developing an effective patient management service
4. Supporting Specialist Clinical Services
5. An information driven organisation
6. A modern productive workforce
7. Informatics fit for the future

Electronic Patient Records (EPR)
A core part of the Informatics Programme of work for this year has been to continue to develop Electronic Patient Records to support patient care.

This year the team have deployed a new Community Information System called EMIS (Internet based information system for community care which allows community teams to easily access, record and share patient information electronically) which went live in June 2016. The system has been rolled out to all teams and work is now being planned on taking the system towards an EPR and the community services using less paper.

Work has continued on the Chameleon development, our in house Electronic Patient Record system with richer clinical content to support Clinicians. A new development plan is now in place to take the system from operating just as a portal to an interactive tool to support decision making.

Chameleon uses information from a number of other clinical systems and over the past year a clinical systems refresh programme has been undertaken so that the latest version of the products are available.

Ensuring that our data is accurate and reflects the care we give has been a theme throughout this work, tidying up the information in the system and how we identify our patients.

The Trust has a geographical spread of sites where patients are treated and it is important that care given at different sites is available for clinicians to see.
To facilitate this, the Informatics department have this year consolidated our Master Patient Index to ensure that patients are identified by one number across all sites and hospitals. This will improve transferring patients between Trafford Hospitals and Manchester Royal Infirmary.

Bespoke Software

The Software Innovation Team have delivered three pieces of bespoke software for the Trust:

- **Job Planning -** a tool to help monitor the job plans of the consultants and senior doctors
- **Maternity Triage-** a tool to help the midwives record the referral into Saint Mary's, capturing the relevant details.
- **MOLARS-** a tool to facilitate electronic referrals between General Dentist Practitioners and the University Dental Hospital.

Critical Care Information System

Our new Critical Care Information System went live in Paediatrics Intensive Care Unit in 2016. There is a plan to implement the system into Adult and Neonatal Intensive Care Units. The system has enabled the units to go 'paper light' removing the use of paper at the bedside.

End User Devices

As the Informatics Team develop more tools for staff to use, it is essential that the equipment and IT infrastructure is available to support them. Significant further investment has been made in the infrastructure and our PCs have been updated to Windows 7.

Using our Data

Over the years, the Trust has collated data which we are now using to help plan patient's care, for example we can now work through how many patients each day go through our Emergency Departments, how many get admitted, what time of day they arrive and much more. This helps us to manage how patients move between Emergency Departments and the wards. We now have the ability to monitor the vital signs (for example blood pressure and temperature) of our patients using a system called Patientrack. This system alerts the clinicians when a patient's observations change enabling us to respond quickly if treatment is needed.

Our clinical and support staff have access to a vast amount of material through our Central Intelligence site which enables them to access data on quality of care, performance and other crucial information at the touch of a button.

Going Digital

The world around us is using technology more each day, shopping, booking holidays and catching the train. The NHS is also embracing this new exciting technology available to us and the Informatics Department have a plan over the coming year to develop new systems to support clinical care.

Divisional Reports

Our Trust has nine clinical Divisions. Each of the divisions has a unique identity and provides a specialist service but they all share one aim: **to be the best at what they do**.

Clinical and Scientific Services	Surgery	Medicine and Community Services
Saint Mary's Hospital	University of Manchester Dental Hospital	Trafford Hospitals
Specialist Medical Services	Royal Manchester Children's Hospital	Manchester Royal Eye Hospital
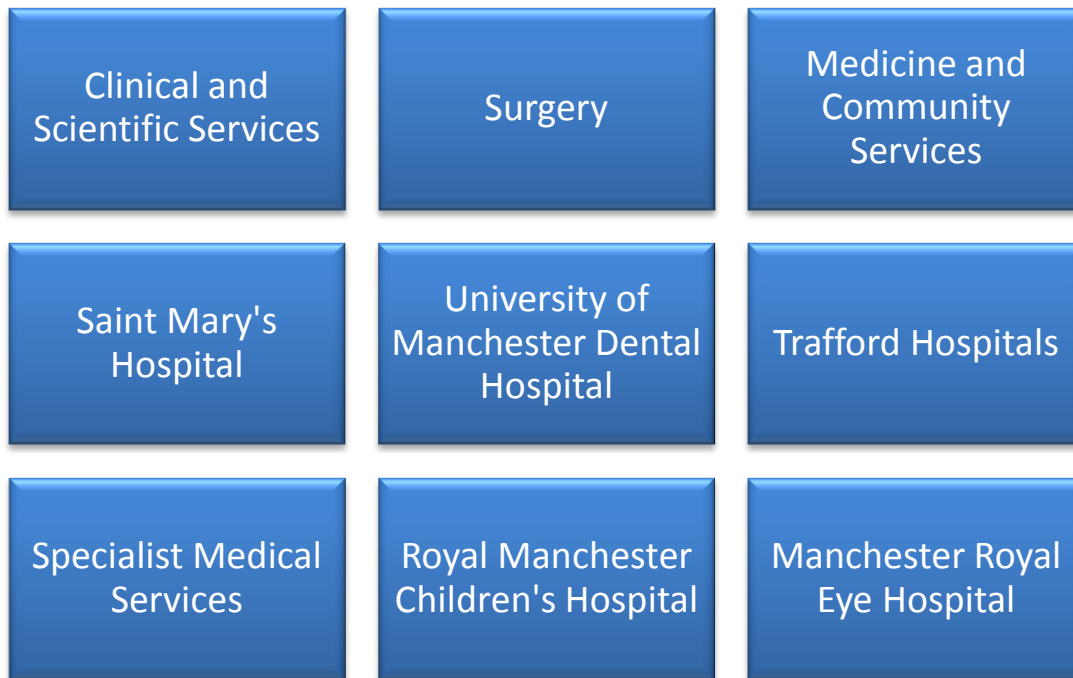
What follows is a summary of just some of the on-going work within the nine divisions.

Medicine and Community Services

Outcomes of 2016/17 3 Top Priorities

- The Division continues to focus on the recruitment and retention of staff and has also continued to progress the recruitment of nursing and medical staff, including from overseas. Recruitment and retention remains a challenge and the Division will continue to consider innovative ways in which to attract staff across nursing roles and also to provide opportunities for development for staff in order to support retention.

  Through 2016/17 the Division worked to reduce the number of patients who were placed on wards outside of the Division (outlying areas) due to capacity issues, with the intention of moving them back to the base wards. To support this, Ward 30 re-located to Ward 5 in order to provide 11 additional bed spaces for medically fit patients who are awaiting discharge. This supports patients from outlying areas to return to the bed base within the Division as the majority of patients awaiting discharge are now on one ward. Plans are also continuing for the opening of a new ward called Manchester Ward which will provide support to those patients who are ready to be discharged from the hospital, but may be waiting for care packages to be in place, where the normally live. On opening, Manchester Ward will have a model

of care that will establish a homely environment to support the adjustment and transition from hospital to home.

- Infection control remained a priority for the Division with CPE continuing to present a challenge with an increase in acquisitions. A medical lead for Infection Control has been identified and they work closely with the nursing teams to support improvements in practice. Environmental factors relating to C-Diff (another type of infection) were identified and wards have been deep cleaned in order to reduce the risk of contamination. Action plans continue to be in place and completed, focusing on environmental factors as well as raising awareness of good practice and the standards to achieve. Increased monitoring will continue across the Division as well as providing staff with additional educational support.

Improvements from clinical audit, incidents, complaints and claims
- Issues were identified on review of complaints and incidents relating to pain management at end of life and inadequate access to T34 syringe drivers due to a lack of availability. Therefore a central access and storage point has been established which includes the signing in/out of equipment to ensure that T34's are available for patients, especially when they are required to support patients to be discharged.

- A Dementia Friendly Project has been introduced at Gorton Parks to focus on improving the therapy, nursing and overall support offered to patients with dementia. This has included activities such as a balloon reminiscence group, a baking group, Fruity Friday and a hat group, along with a Music Therapy Project which is supported by Manchester Camerata.

- Patient Liaison Officers have been employed in the Adult Emergency Department to improve communication for patients and their families whilst they are in the department. This has also been supported through the employment of the Ambulance Capacity Co-ordinator who works across the Trust and North West Ambulance Service.

Top 3 Risks
1. Patient safety continues to be a risk when demand within the Emergency Department outweighs the capacity available. Whilst this remains a risk for the Division, we are working on it with other Divisions in the hospital as the solutions will be shared across all specialties.

2. The Estates risk within community services has been updated to accurately reflect the concerns identified for each of the health centres where services are located. Work continues between the Trust and NHS Property Services, who manage the community properties that our staff are based in, to ensure that actions are put in place to improve both the safety and cleanliness of the buildings, as well as support staff to deliver safe patient care. This work is monitored at the Divisional Estates Strategy Board and escalation measures are in place within the Trust and NHS Property Services.

3. As seen in other Trusts nationally, we are also experiencing a challenge in the recruitment of doctors in care of the elderly. Within the Division the current level of

the care of the elderly workforce is below the requirements in line with the national benchmark. It is acknowledged that this could pose a risk to the service providing patient care in the safest way due to a reduced level of medical staff workforce.

This has impacted on the support that the geriatricians are able to provide to some of our services, as well as having the potential to cause delays in patients being transferred from hospital into other care settings. In order to reduce these risks, alternative options are being considered including the development of a physician associate for older people, and the potential to increase the agency rate for locum cover to make the posts more attractive to potential medical staff. Alternative appointments such as Nurse and AHP consultant staff are being explored to consider other ways to support the service.

Divisional Top 3 Priorities for 2017/18

1. The continued recovery of the financial sustainability and position for the Division, including the closing of the trading gap and turnaround initiatives. This will continue to build on the progress that has already been made in 2016/17.

2. Our community services will transform the way we deliver care, through working more closely with GPs, Social Care, local patients and carers across the neighbourhoods in Manchester. During 2017/18 we will work with these partners to support the development of a "local care organisation" which will help us to work as one team.

3. Development of the nursing and medical workforce will continue including nursing recruitment and retention. The remodeling plans for the medical workforce will be progressed, including the pilot of twilight shift patterns and staffing levels within the day in order to reduce the workload at night.

Royal Manchester Children's Hospital

Outcomes of 2016/17 3 Top Priorities

- **Infection Prevention and Control:** Business Case developed for purchase of Ultraviolet C (UVC) decontamination system following a successful pilot (significant decrease in all outbreaks of infection) in Haematology and Oncology.

- **Environment - making RMCH more friendly for children and young people.** Environmental upgrades to Ward 84 and Paediatric Emergency Department (see photo) completed - funded via Charities, extremely positive patient feedback. Storybook launched to obtain active feedback from pre-school patients, game in development for primary school age children (5-11 years).

- **Workforce** – Nursing: Successful Open Days held in 2016 with a net increase of 20 WTE staff over 12 months supporting opening of additional beds on Bone marrow transplant unit and Ward 85.

  Eight staff will complete Accelerated Children's Nursing Programme (conversion for staff with adult qualification) in June 2017. New roles developed: Thirteen staff commenced Nursing Associate (Foundation Degree) pathway in January 2017. Band

3 role developed in Theatres. Scoping feasibility of European recruitment (Italy).
Medical: recruitment at Consultant level from other Children's Hospitals.
At trainee level, end of rotation surveys implemented and Chief Resident Programme
extended.

Outcomes from the CQC Review Comprehensive Inspection and Response

- **End of Life Care:** Participation in CMFT wide work plan, via Children and Young People's Palliative and End of Life Care Group which has developed a work plan including identifying education needs, delivering education and signposting to other providers. Developing end of life care guidance and nursing care plans, developing and undertaking audits relating to palliative and end of life care, and reviewing (in conjunction with the national Children's Hospital Bereavement Group) the bereavement provision in the hospitals.

- **Transition:** Group established to oversee the development and implementation of an action plan in place (target date for completion, June 2017)

- **Safeguarding Flag in Paediatric Emergency Department** survey undertaken in response to concerns regarding lack of flagging system for Safeguarding issues; high level of assurance, but further evidence (of consideration that every child presenting may potentially have safeguarding issues) is required via records audit (to commence in Q4 2016/17). Work on CP-IS (Child Protection Information Sharing System) has been re-launched with Manchester LA and CMFT are aiming to implement from April 2017. This will be a live system, where staff in Urgent Care including PED can access information through Summary Care records that is connected with the LA MiCare system and will allow the practitioner to see if a child is on a child protection plan, is LAC or is on a pre-birth plan.

Improvements from clinical audit, incidents, complaints and claims

- **Audit:** Improved outcomes following introduction of regional guideline for the management of infants with hyperammonaemia. Significant reduction in the duration of hyperammonaemia, and time taken for patient to reach intensive care. Significant improvement in time taken to start definitive therapy of haemofiltration, and trend towards reduction in peak ammonia levels.

Paediatric Emergency Department after environmental improvements

- **Incidents:** the RMCH SITREP report has been reviewed so that any patient who needs critical care following CEPOD (emergency) surgery remains on the report until their procedure has been performed.

- **Complaints:** Grommet pathway developed and implemented, ensuring audiology review following surgery and providing clear guidance for staff responsible for booking appointments.

Top 3 risks

1. Staffing (having the right staff in the right place at the right time, to deliver the right care). Vacancies / gaps in staffing impact adversely on patient care and experience, achievement of hospital activity targets, and the ability to release staff to undertake training). National shortages in paediatric services for nursing and medical staff makes recruitment and retention more challenging.
2. Increased risk to provision of a safe and effective urgent care service if non-elective activity demand continues to rise, as well as the potential to compromise elective programmes and financial stability.
3. Delivery of a balanced budget

Divisional Top 3 Priorities for 2017/18

1. Workforce
2. Infection Prevention and Control
3. Environment.

University Dental Hospital of Manchester (UDHM)

Outcomes of 2016/17 3 Top Priorities

Purchase of equipment: The Division, with the support of the Trust Finance team, has completed a £10k per month spend on an equipment replacement programme. Reported incidents in relation to equipment shortages or issues have guided the prioritisation of purchases. Regular staff feedback reports are developed and circulated to all staff

- **Recruitment of clinical staff:** Active recruitment of staff to manage the demands of the service has resulted in reduced vacant posts and a resultant increase in activity and subsequent reduction waiting times in some specialities

- **Agreement of local tariffs for treatment:** The restorative tariff was re-negotiated and the Divisional income has improved as a result.

Ongoing Quality Improvement Initiatives

- Expansion of SALUD - the electronic patient record (EPR) system, continues and has been introduced in most specialties. Implementing the EPR means that medical records are always available for clinicians. Work is also underway to scan existing paper records into SALUD so that paper records can be destroyed, freeing up storage areas. Some specialties are now paper light, reducing expenditure on consumables.

- The appointment letters have been amended, in line with feedback received from the Patient Listening Event.

- Patient satisfaction with this new template will be reviewed in the coming months. Patients are now offered the option of emailing the hospital to re-arrange appointments and this system has been well utilised. The text messaging service for appointment reminders continues and incorporated with the information sent to patients is the cost of an outpatient visit. An audit of the Did Not Attend (DNA) rate is

planned for the coming year to ascertain the effect.

- The UDHM Matron has commenced a 'Did You Know' weekly newsletter for staff, to keep them abreast of any quality improvements. The team at UDHM who care for patients with special needs such as those with a learning disability have been provided with a sensory box, designed to keep patients calm and occupied during clinical assessment and treatment sessions. The special needs team at the UDHM have been recognised for their care and compassion for this group of patients via the Trust Proud of You Award process.

- Two additional Patient Experience Trackers have been purchased which will ensure that accurate feedback is obtained from all departments, driving forward focused changes to services. Evening, weekend and telephone clinics have commenced to improve patient access. Upgrades to the patient toilet facilities on the ground floor are underway.

Improvements from clinical audit, incidents, complaints and claims
- Correct site treatment – Whilst rare, there have been incidents of wrong site local anaesthetic infiltration and these incidents are now being recorded on the Divisional clinical effectiveness dashboard separately from the Wrong Tooth Extraction/Never Event information. The Division also ran a 'Stop Before You Block' campaign which highlighted the need to check information before initiating any treatment.

- Following the collapse of a dental treatment chair, a full review of the dental chairs, weight limits and accessibility has been undertaken. Guidance has been sought from the Equality Diversity and Inclusion Team and development of information and advice for both staff and patients has been provided. There is provision for bariatric patients within the community setting and the feasibility of providing a bariatric treatment area in the UDHM is being explored.

- UDHM has implemented the 'Wisdom Tooth' initiative to highlight lessons learnt and support key patient safety work streams. Examples of its use include, interactive training on the initiative 'Speak Out Safely' and raising concerns, excellence, hand hygiene, incident reporting and principles of safeguarding adults and children. Learning from complaints and incidents are integral parts of the Divisional Nursing Professional Forum, Clinical Effectiveness and Quality Forums, where patient stories are used to open meetings.

Top 3 risks
1. **Activity and income** particularly access to Paediatric General Anaesthetic lists, is causing long waiting times for patients

2. **Environment.** The age of the UDHM building will continue to provide issues for any environmental improvements, particularly in respect to asbestos management

3. **IT Network resilience** is not robust and as the UDHM is moving to a fully electronic patient record, loss of connectivity could have adverse effects on patient treatment and experience.

Management of the above risks will ensure patient safety and is maintained as this continues to be the top objective for UDHM. Incidents, complaints and claims are continuously monitored and managed by the Divisional Clinical Effectiveness Board and themes and learning shared widely amongst teams.

Divisional Top 3 Priorities for 2017/18

1. **Activity and Income -** access to adequate paediatric theatre lists to ensure waiting times are kept within acceptable limits. UDHM has undergone a number of significant and wide-ranging improvements in recent years, to introduce digital technologies throughout the hospital and dental school. The next step of the Digital First project involves upgrading the clinical and dental laboratory systems. Initial scoping of available systems is now underway. A full review of the nursing establishment to ensure that adequate support is available to patients to sustain the increased activity as a result of additional clinical appointments.

2. **Environment -** UDHM will continue to improve patient and staff areas within the confines of the budget; this will include patient toilets and lift. The Division is to look at long term plans for a sustainable and modern hospital facility.

3. **Patient Experience and Staff Experience -** utilise the 'What Matters to Me' programme to improve patient and staff experience by incorporating this work into the appraisal, accreditation and improvement programmes. Update of the UDHM website to provide up to date and relevant information for staff and patients. To launch an administration and clerical career framework to recognise this staff group's profession, support rising stars and improve engagement. This will commence with an A&C Professional Development Day.

   Trials of My On Line Advice and Referral Service (MOLARS) are to commence. This system offers General Dental Practitioners a simple and effective system to enable them to obtain clinical advice from, and refer patients to, consultants in the Dental Hospital.

Manchester Royal Eye Hospital (MREH)

Outcomes of 2016/17 3 Top Priorities
- **Outpatient Improvement Programme**
The Macular Treatment Centre has successfully piloted and fully introduced a new pathway mapping system, the Manchester Attendance Pathway (MAP). This initiative won the Bayer Ophthalmology Honours Award for Innovation in 2016.

The MAP allows staff to see where patients are in the treatment process and enables them to direct resources to any 'bottlenecks' so that clinics run efficiently, reducing waiting times.

- **Theatre Improvement Programme**

The introduction of a Surgical Admissions Lounge (SAL) on Ward 55 was awarded the 2016 Transform Together winners prize. We have also introduced the concept of a 'Golden Patient'. This ensures that staff are able to identify and prepare the patient who is first on the theatre list and escort them, by specifically appointed Link Workers, to a holding area in theatre, ready for the list to start on time. Efficient use of theatre time reduces waiting lists and improves patient experience.

- **Expansion of the Trust Accreditation Programme to Theatres and Outpatient Areas**

As part of the Trust's Improving Quality Programme, the outpatient and theatre areas have now been included within the accreditation process. Part of this process is to assess departments' ability to respond to patient and staff feedback and improvements made from the experiences of both. MREH Theatre was the first theatre environment within the Trust to be accredited and was awarded Silver. The MREH Outpatient team were instrumental in developing the accreditation process for outpatient settings, which is closely linked to the Trust 12 Out Patient standards and was the pilot site for the first outpatient accreditation within the Trust. The MREH Day Case Unit was awarded Gold again and has been consistently Gold since 2013.

- **Divisional Quality Review 2016**

The Trust initiated a slightly different Quality Review process during 2016 and the MREH was pleased to be chosen to take part in the leadership review. The review concentrated on the leadership conditions that were required for a high performing hospital/division. The MREH was assessed using the 7'S model: shared values, strategy, structure, systems, style, staff and skills. There was a review of data prior to the 3 day visit by a team of Trust staff, which included operational plans, minutes from key meetings, performance dashboards, pulse check results and other key documents. During the visit approximately 75 staff were interviewed via one to one contact and focus groups, on both on and off site areas.

The review team found that the structures and systems in place were robust and staff were aware of these. Risks and incidents were reviewed regularly and there was learning as a result. They also noted the pride and positivity of the leadership team within the MREH and the motivated staff who were clearly involved in the improvement and transformation initiatives in all areas.

Recommendations from the Quality Review
- The Division should continue to review the structure, staff and skills; particularly in relation to the administration and clerical staff.
- The Division should look at options to develop a Patient Contact Centre where all administration staff are together and would provide an appointment booking service and handle telephone enquiries.
- A health records summit should take place supported by key individuals from Health Records, IM&T and the Transformation team.
- As MREH becomes a lead provider of more off site services building resilience into the existing team to enable them to become externally facing and able to support all groups of staff will be important.

- Non-Ophthalmology patients from the Manchester Royal Infirmary have a significant impact on the clinical team on Ward 55 which affects morale.

Measures in place and plans to achieve this
- The Division has already established a dedicated administration and clerical group, amended the Audit and Clinical Effectiveness day format and is currently working on a career progression module to address this issue.
- The Division has assigned specific telephone numbers for individual specialist clinics which allows patients to contact the most appropriate department. Further work to streamline processes and resilience into the service will be explored in the coming months.
- As part of the Division's Out-Patient Improvement Group, work has already started to ensure that every health record file within MREH is tracked to its correct location. There will be a 'Ground Zero Day' when all notes will either be tracked to the required department or returned to an amnesty cage and returned to storage.
- The management team will continue to explore opportunities for expansion (see priorities for 2017/18 below).
- Consideration to the reconfiguring of beds and cases suitable for day case procedures are being explored.

Improvements from clinical audit, incidents, complaints and claims
MREH has implemented the 'Learning Lens' initiative to highlight lessons learnt and support key patient safety work streams. Examples of its use include, interactive training on the initiative 'Speak Out Safely' and raising concerns, excellence, hand hygiene, incident reporting and principles of safeguarding adults and children. Learning from complaints and incidents are integral parts of the Divisional Nursing Professional Forum, Clinical Effectiveness and Patient and Carers Experience Groups. At these meetings patient stories are shared at the start to ensure learning from excellence or experience takes place at every one.

To help build a culture of empathy and respect, 13 staff have undertaken training and been awarded City and Guilds qualifications in Customer Care. The Values and Behaviours training continues to be well attended and is part of the Divisional induction programme. Patient shadowing and clinic simulation events have provided a valuable source of feedback to staff and are to continue as part of the Out Patient Improvement Group.

An initiative to ensure that all patients who have a mobile phone have their details recorded was implemented to ensure that patients were able to receive text message reminders or re-arranged appointments. In order to reduce the length of time patients are waiting for prescriptions at the Trust Lloyds Pharmacy, a new form is being developed to allow patients to have their prescriptions dispensed at a local pharmacy.

Patient information videos that will be accessible via the MREH website are being developed, along with electronic patient information leaflets.

A Did Not Attend stamp has been introduced to help track patients who do not arrive for their appointments. This will help reduce the number of patients who are lost to follow up.

Top 3 Risks
Patient safety continues to be the top objective for MREH. Incidents, complaints and claims

are continuously monitored and managed by the Divisional Clinical Effectiveness Board and themes and learning shared widely amongst teams.

- **Unavailability of medical records** continues to present clinicians with difficulties when treating patients.
- **Patients who do not receive appointments** due to capacity issues, medical record availability and completion of electronic outcome/listing forms.
- **Physical space and environment issues** present problems particularly in Clinics G and H

Divisional Top 3 Priorities for 2017/18
1. Greater Manchester Ophthalmology Provider Forum

The Manchester Royal Eye Hospital are working with other providers of Ophthalmology services to ensure that access to high standards of care is achieved across all of Greater Manchester. Expansion to off-site areas will improve local access for patients.

2. Continue to deliver Outpatient Improvement programme (OIP)

Further work to develop a patient facing map that will roll out from Macular Treatment Centre to other MREH clinics. This will ensure patients are kept informed of their place in the clinic and estimated waiting time, an issue often the subject of PALS and formal complaints.

We will conclude 'back-to-basics' work on health records ensuring complete medical records are tracked. This will pave the way for the future: barcode scanning and the development of an electronic outcome and listing process. Included in this OIP programme are adjustments to clinic space and environment.

3. Patient Experience and Staff Experience
Utilise the 'What Matters to Me' programme to improve patient and staff experience by incorporating this work into the appraisal, accreditation and improvement programmes. Update the MREH website providing up to date and relevant information for staff and patients. Launch an administration and clerical career framework to recognise this staff group's profession, support rising stars and improve engagement.

Division of Surgery

Divisional Top 3 Priorities for 2017/18

- **Service Developments**

We joined Vascular colleagues at the Bolton Royal Hospital Trust to provide a single vascular service covering Manchester Royal Infirmary and Bolton Royal Hospital which

would provide better access for our patients in both locations. The integration of the two services was completed to programme and without any impact at either location.
We have also set up extra Renal Transplant theatre sessions at weekends to support the increased demands of the Renal Transplant Programme.

In addition, the Division remains committed to supporting the Healthier Together Programme. In Manchester, there are many excellent hospitals, community facilities, primary and social care services which treat and look after millions of people each year. But, despite this, Manchester has some of the worst health outcomes in the North-West region. This cannot continue, and there is a requirement for service provision to change.

Up until now, different parts of the NHS, local government and other public sector organisations have tended to deliver services separately to the same patients. For the system to be effective today, we need to join these services up, remove duplication, and coordinate care in partnership with individuals, their families and their carers. It will not only bring better care for the patient, but also give better value for money.

As the Healthier Together Project develops, we recognise the importance of supporting the process and the contributing discussions by our managers and clinical staff, but there are concerns that the time and effort needed to support this large programme will put extra pressure on our busy staff.

- **Creating Capacity**

There have been a number of initiatives across the Division to reduce the overall patient length of stay. We now take a more joined up approach to ensure that discharges are completed without delay through weekly nurse-led meetings, in conjunction with colleagues from Social Services, Therapy Services, patients and their families. The ERAS+ Programme has also been reinvigorated and extended. This programme provides an enhanced recovery approach to patient care and an improved patient experience to ensure earlier discharge. By working closely with our patients before their admission and during their stay, patients know exactly what to expect when they come into hospital as each stage of their treatment is pre-planned and communicated to them.

- **Recruitment and Retention**

There is a national shortage of medical and nursing staff; we recognise the importance of focusing on the recruitment and retention of nursing and medical staff. For example, there has been a particular challenge in Surgery in the recruitment of anaesthetic staff within theatres. The Department has released eight members of the theatre team to attend an anaesthetic course that will equip them to fulfill this role. This development will also support the retention of the team in the future given that Theatres will increase in number as part of the Healthier Together Programme.

Success in 2016/17
- Surgery worked on the reduction of hospital acquired infections and improved processes for the management and control of infection. The Division opened a ward in which we could treat patients who had acquired an infection. As they were nursed in one place, this reduced the spread of infection in other wards. This plan was so successful that it was possible to close this ward and manage the patients in side rooms on our general surgical wards.
- During the year, the Division opened extra beds to accommodate new services and

we now have specialty specific wards such as the Vascular Ward and Head and Neck ward which are fully established.

As a result, we are able to develop expertise in meeting the needs of these patients in one location. We have also opened extra Hepato-Pancreato-Biliary (HPB) Beds to treat diseases of the liver, biliary system and pancreas on the Elective Treatment Centre to accommodate this expanding service.

- The Division implemented a Structured Ward Round initiative within Urology led by a Consultant which has led to significant improvements in the quality of patient care as well as a safer approach to care. As the ward round is led by a senior clinician for the week, this provides leadership to the team and better continuity of care for our patients. Also, each patient is reviewed systematically on the Ward Round using safer standards which include a clear plan of care, nutritional assessment and a daily check of drug charts. This is in the process of being rolled out to other specialties.

Outcomes from the Divisional Quality Review 2017

Following our 2017 Divisional Quality Review, it was felt that Surgery could do more to engage with our patients. For example, when we plan and introduce new services, we recognise that we should take into account the views, preferences and needs of patients, their families and carers. What we plan to do is review membership of key meetings that are routinely held such as the Divisional Quality Group to identify opportunities for including patient/family representatives and links will be established with existing Patient Forums, such as the Cancer Forum to ensure that issues raised in these groups by patients are communicated to Senior Management.

It was also felt that Senior Managers in Surgery should have a more visible presence in our wards and departments to listen to our staff and patients. We are going to hold regular engagement sessions with staff and "Surgery in the Spotlight", our regular Newsletter, will be used to update staff on key developments as well as seeking their views. The Divisional Director, Clinical Head of Division and Head of Nursing will spend more time in wards and departments to improve communication with patients and staff and senior leaders will be asked to put aside time for staff to 'drop in' if they have any questions or concerns.

Improvements from clinical audit, incidents, complaints and claims

The Division of Surgery recognises the importance of responding to complaints quickly, learning from our mistakes and putting plans in place that will stop similar events in the future. We should reply to all complaints within 41 days and ideally within 25 days. The Complaints Team have worked hard to reduce the number of complaints responses that have gone past the 41 day target from nearly twenty to six and we will continue to work hard to achieve a zero target. Surgery will now focus on the completion of complaints responses within 25 days.

In December 2016, 50% of complaints were responded to within 25 days, the best performance in some considerable time. The Division has also completed a review of its processes for managing complaints more effectively and the recommendations of this review will be implemented in 2017/18.

Patient track is the Trust electronic system which enables staff to record patient observations which triggers escalation to both medical and nursing staff should a patient begin to deteriorate so that speedy review can take place. The Division has implemented a

number of changes so that all staff on duty have the correct training and competencies to ensure they can gain access to a Patient track log in.

Induction now takes place for all Nursing Assistants, Registered Nurses and agency staff to ensure that they understand the Early Warning Score of deterioration and the patient observation policy. All staff are now aware that every set of observations must be inputted on Patient track as soon as they are performed and that observations should not be recorded on paper.

Complaints
- **Renal Surgery**

A complaint was received concerning the general care received by a patient who had been transferred from Bolton Royal Hospital. There were concerns raised that the patient remained "Nil by Mouth" when she didn't go to theatre and that her oxygen therapy was not managed effectively. In addition, the patient was registered blind and her family were concerned that the ward staff did not provide sufficient support for this disability.

As a result of this complaint, medical and nursing staff now ensure that oxygen is prescribed appropriately if needed for any patient and it should not be taken away from patients without any means of them retrieving it themselves. It is also recognised that, if patients do not go to theatre for whatever reason, ward staff promptly take down the "Nil by Mouth" sign from over their bed and offer nutritional support. It is also important that any disability is recorded and highlighted in documentation and communicated at handover in order that staff can ensure the provision of appropriate support.

- **Head and Neck Surgery**

A patient was sent to the MRI from Salford Royal Hospital for surgery which was taking place the following day. The Patient was unclear about the transfer arrangements causing distress after his surgery at Salford. Also, his admission to the MRI was delayed and communication during this time was poor. The patient also complained that the meal after admission was cold and no alternatives were offered.

Following investigation of this complaint, we have reviewed the transfer arrangements with Salford to ensure that patients understand the process. As part of this process, the administration team now review the letters sent to patients to clarify the arrangements prior to surgery. In addition, snack boxes are now routinely offered to patients as an alternative to the hot meal available and if patients are kept waiting for a bed, nursing teams ensure that they are kept updated, are looked after and have a point of contact if there are any queries.

Top 3 Risks

1. **Finance** - The Division has experienced specific financial challenges in 2016/17. It is important to ensure that we receive the income due for the treatment we provide. Surgery also needs to identify and implement solutions to ensure that our services are delivered within its budget whilst also ensuring that they are safe for our patients and of high quality.

2. **Management capacity to support Healthier Together and the Single Hospital Service** – The Division initially identified a lack of managerial and clinical capacity to contribute to the Healthier Together and Single Hospital Service initiatives.

   Funding to provide temporary support for the implementation of the projects has been secured to reduce this risk and a small team is now in place to allow us to take this forward. As the initiatives progress additional management support may be required to ensure effective implementation, this will be reviewed regularly as part of the project monitoring process and action taken as required.

3. **Record Keeping** - Regular audits demonstrate that the standard of record keeping amongst nurses and clinicians is poor. Sometimes it is difficult to interpret hand writing; entries in notes are not dated and signed so we are not able to identify who made the entry. It is important that records of patient care are clear and legible so that patient safety is maintained.

   Divisional Top 3 Priorities for 2017/18
1. **Service expansion** – Whilst the Bolton Vascular Service transfer has been completed the focus now is on expanding the Renal Transplant Service, supporting the Single Hospital Service and Healthier Together Programmes. Surgery will need to put in place clinical and managerial support, effective Information Technology and information systems so that decisions can be made which are based on the expertise and experience of our staff and accurate accessible information.

2. **Creating Capacity** – Whilst there has been a reduction in overall patient Length of Stay, supported by the Enhanced Recovery Programme (referred to earlier), Consultant of the week initiative and the completion of single specialty wards such as the Vascular Unit. All of which have resulted in a major impact of the Division achieving its 12-month reduction in Length of Stay within the first 7 months of the 2016/17, it is recognised that there will be a requirement to continue exploring additional options to create more capacity.

3. **Focus on the recruitment and retention of nursing and medical staff** against the backdrop of national shortages. Significant head way has been made to reduce the number of vacancies and turnover in the division, particularly in nursing at Band 5 level. Although in common with the national picture, this remains an issue and therefore a priority for us to focus on.

Saint Mary's Division

Outcomes of 2016/17 3 Top Priorities
To complete and implement Local safety standards for interventional procedures (LocSSIPs) across the division and look at developing and implementing a model for improvement and engagement using human factors to help support prevention of never events.

A divisional Standard Operating Procedure for LocSSIPs (procedure form) in a peri-operative setting is in place. There is a LocSSIP procedure form in use in Gynaecology Outpatients for all interventional procedures undertaken there. A swab sticker is also completed which is added to the patient record once the procedure is completed. On

Delivery Unit, the recording of information for procedures is held on K2 (maternity intrapartum system) so there is no requirement for a separate document. Monthly Surgical Safety Checklist (SSCL) audits both in and outside of theatre settings have shown improved compliance with policy.

NICU have a procedure checklist in place which also ensures that all safety standards are in place when a procedure is undertaken on a baby. This has been audited and there is a plan in place to ensure that staff continue to comply with the standards.

Resources have been allocated from the Maternity Safety Training Fund, distributed through Health Education England to support a group of staff to undertake Human Factors in Healthcare trainer's course

Service development - continue to improve the quality of our services and effectively encourage stakeholder participation.

The **'What Matters to Me'** patient engagement programme was rolled out in April 2016 to increase the level of patient feedback to inform practice and service

improvement. Over 300 patients have responded providing a very strong narrative which is shared with staff.

'Tell us today'

Local resolutions are undertaken as part of complaints management and as issues arise during the ward rounds; these are mostly for reassurance and additional information provision. The Wards are using a variety of approaches to maximise patient engagement, linking the exercise with Quality Improvement work/Ward accreditation activity and Brilliant Basics.

Patient feedback already collected in the Division has been displayed in each department and on the Quality Bus.

The Friends and Family Test (FFT) This is national scheme enabling patients to tell us and other patients what they think about the care they receive-The requirement is to meet 40% response rate ; In-patient Response rate average is18.9%. The FFT in maternity services is unique because women are offered multiple FFT questions at defined touch-points: (before birth, shortly after birth and at the end of the maternity pathway).

Patient satisfaction surveys (perineal clinic; Rainbow clinic, SARC and Genomic medicine) have been undertaken and continued with the 'What Matters To Me' theme. A cancer listening event around patient care, choice and involvement in the decision making process was very successful.

Commit to driving safe and effective efficiencies throughout the Division
The Division has continued its drive to deliver more efficient services by focusing on:
- Reducing unnecessary use of blood products and wastage of them.
- The reminder messaging service to ensure patients attend appointments has been extended to cover more clinics in Obstetrics and Gynecology.
- Scheduling tools have been used to ensure all clinics appointment slots are fully utilised.
- Reducing spend on theatre equipment and laboratory consumables by getting better deals with suppliers.
- Improving the accuracy of our treatment records to ensure we get appropriately paid for the work performed.
- Filling staff vacancies with permanent staff to reduce excessive spend on agency staff.

Improvements from clinical audit, incidents, complaints and claims
- Continued improvements in VTE management in Gynaecology - Since the implementation of an education package for staff on the use of anti-embolism stocking and the patient track system (electronic system used to monitor patients clinical observations during their inpatient stay) being used for recording VTE assessments, audit has demonstrated that completion of accurate and timely VTE assessments is embedded, lowering the risks to patient safety.

- Use local resolution of complaints and "Tell us today" has improved our response to women's concerns, primarily around delays in induction of labour on Maternity and Outpatient waiting times in Gynaecology.

- The Advancing Quality Alliance (AQuA) is an NHS Health and Care quality Improvement Organisation who support Healthcare team with a range of programmes. A multidisciplinary team from Saint Mary's Hospital have undertaken a project with AQuA to support the reduction of surgical site infection following caesarean section. Focus has been on improvements in scrub technique in the operating theatre; correct use of chloroprep (skin cleansing agent); staff and patient education.

- Neonatal simulation training for resuscitation is now established as part of the mandatory training in NICU. These sessions are twice monthly to capture all medical and nursing staff. The excellent engagement with this will further improve the safety of babies on NICU.

Top 3 Risks
1. **Maternity Unit staffing and capacity** - There has been a further increase in the number of women booking at Saint Mary's Hospital. Recruitment of midwives and medical staff has been on target. Operational plans to improve capacity continue as a priority

2. **Salford Clinical Commissioning Group** - are no longer able to provide CMFT maternity services at the Salford Royal Foundation Trust site. A suitable site needs to be identified to provide antenatal services within Salford. There also needs to be a

suitable location to provide 7000 scan per year for women with sufficient Ultrasonograher support.

3. **Communication of Patient results in Gynaecology** - Some patients are incurring delays in their treatment or missed opportunities for treatment. Close monitoring of management processes in place

Divisional Top 3 Priorities for 2017/18
1. To deliver a Single Hospital Service for Obstetrics, Gynaecology and Newborn Intensive Care
2. To be awarded the tender to become a genomic Central Laboratory Hub for the North West
3. To deliver a single North West Neonatal Transport Service

Clinical and Scientific Services

Outcomes of 2016/17 3 Top Priorities
- **Improvements to Staff Recognition and Reward processes** - Staff survey data has been analysed in each Directorate and action plans developed. Staff wellbeing has been promoted through various initiatives such as massage, catering provided to celebrate achievements and excellence including the Trust 'Shine' day to recognise the staff contribution

to the Trust being rated as good by the CQC. There are also drop- in sessions to promote 'time to listen'. The Division recognises all compliments and reports of excellence and thanks each member of staff personally in writing. Newsletters recognise staff achievements and are shared across the Division.

- **Patient Experience Communication framework** –The Division has developed various work streams to help improve communication between our patients and staff. This is in order to improve and enhance patient experience.

The 'Theme of the month' is an initiative that has been developed to improve standards around values and behaviors. Themes are generated from complaints and incidents and patients. An example of this is "say what you mean and mean what you say" this theme was generated by a patient from a focus group. Themes are shared with staff across the Division.

Critical Care has commenced a carers support scheme for those caring for patients with learning disabilities, dementia, or any other illness. It encourages carers to be involved in the persons care in hospital, with support in terms of parking, accommodation, and access to the person.

Live music in Critical Care has demonstrated a beneficial effect in reducing patient's perceptions of pain and anxiety and a positive effect on staff wellbeing. There have been many positive comments from patients, visitors and staff.

Another initiative is a patient-focused education forum aimed at preparing patients for surgery and teaching them techniques to reduce postoperative breathing complications. As a result post-operative pneumonia has reduced by around 50% and hospital length of stay by 3 days. Patients scheduled for major surgery are invited to attend a 1 hour educational session and to visit the Critical Care units to see the environment in which they will be cared for, meet staff and ask questions.

Transformation is a priority within CSS. The "Reject Me Not" campaign, on how to reduce blood sample rejections, prevent our patients from additional blood tests and the additional financial costs in regards to staff time, products and treatment delays has been run from the Department of Laboratory Medicine which is part of the CSS Division. The campaign was awarded 1st prize by the Trust Transformation Team for its back to basics approach and design regarding blood sampling.

In 2016, staff from all the departments in CSS came together to showcase how our Division is joining the fight against sepsis.

- **Continue to develop the Radiology Day Unit services to enhance the patient experience -** The introduction of a Radiology Department led day unit to undertake specific surgical procedures that require ultrasound or CT guidance has led to savings of 167 inpatient beds in the last 11 months. This has enabled radiology nursing staff to acquire additional skills to manage these patients safely.

  The developing service has guaranteed that the patient is seen at the planned appointment time preventing cancellations. The patient does not have to wait for an in-patient bed to become available thereby using the team effectively whilst promoting a positive outcome of the procedure and patient experience.

Improvements from clinical audit, incidents, complaints and claims
The CSS Division continues to seek every opportunity for service improvement, and clinical audit is an efficient tool to demonstrate high standards of service being delivered but also to identify areas where improvement would be required. These are a few examples to showcase how clinical audit facilitated service improvement:

- **Reduction on DNA rates (non-attendance) at Anaesthetic antenatal clinic:** A simple, cost effective reminder text messaging service intervention helped to half non-attendance rates from 32% to 15% at Anaesthetic antenatal clinic. As a result of the audit we are looking at improving the content of our initial appointment letters

- **Improved compliance to Trust antibiotic prescribing guidelines:** The Pharmacy department leads an annual Trust wide audit on antibiotics prevalence. At Trust wide level, there has been a gradual improvement year on year since 2006. CSS Division significantly contributed to this improvement demonstrating full compliance on all standards assessed.

 In CSS we also strive to improve the quality of our service by the lessons learnt from incident and complaints. Examples include:

- **Communication -** a Radiology complaint identified that for short notice or

cancellation appointments or where patients have been referred from other hospitals, information given pre-procedure was variable and not always of a high standard.

As a result of this complaint, when booking short notice and cancellation appointments, patients are given the same information that they would be provided with in an information leaflet and are given the opportunity to ask any questions. Staff are also to clarify what patients have been told about a procedure, if they have been referred from another hospital or Trust to ensure the information they have already been given does not conflict with the CMFT processes.

- **Procedure Change -** an error in the Laboratory meant that the wrong patient's details were attached to a blood sample (at the label printing stage). As a direct result of this complaint, a new laboratory procedure was put into place requiring staff to print only one label at a time and attach it to the sample immediately before printing the next label and attaching it to the next sample.

Top 3 Risks
1. Radiology reporting timescales and MR capacity- including outpatients
2. Mortuary capacity
3. MEAM medical device maintenance schedule and sustainability of equipment (defibrillators)

Divisional Top 3 Priorities for 2017/18
1. **Outpatient standards -** continued work on outpatient standards including reporting timescales for tests and Did Not Attend (DNA) reduction to optimise patient satisfaction and increase productivity/income, whilst improving outpatient clinic recording of outcomes for all activity. This includes reviewing how letters are sent out to improve efficiency, evidenced by audits/action plan/panel presentation.

2. **End of Life Care and Mortuary Capacity** - The End of Life Care team are working to develop a bespoke care plan for use in Critical Care by extending the Trust care plan to incorporate withdrawal of treatment, monitoring and the administration of IV medications. There are also plans to develop a patient leaflet to prepare and support families when care of their loved one may change from active to palliative. Staff have access to information regarding various religious and cultural needs of patients and their families during end of life care and following death.
Mortuary capacity is also a key priority within CSS to be addressed. There are on-going work streams to upgrade and expand current facilities.

3. **Improvement in Equality, Diversity and Inclusion(ED&I) training and data collection across CSS Division –** a review of Divisional commitment to ED&I will be undertaken to improve standards, patient and staff experience, staff education and data collection. This will be evidenced in increased online training across the division, with quarterly reports and improved collection of staff and patient feedback to include all 9 key characteristics.

Division of Specialist Medical Services

The Division of Specialist Medical Services is proud to report that the Integrated Sexual Health

(previously Hathersage and Palatine Services) has shown continued commitment to the health and wellbeing of the Manchester population.

It was awarded the tender to provide sexual health services pan-Manchester. The service has rebranded itself as The Northern to reflect the partnership between CMFT, the University Hospital of South Manchester NHS Foundation Trust, Pennine Acute NHS Trust and Stockport NHS Foundation Trust, demonstrating commitment to providing the best treatment to the people of Manchester in the right place at the right time.

Engaging with **'What Matters to Me'** project is a core principle within the Division of Specialist Medical Services, it not only helps frontline staff to establish stronger relationships with patients, families and carers, but it also helps frontline staff to understand the patient, in the context of their own life and the things that are most important to them. Embedded within this project is the Trust's core values and behaviours framework, Pride, Respect, Empathy, Consideration, Compassion and Dignity.

The Division of Specialist Medical Services is proud to report on the outstanding ward accreditation results this year with nine 'Gold' accredited wards. The Trust's ward accreditation scheme has been shown to promote safer patient care by motivating staff and sharing best practice between ward areas.

We celebrate the success of the Acute Cardiac Centre (ACC) for receiving Gold for the third year running and CMFT@Tameside-Renal Dialysis Unit is Gold for the sixth year in succession.

All specialties with the Division of Specialist Medical Services are currently developing local safety standards for interventional procedure (LocSSIPs) in accordance with recently published national standards for all specialties that undertake invasive procedures.

These local standards promote best practice, bringing together national and local learning from the analysis of never events, serious incidents and near misses. Key to the success of this innovation is local reflectivity and consideration of how local teams prioritise actions and demonstrate compliance with the new national standards. Frontline clinicians from across all specialties have come together to discuss how collaboration is key to ensuring consistency in safety standards for invasive procedures within the Division of Specialist Medical Services.

This project is a significant undertaking not only in the implementation of the standards but also to embed the standards within cycles of continuous improvement to ensure that the innovation further drives quality within specialist areas such as Cardiology, Endoscopy and Renal services.

The Division is also proud to report that the Endoscopy department recently underwent a peer review from the Joint Advisory Group (JAG) that undertakes accreditation assessments of national endoscopy provision. The JAG team confirmed that the Trust
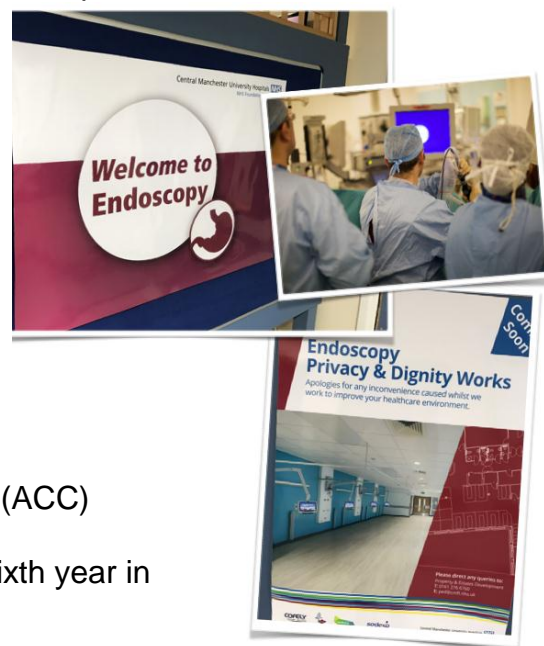
service provides a significant tertiary referral practice for complex endoscopy including bowel cancer screening.

The Endoscopy team was identified as being dedicated to providing optimal patient safety within the current environment. The Endoscopy Unit has planned significant reconfiguration which will address both the privacy & dignity, and decontamination issues as a key development. In addition, there are significant challenges in meeting the timeliness targets with on-going in-sourcing from external providers at weekends.

Significant improvement on the position of the cardiac magnetic resonance imaging waiting list, including a massive reduction in the number of patients waiting (c. 400 to 125 on the waiting list). The productivity of and total number of lists running has increased and the clinical risk of long waits reduced.

Good progress has been made on the cardiac catheter laboratory productivity project. A working group was established, weekly activity and action plan monitoring introduced, resulting in scheduling, productivity and quality improvements.
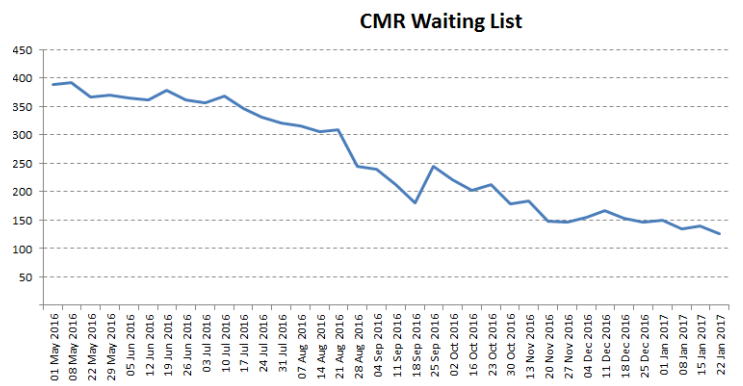
Opening of the Cardiac High Dependency Unit, predominantly to support the cardiac surgery programme, has been a significant success.

When fully operational and working well (coincided with the opening of cardiology day case facility), during the last three months of 2016 an average of 16 cardiac cases were completed each week. If this could have been replicated throughout 2016/17, or achieved during the upcoming 2017/18, then 832 cases would have been completed which would have achieved the cardiac surgery elective and non-elective activity plan.

The Division of Specialist Medical Services continues to make progress in reducing the number of nursing, nursing assistants and medical staff vacancies, through clear attraction and retention strategies in order to ensure safe staffing is provided in our specialist services. A medical workforce review has highlighted gaps in the service, in particular in the non-consultant grade workforce and opportunities such as appointing Advanced Nurse Practitioners and Physicians Associates have presented to support the medical workforce.

Top 3 risks
1. Meeting workforce needs of the Division.
2. Managing the diagnostic waiting times across the Division.
3. Providing timely, effective endoscopy services to patients at both Central and Trafford sites.

Divisional Top 3 Priorities for 2017/18
1. Service development to continue to improve delivery of safe, caring, effective, responsive, and well led endoscopy services.

2. Recruiting into nursing, nursing assistants and medical staff vacancies and encourage stakeholder participation and engagement
3. Commit to delivering effective, timely treatment and care to patients at risk of sepsis.

Trafford Division

Trafford Hospitals and Division have continued the journey that commenced when it became part of CMFT. It has been an interesting year, which has involved working across all the Divisions internally in the Trust to ensure good governance and continued delivery of high standards of care. A key objective during this time has been to retain the unique culture of the hospitals. The lessons that the teams have learnt will help them to positively contribute to the changes facing the Trust in the coming year.

Outcomes of 2016/17 3 Top Priorities

- Integration of services – It was identified that the integration and alignment of services across Manchester Royal Infirmary and Trafford would improve the effectiveness and efficiency of services. The intention for service integration was a comprehensive, collaborative, way of working that enables the best use of resources within teams across the health economies of Central Manchester and Trafford. Examples of such services are: - respiratory, gastroenterology, general surgery, haematology and ENT. This also enables accurate demand and capacity modeling and resource planning.

- A key driver for the Trafford Division was to be financially viable and make a contribution to the Trust. The Orthopaedic Directorate was significantly behind plan in the financial year 2015/16. In financial year 2016/17, the improvement programme showed a turnover increase by month 10 of £1.3m. The dermatology service had been aligned to the Trafford Division in April 2016. This was intended to be a niche service providing complex dermatology and cancer services. The service opened the 'choose and book service' to out of area referrals. This resulted in a £500k over plan achievement of this service.

- Further development towards becoming a Centre of Excellence for elderly care and rehabilitation is the implementation of Elder Care Quality Mark for hospital wards.

What is the Quality Mark?
The principle for the Quality Mark is that good quality care for older people on a hospital ward requires:

The hospital/senior management team:
- to identify the particular needs of older people in the acute hospital setting and the risks of admission
- to understand basic care requirements and acknowledge that high quality care for this group of patients is a pre-requisite for achieving a good standard of care overall
- to support, enable and equip ward managers to create a care environment that can meet the needs of frail older people

The ward manager and lead clinician:

- to lead motivate and enable the ward staff team to deliver high quality care to frail older people.

The behaviours and actions of the ward staff result in high quality care.

Patients and carers to perceive all of the above coming together into a positive experience of care.

The aim of this quality improvement programme is to support and encourage wards to provide a standard of care that can minimise or eliminate those risks arising from an ill-informed or under-equipped approach to the basic care needs of older people, which comprises up to two thirds of acute hospital admissions.

The Quality Mark process assumes that the multiple sources of data available at a hospital and ward level, combined with on-going feedback from patients, carers, staff and ward managers, produce an overall picture of the quality of care in which it is feasible to identify problems as they arise and to highlight instances of good practice.

We currently have two wards working to achieve this award. As part of the development of this process we have appointed the first two Nurse Consultants in line with the vision to have greater senior clinical Nursing leadership within Trafford Hospitals.

- Theatre improvements
  Here we look at how we use our theatres (theatre utilisation) focusing on four typical measures of performance that monitor 'planned' versus 'actual' performance. This analysis clearly highlights the key areas for improvement and creates a baseline for measuring improvement.
    o Planned hours of sessions used
    o Actual run time of sessions used as a percentage of planned hours
    o Patient hours as a percentage of used sessions
    o Utilisation of original schedule.

As part of the elective development programme there has been a drive to improve the theatre utilisation of the elective orthopaedic theatres at Trafford over the past year. The utilisation at the start of the year was 70%. Following the changes and improvements it is now 87%.

Another key area for the elective development plan was the reduction of theatre cancellations. The cancellation rate in 15/16 was 9.7% and following the actions taken it is now running at 5.7% in 2016/17.

3 main outcomes from the Divisional Quality Review
- Complaints raised regarding Emergency Surgical Trauma Unit (ESTU)
- Integrated working with other Divisions needs to continue as this, as discussed above, is a key driver to efficiency and improved service delivery
- Creation of Staff Wellbeing Champions to improve staff engagement and to keep staff well in work

Responses to address the outcomes

- The issues relating to the ESTU ward on the MRI site have become imperative in recent months. This has resulted in the key Divisions working closely together to address the issues and concerns identified.
There is an overarching improvement plan to ensure we deliver the high standards of care to patients that we expect.

- A key area within the improvements on ESTU was the orthopaedic consultant on call rota. This rota provides support to ESTU and medical cover to the trauma service 24 hours a day 7 days a week. This has been addressed and the new rota commenced in December 2016. Linked to the improved rota was the requirement to increase the junior doctor numbers on the out of hour's rota. This involved splitting the joint surgery and orthopaedic rota. This provides an additional Doctor to care for the patients out of hours.

- Quarterly newsletter called the 'Trafford Times' produced to keep staff, governors and visitors informed about events at Trafford, and celebrate achievements.

Improvements from clinical audit, incidents, complaints and claims

A complaint was received from a patient who had been listed for day surgery however; they were transferred to a ward for overnight stay as post-operative care instructions had been amended. The patient was placed in a side room (as there were no female beds available on the ward) observations taken and call bell given to hand as per normal procedure. Clinical observations were recorded for the patient on 3 occasions following their admission to the ward and a further 4 recorded observations the following day. However, on investigation of the complaint it was found that side rooms were not included on the template used for recording that patient focused rounding- had taken place.

Patient focused rounding is an intervention that targets basic nursing care and improves communication with patients therefore improving patient safety and experience. The complaint alerted staff to the possibility that patients located in side rooms may not be seen by nursing staff whilst undertaking the patient focused rounding and therefore their care needs may not be adequately met. As a result of the patient's experience, the patient focused rounding template was adapted to include the side rooms to ensure that this patient's experience was not repeated and side rooms would routinely be included in patient focused rounding.

Top 3 Risks

1. **Orthogeriatrician cover on the Emergency Surgical Trauma Unit (ESTU) for fragility fracture patients:** If this does not improve it will impact on patient care, delay discharges and will mean that the Trust is unable to achieve Best Practice Tariff for patients with fractured neck of femur. Best practice tariff is paid when the team providing care meet the national identified best practice care for that group of patients. The Division is actively recruiting for a Consultant Orthogeriatrician, but in the interim has recruited a medical registrar to work on ESTU to support the orthopaedic team and work with the orthogeriatrician based at Trafford Hospital.

2. **Attendance at the Urgent Care Centre after hours:** If a patient arrives at the Urgent Care Centre after 8pm when it is closed to admissions, there is a risk that patients will not be seen and therefore will not be admitted if they need to be.

3. **Medical and nursing staffing levels:**
   o Sickness levels impacting care delivery
   o Standards within Dermatology regarding lack of permanent consultants
   o Issues recruiting the dermatology consultants

Divisional Top 3 Priorities for 2017/18
1. Reduce sickness levels
2. Recruit permanent consultants within Dermatology
3. Improve standards for delivery of emergency orthopaedic surgery.
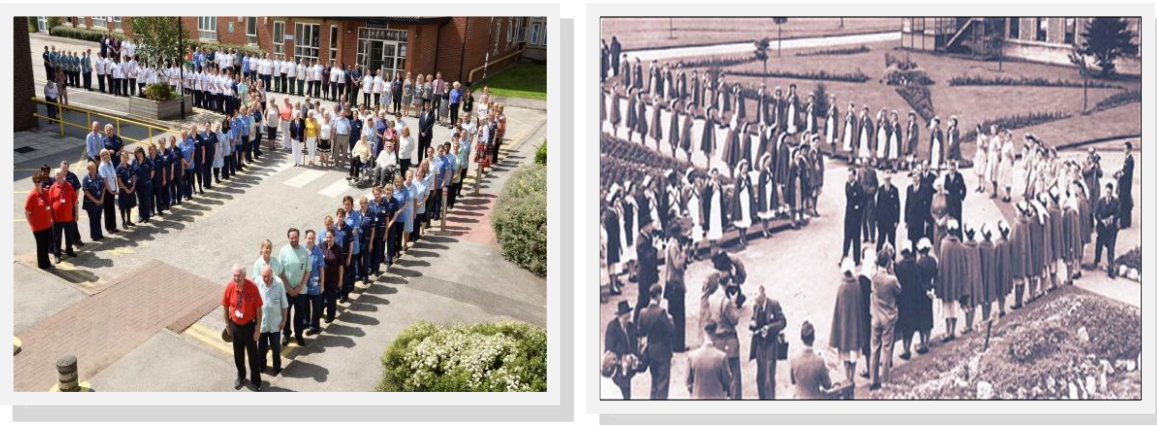
Trafford past and present

Trafford staff, past and present came together to recreate the iconic picture taken at Park Hospital, now Trafford Hospital, when the NHS was founded, in May 1948. It was the idea of Julie Smith, Sister on Ward 6.

Cheryl Lenney, Chief Nurse, and the late Steve Mycio, Chairman of CMFT joined the management team and staff of Trafford Hospital for the photo-shoot.

After a request was placed in the local paper for staff to come forward to join in the photo-shoot who were connected to Trafford at the time the original photo was taken in 1948, some of the original nurses from the original photo, a messenger boy (now 91years old), and a Doctor who had trained at Trafford came forward to participate.

- **Data Assurance Processes and Information Governance**

Central Manchester University Hospitals NHS Foundation Trust submitted records during 2016/17 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which include:
- The patient's valid NHS number are:
  o Admitted patient care 99.1%
  o Accident & Emergency 90.4%

- o Outpatients 99.2%

- The patient's valid General Practitioner Registration code are:
  - o Admitted patient care 99.7%
  - o Accident & Emergency 98.5%
  - o Outpatients 99.6%

The overall Data Validity Score for all data items for all three datasets for the Trust was 98.0%, compared to a Greater Manchester average of 98.1% and a National average of 96.5%.

Central Manchester University Hospitals NHS Foundation Trust Information Governance Assessment Report overall score for 2016/17 was 72% and was graded green.

All indicators achieved level 2 or above. The Trust is continuing to build on its information governance practices, ensuring that it has a full understanding of its systems and data flows, thereby identifying, managing and mitigating potential risks.

Central Manchester University Hospitals NHS Foundation Trust will be taking the following actions to improve data quality:

- A 'Back to Basics' programme initiated in 16/17 will continue, focused on upgrading core Trust systems, improving data capture, and compliance with national standards
- The Data Quality team will continue to conduct regular audits focused on the completion, timeliness, and accuracy of patient demographic information
- A Data Quality standard will be implemented across the Trust, assessing service points including wards, outpatient areas, and emergency departments
- Awareness and visibility of data quality standards will be increased through the inclusion of measures on key management reports
- Review of the Trust's Patient Administration System configuration, ensuring reference tables comply with national standards
- NHS Number coverage will be improved through the introduction of Summary Care Record Spine services within the Trusts central site's Patient Administration System and Emergency Department system.

Central Manchester University Hospitals NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2016/17 by the Audit Commission.

£17.5million of Central Manchester University Hospitals NHS Foundation Trusts (CMFT) income in 2016/17 was conditional on achieving quality improvement and innovation goals agreed between CMFT and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the agreed goals for 2016/17 and for the following 12-month period are available electronically at www.cmft.nhs.uk/your-trust/cquins

Central Manchester University Hospitals NHS Foundation Trust income in 2015/16 was not conditional on achieving quality improvement and innovation goals through the Commissioning for Quality and Innovation payment framework due to the Trust's inclusion on the Default Tariff option which negated any potential for CQUIN funding.

National Clinical Audit   **Appendix 1**

Title	Site	No Cases	% Cases Submitted
Acute Myocardial Infarction (MINAP)	CMFT	1000	100%
British Thoracic Society Adult Asthma	CMFT	65	100%
Adult Cardiac Surgery Audit (ACS)	CMFT	738	100%
College of Emergency Medicine Asthma Care in Emergency Departments (paediatric and adult) (*Unable to enter all data due to the CEM payment not arriving on time*)	CMFT RMCH	25 50	50% 100%
Bowel Cancer (National Bowel Cancer Audit Programme)	CMFT	186	100%
Cardiac Arrhythmia (Cardiac Rhythm Management Audit)	MRI Trafford	1453 37	100% 100%
Adult Critical Care Case Mix Programme	CMFT	2392	100%
Congenital Heart Disease (Adult)	CMFT	324	100%
Coronary Angioplasty (NICOR Adult Cardiac Interventions Audit)	CMFT	1603	100%
National Paediatric Diabetes Audit	RMCH	Submission date 01/08/2017	
Elective Surgery (National PROMS Programme)	CMFT	467/1196 *(provisional data)*	39%
Endocrine and Thyroid Audit	MRI	139	% unknown
Fall and Fragility Fractures Audit Programme (FFFAP). Hip Fracture	CMFT	203	100%
Head and Neck Cancer Audit	CMFT	165	100%
Inflammatory Bowel Disease (IBD) Programme Biologics Audit	MRI Trafford RMCH	52 0 103	100% 100%
Trauma Audit & Research Network (TARN)	MRI RMCH	627 193	100% 100%
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE UK) • Maternal deaths eligible for notification are: All deaths of pregnant women and women up to one year following the end of the pregnancy (regardless of the place and circumstances of the death). • Perinatal and Infant Death	St Mary's	Awaiting figure 115	100%
National Audit of Dementia	MRI Trafford	55 55	100% 100%

Title	Site	No Cases	% Cases Submitted
National Cardiac Arrest Audit (NCCA)	MRI Trafford RMCH	Not available yet	
The National Chronic Obstructive Pulmonary Disease (COPD) Rehabilitation Audit	CMFT	12	100%
2016 Audit of Patient Blood Management in Scheduled Surgery	CMFT	28	100%
National Adult Diabetes Audit	CMFT	3286	100%
National Emergency Laparotomy Audit	CMFT	165	100%
National Heart Failure(HF)	MRI Trafford	407 32	100% % unknown
National Joint Registry (NRJ)	CMFT	Knees - 550 Hips - 473 Shoulders - 55	% unknown
Lung Cancer (National Lung Cancer Audit)	MRI Trafford	219	100%
National Ophthalmology Audit	MREH	1677	% unknown
National Prostate Cancer Audit	CMFT	564	100%
National Vascular Registry The repair of Abdominal aortic aneurysm (AAA).	CMFT	232/241	96%
National Vascular Registry Carotid endarterectomy.	CMFT	197/211	93%
National Vascular Registry Lower limb angioplasty/stenting	CMFT	Data collection ends July 2017	
National Vascular Registry Lower limb bypass	CMFT	Data collection ends July 2017	
National Vascular Registry Lower limb amputation	CMFT	Data collection ends July 2017	
Neonatal Intensive and Special Care (NNAP)	St Mary's	1221	100%
Nephrectomy Audit	CMFT	Awaiting figure	
Oesophago-gastric Cancer (National)	CMFT	197	100%
Paediatric Intensive Care Audit Network (PICANet)	RMCH	707	100%
Paediatric Pneumonia	RMCH	Data not available yet	
Percutaneous Nephrolithotomy (PCNL)	CMFT	Awaiting figure	
Radical Prostatectomy Audit	CMFT	207	100%
Renal Replacement Therapy (Registry)	CMFT	2258	100%

Title	Site	No Cases	% Cases Submitted
Sentinel Stroke National Audit Programme	MRI Trafford	191 161	100%
College of Emergency Medicine Severe Sepsis and Septic Shock	CMFT	50	100%
Specialist Rehabilitation for patients with complex needs	CMFT	1	100%
Stress Urinary Continence	CMFT	8	% unknown
UK Cystic Fibrosis Registry	RMCH	183	100%
National Pregnancy in Diabetes Audit	CMFT	84 (2 patients did not consent to the audit)	100%
National Diabetes Inpatient Audit	MRI Trafford	196	100%

Glossary of Definitions

Term	Definition
Acute Kidney Injury (AKI)	Acute Kidney Injury is a rapid reduction in kidney function resulting in difficulties in clearing excess water, electrolytes and toxins. It is very common amongst patients admitted in hospital.
Bacteraemia	The presence of bacteria in the blood.
Care Quality Commission (CQC)	The CQC is the primary regulator of quality of care in the NHS
Care Provider	An organisation that cares for patients. Some examples of which are hospital, doctors, surgery or care home
Catheter Associated Urinary Tract Infection (CaUTI)	An infection believed to have been caused by a urinary catheter
Clinical	Relating to the care environment
Clostridium difficile	A type of infection. Symptoms of *C. difficile* infection range from mild to severe diarrhoea
Condition	An illness or disease which a patient suffers from
Chronic Obstructive Pulmonary Disease. (COPD)	The name for a collection of lung diseases including chronic bronchitis, emphysema and chronic obstructive airways disease.
Core Values	A group of ideals which the Trust believes all staff should exhibit – the Trust values Pride, Respect, Empathy, Consideration, Dignity and
CQUIN	Commissioning for Quality and Innovation. This is a system introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specialised areas of care.
Dementia	Is a syndrome (a group of related symptoms) that is associated with an on-going decline of the brain and its abilities
Emergency Readmissions	Unplanned readmissions that occur within 28 days after discharge from hospital. They may not be linked to the original reason for admission
EMIS	Internet based information system for community care which allows community teams to easily access, record and share patient information electronically
ESTU	Emergency Surgical Trauma Unit
Falls	Unintentionally coming to rest on the ground, floor/lower level, includes fainting, epileptic fits and collapse or slip
Harm	An unwanted outcome of care intended to treat a patient
Improving Quality Programme (IQP)	An approach taken to bring about quality improvement in our clinical areas using specific improvement tools
Hospital Standardised Mortality Ratio (HSMR)	A system which compares expected mortality of patients to actual rate
Standardised Hospital Mortality Indicator	A system which compares expected mortality of patients to actual mortality (similar to HSMR).
Length of stay (LOS)	The amount of days that a patient spends in hospital
NHS Improvement (NHSI)	NHS I authorises and regulates NHS Foundation Trusts. The organisation works to ensure that all Trusts comply with the conditions they have signed up to and that they are well led and financially robust.
Mortality	Mortality relates to death. In health care mortality rates means death.

Term	Definition
MRSA	Methicillin-resistant Staphylococcus aureus is a bacterium that is found on the skin and in the nostrils of many healthy people without causing problems. However, for some people it can cause infection that is resistant to a number of widely used antibiotics
National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	Reviews the management of patients, by undertaking confidential surveys and research.
Never Events	These are largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented
NHS Professionals (NHSP)	Specialist organisation within the NHS recruiting and supplying temporary doctors, nurses, and corporate staff
Patient Safety Incidents	Is any unintended or unexpected incident which could have or did lead to harm for one or more patients receiving NHS care
Pressure Ulcer	Sometimes known as bedsores or pressure sores, are a type of injury that affect areas of the skin and underlying tissue, caused when the affected area of skin is placed under too much pressure. They can range in severity: Grade One – Discolouration of intact skin not affected by light finger pressure Grade Two – Partial thickness skin loss or damage Grade Three – Full thickness skin loss involving damage of subcutaneous tissue
Patient Reported Outcome Measures (PROMs)	Tools which help us measure and understand the quality of the service we provide for specific surgical procedures. They involve patients completing two questionnaires at two different time points, to see if the procedure has made a difference to their health.
R Codes	R Codes are clinical codes used to record a patients signs & symptoms for example Chest Pain or Abdominal Pain
Root Cause Analysis (RCA)	A systematic method of doing an investigation that looks beyond the people concerned to try and understand the underlying causes and environmental context in which the incident happened.
Safety Thermometer	A point of care survey which is used to record the occurrence of four types of harm (pressure ulcers, falls, catheter associated urinary tract infection and venous thromboembolism)
Urinary Catheter	A device which is placed into a patient's bladder for the purpose of draining urine
Venous thromboembolism (VTE)	A blood clot formed within a vein
Vein	A blood vessel that carries blood towards the heart

Part Three: Other Information

Performance of the Trust against Selected Metrics

The following information sets out the Trust's performance against 10 important indicators which have been selected in conjunction with the Governors, other key stakeholders and the Board of Directors. You will see that the information is presented to show results over two years and where possible we have provided results from other Trusts so that a comparison against performance is possible.

		Data Source	2015/16	2016/17	Latest Available Benchmark	Indicator Comments
Patient Safety Measures	Improvement in VTE risk assessments carried out	Trust Data	96%	95%	95%	DOH Data
	Reduction in hospital acquired grade 3 or 4 pressure ulcers	Trust Data	12 *8	9	none	Trust Data- Board Assurance KPI dashboard
	Reduction in serious patient safety incidents resulting in actual harm (those graded at Level 4 or 5)	Trust Data	57	66	-	There has been an increase in serious harm incidents; this is primarily as a result in an increase in falls with a broken hip. NOTE the figure contains 6 where the level of harm has yet to be confirmed.
Clinical Effectiveness	Reduce hospital standardised mortality ratio (HSMR)	Dr. Foster	100.99	100.79.3	100	Target is national
	Reduce Summary Hospital Mortality Indicator (SHMI)	HSCIC	98	111.3	100	Target is national
	Percentage of patient deaths with palliative care coded at either diagnosis or specialty level	Dr. Foster	0.43 *0.59%	1.81%	none	
	Improve stroke care audit composite score	National Audit Data	Q4 (Calendar year July-Sept) 61.2	Apr-Jul- Grade C Aug-Nov Grade B	none	

		Data Source	2015/16	2016/17	Latest Available Benchmark	Indicator Comments
Patient Experience Measures	Increase overall satisfaction expressed with pain management	National Data via Trust Board	90.49% *90.60%	91.74%	85% (local target)	
	Increase overall satisfaction expressed with fluids and nutrition provided	National Data via Trust board	92.85% *93.10%	94.24%	85% (local target)	
	Increase overall satisfaction with the cleanliness of the ward or department	Trust data	94.90% *95.10%	94.80%	-	

* This data differs from 2015/16 report. This is as a result of additional information not available at the time of publication.

Performance against the relevant indicators and performance thresholds set out in the oversight documents issued by NHSI for 2016/17 is as follows:

Performance of the Trust against National Priorities and Core Standards

		Data Source	2015/16	2016/17	Latest Available Benchmark	Indicator Comments
Infection Control	Reduction of the number of Clostridium Difficile cases	Trust Data	67	74	66	only 12 of the 74 attributable cases were considered to demonstrate a lapse in care (2 cases from March 2017 are pending review)
	Clostridium Difficile Infection per 100,000 bed days in patients aged 2 or over	Department of Health	18.0	18.13	-	No target set

		Data Source	2015/16	2016/17	Latest Available Benchmark	Indicator Comments
	Reduction of the number of MRSA cases (Intelligent Board)	Trust Data	5	10	0	Whilst the total number of reported MRSA bacteraemias has increased from 2015/2016, only four of the ten attributable incidents reported were deemed as avoidable, compared to five cases of avoidable bacteraemia reported last year.
Cancer Waiting Times	Maximum waiting time of two weeks from urgent GP referral to first out-patient appointment for all urgent suspected cancer referrals	Open Exeter Cancer Waiting Times system	95.4%	93.96%	93%	Measured Quarterly
	Maximum 31 days from decision to treat to start of treatment extended to cover all cancer	Open Exeter Cancer Waiting Times system	97.3%	96.47%	96%	Measured Quarterly
	Maximum 31 days from decision to treat to start of subsequent treatment	Open Exeter Cancer Waiting Times system	96.0%	94.97%	94%	Measured Quarterly
	Maximum 31 days from decision to treat to start of subsequent treatment	Open Exeter Cancer Waiting Times system	100%	100%	98%	Measured Quarterly
	Maximum waiting time of 62 days from urgent referral to treatment for all	Open Exeter Cancer Waiting Times system	84.3%	82.36%	85%	Measured Quarterly
	Maximum waiting time of 62 days from NHS cancer screening	Open Exeter Cancer Waiting Times system	87.5% *83.1	51.52%	90%	Measured Quarterly
Referral To Treatment	18 weeks maximum wait from patients not yet treated from point of referral to treatment (non- admitted patients	UNIFY2	92.3% *93.1%	92.69%	92%	Measured Monthly

		Data Source	2015/16	2016/17	Latest Available Benchmark	Indicator Comments
Urgent Care (Trust Total)	Maximum waiting time of 4 hours in A&E from arrival to admission, transfer or discharge	Trust Board-Board Assurance	94% *93%	91.99%	95%	Measured Quarterly

*This data differs from 2015/16 report. This is as a result of additional information not available at the time of publication.

Statements from Governors, Commissioners, local Healthwatch organisations and Overview and Scrutiny Committees

Feedback from Council of Governors

Governors in the Patient Experience Group focus on all aspects of the Trust's Quality Strategy, ensuring that providing the highest standard of care to our patients and their families remains a top priority at CMFT.

The new Patient Experience Framework was rolled out across the whole Trust by June 2016. This Framework is a way of gathering patient feedback, consultation outcomes and suggestions in a single place, so the information can be used to improve overall patient experience across CMFT.

To maintain a clear focus on providing excellent, personalised care to every patient, Governors were very happy to support the development of the 'What Matters To Me' programme, which began in September 2015 and culminated in a Trust-wide launch to staff and patients in November 2016. The aim is to understand what is important to our patients and staff – for example effective communication, excellent professional skills, strong leadership – and put this at the heart of how CMFT delivers patient care and services.

During 2016/17, Governors have made a significant contribution to reviewing and supporting a wide range of initiatives designed to improve key elements of the patient experience at CMFT. These included food, discharge planning, complaints, accessibility and outpatient clinics.

For example, Governors participated in, and subsequently received a full report on, the Perfect Dining Week held in July 2016. This focused on patient nutrition and hydration, identifying both good practice and listening to feedback on areas where the quality could be enhanced.

We also heard about future plans to reduce pharmacy waiting times for both inpatient discharge and outpatient clinics. These included pharmacy seven day working proposals, prescribing done by pharmacists and sending prescriptions electronically straight to the pharmacy from clinics.

The 'Tell Us Today' complaints response system rolled out in 2016 offers inpatients a single phone number to call if they have a complaint. A senior nurse comes to discuss the problem with the patient on the ward within the hour, and hopefully resolve the problem. Governors heard that in 85% of the 65 calls received in one year the issue was dealt with immediately and to the patient's satisfaction.

Ensuring CMFT's services are accessible to everyone is a key focus for Governors. A new Patient Disability Forum was established in August 2016 with member and Governor representation. The Forum will consider a range of disability issues, including the impact of age and fragility on how our patients and their families access CMFT's services and move around the hospital sites.

The outpatient experience is another key area where Governors have contributed to improving quality. The Outpatient Improvement Programme at Manchester Royal Eye Hospital has piloted a new clinic appointment system and the use of pagers, so patients have the opportunity to go for a walk or have refreshments without worrying about missing their appointment time. Feedback from patients has been excellent.

In relation to clinical quality, we have been closely monitoring areas such as infection control, mortality rates, A&E and cancer waiting times, and have gained positive assurance about CMFT's performance and plans for improvement where required.

Governors have also played an active role in ward accreditations, and been part of the judging panels for the Nursing & Midwifery 'Going the Extra Mile' (GEM) awards and the Trust-wide 'We're Proud of You' staff awards. It is very rewarding to see for ourselves so many wonderful examples of the excellent care being given to patients and their families every day.

Sharon Green, Chair of the Patient Experience Group
27th April 2017

Continuing focus on quality
Each year, Governors make a significant contribution to identifying and prioritising quality indicators and quality priorities. The Council of Governors took part in a dedicated Forward Planning Workshop in January 2017, which gave us an opportunity to forward our views and also provided a forum to share any feedback from members, patients and the wider public.

In addition, Governor views were also encouraged on how the Trust's Quality Report could be further developed and enhanced going forward. It was a very positive and wide-ranging session with plenty of suggestions from Governors, which contributed to the Trust's operational plan for 2017/18 as well as the Quality Report for 2016/17.

Governors chose the quality indicator of measuring 'Complaints' for the 2016/17 Quality Report, and our feedback was used by the Board to help select three quality priorities for 2017/18:
- Mortality
- Nutrition and Hydration
- The Patient Journey.

Following the workshop, a survey of the Council of Governors (March 2017) showed that 96% of Governors felt they had been actively encouraged to participate in identifying and prioritising quality indicators and priorities for 2016/17.

David Edwards, Lead Governor
27th April 2017

Commissioner's Statement

MHCC Response to CMFT Quality Account 2016/17
Manchester Health and Care Commissioning (MHCC) is the partnership between NHS Manchester Clinical Commissioning Group (CCG) and Manchester City Council (MCC) which leads the commissioning of health, adult social care and public health services in the city of Manchester.

MHCC would like to thank CMFT for their detailed and comprehensive account of their hard work to improve the quality and safety of services for the patients and communities they serve. The Quality Account for 2016/17 reflects the national and local priorities of CMFT within the wider healthcare economy, and is reflective of the priorities that the MHCC has identified for its local population. The Quality Account has included and commented on all the requirements as set out in the national guidance.

The diligence and commitment of staff at CMFT is a credit to the Trust. MHCC recognises the work CMFT has undertaken during the year to review and improve the experience of their patients, patient safety and the care CMFT provide to its patients.

MHCC recognises the Trust's dedication to education and professional development of its staff and acknowledges CMFT's commitment of its staff to support and teach the next generation of doctors. Medical undergraduates achieved a 94.8% pass rate passing their final year exams and completing their medical degree. We also congratulate the Trust for achieving top ten trainee satisfaction rating for postgraduate medical education training in seven of its ten departments.

MHCC's Quality walkround of the Manchester Royal Infirmary's Emergency Department, Care of the Elderly Wards and the Community Assessment Unit (CAU) & Discharge Lounge provided commissioners with the opportunity to witness the care and dedication of front line staff to deliver great care to their patients and provided the opportunity to listen to patients/families and staff.

The walkround team were impressed by the high level of excellent care delivered in the Emergency Department in a difficult environment where the available space and capacity is constrained and improvements required to improve patient flow and handover times are challenging. MHCC looks forward to working with the Trust as it implements its long term vision to create a completely revised emergency department.

MHCC congratulates the Trust on the improvements in urgent care flow brought about by the revision of ambulatory care and the revised Troopin only Manchester Acute Coronary Syndromes Pathway allowing patients to be assessed more quickly and discharged or referred to specialist care in a timelier manner. MHCC would like to recognise the work undertaken by CMFT throughout 2016/2017 to review patients within 4 hours of arrival at accident and emergency. Achievement of the 4hr A&E performance target has proven very difficult in 2016/17 locally and nationally, resulting from higher than predicted attendance at accident and emergency, recruitment challenges and difficulties in discharging patients.

During 2016/17 CMFT provided care within 4 hours to 92% of patients attending accident and emergency, was the highest performing Trust in Greater Manchester and was one of the better performing trusts nationally.

MHCC acknowledges the improvements made in reducing the waiting times for people requiring diagnostic tests. There is still work to be done to achieve the constitutional standard of only 1% waiting in excess of 6 weeks however, performance has moved from 8.2% in April 2016 to 2.8% in February 2017 (most recent published data). This means at the end of February, there were 526 fewer patients waiting over 6 weeks compared to April 2016.

The CQC inspection in 2015 rated CMFT as "good": however, identified End of Life Care (EoLC) as requiring improvement. CMFT is making significant and continuing progress to improve EoLC, which includes the implementation and standardisation of the Priorities for Care of the Dying Person individual care plans and communication records, review of individualised care plan records for children, babies and young people, the re-launch of the End of Life Champions Network and increased access of syringe drivers and rapid access to effective pain management for all patients. It is pleasing to see the Trust performed above the national average in the Royal College of Physicians National Care of the Dying Audit 2016, for the recognition of dying, listening to family and patient concerns and holistic assessment such as meeting hydration needs, and care after death.

The walkround of the Care of the Elderly Wards showed a real dedication and care to the patients. This was reflected by the praise by patients for ward staff. There is an evident dedication to Dementia activity and caring for patients with Dementia/Dementia like symptoms, which has been recognised both locally and nationally. It is good to see the continued emphasis outlined in the Trust objectives to improve care for people living with Dementia and their carers. Improving education and communication for staff, patients, carers and visitors to the Trust will improve the lives and experiences of patients living with dementia both in and outside of hospital and we are pleased to see the Trust's success of early identification of patients with Dementia and cognitive impairment.

MHCC would like to acknowledge the improved performance and quality of stroke care provided to our patients. The stroke services are measured nationally by the Sentinel Stroke National Audit Programme (SSNAP) and CMFT has demonstrated a sustained improvement in stroke care at both Trafford General Hospital and Manchester Royal Infirmary, with Trafford General Hospital being ranked as 5th nationally.

CMFT performed well against national priorities and core standards for cancer waiting times in 2015/16. Urology workforce capacity issues and capacity issues and workforce shortages in radiology (reflecting national shortages) have provided a challenging environment in 2016/17 and have impacted on the Trust's high standards, particularly with regard to maximum 62 day waiting times. The Trust is working closely with MHCCs' cancer lead and is developing improvement plans that include training more specialty doctors, reviewing timed pathways, ensuring robust tracking of cancer pathways and reviewing how capacity can be increased.

MHCC expects that Trust improvement plans will enable and sustainable improvement from Quarter 3 of 2017/18.

The Trust's focus of internal quality review and Ward Accreditation provides a robust mechanism to assess and attain high quality care and excellent patient experience. It is pleasing to see a further 13 wards achieving the gold standard of sustained excellent care, bringing the total percentage of gold standard wards to over 40%.

The large scale improvement programme and roll out of the out-patient accreditation process demonstrates CMFT's commitment to improving outpatient care. MHCC would like to acknowledge the national and international recognition received by the Trust with regard to its Quality in Care Programme for Empowering Adults with Diabetes, improved care for glaucoma patient for the use of the "Icare Home" devise that helps patient recognise increased pressure in the eye and was recognised has have made an exceptional contribution to the lives of patients and The Trust's "Best Improvement for Patient Safety" for its observation and early warnings system that has helped to reduce cardiac arrest by 50%.

The CQC inspection in 2015 rated CMFT community service as "requiring improvement". CMFT have contributed towards the CCG commissioned review of children's' community services with an aim to transform children's community services; developing a service delivery model that is reflective of best practice and is value for money. The delivery model and commissioning arrangements will be aligned where fit for purpose with GM review of children's services and Manchester's strategic intentions as set out in our Locality and children's plan' delivered on a single, locality and neighbourhood footprint (one team, early help and neighbourhood teams. This review has been completed and the results will lead to a programme of works to transform the services.

MHCC would like to congratulate all staff at CMFT Children and Adolescent Mental Health Service (CAMHS) for securing "outstanding" in its recent Care Quality Commission inspection. This is testament to the hard work and dedication of the entire workforce. MHCC recognises the services commitment to service development and improvement in key areas including pathway redesign and its commitment to improving access to services including the ambition to engage more young people in treatment and fulfil the national ambition around improved referral to treatment times.

A national Children and Young Peoples Mental Health and Wellbeing Transformation Programme is in progress. The CAMHS Service has been fully engaged throughout, influencing on a National and Greater Manchester stage in particular in relation to the redesign of acute provision, Crisis Support and Workforce development. On a local level the team are working collaboratively with MHCC commissioners and key stakeholders to support system wide change and the coproduction of new service delivery models. The service has secured a new pilot commission this year to deliver a children and young people's Community Eating Disorder Service. MHCC recognises the team's commitment to providing a person centred eating disorder service delivered around the needs of children and young people rather than existing organisational boundaries and we look forward to the positive outcomes the service will realise for our children and young people.

MHCC works in close partnership with the Trust to monitor patient safety incidents. CMFT is recognised as one of the highest reporting Trusts for patient safety incident. Reporting of no or low harm incidents is above national averages, suggesting a high reporting and open culture. MHCC is looking forward to continue to work with CMFT to maximise the learning from incidents and serious incidents to bring about improvement in the quality of care provided to the patients.

As commissioners, we have worked closely with CMFT over the course of 2016/17, meeting with the Trust regularly to review the organisations' progress in implementing its quality improvement initiatives.

As the delivery of health care continues to evolve and as we move toward a single hospital provider we are committed to engaging with the Trust in an inclusive and innovative manner to support continuous improvement in the health and care of the people of Manchester. We to continue to build on our relation with the Trust as we move forward into 2017/18.

MHCC is not responsible for verifying data contained within the Quality Account; that is not part of these contractual or performance monitoring processes.

Dr Manisha Kumar
Clinical Director
Manchester Health and Care Commissioning

23rd May 2017

Feedback from the Health & Wellbeing Scrutiny Committees

No statement of feedback has been received from the Manchester Health and Wellbeing Scrutiny Committee

Trafford Health Scrutiny Committee

The Quality account 2016/17 for CMFT is very positive and Trafford Health Scrutiny Committee looks forward to engaging with the Trust during the next municipal year. In 2017/18 Trafford Health Scrutiny Committee will be looking to work closely with CMFT and other partners across Greater Manchester in relation to devolution, the single hospital service and Healthier Together.

CMFT have been excellent in communication with Trafford Health Scrutiny Committee during 2016/17 providing regular updates on the progress of the Single Hospital Service and the developments at the Trafford General Urgent Care Centre. It is hoped that with the number of large scale programmes of work affecting CMFT in 2017/18 the excellent communication will continue with Trafford Health Scrutiny Committee receiving updates on the following items; mortality rates in light of the merger with UHSM, how CMFT will be working with UHSM on Mental Health pathways and CQUIN regarding frequent attendees. The Health Scrutiny Committee would also like to receive regular updates on End of Life care (especially the recruitment of End of Life Consultants), the sharing of good practice, and Delayed Transfers of Care (as this continues to be a significant issue impacting on Trafford patients).

There were a high number of incidents of falls in 2016/17 and the Trafford Health Scrutiny Committee would like CMFT to provide them with more detail about the data and to share their strategies to reduce these numbers. Finally the Trafford Health Scrutiny Committee would like to know the numbers regarding infection control, particularly CPE, for Trafford General and Altrincham Hospital as these two sites are key service providers within the borough.

Yours Sincerely,

Councillor Joanne Harding, Chairman of Trafford Council Health Scrutiny Committee.

17th May 2017

Feedback from Healthwatch

RE: Central Manchester University Hospitals NHS Foundation Trust (CMFT) Quality Account 2016 – 2017 request for contribution from Healthwatch Manchester

Thank you for affording Healthwatch Manchester the opportunity to contribute to the suggested content for the above.

As per our response to last year's Quality Account (derived from our members and colleagues) Healthwatch Manchester would like to see an 'easy-read' version of the Quality Account this year.

Please send no further versions of future accounts with missing data as we can only comment on the final draft.

The following are issues noted by our Quality Accounts Team member who reviewed version2 of this account:

Healthwatch Manchester is pleased to see the following positive results this year for CMFT:
- The Trust received a CQC rating of 'good' in the top 10% of large acute trusts in the country.
- Child and Adolescent Mental Health Services received a rating of 'outstanding' in patient and community services.
- For the MRI, CQC assessed surgery and neonatal services received a rating of 'good' (no areas for improvement).
- Altrincham Hospital achieved a rating of 'good' for each CMFT service based there.
- Community Services for Children and Young People-made improvements to the way records are kept such as the introduction of the EMIS IT system phase 1, which allows for healthcare professionals to record, share and use vital information to provide better and more efficient care.
- There has been a focus on putting strategies in place so that staff can easily raise concerns, and that these messages are passed on to the Board of Directors.
- The number of reported incidents that were no harm or near miss was higher than the national average (91% compared to 74.4% respectively).
- Never Events decreased from 7 to 1 compared to the previous year.
- The Trust was one of the highest national reporters of incidents but the rates of serious harm per 1,000 bed days was lower than the national average.
- The Trust made improvements to prevent medication incidents, such as e-learning for staff, and will continue improvement by measures such as increasing availability of prefilled syringes for IV medicines.
- The Trust worked closely with University of Manchester Undergraduate Medical Education Team to train over 400 students on the hospital sites, and 94.8% of these final year students passed their final year exams.
- 7/10 departments for the 2 year Foundation Doctor training placement (undertaken after completing medical degree) were in the top 10 nationally for trainee satisfaction.

- In annual unannounced accreditation visits (half a day observation) 43% of wards

achieved gold (excellent), 39% silver and 18% bronze (minimum). None achieved white (not achieving minimum standard).
- Patient experience surveys showed dining experience quality was rated at 90% and above.
- A survey of patients at the Trust who complained (25% response rate) showed that 95% felt the complaint was handled professionally, 85% felt complaining would not negatively affect their care and 75% were satisfied with recommendations made with their response.
- The Trust ensured high quality of dementia care by running awareness events (for staff and patients), training for staff on dementia and implementing the Dementia Care Dashboard.
- A pilot scheme has been introduced to try and reduce the ambulance handover time in the Emergency Department. Since it started 6 months previously there has been an improvement of 10.4% in handover times.
- The Surgery division opened a ward to treat patients who had acquired an infection, reducing the spread of infection to other wards. This plan is reported as proving very successful.
- The Surgery division achieved its 12 month target of reducing length of stay within 7 months.
- Text message reminder service of appointments in the anaesthetic antenatal clinic lowered non-attendance rates from 32% to 15%.
- Increased surgical theatre utilisation from 70% to 87%, and reduced cancellations from 9.7% to 5.7%.

Healthwatch Manchester would like the Trust to note the following areas for improvement through the review this year:

- Mortality rates were above the expected rate.
- For the MRI, the areas marked as requiring improvement are:

  • Urgent and Emergency Services (in safeness and responsiveness).
  • End of Life Care (in effectiveness and responsiveness).

- Trafford Hospital received a CQC rating for its End of Life Care service as ''require improvement'.
- Community Services for Children and Young People and Community End of Life Care were both rated by the CQC as 'require improvement'.
- Also for Community Services for Children and Young People, there have been problems with connectivity and back-up systems regarding EMIS and this requires ongoing development and improvement.
- Community Services for Children and Young People identified language barriers preventing access to services also requiring improvement.
- 1 Never Event occurred.
- The Trust aimed to have no serious harm medication incidents but there were two.

The report notes a number of successful strategies which have been put in place, such as a pilot team to increase ambulance handover time at Emergency Department and text

message reminders for appointments in some departments that had reduced non-attendance rates.

Further development and expansion of the electronic patient record system has been successful and beneficial across many of the wards and services, both in the hospitals and community settings. There is information missing or only partially completed from the draft report, which therefore could not be reviewed.

Many thanks to our Quality Accounts Team members who worked on providing a response to this year's account: Victoria Moore and Wenjing Xu.

I look forward to receiving a copy of the finalised Quality Account for 2016 – 2017.

Yours sincerely

Neil Walbran
Chief Officer

17th May 2017

Healthwatch Trafford

Healthwatch Trafford welcomes the opportunity to comment on the 2016/17 Quality Account from CMFT.

Overall we found it to be a very comprehensive report with many useful statistics. We agree with the three main clinical priorities listed and in particular would like to draw attention to the work Healthwatch Trafford will undertake in 2017/18 with nursing homes around nutrition, hydration and patient flows through our work on intermediate care.

We were particularly pleased to see the CAMHS rating of outstanding and feel that we should use this experience as our benchmark across Greater Manchester. We were also pleased to see the focus on people with a learning disability. We feel that this focus needs to be maintained over a prolonged period of time to ensure real change and improvement in services.

The figures on sickness and absence rates at Trafford General are high and we would like to see further information that might identify particular difficulties or factors that contribute toward this.

We are encouraged to see the focus on transitions between children and adult services as this is an area that has long been identified as requiring improvement by all stakeholders. Similarly the focus on Dementia care is to be welcomed.

Healthwatch Trafford would be happy to work with CMFT on patient flow and nutrition/hydration as we would anticipate receipt of referrals by CMFT from care homes, which will align with our work. We note with interest the nutrition protocol and would seek to promote this to a wider audience.

We note that there is no mention of self harm within the report and we would like to see figures of those presenting at A and E and the UCC included, as we know this is a focus for the Greater Manchester Health and Social Care Partnership.

Following the work in recent years on improving the environment for patients at CMFT locations and knowing the impact that this can have on patient experience, we would welcome mention of similar intentions at the Dental Hospital. Recent patient feedback has praised staff but noted the general décor and in particular the toilets are in need of refurbishment.

Statement of Director's responsibilities for the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:
- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2016/17 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2016 to May 2017
  - papers relating to quality reported to the board over the period April 2016 to May 2017
  - feedback from commissioners dated 23/05/2017
  - feedback from Governors dated 27/04/2017
  - feedback from local Healthwatch organisations (Manchester) dated 17/05/2017 and Trafford 26/05/2017
  - feedback from Overview and Scrutiny Committee dated 17/05/2017
  - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2016
  - the latest national patient survey (08/06/2016)
  - the latest national staff survey (07/03/2017)
  - the Head of Internal Audit's annual opinion of the trust's control environment dated March 2017
  - CQC inspection report dated 13/06/2016.

- 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

Kathy Cowell OBE DL
Chairman
26th May 2017

Sir Michael Deegan CBE
Chief Executive
26th May 2017

Independent auditor's report to the Council of Governors of Central Manchester University Hospitals NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Central Manchester University Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of Central Manchester University Hospitals NHS Foundation Trust's quality report for the year ended 31st March 2017 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of Central Manchester University Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting Central Manchester University 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 31st March 2017, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Central Manchester University 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 31st March 2017 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and,
- Percentage of patients who spent 4 hours or less in Accident & Emergency.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual';
- the quality report is not consistent in all material respects with the sources specified in NHS Improvement's detailed requirements for quality reports 2016/17; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of

the 'NHS Foundation Trust Annual Reporting Manual, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with:

- board minutes for the period April 2016 to May 2017;
- papers relating to quality reported to the board over the period April 2016 to May 2017;
- feedback from Commissioners, dated May 2017;
- feedback from Governors, dated 27th April 2017;
- feedback from Health and Wellbeing Scrutiny Committees, dated May 2017;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2016;
- the national patient survey, dated June 2016;
- the staff survey, dated March 2017; and,
- the Head of Internal Audit's annual opinion over the trust's control environment dated March 2017.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS Foundation Trust Annual Reporting Manual' to the categories reported in the quality report; and,
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual'.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Central Manchester University Hospitals NHS Foundation Trust.

Basis for qualified conclusion

18 week referral to treatment indicator

The annualised 18 week referral to treatment indicator is calculated as an average based on the percentage of incomplete pathways which are incomplete at each month end, where the patient has been waiting less than the 18 week target. We have tested a sample of 25 pathways which were listed as incomplete at a month end, selected on both a random and risk focussed basis from pathways which were incomplete at a month end.

We identified 9 errors in total, and in 5 of these cases, subsequent validation with the Trust identified that it was incorrect for the pathway to contribute to the indicator at a number of month ends. This is because pathways were started in error, a pathway failed to be updated as closed following the first definitive treatment, or a pathway was started late due to administrative error. In the remaining 4 cases, we were unable to confirm the start date of pathways to supporting documentation, but the error did not lead to reporting to contribute to an incorrect month.

Our procedures included testing a risk based sample of items, and so the error rates identified from that sample cannot be directly extrapolated to the population as a whole.

As a result of the issues identified, we have concluded that there are errors in the calculation of the "maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway" indicator for the year ended 31st March 2017. We are unable to quantify the effect of these errors on the reported indicator.

Qualified conclusion

Based on the results of our procedures, except for the effects of the matters described in the "Basis for qualified conclusion" section above, nothing has come to our attention that causes us to believe that, for the year ended 31st March 2017:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual';
- the quality report is not consistent in all material respects with the sources specified

in NHS Improvement's Detailed requirements for quality reports 2016/17; and

- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual'.

Deloitte LLP
Chartered Accountants
Leeds
30 May 2017

4. Auditors' Report

Independent auditor's report to the Board of Governors and Board of Directors of Central Manchester University Hospitals NHS Foundation Trust

Opinion on financial statements of Central Manchester University Hospitals NHS Foundation Trust

In our opinion the financial statements:

- **give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2017 and of the Group and Trust's income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

The financial statements that we have audited comprise:

- the Group and Trust Statements of Comprehensive Income;
- the Group and Trust Statement of Financial Position;
- the Group and Trust Statements of Cash Flow;
- the Group and Trust Statements of Changes in Taxpayers' Equity;
- the Statement of Accounting Policies; and
- the related notes 1 to 43.

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

Certificate

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

Summary of our audit approach

Key risks	The key risks that we identified in the current year were: • Recognition of NHS Revenue and the recoverability of receivables • Property valuation • Management override of controls

	Within this report, any new risks are identified with ⊗ and any risks which are the same as the prior year identified with .
Materiality	The materiality that we used in the current year for the Group was £12.87m which was determined on the basis of 1.2% of operating income.
Scoping	All testing of the Group, Trust and Charity was performed by the main audit engagement team performed at the Trust's head offices in Manchester, led by the audit partner.
Significant changes in our approach	In 2015/16 we used 0.8% of operating income as the basis for materiality. We reassessed the percentage used from 1.2% of operating income in the context of our cumulative knowledge and understanding of the audit risks faced by the Group for this year.

Going concern

We have reviewed the Accounting Officer's statement on page 22 that the Group is a going concern.

We confirm that:
- **we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and**
- **we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.**

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Code of Audit Practice and Financial Reporting Council's Ethical Standards for Auditors, and confirm that we are

We confirm that we are independent of the Group and we have fulfilled our

independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards.

other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

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

Recognition of NHS revenue and the recoverability of receivables	
Risk description	As described in note 1, Accounting Policies, the Trust recognises NHS revenue on an accrual basis based on the average speciality cost. There are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with Commissioners due to:
	• the complexity of the Payment by Results regime, in particular in determining the level of over-performance and Commissioning for Quality and Innovation (CQUIN) revenue to recognise; and
	• the judgemental nature of provisions for disputes.
	Details of the Group's income, including £29.90m of over-performance income and £17.44m of CQUIN income are shown in note 2.3 to the financial statements within the £834.45m of income from Clinical Commissioning Group and NHS England. Receivables and the bad debt provision which includes the provision for disputes are shown in note 21 to the financial statements. The bad debt provision includes £nil in relation to disputes with Commissioners and £245k in relation to disputes with other NHS providers.
	The majority of the Group's income comes from NHS England, NHS Central Manchester, NHS North Manchester, NHS South Manchester, NHS Salford, NHS Stockport, and NHS Trafford Clinical Commissioning Groups, and Health Education England.
How the scope of our audit responded to the risk	We evaluated the design and implementation of controls over recognition of over-performance and CQUIN income. Our IT specialists have evaluated the design and implementation of the system controls.
	We performed detailed substantive testing on a sample basis of the recoverability of over-performance income and adequacy of

provision for underperformance through the year.

We performed detailed substantive testing on a sample basis of the recoverability of CQUIN income through comparison of the Trust's reported performance against the contractual performance target.

For NHS revenue we evaluated the results of the agreement of balances exercise and cash received after the year end. We challenged key judgements around specific areas of dispute and actual or potential challenge from Commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with Commissioners.

We reviewed the key changes and any open areas in setting 2017/18 contracts, and considered whether, taken together with the settlement of current year disputes, there were any indicators of inappropriate adjustments in revenue recognised between periods.

Key observations	We consider the CQUIN income and over-performance income recognised with Income from Clinical Commissioning Groups and NHS England to be appropriate based on the Group's patient activity and reported performance against the operational targets agreed with the Commissioners. We also consider the receivables balance recognised and the associated bad debt provision recorded on the Group's Statement of Financial Position at 31 March 2017 to be appropriate.

Property valuation

Risk description	As described in note 1, Accounting Policies and note 1.6, Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are significant judgements in the modern equivalent asset valuation for providing the same services but from an optimised (smaller) physical footprint.
	The Group holds land and building assets within Property, Plant and Equipment at a modern equivalent use valuation alternate site of £357.13m as shown in note 13. 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 and the remaining life of the assets) which can be subject to material changes in value. The net valuation movement on the Group's estate shown in note 13 is an impairment of £150.46m. The £150.46m impairment includes £148.39m in relation to the adoption of the alternative site valuation.
	As detailed in note 42, the Group has reassessed its valuation assumptions in relation to VAT. In particular, the change in assumption on the recoverability of VAT for the parts of the Trust

	estate that are financed via PFI decreases the assumed cost of rebuild of these assets by 20%. The net valuation movement on the Group's estate is shown as a prior period adjustment in note 42 and is an impairment of £65.86m.
How the scope of our audit responded to the risk	We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the Group to the external architect and valuer.
	We used Deloitte internal valuation specialists to review and challenge the appropriateness of the approach to developing the alternative site valuation and the key assumptions used by the valuer in performing the valuation of the Group's properties at 31 March 2017.
	We challenged the Group's assumption that an alternative, lower value, site could be used in calculating a Modern Equivalent Asset value by considering the detailed justification of how services are currently provided across the Trust's estate against an optimised modern building. We have considered the degree of duplication of space between the Manchester complex of hospitals and Trafford General Hospital that would not be required in a single site hospital and the extent to which out-patient services could be co-located to reduce the need for separate supporting functions, such as reception desks, toilet facilities etc.
	We assessed whether the valuation and the accounting treatment of the alternative site impairment was compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.
	We also assessed whether the valuation and the accounting treatment of the VAT impairment were compliant with the relevant accounting standards, and in particular whether the impairment should be accounted for as a prior period error.
Key observations	We consider the valuation of land and buildings on an alternate site modern equivalent asset valuation basis recorded on the Group balance sheet at 31 March 2017 to be appropriate. We consider the associated impairment recognised in the Statement of Comprehensive Income in the period, and the associated disclosure, to be appropriate to the Group's position and performance. We also consider the restatement of the 2015/16 comparative to exclude VAT from the valuation of PFI asset and the related disclosure are appropriate.

Management override of controls ⟫

Risk	We consider that in the current year there is a heightened risk

description	across the NHS that management may override controls to fraudulently manipulate the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and close scrutiny of the reported financial performance of individual organisations.

The Group has been allocated £20.20m of the Sustainability and Transformation Fund, contingent on achieving financial and operational targets each year, equivalent to a "control total" for the year of a surplus (adjusted for certain items) of £5.92m. NHS Improvement has allocated funding for a "bonus" to organisations that exceed their control total, including offering Trusts £1 of additional funding for each £1 above the control total. This creates an incentive for reporting financial results that exceed the control total of £5.92m. The Group's reported results show a trading surplus of £56.40m, equivalent to £50.48m above the control total.

Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.6. |
| **How the scope of our audit responded to the risk** | We evaluated the design and implementation of controls for the extraction and reporting of performance information in respect of the recognition of performance elements of the Sustainability and Transformation Fund income. We also evaluated the design and implementation of controls over the financial reporting process, recording and processing of journals and segregation of duties in respect of the reported financial position against the control total. Our IT specialists have evaluated the design and implementation of the system controls.

Manipulation of accounting estimates

Our work on accounting estimates included considering each of the areas of judgement identified by our cumulative knowledge and understanding of the estimation uncertainty identified from our audit of the Trust in previous years. In testing each of the relevant accounting estimates, engagement team members were directed to consider their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS.

We tested accounting estimates (including in respect of NHS revenue and provisions and property valuations discussed above), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources.

We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether these were in |

accordance with accounting requirements and were appropriate in the circumstances of the Group.

Manipulation of journal entries

We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting. Our testing on journals was focused on journals to seldom used accounts, journals by users who make a small number of postings, journals backdated by more than 10 days and debits to revenue

We traced the journals to supporting documentation, considered whether they had been appropriately approved, and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias.

We tested the year-end adjustments made outside of the accounting system between the general ledger and the financial statements and consolidation adjustments and journals.

Accounting for significant or unusual transactions

We considered whether any transactions identified in the year required specific consideration and did not identify any requiring additional procedures to address this risk

Key observations	We have found no evidence of management bias in the estimates adopted by management. We consider the Sustainability and Transformation Fund income recognised to be appropriate based on the Group's achievement of its financial control total in each quarter of the year and its operational target in quarters one and two. Sustainability and Transformation Fund incentive and bonus income have been recognised in line with the notification from NHS Improvement. No unadjusted or adjusted misstatements have been identified as a result of our audit that would lead to clawback of Sustainability and Transformation Fund income.

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

Our application of materiality

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

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

Group materiality	£12.87m (2016: £7.7m).
Basis for determining materiality	1.2% of operating income (2016: 0.8% of operating income) We reassessed the percentage used in the context of our cumulative knowledge and understanding of the audit risks at the Trust and our assessment of those risks for this year as well as the materiality adopted for other major teaching hospitals nationally.
Rationale for the benchmark applied	Operating Income was chosen as a benchmark as the Trust is a non-profit organisation, and operating income is a key measure of financial performance for users of the financial statements.
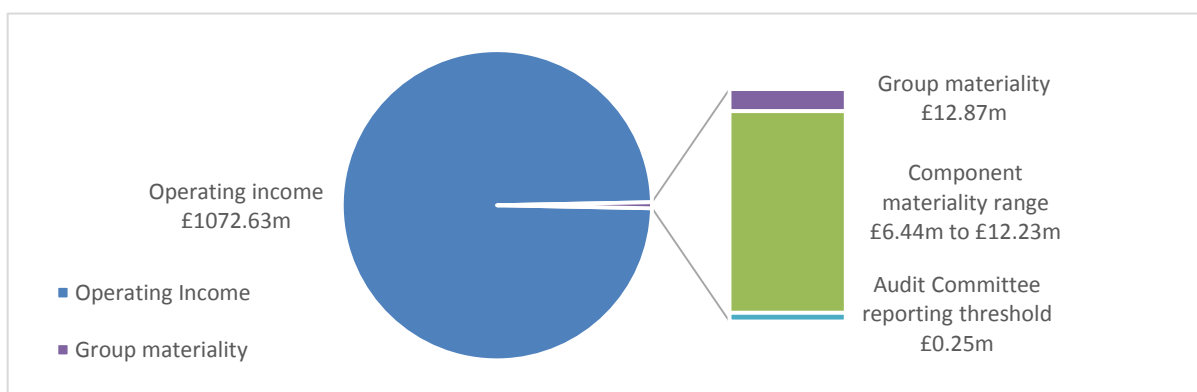
We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £250k (2016: £250k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including internal control, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the Trust. Our audit work for the Trust was executed at a materiality level of £12.23m, which was lower than group materiality.

We performed limited audit procedures on the Trust's subsidiary, Central Manchester University Hospitals NHS Foundation Trust Charity. Our audit work for

the Charity was executed at a materiality level of £6.44m, which was lower than group materiality.

For both the Trust and Charity the extent of our testing was based on our assessment of the risks of material misstatement and the materiality of the Trust and Charity to the Group.

The audit team integrated Deloitte specialists bringing specific skills and experience in IT, property valuation and the valuation of financial instruments.

All testing of the Group, Trust and Charity was performed by the main audit engagement team performed at the Trust's head offices in Manchester, led by the audit partner.

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:

We have nothing to report in respect of these matters.

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

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

Reports in the public interest or to the regulator

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

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

We have nothing to report in respect of these matters.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

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

Respective responsibilities of Accounting Officer and auditor

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

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Central Manchester University 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 of the Governors and the 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 Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Paul Thomson ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
31 May 2017

5. Foreword to the accounts

These Accounts for the period ended 31 March 2017 have been prepared by Central Manchester University Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006, in the form in which NHS Improvement, the Independent Regulator of NHS Foundation Trusts, has, with the approval of the Treasury, directed.

These Accounts have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement and the Group Accounting Manual issued by the Department of Health.

After making enquiries, the Directors have a reasonable expectation that the Trust and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the Accounts.

Signed:

Dated: 26th May 2017

6. Financial statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2017

	NOTE	2016/17 Trust £000	2016/17 Group £000	Restated 2015/16 Trust £000	Restated 2015/16 Group £000
Operating Income from Continuing Operations	2	1,070,872	1,072,828	963,696	967,929
Operating Expenses of Continuing Operations	3	(1,134,203)	(1,138,068)	(955,576)	(960,151)
Operating (Deficit)/Surplus before finance costs		**(63,331)**	**(65,240)**	8,120	7,778
Finance Costs:					
Finance Income	8	186	732	271	917
Finance Expense - Financial Liabilities	9	(29,851)	(29,851)	(29,591)	(29,591)
Finance Expense - Unwinding of Discount on Provisions	29.1	(7)	(7)	(45)	(45)
Public Dividend Capital Dividends Payable		(1,745)	(1,745)	(6,111)	(6,111)
Net Finance Costs		**(31,417)**	**(30,871)**	**(35,476)**	**(34,830)**
Gains on disposal of investments	10	0	309	0	0
(Deficit) for the Year		**(94,748)**	**(95,802)**	**(27,356)**	**(27,052)**

Other Comprehensive Income

Amounts that will not be reclassified subsequently to income:					
Revaluation Reserve Movements	31	0	0	7,411	7,411
Amounts that will subsequently be reclassified to income and expenditure:					
Other Reserve Movements	SOCIE	0	1,122	0	(656)
Total Other Comprehensive Income		**0**	**1,122**	**7,411**	**6,755**
Total Comprehensive (Expense)/Income for the Period		**(94,748)**	**(94,680)**	**(19,945)**	**(20,297)**

2016/17

The reported deficit after impairments was £94.7m as a result of the reduction in the value of its non-current assets. The Trust made a trading surplus of £56.4m, inclusive of £48.8m of Sustainability and Transformation Funding, before taking account of donated and granted asset income/depreciation (£2.8m) and impairments (£153.9m).

2015/16

(Deficit) for the Year

The reported deficit after impairments was £27.4m, restated (previously reported £29.2m) as a result of the reduction in the value of its non-current assets. The Trust made a trading deficit of £16.6m (previously reported £18.5m) before taking any account of donated asset income, non-operating income, revaluation and impairments.

Restatement

The Trust has restated prior year figures in relation to the value of the element of the Estate that is managed and maintained by its PFI partner. This restatement has reduced the depreciation charge previously reported for the Trust for 2015/16 by £1.8m and reduced the Trust reported deficit for 2015/16 to £27.4m (from £29.2m previously reported). Further details of the prior period adjustment are given in Note 42 of these Accounts.

The Notes on Pages 5 to 43 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017
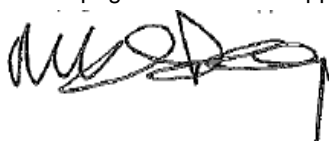
	NOTE	31 March 2017 Trust £000	31 March 2017 Group £000	Restated 31 March 2016 Trust £000	Restated 31 March 2016 Group £000
Non-Current Assets					
Intangible Assets	**12**	**2,534**	**2,534**	2,822	2,822
Property, Plant and Equipment	**13.1 and 13.2**	**406,511**	**406,616**	554,272	554,388
Investments	**15**	**866**	**14,735**	841	14,542
Trade and Other Receivables	**21**	**5,785**	**6,285**	5,360	5,360
Total Non-Current Assets		**415,696**	**430,170**	563,295	577,112
Current Assets					
Inventories	**20**	**12,847**	**12,847**	10,178	10,178
Trade and Other Receivables	**21**	**92,623**	**92,922**	52,185	53,807
Non-Current Assets Held for Sale	**17**	**210**	**210**	210	210
Cash and Cash Equivalents	**24**	**85,322**	**88,643**	73,628	76,417
Total Current Assets		**191,002**	**194,622**	136,201	140,612
Current Liabilities					
Trade and Other Payables	**25**	**(106,755)**	**(107,023)**	(100,472)	(100,942)
Borrowings	**26**	**(11,281)**	**(11,281)**	(10,549)	(10,549)
Provisions	**29**	**(3,027)**	**(3,027)**	(2,897)	(2,897)
Total Current Liabilities		**(121,063)**	**(121,331)**	(113,918)	(114,388)
Total Assets less Current Liabilities		**485,635**	**503,461**	585,578	603,336
Non-Current Liabilities					
Trade and Other Payables	**25**	**(2,099)**	**(2,099)**	(1,513)	(1,513)
Borrowings	**26**	**(368,758)**	**(368,758)**	(371,439)	(371,439)
Provisions	**29.1**	**(3,397)**	**(3,397)**	(7,193)	(7,193)
Total Non-Current Liabilities	**29**	**(374,254)**	**(374,254)**	(380,145)	(380,145)
Total Assets Employed		**111,381**	**129,207**	205,433	223,191
Financed by Taxpayers' and Others' Equity					
Public Dividend Capital		**196,735**	**196,735**	196,039	196,039
Revaluation Reserve	**31**	**16,694**	**16,694**	43,146	43,146
Income and Expenditure Reserve	**SOCIE**	**(102,048)**	**(102,048)**	(33,752)	(33,752)
Charitable Fund Reserves	**SOCIE**	**0**	**17,826**	0	17,758
Total Taxpayers' and Others' Equity		**111,381**	**129,207**	205,433	223,191

2015/16 Restatement

The Trust has restated prior year figures in relation to the value of the element of the Estate that is managed and maintained by its PFI partner. This restatement has reduced the value of Property, Plant and Equipment and reserves previously reported for the Trust for 2015/16 by £65.9m. Further details of the prior period adjustment are given in Note 42 of these Accounts.

The financial statements on pages 1 to 43 were approved by the Trust on 26th May 2017 and signed on its behalf by

Chief Executive:

STATEMENT OF CHANGES IN EQUITY

2016/17	NOTE	Public Dividend Capital Trust £000	Revaluation Reserve Trust £000	Income and Expenditure Reserve Trust £000	Total Trust £000	Charity Reserve £000	Total Group £000
Taxpayers' and Others' Equity at 1 April 2016 - as previously reported		196,039	45,679	29,574	271,292	17,758	289,050
Prior period adjustment	42	0	(2,533)	(63,326)	(65,859)	0	(65,859)
Taxpayers' and Others' Equity at 1 April 2016 - restated		196,039	43,146	(33,752)	205,433	17,758	223,191
(Deficit) for the Year	41.3	0	0	(94,748)	(94,748)	(1,054)	(95,802)
Fair Value gains on Available-for-Sale Financial Investments	15.0	0	0	0	0	1,122	1,122
Total Comprehensive Income	SOCI	0	0	(94,748)	(94,748)	68	(94,680)
Transfer from Reval Reserve to I&E Reserve for impairments arising from consumption of economic benefits	31	0	(9,171)	9,171	0	0	0
Reclassification of indexation previously recognised in revaluation reserve	31	0	(17,281)	17,281	0	0	0
Public Dividend Capital (PDC) received	41.1	696	0	0	696	0	696
Taxpayers' and Others' Equity at 31 March 2017		196,735	16,694	(102,048)	111,381	17,826	129,207

2015/16 - Restated	NOTE	Public Dividend Capital Trust £000	Revaluation Reserve Trust £000	Income and Expenditure Reserve Trust £000	Restated Total Trust £000	Charity Reserve £000	Total Group £000
Taxpayers' and Others' Equity at 1 April 2015		195,296	38,387	56,132	289,815	18,110	307,925
Prior period adjustment	42	0	0	(65,180)	(65,180)	0	(65,180)
Taxpayers' and others' equity at 1 April 2015 - restated		195,296	38,387	(9,048)	224,635	18,110	242,745
(Deficit)/Surplus for the Year	41.3	0	0	(27,356)	(27,356)	304	(27,052)
Revaluations*	31	0	7,411	0	7,411	0	7,411
Fair Value losses on Available-for-Sale Financial Investments	41.4	0	0	0	0	(656)	(656)
Total Comprehensive Income	SOCI	0	7,411	(27,356)	(19,945)	(352)	(20,297)
Impairments and Reversals*	31	0	(2,652)	2,652	0	0	0
Public Dividend Capital Received	41.1	743	0	0	743	0	743
Taxpayers' and Others' Equity at 31 March 2016		196,039	43,146	(33,752)	205,433	17,758	223,191

2015/16 - as previously reported	NOTE	Public Dividend Capital Trust £000	Revaluation Reserve Trust £000	Income and Expenditure Reserve Trust £000	Previously Reported Total Trust £000	Charity Reserve £000	Total Group £000
Taxpayers' and Others' Equity at 1 April 2015	42	195,296	38,387	56,132	289,815	18,110	307,925
(Deficit)/Surplus for the Year	41.3	0	0	(29,210)	(29,210)	304	(28,906)
Revaluations*	31	0	9,944	0	9,944	0	9,944
Fair Value losses on Available-for-Sale Financial Investments	41.4	0	0	0	0	(656)	(656)
Total Comprehensive Income	SOCI	0	9,944	(29,210)	(19,266)	(352)	(19,618)
Impairments and Reversals*	31	0	(2,652)	2,652	0	0	0
Public Dividend Capital Received	41.1	743	0	0	743	0	743
Taxpayers' and Others' Equity at 31 March 2016		196,039	45,679	29,574	271,292	17,758	289,050

* The Revaluation, Impairments and reversals are transactions following the valuation exercise which took place as at 31st March 2016. This was completed by using indices provided by the District Valuer.

2015/16 Restatement

The Statement of Changes in Equity has been restated for a prior period adjustment in relation to the value of the element of the Trust's estate that is managed and maintained by the Trust's PFI partner. Taxpayers' equity at 1st April 2015 has been restated by the cumulative effect of the adjustment at that date, reducing reserves previously reported at that date by £65.2m. Taxpayers' equity at 31st March 2016 has been restated by the cumulative effect of the adjustment at that date, reducing reserves previously reported at that date by £65.9m. Further details of the changes can be found in Note 42 of these accounts.

Descriptions of the nature and purpose of each of the above Reserves is given at Note 42 to these Accounts.

Revaluations for the Trust relate to Property,Plant and Equipment, whereas those of the Charity relate to Investments.

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2017

	NOTES	2016/17 Trust £000	2016/17 Group £000	Restated 2015/16 Trust £000	Restated 2015/16 Group £000
Cash Flows From Operating Activities					
Operating (Deficit)/surplus from Continuing Operations	SOCI	(63,331)	(65,240)	8,120	7,778
Operating (Deficit)/surplus		**(63,331)**	**(65,240)**	8,120	7,778
Non-Cash Income and Expense					
Depreciation and Amortisation	3	24,649	24,660	23,802	23,808
Net Impairments	3	153,982	153,982	11,365	11,365
Non-Cash Donations/Grants Credited to Income	2.1 & 3	(3,827)	(1,568)	(633)	(633)
(Increase) in Trade and Other Receivables	21	(37,867)	(37,379)	(7,560)	(9,208)
(Increase)/decrease in Inventories	20	(2,669)	(2,669)	438	438
Increase/(decrease) in Trade and Other Payables	25	7,244	7,044	(2,447)	(2,429)
(Decrease)/increase in Provisions	29	(3,673)	(3,673)	583	583
Net Cash Generated From Operations		**74,508**	**75,157**	33,668	31,702
Cash Flows From Investing Activities					
Interest Received	8	186	732	271	917
Sale of Financial Assets	15	0	3,715	0	0
Purchase of Financial Assets	15	0	(2,450)	(239)	(239)
Purchase of Intangible Assets	12	(421)	(421)	(2,770)	(2,770)
Purchase of Property, Plant and Equipment	13	(29,415)	(29,415)	(22,638)	(22,638)
Receipt of Cash Donations to Purchase Capital Assets		2,468	540	1,533	1,533
Net Cash Used In Investing Activities		**(27,182)**	**(27,299)**	(23,843)	(23,197)
Cash Flows From Financing Activities					
Public Dividend Capital Received	SOCIE	696	696	743	743
Loans Received	26	8,600	8,600	18,200	18,200
Loans Repaid	26	(4,112)	(4,112)	(5,143)	(5,143)
Capital Element of Private Finance Initiative Obligations	26	(6,437)	(6,437)	(5,712)	(5,712)
Interest Paid	9	(2,045)	(2,045)	(1,843)	(1,843)
Interest Element of Private Finance Initiative Obligations	9	(27,770)	(27,770)	(27,564)	(27,564)
Public Dividend Capital Dividend Paid	SOCI	(4,564)	(4,564)	(6,845)	(6,845)
Net Cash Used In Financing Activities		**(35,632)**	**(35,632)**	(28,164)	(28,164)
Increase/(decrease) in Cash and Cash Equivalents	24	**11,694**	**12,226**	(18,339)	(19,659)
Cash and Cash Equivalents at Start of Financial Year (1st April)	24	**73,628**	**76,417**	91,967	96,076
Cash and Cash Equivalents at End of Financial Year (31st March)	24	**85,322**	**88,643**	73,628	76,417

2015/16 Restatement

The Statement of Cash Flows has been restated for a prior period adjustment in relation to the value of the Trust's estate. Both the operating surplus and depreciation have been restated by £1.8m, a reduction in the depreciation as a result of a lower asset value. Further details of the changes can be found in Note 42 of these accounts.

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Notes to the Accounts - 1. Accounting Policies

1.1 Accounting Policies and Other Information

NHS Improvement is responsible for issuing an Accounts Direction to NHS Foundation Trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (GAM), agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the 2016/17 GAM issued by the Department of Health. The Accounting Policies contained in the GAM follow International Financial Reporting Standards (IFRS) and the Treasury's Financial Reporting Manual (FReM), to the extent that they are meaningful and appropriate to NHS Foundation Trusts. Where the GAM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Trust and the Group (see Note 1.4 below in respect of Consolidation and Group Accounting), for the purpose of giving a true and fair view, has been selected. The particular policies adopted by the Trust and the Group are described below. They have been applied consistently in dealing with items considered material in relation to these Accounts, except for the prior period adjustment in relation to VAT on PFI assets.

Prior Period Adjutsment - VAT on PFI Assets

As per guidance published in the GAM, the Trust has valued the NHS Foundation Trust's PFI buildings exclusive of VAT.   This has been accounted for as a prior period adjustment, resulting in a reduction of £65.9m to the value of property, plant and equipment previously reported as at 31 March 2016 (31st March 2015: £65.2m reduction) and a reduction to the depreciation charge previously reported for 2015/16 of £1.9m.

1.2 Accounting Convention

These financial statements have been prepared under the Historical Cost Convention, modified to account for the revaluation of land, buildings and investments, by reference to their most recent valuations. Plant, equipment and intangible assets are held at historic cost. The financial statements are presented rounded to the nearest thousand pounds.

1.3 Going Concern

After making enquiries, the Directors have a reasonable expectation that the Trust and the Group have adequate resources to continue in operational existence for the forseeable future. For this reason, they continue to adopt the Going Concern basis in preparing these financial statements.

1.4 Consolidation of Subsidiaries and Group Accounting

The Trust is the Corporate Trustee to Central Manchester University Hospitals NHS Foundation Trust Charity (CMFT Charity). The CMFT Charity is a charity registered (No. 1049274) with the independent regulator, the Charity Commission, to whom it is accountable. The Trust has assessed its relationship to the Charity and determined it to be a subsidiary, the Trust has the sole power to govern the financial and operating policies of the Charity, so as to obtain benefits from the Charity's activities for itself, its patients and its staff.   The CMFT Charity's financial results have been consolidated into the financial statements of the Trust since 2013/14, in accordance with IFRS 10, or its predecessor IAS 27. Notes 43.1 and 43.2 to these group financial statements give the original figures of the Charity for the current and prior financial years, and show how these have been modified to reach the values used as consolidating adjustments.

These financial statements therefore disclose the Trust's financial position alongside that of the Group (which is the Trust and the CMFT Charity combined). The basis of arriving at the Group figures is as

● The Charity's individual statements and notes to the accounts are adjusted firstly for one difference in Accounting Policy. This relates to expenditure accounted for on a commitment basis which is not permitted under the Trust's and the Group's Accounting Conventions, as set out above; and

● The Charity's individual statements and notes to the accounts are adjusted in respect of transactions and balances which have taken place between the Trust and the Charity. These intra company balances and transactions are eliminated on consolidation and the resulting figures for Income and Expenditure; gains and losses; assets and liabilities; reserves; and cash flows, are then consolidated with those of the Trust, to form the Group Accounts.

Notes to the Accounts - 1. Accounting Policies (Continued)

These Accounting Policies apply to both the Trust and the Group. The CMFT Charity's latest audited financial statements, which have been prepared in accordance with the UK Charities Statement of Recommended Practice (SORP)*, can be obtained from the Charity Commission website. Financial statements for the financial year ending 31 March 2017 have also been prepared by the Charity, and will be submitted to the Charity Commission, as in previous years.

* The Charities SORP is based on UK Financial Reporting Standard (FRS) 102.

The Central Manchester University Hospitals NHS Foundation Trust Charity is based at the following address:-

Citylabs, Maurice Watkins Building, Nelson Street, Manchester. M13 9NQ.

As a subsidiary of the Trust, the Charity is able to transfer funds to the Trust, providing that this funding is over and above what the NHS would normally provide, and is in line with the objects of the Charity.

The CMFT Charity is the Trust's sole subsidiary.

1.5 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 NHS body to another (see also Note 1.33). The Trust and the group did not have any acquistions and discontinued operations during the financial year 2016/17 and 2015/16.

1.6 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Trust's and the Group's Accounting Policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, and for other areas, where precise information is not readily apparent from any source. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from those estimates, and the estimates and underlying assumptions are continually reviewed and updated. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in future periods, as well as that of the revision, if required.

Key Judgements and Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:-

Modern Equivalent Asset Valuation

The Trust has carried out a revaluation exercise in 2016/17. Independent valuers have provided advice on valuations, as at 31 March 2017, of the Trust's and the Group's land and building assets (estimated financial value and estimated remaining useful life), applying a Modern Equivalent Asset method of valuation for an optimised building and alternate site with regards to land. This is a change in valuation methodology of the building asset compared to the one adopted in previous financial years. The basis of valuation for land is consistent with last financial year, but a different estimation technique has been applied in arriving at the valuation for both land and buildings. For both the land and building valuations, it has been assumed that the same services are provided but from an optimised (ie smaller) physical footprint. The impact of this change in estimation technique is a reduction in value of the land and buildings of £148m compared with the previous estimation technique.

The Trust and the Group make financial provisions for obligations of uncertain timing or amount at the date of the Statement of Financial Position. These are based on estimates, using as much relevant information that is available, at the time the financial statements are prepared. They are reviewed to confirm that the values included in the financial statements best reflect the current relevant information, and where necessary the values of the provisions are amended. More detail on this area is given in Note 1.21.

Notes to the Accounts - 1. Accounting Policies (Continued)

Actuarial Assumptions for Costs Relating to Pension Scheme Contributions

The Trust and the Group report, as operating expenditure, employer contributions to staff pensions. These employer contributions are based on national NHS Pensions actuarial estimates of the required contributions to meet the scheme's liabilities, and prescribed contributions to the National Employment Savings Trust (NEST - see Note 1.8). These are expenses which are subject to change in the future, and therefore carry an element of uncertainty.

Property, Plant and Equipment - Useful Economic Lives

The Trust and the Group use best judgement to determine the most appropriate life for each asset or class of assets - see Note 14.2.

1.7 Income

Income, including that for research and training, is accounted for applying the accruals convention. Therefore income in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of income for the Trust and the Group is from NHS Commissioners, for healthcare services. Those partially completed patient care spells that are counted at 31 March annually, are valued at average specialty cost for the specialty of admission.

Ordinarily, where income is received for a specific activity which is to be delivered in future years, that income will be deferred. This is recognised as a liability detailed in note 25.

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.

The Trust and the Group receive income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, e.g. by an insurer. The Trust and the Group recognise the income when notification is received from the Department of Work and Pensions' Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

1.8 Employee Benefits

1.8.1 Short-Term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from the employee.

1.8.2 Pension Costs

Past and present employees are covered by the provisions of three NHS Pension Schemes or the National Employment Savings Trust (NEST). Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions and https://www.nestpensions.org.uk.

Notes to the Accounts - 1. Accounting Policies (Continued)

The schemes 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 reporting 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 - NHS Pension Scheme

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full Actuarial (Funding) Valuation - NHS Pension Scheme

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

c) Scheme Provisions - All Schemes

Employer's pension cost contributions for all schemes are charged to operating expenses as and when they become due. In 2016/17 these contributions amounted to £49,817k (2015/16 - £48,265k), as detailed in note 4.1. The estimated level of contributions in 2017/18 equate to £51,335k.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.8.3 Senior Employees' Remuneration

Details of senior employees' remuneration can be found in the Remuneration Report (within the "Board of Directors" section of the Trust and the Group's Annual Report).

1.9 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 always measured (at least initially) at the cost of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a Non-Current Asset, e.g. property or equipment (see Note 1.10 below).

1.10 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised if:-

● 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 will be supplied to, the Trust or the Group;

● It is expected to be used for more than one financial year;

● The cost of the item can be measured reliably; and

● The item has a cost of at least £5,000; or

● Collectively, a number of items 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

● Items form part of the initial equipping and setting-up cost of a new building, ward, unit, project or service, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are grouped into categories based on similar asset lives, and the groups (categories) are treated as separate assets and depreciated over their own individual useful economic lives.

Valuation

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at Fair Value.

Notes to the Accounts - 1. Accounting Policies (Continued)

Specialised operational buildings are measured on a modern equivalent asset basis. In agreement with the District Valuer, the NHS Foundation Trust has applied an 'optimal site' valuation which recognises any efficiencies that could be obtained if the site where to be rebuilt, whilst allowing the current level of service provision to be maintained. This is a change in estimation technique in the year as explained in note 1.6. The valuation of buildings managed and maintained by the Trust's PFI partner exclude VAT. This is reflected as a prior period adjustment as explained in Note 42.

Land is valued on an alternate site basis using market value for existing use. The area of this alternate site is of sufficient size for the optimally designed building using the optimal site method referred to previously.

Non operational buildings are tested for impairment to ensure the carrying value does not exceed the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

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.

Equipment assets are carried at Depreciated Historic Cost, as this is not considered to be materially different from Fair Value.

An increase arising on revaluation is taken to the Revaluation Reserve, except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to the Statement of Comprehensive Income (SoCI), to the extent of the decrease previously charged there. A revaluation decrease is recognised as an Impairment charged to the Revaluation Reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Gains and losses recognised in the Revaluation Reserve are reported as "Other Comprehensive Income" in the SoCI.

In accordance with the GAM, impairments which are due to a loss of economic benefits or service potential in the asset are also 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.
(ii) The balance in the Revaluation Reserve attributable to that asset before the impairment

An impairment which arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances which gave rise to the loss are themselves reversed. 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, and reversals of "other impairments" as revaluation gains

Subsequent Expenditure
Where subsequent expenditure enhances an asset beyond its original specification, and it is probable that additional future economic benefits or service potential will flow to the Trust and the Group, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to a specification appropriate for its economic life, the expenditure is treated as a revenue expense.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.11 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's and the Group's business, or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and the Group; where the cost of the asset can be measured reliably; and where the cost is at least

Software which is integral to the operation of hardware, for example 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, for example application software, is capitalised as an Intangible Asset. Expenditure on research; internally-generated goodwill; brands; mastheads; publishing titles; customer lists and similar items are not capitalised: they are recognised as Operating Expenses in the period in which they are incurred.

Expenditure on development is only capitalised where:-
- the project is technically feasible to the point of completion, and will create an Intangible Asset;
- the Trust and the Group intend to complete the asset and sell or use it;
- the Trust and the Group have the ability to sell or use the asset;
- the economic or service delivery benefits can be demonstrated;
- the Trust and the Group have adequate resources to complete the development;
- and the development costs can be reliably measured.

Measurement

Intangible Assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point at which it is capable of operating in the manner intended by management. Subsequently Intangible Assets are measured at current value in existing use. Revaluation Gains, Losses and Impairments are treated in the same manner as for Property, Plant and Equipment (see Note 1.10). The amount initially recognised for internally-generated Intangible Assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated Intangible Asset can be identified, the expenditure in question is written off through the Statement of Comprehensive Income in the period in which it is incurred. Internally-developed software is held at Historic Cost to reflect the opposing effects of increases in development costs, versus technological advances.

1.12 Depreciation, Amortisation and Impairments

Freehold land is not depreciated, as it is considered to have an infinite life. Property, Plant and Equipment which has been reclassified as "Held for Sale" ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Otherwise, depreciation and amortisation are charged to write off the cost or valuation, less any residual value, of Property, Plant and Equipment and Intangible Non-Current Assets, over their estimated useful lives, in a manner which reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust and the Group expect to obtain economic benefits or service potential from the asset. This life is specific to the Trust and the Group, and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed periodically, with the effect of any changes being recognised on a prospective basis. Note 14.2 to these Accounts gives details of the Useful Economic Lives of the Trust's and the Group's Property, Plant and Equipment assets.

Where assets are non-operational for a short period while mangement decide on their future use, they are retained at their current valuation, although depreciation ceases from the date they are taken out of use.

Finance leased assets are depreciated over the shorter of the useful economic life or the lease term, unless the Trust and the Group expect to acquire an asset at the end of its lease term, in which it is depreciated in the same manner as owned assets above.

All assets begin to be depreciated in the month following the month in which they are brought into use - either when transferred from Assets Under Construction, or when directly purchased.

Notes to the Accounts - 1. Accounting Policies (Continued)

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the Revaluation Reserve to the extent that there is a balance on the Reserve for the asset and, thereafter, to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but capped at the amount which would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there, and thereafter to the Revaluation Reserve.

1.13 Donated Assets

Donated Non-Current Assets are capitalised at their fair value on receipt, with the corresponding receipt credited to the Statement of Comprehensive Income, in accordance with the principles of IAS 20, unless the donor has imposed a condition that the future economic benefits embodied in the donation are to be consumed in a manner specfied by them. In this case, the donation is deferred within liabilities (note 25), and carried forward to future financial years, to the extent that the condition has not yet been met. Donated Assets are subsequently valued, depreciated and impaired as described above for purchased assets.

1.14 Government and Other Grants

Government Grants are grants from Government bodies, other than income from NHS bodies for the provision of services. Revenue Grants are reported through the Statement of Comprehensive Income to match the expenditure incurred. Capital Granted Assets are treated in the same manner as Donated Assets (as outlined above), and in accordance with the principles of IAS 20.

1.15 Surplus Non-Current Assets - Held for Sale or to be Scrapped or Demolished

A Non-Current Asset which is surplus, with no plan to bring it back into use, is valued at Fair Value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

In general, the following conditions must be met for an asset to be classified as Held for Sale:-
● Management is committed to a plan to sell;
● The asset is available for immediate sale in its present condition;
● The sale is highly probable; and
● The asset is being actively marketed for sale at a price reasonable in relation to its Fair Value.

Following reclassification, Assets Held for Sale are measured at the lower of their existing carrying amount, and their "Fair Value less costs to sell". Assets are derecognised when all material sale contract conditions are met.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as Held for Sale. Instead, it is retained as an operational asset and its economic life is adjusted. Such assets are derecognised when they are scrapped or demolished.

1.16 Leases

Where substantially all of the risks and rewards of ownership of a leased asset are borne by the Trust or the Group, the asset is recorded as Property, Plant and Equipment, and a corresponding liability is recorded. The value at which both the asset and the liability are recognised is the lower of the Fair Value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of return on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the arrangement is discharged or cancelled, or when it expires. The annual rental is split between the repayment of the liability and a finance cost. This annual finance cost is calculated by applying the implicit interest rate to the outstanding liability, and is charged to finance costs in the Statement of Comprehensive Income.

Notes to the Accounts - 1. Accounting Policies (Continued)

Operating Leases

Leases other than Finance Leases are regarded as Operating Leases, and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are treated as a reduction to the lease rentals, and reflected in operating expenses over the life of the lease. In applying IFRIC 4 - determining whether an arrangement contains a Lease, collectively significant rental arrangements that do not have the legal status of a lease but convey the right to use an asset for payment are accounted for under the Trust's lease policy, where fulfilment of the arrangement is dependent on the use of specific assets.

Leases of Land and Buildings

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. Leases of land are treated as Operating Leases.

1.17 Private Finance Initiative (PFI) Transactions

The Treasury has determined that public bodies shall account for infrastructure PFI schemes, where the public body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement, as service concession arrangements, following the principles and requirements of IFRIC 12. Therefore, in accordance with IAS 17, the Trust and the Group recognise their PFI asset as an item of property, plant and equipment, together with a corresponding Finance Lease Liability to pay for it.

The annual PFI unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:-
a) Payment for the fair value of services received - recognised in operating expenses;
b) Payment for the PFI asset, including finance costs (charged to the Statement of Comprehensive Income) and, if applicable, prepayments for assets not yet in operational use; and
c) Payment for the replacement of components of the asset during the contract, known as "lifecycle

Services Received

The fair value of services received in the year is recorded under the relevant expenditure headings within operating expenses.

PFI Assets

The Trust's PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's and the Group's approach for each relevant class of asset, in accordance with the principles of IAS 16.

PFI Liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets, and is subsequently measured as a Finance Lease Liability in accordance with IAS 17.

The element of the annual Unitary Payment which is allocated as a Finance Lease Rental is applied to meet the annual finance cost, and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease, in accordance with IAS 17. This amount is not included in the minimum lease payments, but is instead treated as contingent rent, and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability, and is therefore disclosed as a contingent finance cost in the Statement of Comprehensive Income.

Notes to the Accounts - 1. Accounting Policies (Continued)

Lifecycle Replacement

An element of the annual unitary payment is allocated to lifecycle replacement, and is pre-determined for each year of the contract, by reference to the operator's planned programme of lifecycle replacement.

Components of the asset replaced by the operator during the contract (Lifecycle Replacement) are capitalised where they meet the Trust's and the Group's criteria for capital expenditure. They are capitalised at the time they are provided by the operator, and are measured initially at their Fair Value.

Assets Contributed by the Trust and the Group to the Operator

Assets contributed (e.g. cash payments, surplus property) by the Trust and the Group to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Trust and the Group, the prepayment is treated as an initial payment towards the finance lease liability, and is set against the carrying value of the liability.

1.18 Inventories

Inventories (Stocks) are valued at the lower of cost and net realisable value, with the exception of both Pharmacy inventories, which are valued at average cost, and Inventories recorded and controlled via the Materials Management System, which are valued at current cost. This is considered to be a reasonable approximation to net realisable value due to the high turnover of stocks. The cost of inventories is measured using the First In, First

1.19 Cash and Cash Equivalents

Cash is defined as cash in hand, and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments which mature in 3 months or less from the date of acquisition, and which are readily convertible to known amounts of cash with insignificant risk of change in value.

1.20 Contingencies

A Contingent Asset is a possible asset which 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 Trust or the Group. Contingent Assets are not recognised in the Statement of Financial Position, but are disclosed at Note 30.2 to these Accounts, where an inflow of economic benefits is possible.

Contingent Liabilities are similarly not recognised in the Statement of Financial Position but, as with Contingent Assets above, are disclosed in Note 30.1 to these Accounts, unless the probability of a transfer of economic benefits is remote. Contingent Liabilities are defined as:-

a) Possible obligations arising from past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Trust's or the Group's control; or
b) Present obligations arising from past events, but for which it is not probable that a transfer of economic benefits will arise, or for which the amount of the obligation cannot be measured with sufficient reliability.

Where the time value of money is material, Contingencies are disclosed at their present value.

1.21 Provisions

The Trust and the Group provide for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date, on the basis of the best possible reliable estimate of the expenditure and when it is considered probable that there will be a future outflow of 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 one or more of the Discount Rates published and mandated by the Treasury. In 2016/17 the only such Discount Rate applicable to the Trust or the Group was 0.24% (2015/16 - 1.37%) for Post Employment Benefits - specifically the costs of Pensions and Injury Benefits, for which the Trust and the Group are obliged to pay.

Notes to the Accounts - 1. Accounting Policies (Continued)

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme (the Clinical Negligence Scheme for Trusts or CNST), under which the Trust and the Group pay an annual contribution to the NHSLA which, in return, settles all Clinical Negligence Claims. Although the NHSLA is administratively responsible for all Clinical Negligence cases, the legal liability remains with the Trust and the Group. The total value of Clinical Negligence provisions carried in its Accounts by the NHSLA, on behalf of the Trust and the Group, is disclosed at Note 29.2.

1.22 Non-Clinical Risk Pooling

The Trust and the Group participate in the Property Expenses Scheme, and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust and the Group pay an annual contribution to the NHSLA, and in return receive 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 to make payment arises.

Other commercial insurance held by the Trust and the Group includes that for (building) contract works, motor vehicles, personal accidents, and group travel (for clinical staff required to work off-site, as well as overseas travel). The annual premium and any excesses payable are charged to Operating Expenses as and when the liability arises.

1.23 Financial Instruments: Financial Assets and Financial Liabilities

Financial Assets and Liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust and the Group's normal purchase, sale or usage arrangements, are recognised when, and to the extent that, performance occurs, i.e. when receipt or delivery of the goods or services is made. The Trust and the Group do not (in common with most Public Bodies) generally hold any Financial Assets or Liabilities, the exceptions being those listed below, all of which are recognised when the Trust and the Group become parties to any contractual provisions of the instruments.

Financial Assets and Financial Liabilities at "Fair Value Through Income and Expenditure": Loans and Receivables

Financial Assets and Liabilities in this category are those held for trading. A Financial Asset or Liability is classified in this category if acquired principally for the purpose of selling in the short-term.

Loans and Receivables are non-derivative Financial Assets with fixed or determinable payments, which are not quoted in an active market. They are included in Current Assets, except for amounts receivable more than 12 months after the Statement of Financial Position date, which are classified as Non-Current Assets. The Trust's and the Group's Loans and Receivables comprise: Cash and Cash Equivalents; Trade and Other Receivables (not including Prepayments); and Investments held both by the Trust and the Charity. Loans and Receivables are recognised initially at Fair Value, net of transaction costs, and are measured subsequently at amortised cost, using the Effective Interest Method. The Effective Interest Rate is the rate which discounts exactly the estimated future cash receipts through the expected life of the Financial Asset or, when appropriate, a shorter period, to the net carrying amount of the Financial Asset. Interest on Loans and Receivables is calculated using the Effective Interest Method and credited to the Statement of Comprehensive Income.

Notes to the Accounts - 1. Accounting Policies (Continued)

Financial Liabilities

All Financial Liabilities are recognised initially at Fair Value, net of transaction costs incurred, and measured subsequently at amortised cost using the Effective Interest Method. The Effective Interest Rate is the rate which discounts exactly the estimated future cash payments through the expected life of the Financial Liability or, when appropriate, a shorter period, to the net carrying amount of the Financial Liability. Financial Liabilities are included in Current Liabilities, except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as Non-Current Liabilities. Interest on Financial Liabilities carried at amortised cost is calculated using the Effective Interest Method and charged to Finance Costs. Interest on Financial Liabilities taken out to finance Property, Plant and Equipment or Intangible Assets is not capitalised as part of the cost of those assets. Loans from the Department of Health are not held for trading, and are measured at historic cost, with any unpaid interest accrued separately.

Determination of Fair Value

For Financial Assets and Liabilities carried at fair value, the carrying amounts are estimated to be equal to book values.

Impairment of Financial Assets

At the end of each reporting period, the Trust and the Group assess whether any Financial Assets, other than those held at "Fair Value Through Income and Expenditure", are impaired. Financial Assets are impaired and impairment losses are recognised only 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/have an impact on the estimated future cashflows 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.

Derecognition of Financial Assets and Liabilities

All Financial Assets are derecognised when the rights to receive cash flows from the assets have expired, or the Trust and the Group have transferred substantially all of the risks and rewards of ownership. Financial Liabilities are derecognised when the obligation is discharged or cancelled, or it expires.

1.24 Value Added Tax

Most of the activities of the Trust and the Group 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 Non-Current Assets. Where output tax is charged or input tax is recoverable, the transactions in question are recorded net of VAT in these financial statements and this applies to assets and liabilities as well as expenses.

1.25 Foreign Currencies

The Trust's and the Group's functional and presentational currency is Sterling. The Trust and the Group do not record or trade in any transactions denominated in a foreign currency.

1.26 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised as assets in these financial statements, since the Trust and the Group have no beneficial interest in them. However, details of Third Party Assets held by the Trust and the Group are given in Note 24, in accordance with the requirements of the Treasury's Financial Reporting Manual (FReM).

1.27 Public Dividend Capital

Public Dividend Capital (PDC) represents Taxpayers' Equity in the Trust and the Group. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an Equity Financial Instrument within the meaning of IAS 32.

Notes to the Accounts - 1. Accounting Policies (Continued)

An annual charge, reflecting the Cost of Capital utilised by the Trust only, is payable to the Department of Health as PDC Dividend. The charge is calculated at the real rate set by the Treasury (currently 3.5%) on the Average Net Relevant Assets, which are defined as the average carrying amount of all assets less all liabilities, except for donated assets; average daily cash balances held with the Government Banking Service and the National Loan Fund; and any PDC Dividend balance receivable or payable. The average carrying amount of assets is calculated as a simple average of opening and closing Net Relevant Assets.

Where the average of Net Relevant Assets is negative, no Dividend will be payable.

1.28 Losses and Special Payments

Losses and Special Payments are items which Parliament would not have contemplated when it agreed funds for the Health Service, or passed legislation. By their nature, they are items which 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 in which individual cases are handled.

Losses and Special Payments are charged to the relevant functional headings in operating expenditure, Note 3 in these financial statements, on an accruals basis. However Note 39.1 to these financial statements, disclosing the Trust's and the Group's Losses and Special Payments, is compiled directly from the Losses and Compensations Register, which reports financial amounts on an accruals basis, with the exception of provisions for future losses.

1.29 Corporation Tax

Under s519A ICTA 1988 Central Manchester University Hospitals NHS Foundation Trust is regarded as a Health Service body, and is therefore exempt from taxation on its Income and Capital Gains. Section 148 of the 2004 Finance Act provided the Treasury with powers to disapply this exemption. Accordingly the Trust and the Group are 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 exceed £50,000 per annum. Activities such as staff and patient car parking and sales of food are considered to be ancillary to the core healthcare objectives of the Trust and the Group (and not entrepreneurial), and therefore not subject to Corporation Tax. Any tax liability will be accounted for within the relevant tax year.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.30 Accounting Standards Which Have Been Issued But Have Not Been Adopted

There are no Accounting Standards issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC), which are applicable to the Trust and/or the Group which have been adopted by the GAM, but which have not been adopted within these Accounts. However, the following Standards have been issued or amended by the IASB or IFRIC up to the date of publication of the GAM, but have not yet been adopted by the GAM, and therefore also not yet adopted by the Trust and/or the Group:-

Change Published	Financial Year for Which the Change First Applies	Impact
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.	The anticipated impact only relates the level of disclosure and no impact on the financial results of the organisation.
IFRS 14 – Regulatory Deferral Accounts	Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH Group bodies.	Not applicable to the Trust therefore no impact. The Trust adopted IFRS prior to 1st January 2016.
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.	It is not expected that IFRS15 will significantly impact revenue recognition
IFRS 16 - Leases	Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.	The Trust holds a number of leases (as disclosed in note 5.2). Each lease w3ill have to be assessed under the new standard and appropriate accounting treatment will be applied. Any changes to accounting treatment as a result of the adoption will have to be applied to prior periods.

1.31 Accounting Standards Issued Which Have Been Adopted Early

No Accounting Standards issued have been adopted early by the Trust or the Group.

1.32 Operating Segments

Under IFRS 8, the Trust and the Group are required to disclose financial information across significant Operating Segments, which reflect the way the management runs the organisation. A significant segment is one which:-

i) Represents 10% or more of the income or expenditure of the entity; or
ii) Has a surplus or deficit which is 10% or more of the greater, in absolute amount, of the combined surplus of all segments reporting a surplus, or the combined deficit of all segments reporting a deficit; or
iii) Has assets of 10% or more of the combined assets of all Operating Segments.

Significant central management and support services underpin all Trust activities, and the majority of activities are similar in nature. Research and Training (both less than 10% of turnover) similarly support the Trust's activities (with Training being integral to the provision of healthcare). The Trust therefore considers itself to operate with one segment, being the provision of healthcare services. This view is further supported by the fact that routine Finance Reports are presented to the Board on a Trust-wide basis, analysed by Pay, Non-Pay and Capital.

With regard to the Trust's subsidiary, the Central Manchester University Hospitals NHS Foundation Trust Charity, for Group Accounting purposes the charity is considered to be a separate operating segment. The financial results of the Charity are separately disclosed in Note 43 to these financial statements, and these statements meet the IFRS 8 requirements for operating segment disclosures.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.33 Transfers of Functions to and From Other NHS Bodies: Transfers by Absorption

For functions which have been transferred to the Trust and/or the Group from another NHS body, the assets and liabilities transferred are recognised in these fianncial statements as at the date of transfer. The assets and liabilites are not adjusted to Fair Value prior to recognition. The net gain or loss arising, corresponding to the net assets or liabilities transferred, is normally recognised within the Statement of Comprehensive Income under "Gain / (Loss) From Transfers by Absorption". Any adjustments required to align acquired assets or liabilities to the Trust's and the Group's Accounting Policies will be applied after initial recognition, and taken directly to Taxpayers'

For Non-Current Assets transferred to the Trust and the Group from other NHS bodies, the cost and accumulated depreciation/amortisation balances, from the transferring entity's financial statements, are preserved on recognition in the Trust's and the Group's statements. Where the transferring body recognised Revaluation Reserve balances attributable to the assets in question, the Trust and the Group make a transfer from their Income and Expenditure Reserve, to the Revaluation Reserve, to maintain transparency within Public Sector Accounts.

For functions which the Trust or the Group has transferred to another NHS body, the assets and liabilities transferred are derecognised from the financial statements as at the date of transfer. The net loss or gain, corresponding to the net assets or liabilities transferred, is recognised as Non-Operating Expenses or Income, and as above is titled a Gain or Loss from Transfer by Absorption, in the Statement of Comprehensive Income. Any Revaluation Reserve balances attributable to assets derecognised are transferred to the Income and Expenditure

The Trust and the group did not have any transfer of functions to and from other NHS bodies during the financial year 2016/17 and 2015/16, as detailed in Note 40.

2 Operating Income

2.1 Operating Income (by Type)	2016/17 Trust £000	2016/17 Group £000	2015/16 Trust £000	2015/16 Group £000
Income from Activities				
Elective Income	121,343	121,343	116,568	116,568
Non-Elective Income	136,865	136,865	133,311	133,311
Outpatient Income	114,906	114,906	107,284	107,284
A&E Income	25,727	25,727	23,407	23,407
Other NHS Clinical Income	405,423	405,423	369,561	369,561
Community Services	66,715	66,715	64,473	64,473
Sustainability and Transformation Fund income*	48,824	48,824	0	0
Private Patient Income	2,073	2,073	2,595	2,595
Other Clinical Income	2,749	2,749	2,849	2,849
Total Income from Activities	924,625	924,625	820,048	820,048
Other Operating Income				
Education and Training	46,692	46,692	49,659	49,659
Research and Development	33,590	33,590	32,326	32,326
Non-Patient Care Services to Other Bodies	28,514	28,514	28,253	28,253
Charitable and Other Contributions to Expenditure	4,800	1,817	877	877
Other Income **	32,651	32,651	32,533	32,533
Other - Charity	0	4,939	0	4,233
Total Other Operating Income	146,247	148,203	143,648	147,881
Total Operating Income	1,070,872	1,072,828	963,696	967,929

* The Trust has been notified that it has been awarded £48.824m of Sustainability and Transformation Funding for 2016/17. The Trust received £14.897m in cash during the financial year, with the remaining £33.927m due in

** Other income is split in further detail in note 2.3 - Operating Income (by source).

Commissioner requested services
The Trust is required by its Commissioners to provide services which ensure service users have continued access to vital NHS services, known as Commissioner Requested Services (CRS). CRS in 2016/17 amounted to £871m or 99% (2015/16, £815m 99%) of Income from Activities. CRS is arrived at by excluding Sustainability and Transformation Funding, Private Patient income and Other Clinical Income from total income received from activities.

2.2 Operating Lease Income
The Trust and the Group did not receive any material sums of Operating Lease Income in either 2016/17 or 2015/16.

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2.3 Operating Income (by Source)	2016/17 Trust £000	2016/17 Group £000	2015/16 Trust £000	2015/16 Group £000
Income From Activities				
Foundation Trusts	1,358	1,358	918	918
NHS Trusts	232	232	315	315
Clinical Commissioning Groups and NHS England	834,449	834,449	784,371	784,371
Local Authorities	27,981	27,981	22,717	22,717
Sustainability and Transformation Fund income	48,824	48,824	0	0
Private Patients	2,073	2,073	2,595	2,595
Overseas Patients (Non-Reciprocal)	1,589	1,589	1,038	1,038
NHS Injury Costs Recovery Scheme	2,749	2,749	2,849	2,849
Non-NHS Other	5,370	5,370	5,245	5,245
Total Income From Activities	924,625	924,625	820,048	820,048

	2016/17 Trust £000	2016/17 Group £000	2015/16 Trust £000	2015/16 Group £000
Other Operating Income				
Education and Training	46,692	46,692	49,659	49,659
Research and Development	33,590	33,590	32,326	32,326
Non-Patient Care Services to Other Bodies	28,514	28,514	28,253	28,253
Charitable and Other Contributions to Expenditure	4,800	1,817	877	877
Other Income **	16,886	16,886	18,520	18,520
Clinical Excellence Awards **	3,715	3,715	3,318	3,318
Car Parking **	3,250	3,250	3,041	3,041
Income in Respect of Staff Costs Where Accounted on Gross Basis **	3,318	3,318	2,524	2,524
Property Rentals **	2,245	2,245	2,327	2,327
Crèche Services **	834	834	852	852
Staff contributions to employee benefit schemes **	1,019	1,019	891	891
Estates Recharges **	798	798	519	519
Catering **	537	537	520	520
Pharmacy Sales **	49	49	21	21
Other - Charity	0	4,939	0	4,233
Total Other Operating Income	146,247	148,203	143,648	147,881
Total Operating Income	1,070,872	1,072,828	963,696	967,929

** These items total £32.651m, as detailed in note 2.1
Other Income includes sponsorship income, drug funding arrangements and contractual settlements

2.4 Overseas Visitors Income (Patients Charged Directly by the Trust)	2016/17 Trust and Group £000	2015/16 Trust and Group £000
Income Recognised in the Year	1,589	1,038
Relating to invoices raised in current and earlier years:-		
Cash Received in the Year	247	218
Amount Added to Provision for Impairment of Receivables	641	351
Amounts Written Off in the Year	0	233

3 Operating Expenses	2016/17 Trust £000	2016/17 Group £000	Restated 2015/16 Trust £000	Restated 2015/16 Group £000
Employee Expenses - Staff	553,377	554,947	539,971	541,303
Supplies and Services - Clinical (Excluding Drug Costs)	118,485	118,485	113,795	113,795
Drugs Inventories Consumed	102,179	102,179	96,901	96,901
Premises	69,580	69,580	70,376	70,376
Depreciation on Property, Plant and Equipment	23,940	23,951	23,210	23,216
Net impairments of Property, Plant and Equipment	153,982	153,982	11,014	11,014
Impairments of Intangible assets	0	0	351	351
Research and Development - Non Pay Costs	19,099	19,099	18,529	18,529
Research and Development - Employee Expenses	14,712	14,712	11,780	11,780
Clinical Negligence Scheme for Trusts	22,159	22,159	18,355	18,355
Establishment Expenses	10,278	10,278	9,341	9,341
Purchase of Healthcare from Non-NHS Bodies	6,235	6,235	6,825	6,825
Services from Other Foundation Trusts	7,076	7,076	4,987	4,987
Supplies and Services - General	6,719	6,719	6,752	6,752
Transport	3,516	3,516	3,953	3,953
Training, Courses and Conferences	2,533	2,533	2,818	2,818
Consultancy Costs	4,679	4,679	1,640	1,640
Drug Costs (Non Inventory Drugs Only)	3,456	3,456	3,651	3,651
Rentals Under Operating Leases	1,797	1,797	1,864	1,864
Services from NHS Trusts	3,306	3,306	1,787	1,787
Employee Expenses - Executive Directors	1,583	1,583	1,537	1,537
Legal Fees	1,386	1,386	1,160	1,160
(Decrease)/increase in Provision for Impairment of Receivables	(386)	(386)	1,842	1,842
Internal audit costs	123	123	123	123
Inventories written down (net, including inventory drugs)	60	60	63	63
Other - Trust	278	278	224	224
Services from Other NHS Bodies	1,020	1,020	628	628
Amortisation on Intangible Assets	709	709	592	592
Patient Travel	460	460	559	559
Redundancy Costs	980	980	394	394
Employee Expenses - Non-Executive Directors	210	210	188	188
Insurance	186	186	197	197
Change in Provisions Discount Rate	278	278	(19)	(19)
External Audit Fees for Services - Statutory Audit	77	86	78	88
Other External Auditor remuneration	14	14	14	14
Losses, Ex Gratia and Special Payments	117	117	96	96
Total Charity expenses - non staff	0	2,275	0	3,227
Total	1,134,203	1,138,068	955,576	960,151

2015/16 Restatement

Total Operating Expenditure has been restated for a prior period adjustment in relation to the value of the Trust's estate. Depreciation previously reported for 2015/16 has been reduced by £1.9m as a result of a lower asset value. Further details of the changes can be found in Note 42 of these accounts.

The Trust's Operating Expenses include payments made in respect of Operating Leases as set out in Note 5.1.

Other External Audit remuneration' are payments for services received in addition to Statutory Audit services and are set out in more detail in note 5.5.

Losses and special payments are reported in the expenditure categories to which they relate. These are also reported in Note 39.1, Losses and Special Payments.

4 Employee Expenses and Numbers

4.1 Employee Expenses

| | 2016/17 | | | 2016/17 | | | 2016/17 | | | 2015/16 | |
	Permanently Employed Trust £000	Other Trust £000	Total Trust £000	Permanently Employed Charity £000	Other Charity £000	Total Charity £000	Permanently Employed Group £000	Other Group £000	Total Group £000	Total Trust £000	Total Group £000
Salaries and Wages	416,259	31,709	447,968	1,369	201	1,570	417,628	31,910	449,538	433,101	434,433
Social Security Costs	38,061	0	38,061	0	0	0	38,061	0	38,061	29,080	29,080
Pension Costs:											
Employer's Contributions to NHS Pensions	49,789	0	49,789	0	0	0	49,789	0	49,789	48,246	48,246
Pension Cost - Other Contributions	28	0	28	0	0	0	28	0	28	19	19
Temporary staff - bank	0	16,928	16,928	0	0	0	0	16,928	16,928	15,660	15,660
Agency/Contract Staff	0	16,898	16,898	0	0	0	0	16,898	16,898	27,182	27,182
Total	**504,137**	**65,535**	**569,672**	**1,369**	**201**	**1,570**	**505,506**	**65,736**	**571,242**	**553,288**	**554,620**

Staff costs for 2016/17 of £14,712k (£11,780k in 2015/16) in respect of Research and Development are disclosed separately in Note 3 . Executive Director remuneration in 2016/17 was £1,583k (2015/16, £1,537k), and is also disclosed seperately in Note 3 of these accounts.

4.2 Average Number of People Employed

| | 2016/17 | | | 2016/17 | | | 2016/17 | | | 2015/16 | |
	Permanently Employed Trust Number	Other Trust Number	Total Trust Number	Permanently Employed Charity Number	Other Charity Number	Total Charity Number	Permanently Employed Group Number	Other Group Number	Total Group Number	Total Trust Number	Total Group Number
Medical and Dental	1,500	74	1,574	2	2	4	1,502	76	1,578	1,465	1,468
Administration and Estates	2,648	10	2,658	17	6	23	2,665	16	2,681	2,605	2,628
Healthcare Assistants and Other Support Staff	1,628	313	1,941	1	0	1	1,629	313	1,942	1,843	1,843
Nursing, Midwifery and Health Visiting Staff	4,021	205	4,226	0	0	0	4,021	205	4,226	4,211	4,213
Scientific, Therapeutic and Technical Staff	2,212	20	2,232	1	1	2	2,213	21	2,234	2,163	2,163
Agency / Contract Staff	0	261	261	0	0	0	0	261	261	458	458
Total	**12,009**	**883**	**12,892**	**21**	**9**	**30**	**12,030**	**892**	**12,922**	**12,745**	**12,773**

The number of employees is calculated using the contracted whole time equivalent.

4.3 Early Retirements Due to Ill-Health
During 2016/17 there were 13 (9 in 2015/16) early retirements from the Trust (and the Group) agreed on the grounds of ill-health. The estimated additional pension liabilities will be £667k (£571k in 2015/16) and the costs of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

4.4 Staff Exit Packages

2016/17	Number of compulsory redundancies Number Trust and Group	Cost of compulsory redundancies £000 Trust and Group	Number of other departures agreed Number Trust and Group	Cost of other departures agreed £000 Trust and Group	Total Cost of Exit Packages £000 Trust and Group
Exit Package Cost Band:					
Less than £10,000	4	14	53	168	182
£10,000 - £25,000	6	98	6	95	193
£25,001 - £50,000	6	201	2	53	254
£50,001 - £100,000	2	154	2	149	303
£100,001 - £150,000	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0
Over £200,000	0	0	0	0	0
Total Departures	18	467	63	465	932

2015/16	Number of compulsory redundancies Number Trust and Group	Cost of compulsory redundancies £000 Trust and Group	Number of other departures agreed Number Trust and Group	Cost of other departures agreed £000 Trust and Group	Total Cost of Exit Packages £000 Trust and Group
Exit Package Cost Band:					
Less than £10,000	4	26	48	150	176
£10,000 - £25,000	21	370	4	44	414
£25,001 - £50,000	20	731	0	0	731
£50,001 - £100,000	3	258	2	114	372
£100,001 - £150,000	2	249	1	122	371
£150,001 - £200,000	0	0	0	0	0
Over £200,000	0	0	0	0	0
Total Departures	50	1,634	55	430	2,064

The nature of 'Other Departures' agreed are shown in Note 4.5 below.

4.5 Exit Packages: Other (Non-Compulsory) Departure Payments

2016/17	Payments Agreed Trust and Group Number	Total Value of Agreements Trust and Group £000
Voluntary Redundancies Including Early Retirement Contractual Costs	4	191
Contractual Payments in Lieu of Notice	59	274
Exit Payments Following Employment Tribunals or Court Orders	0	0
Total	63	465

2015/16	Payments Agreed Trust and Group Number	Total Value of Agreements Trust and Group £000
Voluntary Redundancies Including Early Retirement Contractual Costs	3	236
Contractual Payments in Lieu of Notice	49	167
Exit Payments Following Employment Tribunals or	3	27
Total	55	430

4.6 Directors' Remuneration and Benefits

The aggregate amount of Directors' remuneration for 2016/17 was £1,577k (£1,561k in 2015/16). The Trust and the Group made a contribution to the NHS Pension Scheme, a defined benefit scheme, of £127k in respect of seven Directors in 2016/17 (2015/16: £130k in respect of eight Directors).

4.7 Better Payment Practice Code - Measure of Compliance

The Better Payment Practice Code requires the Trust and the Group to aim to pay all undisputed invoices by the due date, or within 30 days of receipt of goods or a valid invoice, whichever is later.

The Trust continues to process all ordering and receipting of goods and services via an electronic purchase to pay system and this is reflected in the overall performance. The results in 2016/17 were, overall, 95% (96% in 2015/16) by volume and 94% (93% in 2015/16) by value of invoices paid within the target of 30 days.

4.8 Management Costs

	2016/17	2015/16
	Trust	Trust
	£000	£000
Management Costs	27,159	26,858
Income *	1,070,872	967,394
Management Costs as a Proportion of Income (%)	2.54%	2.78%

* The Income value for 2015/16 has been adjusted to exclude the value of the impairment reversal in during the financial year.

5.1 Operating Lease Expenditure

	2016/17	2015/16
	£000	£000
Lease Payments - Plant and Machinery	1,797	1,864
	1,797	1,864

5.2 Arrangements Containing an Operating Lease

	2016/17	2015/16
		Trust and
		Group
Future Minimum Lease Payments Due:	£000	£000
Not later than one year	1,690	1,547
Later than one year and not later than five years	3,990	3,377
Later than five years	69	440
Total	5,749	5,364

The future minimum lease payments are in respect of 67 operating leases (61 at 31 March 2016), of varying contract values and terms.

5.3 Auditor's Liability
There is no specified clause in the Trust's or the Group's contract with the External Auditors, Deloitte LLP, which provides for any limitation of the Auditor's liability in either 2016/17 or 2015/16.

5.4 The Late Payment of Commercial Debts (Interest) Act 1998
No payments were made under the Late Payment of Commercial Debts (Interest) Act in either 2016/17 or 2015/16.

5.5 Other Audit Remuneration
In 2016/17, there were no services provided by our external auditors, Deloitte LLP, other than the statutory audit for the Trust's Annual Accounts and Report, and the Quality Account. The cost of auditing the Annual Accounts and Report is shown under the heading of 'External Audit Fees for Services - Statutory Audit' and the Quality Account fee shown separately under the category 'Other External Auditor remuneration', both in Note 3.   The fee relating to the audit of the Quality Account in 2016/17 is £14k (2015/16, £14k).

6 Discontinued Operations
There were no Discontinued Operations during 2016/17 or 2015/16.

7 Corporation Tax
There was no Corporation Tax payable or receivable during 2016/17 or 2015/16.

8 Finance Income	2016/17 Trust	2016/17 Charity	2016/17 Group	2015/16 Trust	2015/16 Charity	2015/16 Group
	£000	£000	£000	£000	£000	£000
Interest on Bank Accounts	96	15	111	206	21	227
Interest on Held-to-Maturity Financial Assets	90	0	90	65	0	65
Other - Dividend Income	0	531	531	0	625	625
Total	186	546	732	271	646	917

9 Finance Costs	2016/17 Trust and Group £000	2015/16 Trust and Group £000
Interest on Loans from the Foundation Trust Financing	2,081	2,027
Interest on Obligations under PFI Contracts:		
- Main Finance Cost	18,139	18,486
- Contingent Finance Cost	9,631	9,078
Total	29,851	29,591

10 Gains on disposal of assets	2016/17 Trust	2016/17 Charity	2016/17 Group	2015/16 Trust	2015/16 Charity	2015/16 Group
Gains on disposal of investments	0	309	309	0	0	0
Total	0	309	309	0	0	0

The gain on disposal disclosed relates to the CMFT Charity. The Charity had invesed in four Common Investment Funds (COIFs). During the financial year one of the banks withdrew from the Charity sector and the gain on disposal relates to the maturity of this investment. The Trustees of the Charity made a decision to re-invest the proceeds in the remaining COIFs and this additional investment in disclosed in Note 14.

11   Impairment of Assets (Property, Plant & Equipment and Intangibles)

	2016/17 Trust and Group £000	2015/16 Trust and Group £000
Total Gross Impairments	153,982	15,063
Reversals of Impairments - assets coming back into use	0	(3,698)
Total Net Impairments	153,982	11,365

12   Intangible Assets

12.1 Intangible Assets

2016/17	Software Licences - Purchased	Intangible Assets under Construction	Development Expenditure (Internally Generated)	Total
	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000
Gross Cost at 1 April 2016	**14,971**	**0**	**1,361**	**16,332**
Additions - Purchased	0	421	0	421
Reclassifications	421	(421)	0	0
Gross Cost at 31 March 2017	**15,392**	**0**	**1,361**	**16,753**
Amortisation at 1 April 2016	**12,149**	**0**	**1,361**	**13,510**
Provided During the Period	709	0	0	709
Impairments	0	0	0	0
Amortisation at 31 March 2017	**12,858**	**0**	**1,361**	**14,219**

2015/16	Software Licences - Purchased	Intangible Assets under Construction	Development Expenditure (Internally Generated)	Total
	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000
Gross Cost at 1 April 2015	12,201	0	1,361	13,562
Additions - Purchased	0	2,770	0	2,770
Reclassifications	2,770	(2,770)	0	0
Gross Cost at 31 March 2016	14,971	0	1,361	16,332
Amortisation at 1 April 2015	11,206	0	1,361	12,567
Provided During the Year	592	0	0	592
Reclassifications	351	0	0	351
Amortisation at 31 March 2016	12,149	0	1,361	13,510

12.2 Intangible Assets Financing

2016/17	Software Licences - Purchased	Intangible Assets under Construction	Development Expenditure (Internally Generated)	Total
	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000
Net Book Value				
Purchased as at 31 March 2017	2,521	0	0	2,521
Donated as at 31 March 2017	13	0	0	13
Total at 31 March 2017	**2,534**	**0**	**0**	**2,534**

2015/16	Software Licences - Purchased	Intangible Assets under Construction	Development Expenditure (Internally Generated)	Total
	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000
Net Book Value				
Purchased as at 31 March 2016	2,809	0	0	2,809
Donated as at 31 March 2016	13	0	0	13
Total at 31 March 2016	**2,822**	**0**	**0**	**2,822**

13.1 Property, Plant and Equipment

2016/17	Land	Buildings Excluding Dwellings	Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & Fittings	NHS Charitable Funds Assets	Total
	Trust £000	Trust £000	Trust £000	Trust £000	Trust £000	Trust £000	Trust £000	Charity £000	Trust and Group £000
Cost or Valuation at 1 April 2016 - as previously reported	11,053	633,794	24,488	153,311	290	25,063	17,148	127	865,274
Prior period adjustment	0	(74,071)	0	0	0	0	0	0	(74,071)
Cost or Valuation at 1 April 2016 - restated	11,053	559,723	24,488	153,311	290	25,063	17,148	127	791,203
Additions Purchased	0	0	28,593	0	0	0	0	0	28,593
Additions - assets purchased from cash donations / grants	0	0	1,568	0	0	0	0	0	1,568
Impairments , as per valuation date 31.03.17, completed by the District Valuer	(4,803)	(167,748)	0	0	0	(3,526)	0	0	(176,077)
Reclassifications	290	18,215	(30,662)	6,017	0	5,647	493	0	0
Cost or Valuation at 31 March 2017	6,540	410,190	23,987	159,328	290	27,184	17,641	127	645,287
Accumulated Depreciation as at 1 April 2016 - as previously reported	0	75,312	0	138,088	289	15,972	15,355	11	245,027
Prior period adjustment	0	(8,212)	0	0	0	0	0	0	(8,212)
Accumulated Depreciation as at 1 April 2016 - restated	0	67,100	0	138,088	289	15,972	15,355	11	236,815
Provided During the Year	0	14,599	0	5,907	0	2,840	594	11	23,951
Impairments , as per valuation date 31.03.17, completed by the District Valuer	0	(22,095)	0	0	0	0	0	0	(22,095)
Depreciation at 31 March 2017	0	59,604	0	143,995	289	18,812	15,949	22	238,671
Net book value as at 31st March 2017	6,540	350,586	23,987	15,333	1	8,372	1,692	105	406,616

13.2 Property, Plant and Equipment
Restated

2015/16	Land	Buildings Excluding Dwellings	Assets Under Construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & Fittings	NHS Charitable Funds Assets	Total
	Trust £000	Trust £000	Trust £000	Trust £000	Trust £000	Trust £000	Trust £000	Charity £000	Trust and Group £000
Cost or Valuation at 1 April 2015	23,145	590,008	44,543	150,246	290	19,301	16,681	127	844,341
Prior period adjustment	0	(71,224)	0	0	0	0	0	0	(71,224)
Valuation/gross cost at 1 April 2015 - restated	23,145	518,784	44,543	150,246	290	19,301	16,681	127	773,117
Additions Purchased	0	1,287	19,000	1,228	0	0	0	0	21,515
Additions - assets purchased from cash donations / grants	0	0	487	69	0	0	77	0	633
Reversal of impairments credited to operating income	0	3,698	0	0	0	0	0	0	3,698
Impairments , as per valuation date 31.03.16, completed by the District Valuer	(1,094)	(15,107)	0	0	0	(1,356)	(13)	0	(17,570)
Revaluations , as per valuation date 31.03.16, completed by the District Valuer	(11,708)	21,519	0	0	0	0	0	0	9,811
Reclassifications	710	29,542	(39,542)	1,768	0	7,118	403	0	(1)
Cost or Valuation at 31 March 2016	11,053	559,723	24,488	153,311	290	25,063	17,148	127	791,203
Accumulated Depreciation as at 1 April 2015	0	60,099	0	131,089	288	13,874	14,747	5	220,102
Prior period adjustment	0	(6,045)	0	0	0	0	0	0	(6,045)
Accumulated Depreciation as at 1 April 2015 - restated	0	54,054	0	131,089	288	13,874	14,747	5	214,057
Provided During the Year	0	13,504	0	6,999	1	2,098	608	6	23,216
Impairments, as per valuation date 31.03.16, completed by the District Valuer	0	(2,858)	0	0	0	0	0	0	(2,858)
Revaluations as per valuation date 31.03.16, completed by the District Valuer	0	2,400	0	0	0	0	0	0	2,400
Depreciation at 31 March 2016	0	67,100	0	138,088	289	15,972	15,355	11	236,815
Net book value as at 31st March 2016 - restated	11,053	492,623	24,488	15,223	1	9,091	1,793	116	554,388
Net book value as at 1st April 2015 - restated	23,145	464,730	44,543	19,157	2	5,427	1,934	122	559,060
Net book value as at 31st March 2016 - previously reported	11,053	558,482	24,488	15,223	1	9,091	1,793	116	620,247
Net book value as at 1st April 2015 - previously reported	23,145	529,909	44,543	19,157	2	5,427	1,934	122	624,239

2015/16 Restatement

The value of buildings as at 31st March 2016 has been restated for a prior period adjustment and has reduced by a total of £65.9m to £554.3m (previously stated £620.2m). Further details of the prior period adjustment are given in Note 42 of these Accounts.

14.1 Property, Plant and Equipment Financing	Land	Buildings Excluding Dwellings	Assets Under Construction and Payments on Account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & Fittings	NHS Charitable Funds Assets	Total
	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	Trust and Group £000	£000	Trust and Group £000
Net Book Value - 31 March 2017									
Owned	6,484	150,120	17,520	13,151	1	8,362	1,469	105	197,212
On-balance sheet PFI contracts and other service concession arrangements	0	194,419	4,031	0	0	0	0	0	198,450
Government Granted	0	1,615	1,568	0	0	0	0	0	3,183
Donated	56	4,432	868	2,182	0	10	223	0	7,771
NBV Total at 31 March 2017	**6,540**	**350,586**	**23,987**	**15,333**	**1**	**8,372**	**1,692**	**105**	**406,616**
2015/16 - restated									
Net Book Value - 31 March 2016									
Owned	10,991	292,156	13,861	13,458	1	9,062	1,686	116	341,331
On-balance sheet PFI contracts and other service concession arrangements	0	194,419	10,062	0	0	0	0	0	204,481
Government Granted	0	1,615	354	2	0	0	0	0	1,971
Donated	62	4,433	211	1,763	0	29	107	0	6,605
NBV Total at 31 March 2016	**11,053**	**492,623**	**24,488**	**15,223**	**1**	**9,091**	**1,793**	**116**	**554,388**
2015/16 - as previously reported									
Net Book Value - 31 March 2016									
Owned	10,991	135,559	13,861	13,458	1	9,062	1,686	116	184,734
On-balance sheet PFI contracts and other service concession arrangements	0	414,049	10,062	0	0	0	0	0	424,111
Government Granted	0	2,903	354	2	0	0	0	0	3,259
Donated	62	5,971	211	1,763	0	29	107	0	8,143
NBV Total at 31 March 2016	**11,053**	**558,482**	**24,488**	**15,223**	**1**	**9,091**	**1,793**	**116**	**620,247**
NBV of assets valued at historic cost included in above at 31 March 2017	**0**	**0**	**23,987**	**15,333**	**1**	**8,372**	**1,692**	**105**	**49,490**

2015/16 Restatement

Property, plant and equipment has been restated for a prior period adjustment in relation to the value of the Trust's PFI estate. Property, plant and equipment has reduced by a total of £65.9m to £554.3m (previously stated £620.2m). Further details of the prior period adjustment are given in Note 42 of these Accounts.

14.2 Economic Life of Non-Current Assets	Minimum Life Years Trust and Group	Maximum Life Years Trust and Group
Purchased, Donated or Granted		
Software	5	7
Buildings (Excluding Dwellings)	1	90
Plant and Machinery	5	10
Transport Equipment	5	7
Information Technology	5	7
Furniture and Fittings	2	10

The above asset lives relate to both intangible and tangible assets.

15 Investments

2016/17	Trust	Charity	Group
	£000	£000	£000
Carrying Value as at 1 April 2016	**841**	**13,701**	**14,542**
Acquisitions in Year	25	2,450	2,475
Movement in Fair Value	0	1,122	1,122
Disposal of investments	0	(3,404)	(3,404)
Carrying Value as at 31 March 2017	**866**	**13,869**	**14,735**

2015/16	Trust	Charity	Group
	£000	£000	£000
Carrying Value as at 1 April 2015	602	14,357	14,959
Acquisitions in Year - subsequent expenditure	239	0	239
Movement in Fair Value	0	(656)	(656)
Carrying Value as at 31 March 2016	841	13,701	14,542

The Trust reviews all investments on a regular basis to ensure the fair value is reported in the Statement of Financial Position. The investments disclosed in the note above and in Statement of Financial Position are all UK based.

16 Investment Property

16.1 Investment Property Expenses
Neither the Trust nor the Group had any Investment Property Expenses in 2016/17 or 2015/16.

16.2 Investment Property Income
Neither the Trust nor the Group had any Investment Property Income in 2016/17 or 2015/16.

17 Non-Current Assets Held for Sale in Disposal Groups and Surplus Assets
As at 31 March 2017 the Trust and the Group held one Non-Current Asset for sale, valued at £210k. This consists of both land and buildings situated in Manchester. (£210k at 31 March 2016).

The Trust and the Group have not been exposed to liabilities in respect of Disposal Groups in either 2016/17 or 2015/16.

The Trust holds no surplus assets which meet the criteria as defined in IFRS 13.

18 Other Assets
The Trust and the Group did not have any Other Assets at 31 March 2017 or 31 March 2016.

19 Other Financial Assets
The Trust and the Group did not have any Other Financial Assets at 31 March 2017 or 31 March 2016.

20 Inventories

2016/17	Drugs Trust and Group £000	Consumable Trust and Group £000	Energy Trust and Group £000	Total Trust and Group £000
Carrying Value at 1 April 2016	**3,174**	**6,769**	**235**	**10,178**
Additions	**102,461**	**30,611**	**0**	**133,072**
Inventories Consumed (Recognised in Expenses)	**(102,179)**	**(28,075)**	**(89)**	**(130,343)**
Write-down of inventories (Recognised in Expenses)	**0**	**(60)**	**0**	**(60)**
Total	**3,456**	**9,245**	**146**	**12,847**

2015/16	Drugs Trust and Group £000	Consumables Trust and Group £000	Energy Trust and Group £000	Total Trust and Group £000
Carrying Value at 1 April 2015	3,270	7,068	278	10,616
Additions	96,805	1,506	0	98,311
Inventories Consumed (Recognised in Expenses)	(96,901)	(1,742)	(43)	(98,686)
Write-down of inventories (Recognised in Expenses)	0	(63)	0	(63)
Total	3,174	6,769	235	10,178

21 Trade and Other Receivables

Current	31 March 2017		31 March 2016	
	Trust	**Group**	Trust	Group
	£000	**£000**	£000	£000
NHS Receivables *	**59,846**	**59,846**	18,897	18,897
Other Receivables With Related Parties	**2,344**	**2,344**	2,724	2,521
Provision for the Impairment of Receivables	**(4,101)**	**(4,101)**	(4,487)	(4,487)
Prepayments	**5,781**	**5,781**	5,145	5,145
Accrued Income	**14,891**	**14,891**	19,550	19,550
VAT Receivable	**3,017**	**3,017**	2,298	2,298
PDC Dividend Receivable	**2,661**	**2,661**	0	0
Other Receivables - Revenue	**8,184**	**8,483**	8,058	9,884
Total Current Trade and Other Receivables	**92,623**	**92,922**	52,185	53,808

* NHS Receivables has increased mainly due to £33.7m of Sustainability and Transformation Funding for 2016/17 income due but not yet received.

Non-Current	31 March 2017 Trust	31 March 2017 Group	31 March 2016 Trust	31 March 2016 Trust and Group
	£000	**£000**	£000	£000
Accrued Income	**5,257**	**5,757**	4,832	4,832
Finance lease receivables**	**528**	**528**	528	528
Total Non-Current Trade and Other Receivables	**5,785**	**6,285**	5,360	5,360

**The Finance lease receivable in the analysis above relates to the amount due in relation to the Former Royal Eye Hospital.

22 Provision for Impairment of Receivables (Bad Debt Provision)

	31 March 2017 Trust and Group	31 March 2016 Trust and Group
	£000	£000
At 1 April	**4,487**	2,942
(Decrease)/Increase in Provision	**(386)**	1,842
Amounts Utilised	**0**	(297)
At 31 March	**4,101**	4,487

Income received from the Department of Work and Pensions, under the NHS Injury Cost Recovery Scheme (see Note 1.6), is subject to a Provision for Impairment of Receivables of 18.9%, to reflect expected rates of collection.

22.1 Analysis of Impaired and Non-Impaired Receivables

	31 March 2017 Trust and Group	31 March 2016 Trust and Group
Ageing of Impaired Trade Receivables (Bad Debt Provision):-	**£000**	£000
0 - 30 Days	**248**	1,170
30 - 60 Days	**94**	107
60 - 90 Days	**256**	71
90 - 180 Days	**333**	547
Over 180 Days	**1,443**	2,592
Total	**2,374**	4,487

The value of impaired trade receivables as at 31st March 2017 excludes amounts impaired relating to the Injury Cost Recovery debtor, £1,727k. The 31st March 2016 figures include a provision made in relation to these debtors, £1,661k.

Ageing of Non-Impaired Trade Receivables Past Their Due Date:-		
0 - 30 Days	**4,002**	1,692
30 - 60 Days	**1,368**	466
60 - 90 Days	**613**	5,754
90 - 180 Days	**524**	884
Over 180 Days	**1,530**	1,202
Total	**8,037**	9,998

23 Finance Leases
Neither the Trust nor the Group held any Finance Lease receivables, in either 2016/17 or 2015/16, except for that disclosed in note 21 above.

24 Cash and Cash Equivalents

	31 March 2017			31 March 2016		
	Trust	**Charity Consol Adjs**	**Group**	Trust	Charity Consol Adjs	Group
	£000	**£000**	**£000**	£000	£000	£000
Balance at 1 April	73,628	2,789	76,417	91,967	4,109	96,076
Net Change in Year	11,694	532	12,226	(18,339)	(1,320)	(19,659)
Balance at 31 March	**85,322**	**3,321**	**88,643**	73,628	2,789	76,417
				.		
Comprising:-						
Commercial Banks and Cash in Hand	184	3,316	3,500	695	2,584	3,279
Cash With the Government Banking Service	85,138	5	85,143	72,933	205	73,138
Cash and Cash Equivalents as per Statement of Financial Position	**85,322**	**3,321**	**88,643**	73,628	2,789	76,417
Third Party Assets Held by the NHS Foundation Trust	**24**			18		

Third Party Assets held by the Trust, as noted above, are excluded from the Trust's Cash and Cash Equivalents figures, as disclosed in Note 24 above.

25 Trade and Other Payables

Current

	31 March 2017			31 March 2016		
	Trust	**Charity Consol Adjs**	**Group**	Trust	Charity Consol Adjs	Group
	£000	**£000**	**£000**	£000	£000	£000
Receipts in Advance*	13,101	0	13,101	14,133	0	14,133
NHS Payables	10,300	0	10,300	9,729	0	9,729
Amounts Due to Other Related Parties	6,975	0	6,975	6,905	0	6,905
Trade Payables - Capital	3,365	0	3,365	2,619	0	2,619
Other Payables	39,339	268	39,607	34,026	470	34,496
Accruals	33,675	0	33,675	32,902	0	32,902
PDC Dividend Payable	0	0	0	158	0	158
Total Current Trade and Other Payables	**106,755**	**268**	**107,023**	100,472	470	100,942

*Receipts in Advance includes the deferral of income in respect of Research funds received during the year and for which work has yet to be completed.

Non-Current

	31 March 2017 Trust and Group	31 March 2016 Trust and Group
	£000	£000
Receipts in Advance	**2,099**	1,513
Total Non-Current Trade and Other Payables	**2,099**	1,513

25.1 Early Retirement Costs
Early Retirement costs included in Note 25 above were £45k as at 31st March 2017 (£71k at 31 March 2016).

26 Borrowings	**31 March 2017** **Trust and Group** **£000**	31 March 2016 Trust and Group £000
Current		
Loans from Foundation Trust Financing Facility	**4,112**	4,112
Obligations Under Private Finance Initiative Contracts	**7,169**	6,437
Total	**11,281**	10,549

	31 March 2017 **Trust and Group** **£000**	31 March 2016 Trust and Group £000
Non-Current		
Loans from Foundation Trust Financing Facility	**73,868**	69,380
Obligations Under Private Finance Initiative Contracts	**294,890**	302,059
Total	**368,758**	371,439

27 Other Liabilities

Neither the Trust nor the Group had any "Other Liabilities" at 31 March 2017 or 31 March 2016.

28 Other Financial Liabilities

Neither the Trust nor the Group had any "Other Financial Liabilities" at 31 March 2017 or 31 March 2016.

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29 Provisions for Liabilities and Charges

	Current 31 March 2017 Trust and Group £000	Non-Current 31 March 2017 Trust and Group £000	Current 31 March 2016 Trust and Group £000	Non-Current 31 March 2016 Trust and Group £000
Pensions- Early departure costs	179	1,329	182	1,430
Other Legal Claims	240	0	693	0
Restructurings	950	0	343	467
Other	1,658	2,068	1,679	5,296
Totals	3,027	3,397	2,897	7,193

29.1 Provisions for Liabilities and Charges Analysis

	Pensions- Early departure costs Trust and Group £000	Other Legal Claims Trust and Group £000	Restructurings Trust and Group £000	Other Trust and Group £000	Totals Trust and Group £000
As at 1 April 2016	1,612	693	810	6,975	10,090
Change in Discount Rate	83	0	0	195	278
Arising During the Year	18	0	593	65	676
Utilised During the Year	(181)	(202)	(182)	(264)	(829)
Reversed Unused	(27)	(251)	(271)	(3,249)	(3,798)
Unwinding of Discount	3	0	0	4	7
At 31 March 2017	1,508	240	950	3,726	6,424
Expected Timing of Cashflows:					
- Not Later Than 1 Year	179	240	950	1,658	3,027
- Later Than 1 Year and Not Later Than 5 Years	712	0	0	718	1,430
- Later Than 5 Years	617	0	0	1,350	1,967
Total	1,508	240	950	3,726	6,424

Pensions - Early Departures relates to sums payable to former employees having retired prematurely due to injury at work. The provision is based upon current and expected benefits advised by the NHS Pensions Agency and the computed life expectancies of pension recipents.

Other legal claims - based on professional assessments, which are uncertain to the extent that they are estimates of the likely outcome of individual cases. Due to the dates of settlement of claims, are based on estimates supplied by the NHS Litigation Authority and/or legal advisors.

Restructurings - relates to estimate cost for various service re-design/transormation schemes, which have been committed to during 2016/17. These relate to pay-protection and redundancy costs which are anticipated to be settled within a one year period.

Other provisions are made in respect of a number of unrelated liabilities. The Trust has taken professional advice, and used its best estimates in arriving at the provisions. These include provision for potential litigation for contractual obligations and for permanent injury benefits. The expected timing of the cash flows shown above is estimated from the best information available to the Trust at this point in time, but these are uncertain.

29.2 Clinical Negligence Liabilities

Included in the provisions of the NHS Litigation Authority at 31 March 2017 is £312,525k in respect of Clinical Negligence liabilities of the Trust and the Group (£215,325k at 31 March 2016).

30 Contingent Liabilities and Assets

30.1 Contingent Liabilities	**31 March 2017 Trust and Group £000**	31 March 2016 Trust and Group £000
Gross Value of Contingent Liabilities	**(209)**	(205)
Net Value of Contingent Liabilities	**(209)**	(205)

This represents the amount the Trust would have to pay in the case the liability crystallises. The probability of settlement is less than 50% and does not qualify as a provision.

30.2 Contingent Assets
The Trust and the Group held no Contingent Assets at the 31 March 2017 and 31 March 2016.

31 Revaluation Reserve	**31 March 2017 Trust and Group £000**	Restated 31 March 2016 Trust and Group £000	Previously Reported 2016 Trust and Group £000
Revaluation Reserve at the beginning of the period	**43,146**	38,387	38,387
Impairments and Reversals	**0**	7,411	9,944
Transfer to the I&E reserve	**(9,171)**	(2,652)	(2,652)
Reclassification of indexation previously recognised in revaluation reserve	**(17,281)**	0	0
Revaluation Reserve at the end of the period	**16,694**	43,146	45,679

In 2016/17, the Trust carried out a revaluation of the Estate using the optimal site methodology which has given rise to an impairment of £153.982m.   Further details can be found in notes 1.6 and 1.10.

The revaluation was completed by the District Valuer with a valuation date as at 31st March 2017.

32 Related Party Transactions (Trust and Group)

Central Manchester University Hospitals NHS Foundation Trust public interest body, a Department of Health (parent of the group) Group body, authorised by Monitor (known as NHS Improvement since 1 April 2016), the Independent Regulator for NHS Foundation Trusts.

During the year none of the Board Members or members of the key management staff or parties related to them have undertaken any material transactions with the Trust.

One Non-Executive Director is Deputy President and Deputy Vice-Chancellor of the University of Manchester; and another Non-Executive Director is the Associate Vice-President of the University of Manchester.

One Executive Director is the Trust's nominated Director for Manchester Science Partnerships Ltd (formerly Manchester Science Park Ltd), which is majority owned by Bruntwood 2000 Holdings Ltd.

The Trust has entered into a number of transactions with both The University of Manchester and Bruntwood 2000 Holdings Ltd., and these are all considered to be "at arm's length".

During 2016/17 a Non Executive Director held a Directorship with Manchester Health Academy and an Executive Director is currently a Governor at the Academy. The CMFT Charity has entered into a transaction with Manchester Health Academy during 2016/17.

The transactions and balances within the Department of Health Boundary for 2016/17 and 2015/16 are shown in the table below where net income or expenditure in either year has exceeded £5m.

	Net Income/(Expenditure)		Net Receivables/(Payables)	
	2016/17	2015/16	2016/17	2015/16
	Trust	Trust	Trust	Trust
	£000	£000	£000	£000
NHS England - North West Commissioning Hub	361,976	339,416	4,204	0
NHS Central Manchester CCG	132,865	123,205	2,844	1,456
NHS Trafford CCG	82,161	79,093	505	3
NHS England - Core	48,970	5	33,957	(152)
Health Education England	44,720	47,177	89	55
NHS North Manchester CCG	48,341	43,119	265	462
NHS South Manchester CCG	39,452	37,240	674	(6)
NHSE Lancs & Greater Manchester Local Office	27,542	29,139	858	753
NHS Salford CCG	31,101	28,704	(182)	420
Department of Health	23,969	23,541	2,803	(2)
NHS Tameside And Glossop CCG	23,667	21,419	589	96
NHS Stockport CCG	20,139	19,103	146	215
NHS Bury CCG	10,316	8,527	68	119
NHS Oldham CCG	9,677	9,652	102	415
NHS Heywood, Middleton And Rochdale CCG	7,222	7,106	(163)	246
NHS Eastern Cheshire CCG	6,338	6,173	(63)	113
NHS Bolton CCG	6,888	5,601	115	195
NHS Wigan Borough CCG	5,896	4,988	47	40
Cheshire, Warrington & Wirral Area Team	949	788	57	(6)
NHS Litigation Authority (Clinical Negligence Scheme for Trusts)	(22,159)	(17,941)	0	0

In addition, the Trust has had a number of material transactions with other Government Departments and other Central and Local Government bodies, with the greatest amounts relating to Manchester City Council, HM Revenue and Customs, and the NHS Business Services Authority (Pensions Division).

33 Contractual Capital Commitments
Commitments under Capital Expenditure contracts at 31 March 2017 total £13,416k, £12,837k relating to Property, Plant and Equipment and £579k relating to Intangible Assets (31 March 2016, £13,482k.)

34 Finance Lease Obligations
Neither the Trust nor the Group had any obligations under Finance Leases in either 2016/17 or 2015/16, except for the PFI Scheme, detailed in Note 35.

35 On-Statement of Financial Position Private Finance Initiative (PFI) Contracts

35.1 Total Obligations for On-Statement of Financial Position PFI Contracts

In December 2004 the Trust entered into a 38 year arrangement with Catalyst Healthcare (Manchester) Ltd under the Government's Private Finance Initiative (PFI). The scheme involved the build and operation of four hospital developments on the Trust's main site at an overall cost of approximately £500m. At the end of the agreement ownership of the four properties transfers to the Trust.

	31 March 2017 Trust and Group £000	31 March 2016 Trust and Group £000
Gross PFI Liabilities	592,820	617,398
Of Which Liabilities are Due:		
Not Later Than One Year	24,914	24,577
Later Than One Year, Not Later Than Five Years	95,032	95,916
Later Than Five Years	472,874	496,905
Less Finance Charges Allocated to Future Periods	(290,761)	(308,902)
Net PFI Liabilities	302,059	308,496
Net PFI Obligation		
Not Later Than One Year	7,169	6,437
Later Than One Year, Not Later Than Five Years	28,159	27,422
Later Than Five Years	266,731	274,637
	302,059	308,496

35.2 On-Statement of Financial Position PFI Commitments

The Trust is committed to making the following payments for the service element of on-Statement of Financial Position PFI obligations:-

	31 March 2017 Total Trust and Group £000	31 March 2016 Total Trust and Group £000
Within One Year	74,915	72,402
2nd to 5th Years (Inclusive)	326,572	315,620
Later Than 5 Years	2,628,193	2,714,060
Total	3,029,680	3,102,082

35.3 PFI - Amounts Payable to Service Concession Operator

	31 March 2017 Total Trust and Group £000	31 March 2016 Total Trust and Group £000
Unitary payment payable to service concession operator (total of all schemes)	76,364	76,465
Consisting of:		
- Interest charge	18,139	18,486
- Repayment of finance lease liability	6,436	5,712
- Service element	35,446	36,336
- Capital lifecycle maintenance	6,712	6,853
- Contingent rent	9,631	9,078
Total	76,364	76,465

35.4 PFI Schemes Deemed to be Off-Statement of Financial Position

At 31 March 2017 and 31 March 2016, neither the Trust nor the Group had any PFI Schemes deemed to be Off-Statement of Financial Position.

36 Events Following the Statement of Financial Position Date

There were no other events following the Statement of Financial Position date, either requiring disclosure, or resulting in a change to the financial statements of the Trust or the Group.

The Trust is currently in discussions in relation to a proposed merger between UHSM and CMFT to create a new Foundation Trust (FT).   Subject to appropriate Regulatory approvals being granted, it is anticipated the new FT would be created in October 2017.

Any changes to organisational structures arising from the transaction will be accounted as a Machinery of Government change and therefore would not impact the Going Concern status of the entity or require any of the Trust's activities to not be considered as 'continuing'.

37 Financial Instruments

IFRS 7 requires disclosure of the role which Financial Instruments have had during the period in creating or changing the risks which a body faces in undertaking its activities. Because of the continuing service provider relationship which the Trust has with its Commissioners, and the way in which those Commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also, Financial Instruments play a much more limited role in creating or changing risk for the Trust than would be typical of listed companies, to which these standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and 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. For the Group, the CMFT Charity does hold investments, and is therefore exposed to a degree of financial risk. This risk is carefully managed by pursuing a cautious, low risk Investment Strategy, and by monthly reviews of the performance of investments.

The Trust's Treasury Management operations are carried out by the Finance Department, within parameters defined formally within the Trust's Standing Financial Instructions, and policies agreed by the Board of Directors. Similarly, for the Group the Treasury Management of the CMFT Charity's investments is carried out by the Charity Finance Team, following the policies set down by the Trustee, and subject to the approval of the Charitable Funds Committee. The Trust's and the Group's treasury activities are also subject to review by Internal Audit.

Liquidity Risk

Net operating costs of the Trust are funded under annual Service Agreements with NHS Commissioners, which are financed from resources voted annually by Parliament. The Trust largely finances its capital expenditure from internally generated cash, and funds made available by the Department of Health. Additional funding by way of loans (currently three) has been arranged with the Foundation Trust Financing Facility to support major capital developments. The Trust is, therefore, exposed to liquidity risks from the loan funding - however these risks are approved, and comply with Monitor's Risk Assessment Framework. For the Group, the CMFT Charity finances all of its expenditure from the resources which have been donated to it, and therefore faces no liquidity risk.

Currency Risk

The Trust and the Group are principally domestic organisations with the overwhelming majority of their transactions, assets and liabilities being in the UK and Sterling based. The Trust and the Group have no overseas operations, and therefore have low exposure to currency rate fluctuations.

Interest Rate Risk

100% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. The Trust is not, therefore, exposed to significant interest rate risk. For the Group, the Charity has interest bearing bank balances, which are subject to variable rates of interest. However, all other financial assets, and 100% of financial liabilities, of the Charity carry nil rates of interest. The Charity's bank balances represent approximately 1% of the Group's total Net Assets, and so the Group is not exposed to significant interest rate risk.

Credit Risk

The majority of the Trust's Income comes from contracts with other public sector bodies, and therefore the Trust has low exposure to credit risk. The maximum exposure as at 31 March 2017 is within Receivables from customers, as disclosed in the Trade and Other Receivables Note to these Accounts (No. 20). For the Group, the Charity's Income comes only from Donations, Legacies and Investment Income. Therefore the position of the Group is as for the Trust - the maximum exposure to Credit Risk is in respect of Receivables.

37 Financial Instruments

37.1 Financial Assets by Category

	Loans and Receivables			
	31 March 2017 Trust £000	**31 March 2017 Group £000**	31 March 2016 Trust £000	31 March 2016 Group £000
Per Statement of Financial Position:-				
Trade and Other Receivables Not Including Non-Financial Assets	**81,864**	**82,163**	54,589	54,589
Other Investments	**866**	**14,735**	841	14,542
Cash and Cash Equivalents	**85,322**	**88,643**	73,628	76,417
Total Financial Assets	**168,052**	**185,541**	129,058	145,548

37.2 Financial Liabilities by Category

	Other Financial Liabilities			
	31 March 2017 Trust £000	**31 March 2017 Group £000**	31 March 2016 Trust £000	31 March 2016 Group £000
Per Statement of Financial Position:-				
Borrowings Not Including Finance Leases and PFI Obligations	**77,980**	**77,980**	73,492	73,492
Obligations Under PFI Contracts	**302,059**	**302,059**	308,496	308,496
Trade and Other Payables Not Including Non-Financial Liabilities	**83,007**	**83,275**	66,845	67,315
Provisions Under Contract	**6,424**	**6,424**	10,090	10,090
Total Financial Liabilities	**469,470**	**469,738**	458,923	459,393

37.3 Maturity of Financial Liabilities

	31 March 2017 0 £000	**31 March 2017 Group £000**	31 March 2016 Trust £000	31 March 2016 Group £000
In One Year or Less	**95,095**	**95,363**	80,291	80,761
In More Than One Year But Not More Than Two Years	**15,894**	**15,894**	12,003	12,003
In More Than Two Years But Not More Than Five Years	**38,640**	**38,640**	40,562	40,562
In More Than Five Years	**319,841**	**319,841**	326,067	326,067
Total Financial Liabilities	**469,470**	**469,738**	458,923	459,393

37.4 Fair Values of Financial Assets at 31 March

Fair Values at 31 March 2017	**Book Value Trust £000**	**Fair Value Trust £000**	**Book Value Group £000**	**Fair Value Group £000**
Non-Current Trade and Other Receivables Excluding Non-Financial Assets	**5,785**	**5,785**	**5,785**	**5,785**
Other Investments	**866**	**866**	**14,735**	**14,735**
Total at 31 March 2017	**6,651**	**6,651**	**20,520**	**20,520**

Fair Values at 31 March 2016	Book Value Trust £000	Fair Value Trust £000	Book Value Group £000	Fair Value Group £000
Non-Current Trade and Other Receivables Excluding Non-Financial Assets	5,360	5,360	5,360	5,360
Other Investments	841	841	14,542	14,542
Total at 31 March 2016	6,201	6,201	19,902	19,902

37.5 Fair Values of Financial Liabilities at 31 March

Total at 31 March 2017	**Book Value Trust £000**	**Fair Value Trust £000**	**Book Value Group £000**	**Fair Value Group £000**
Non-Current Trade and Other Payables Not Including Non-Financial Liabilit	**0**	**0**	**0**	**0**
Provisions Under Contract	**6,424**	**6,424**	**6,424**	6,424
Loans	**77,980**	**77,980**	**77,980**	77,980
PFI Obligations	**302,059**	**302,059**	**302,059**	302,059
Total at 31 March 2017	**386,463**	**386,463**	**386,463**	**386,463**

Fair Values at 31 March 2016	Book Value Trust £000	Fair Value Trust £000	Book Value Group £000	Fair Value Trust £000
Non-Current Trade and Other Payables Not Including Non-Financial Liabilit	0	0	0	0
Provisions Under Contract	10,090	10,090	10,090	10,090
Loans	73,492	73,492	73,492	73,492
PFI Obligations	308,496	308,496	308,496	308,496
Total at 31 March 2016	392,078	392,078	392,078	392,078

As allowed under IFRS 7, Current Trade Receivables and Payables have been excluded from Notes 37.4 and 37.5 above.

38 Pensions - Defined Benefit Obligations
Neither the Trust nor the Group held any on-Statement of Financial Position Defined Benefit Pension Schemes during 2016/17 or 2015/16. Refer to note 1.8 for further details.

39 Losses and Special Payments

39.1 Losses and Special Payments Incurred	**2016/17**		**2015/16**	
	Number of Cases Trust and Group Number	**Value of Cases Trust and Group £000**	Number of Cases Trust and Group Number	Value of Cases Trust and Group £000
Bad Debts and Claims Abandoned	**213**	**145**	295	297
Stores losses	**1**	**61**	1	63
Compensation Payments Under Legal Obligation	**92**	**234**	21	68
Ex Gratia Payments	**37**	**16**	55	29
Special Severance Payments	**0**	**0**	0	0
Totals	**343**	**456**	372	457

Losses and Special Payments are reported on a cash basis.

39.2 Recovered Losses
There were no Recovered Losses in either 2016/17 or 2015/16.

40 Transfers by Absorption
The Trust had no transfers in or out under Absorption Accounting (Modified or Normal) in either 2016/17 or 2015/16.

41 Taxpayers' and Others' Equity

41.1 Public Dividend Capital
Public Dividend Capital (PDC) represents the Department of Health's equity interest in the Trust, i.e. it is a form of long term Government finance which was initially provided to the Trust when its two predecessor organisations were founded as NHS Trusts in 1991, enabling it to acquire its assets from the Secretary of State for Health at that time. Exceptional circumstances such as the merger with the former Trafford Healthcare NHS Trust in 2012, and occasionally specific Capital Expenditure, can be funded by additional PDC being issued to the Trust. As outlined at Note 1.26 to these Accounts, a PDC Dividend of 3.5% per year is payable by the Trust to the Department of Health in respect of the value of the Trust's Average "Net Relevant Assets".

41.2 Revaluation Reserve
The Revaluation Reserve represents differences between the latest valuations of the Trust's land and buildings and their cost, less depreciation to date of the buildings, as outlined in Note 1.10.

41.3 Income and Expenditure Reserve
The Income and Expenditure Reserve represents the accumulation of all surpluses and deficits made by the Trust since its inception.

41.4 Charitable Fund Reserves
The Charitable Fund Reserves are made up as follows:-
● Restricted Funds are those funds which have been donated, with specific purposes stipulated for the use of the
● Unrestricted funds are those funds which have been donated, and can be used for any appropriate purpose.
● The Charity holds no endowment funds.

The Revaluation Reserve is the difference between the latest valuation of the Charity's Investments, and the original sums of money invested. The Statement of Financial Activities shows the increase in value in the current financial year. The Statement of Financial Position shows the cumulative unrealised gain since the initial investment was made

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Note 42 - Prior Period Adjustment

In the valuation which was undertaken in March 2012 and included in the 2012/13 financial statements, the PFI managed assets were stated at a value which included 20% VAT.

Under rules which were clarified in the 2016/17 DH Group Accounting Manual, this recoverable VAT should have been excluded from the carrying value of the PFI managed assets in the financial statements for 2015/16 and previous years.

In 2016/17, the Trust has therefore reflected a prior period adjustment to remove recoverable VAT from the carrying value of the PFI managed assets, giving rise to a restatement of opening value of assets, liabilities and equity as at 1 April 2015 and 31 March 2016 and also to a restatement of the Statement of Comprehensive Income for 2015/16 as set out below:

Category	Note	£000 Previously stated (Trust)	£000 Value of Adjustment increase/ (decrease)	£000 Restated (Trust)
Deficit for the year	SOCI	29,210	(1,854)	27,356
Property plant and equipment	13	620,131	(65,859)	554,272
I&E Reserve	SOCIE	29,574	(63,326)	(33,752)
Revaluation Reserve	31	45,679	(2,533)	43,146
Taxpayers' and Others' Equity at 1 April 2015	SOFP	289,815	(65,180)	224,635
Revaluations	31	9,944	(2,533)	7,411
Taxpayers' and Others' Equity at 31 March 2016	SOFP	271,292	(65,859)	205,433
Operating Surplus from Continuing Operations	SOCI & CFS	6,266	1,854	8,120
Depreciation and Amortisation	3	25,656	(1,854)	23,802
Depreciation	13	25,064	(1,854)	23,210
Cost or Valuation at 1 April 2015 (Buildings Excluding Dwellings)	13	590,008	(71,224)	518,784
Revaluations in year (Buildings Excluding Dwellings)	13	24,365	(2,846)	21,519
Accumulated Depreciation as at 1 April 2015 (Buildings Excluding Dwellings)	13	60,099	(6,045)	54,054
Accumulated Depreciation as at 1 April 2015 provided for in year (Buildings Excluding Dwellings)	13	15,358	(1,854)	13,504
Accumulated Depreciation as at 1 April 2015 revaluations in year (Buildings Excluding Dwellings)	13	2,713	(313)	2,400

43 Consolidation of Charitable Funds - Reconciliation of Charity Accounts to Consolidation Figures

43.1 Statement of Financial Activities / Statement of Comprehensive Income

	Per Charity Accounts 2016/17	Consolidation Adjustments 2016/17	Figures Used in Consolidated Accounts	Per Charity Accounts 2015/16	Consolidation Adjustments 2015/16	Figures Used in Consolidated Accounts
	Total Funds £000	Total Funds £000	Total Funds £000	Total Funds £000	Total Funds £000	Total Funds £000
Income From:						
Donations and Legacies	4,939	0	4,939	4,806	(573)	4,233
Investments	546	0	546	646	0	646
Total	5,485	0	5,485	5,452	(573)	4,879
Expenditure on:						
Raising funds	1,461	0	1,461	1,111	0	1,111
Charitable activities	6,967	(1,580)	5,387	4,101	(776)	3,325
Total	8,428	(1,580)	6,848	5,212	(776)	4,436
Net (loss)/gain on investments	1,431	0	1,431	(656)	0	(656)
Net income/(expenditure)	(1,512)	1,580	68	(416)	203	(213)
Transfer to Pennine Care Charity	0	0	0	(139)	0	(139)
Net movement in funds	(1,512)	1,580	68	(555)	203	(352)
Total Funds Brought Forward	15,255	2,503	17,758	15,810	2,300	18,110
Total Funds Carried Forward	13,743	4,083	17,826	15,255	2,503	17,758

43 Consolidation of Charitable Funds - Reconciliation of Charity Accounts to Consolidation Figures (Continued)

43.2 Statement of Financial Position

	Per Charity Accounts	**Consolidation Adjustments**	**Figures Used in Consolidated Accounts**	Per Charity Accounts	Consolidation Adjustments	Figures Used in Consolidated Accounts
	31 March 2017	**31 March 2017**	**31 March 2017**	31 March 2016	31 March 2016	31 March 2016
	£000	**£000**	**£000**	£000	£000	£000
Fixed Assets						
Tangible Asset	**105**	**0**	**105**	116	0	116
Investments	**13,870**	**0**	**13,870**	13,701	0	13,701
Debtors	**500**	**0**	**500**	0	0	0
Total Fixed Assets	**14,475**	**0**	**14,475**	13,817	0	13,817
Current Assets						
Debtors	**609**	**0**	**609**	1,826	(204)	1,622
Cash at Bank and in Hand	**3,321**	**0**	**3,321**	2,789	0	2,789
Total Current Assets	**3,930**	**0**	**3,930**	4,615	(204)	4,411
Current Liabilities						
Creditors Falling Due Within One Year	**(4,415)**	**3,836**	**(579)**	(2,641)	2,171	(470)
Net Current Assets	**(485)**	**3,836**	**3,351**	1,974	1,967	3,941
Total Assets before Non-current Liabilities	**13,990**	**3,836**	**17,826**	15,791	1,967	17,758
Non - Current Liabilities						
Provision for Liabilities and Charges	**(246)**	**246**	**0**	(536)	536	0
Total Net Assets	**13,744**	**4,082**	**17,826**	15,255	2,503	17,758
Funds of the Charity						
Restricted Income Funds	**3,702**	**0**	**3,702**	2,905	0	2,905
Unrestricted Income Funds	**7,626**	**4,082**	**11,708**	10,652	2,503	13,155
Revaluation Reserve	**2,416**	**0**	**2,416**	1,698	0	1,698
Total Charity Funds	**13,744**	**4,082**	**17,826**	15,255	2,503	17,758

Details about each of the three Funds within the Charity's Reserves are given in Note 41.

We would like to thank everyone who has contributed to producing this annual report.

For further information about the organisation, visit our website: www.cmft.nhs.uk