



Stockport  
NHS Foundation Trust

**ANNUAL REPORT AND**

**ACCOUNTS 2017/2018**



# **ANNUAL REPORT AND ACCOUNTS 2017/2018**

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



## **CONTENTS**

CHAIRMAN'S INTRODUCTION .....	Page 6
PERFORMANCE REPORT .....	Page 9
ACCOUNTABILITY REPORT .....	Page 36
ACCOUNTING OFFICER STATEMENT .....	Page 93
ANNUAL GOVERNANCE STATEMENT .....	Page 94
ANNUAL QUALITY REPORT .....	Page 106
AUDITOR'S STATEMENTS.....	Page 214
ANNUAL ACCOUNTS .....	Page 225

## Chair's Introduction

Welcome to the Trust's Annual Report & Accounts for 2017/18. Change. Change is essential, change is imperative and change has to be undertaken at pace if we are to transform the organisation and the services we deliver to better manage the many challenges facing the Trust. 2017/18 was a really difficult year for the Trust and our partners in the Stockport health and social care economy, particularly over what was an extended winter period that had a significant impact on our ability to maintain efficient patient flow from the community, through the hospital and then back to home and/or care settings. Our operational performance pressures, together with a deficit financial position and an urgent need to address weaknesses identified by the Care Quality Commission, have put the Trust in an extremely challenging position and has, understandably, resulted in an increased level of scrutiny from our regulators. The situation underlines the need for change, as we will not achieve the improvements required if we continue to work in the same way. Both myself, and the Board, are fully committed to effecting the necessary change.

We cannot do it on our own, as the measures and developments required to improve services are not solely within the Trust's control. Consequently, we need to step up our collaborative working with Stockport Together partners and also take a more proactive approach to exploring mutually beneficial opportunities with the many third sector organisations in Stockport and the High Peak. The Stockport Together programme is vital to the provision of clinically effective, efficient and sustainable services in the Stockport area and the partners to the programme, Stockport Clinical Commissioning Group, Stockport Metropolitan Borough Council, Pennine Care NHS Foundation Trust and Viaduct Care (a federation of Stockport General Practitioners) collaborated effectively to ensure that outline business cases for the programme were approved by the relevant governing bodies in July 2017.

Work then commenced on the deployment and implementation of the 10 schemes that make up the Integrated Service Solution which will provide patients with care closer to home and enhance the 'patient flow' described above. While these schemes were in varying stages of implementation, it is encouraging that the development of new services, such as an Integrated Transfer Team, served to lessen the extreme impact of winter through more efficient discharge processes. We must now work together to ensure that full deployment of the services in 2018/19 realises the planned benefits for both patients and the Stockport Together partner organisations.

The benefits from Stockport Together are integral to providing a sustainable solution to achievement of the national performance standard for four hour waiting in the Accident & Emergency Department. Even taking into account the factors affecting our performance in this area, which are described in the Performance Report, our performance against the standard simply was not good enough and resulted in far too many of our patients experiencing extended waits in the Emergency Department. The solution is not solely related to Stockport Together and we must also ensure that processes within the hospital are as efficient as possible and that we effectively communicate and engage with out of hospital services. Both the Trust and the Stockport system have received support from bodies such as NHS Improvement and the Greater Manchester Health & Social Partnership to identify and action improvement opportunities. We welcome this support and are fully committed to maximising the benefit and learning from advice provided.

The full involvement and engagement of our staff is essential. While the Board can set the strategic direction and objectives for the Trust, it will be our doctors, nurses and support staff, together with those staff from our partner organisations, who will make the achievement of these objectives a reality. Despite a particularly difficult and challenging year, our people have demonstrated both their commitment to the provision of effective patient care and their ability to 'step up to the plate'. The resilience and dedication of staff across the winter period has been remarkable and our clinicians have done their utmost to ensure that patients have received safe and effective care in the most difficult of circumstances. Earlier in the year, our staff responded magnificently to the aftermath of the Manchester bomb attack on 22 May 2017 and their professionalism in delivering high quality of care to injured patients, and their families, was rightly recognised through a range of subsequent awards.

We need to take staff with us. Providing clear strategic direction will be essential and we must ensure that staff are fully engaged as we develop a revised Trust Strategy for the next 3-5 years. We also need to reflect on the outcomes of the 2017 Staff Survey and develop robust and deliverable plans to address identified areas of weakness. Leadership, at all levels of the organisation, will also be essential and we made good progress during 2017/18 in strengthening our medical and nursing leadership arrangements. This was in addition to implementing a revised Business Group model with leadership provided through 'triumvirate' arrangements to ensure the involvement of operational, medical and nursing leaders at an appropriately senior level.

The active involvement of clinical leaders in service development and decision-making is key along with a consistent organisational approach to improvement. A central part of our Quality Improvement Plan, developed during 2017/18, has been work supported by the Advancing Quality Alliance (AQuA) to develop a single Quality Improvement Methodology for adoption across the Trust. A cohort-based approach has been adopted for implementation with each cohort applying the methodology to design improvements across a number of projects. The first cohort, scheduled to commence in April 2018, includes projects such as; palliative care, discharge planning and mortality.

Our efforts to improve are being undertaken in the context of a very difficult financial environment. While we performed well in achieving our financial plan for 2017/18, our deficit position worsened despite achieving cost improvement savings of circa £12m. However, the proportion of recurrent savings equated to less than 50% of the total which simply adds to the burden of delivery in 2018/19. As a result of the challenged financial position, the level of regulatory scrutiny increased with the Trust being subject to Enhanced Oversight by NHS Improvement with meetings held on a monthly basis since October 2017. We expect that this oversight will continue until we can demonstrate our ability to recover, or progress towards, a sustainable breakeven position. The challenge will not disappear and 2018/19 will prove to be a real test for the Board in balancing the 'three legged stool' of performance, quality and finance. We expect that achieving this balance will necessitate difficult, and perhaps unpalatable, decisions in the coming year.

However we achieve the balance, our commitment to providing good quality care for our patients will always be at the forefront of Board decision making. The outcomes of Care Quality Commission inspections carried out in 2017, published in September 2017, were hugely disappointing and provided a real wake-up call for the whole organisation. We have responded, and over the final six months of the year have spared no effort in designing and implementing a

Quality Governance Framework and an associated Quality Improvement Plan. A streamlined and robust governance structure will serve to not only drive and monitor progress to address weaknesses but will also be the means by which assurance on the maintenance of standards is escalated to the Board.

I opened this introduction by emphasising the need for change and would like to return to this theme in closing. It is essential that change takes place across the organisation, from Ward to Board, and that all involved with the Trust embrace the change concept. There have been a number of changes to Board composition during 2017/18 and I must acknowledge the significant contribution made to the Trust over many years by my predecessor, Gillian Easson, who completed her tenure as Chair on 31 May 2017. Our Chief Executive, Ann Barnes, and our Director of Nursing & Midwifery, Judith Morris, retired at the end of the year having devoted their working lives to public service and both had provided dedicated service and commitment to the Trust for many years. I would like to thank them both for support and professionalism in the interests of our patients. I would also like to thank Jayne Shaw, our former Director of Workforce & OD, for contribution to the Trust having moved on to pastures new on 31 March 2018. We welcomed Helen Thomson and Alison Lynch as new members of the Board in the roles of Interim Chief Executive and Chief Nurse & Director of Quality Governance respectively.

With regard to the Council of Governors, the Council continues to play an important role in reflecting views of members and the public on the Trust's plans and we will ensure that Governors are an integral part of engagement activities as we develop a revised Trust Strategy. Our Governors work on a completely voluntary basis and their commitment and the time they give on behalf of members is very much appreciated.

Our focus for 2018/19 and beyond has to be on effecting the change and development necessary to ensure sustainable delivery of high quality services to the public in Stockport and the High Peak. We will need to do this in the context of a strategic environment characterised by increasing complexity and continuing pressure on the resources available to support delivery. It will be difficult, but it is achievable and it will be achieved through commitment, dedication and collaborative working with our partners in the local health and social care economy and beyond. Finally, I would like to thank our governors, volunteers and members for the difference they make to the life and work of our Trust. The Board collectively would like to thank all of our staff for their continued commitment and professionalism in providing the highest quality care to our patients.



**Adrian Belton**  
**Chair**  
24 May 2018

# Performance Report

## Overview of Performance

The purpose of the Overview is to give the reader short summary that provides them with sufficient information to understand the organisation, its purpose, the key risks to achievement of its objectives and how it has performed during the year.

2017/18 was an extremely difficult year, both for the Trust and the local health and social care economy in general. Continued failure to achieve sustainable improvements against the 4-hour A&E standard, an extremely challenging financial position and negative outcomes from a follow-up Care Quality Commission inspection combined to create something of a perfect storm. In this context, it would be wrong to claim that it was a successful year, it was far from of it, and it is not in my nature, nor that of the Board, to ignore the situation and try to find positives. We clearly need to address the numerous challenges facing the Trust quickly and sustainably. That said, it would also be wrong of me not to acknowledge successes achieved and progress made despite an incredibly difficult situation.

Performance against the A&E standard has been incredibly challenging due to a combination of factors such as; levels of demand, acuity of patients, stranded patients and staff recruitment. Those who follow the Trust will be aware that this is not a recent phenomenon, and the fact that we have not consistently achieved the A&E 4-hour standard for around four years underlines the scale of the challenge. During 2017/18 we worked constructively with our health and social care economy partners to design and deliver system improvements, such as establishment of an Integrated Transfer Team, to effect long term change in areas that are not solely within the Trust's control. The effectiveness, or not, of processes within the Trust has also been subject to rigorous scrutiny and challenge to identify where practice could be enhanced in order to facilitate more efficient patient flow. An example of a development arising from this internal scrutiny was the establishment of a clinical site management team in December 2017. The team, which provides a clinically-led approach to the management and coordination of patient flow and bed allocation 24 hours a day, 7 days a week, was subject to a phased implementation during the period December 2017 to February 2018 and was fully deployed by March 2018. The presence of this focused resource quickly resulted in a positive impact to patient flow management.

The Trust has also welcomed support and advice from regulatory bodies in addition to the collaborative work being undertaken with partners. Additional resource and input was provided by both NHS Improvement and the Greater Manchester Health & Social Care Partnership. Support from NHS Improvement has included the allocation of an Improvement Director, with a specific remit to assist the Trust with Quality developments, and the alignment of two experienced nursing professionals to work with Trust staff on process improvement. These individuals played an important part in development of our site management arrangements. Assistance from NHS Improvement will be further enhanced in May 2018 by the appointment of an Improvement Director with a specific focus on urgent and emergency care. Representatives from GM HSCP have worked with the Trust throughout the year to advise on improvement activities through the sharing of best practice from providers across Greater Manchester.

The difficulty of our financial position, as with delivery of the key A&E performance standard, is not something that is peculiar to Stockport NHS Foundation Trust. Many NHS organisations experienced financial challenges throughout 2017/18. However, it is our position that we need to

work to resolve and, despite acknowledgement amongst political leaders of the general financial challenges facing the Health Service, we cannot, and must not, rely on the hope of additional funding being made available. Transforming the way in which services are provided is a necessity, and delivery of new models of care through the Stockport Together programme, which commenced in the latter part of 2017/18, is an integral part of achieving efficient, high quality sustainable services. But it is not just Stockport Together and it is imperative that we drive this approach throughout the Trust and across all functions. Nor is it only about money, as a transformative approach will play a significant part in improving efficiency and enhancing service quality – with a consequent positive impact on patient experience. An example of the benefit of this approach is provided by the work undertaken in 2017/18 to address backlogs in clinical correspondence.

Whilst not a function with a direct impact on operational performance, it is a function that plays a vital role in ensuring that patients and other health care professionals are kept informed of patient condition. Prior to December 2017, the function operated on a specialty basis with wide variations in performance. Some specialties were experiencing an unacceptable level of delay in processing correspondence. To address this situation, we established a Clinical Correspondence Hub which consolidated resource into a discrete team function that processes correspondence across specialties using a prioritisation approach. A dedicated management team facilitated collaborative working and the adoption of standardised work processes to significant effect during Quarter 4. The proportion of correspondence completed within 7 days had increased from 55.7% when the service commenced to 91.2% in April 2018. The proportion of correspondence which took over 15 days to process reduced from 22.3% to zero. This really is a great example of what can be achieved by taking a fundamentally different approach to a problem.

We have also taken a transformative approach to services at specialty level and we completed a series of formal service reviews during the period November 2017 - April 2018. A multi-disciplinary approach was taken to the reviews with a significant level of clinician involvement. The review process itself was underpinned by benchmark data such as Model Hospital and Getting it Right First Time (GIRFT) to identify opportunities for greater efficiency through different ways of working. The reviews in 2017/18 were focused on the following six specialties; General Surgery, Trauma & Orthopaedics, Cardiology, Rheumatology, Obstetrics and the Department of Medicine for Older People. Outcomes will form the cornerstone of the Trust's efficiency programme in 2018/19.

The importance of the reviews cannot be understated. We delivered our financial plan in 2017/18 which incorporated delivery of efficiencies with a value of circa £12m. However, this was below the target of £15m set for the year and just 50% of the total, circa £6m, was attributable to recurrent savings. This increases the level of financial challenge in 2018/19 and emphasises the need to identify and deliver true recurrent efficiencies. The value of our cost improvement programme in 2018/19 is again £15m and the Board has clearly stated its expectation that this value will be achieved through recurrent savings schemes.

Quality of patient care is of paramount importance and the outcome of a follow-up CQC inspection in June 2017 was both hugely disappointing and of utmost concern to the Board. It was particularly disappointing that the inspection found that weaknesses previously identified such as security of records, management of diabetes and stock control had not been satisfactorily addressed. The situation led us to take a 'Silver Command' approach, to ensure that identified issues were effectively addressed in the short term, supplemented by a fundamental review of the Trust's quality governance arrangements to monitor embeddedness and provide robust on-going assurance on compliance with quality standards, for both internal and external purposes. I am

pleased to report that changes in leadership and approach, combined with a comprehensive Quality Governance Framework, have resulted in demonstrable improvements during the second half of the year.

Despite the many challenges, there were also a number of positives and successful developments during 2017/18, which demonstrate both our ability to deliver high quality services and the professionalism and skills of our staff. Our Stroke Service is second to none, literally. In October 2017 our Stroke Centre was rated the best in the country in an independent report from the Sentinel Stroke National Audit Programme (SSNAP). The report rates the quality and performance of services for every stroke patient from treatment to recovery and our Centre was rated first in the country out of a total of 224 stroke centres. This really was a magnificent achievement, both for the Trust and our patients, and is testament to the dedication of all staff involved in delivery of the Stroke Service.

The dedication, commitment and professionalism of our staff was demonstrated in the response to the tragic and shocking events at the Manchester Arena on 22 May 2018. The Trust played a central part in the NHS response to the attack in treating and caring for injured people and staff across the hospital responded magnificently in attending while off-duty or on leave to support the on-duty teams. This included an individual who had been at the concert on that fateful evening. The excellent response and quality of care was widely recognised with many of our staff subsequently receiving awards such as the ITV Pride of Britain Awards and The Sun's Who Cares Wins Awards. To quote our Medical Director, Dr C Wasson, this was "the NHS at its very best".

A summary of other key achievements during 2017/18 is included below:

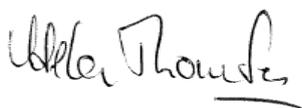
- We achieved some of the best results in the country for bowel cancer care. The overall 90 day mortality figure for patients treated at Stepping Hill Hospital was 1.1%, an improvement against the figure of 1.9% for the previous year and the lowest rating in Greater Manchester. The national average was 3.2%.
- Our midwifery team achieved the best vaccination rate for pregnant mothers in England which, alongside similar flu vaccination achievements across our partner organisations, made Stockport the best area in the country for flu vaccinations.
- Our school nursing team achieved one of the best rates in the country for the immunisation of young girls against cervical cancer. 96% of local girls aged 12 to 13 were given the human papilloma vaccine (HPV) which helps prevent cancer. This totalled 1,451 girls, the fourth highest rate in the country.
- In September 2017, Andy Burnham, Greater Manchester Mayor, formally opened a Transfer Hub at Stepping Hill Hospital. This facility, which helps to get patients home quickly and safely and with the support they need to continue to live independently, resulted from collaborative work with our Stockport Together partners. The service is one of the first of its kind in the country and ensures that patients do not stay in a hospital bed any longer than necessary.
- Again, together with our Stockport Together partners, we established a new 'Steady in Stockport' falls prevention service which is helping to reduce rates of injuries from falls amongst older people in Stockport.
- We introduced a new 'Virtual Fracture Clinic' where consultants are able to check on fractures without the need for appointments. Appropriate patients receive the help and advice they need without unnecessary follow-up appointments at the hospital, while those with more complex fractures can see a specialist doctor sooner.

- We are now carrying out 'I-fuse' spinal surgery, an innovative technique to help patients with severe back problems, which is greatly improving patients' quality of life. One grateful patient, Offerton mum Kerry Bentley, is now running half marathons having previously been unable to tie her own shoelace.
- Her Royal Highness The Duchess of Gloucester visited the Trust on 26 October 2017 to officially open our £20m Medical and Surgical Centre. The Centre, which became operational the previous year, accommodates over 120 beds in an enhanced environment and includes four state-of-the-art operating theatres.
- Michelle Clay, one of our newly qualified health visitors, won the national title of Health Visitor Student of the Year from the Journal of Health Visiting.
- Our training and public health team, along with colleagues from Stockport Metropolitan Borough Council and Manchester Metropolitan University, won the 'Partnership of the Year' award at the national Student Nursing Times Awards for their outstanding work in promoting the importance of public health to staff.

The above are just a sample of achievements and successes during the year and further information is available on the Trust's website at <http://www.stockport.nhs.uk/news>

Despite these successes, the Trust remains in a difficult position and we must endeavour to address our quality, performance and financial issues in order to meet the expectations of our patients and the public in Stockport and the High Peak and regain the confidence of our regulators. With regard to financial challenges, the Board of Directors considered the Going Concern position during a meeting held on 29 March 2018 and determined that, after making enquiries, the directors have a reasonable expectation that the 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.

I have seen and learned enough during my relatively short time with the Trust to know that the will is there at all levels of the organisation. We have a committed workforce which is determined to work together, and in collaboration with others, to address these challenges and recover the Trust's position as a high performing organisation. The Performance Report which follows, and the general content of the Annual Report, expands on overall performance during 2017/18 and will provide the reader with a good appreciation of the Trust's position.



**Helen Thomson**  
**Interim Chief Executive**  
**24 May 2018**

## **Brief History of Stockport NHS Foundation Trust**

The organisation was established as an NHS Foundation Trust on 1 April 2004, pursuant to Section 6 of the Health and Social Care (Community Health and Standards) Act 2003. The Trust provides acute hospital care for children and adults predominantly across Stockport and the High Peak area of Derbyshire. With effect from 2011/12, the Trust also provided Community Services for the populations of Stockport and Tameside and Glossop. However, the Trust's provision of these services in Tameside and Glossop ceased on 31 March 2016 when responsibility for service provision was transferred to Tameside & Glossop Integrated Care NHS Foundation Trust.

We employ over 5,200 staff working across hospital and community premises. Our major hospital is Stepping Hill Hospital situated on the A6, south of Stockport town centre. We also provide services from the Meadows, Swanbourne Gardens, the Devonshire Centre and in peoples' homes and the community within Stockport.

The Trust is licensed to provide the following mandatory services:

Anaesthetics	Neurology
Breast Surgery	Neurosurgery
Community Services	Obstetrics
Emergency Department	Ophthalmology
Ear, Nose & Throat	Oral Surgery
General Medicine	Orthodontics
General Surgery	Paediatrics
Genito-Urinary Medicine	Rehabilitation Medicine
Gynaecology	Rheumatology
Haematology	Trauma & Orthopaedics
Medical Oncology	Urology

These services are delivered through our Business Groups which are led by a 'triumvirate' comprised of; a Business Group Director, an Associate Medical Director (AMD) and an Associate Director of Nursing (ADN). We reviewed our Business Group arrangements during 2017/18 in order to better balance Group size and content. A revised Business Group structure was implemented from October 2017 as follows:

- Integrated Care Business Group
- Women, Children & Diagnostics Business Group
- Medicine & Clinical Support
- Surgery & Critical Care

We also undertook a review of medical leadership arrangements, in parallel with the review of Business Group structures. We recognised the importance of effective medical leadership and engagement, in terms of both day to day service delivery and the planning and design of future service developments, and the need to address concerns raised by the CQC in this area. The review resulted in a number of key changes:

- Creation of a new role of Associate Medical Director, Stockport Hospital Care
- Creation of a new Associate Medical Director post aligned to Integrated Care

- Creation of four new Clinical Director positions
- Overall, 11 of the 17 Clinical Director positions and 3 of the 4 Associate Medical Directors were new appointees

All members of the Medical Leadership Structure, including the Medical Director and Deputy Medical Director, completed an induction and development programme and objectives are in place for each Directorate.

Our Business Groups are supported by a full range of in-house corporate services which include; Finance, Corporate Nursing, Workforce & Organisational Development, Learning & Education, Estates & Facilities, Information Management & Technology and Communications.

## Key Issues & Risks

The Board of Directors has identified its strategic objectives and associated principal risks in a Board Assurance Framework which is subject to regular monitoring and review by the Board. The key issues and risks that could affect the Trust in delivering its objectives are detailed in the Annual Governance Statement 2017/18 which can be found on page 94 of the report.

## Performance Measurement

The Board of Directors has approved a set of key metrics to measure performance which cover; operational performance, clinical quality performance, financial performance and workforce performance. Data detailing performance against these metrics is consolidated in a comprehensive Integrated Performance Report (IPR) which is reviewed on a monthly basis by the Board of Directors. A 'kite marking' system is used to provide assurance on data quality for each indicator to identify; the source of the data, the timeframe represented, method of calculation and whether or not the data has been validated.

Performance is summarised in the IPR by means of four 'performance wheels' which denote performance by month, by quarter and year-to-date. The wheels summarise performance in the following domains:

- **Quality-** Patient Experience, Dementia FAIR, Clinical Correspondence, Discharge Summary Falls, Pressure Ulcers, Clostridium Difficile and Mortality Indicators
- **Performance-** Outpatient Waiting List, 4-hour Emergency Department Standard, Diagnostic Tests, Cancelled Operations, Cancer, Readmissions and Referral to Treatment (RTT) performance
- **Finance-** Financial Sustainability, Cost Improvement Programme, Capital Programme, In-Year Financial Performance, Expenditure Variance and Income Variance.
- **Workforce-** Appraisals, Sickness Absence, Turnover, Essentials Training, Induction and Workforce Efficiency.

The Chief Operating Officer presents the IPR to the Board under cover of a report which details performance against the key metrics used by NHS Improvement to assess compliance with the indicators set out in the Single Oversight Framework. During 2017/18, Performance Review meetings have been undertaken at Business Group level with Executive Directors and the Business Group triumvirate involved in this process. Each Business Group has a replica set of the

four 'performance wheels' which allows for a more granular analysis and scrutiny of performance at operational level.

The outcomes of CQC inspections and an Undertakings Review carried out by NHS Improvement identified a need to enhance performance monitoring and reporting. Consequently, we undertook a comprehensive review of our IPR during 2017/18 and developed a revised approach based on best practice advice. The revised IPR, which will be used to report performance from April 2018 onwards, is based on a revised set of performance metrics for relevant domains and will facilitate a greater level of forward-view reporting.

## Summary of Performance

The table below summarises performance against key Single Oversight Framework metrics during 2017/18:

Metric	Standard	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Maximum time of 18 weeks from point of referral to treatment: Patients on an incomplete pathway	92%	92.8%	92.1%	92.4%	90.3%
Maximum waiting time of 4 hours from arrival to admission / transfer / discharge	95%	85.8%	80%	79.5%	70.1%
All cancers – 62 day wait for first treatment from urgent GP referral for suspected cancer	85%	83.7%	87.6%	83.7%	88%
Maximum 6-week wait for diagnostic procedures	99%	99.7%	99.5%	99.9%	99.5%

## Performance Analysis

### Emergency Department – 4-hour Standard

The 4-hour A&E standard was not achieved in any quarter during 2017/18. While Quarter 1 performance was in line with the improvement trajectory agreed with NHS Improvement, the improvement in performance was not sustained and a downturn in performance against trajectory was experienced in subsequent quarters, culminating in an extremely challenged performance position in Quarter 4. The challenging circumstances towards the end of the year, and the impact of a testing winter period, were by no means specifically related to Stockport and the scale of the challenge both regionally and nationally was subject to extensive media coverage.

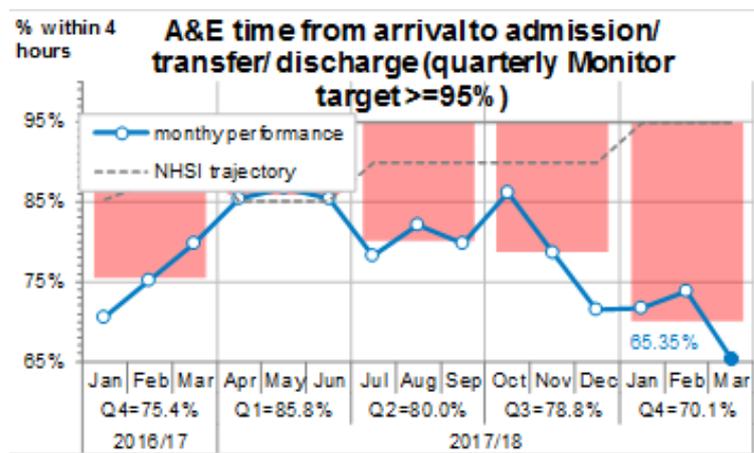
While performance against the standard throughout the year was clearly not good, in the context of the national 95% standard, there were encouraging signs of underlying improvement. The Trust's performance against the standard reflected an improvement of 3-4 percentage points, in comparison with 2016/17 figures, for each Quarter of the year, with the exception of Quarter 4. By no means cause for celebration, but an indication of the positive impact of programmes aimed at achieving sustainable improvement.

The Urgent Care System is characterised by complexity and performance against the standard is influenced by factors both inside and outside the hospital environment. Consequently, the reasons for failure to achieve consistent levels of performance are multi-faceted and necessitate a whole health and social care economy approach to identify and implement solutions. Particular factors affecting performance levels during 2017/18 were:

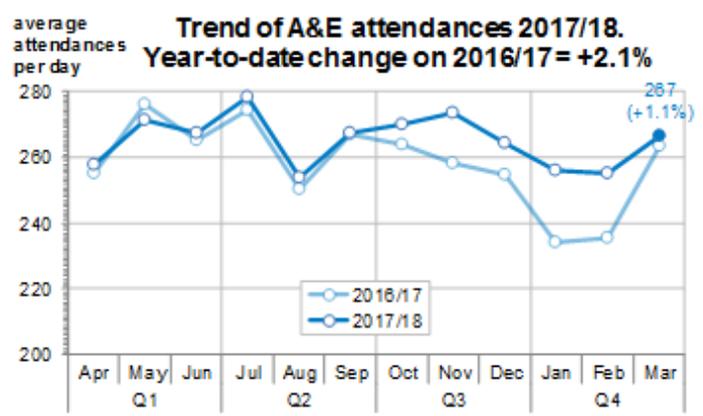
- Challenges in recruiting a substantive medical workforce in the Emergency Department and across Medicine specialties
- The significant number and proportion of 'Stranded Patients' i.e. those patients with a length of stay in hospital equal to or greater than seven days, which has a consequent impact on bed capacity
- The availability of, and access to, alternatives to Emergency Department attendance in comparison to system models in other localities across Greater Manchester.
- Challenges associated with the winter period in Quarter 3 and Quarter 4 characterised by increased levels of high acuity patients and the impact of seasonal influenza.

The Trust has had a positive start to 2018/19, with performance levels in excess of 95% recorded on a number of days in April 2018. While encouraging, performance levels remain subject to wide variation on a daily basis which emphasises the need for continued focus and effort to deliver consistent levels of performance. This focus and effort necessitates effective collaborative working with our partners in the Stockport health and social care economy and work in this area is proactively directed and monitored by a multi-disciplinary Urgent Care Delivery Board with representatives from key stakeholder organisations.

**A&E Performance 2017/18**

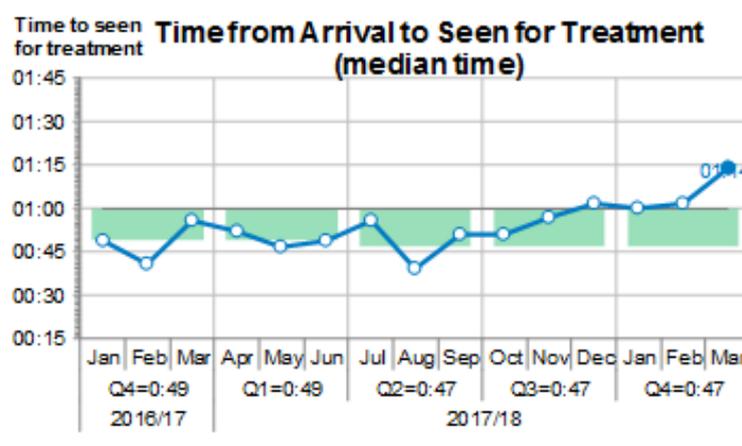


**A&E Attendance Levels**



Improvements in the processes and systems within the Emergency Department and the Acute Medical Unit, together with enhancing the resilience of the workforce model in these areas were a key area of focus in 2017/18. While our plans for resilience over the winter period did not improve overall performance against the 4-hour standard, they were successful in ensuring quality of service and safety in the provision of urgent care. The key metric used to determine effectiveness in this area is the time from arrival to the time for being seen for treatment, the 'wait to be seen' time, and the chart below is indicative of process improvement and workforce resilience in maintaining the wait to be seen at around 60 minutes.

**A&E Time from Arrival to being seen for Treatment**

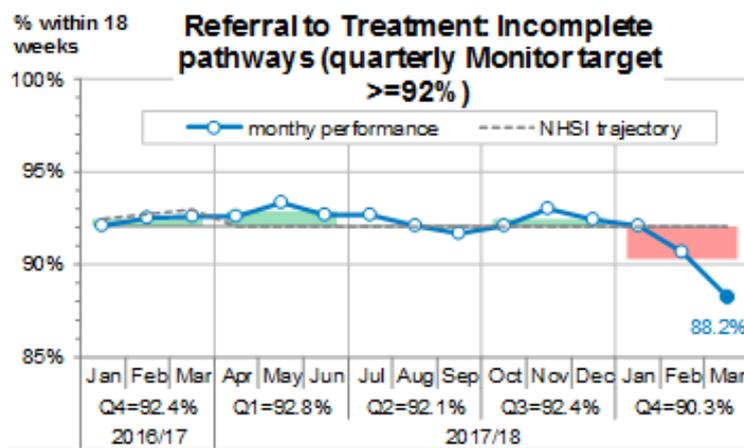


Collaborative working between the Stockport System leaders to establish a sustainable solution to Urgent Care performance in the Borough has been integral to improvements made in 2017/18. Senior Leaders from Stockport Metropolitan Borough Council, Stockport Clinical Commissioning Group and Viaduct Care (the Federation of Stockport GPs) routinely support wards and departments across the Trust through Stranded Patient reviews led by the Trust’s Deputy Medical Director and Chief Operating Officer. In addition, strong ties have been made with the team from the Greater Manchester Health & Social Care Partnership to share best practice from across Greater Manchester and beyond.

**18 Week Referral to Treatment**

Performance against the 18 Week Referral to Treatment standard was positive for the first three Quarters of 2017/18 and the 92% national standard was achieved in each Quarter. However, Quarter 4 performance was non-compliant as a direct result of the national mandate to halt all non-urgent or cancer surgery during the winter period to ease pressures in the Urgent Care system. Our performance in Quarter 4 was also affected by decisions taken by the Trust to cancel and reschedule elective outpatient activity to allow consultant time to be used to support Urgent Care. This meant that both the Admitted and Non-Admitted pathways were affected as a result of the significant pressures during the winter period.

**Referral To Treatment Performance 2017/18**

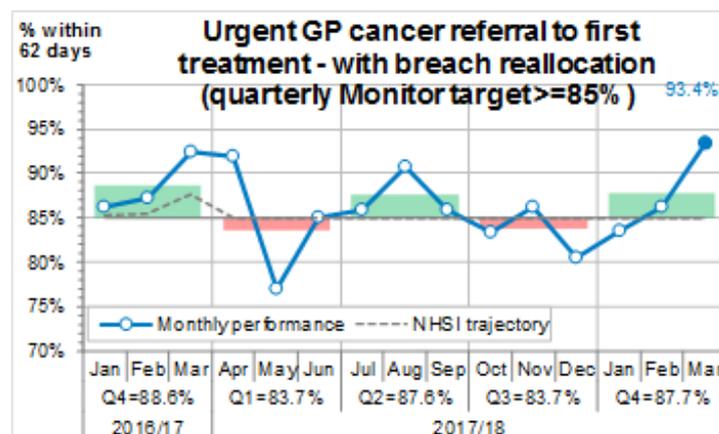


An improvement trajectory was agreed with NHS Improvement to return to a compliant position by the end of Quarter 1 of 2018/19. Elective surgery was recommenced as planned on 9 April 2018 with a consequent improvement in the number of patients waiting more than 18 weeks for surgery.

**Cancer**

Performance against the 62 Day Cancer standard was variable across 2017/18, a position consistent with that experienced across Greater Manchester Providers. Positive performance, and achievement of the 85% standard, in Quarter 2 and Quarter 4 contrasted with downturn in performance in both Quarter 1 and Quarter 3. The downturn in performance related to challenges in a number of tumour groups due to the complexity of clinical pathways, with up to three or four different providers being involved in the provision of care. Trust performance against the standard is also influenced by the relatively low denominator of patient numbers. Consistency of performance levels will be an area of significant focus for both the Trust and other Greater Manchester providers in 2018/19 and the GM Cancer Network will be working collaboratively to assess the management and implications of a new rule set for the management of Cancer Waiting Times.

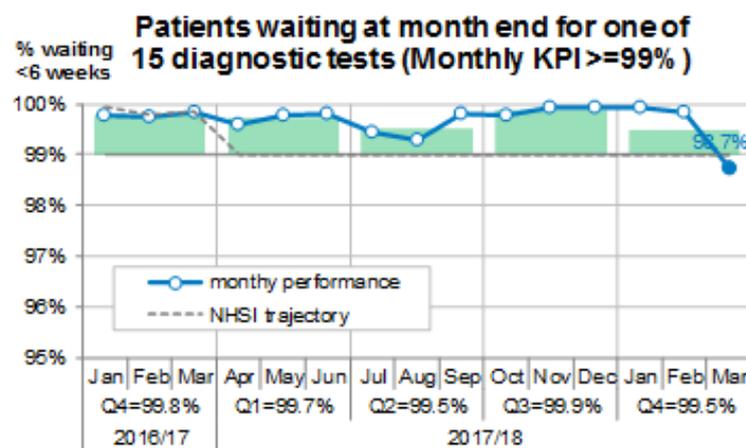
**Cancer Performance vs 62 day standard 2017/18**



**Diagnostics**

Strong performance against the 6-week diagnostic standard was achieved throughout 2017/18 and the Trust delivered the standard in each of the four Quarters. A downturn in performance was experienced in March 2018 as a direct result of capacity issues within Non-Obstetric Ultrasound

and Echocardiography. These issues were resolved and performance returned to normal levels in April 2018.



### Challenges to meeting national service standards in 2017/18

The Board of Directors has declared a forward risk of non-compliance with the Emergency Department 4-hour standard in 2018/19 as part of its governance declaration to NHS Improvement. The schemes that will provide a solution to emergency department performance within the Stockport Health and Social Care system commenced implementation through the Stockport Together programme in 2017/18 and will continue to be developed and embedded in 2018/19. These schemes will provide the long term, sustainable solutions to patients' increasing reliance on the Urgent Care system.

### Any new or significantly revised services

The Trust did not introduce any new services or significantly revised services during 2017/18. A summary of services developed as part of the Stockport Together programme is provided below.

### Descriptions of significant partnership and alliances entered into by the Trust to facilitate the delivery of improved health care

The Trust has been actively involved in both regional and local strategic partnerships and alliances within the Health and Social Care (H&SC) system throughout 2017/18.

### Regional

The Trust has been an active participant in two regional strategic programmes during 2017/18. The first is the South East Sector collaboration of providers as part of the Greater Manchester-wide Healthier Together programme. The Trust's status as the fourth Specialist Hospital site in Greater Manchester was confirmed in January 2016 and we have worked constructively with Sector partners and the central Healthier Together team on preparatory work to plan and design services, including revised clinical pathways, in advance of Phase One implementation.

The second programme is the hugely significant Greater Manchester Health and Social Care Partnership (GM HSCP) which was established as part of Devolution arrangements on 1 April 2016. The GM HSCP has responsibility for a £6bn budget and spending decisions in Greater Manchester to deliver its vision of the fastest and greatest improvement in the health and wellbeing of the 2.8 million people living in the conurbation. This vision was set out in the Greater Manchester strategic plan 'Taking Charge of our Health and Social Care' which focuses on four key areas:

- A fundamental change in the way people and our communities take charge of, and responsibility for, their own health and wellbeing
- A focus on local care, and local care organisations, where doctors, nurses and other health professionals come together with social care professionals in co-located teams, in increasingly community based settings
- Hospitals across Greater Manchester working together to make sure expertise and experience can be shared widely; and
- Other changes which will make sure standards are consistently high across Greater Manchester, and will generate significant financial efficiencies, for example; sharing back office functions across organisations, making best use of the public sector estate, investing in new technology and embedding research and innovation.

The Trust is one of 37 organisations health and social care organisations that participate in the GM HSCP and are working collaboratively to develop services across Greater Manchester as part of a 'Theme 3' transformation programme. These services include:

- General Surgery, Emergency & Acute Medicine
- Gynaecological Cancer
- Urology Cancer
- Benign Urology
- Paediatrics.
- Breast Services
- MSK & Orthopaedics
- Neuro-rehabilitation
- Cardiology
- Respiratory

The Trust holds the Provider Lead role for the Benign Urology programme which is undertaken by the Director of Support Services with support from our Associate Director of Strategy & Planning. Two of our consultants also undertake Clinical Lead roles; Dr P Turner for MSK & Orthopaedics and Dr C Cooper for Acute Paediatrics. A key part of the governance arrangements of the GM HSCP is the Greater Manchester NHS Trust Provider Federation Board and our Chief Executive is an active participant in the work of the Board to develop services across Greater Manchester.

Further information on the work of the Greater Manchester Health & Social Care Partnership is available at [www.gmhsc.org.uk](http://www.gmhsc.org.uk)

## **Local**

### Stockport Together

Strong relationships have been developed between providers and commissioners in Stockport to establish shared decision making processes in development of the Stockport Together vanguard transformation programme. The strength of these relationships was evidenced in July 2017 when the governing bodies of the Stockport Together partners; the Trust, Stockport Clinical Commissioning Group, Stockport Metropolitan Borough Council, Viaduct Care and Pennine Care NHS Foundation Trust, approved outline business cases for implementation for the various elements of an Integrated Service Solution (ISS).

Preparatory work, including associated recruitment activity, commenced immediately for deployment of the range of programmes which form the ISS as follows:

- Active recovery
- Transfer to Assess
- Crisis Response
- Integrated Neighbourhood Teams
- Seven Day GP Access
- Medicines Review
- Acute Visiting / Clinical Triage
- Enhanced Case Management
- Falls Service
- Ambulatory III (GP streaming)
- Ambulatory Care Unit

Deployment commenced in November 2017, with the exception of the Ambulatory III and AMU programmes which had been subject to earlier deployment, and all programmes had been substantially deployed by 31 March 2018. The programmes are now at varying stages of implementation but have already demonstrated a positive effect in providing care closer to home and improving patient flow.

The Provider Partners of Stockport Together undertake strategic management of these developments, collectively known as Stockport Neighbourhood Care, by means of a formal Alliance Provider Agreement which was concluded in autumn 2017. The Agreement includes a requirement for an Alliance Provider Board, headed by an independent Chair with an Executive-level representative from each of the four Providers. The Trust's representative on this Board is the Director of Support Services. The Alliance Provider approach is considered to be a temporary arrangement to facilitate progress with service transformation. There remains a commitment amongst Stockport Together partners that services should be incorporated in a revised organisational form in the longer term.

Further information on the Stockport Together programme is available at <https://www.stockport-together.co.uk>

### **Consultation with Local Groups and Organisations**

The Trust has not made any material changes to its service provision, estate or any other aspect of its establishment and operation that required formal consultation during 2017/18, save for consultation on the Stockport Together programme which was led by Stockport CCG. Executive Directors regularly attend meetings of the local Health Overview & Scrutiny Committee at Stockport Metropolitan Borough Council to brief Committee members on developments at the Trust. In addition, quarterly meetings are scheduled with Stockport Healthwatch to share information on Trust developments and address any issues that may be identified by Healthwatch representatives.

### **Important events since the end of the Financial Year**

There have been no events to report that have arisen since the end of the financial year.

### **Overseas Operations**

The Trust did not conduct any overseas operations during 2017/18.

## **Vision, Strategic Priorities and Trust Strategy**

The five-year strategy approved by the Trust in May 2015 stated that “*Trust strategy going forward will be focused on care of older people and people with cancer*” and set out the intention to move away from the old district general hospital model of providing ‘everything to everyone’ as it is no longer sustainable. This would mean that the Trust would look to provide fewer services directly (although services would continue to be provided in the Stockport locality) and focus development on services consistent with the ‘care of older people and people with cancer’ theme.

The Board of Directors reviewed this position in 2017/18 in the context of significant changes in the Trust’s operating environment. These changes related to developments in the local health and social economy as part of the Stockport Together programme and regionally in relation to the work being undertaken by the Greater Manchester Health & Social Partnership. The Board concluded that the local and regional developments in the past two years had a fundamental impact on the Trust’s stated strategy and agreed that work should be undertaken to develop a revised Trust Strategy for the next 3-5 years. The Board also took into account feedback from a large staff consultation exercise carried out in autumn 2017 in reaching this decision.

The Board has worked to formulate a clear vision, mission, priorities and objectives for the Trust over the course of a number of Board Strategy sessions during the period October 2018 –March 2018. A revised strategic view has been developed which is intended to provide a realistic and achievable plan to put the Trust in the best possible position to address inevitable future change and maximise any opportunities arising from this change. The view recognises that the future will be based on cohesion and cooperation, rather than competition and commerce, and has the interests of patients at its core. The revised Strategy will provide the clarity of purpose which is essential for our staff and has the following key areas of focus:

- Resilience & Improvement
- Quality & Safety
- Finance
- Operational Performance
- Stockport Together – Integrated Service Solution
- Healthier Together – Implementation Phase
- Greater Manchester Health & Social Care Partnership – Themes 3 & 4

The above formed the basis for development of a strategic outline consultation document during Quarter 4 2017/18 and we plan to undertake a consultation process, to seek the views of both internal and external stakeholders, during Quarter 1 2018/19. We aim to have a Board-approved revised Trust Strategy in place during the summer of 2018.

## **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 applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year and the first two quarters of 2016/17 relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

### Segmentation

Stockport NHS Foundation Trust has been placed in segment 3 throughout 2017/18 and up to 31 March 2018. Details of a regulatory review carried out by NHS Improvement in June/July 2017, which resulted in a modified licence condition, are included on page 91 of the report. This segmentation information is the Trust's position as at 31 March 2018. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

### 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.

The Trust's performance against the metrics with regard to the Use of Resources for the last 6 quarters is detailed in the following table:

Area	Metric	2017/18 scores				2016/17 scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	4	4	4	4	3	4
	Liquidity	4	4	3	2	1	2
Financial efficiency	I&E margin	4	4	4	4	3	4
Financial controls	Distance from financial plan	1	1	1	1	1	1
	Agency spend	1	2	2	2	2	1
<b>Overall scoring</b>		<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>

The Trust therefore finished the year with an overall score of a 3, which is driven by strong performance in financial control and achievement of the agency expenditure cap. However, the overall financial deficit has resulted in a 'poor' rating for financial sustainability and financial efficiency.

### Financial Review

The Trust ended the financial year with a deficit of £22m including exceptional items against a planned deficit of £27.2m. This includes a fixed asset impairment reversal of £4.1m as a result of the Trust undertaking a modern equivalent asset valuation (MEAV) exercise and the value of the buildings increasing compared to the previous financial year. The financial performance would have resulted in an underlying deficit of £26.1m, being £1.3m better than plan, if the exceptional item is excluded.

In 2017/18, the Trust made the difficult decision to reject the proposed control total from NHS Improvement and in turn forego receipt of the Sustainability & Transformation Fund (STF). The Board of Directors decided that the cost improvement required to achieve the control total would be extremely challenging and would impact on patient quality, safety and experience. The Trust did, however, receive additional bonus STF funding of £0.4m in 2017/18 which related to achievement of the control total in 2016/17.

The annual accounts present the Trust's position alongside the consolidated Trust financial position as a group, which includes the Charitable Funds and the Trust's wholly owned subsidiary, Stepping Hill Healthcare Enterprises Ltd which provides the Pharmacy Shop services. Further detail on both of these elements is provided in the annual accounts section of the report. The following section of this report covers only the Trust position.

The 2017/18 financial performance includes the delivery of a cost improvement programme with a total value of £12m, of which £6.3m is recurrent. All efficiency schemes are subject to a Quality Impact Assessment to assess potential impact on the quality and safety of services and ensure that any identified risks are effectively mitigated. One of the key delivery programmes in 2017/18 was a Theatre Improvement programme which increased the utilisation and management of theatre lists.

Whilst achieving savings, we have continued to invest to improve services for patients, both in terms of improving the quality and safety of our services and investing in buildings and equipment. Total investment through the capital programme in 2017/18 was £8.4m which included £3.3m on equipment, £1.2m on estates and £3.3m on IT investments including Electronic Patient Record Systems for both the hospital and community.

## **Going Concern**

The Trust is required to assess its ability to continue as a going concern over the next 12 months and into the future, as part of preparing the Annual Accounts and as required by International Accounting Standards 1 (IAS 1). This is done by considering the information available about the future prospects of the Trust as at 31 March 2018, including the Trust's assessment of the future cost and productivity improvements required to enable it to manage through the very difficult economic climate facing it in the foreseeable future. The Financial and Governance risks assessed by NHS Improvement are also examined as well as additional operational risks such as the potential loss of key personnel and activity changes.

At a Board of Directors meeting held on 28 February 2018, the Directors carefully considered the Sustainability and Transformation Fund (STF) offer for 2018/19 and agreed not to accept the STF-related control total, given that the scale of cost savings required to achieve the control total, £40m in 2018/19, would not be deliverable.

The Trust has agreements in place for 2018/19 with all of its Commissioners. These include the partnership arrangements for investment in new models of care as part of the Stockport Together programme. The anticipated continuation of provision of Trust services in the future, as evidenced by agreed commissioning contracts, is confirmation of the Trust's continuation as a going concern.

A detailed report assessing the financial risks facing the Trust was considered by the Board of Directors on 29 March 2018. The assessment focussed on the following:

- a. Partial delivery of the Cost Improvement Programme
- b. Continued urgent care growth, including increased winter capacity requirements, and,

c. Levels of agency / locum expenditure

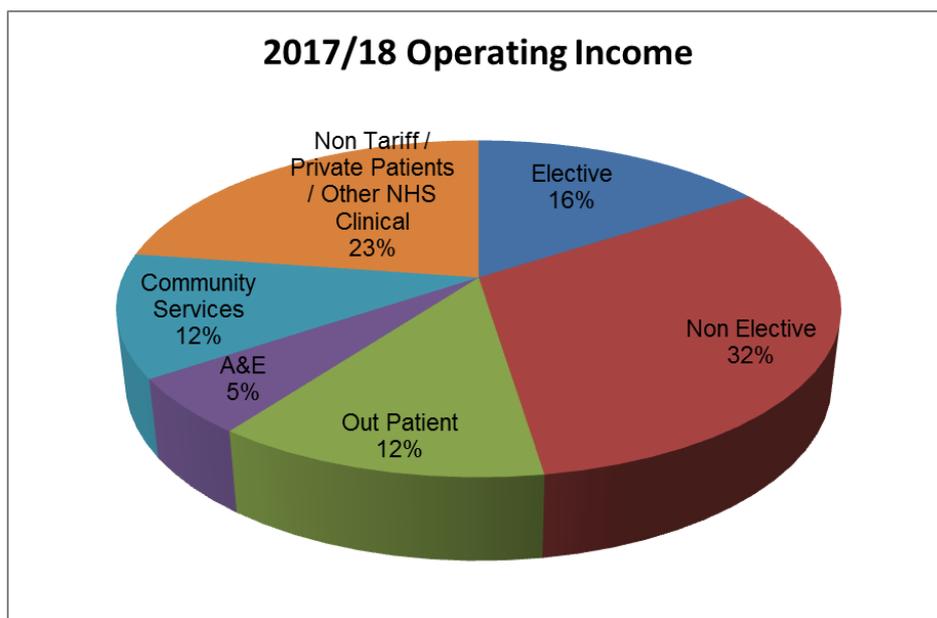
The Board concluded that, while 2018/19 will be as challenging as 2017/18, and despite considerable risks related to deliverability of planned savings and the Trust's overall cash position, the Trust is a going concern and the Board has taken steps to ensure that this remains case for at least the next 12 months. The Trust will regularly review this position throughout 2018/19.

A key consideration of the going concern assessment was the overall availability of cash to the Trust to meet its financial obligations. The Trust has been in dialogue with the NHS Improvement Capital & Cash Team throughout 2017/18. In readiness of a requirement for revenue support, likely to be in July 2018, the Trust has been submitting rolling 13-week cash flow forecasts. The Trust's Cash Action Group continues to work with suppliers and health and social care partners to ensure maximum liquidity. The availability of revenue support and working capital funding create a material uncertainty that may cast doubt on the Trust's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Trust is in an ongoing dialogue with the ITFF and is therefore confident that funding will be made available as required during 2018/19. Consequently, after making enquiries, the Directors have a reasonable expectation that Stockport NHS Foundation Trust has adequate resources (including external cash flow assistance) to continue its operations on an ongoing basis. For this reason, the Directors continue to adopt the going concern basis in preparing the accounts.

## Income and Expenditure

In 2017/18 the Trust's overall income was £285.5m (£303.3m in 2016/17). Income from provision of health services was greater than that from provision of goods and services for any other purpose. The Trust did not receive or make any political donations in 2017/18. Our operating income was £250.8m in 2017/18, a reduction of £5.7m from 2016/17, which predominantly relates to the non-recurrent receipt of the Sustainability and Transformation Fund of £11.4m in 2016/17 for accepting the control total.

The income is shown by activity in the chart below:

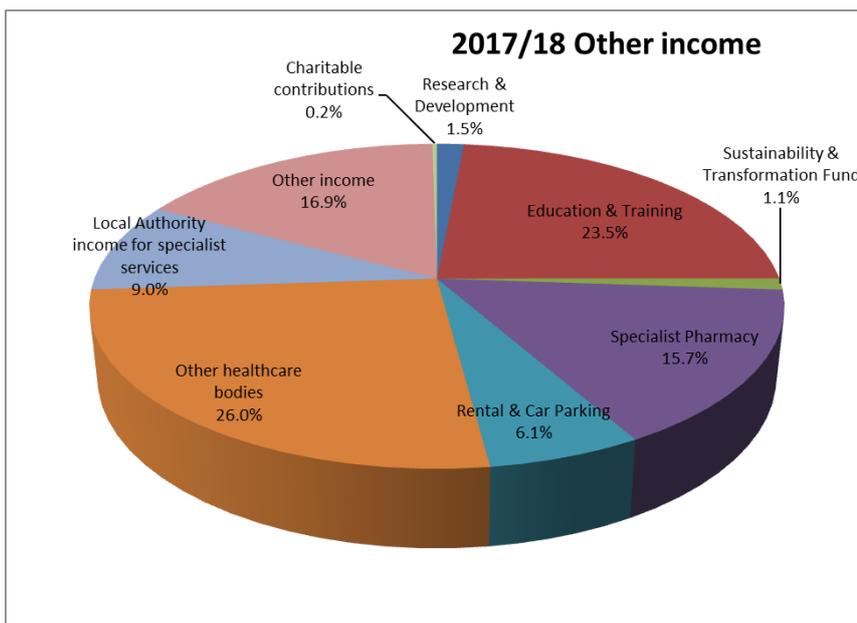


Clinical income was above planned levels during 2017/18 and included the non-recurrent receipt of support towards the costs of winter from the Department of Health. The Trust agreed a block contract for urgent care (non-elective and A&E) and outpatients for 2017/18 with Stockport CCG. This agreement was part of the plans within the economic business cases for the Stockport Together programme with Stockport CCG and Stockport MBC, whereby the block contract gave protection of income whilst transformational change took place to move services from hospital to integrated community settings. Elective income continued to be received on a case by case basis under the rules within the health payment system 'Payment by Results (PBR)'.

The Trust saw an increased level of urgent care patients during the year and experienced a difficult winter period, where increased numbers of patients were seen in A&E, particularly older frailer people who required admission to hospital. This led to a greater level of cancelled elective patients than planned over the winter period and therefore the Trust received less income compared to the previous year for these patients.

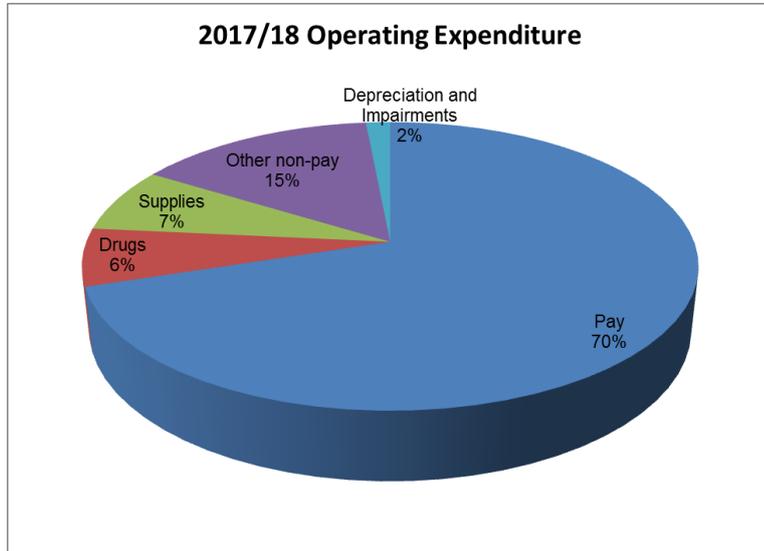
The Trust earns a small percentage of income from private patients and overseas visitors, a total of £1m in 2017/18. The Trust therefore confirms that income from the provision of good and services for the purposes of the health service in England was greater than its income from the provision of goods and services for any other purpose.

The Trust also earns income from a number of different sources and a breakdown of the £34.6m 'Other income' is provided in the chart below. The Trust provides a number of services to other healthcare providers via service level agreements and these include Urology, Radiology and Occupational Health and earned £9m from these arrangements in 2017/18. As an Associate Teaching Hospital the Trust continues with its medical and other clinical services education programmes including links with other countries and accounted for £8.1m in 2017/18. The Trust also trades its pharmaceutical specialist services to other trusts and healthcare providers including the sale of drugs totalling £9.0m, which is offset by expenditure.

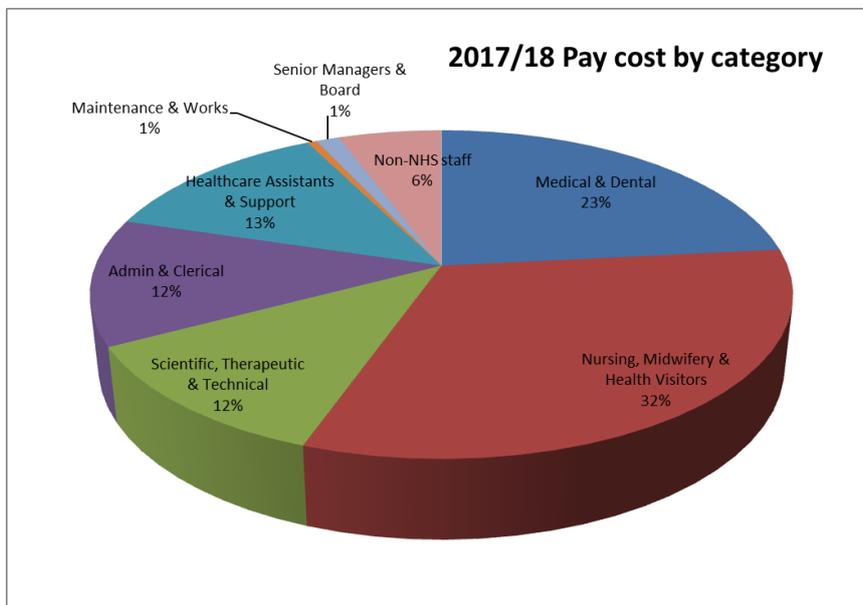


The Trust has no fees and income (income generation) levied which meet the disclosure criteria under the Managing Public Money definition. The Trust has trading activities within Stockport Pharmaceuticals whereby it has secured contracts via published procurement processes and has recovered full cost with an operating margin and therefore this is outside the scope of disclosure.

Operating expenditure was £303.8m (£305.4m in 2016/17) which is a reduction of £1.6m. The Trust's costs are divided into the following areas:



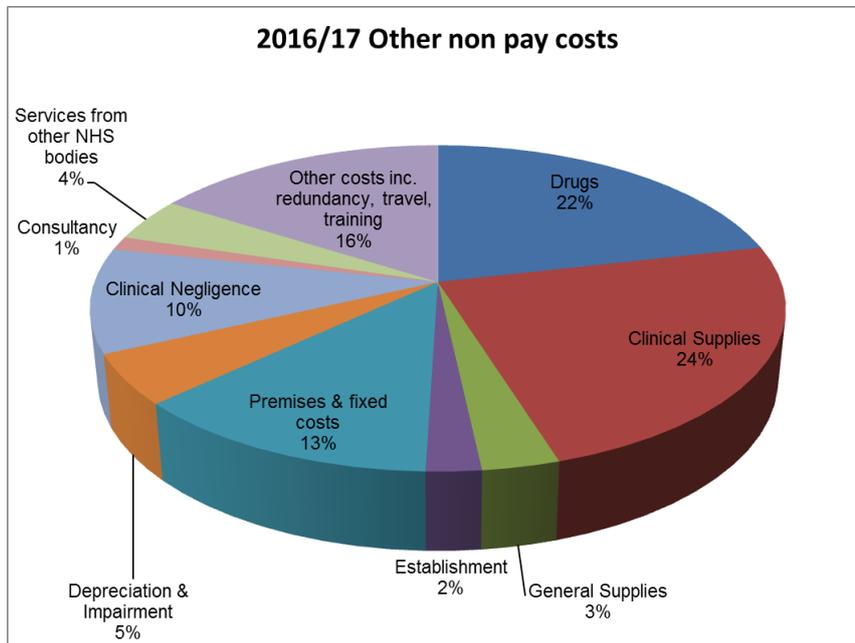
Pay costs account for 70% of our operating expenses, and our pay spend is split over the following categories:



Pay costs in 2017/18 were £212.96m (£207.3m in 2016/17). The Trust has increased its permanent medical staffing costs in year with a focus on recruitment to key specialty posts where previously agency staff at premium rates had been deployed. Services have continued to use agency staff at premium rates to support the level of activity in the hospital where substantive staff were not available to fill vacancies. Temporary staffing costs have reduced to £12m in 2017/18 from £13.5m in 2016/17. Investment has continued in year in an international recruitment programme for targeted

specialties for medical staff. Programmes have also been in place for nursing, focussing on retention schemes for existing staff.

Non-pay expenditure in 2017/18 was incurred as follows:



The Trust undertook a revaluation of land and buildings under the Modern Equivalent Asset Valuation (MEAV), where the Trust assesses the difference in configuration of a replacement site were the hospital to be rebuilt. This was undertaken for the first time in 2016/17 and resulted in an impairment charge of £4.1m. At the end of 2017/18 the same valuation was undertaken but the replacement building value had increased in year and resulted in an impairment reversal of £4.1m in-year, which reduces operating expenditure. This is detailed further in the notes to the accounts.

Clinical negligence costs increased for all trusts throughout the country again in 2017/18 and the impact for the Trust was £0.9m, a total cost of £9.4m in year.

Premises costs have increased in year where the Trust has incurred additional costs for Community properties as part of changes in services linked to Stockport Neighbourhood Care developments and has also invested in a replacement curtain programme across the Trust to improve ward environments. Additional costs have been incurred on transformation projects for the Stockport Together programme where transformation funding has been received in line with the economic business cases agreed with the partner organisations. This has predominantly been incurred on staff costs in 2017/18.

## Balance Sheet

The regulations relating to the calculation of the Public Dividend Capital (PDC) and current commercial interest rates mean that it is more beneficial for the Trust to keep bank balances in the government bank account. Therefore we only earned £0.1m interest during 2017/18, which is the same level as earned in the previous financial year. Our year-end cash balance was £15.5m

compared to an opening cash position of £23.7m. The Trust will be applying for revenue support from the Department of Health's capital and cash department in 2018/19.

## **Charitable Funds**

The Board acts as Corporate Trustee in respect of its charitable funds. Our primary statements in our Accounts show the consolidated or group position, including the Charitable Funds and the unconsolidated Trust position. Copies of the separate Annual Report and Accounts for these charitable funds (Registered Charity Number 1048661) are available on request from the Director of Finance, the Trust's website or from the Charities Commission website.

The Charitable Funds Committee oversees the management of the Charitable Funds, and the policy remains one of annual spending in line with the continuing levels of bequests and donations received in year. This is consistent with the aims and objectives approved by the Charities Commission for NHS Charities in general.

In 2017/18, Charitable Funds income was £320,000 and the Trust is extremely grateful for donations of £85,000, legacies of £171,000 and fundraising income of £20,000. The Charity also received £45,000 investment income. Expenditure in 2017/18 was £86,000 which included purchases of new chairs for expectant mothers on Delivery Suite, a defibrillator and monitors for the Older People's wards and a hoist at Swanbourne Gardens for the Children's respite room. The Charity has also supported staff welfare and training activities.

## **Financial Outlook**

The Trust has experienced another financially challenged year where the Trust delivered a loss of £22m. This is the third financial year where the Trust has recorded a deficit position; 2016/17 deficit of £6.3m and 2015/16 deficit of £12.9m. The Trust delivered a financial plan marginally above what was planned and this is reflected within the financial controls section of the Single Oversight Framework. In order to achieve its plan the Trust has delivered a cost improvement programme of £12m in year against a target of £15m; however a significant proportion of this total was non-recurrent which therefore adds to the challenge in 2018/19.

The underlying deficit for the Trust going into 2018/19 is £49m, taking into account non-delivery of recurrent CIP, inflationary pressures, including increase in staff costs and increase in NHSLA premiums, and a contribution towards the cost of new models of care. The Trust is planning a cost improvement plan of £15m in 2018/19, which results in an overall deficit of £34m. The Trust's cash balance has reduced significantly over the past three years as the deficit position has increased and the Trust will need to apply for revenue support during the financial year. The Board of Directors is aware of the implications of the application process and additional terms and conditions that need to be met to access the support.

Delivery of the full cost improvement programme on a recurrent basis is imperative and progress with delivery will be closely monitored by the Board of Directors. The Trust plans to deliver its £15m cost improvement programme through a combination of themes which include

- Improving patient flow
- Improving efficiency in theatres
- Improving efficiency in outpatients

- Workforce efficiency and effectiveness
- Procurement and medicines management
- Clinical support services
- Corporate and Estates services

The Trust is refreshing its medium term financial strategy with the focus on securing quality service for patients and sustainability. One of the key components of the strategy is the work with our partners on the Stockport Together programme in the local health and care economy, whereby services will transform into delivery in non-traditional acute hospital settings. The Greater Manchester Health & Social Care Partnership is continuing with the specialty review across Theme 3 and Theme 4 and the effect on services, particularly in relation to cancer and the Trust's financial modelling is linked closely to this work.

### Capital Planning 2018/19

The Trust is planning capital expenditure of a range between £9m and £15m in 2018/19 compared to a plan of £13.6m in 2017/18. The range is dependent on the allocation of capital from Healthier Together.

A summary of planned investments at the base position is as follows:

Capital description	Plan 2018/19 £k
Equipment	2,907
Property Schemes	1,380
Estates – backlog maintenance	761
Estates – other	944
Information Management & Technology	3,579
<b>Total Capital Plan</b>	<b>9,571</b>

The property schemes predominantly relate to the creation of an Urgent Treatment Centre on the Stepping Hill site.

Information management and technology schemes include the completion of the Acute and Community Electronic Patient Record projects.

The equipment programme includes the on-going replacement of assets across the hospital and in 2018/19 the largest item within the programme is the replacement of the gamma camera within the Radiology department.

## Environmental Matters

**Stockport NHS Foundation Trust is committed to providing services in a way that is sustainable and supports our corporate and social responsibilities**

### Introduction

Our vision is to provide high quality health care services in an environmentally sustainable manner. Sustainability means; spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of rising cost of natural resources. We are taking active steps to improve our energy efficiency, reduce our water consumption and minimise the impact of the waste we generate. The Trust remains committed to supporting the NHS in achieving challenging national targets and a programme of sustainability improvements was delivered during 2017/18. As in previous years, the majority of actions focused on making improvements to enhance the energy efficiency of our buildings.

Our Carbon Management Implementation Plan (CMIP), which has been in place since 2008, aims to reduce carbon emissions through:

- Reduced energy use through rationalisation and efficient design
- Implementation of a Green Travel plan through provision of low carbon travel, transport and access
- Increased local procurement
- Reduction of waste levels and increased recycling of waste
- Reduction in water use and associated waste
- Organisation and workforce awareness and development

We have continued to deliver significant 'carbon savings' through design innovation including:

1. Voltage Optimisation Electrical Energy Saving techniques to provide a reduced supply voltage for site equipment. This improves power quality by balancing phase voltages and reducing the Trust's electricity demand and cost.
2. Installation of cost effective Duplex Stainless Steel Plate Heat Exchangers to optimally improve energy efficiency and minimise waste water pollution.
3. Reducing energy costs through the replacement of old or inefficient boilers with new systems designed to use as much as 30-40% less energy.
4. Increased insulation of roof spaces and exposed pipework and valves.
5. Reduced mechanical ventilation by improving airflow and natural ventilation through the installation of new windows.
6. Replacement of inefficient engineering plant.
7. Continued use of green technologies such as LED lighting and heat recovery units
8. Replacement of Trust vehicles with low emission models. The new vehicles operate using efficient technology or alternative fuels, rather than diesel, and reduce both running costs and the environmental impact of the vehicle fleet.
9. Introduction of an intelligent Building Management System which supports more efficient management of heating systems.

We recognise that sustainability goes far beyond compliance with legislation and we firmly believe that development of sustainable practice is a fundamental corporate responsibility. The Trust has a

Sustainable Development Management Plan (SDMP) in place in accordance with the NHS Carbon Reduction Strategy 2009. This plan sets out the Trust's commitments and actions to achieve NHS-wide carbon emission reduction targets. We achieved the target of a 10% reduction by 2015 and further carbon reduction strategies and projects are in place to achieve the target of a 24% reduction in energy use and carbon emissions by 2020. The main actions being taken to achieve this are summarised below.

### **Key Objectives**

The Trust has carried out a significant amount of work to reduce carbon emissions and achieve wider sustainability goals. Our key objectives for environmental and sustainability managements include:

- Building on our Carbon Management Programme and ensuring a long term vision for sustainable energy management for the Trust.
- Ensuring that environmental protection and social issues, including prevention of pollution, are considered within the Trust's strategic planning, management and operations.
- Reduce the Trust's environmental impacts in the areas of water and waste, including Capital Planning management schemes.
- Continue to make better use of the Trust's occupied floor space and disposing of under utilised assets.
- Increased recycling and waste reduction.
- Fulfil all compliance obligations relating to environmental management.
- Environmental/Sustainability Key Performance Indicators to be reported and tracked at a local level and reported monthly as part of Directorate Finance and Performance meetings.
- Reducing vehicle emissions by offering staff a capped choice of low emission or electric vehicles via the NHS Car Lease Scheme.
- Increase engagement with staff and the public at all levels through a range of communications channels.
- Embed sustainability principles in the organisation's current processes and policies whenever possible.
- Capital planning processes to take into account sustainability options and to explore the wider funding route i.e. SALIX, Environmental Funders Network and CIBSE guidance.

### **Carbon and Energy Management**

Our approach to carbon and energy management is based on; reduction in energy consumption, the supply of energy as efficiently as possible and the supply of required energy using low carbon and renewable sources where appropriate. Efficient energy management necessitates close monitoring and analysis of energy consumption to enable consumption patterns and targets to be set for individual buildings across the estate. Automatic utility metering continues to be rolled out across the estate which provides half hourly gas, electricity and water consumption data for Trust buildings. Automatic meter reading (AMR) enables the Trust to scrutinise consumption patterns to identify and address inefficiencies whilst also enabling greater financial control of energy budgets by eliminating estimated readings.

### **Energy and Water Consumption**

The Trust's consumption of energy and water during 2017/18 is summarised in the table below along with comparative performance in 2016/17 and 2015/16. The increase in consumption with both electricity and gas from years 2015/16 to 2016/17 is a result of the construction and occupation

of the new build D Block Surgical and Medical facility which opened in October 2016. The slight decrease in electricity and gas consumption from years 2016/17 and 2017/18 is the result of some minor capital schemes which incorporated the installation of more economical equipment such as Plate Heat Exchangers and LED lighting.

Table 1 – Energy and Water Consumption

	<b>ELECTRICITY (kWh)</b>	<b>GAS (kWh)</b>	<b>WATER m<sup>3</sup></b>
<b>2015 - 2016</b>	12,572,918	27,282,955	142,789
<b>2016 - 2017</b>	12,907,495	31,040,831	142,962
<b>2017 - 2018</b>	12,848,845	30,185,153	163,383

Water consumption increased in 2017/18, the main cause of which was due to a significant leak on site which took some time to locate. We actively work to minimise water consumption through the use of water efficient technology across the estate such as the installation of low flush WCs, reduced flow showers and taps. We have also undertaken pipe work infrastructure replacements due to excessive leaks within underground service ducts. Reduction of consumption will continue to be an area of focus during 2018/19. However, we are conscious of the need to balance water efficiency initiatives with the need to maintain robust infection control regimes and to guard against the risks of legionella contamination of water systems by regular flushing of water outlets.

## **Waste**

The Trust has made good progress with waste management and recycling during 2017/18. This was a specific area of focus for a newly-appointed Support Services Manager, with direct responsibility for waste management and significant improvements have been seen across both site general waste and recycling and clinical waste. Following the Trust's move to extend the offensive clinical waste stream across the whole organisation, we have seen a large reduction in waste classified as hazardous and this has reduced our total waste to incineration by 8%.

We continue to operate a Waste Management Policy to ensure both best use of resources and compliance with relevant environmental legislation. The policy aims to minimise waste and to maximise recovery, re-use and recycling rates. The Trust has several different waste streams and continues to recycle a range of items including general waste, batteries and oil from the kitchens. Rigorous monitoring of waste contracts, and generation of revenue through recycling, serve to reduce both costs and impact on the environment.

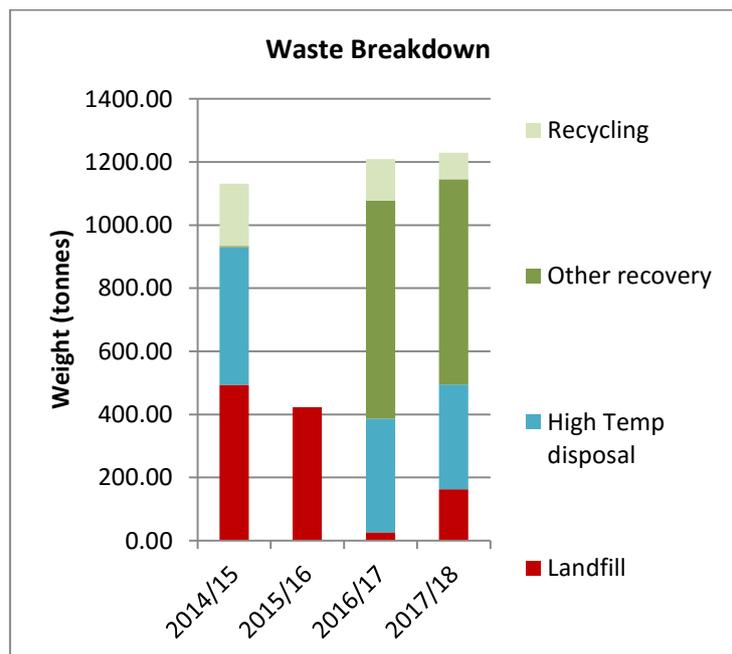
An external audit carried out in July 2017 by Specialist Training & Consultancy Services Limited, the Trust's independent Waste & Dangerous Goods Consultants, provided assurance that the Trust was fully compliant in relation to healthcare waste management practices. A number of recommendations were made to allow the Trust to move forward in improving our practices, introduce cost improvement initiatives and to work towards potential rebates from waste recovery and recycling schemes. The Trust also is working with a recently appointed Domestic Waste Contractor, to identify opportunities to further enhance waste management services.

Tables 2 and 3 below summarise improvements made by the Trust over the past four years with the overall aim of reducing its carbon footprint.

Table 2 – Waste Stream Tonnage

Waste		2014/15	2015/16	2016/17	2017/18
Recycling	(tonnes)	197.00	0.00	131.30	84.58
	tCO <sub>2</sub> e	4.14	0.00	2.63	1.78
Other recovery	(tonnes)	4.00	0.00	692.00	650.46
	tCO <sub>2</sub> e	0.08	0.00	13.84	13.66
High Temp disposal	(tonnes)	436.00	0.00	360.00	332.35
	tCO <sub>2</sub> e	95.92	0.00	78.84	73.12
Landfill	(tonnes)	494.00	423.00	26.00	162.38
	tCO <sub>2</sub> e	120.74	103.39	6.35	50.34
Total Waste (tonnes)		1131.00	423.00	1209.30	1229.77
% Recycled or Re-used		17%	0%	11%	7%
Total Waste tCO <sub>2</sub> e		220.88	103.39	101.66	138.89

Table 3 – Waste Breakdown by Type



### Smoke-free Hospitals

We want to look after the health of everyone who uses our hospital and the Trust is committed to providing a clean and healthy environment for patients, visitors and staff. A complete smoking ban has been in place on Trust property since 2005 and during 2017/18 we continued to strengthen the effectiveness of this policy with a direct and honest poster campaign supplemented by security officers politely reminding people of our non-smoking policy.

In October 2017 the Trust supported the ‘Stoptober 28-day stop smoking challenge’, where

everyone quits together, supported by employers, communities, charities and other partners, as well as encouraging each other. Advice and information to support smokers in giving up the habit was available from promotion stands throughout the hospital.

### **Green Travel Plan**

The Trust continues to operate a Travel Plan which contains specific mode share targets which will relate to an action plan of Travel Plan measures. Additionally, the Travel Plan continues to reference the supporting work undertaken; TRICS surveys, traffic surveys and a parking study, to inform the Plan targets and measures.

The purpose of the Travel Plan is to:

- Encourage the use of modes of transport to and from the site other than the car;
- Discourage the use of single occupancy car travel to the site;
- Make provision for staff / patients / visitors to travel to the site by alternative modes of transport other than the car;
- Ensure that on-site car parking is effectively managed;
- Ensure that parking demand does not exceed on-site provision or place a demand on nearby streets and car parks; and
- Ensure that the transport needs of the hospital situated within the site are met in a sustainable way.

The Trust's Travel Plan is a long-term strategy for the site that seeks to deliver sustainable transport objectives through positive action, and is subject to regular review (DfT Good Practice Guidelines: Delivering Travel Plans through the Planning Process, 2009). The Travel Plan aims to make the site more accessible to all users, whether or not they have access to a car, and helps to promote social equality within the local community.

### **Sustainable Procurement**

The Trust is committed to the principles of sustainable development to support central Government and Department of Health commitments in this area of policy, and the improvement of the nation's health and wellbeing. The Trust recognises that it has an influential role in furthering sustainable development through the procurement of buildings, goods, and services. Sustainability, environmental and social principles are embedded in our procurement processes to ensure that a balanced consideration of social, ethical, environmental and economic factors is undertaken as part of the procurement evaluation process.

The Trust's Procurement Team has adopted a 'whole life cost' approach by assessing the environmental impact of products from production to disposal costs. This approach will generate benefits both to the organisation and to society and the economy, as well as minimising impact on the environment. The Trust also has in place a comprehensive Anti-Fraud, Bribery & Corruption Policy which was subject to review by the Trust's local Anti-Fraud Specialist prior to approval by the Audit Committee on 20 March 2018.

# Accountability Report

## Directors' Report

### Board of Directors and Board Committees

The Board of Directors is responsible for setting the strategic direction and managing the business of the Trust and, subject to any relevant requirements of the Trust's Constitution, exercises all the powers of the Trust. The Board of Directors therefore has an overall responsibility for delivering the activities of the Trust and is accountable for the operational performance of the Trust as well as the definition and implementation of strategy and policy.

The Board of Directors takes decisions with regard to:

- **Quality Issues** – which include Clinical Effectiveness, performance against Quality Indicators, Infection Control, Patient Experience, Risk Management and Staff Development.
- **Strategic and Developmental Issues** – this includes decisions with regard to business planning, the Trust's annual Operational Plan, decisions to invest in additional capacity and site development, the Trust's Capital Programme and other strategic issues affecting the Trust as they arise.
- **Finance and Performance** – this includes taking decisions with regard to the Trust's financial performance as well as its performance against all key performance indicators.
- **Governance Issues** – this includes decisions relating to the establishment of effective governance arrangements across the organisation.

Day to day management of the Trust is undertaken by the Chief Executive and Executive Directors who are responsible for taking decisions, particularly with regard to financial and performance issues and quality matters, subject to the levels of delegated authority set out in the Trust's Scheme of Delegation and Standing Financial Instructions.

The Board of Directors is comprised of a Chairman, six Non-Executive Directors and six Executive Directors. The Board considers each of the Non-Executive Directors to be independent in character and judgement and has identified no relationships or circumstances that are likely to affect, or appear to affect, their judgement. The criteria considered by the Board in determining the independence of the Non-Executive Directors were:

- Whether the individual had been an employee of the Trust within the last five years
- Whether the individual has, or has had within the last three years, a material business relationship with the Trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Trust
- Whether the individual has received, or receives, remuneration from the Trust in addition to a Director's fee, participates in a performance-related pay scheme or is a member of the Trust's pension scheme
- Whether the individual has close family ties with any of the Trust's advisers, directors or senior employees

- Whether the individual holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies
- Whether the individual has served on the Board of the Trust for more than six years from the date of their first appointment
- Whether the individual is an appointed representative of the Trust's university, medical or dental school.

During 2017/18 the Board of Directors met on 10 occasions. Details of individual directors and their attendance at meetings are as follows:

**Gillian Easson – Chair (until 31 May 2017)**

Attendance: 2/2

Background

Following graduation from Cambridge University, Gillian Easson qualified as a solicitor in Stockport and became one of the North West's first female prosecuting solicitors. In 2000, she was appointed a Non-Executive Director of the Christie Hospital, a governor of UMIST and in 2004, a founder governor of the University of Manchester, becoming the first Deputy Chair in 2007. In 2012 she was appointed as Pro-Chancellor of the University of Manchester and in July 2014 she became a member of the NHS Providers Board. Gillian has over a decade's public sector experience in both the NHS and higher education sectors, together with significant experience of regulation and strategic oversight of organisational risk and change. Gillian was appointed as a Non-Executive Director of Stockport NHS Foundation Trust on 1 January 2007 and was also Deputy Chairman until 31 October 2012. She was initially appointed as Chairman of the Trust on 1 November 2012.

**Adrian Belton – Chair (from 1 June 2017)**

Appointed on 1 June 2017 until 31 May 2020

Attendance 8/8

Background

Adrian Belton has a wealth of public and private sector experience, at both national and regional level. He has held chief executive roles at the Construction Industry Training Board (CITB) and FERA, formerly the national Food and Environment Research Agency. Adrian led the merger of four organisations to create FERA, and also has integration experience from his times as an executive director of Nottingham City Council and subsequently in the creation of Natural England as a new non-departmental public body.

Adrian previously worked at board level within banking and financial services, with Risk Director roles at Barclays and the Bradford & Bingley Group. In addition, he has held a number of non-executive roles in the previous 10 years. These include chairman of the Institute of Environmental Management & Assessment and a lay member on the Council of Sheffield University where he sits on the Audit Committee.

**Malcolm Sugden – Non-Executive Director (Deputy Chairman)**

Re-appointed on 1 April 2015 until 31 March 2018

Attendance: 10/10

### Background

Before his appointment as Non-Executive Director of Stockport NHS Foundation Trust, Malcolm was a Non-Executive Director at Tameside and Glossop Primary Care Trust from July 2010 and took an active role sitting on finance and audit committees. Previously, Malcolm had worked as an Executive Finance Director for Electricity North West which held the licence to distribute electricity across the North West of England. The business had a turnover approaching £350 million providing services to around 2.4 million customers and this work provided excellent experience in dealing with large scale accounting and other strategic financial matters. Malcolm lives in Ashton Under Lyne.

### **Mike Cheshire – Non-Executive Director (Senior Independent Director)**

Reappointed on 1 September 2016 until 31 August 2019

Attendance: 10/10

### Background

Dr Mike Cheshire is a hugely experienced clinician, having worked as a consultant physician, specialising in geriatric and general medicine for many years, including nearly three decades working at Central Manchester Hospitals NHS Foundation Trust. He was Clinical Vice President at the Royal College of Physicians, London from 2007 to 2010. Dr Cheshire has also held a number of other important management and regional responsibilities, including Director of Post Graduate Education (1997-2001) and clinical head of intermediate care for Central Manchester Primary Care Trust (2004-2007). From 2009 until disestablishment, Dr Cheshire was the Medical Director for NHS North West.

### **John Sandford – Non-Executive Director (Chair of Audit Committee)**

Re-appointed on 1 July 2017 until 30 June 2018

Attendance: 8/10

### Background

John Sandford has a degree and is a chartered accountant who worked for many years with KPMG. He was an audit partner / director responsible for audit opinions, managing teams and setting audit strategy, until his retirement from the organisation on 31 December 2010. Following his retirement from KPMG, Mr Sandford has established a joint venture with a local firm of chartered accountants and has developed a financial consulting business in Stockport. Mr Sandford lives in Bramhall, Stockport, and is married with two children. He has a range of local community interests, together with being a keen cricketer and golfer.

### **Catherine Anderson**

Appointed on 1 January 2016 until 31 December 2018

Attendance: 9/10

### Background

Catherine Anderson has held senior management roles within General Electric Company, the University of Liverpool and Manchester Metropolitan University. As Head of Customer Services at Manchester Metropolitan University she established the largest department in the university by transforming and merging 10 departments. Catherine now runs her own consultancy which helps businesses to improve their performance.

**Angela Smith**

Appointed on 1 April 2016 until 31 March 2019

Attendance: 9/10

Background

Angela Smith has held senior human resources management roles with Virgin Management Ltd and Granada Hotels and Leisure. During her 17 years at Virgin, Angela oversaw significant organisational change and redesign at the company and ensured Virgin was an employer of choice. Angela now runs her own consultancy firm providing strategic HR advice to organisations and entrepreneurial businesses. She is also a non-executive director for PossAbilities, a social enterprise that supports adults and children with disabilities to become more independent and experience new opportunities.

**Catherine Barber-Brown**

Appointed on 1 September 2016 until 31 August 2019

Attendance: 10/10

Background

Catherine Barber-Brown has held senior roles at the Britannia Building Society and Co-operative Bank since 2003. She was most recently Head of Strategy for the Co-operative Bank, whilst earlier roles spanned Change Management and Procurement. Prior to this, Catherine worked for ten years at international organisations Barclays de Zoete Wedd and Credit Suisse. Catherine left the Co-operative Bank in 2016 to set up her own consultancy. She is also a member of the University of Manchester Nominations Committee and General Assembly and a School Governor.

**Ann Barnes - Chief Executive (until 31 December 2017)**

Attendance: 7/7

Background

Ann Barnes joined Stockport NHS Foundation Trust in 2000 as Director of Operations and was appointed Chief Executive in January 2013. She has worked in the NHS since 1979 and during the past 37 years has worked both at regional and hospital level across the full spectrum of district general hospital service provision. Building on a distinguished career across the NHS, Ann has spent all of her health management career in Greater Manchester health organisations, managing a vast majority of clinical and support services in the acute, community and mental health sectors. She has a strong commitment to staff engagement and development and team working across the organisation, and is passionate to the values of the NHS and to the provision of quality healthcare for all.

**Helen Thomson - Interim Chief Executive (from 1 January 2018)**

Attendance: 7/7

Background

Helen Thomson brings over 20 years Board experience, with impressive results in strategic development and operational delivery. She originally trained as a nurse, before becoming a director of nursing and midwifery, and has worked within both acute and community provider organisations.

More recently, as an independent healthcare consultant, Helen has led work for large NHS Trusts in Yorkshire, Staffordshire and Greater Manchester on quality strategy, urgent care improvement, service reconfiguration and clinical reviews.

**Judith Morris – Director of Nursing & Midwifery (until 31 July 2017)**

Attendance: 3/3

Background

Judith Morris began her career at Manchester Royal Infirmary and became one of the first intake to study for the new Bachelor of Nursing qualification at the University of Manchester. She became a Nursing Tutor in 1987 and went on to work in various nursing specialist roles, being appointed as Assistant Director of Nursing with the then Stockport Healthcare Trust. She continued in that role when the Stockport Trusts merged in 2000 and became Deputy Director of Nursing and Midwifery in 2004 and Director of Nursing and Midwifery in 2008.

**Alison Lynch - Chief Nurse & Director of Quality Governance (from 21 October 2017)**

Attendance: 5/5

Background

Alison first qualified as a nurse in Salford in 1988 and since then has had a wide variety of clinical and managerial roles across Greater Manchester and Cheshire & Merseyside. She was previously the director of nursing and quality at Mid-Cheshire Hospitals NHS Foundation Trust for two years. During this time she was instrumental in supporting progress in the patient quality, safety and experience journey, personally leading a number of successful quality improvement and harm reduction strategies.

Alison has particular interests in developing and engaging staff toward providing the best possible care to patients, especially the most vulnerable patients, and in developing new roles that cross boundaries in support of services working closer together. Alison also has a particular interest in nurse leadership and the care of our most vulnerable patients.

**Colin Wasson - Medical Director**

Attendance: 7/10

Background

Colin Wasson was appointed as Medical Director on 1 April 2016. He is a consultant in intensive care and has been at the forefront of service innovation and improvements since first joining the organisation in 2002. During his time at the Trust, Colin has worked as audit lead, Clinical Director of Critical Care and Associate Medical Director for Surgical & Critical Care.

**Feroz Patel - Director of Finance**

Attendance: 9/10

Background

Feroz Patel began his career in the NHS as a National Financial Management Trainee in 1999 and has trained at Lancashire Teaching Hospitals NHS Foundation Trust and Salford Royal NHS Foundation Trust. Feroz qualified as a Chartered Public Finance Accountant on the scheme and since graduating he has held a number of senior finance roles across provider and commissioner

organisations. Feroz joined Stockport NHS Foundation Trust in 2015 from Blackpool Teaching Hospitals NHS Foundation Trust, where he worked for eight years and held the roles of Associate Director of Finance, Acting Director of Finance and Deputy Director of Finance.

### **Jayne Shaw - Director of Workforce & Organisational Development**

Attendance: 9/10

#### Background

Before joining the Trust as Interim Director of Human Resources on 1 January 2013, Jayne Shaw spent twelve months as the Interim Director of Workforce at Mid Cheshire NHS Foundation Trust. prior to this, she was the Director of Human Resources and Organisational Development at Alder Hey Children's NHS Foundation Trust for five years. Jayne's experience in human resources spans a range of roles and organisations across the NHS. Jayne was appointed as Director of Workforce & Organisational Development on 22 August 2013.

### **Sue Toal - Chief Operating Officer**

Attendance: 8/10

#### Background

Sue Toal, who is also a registered nurse, joined the Trust as interim Unscheduled Care Programme Director and was previously at Salford Royal managing divisions including surgery, theatres & anaesthesia and neurosciences & renal. Sue was appointed as Acting Chief Operating Officer in May 2016 and as substantive Chief Operating Officer in March 2017.

### **Paul Buckingham - Director of Corporate Affairs**

Attendance: 10/10

#### Background

Paul Buckingham joined the Trust in February 2015 as Company Secretary. He had previously been the Corporate Secretary at North West Ambulance Service NHS Trust since establishment of the Trust in 2006 and had undertaken procurement and contracting roles after joining the ambulance sector in 1998. Prior to working in the NHS, Paul completed a 20-year engagement as Logistics Officer in the Royal Navy. Paul was appointed as Director of Corporate Affairs with an expanded portfolio on 1 January 2017.

### **Hugh Mullen - Executive Director of Support Services**

Attendance: 9/10

#### Background

Hugh Mullen joined the Trust in January 2017 and is employed on a fixed term contract which expires in April 2019. Hugh brings 38 years extensive NHS experience, which includes senior management roles in a number of acute and community health provider organisations in this region. He was Director of Operations for six years at Salford Royal and more recently Director of Operations at Pennine Acute Hospitals Trust which runs North Manchester & Fairfield General Hospitals, The Royal Oldham Hospital, Rochdale Infirmary & community services.

## Balance, Completeness and Appropriateness of the Membership of the Board

While there have been a number of personnel changes in terms of Board roles during 2017/18, there have been no changes to the composition of the Board of Directors in terms of voting positions on the Board. The Board considers that the skills and experience of the Non-Executive Directors (see below), aligned with the skills and experience of the Executive Directors, provides a Board of Directors which is balanced, complete and appropriate.

Skill	Responsible Non-Executive Director
Clinical	Mike Cheshire
Financial Acumen	John Sandford / Malcolm Sugden
Commercial	Adrian Belton / Catherine Anderson
Workforce	Angela Smith
Transformational	Catherine Barber-Brown

In accordance with statutory requirements, the Trust maintains a register of interests of the Board of Directors which is available upon request for inspection by members of the public (please contact Paul Buckingham, Director of Corporate Affairs on tel no 0161 419 5166 or e-mail [paul.buckingham@stockport.nhs.uk](mailto:paul.buckingham@stockport.nhs.uk) if you wish to have access to the register).

## Performance Evaluation

Six-monthly development sessions for the Board of Directors are scheduled in April and October of each year. These sessions provide the opportunity for Board members to reflect on the collective performance of the Board and undertake development activities aimed at enhancing Board and individual effectiveness. During 2017/18 these have focused on the following subject areas:

- Workforce planning
- Understanding Payment by Results and Block Contracts
- Enhancing Board practice and effectiveness
- Understanding the 'Model Hospital'
- Developing a Quality Improvement Plan
- Developing as a Unitary Board
- Understanding Organisation Culture

The Board of Directors completed a self-assessment against the Well-Led Review framework in November 2017 and the outcomes of this assessment have been used to inform both changes in Board practice and development activities. One particular initiative resulting from the self-assessment will be the introduction in 2018/19 of more regular development time for the Board of Directors. The Board will be undertaking development activities on a monthly basis with a full development day each quarter.

All Directors have individual appraisals on an annual basis which are carried out by the Chairman for the Non-Executive Directors and the Chief Executive and by the Chief Executive for the Executive Directors. Appraisal of the Chairman is led by the Senior Independent Director in accordance with arrangements agreed with the Council of Governors. All Directors have individual personal development plans.

## Engagement with Governors

Members of the Board of Directors are able to develop an understanding of the views of Governors and members through regular attendance at Council of Governors meetings and participation in the Annual Members Meeting. Our Non-Executive Directors also attend meetings of the various Committees of the Council of Governors and have the opportunity to further develop their understanding of Governors' views through participation in joint Governor and Non-Executive Director meetings.

## Audit & Risk Committee

The Trust has an Audit & Risk Committee which meets at least five times a year. The membership of the Committee is detailed below. Attendance at meetings during 2017/18 is shown in brackets.

- John Sandford (Chair of the Audit Committee) - Non-Executive Director (attendance 5/5)
- Malcolm Sugden (Deputy Chair of the Audit Committee) - Non-Executive Director (attendance 4/5)
- Angela Smith - Non-Executive Director (attendance 4/5)
- Catherine Barber-Brown - Non-Executive Director (attendance 3/4)

The Director of Finance, Director of Corporate Affairs, Deputy Director of Finance and the Chief Nurse (as executive lead on risk management) together with representatives from both Internal and External Audit are routinely in attendance at meetings. Other Directors and senior managers attend meetings by invitation.

The Audit & Risk Committee has Board-approved Terms of Reference which are subject to annual review. Its primary purpose is to conclude upon the accuracy and effective operation of the Trust's overall control system. In performing its role, the Committee's work is predominantly focused upon the framework of risks, controls and related assurances that underpin the delivery of Trust objectives. The Committee reviews the disclosure statements that flow from the Trust's assurance processes, in particular, the Annual Governance Statement and compliance with the NHS Foundation Trust Code of Governance.

The Audit & Risk Committee also independently monitors, reviews and reports to the Board on the processes of governance and, where appropriate, facilitates and supports, through its independence, the attainment of effective processes. Regular progress reports from Internal Audit are considered, and a robust follow-up process is in place to provide the Committee with assurance on the implementation of recommendations arising from audit work. The Audit & Risk Committee has approved a policy for use where external audit are required to provide non-audit services to ensure that objectivity and independence is safe-guarded.

With regard to discussion of key matters, during the course of the year the Committee has:

- Reviewed the outcomes of internal audit reports
- Reviewed the Head of Internal Audit Opinion

- Received follow-up reports on internal audit recommendations to provide assurance that actions had been completed
- Approved the internal and external audit plans for the coming year
- Received technical updates and information relating to the health sector from both internal and external audit
- Reviewed assurance reports on the effectiveness of the risk management system
- Reviewed and, where appropriate, approved the Annual Accounts, Annual Governance Statement and Annual Report for 2017/18
- Reviewed compliance with the NHS Foundation Trust Code of Governance
- Received management assurance reports on areas where internal audit work had resulted in an assessment of limited assurance
- Obtained assurance on delivery of the Clinical Audit programme
- Received assurance reports on the Trust's readiness of General Data Protection Regulation (GDPR) implementation
- Approved the Costing Process and Accounting Policies for 2017/18
- Completed an annual review of the Committee's Terms of Reference
- Reviewed Anti-Fraud service progress reports and benchmarking information
- Reviewed the Going Concern Report in advance of Board consideration on 29 March 2018.

The External Audit Plan for audit of the financial statements for 2017/18 was considered and approved by the Audit Committee on 6 February 2018. The plan identified a number of significant audit risks as follows:

- Recognition of NHS Revenue
- Management Override of Controls; and,
- Going Concern

The Committee received assurance on the auditor's planned approach for coverage of these risk areas and was assured that appropriate focus would be applied during the audit period. Committee members gained assurance on the effectiveness of controls in place for the risk areas through discussions with senior managers from the Trust's finance team.

The Audit & Risk Committee met on 6 February 2018 and approved the accounting policies note for the Annual Accounts 2017/18.

## **Internal Audit**

Internal Audit services, which include an Anti-Fraud service, have been provided by Mersey Internal Audit Agency (MIAA) since 1 April 2013. The main purpose of the Internal Audit service is:

- To provide an independent and objective opinion to the Accountable Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives; and
- The provision of an independent and objective consultancy service specifically to assist the Trust's management to improve the organisation's risk management, control and governance arrangements.

MIAA deliver a risk-assessed audit plan, which is approved each year by the Audit Committee. This is delivered by appropriately qualified and trained Internal Auditors led by a nominated Audit

Manager. The Internal Audit plan was fully delivered during 2017/18 and the total cost of the service was £70,273.

## **Countering Fraud and Corruption**

During 2017/18 the Trust's Anti-Fraud Specialist and the Anti-Fraud service was provided by Mersey Internal Audit Agency (MIAA). The Trust's Anti-Fraud and Corruption Policy supports our strong anti-fraud culture and the annual work plan, agreed by the Director of Finance and approved by the Audit Committee, covered areas such as enhancing the anti-fraud culture, deterring, preventing and investigating fraud. The Anti-Fraud Specialist regularly attends Audit Committee meetings to provide updates on the progress of the annual work plan and investigations. The total cost of the service, including investigation work, in 2017/18 was £26,240.

The Trust has in place a Raising Concerns at Work Policy which outlines how staff can raise concerns, including those that may be related to fraud. Staff are reminded of their responsibility to report such matters at induction and mandatory training. The policy continues to be supplemented by the Trust's Freedom to Speak Up Guardian which was a post introduced in response to a recommendation arising from the Francis Report.

## **External Audit**

External Audit services were provided throughout 2017/18 by Deloitte LLP following appointment as the Trust's External Audit provider by the Council of Governors with effect from 1 October 2014 following a competitive tender process. The cost of the External Audit service totalled £64,686 comprised of £48,222 for the Trust accounts, £11,760 for audit work on the Quality Report and £4,704 for Charitable Funds. All figures are inclusive of VAT.

Deloitte LLP was also appointed as the External Audit Provider for Stepping Hill Healthcare Enterprises (the Pharmacy Shop) and the fees in preparation for the accounts since the commencement, included within the consolidated accounts, is £7,200 inclusive of VAT.

So far as the Directors are aware, there is no relevant audit information of which the Auditors are unaware and the Directors have taken all of the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

## **Directors' responsibility for preparing accounts**

The Trust's Accounting Officer (Chief Executive) delegates the responsibility for preparing the accounts to the Director of Finance. Preparation of the accounts is undertaken by the finance team, comprising qualified accountants and support staff, appropriately trained to produce professional accounts.

The Audit Committee has delegated authority from the Board of Directors to review and approve the Annual Accounts. The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

## Accounting Policies

The Annual Accounts have been prepared under a direction issued by NHS Improvement under the National Health Service Act 2006. They have also been prepared in accordance with International Financial Reporting Standards (IFRS) and under the direction of NHS Improvement's NHS Foundation Trust Annual Reporting Manual (ARM) and the Department of Health Group Accounting Manual.

The accounting policies for pensions and other retirement benefits are set out in note 1.3 to the accounts, and details of senior managers' remuneration can be found in the Remuneration Report on page 58. Note 7.1 to the Accounts provides further information about employees who have retired early on ill-health grounds during the year. The Trust has complied with the cost allocation and charging mechanisms set out in HM Treasury and Office of Public Sector Information guidance.

## Better Payment Practice Code

Under current financial constraints, and due to measures introduced as part of the Financial Improvement Programme, the Trust is no longer in a position to comply with the Better Payment Practice Code which requires us to pay all valid non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. This decision was taken following extensive dialogue with our supplier base that was broadly understanding of the change.

All suppliers' payment terms were reviewed and the Trust continues to work with small and medium enterprises to ensure they are not disproportionately affected by the change. The Trust now has a policy of payment within 60 days, introduced in July 2016, and performance against the policy in the previous two financial years is as follows:

	2017/18	2016/17
Total number of invoices within 60 days	87.5%	81.4%
Total value of invoices within 60 days	88.2%	89.9%

No significant interest was paid under the Late Payments of Commercial Debts (Interest) Act 1988.

## Review of the Effectiveness of the System of Internal Control

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. The Annual Governance Statement on page 93 describes how this is undertaken. The Board used the Review of Undertakings carried out by NHS Improvement as a proxy for its review of internal control.

## Nominations Committee

The Trust has a Nominations Committee for the appointment of the Chairman and Non-Executive Directors. The Committee has a standing membership of five Governors (including the Lead Governor), the Chair, Chief Executive and the Senior Independent Director. The Chair of the Trust is Chair of the Committee. Membership during 2017/18 was as follows:

Name	Position
Gillian Easson	Chair (until 31 May 2017)
Adrian Belton	Chair (from 1 June 2017)
Les Jenkins	Public Governor (Lead Governor)
Eve Brown	Public Governor
Ron Catlow	Public Governor
Gerry Wright	Public Governor
Roy Greenwood	Public Governor
Ann Barnes	Chief Executive (until 31 December 2017)
Helen Thomson	Interim Chief Executive (from 1 January 2018)
Mike Cheshire	Non-Executive Director (Senior Independent Director)

The Committee's business during 2017/18 included planning and commencement of the process for recruitment of a Non-Executive Director. The Committee commissioned the services of Gatenby Sanderson Ltd to support the search and recruitment process for this appointment.

### **Termination of Appointment of the Chairman and other Non-Executive Directors**

Arrangements for any potential termination of appointment of either the Chairman or other Non-Executive Directors fall within the remit of the Council of Governors, in accordance with paragraph 26.2 of the Constitution of Stockport NHS Foundation Trust.

### **Council of Governors**

The Council of Governors presently has 26 seats, of which 24 represent the public (20) and staff (4) and are elected by our Members. The remaining 2 are appointed by partnership organisations which include the Stockport Metropolitan Borough Council and the education sector. The Council of Governors meets formally four times per year. Ad hoc meetings of the Council are called as required.

The responsibilities of the Council of Governors include:

- The appointment / removal of the Chairman and other Non-Executive Directors.
- The approval of the appointment (by the Non-Executive Directors) of the Chief Executive.
- Approval of the remuneration and allowances and the other terms and conditions of the Non-Executive Directors.
- The appointment / removal of the Trust's External Auditor.
- Receiving the Annual Accounts, any report of the External Auditor on the Annual Accounts and the Annual Report.
- The provision of views to the Board of Directors when the Board of Directors is preparing the document containing information about the Trust's forward planning.

- Responding as appropriate when consulted by the Board of Directors in accordance with the Constitution.
- Undertaking such functions as the Board of Directors shall from time to time request.
- Preparing and reviewing the Trust's Membership Development Strategy, its policy for the composition of the Council of Governors and of the Non-Executive Directors.

During 2017/18 the Council of Governors reviewed its Committee arrangements, in order to enhance Committee effectiveness, and the review resulted in establishment of the following three Committees, each of which meets on a quarterly basis:

- Governance & Membership Committee
- Patient Experience Committee
- Quality Standards Committee

Governor Committees have met throughout 2017/18 and provide reports and recommendations to the Council of Governors at their quarterly meetings.

The Council of Governors work closely with the Board of Directors and during 2017/18 Directors have routinely attended meetings of the Council of Governors. The Governors have not exercised their power under paragraph 10c of Schedule 7 of the NHS Act to require one or more Directors to attend a Governors' meeting. The Council of Governors receives at each of their meetings reports from the Chief Executive on current performance and operational issues and also on strategic issues. The Trust ensures that Governors are provided with opportunities to develop their skills and knowledge, including participation at the North West Governors' Forum.

At a Council of Governors meeting held on 21 March 2018, Governors were given the opportunity to provide their opinions, and those of the members they represent, on the content of the draft Operational Plan 2018-19 which set out the Trust's strategy, priorities and objectives for the following year. Members of the Board of Directors were present at this meeting to hear the views expressed by Governors.

During 2017/18 the Council of Governors adopted a 'new ways of working' approach to enhance Governor / Non-Executive Director engagement and improve the effectiveness of Council of Governors meetings. This resulted in the introduction of a formal preparatory session with the Chair prior to each Council meeting. Governors have also regularly joined Patient Safety Walk-rounds to provide a Governor perspective on the Trust's arrangements and a number of Governors participated in a 'mock' CQC inspection in October 2017 to test ward performance against quality standards. A number of our Governors have also been involved throughout the year in Patient Led Assessment of the Care Environment (PLACE) activities.

Directors and Governors have been involved in the following areas of membership engagement:

- a) The Trust produces a newsletter for all its members which is circulated three times per year. The publication provides members with details of what is happening within the Trust with regard to developments in services and other topical issues such as influenza

vaccination. The newsletter also provides details of Governors and how they can be contacted and has a section that invites members to contact the Trust if they have any issues or comments that they wish to raise with us. The Trust adopted an electronic format for production and distribution of the newsletter during 2017/18 and Governors views were sought to inform the design and approach for the new-style interactive document.

- b) The Trust's internet site provides details of Governors and how they can be contacted. The website also provides information about developments within the Trust and provides a link for members to communicate either with the Governors or with the Trust. Board papers are also posted on the Trust's internet site.
- c) Receiving feedback from Trust members who have become involved with the Trust at local level including attendance at the Annual Members' Meeting, participation in member information sessions and membership recruitment activities.

Governors operate on a non-paid voluntary basis but the Trust does reimburse travel expenses. In 2017/18, four Governors were reimbursed a total of £620 (two Governors reimbursed a total of £210 in 2016/17).

## Elections 2017/18

Elections were held in 2017/18 in the following constituencies. The outcomes of the elections are shown in brackets:

Public:

- Heaton & Victoria (four Governors elected)

Staff:

- (By-election) Staff (one Governor elected unopposed)

Results of these elections, which were held under the independent scrutiny of Electoral Reform Services, were announced at the Annual Members' Meeting on 12 October 2017.

## Membership of the Council of Governors

Details of our elected Governors and their attendance at meetings during 2017/18 are provided in the following tables:

Name	Constituency	Elected Until	Attendance at formal Governors' meetings
<b>Yvonne Banham</b>	Staff	Annual Members' Meeting 2018	3/5
<b>Isabel Daniel</b>	Staff	Annual Members' Meeting 2018	2/5
<b>Christopher Hudsmith</b>	Staff	Annual Members' Meeting 2018	5/5

<b>Name</b>	<b>Constituency</b>	<b>Elected Until</b>	<b>Attendance at formal Governors' meetings</b>
<b>Caroline Mitchell</b>	Staff	Annual Members' Meeting 2018	2/2
<b>Robert Cryer</b>	Public – Bramhall & Cheadle	Annual Members' Meeting 2019	5/5
<b>Charles Galasko</b>	Public – Bramhall & Cheadle	Annual Members' Meeting 2019	4/5
<b>Maureen Harrison</b>	Public – Bramhall & Cheadle	Annual Members' Meeting 2019	4/5
<b>Tony Johnson</b>	Public – Bramhall & Cheadle	Annual Members' Meeting 2019	5/5
<b>Linda Appleton</b>	Public – Tame Valley & Werneth	Annual Members' Meeting 2018	3/5
<b>Roy Driver</b>	Public – Tame Valley & Werneth	Annual Members' Meeting 2018	2/5
<b>Alan Gibson</b>	Public – Tame Valley & Werneth	Annual Members' Meeting 2018	2/5
<b>Roy Greenwood</b>	Public – Tame Valley & Werneth	Annual Members' Meeting 2018	5/5
<b>Lesley Auger</b>	Public – Heatons & Victoria	Annual Members' Meeting 2017	2/3
<b>Eve Brown</b>	Public – Heatons & Victoria	Annual Members' Meeting 2020	5/5
<b>Catherine Barton</b>	Public – Heatons & Victoria	Annual Members' Meeting 2020	1/2
<b>Gerald Wright</b>	Public – Heatons & Victoria	Annual Members' Meeting 2020	2/5
<b>Tad Kondratowicz</b>	Public – Heatons & Victoria	Annual Members' Meeting 2020	2/2
<b>Ronald Catlow</b>	Public – Marple & Stepping Hill	Annual Members' Meeting 2019	4/5
<b>Melanie Cooke</b>	Public – Marple & Stepping Hill	Resigned in June 2017	1/1
<b>Les Jenkins</b> <i>(Lead Governor)</i>	Public – Marple & Stepping Hill	Annual Members' Meeting 2019	5/5
<b>Richard King</b>	Public – Marple & Stepping Hill	Annual Members' Meeting 2019	3/3
<b>Julie Wragg</b>	Public – Marple & Stepping Hill	Annual Members' Meeting 2019	2/5
<b>Lance Dowson</b>	Public – High Peak	Annual Members' Meeting 2018	3/5
<b>Lynne Woodward</b>	Public – High Peak	Annual Members' Meeting 2018	4/5
<b>Barbara Vaughan</b>	Public – Tameside	Annual Members' Meeting 2018	0/5
<b>Raees Khan</b>	Public – Outer Region	Annual Members' Meeting 2018	1/5
<b>Tom McGee</b>	Appointed – Stockport MBC	Annual Members' Meeting 2019	4/5

In accordance with the statutory requirements, we keep a register of interests of the Council of Governors which is available upon request for inspection by members of the public (please contact

Paul Buckingham, Director of Corporate Affairs, on 0161 419 5164 or [paul.buckingham@stockport.nhs.uk](mailto:paul.buckingham@stockport.nhs.uk) if you wish to have access to the register). The same contact point can be used for members wishing to communicate with Governors.

## Membership

### Eligibility requirements

Membership of the NHS Foundation Trust is open to any individual who:

- is over 11 years of age; and
- is entitled under our Constitution to be a member of one of the public constituencies or one of the classes of the staff constituency (as below).

### Public Constituencies

The Trust has adopted an “opt-in” membership system for our public constituency which is open to individuals who:

- are not a member of another public constituency
- complete an application form in whatever form the Council of Governors specifies, and
- are not eligible to be members of any of the classes of the staff constituency
- live within one of the six geographic areas set out below.

The areas of the Trust are as detailed below.

Four areas covered by Stockport Metropolitan Borough Council as follows:

- 1) Bramhall and Cheadle – containing the following Local Authority wards:**  
Bramhall North, Bramhall South, Cheadle Hulme South, Cheadle and Gatley, Cheadle Hulme North and Heald Green.
- 2) Tame Valley and Werneth – containing the following Local Authority wards:**  
Brinnington and Central, Reddish North, Reddish South, Bredbury and Woodley, Bredbury Green and Romiley.
- 3) The Heatons and Victoria – containing the following Local Authority wards:**  
Heatons North, Heatons South, Davenport and Cale Green, Edgeley and Cheadle Heath, Manor.
- 4) Marple and Stepping Hill – containing the following Local Authority wards:**  
Marple North, Marple South, Hazel Grove, Offerton, Stepping Hill.

One area covering High Peak and Dales and Tameside and Glossop:

- 5) High Peak and Dales and Tameside and Glossop – which covers the following wards:**
  - The wards that fall within the Metropolitan Borough Council of Tameside

- **The following wards in High Peak:**

Barms, Blackbrook, Burbage, Buxton Central, Chapel East, Chapel West, Corbar, Cote Heath, Hayfield, Limestone Peak, New Mills East, New Mills West, Sett, Stone Bench, Temple, Whaley Bridge, Dinting, Gamesley, Hadfield North, Hadfield South, Howard Town, Old Glossop, Padfield, Simmondley, St John's, Tintwistle, Whitfield.

One area covering a wider district around our hospital:

**6) Outer Region – the areas covered by the metropolitan councils / districts of:**

Cheshire East, Manchester, Trafford, Salford, Oldham, Rochdale, Bury, Bolton, Wigan and those wards in High Peak not covered under 5) above.

**Staff Constituency**

The Trust has adopted an “opt-out” membership system for the staff constituency. Membership of the staff constituency is open to individuals:

- who we employ under a contract of employment and who either
  - are under a contract which has no fixed term or a fixed term of at least 12 months, or
  - have been continuously employed for at least 12 months, or
- who are not employed by us but who are employed by some other body and who exercise functions for the purposes of the Trust; and who have exercised these functions for a continuous period of at least 12 months. For the avoidance of doubt, this does not include those who assist or provide services to the Trust on a voluntary basis.

All individuals who are entitled to become members of the staff constituency and who:

- have been invited by us to become a member, and
- have not informed us that they do not wish to do so

shall become members.

**Membership Numbers**

**Public Members by Constituency (as at 31 March 2018)**

<b>Constituency</b>	<b>No. of Members</b>
Bramhall and Cheadle	2,551
Tame Valley and Werneth	2,012
The Heatons and Victoria	2,083
Marple and Stepping Hill	2,626
High Peak and Dales and Tameside and Glossop	1,416
Outer Region	782
<b>Total</b>	<b>11,470</b>

## Staff Members (as at 31 March 2018)

Constituency	No. of Members
Staff	4,988

## Membership Development & Involvement

In 2017/18 we continued to progress our Membership Strategy and developed a full plan detailing a number of objectives, the implementation of which is led and monitored by the Council of Governors through the Governance & Membership Committee.

The Governance & Membership Committee oversees:

- The development and implementation of the membership development strategy and plans.
- Membership recruitment and development.
- Communication with members, including the ongoing development of the Trust's internet and membership newsletter.

The Membership Strategy sets out a framework to deliver and develop the benefits of membership. The document sets out how we intend to sustain and build on our membership numbers and sets out the relationship we seek to have with our membership body and what benefits both parties can expect to derive from that relationship. Guiding principles of the Membership Strategy are that:

- We should regularly check to determine that we are seeking representation from all aspects of our local society within our membership.
- The activities of membership should be of value to both individuals and to the Trust.
- Activities undertaken should be prioritised to ensure achievability both in terms of time and resources.

We feel that the Trust can derive significant benefits from its membership body in the following ways:

- Engaged ambassadors who will support the Trust through good and not so good times.
- The future workforce could be found within a strong young person membership.
- Future governors will be found here.
- Through listening to our members in local constituencies, we can ensure we have plans to satisfy their perceptions of what it means to be a good neighbour and to contribute to the community.

During 2017/18 events for members which took place in the Trust included:

- 'Care Closer to Home' – a talk on the Multi-Specialty Community Provider - 4 April 2017
- 'Cancer: Caring & Curing' Health Talk - 4 July 2017

- Operation! - tour of our operating theatres - 12 September 2017
- Annual Members' Meeting - 12 October 2017
- 'Diabetes: Reduce Your Risk' Health Talk - 7 November 2017

Our regular communication with members includes:

- Our "Stepping Up" members' magazine
- A welcome pack for new members
- The members' section on the Trust's website
- Use of social media, including Twitter and Facebook
- Regular e-mail updates to members who have provided an e-mail address
- An organised programme of events aimed at both members and members of the public offering public health messages and delivered with the support of Governors
- Events which facilitate communication between Governors and members advertised in "Stepping Up", on the Trust's website, in the local press, on Twitter and by means of posters on Trust sites.

Member events planned to take place during 2018/19 include:

- 'Love Hearts' Health Talk about Heart Disease - 4 April 2018
- 'As Good as New' Health Talk about Joint Replacement - 24 July 2018
- 'Take a Look Inside' Tour of our Radiology Department - 18 September 2018
- Annual Members' Meeting - 4 October 2018
- 'Eye-Opener Health Talk about Eyesight & Cataracts - 20 November 2018

Performance indicators have been set for all of our engagement events and these will be used by the Governance & Membership Committee to evaluate the success of our activities during 2018/19.

## **Quality Governance Reporting**

The Trust has systems and processes in place to ensure the robust governance of service quality. Indicators of service quality, which include performance against national targets, as well as national and local measures on clinical quality, financial and workforce issues, are reported and monitored at business group level. The business groups are held to account by the executive team for achievement of these metrics at monthly performance reviews. Outcomes from these reviews are reported to the relevant Board assurance committees which in turn, report to the Board of Directors via key issue reports. The Board also receives a monthly compliance report which highlights the exceptions to meeting national and local indicators and this is supported by detailed data within the Integrated Performance Report (IPR). The Board of Directors also considers a 'Patient Story' and a Safe Staffing Report at each meeting.

Risks to quality may be identified and assessed at any level of this process and will then be monitored via business group, corporate or strategic risk registers depending on the severity of the risk. In addition to the arrangements described above, we introduced two weekly 'summits' during 2017/18. A Patient Safety Summit serves to monitor patient safety incidents and identify themes and immediate lessons learned for sharing widely across the Trust. At the Patient Quality Summit we plan means of embedding and assuring safe, high quality care for our patients.

## **Quality Improvement Strategy**

Improvements in the quality of healthcare and progress towards meeting national and local targets are monitored formally through the Trust's quality governance reporting structure, from business group to Board of Directors, via performance reviews and the Board assurance committees. The Integrated Performance Report tracks the progress through this structure. During 2017/18 we have continued to deliver the Trust's Quality Improvement Strategy 2015-20, with progress towards the objectives monitored at the Quality Governance Committee which reports to the Quality Committee. During Quarter 4 2017/18, we refreshed the Quality Improvement Strategy and worked with stakeholders to identify and plan our quality indicators and improvement targets for 2018/19. Detailed information on progress to date and the revised quality indicators for 2018/19 can be found in the Trust's Annual Quality Report on page 106.

## **Clinical Audit**

Clinical audit is well established in the Trust as an effective means of monitoring quality in an on-going systematic manner. The Trust engages in a full annual programme of both local and national audits, with the results informing service improvements. Clinical audit results are shared within business groups at quarterly audit days, whilst also being reported from the Clinical Audit Steering Group through the quality governance reporting structure described above. The Trust invested in new Audit Management & Tracking (AMaT) system during 2017/18 to enhance monitoring and transparency of clinical audit and quality improvement projects. The new system was implemented in January 2018. Full details of the 2017/18 clinical audit programme can be found in the Annual Quality Report on page 106.

## **Care Quality Commission Reviews**

The Trust is fully registered with the Care Quality Commission (CQC) for all its services and locations and was not subject to any enforcement actions during 2017/18. The CQC carried out unannounced inspections of Urgent and Emergency Services and Medical Care in March and June 2017 and found that insufficient improvement had been made to address weaknesses first identified in 2016. The Trust received a letter from the CQC requiring a number of immediate actions following the June 2017 inspection and the report was subsequently published on 3 October 2017. The Board of Directors accepting the report findings without reservation and acknowledged that the Trust had clearly fallen short in some key areas.

We have made a number of significant and important changes since the inspection in June 2017, including actions to strengthen the joint working of our doctors and nurses in the emergency department and medical care services. We also implemented an enhanced medical leadership structure, with an increased number of Clinical Directors, headed by the Medical Director. We have improved how we care for our most vulnerable patients, including those who lack capacity to make decisions. We have active, early risk assessments in our emergency department, a Mental Health Liaison team and much stronger cross-organisational working practices with colleagues from partner organisations. The Board has made it clear that secrecy, not speaking up and not working together for the good of all our patients has no place in our Trust.

The Board of Directors considers that we have skills, dedication and ambition to satisfactorily address all of the issues identified by the CQC and ensure that we give the best possible care to

every patient. The successful implementation of our quality improvement plans will ensure that improvements are made, embedded and sustained for all Trust services.

## **Commissioning for Quality & Innovation (CQUIN)**

A proportion of the Trust's income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed with Commissioners through the Commissioning for Quality and Innovation payment framework (CQUIN). The level of income associated with these goals in 2017/18 was £5.5m and the programme included a wide range of national indicators such as; timely treatment for sepsis, take-up of flu vaccinations and antibiotic consumption. We made good progress against all CQUIN indicators during 2017/18 and full details can be found in the Trust's Annual Quality Report on page 106.

## **Service improvements following staff or patient surveys**

The Trust captures patient feedback in a variety of ways which include:

- Annual national surveys e.g. the national inpatient survey
- The Friends and Family Test
- Monthly iPad surveys
- Complaints and compliments

In addition, many of our services ask patients to complete bespoke questionnaires in order to gather local insight and understanding of care delivery. Feedback from these different approaches enriches our understanding of the patient and family experience and strengthens our ability to identify themes and trends that highlight areas for improvement. The feedback also identifies where we are getting things right, which can be a great motivator for staff.

We undertake an annual review of the questions used for our iPad surveys to ensure that all questions are relevant and up to date. The review also allows us to focus on aspects of care where it has been identified that a greater level of surveillance or a greater understanding of a particular issue is required. The surveys themselves are carried out by our volunteers who support patients in completing the surveys. We ensure that volunteers receive feedback themselves on survey outcomes by means of updates in the bi-monthly Volunteers Newsletter. Patient stories continue to be a feature at the monthly meetings of the Board of Directors and are also used to support staff training as appropriate, illustrating a particular aspect of care from the patient's point of view.

Examples of service improvements introduced as a result of feedback during 2016/17 include:

- Audits carried out by night sisters to monitor compliance with Noise at Night standards
- We reviewed the information available to patients and their families on wards to ensure a standardised approach. Safety & Quality boards display; the name of the nurse in charge, staff on duty, Friends & Family results, satisfaction survey results and Safety Collaborative information
- A support group for former patients of the High Dependency / Intensive Care units has proved successful. The group provides patients and their relatives with the opportunity to share experiences to help make sense of what for many will have been a frightening experience
- Work has been undertaken in the Emergency Department to ensure the privacy and dignity of patients

- A review of patient menus was completed and an electronic ordering system was introduced. The catering team carry out monthly reviews to assess the patient mealtime experience. The team assesses taste of the food, temperature, quality of food and seek feedback from patients. Outcomes are reported to the Trust's Nutrition & Hydration Group.
- Where appropriate, breakfast clubs have been introduced in ward areas which allows patients to sit around a dining table rather than have meals at their bedside. This approach encourages mobility, normality and interaction with other patients.

## **Improvements in patient / carer information**

Dementia packs are readily available for the families and carers of patients with dementia. Each pack contains a copy of "This is me", a document which provides a snapshot of an individual's current life e.g. preferred name, likes and dislikes, which can help staff to care for the patient and develop therapeutic relationships both in and out of the hospital setting. The pack also provides information for additional support services family members may wish to access.

Bedside booklets were replaced in all ward areas during 2017/18 and the booklets provide patients and/or relatives / carers with information on the admission process, what to expect during their time in the hospital and what to expect on discharge. A review of our Discharge Leaflet was also undertaken to ensure that all information was up to date and of practical use to patients and their families. We plan to further develop our Patient Experience and Carers strategies during 2018/19 with the aim of ensuring that patients, families and carers are at the heart of all that we do.

## **Complaints Handling**

The Trust received 471 formal complaints in 2017/18 compared with 687 in 2016/17 and 787 in 2015/16. The reduction in numbers of complaints is, in part, due to a particular emphasis put on resolving informal complaints in a timelier manner. The main themes of complaints received in 2017/18 related to:

- Treatment;
- Communication;
- Appointment / Admission;
- Patient Care; and
- Staff Values & Behaviours

These themes are monitored by means of a quarterly Patient Experience Report which is reviewed by Patient Experience Group and includes details of improvements to practice as a result of patient feedback. A particular development in 2017/18 has been a focus on robust and timely investigation of complaints and an emphasis on ensuring that all complainants receive a comprehensive and complete response.

In 2017/18 eleven cases were accepted for review by the Parliamentary & Health Service Ombudsman (PHSO); four reviews remain ongoing. Ten final reports were received from the PHSO in 2017/18, three complaints were partially upheld and seven were not upheld. The reasons for upholding a complaint included the lack of an appropriate apology, insufficient record keeping, delay to undertake tests, method of treatment and poor communication with patients, family and other health professionals. Responses to upheld complaints include apology and financial restitution, and an action plan is developed to mitigate the risk of reoccurrence.

## Remuneration Report 2017/18

### Remuneration and Appointments Committee

The Board of Directors has established a Remuneration and Appointments Committee. Its responsibilities include the review and consideration of remuneration and conditions of service of the Chief Executive, Executive Directors and a small number of other senior managers and appointments to Executive Director positions.

#### Chairman's Statement

The Remuneration and Appointments Committee met on nine occasions during the reporting period to consider the following business:

- Recruitment of a Chief Executive
- Inflationary Pay Award
- Executive Team Composition
- Appointment of Interim Director of Nursing
- Director of Support Services - Fixed Term Appointment
- Appointment of Managing Director (Stockport Neighbourhood Care)
- Appointment of Interim Chief Executive
- Deputy Chief Executive Responsibilities
- Appointment of Interim Director of Workforce

In determining and reviewing remuneration for Executive Directors, the Committee takes into account relevant benchmarking with other NHS and public sector organisations, guidance from NHS Improvement, national inflationary uplifts recommended for other NHS staff, and any variation or change to the responsibilities of Executive Directors. With regard to remuneration, the one major decision taken by the Committee in respect of senior managers' remuneration during 2017/18 was to agree that Executive Directors and other senior managers covered by the Committee would receive the national 1% inflationary pay award for the period April 2017 to March 2018. All Executive Directors are subject to an annual appraisal which is completed with the Chief Executive. The appraisal for the Chief Executive is completed with the Chairman. As with all other staff in the organisation, performance against agreed objectives is discussed at appraisal meetings together with objectives for the forthcoming year.

Membership of the Committee and attendance at meetings during 2017/18 is detailed in the table below:

Name	Title	Attendance
Mrs G Easson (until 31 May 17)	Chair	2/2
Mr A Belton (from 1 Jun 17)	Chair	7/7
Mr M Sugden	Deputy Chair	9/9
Mrs C Anderson	Non-Executive Director	8/9
Mrs C Barber-Brown	Non-Executive Director	8/9
Dr M Cheshire	Non-Executive Director	8/9
Mr J Sandford	Non-Executive Director	7/9
Ms A Smith	Non-Executive Director	6/9

The Chief Executive and Director of Workforce & Organisational Development attend meetings other than when matters being discussed would result in a conflict of interest. Minutes of meetings are recorded by the Company Secretary. The Committee did not receive any external advice or services during the period covered by this report.

The contracts of employment of all substantive Executive Directors, including the Chief Executive, are permanent and are subject to a six month notice period. The exception relates to the Director of Support Services position which is subject to fixed term contract arrangements scheduled to complete in April 2019. No performance-related pay scheme (e.g. pay progression or bonuses) is currently in operation within the Trust and there are no special provisions regarding early termination of employment. The Foundation Trust has not released an Executive Director to serve as a Non-Executive Director elsewhere. Pension entitlements are included in the Remuneration Table and there are no special provisions regarding early termination of employment. No early termination payments were made during the year, to any Executive Director or previous Executive Director.



**Adrian Belton**  
**Chair**  
**24 May 2018**

## **Business Expenses**

As with all staff, the Trust reimburses the business expenses of Non-Executive Directors and Executive Directors that are necessarily incurred during the course of their employment, including sundry expenses such as car parking and transport costs such as rail fares.

The expenses paid to Directors during the year were:

	2017/18	2016/17
Total number of Directors in office	18	18
Number of Directors receiving expenses	7	8
Aggregate sum of expenses paid to Directors	£2,860	£3,373

## **Off-Payroll Arrangements**

As part of the remuneration report, we are required to present the following tables showing the numbers of staff employed through other means than the payroll, classed as off-payroll staff. These are staff that are paid the equivalent of more than £245 per day and have an engagement lasting longer than six months. It is Trust policy that employees are paid via the Trust's payroll and therefore these arrangements apply to staff contracted through an agency which then pays the individual via their own personal service company or via the agency payroll. The arrangements apply to a number of interim managers but not to medical agency staff.

Table 1

	2017/18	2016/17
No of existing arrangements as of 31 March 2018	Nil	Nil
Of which:		
Less than one year at time of reporting	-	-
Between one and two years at time of reporting	-	-
Between two and three years at time of reporting	-	-
Between three and four years at time of reporting	-	-
Four or more years at time of reporting	-	-

Table 2

	2017/18	2016/17
No of new engagements, or those that reached 6 months duration, between 1 April 2017 and 31 March 2018 of which:	Nil	1
- Number assessed as within the scope of IR35	-	-
- Number assessed as not within the scope of IR35	-	-
Number engaged directly (via PSC contracted to trust) and are on trust's payroll	-	-
Number of engagements reassessed for consistency / assurance purposes during the year	-	-
Number of engagements that saw a change to IR35 status following the consistency review	-	-

Table 3

	2017/18	2016/17
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	Nil	Nil
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	21	18

## Exit Packages

Redundancy and other departure costs are paid in accordance with the provisions of the NHS Scheme and Trust policies. Any exit packages exceeding contractual amounts, and outside the terms of the normal pension scheme provisions, require Treasury approval before they are offered. The Trust did not offer a Mutually Agreed Resignation Scheme or Voluntary Redundancy Scheme in 2017/18 but did so in 2016/17.

The following tables show the exit packages for 2017/18 and comparator to 2016/17:

**2017/18**

Exit package cost band (including any special payment element)	Number of compulsory redundancies 2017/18	Number of other departures agreed 2017/18	Total number of exit packages 2017/18
<£10,000	-	-	-
£10,001 - £25,000	1	-	1
£25,001 - £50,000	-	-	-
£50,001 - £100,000	1	-	1
£100,001 - £150,000	-	1	1
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
<b>Total number of exit packages by type</b>	<b>2</b>	<b>1</b>	<b>3</b>
Total resource cost	£87,475	£100,289	<b>£187,764</b>

Comparator to previous year

Exit package cost band (including any special payment element)	Number of compulsory redundancies 2016/17	Number of other departures agreed 2016/17	Total number of exit packages 2015/16
<£10,000	-	9	9
£10,001 - £25,000	-	18	18
£25,001 - £50,000	1	7	8
£50,001 - £100,000	-	12	12
£100,001 - £150,000	-	3	3
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
<b>Total number of exit packages by type</b>	<b>1</b>	<b>49</b>	<b>50</b>
Total resource cost	£47,437	£1,862,198	<b>£1,909,634</b>

The non-compulsory elements are further broken down in the following table:

	2017/18		2016/17	
	Payments agreed number	Total value of agreements £000	Payments agreed number	Total value of agreements £000
Exit packages: other non-compulsory departure payments				
Voluntary redundancies including early retirement contractual costs	1	100	45	1,663
Mutually agreed resignations (MARS contractual costs)	-	-	3	110
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	2	47
Exit payments following Employment Tribunals or court orders	-	-	1	89
Non-contractual payments requiring HMT approval	-	-	-	-
<b>Total</b>	<b>1</b>	<b>100</b>	<b>49</b>	<b>1,862</b>

## Consultancy Costs

The Trust purchases expert advice in order to deliver key projects where the Trust does not have internal expertise or in some circumstances may not have the capacity. The consultancy costs for 2017/18 are summarised as follows:

Consultancy area	£000	Note
<b>Strategy:</b> The provision of objective advice and assistance relating to corporate strategies, appraising business structures, value for money reviews, business performance measurement, management services, product design and process and production management	(354)	(a)
<b>IT/IS:</b> The provision of objective advice and assistance relating to IT/IS systems and concepts, including strategic studies and development of specific projects. Defining information needs, computer feasibility studies and making computer hardware evaluations. Including consultancy related to e-business	954	(b)
<b>Human Resource, training and education:</b> The provision of objective advice and assistance in the formulation of recruitment, retention, manpower planning and HR strategies and advice and assistance relating to the development of training and education strategies	114	(c)
<b>Programme and Project Management:</b> The provision of advice relating to ongoing programmes and one-off projects. Support in assessing, managing and or mitigating the potential risks involved in a specific initiative; work to ensure expected benefits of a project are realised	267	(d)
<b>Property and Construction:</b> The provision of specialist advice relating to the design, planning and construction, tenure, holding and disposal strategies. This can also include the advice and services provided by surveyors and architects	46	(e)

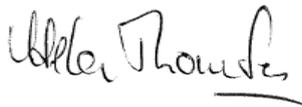
<b>Finance:</b> The provision of objective finance advice including advice relating to corporate financing structures, accountancy, control mechanisms and systems. This includes both strategic and operational finance.	-	-
<b>Technical:</b> The provision of applied technical knowledge. To aid understanding, this can be sub-divided into: - Technical Studies: Research based activity including studies, prototyping and technical demonstrators	61	(f)
<b>Procurement:</b> The provision of objective procurement advice including advice in establishing procurement strategies	143	(g)
<b>Total cost 2017/18</b>	<b>1,231</b>	

- (a) The Trust undertook a Financial Improvement Programme in 2016/17 with KPMG LLP and this relates to a refund of VAT on the cost incurred.
- (b) The Trust is investing in Acute and Community EPR services and this relates to the consultancy costs associated with the programmes.
- (c) The Trust is undertaking joint working with Stockport Metropolitan Borough Council to review its corporate services and the Trust's contribution was £50k. The Trust has also incurred costs on training for quality initiatives of £47k and has commissioned specialist HR investigations at a cost of £18k.
- (d) The largest area under the property category relates to commissioning of a six-facet survey of the estate at a cost of £33k. The other costs relate to specialist advice.
- (e) The Trust received income of £14k to match the consultancy costs for Stockport Together incurred in this category.
- (f) The Trust has used specialist VAT advisors for general advice and specific projects relating to contracts at a cost of £56k. The Trust also incurred costs of £5k for specialist advice relating to review of the Trust's deprivation of liberty safeguards (DoLS).
- (g) The Trust incurred costs of £143k relating to specialist procurement advice on behalf of the Greater Manchester network which was directly offset by income. The Director of Finance is the lead for GM Health & Social Care Partnership procurement workstream.

### **Fair pay multiple / Median pay**

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 banded remuneration of the highest paid director in Stockport NHS Foundation Trust in the financial year 2017/18 was £195k - £200k (2016/17 £205k-£210k). In 2017/18 this was 7.7 times the median remuneration of the workforce which was £25,772, in 2016/17 the fair pay multiple was 8.3 times and the median remuneration was £25,057.

In 2017/18 no employees (2016/17 no employees) received remuneration in excess of the highest paid director. The Trust has paid two director posts (three individuals due to the change in Chief Executive) in excess of the annual equivalent of £150,000 which is the threshold used by the Civil Service as a comparison to the Prime Minister's ministerial and parliamentary salary. The Remuneration Committee uses the Annual Remuneration Survey undertaken by NHS Providers to satisfy itself that the salaries are reasonable and in line with other Foundation Trusts of a similar size.



**Helen Thomson**  
**Interim Chief Executive**  
**24 May 2018**

Notes to the Remuneration Table (which is subject to audit)

1. Mrs A Barnes retired from her post as Chief Executive on 31 December 2017. Mrs H Thomson was appointed as Interim Chief Executive on 1 January 2018.
2. Mrs G Easson completed her term of office as Chair on 31 May 2017. Mr A Belton was appointed as Chair from 1 June 2017.
3. Mrs J Morris retired from her post as Director of Nursing & Midwifery on 31 December 2017, having worked on secondment to NHS England from 30 June 2017. Mrs R Holt was Acting Director of Nursing, on secondment from NHS England from 18 July 2017 to 22 October 2017. Ms A Lynch was appointed as substantive Director of Nursing from 23 October 2017.
4. For Mrs A Barnes and Mrs J Morris, no cash equivalent transfer value (CETV) is shown at 31 March 2018 as this is no longer applicable on reaching pension age in the 1995 Scheme. Similarly, there are no accrued pension related benefits due to retirement on 31 December 2017.
5. Mr H Mullen was appointed as Director of Support Services on 1 November 2018 having previously worked on secondment for the Trust.
6. Mrs J Shaw, Director of Workforce & Organisational Development left the Trust on 31 March 2018.
7. Mrs D Lynch, Acting Director Strategy & Planning, left the Trust on 30 April 2017.
8. Mrs C Drysdale was appointed as Managing Director Stockport Neighbourhood Care on 1 January 2018.
9. Dr C Wasson's salary as Medical Director reflects his full salary which is split 65% for his Executive Director role and 35% for his clinical role.
10. In 2016/17 Mr A Burn was seconded to the Board of Directors as Financial Improvement Director for 73 days between May and October 2016. The cost reported in the Remuneration Report was the KPMG LLP cost to the organization for the secondment and not the direct salary of the Financial Improvement Director. No costs were incurred in 2017/18.

**Salary and Pension Entitlements of Senior Managers**

**Remuneration**

Name	Start Date of Office	Salary and allowances (in bands of £5,000) 2017/2018	Salary and allowances (in bands of £5,000) 2016/2017	All Pension Related Benefits (in bands of £2,500) 2017/2018	Total (in bands of £5,000) 2017/2018	Real increase/decrease during the reporting year in the pension at pension age (in bands of £2,500)	Real increase/decrease during the reporting year in related lump sum at pension age (in bands of £2,500)	Value at the end of the reporting year of the accrued pension at pension age (in bands of £5,000)	Value at the end of the reporting year of related lump sum at pension age (in bands of £5,000)	Value of cash equivalent transfer value at the beginning of the reporting year (to the nearest £1,000)	Real Increase/Decrease in Cash Equivalent Transfer Value during the reporting year (to the nearest £1,000)	Value of the cash equivalent transfer value at the end of the reporting year (to the nearest £1,000)
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Executive Directors</b>												
Mrs A Barnes	01.03.2013	125 - 130	170 - 175		125 - 130							
Mrs H Thomson	01.01.2018	50 - 55			50 - 55							
Dr C Wasson	01.04.2016	195 - 200	205 - 210	60.0 - 62.5	255 - 260	2.5 - 5.0	0 - 2.5	60 - 65	150 - 155	935	75	1,019
Mrs J Morris	01.07.2008	90 - 95	115 - 120		90 - 95							
Mrs R Holt		30 - 35			30 - 35							
Mrs A Lynch		50 - 55	-	32.5 - 35.0	80 - 85	0 - 2.5	0 - 2.5	30 - 35	100 - 105	580	30	655
Mrs J Shaw	01.01.2013	110 - 115	110 - 115	20.0 - 22.5	135 - 140	0 - 2.5	0 - 2.5	45 - 50	135 - 140	821	76	905
Mr J Sumner*	26.11.2012	-	80 - 85	-	-							
Mr M Patel	03.08.2015	115 - 120	115 - 120	35.0 - 37.5	150 - 155	2.5 - 5.0	0 - 2.5	25 - 30	65 - 70	335	50	389
Mr P Buckingham	01.01.2017	90 - 95	20 - 25	87.5 - 90.0	175 - 180	2.5 - 5.0	10.0 - 15.0	20 - 25	65 - 70	367	114	485
Mrs S Toal	01.12.2016	105 - 110	95 - 100	62.5 - 65.0	170 - 175	2.5 - 5.0	10.0 - 12.5	50 - 55	150 - 155	908	128	1,045
Mr H Mullen	01.11.2017	50 - 55	-	20.0 - 22.5	70 - 75	0 - 2.5	0 - 2.5	60 - 65	185 - 190	1,286	40	1,392
Mrs C Drysdale	01.01.2018	25 - 30	-	57.5 - 57.5	600 - 605	5.0 - 7.5	15.0 - 17.5	25 - 30	70 - 72.5	-	100	414
Mrs D Lynch	01.12.2016	0 - 5	25 - 30	60 - 65	135 - 140	0 - 2.5	0 - 2.5	20 - 25	45 - 50	266	2	324
Mr A Burn** (KPMG Financial Improvement Director)			265 - 270									
<b>Non Executive Directors</b>												
Mrs G Easson *		0 - 10	40 - 45									
Mr A Belton*		45 - 50	-									
Mr J Sandford		15 - 20	15 - 20									
Mr M Sugden		15 - 20	15 - 20									
Dr M Cheshire		15 - 20	15 - 20									
Mrs A Smith		10 - 15	10 - 15									
Mrs C Anderson		10 - 15	10 - 15									
Mrs C Barber-Brown		10 - 15	5 - 10									
Mr J Schultz			5 - 10									
		2017/2018	2016/2017									
		£000	£000									
<b>Band of Highest Paid Director's Total</b>		<b>195 - 200</b>	205 - 210									
		£	£									
<b>Median Total</b>		<b>25,772</b>	25,057									
<b>Remuneration Ratio</b>		<b>7.7</b>	8.3									

## Staff Report

### Our Workforce

We recognise the exceptional work of all our staff and we have created a variety of initiatives and schemes to help engender the commitment and hard work of our dedicated workforce during what was a challenging year in 2017/18. These initiatives have included; implementation of a leadership management development framework, supporting a compassionate and inclusive leadership culture to engage staff at all levels and supporting the development of a robust performance culture.

Our services are delivered by a committed workforce and the average number of whole time equivalent (WTE) staff, employed on both a permanent and other basis, is detailed in the table below:

Category	Permanent	Other	2017/18	2016/17
Medical & dental	472	61	533	507
Administration & estates	757	3	760	814
Healthcare assistants & other support staff	1,080	127	1,207	1,145
Nursing, midwifery & health visiting staff	1,638	127	1,765	1,734
Nursing, midwifery & health visiting learners	-	-	-	-
Scientific, therapeutic & technical staff	657	10	667	638
<b>Total average numbers</b>	<b>4,604</b>	<b>328</b>	<b>4,932</b>	<b>4,838</b>
<b>Of which:</b>				
Number of employees (wte) engaged on capital projects	5	-	5	8

Staff costs for the year, with comparative 2016/17 costs, were as follows:

Category	Permanent £000	Other £000	2017/18 £000	2016/17 £000
Salaries & wages	145,256	12,987	158,243	152,803
Social security costs	13,512		13,512	13,216
Apprenticeship levy	791		791	
Employer's contributions to NHS pensions	18,144		18,144	17,646
Pension cost - other	23		23	32
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Temporary staff – external bank	-	10,487	10,487	10,103
Temporary staff – agency/contract	-	11,978	11,978	13,524
<b>Total gross staff costs</b>	<b>177,726</b>	<b>35,452</b>	<b>213,178</b>	<b>207,324</b>
<b>Of which:</b>				
Costs capitalised as part of assets	259	-	259	400

Staff costs for the Group include staff employed by the Trust subsidiary, Stepping Hill Healthcare Enterprise Limited.

Our employee workforce of 4,487 whole time equivalent staff relates to a headcount of 5,262 staff

as at 31 March 2018 and the profile of these staff can be shown by gender which is 80% Female and 20% Male; of which:

<b>Gender Headcount</b>	Male	Female	Total
Directors	8	7	15
Other Senior Managers	3	5	8
Other Employees	1,024	4,215	5,239

In 2017/18 we made successful appointments to 24 Consultant positions (23.1 wte) and 209 Qualified Nurses (185.08 wte) during the year up to 31 March 2018.

## **Recruiting and retaining our people**

We recognise that staff are fundamental to our success, both now and in securing our future. Consequently, there is a need for us to attract and retain staff of the highest calibre and to do this we ensure that our values and behaviours are inherent in our workforce and that we recruit the very best staff who are able to continually demonstrate high levels of skill and competence.

Employing over 5,260 staff in extremely diverse roles, we aim to ensure that there are opportunities for career development in each and every part of the business. This is important in retaining and developing the skills that our staff bring to us. All staff complete corporate and local induction and e-learning training which includes raising awareness of relevant Trust policies. We have a permanent headcount staff turnover rate of approximately 14%. The Trust's Recruitment & Retention Strategy, reviewed in October 2017, sets out the many challenges we face in achieving our aim of recruiting and retaining a workforce with the requisite skills, within an environment which supports flexible and healthy working practices and professional development to make the Trust an employer of choice.

Our Recruitment and Selection Policy provides for the equity of treatment for all candidates and prospective employees, including applications made by disabled persons. The Trust has pledged its support to the 'two ticks' scheme (positive about disabled people) guaranteed interview scheme.

Despite implementation of the Recruitment & Retention Strategy, we continued to experience difficulties in recruiting suitable candidates to a number of consultant vacancies. These difficulties reflect the national position and the affected areas include Radiology, Emergency Medicine and Acute Physicians. The most important method of securing substantive medical staff is attracting individuals to high performing, cohesive teams that are well led. Reputation of the specialty is a key factor, along with attractive service developments which enable specialist interests to be pursued. We work with Training Programme Directors to attract trainees due to obtain their Certificate of Specialist Training to ensure that the best calibre consultants know about specialty teams well in advance of their qualification.

Despite the challenges to recruitment of medical staff, we have been successful in making substantive appointments, particularly in surgical specialties. However, we have also successfully made appointments in some of harder to fill specialties such as Emergency Medicine, Radiology and the Department for Older People. During 2017/18 we participated in two schemes to attract appropriately experienced international candidates. The first scheme involved collaborative work with a specialist agency, with a particular focus on middle grade

doctors in the urgent care specialties, and we successfully appointed a number of doctors from India and the Middle East as a result of this scheme. The second initiative was a regional 'earn, learn, return' scheme which helped us to secure good quality candidates for positions in Critical Care, Paediatrics, Respiratory and Emergency Medicine.

We continued to experience challenges relating to numbers of qualified nursing vacancies throughout 2017/18 and the Trust was selected to participate in NHS Improvement's Retention Support Programme. This resulted in the development of four programmes of activity specifically focussed on registered nursing in the first instance. We also implemented a Nurse Adaptation course which enables non-EU nurses who qualified overseas and are resident in the United Kingdom to convert to Registered Nurses.

Whilst the challenges are significant, we are confident that with the participation and commitment of every member of staff at every level, we will achieve and maintain a skilled and dedicated workforce that is representative of the local community and capable of delivering high quality and compassionate patient care to the people of Stockport and surrounding areas. In summary our Strategy covers both recruitment and retention and the short, medium and long term objectives of the Trust, in relation to how it attracts, develops and retains our workforce. Plans have been reviewed and refined in the context of recruitment challenges and are expected to have a positive impact in 2018/19.

## **Health and Wellbeing**

Our commitment to the Health and Wellbeing of our staff is an area of priority and focus. We believe that the way to provide the best experience for our patients is to provide the best experience for our staff. We know that **Healthy Staff = Better outcomes for our patients** and understand that health and wellbeing applies as much to our employees as it does to our patients, their carers and families and our local population. We want to do as much as we can to support our staff to enable them to be at their best, be energised, be motivated and committed to their work and to reach their full potential.

Our 'Workforce Health & Wellbeing Strategy' brings together multiple strands with the aim of improving the health and wellbeing of staff. The key themes of this strategy are aimed at:

- Engaging all staff to identify, develop and improve their health and wellbeing, including; physical activity, smoking cessation, alcohol consumption, weight management and mental health;
- Encouraging staff to better recognise their physical and emotional needs and to feel more resilient, committed and able to contribute to the development of the Trust;
- Improving the health and wellbeing of staff by promoting the benefits of a healthy and supportive working environment; and
- Recognising the importance of wellbeing and ensuring assistance is provided to help staff to remain at work and return to work.

We have demonstrated our commitment to supporting our staff through facilities such as the availability of dedicated staff counselling support services, in-house Occupational Health services and access to staff fast-track physiotherapy, together with a number of other initiatives including:

- Programme of health and wellbeing campaigns
- Spiritual and pastoral care
- Preventive interventions e.g. stress risk assessments and facilitated team working

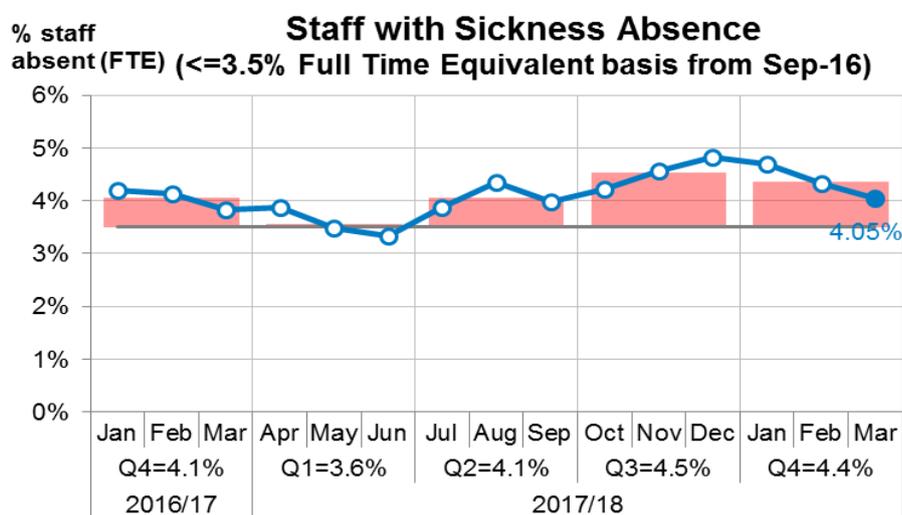
- Coaching and guidance for managers
- Personal resilience and mindfulness workshops
- Staff benefits and incentives
- Smoking cessation support and advice

Our Occupational Health Service is designed to maximise the physical, psychological and social health of all staff and to support managers by undertaking health interventions and providing advice on medical issues. In addition to core services of new employee health assessments, management referrals and immunisation / vaccination programmes, other services offered to staff include fast track physiotherapy, counselling, and lifestyle health advice. A range of health promotion support services are provided for staff including smoking cessation and raising awareness to prevent workplace incidents, such as sharps injuries. Vaccinating health care staff against potential workplace infections will protect staff from infection and mitigate the risk of transfer to patients. The Occupational Health service leads on the delivery of the staff flu vaccination each autumn with the assistance of many link nurses and achieved an uptake of 72% of clinical staff during 2017/18.

Our service continues to be successful in retaining accreditation of the national quality assurance scheme called Safe, Effective, Quality Occupational Health Service (SEQOHS) which provides assurance on quality and effectiveness and allows the service to continue to bid for new occupational health work in the region. The Trust continues to explore potential service reconfiguration of Occupational Health services with local trusts to maintain and enhance the services provided for NHS staff.

### Sickness Absence Data

The chart below details our sickness absence performance during 2017/18.



We have reviewed our sickness absence policy and supporting procedures, in partnership with our trade union colleagues, to enable staff and managers to better address the challenges presented by staff ill health. Progress towards an internal target of 3.5% absence continued to be a key objective for the Trust throughout 2017/18.

## **Working in Partnership**

We take a partnership approach to working with staff through our Joint Consultative and Negotiating Committee (JNCC) and Local Negotiation Committee (LNC). Both of these forums are attended by members of our Executive Team and include representatives from our staff side colleagues and trade union representatives. These meetings focus upon consulting with staff in a constructive manner in relation to key service changes across the Trust, as well as discussing and seeking approval of policies and procedures. Both forums share chairing arrangements between staff and management, and executive directors and senior managers are regularly in attendance. Major project developments will also include a local staff representative, as part of steering groups to ensure positive levels of union engagement. An example of such engagement during 2017/18 was staff side involvement through membership of a multi-disciplinary steering group which was established to review staff car parking arrangements.

## **Staff Engagement - Team Brief and Start the Year**

The Trust has a comprehensive cascade communication system which is initiated through a monthly Team Brief by the Chief Executive. Key messages are shared with all staff across the organisation, with an opportunity for staff to ask questions. It is designed to ensure that all staff are aware of the very latest developments and are kept abreast of the Trust's performance across all areas. Staff are encouraged to feed information back up the organisation using the normal management channels which include regular 'drop-in' sessions with the Chief Executive.

At the start of each year a formal presentation is delivered, again by a cascade system, to all staff. This sets out key achievements and milestones over the previous year, recognising good practice together with any learning opportunities. It also includes priorities for the forthcoming year. The programme is launched via a series of presentations led by the Chief Executive, supported by other Executive Directors and the Chair. These are followed up with local presentations within Business Groups to ensure as many staff as possible are included.

In recognition of the scale and pace of change in the strategic environment we developed a comprehensive internal Communication and Engagement Plan for 2017/18. The plan seeks to maximise staff involvement and increase opportunities for 'face to face' discussion to enhance internal communications and engagement to support successful transformational change. As well as helping to support people through change by keeping them well informed, the plan plays a key role in engagement and productivity; enhancing a culture of openness, honesty and trust.

At a time of significant transformation and challenge, maintaining an engaged workforce is more important than ever. Our staff have a valuable perspective on what is happening within the Trust and their teams. Their views of how their service is operating provide an important perspective to inform service delivery and to deliver transformation.

## **Equality, Diversity and Inclusion**

During 2017/18 we have continued on our journey and commitment to ensuring that our services and employment practices are fair, accessible and inclusive for the diverse communities which we serve and the workforce we employ. A culture of fairness and inclusion means that our patients, staff and anyone who comes into contact with the Trust feels valued and respected. Our Equality, Diversity & Inclusion Annual Report published on our website re-affirms our commitment to the principles of equality and diversity. It sets out an ambitious agenda for action, ensuring that we meet our general and specific duties for equality, as required by legislation, and that we work

effectively to meet the needs of our diverse workforce, patient population and the communities we serve.

Employees who become disabled during their employment are supported via a number of mechanisms, including a reasonable adjustment policy. This policy sets out what managers and staff need to know to support them in making decisions about applying for and considering requests for reasonable adjustments in the workplace and discussing requests from patients about how they could receive more accessible services across a range of different settings.

## **Governance**

In addition to our Public Sector Equality Duty reporting, our Equality, Diversity and Inclusion policy gives clear guidance around how to raise concerns and sets out our commitment to tackling discrimination in all areas, from recruitment and employment policies through to access to our services. Our employment policies are subject to regular review and update, in partnership with our staff side colleagues, to ensure that they continue to reflect best practice.

All new or revised policies are also subject to an equality impact assessment to ensure that our policies support the advancements of equality and do not have negative effects upon any particular groups. Completion of the assessments also serves to ensure that we comply with our duties under the Equality Act 2010.

## **Workforce Race Equality Standard (WRES)**

NHS England introduced the Workforce Race Equality Standard (WRES) in 2015 to ensure employees from black and ethnic minority (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace. Our performance against these standards in 2017/18 and an associated action plan are published on the Trust's website. We established a WTRES Steering Group in 2017/18, chaired by the Trust Chair, to oversee and monitor WRES actions and ensure an organisation-wide approach. The Trust Chair, Mr A Belton, acts as the Board-level lead for Equality, Diversity & Inclusion. In addition, our EDI Manager, Ms S Nadeem, has been nominated to participate in the national WRES Experts programme.

## **Gender Pay Gap**

The Trust complied with the requirement to publish a Gender Pay Gap Report by 30 March 2018, as required by Gender pay reporting legislation. The legislation requires employers with 250 or more employees to publish statutory calculations each year that detail the pay gap between male and female employees. The Gender Pay Gap Report is available on the Trust's website and an action plan has been developed to progress initiatives to address any identified gaps.

## **Raising the profile of Equality, Diversity and Inclusion**

During 2017/18 we participated in a number of events which served to raise the profile of Equality, Diversity and Inclusion:

### Manchester PRIDE

The Trust was again represented at Manchester's annual lesbian, gay, bisexual and transgender (LGBT) festival, held over the August bank holiday weekend. Manchester PRIDE celebrates LGBT lives and works for greater mutual support and co-operation. The 2017 event was a great success and a fantastic opportunity for the Trust to lend support and raise awareness, both in terms of being an inclusive employer and health care provider.

### LGBT History Month Event

As part of the LGBT History Month celebrations 2018, the Trust held an event to explore and highlight inequalities faced by LGBT staff and patients. The event was opened by Mr A Belton, Trust Chair and was well attended by both staff and representatives from external organisations. John Amaechi, psychologist and bestselling author, attended the event as a keynote speaker.

### Hate Crime Awareness Event

As part of Hate Crime Awareness Week, the Trust worked in partnership with Stockport Metropolitan Borough Council, Greater Manchester Police and a range of voluntary services to raise awareness of hate crime and how to report it. We had information stands in the both the hospital and community locations to provide advice on; what constitutes a hate crime, who could be particularly vulnerable to such behaviour and how to support an individual who has been a victim of hate crime.

In addition to participation in events, we have continued to develop our Supported Internship Programme for young people with learning disabilities. The main aim of this project is to secure paid work either with the Trust or with an external employer. The course accommodates 10 people on 3 rotational placements throughout an academic year. The trainees have classroom based activity at the beginning and end of the day and by the end of the 12 months will gain a City and Guilds Entry 3 qualification – ‘Personal progression through employment’.

In 2017/18 the Trust received funding from Health Education England to develop a Pre-Employment Programme (PEP) aimed at unemployed individuals between the ages of 18 and 65 to enhance their potential employment opportunities and confidence. The PEP is an entry-level vocation learning programme and is designed as a Level 1 Introduction to Adult Health & Social Care accredited programme. Learners are offered a guaranteed interview on successful completion of the PEP and live vacancies are identified by the Human Resources team at the point of delivery of the programme and are promoted throughout. As a result of the Level 1 accreditation, Learners are eligible to access opportunities such as apprenticeships, volunteering or further education. At 31 March 2018, the Trust had 15 Learners undertaking 6-week placements.

### **Summary of our Workforce Equality Monitoring Statistics 2017/18**

A diverse and culturally aware workforce is better placed to understand and respond to the needs of everyone in our community. Our staff are:

- 80% women;
- 26% aged under 35 years and 22% aged over 55 years;
- 14% are from black and minority ethnic communities (plus a further 5% from white minority ethnic backgrounds);
- 3% declared themselves to be disabled; 80% declared themselves to be non-disabled and the disability status of the remainder is not known / not declared;
- 74.6% disclosed as heterosexual, 1.7% as lesbian, gay or bisexual;
- 52% declared Christianity as their religion;
- The average age of our Board members is 55; none declared a disability; the make-up of the Board is 69% White British and 54% are female.

## Remuneration

Information relating to exit packages, off-payroll arrangements and consultancy costs is included in the Remuneration Report on page 58.

### 2017 National Staff Survey

The annual staff survey is a vital component in finding out the views of staff and helping to identify where improvements can be made at corporate, business group and staff group levels to improve staff experience and further enhance engagement and staff satisfaction. In 2017, all our staff were invited to complete the survey and were given the option to use either an online survey form or a hard copy survey form. In total, 2,160 staff completed the survey, a response rate of 41.8%. This is a 2.3% increase from the 2016 survey and compares with a national average of 43% for combined acute and community trusts.

The staff engagement score decreased from 3.75 in 2016 to 3.73 in 2017. This compares with a national average of 3.78. Our Culture and Engagement plan with associated activities is seen as a key initiative to improve outcomes in this area.

The tables below provide an overview of the best and worst scores when compared to all acute and community trusts.

#### Top 5 Ranking Scores for 2017

Five questions we scored BEST in	2017	
	Our Trust	National Average
Percentage of staff experiencing physical violence from staff in the last 12 months (the lower the score the better)	1%	2%
Percentage of staff experiencing harassment, bullying or abuse from patients, relative or the public in the last 12 months (the lower the score the better)	24%	27%
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months (the lower the score the better)	22%	24%
Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months (the lower the score the better)	13%	14%
Percentage of staff experiencing discrimination at work in the last 12 months (the lower the score the better)	10%	10%

## Bottom 5 Ranking Scores for 2017

Five questions we scored WORST in	2017	
	Our Trust	National Average
Staff satisfaction with the quality of work and patient care they are able to deliver (the higher the score the better)	3.81 (out of 5)	3.90
Fairness and effectiveness of procedures for reporting errors, near misses and incidents (the higher the score the better)	3.64 (out of 5)	3.73
Staff satisfaction with resourcing and support (the higher the score the better)	3.20 (out of 5)	3.27
Percentage of staff colleagues reporting most experience of violence (the higher the score the better)	61%	67%
Effective team working (the higher the score the better)	3.68 (out of 5)	3.74

Focus groups and engagement events have been scheduled in order to both promote outcomes of the staff survey and gain feedback from staff on how to improve the staff experience. A key tool in this process will be continued use of a Culture and Engagement Plan which was implemented during 2017/18. The plan seeks to maximise staff involvement and increase opportunities for 'face to face' discussion and will enhance and improve our internal communications and engagement. Action plans to drive improvements will be monitored by the Workforce Efficiency Group with support from the Head of Organisational Development and Learning and assurance on progress will be regularly reported to the Board of Directors through the People Performance Committee.

## Values-based Behaviours Framework

We continued to embed our Trust values and behaviours framework during 2017/18. Our values are closely aligned with our strategic priorities specifically in the areas of; collaborative working, teamwork, staff health and wellbeing, innovation and improving the quality of patient care. The values-based behaviours underpin our values, provide a clear framework for 'living our values' and support the ongoing development of our organisational culture. The overall aim of our engagement and culture programme is to strengthen our 'culture of caring' through fully engaging our workforce to consistently deliver safe and high quality care through continuous learning, improvement and 'putting patients at the heart of everything we do'".

Our values are fully embedded into our recruitment process, our performance appraisal framework, leadership development programmes and team development sessions. Our values-based behaviours framework will continue to be promoted at every opportunity to all staff as a guide for how we expect one another to behave in all that we do and how we hold each other to

account. This approach was further enhanced by the introduction of a Performance Management Framework from 1 April 2017.

## **Leadership Development**

Successfully addressing the many challenges facing the Trust necessitates leadership of the highest caliber and, to help achieve this, a leadership strategy and associated leadership and management development framework was implemented during 2016/17. The leadership strategy supports a compassionate and inclusive leadership culture which engages with staff at all levels. During 2017/18 there has been a focus on the practice of holding to account, accepting responsibility for outcomes, creating opportunities for others to learn and lead and creating the space for innovation and sharing of best practice.

Our leaders at all levels are required to be ambassadors of the Trust's values and behaviours, leading with compassion and driving positive performance. There has also been a focus on supporting resilience and well-being of the whole workforce with coaching, mentoring and reflective practice as drivers to ensure a healthy organisation.

## **Apprenticeships / Work Experience / Pre-employment Programmes**

The government has a core manifesto commitment to create and support three million apprenticeships by 2020. The introduction of the Apprenticeship Levy from 1 April 2017 gives employers greater involvement, control and investment to ensure that apprenticeships become integral to the education and development of the workforce. The Trust participates in an Apprenticeship Framework that provides relevant training which is tailored to meet the demands of the workforce requirements within the Trust. The learner is supported throughout the programme, both on and off the job, and the scheme provides relevant staff with the opportunity to earn while they learn.

The programme contributes to improved retention and productivity and provides the opportunity to 'grow' a highly committed, skilled and competent workforce. The Trust's Apprenticeship Scheme Development Plan will ensure that the benefits of the changes to the apprenticeship scheme are fully realised and will be monitored closely by the Trust to ensure full advantage is taken of opportunities that will ensure the continued improvement of attracting and developing the very best talent. The Trust also offers work experience opportunities to school and college students and in 2017/18 we introduced pre-employment programmes to improve access to employment opportunities for job seekers.

## **Workforce Design**

We have continued to develop a sustainable and resilient workforce in order to address local workforce challenges including Stockport Neighbourhood Care developments, the Healthier Together programme and service developments arising from Greater Manchester Health & Social Care Partnership activities. A sustainable workforce is fundamental to achieving the strategic direction of the Trust and ensuring that staff are prepared, with the right skills and knowledge, to work in different ways and across different organisational boundaries.

The challenge of recruiting individuals in shortage specialties has necessitated new ways of working and the development of alternative roles. During 2017/18 we recruited individuals in a Physician Associate role and implemented two cohorts of Trainee Nurse Associates. We have

also sought to secure funding for the introduction of Advanced Clinical Practitioners which will enhance capacity and capability within multi-professional teams in support of existing and more established roles.

Our Transformation Team has supported our work on workforce re-design which included the establishment of a Clinical Correspondence Hub in December 2017. The emphasis for this type of project is to identify potential for the alternative deployment of resources in order to enhance efficiency, effectiveness and quality of the service provided. Ultimately, such developments will improve patient experience.

We recognise that effective workforce planning is of fundamental importance as the decisions we make today about skill mix, training places and operational models will all impact on whether our future workforce is able to deliver the services required in ways which ensure that high quality compassionate care is provided to our patients.

## NHS Foundation Trust Code of Governance

The NHS Foundation Trust Code of Governance (the Code of Governance) was first published in 2006 and was most recently updated in July 2014. The purpose of the Code of Governance is to assist NHS Foundation Trust Boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The Code is issued as best practice advice but imposes some disclosure requirements. Stockport 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.

NHS Foundation Trusts are required to provide a specific set of disclosures in their annual report to meet the requirements of the NHS Foundation Trust Code of Governance. Schedule A to the Code of Governance specifies everything that is required within these disclosures. Schedule A is divided into six categories and the disclosures being made by the Trust for each of these categories are detailed below.

Below are the statutory requirements that we have highlighted in the Code. This supersedes the “comply or explain” requirements of the Code. **However, there is no need to report on these provisions in the Code disclosure.** For the purpose of completeness, the Trust will comment upon each requirement.

Reference	Statutory requirement:
A.2.2	<p>The roles of chairperson and chief executive must not be undertaken by the same individual.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.10	<p>The council of governors has a statutory duty to hold the non-executive directors Individually and collectively to account for the performance of the board of directors.</p> <p><b><i>The Board of Directors and the Council of Governors comply with this requirement.</i></b></p>
A.5.11	<p>The 2006 Act, as amended, gives the council of governors a statutory requirement to receive the following documents. These documents should be provided in the annual report as per the <i>NHS Foundation Trust Annual Reporting Manual</i>:</p> <p>(a) The annual accounts;            (b) Any report of the auditor on them; and            (c) The annual report.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>

Reference	Statutory requirement:
A.5.12	<p>The directors must provide governors with an agenda prior to any meeting of the board, and a copy of the approved minutes as soon as is practicable afterwards. There is no legal basis on which the minutes of private sessions of board meetings should be exempted from being shared with the governors. In practice, it may be necessary to redact some information, for example, for data protection or commercial reasons. Governors should respect the confidentiality of these documents.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.13	<p>The council of governors may require one or more of the directors to attend a meeting to obtain information about performance of the trust's functions or the directors' performance of their duties, and to help the council of governors to decide whether to propose a vote on the trust's or directors' performance.</p> <p><b><i>The Trust is aware of this requirement. This situation did not arise during 2017/18.</i></b></p>
A.5.14	<p>Governors have the right to refer a question to the independent panel for advising governors. More than 50% of governors who vote must approve this referral. The council should ensure dialogue with the board of directors takes place before considering such a referral, as it may be possible to resolve questions in this way.</p> <p><b><i>The Trust is aware of this requirement. This situation did not arise during 2017/18.</i></b></p>
A.5.15	<p>Governors should use their new rights and voting powers from the 2012 Act to represent the interests of members and the public on major decisions taken by the board of directors. These are outlined in full at A.5.15.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.11	<p>It is a requirement of the 2006 Act that the chairperson, the other non-executive directors and – except in the case of the appointment of a chief executive – the chief executive, are responsible for deciding the appointment of executive directors. The nominations committee with responsibility for executive director nominations should identify suitable candidates to fill executive director vacancies as they arise and make recommendations to the chairperson, the other non-executives directors and, except in the case of the appointment of a chief executive, the chief executive.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.12	<p>It is for the non-executive directors to appoint and remove the chief executive. The appointment of a chief executive requires the approval of the council of governors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.13	<p>The governors are responsible at a general meeting for the appointment, re-appointment and removal of the chairperson and the other non-executive directors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>

Reference	Statutory requirement:
B.4.3	<p>The board has a duty to take steps to ensure that governors are equipped with the skills and knowledge they need to discharge their duties appropriately.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.5.8	<p>The board of directors must have regard for the views of the council of governors on the NHS foundation trust's forward plan.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.7.3	<p>Approval by the council of governors of the appointment of a chief executive should be a subject of the first general meeting after the appointment by a committee of the chairperson and non-executive directors. All other executive directors should be appointed by a committee of the chief executive, the chairperson and non-executive directors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.7.4	<p>Non-executive directors, including the chairperson should be appointed by the council of governors for the specified terms subject to re-appointment thereafter at intervals of no more than three years and subject to the 2006 Act provisions relating to removal of a director.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.7.5	<p>Elected governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
D.2.4	<p>The council of governors is responsible for setting the remuneration of non-executive directors and the chairperson.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
E.1.7	<p>The board of directors must make board meetings and the annual meeting open to the public. The trust's constitution may provide for members of the public to be excluded from a meeting for special reasons.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
E.1.8	<p>The trust must hold annual members' meetings. At least one of the directors must present the trust's annual report and accounts, and any report of the auditor on the accounts, to members at this meeting.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>

The provisions listed below require a supporting explanation, even in the case that the NHS foundation trust is compliant with the provision. **Where the information is already contained within the annual report, a reference to its location is sufficient to avoid unnecessary duplication.**

Reference	Statutory requirement:
A.1.1	<p>The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the Boards and which are delegated to the executive management of the Board of Directors.</p> <p><b>See Annual Report page 36 and page 47.</b></p>
A.1.2	<p>The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.</p> <p><b>See Annual Report pages 36, 43, 46 and 58.</b></p>
A.5.3	<p>The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.</p> <p><b>See Annual Report page 49.</b></p>
FT ARM	<p>The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.</p> <p><b>See Annual Report page 49.</b></p>
B.1.1	<p>The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.</p> <p><b>See Annual Report page 36.</b></p>
B.1.4	<p>The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.</p> <p><b>See Annual Report page 42.</b></p>
FT ARM	<p>The annual report should include a brief description of the length of appointments of the non-executive directors and how they may be terminated.</p> <p><b>See Annual Report pages 37 and 47.</b></p>

Reference	Statutory requirement:
B.2.10	<p>A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.</p> <p><b>See Annual Report page 46.</b></p>
FT ARM	<p>The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.</p> <p><b>See Annual Report page 46.</b></p>
B.3.1	<p>A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.</p> <p><b>See Annual Report page 37.</b></p>
B.5.6	<p>Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.</p> <p><b>See Annual Report page 48.</b></p>
FT ARM	<p>If, during the financial year, the Governors have exercised their power under paragraph 10C of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.</p> <p><b>See Annual Report page 48.</b></p>
B.6.1	<p>The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.</p> <p><b>See Annual Report page 42.</b></p>
B.6.2	<p>Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.</p> <p><b>See Annual Report page 91.</b></p>
C.1.1	<p>The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).</p> <p><b>See Annual Report pages 45 and 94.</b></p>

Reference	Statutory requirement:
C.2.1	<p>The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.</p> <p><b>See Annual Governance Statement on page 94.</b></p>
C.2.2	<p>A trust should disclose in the annual report:</p> <ol style="list-style-type: none"> <li>a) If it has an internal audit function, how the function is structured and what role it performs; or</li> <li>b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</li> </ol> <p><b>See Annual Report page 44.</b></p>
C.3.5	<p>If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.</p> <p><b>This situation did not arise during 2017/18.</b></p>
C.3.9	<p>A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> <li>• the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</li> <li>• an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and</li> <li>• if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.</li> </ul> <p><b>See Annual Report page 43.</b></p>
D.1.3	<p>Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.</p> <p><b>This situation did not arise during 2017/18.</b></p>
E.1.5	<p>The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non- executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.</p> <p><b>See Annual Report page 43.</b></p>

Reference	Statutory requirement:
E.1.6	<p>The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.</p> <p><b>See Annual Report page 51.</b></p>
E.1.4	<p>Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.</p> <p><b>See Annual Report page 51.</b></p>
FT ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> <li>• A brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership;</li> <li>• Information on the number of members and the number of members in each constituency; and</li> <li>• A summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership including progress towards any recruitment targets for members.</li> </ul> <p><b>See Annual Report page 51.</b></p>
FT ARM	<p>The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.</p> <p><b>See Annual Report pages 42 and 50.</b></p>

'FT ARM' indicates that the disclosure is required by the NHS Foundation Trust Annual Reporting Manual rather than the Code of Governance.

The provisions listed below require supporting information to be made publicly available even in the case that the NHS foundation trust is compliant with the provision. This requirement can be met by making supporting information available on request and on the NHS foundation trust's website.

The information detailed below is available on request from the Director of Corporate Affairs.

Reference	Statutory requirement:
A.1.3	<p>The board of directors should make available a statement of the objectives of the NHS foundation trust showing how it intends to balance the interests of patients, the local community and other stakeholders, and use this as the basis for its decision-making and forward planning.</p>
B.1.4	<p>A description of each director's expertise and experience, with a clear statement about the board of director's balance, completeness and appropriateness.</p>

Reference	Statutory requirement:
B.2.10	The main role and responsibilities of the nominations committee should be set out in publicly available, written terms of reference.
B.3.2	The terms and conditions of appointment of non-executive directors.
C.3.2	The main role and responsibilities of the audit committee should be set out in publicly available, written terms of reference.
D.2.1	The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board of directors. Where remuneration consultants are appointed, a statement should be made available as to whether they have any other connection with the NHS foundation trust.
E.1.1	The board of directors should make available a public document that sets out its policy on the involvement of members, patients and the local community at large, including a description of the kind of issues it will consult on.
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website.

The provisions listed below require supporting information to be made available to governors, even in the case that the NHS foundation trust is compliant with the provision. This information should be set out in papers accompanying a resolution to re-appoint a non-executive director.

Reference	Statutory requirement:
B.7.1	In the case of re-appointment of non-executive directors, the chairperson should confirm to the governors that following formal performance evaluation, the performance of the individual proposed for re-appointment continues to be effective and to demonstrate commitment to the role.

There were two instances of Non-Executive Directors seeking re-appointment during 2017/18. Relevant information was provided to the Council of Governors by the Chair in relation to the re-appointment of Mr J Sandford, with effect from 1 July 2017, and Mr M Sugden, with effect from 1 April 2018.

The provisions listed below require supporting information to be made available to members, even in the case that the NHS foundation trust is compliant with the provision. This information should be set out in papers accompanying a resolution to elect or re-elect a governor.

Reference	Statutory requirement:
B.7.2	The names of governors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to take an informed decision on their election. This should include prior performance information.

This information is included within the election material circulated to members by Electoral Reform Services who managed governor elections on behalf of the Trust in 2017/18.

For all provisions listed below there are no special requirements as per 1-5 above. For these provisions, the basic “comply or explain” requirement stands. The disclosure should therefore contain **an explanation in each case where the trust has departed from the Code, explaining the reasons for the departure and how the alternative arrangements continue to reflect the main principles of the Code.**

A disclosure is only required for **departures** from the Code for the provisions listed in this section. NHS foundation trusts are welcome but not required to provide a simple statement of compliance with each individual provision. This may be useful in ensuring the disclosure is comprehensive and may help to ensure that each provision has been considered in turn.

In providing an explanation for any variation from the *NHS Foundation Trust Code of Governance*, the NHS foundation trust should aim to illustrate how its actual practices are consistent with the principle to which the particular provision relates. It should set out the background, provide a clear rationale, and describe any mitigating actions it is taking to address any risks and maintain conformity with the relevant principle. Where deviation from a particular provision is intended to be limited in time, the explanation should indicate when the NHS foundation trust expects to conform to the provision.

The table below provides a summary of the provisions – the full provisions as listed in the document should be used for reference. In this summary “the board” refers to the board of directors, “the council” to the council of governors, and “trust” refers to the NHS foundation trust.

Provision	Summary:
A.1.4	The board should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust’s effectiveness, efficiency and economy as well as the quality of its health care delivery  <b><i>The Trust complies with this requirement.</i></b>
A.1.5	The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance  <b><i>The Trust complies with this requirement.</i></b>
A.1.6	The board should report on its approach to clinical governance.  <b><i>The Trust complies with this requirement.</i></b>
A.1.7	The chief executive as the accounting officer should follow the procedure set out by Monitor for advising the board and the council and for recording and submitting objections to decisions.  <b><i>The Trust complies with this requirement.</i></b>
A.1.8	The board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life.  <b><i>The Trust complies with this requirement.</i></b>

Provision	Summary:
A.1.9	<p>The board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.1.10	<p>The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.3.1	<p>The chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chairperson of the same NHS foundation trust.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.4.1	<p>In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.4.2	<p>The chairperson should hold meetings with the non-executive directors without the executives present.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.4.3	<p>Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.1	<p>The council of governors should meet sufficiently regularly to discharge its duties.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.2	<p>The council of governors should not be so large as to be unwieldy.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.4	<p>The roles and responsibilities of the council of governors should be set out in a written document.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.5	<p>The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.6	<p>The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>

Provision	Summary:
A.5.7	<p>The council should ensure its interaction and relationship with the board of directors is appropriate and effective.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.8	<p>The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
A.5.9	<p>The council should receive and consider other appropriate information required to enable it to discharge its duties.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.1.2	<p>At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.1.3	<p>No individual should hold, at the same time, positions of director and governor of any NHS foundation trust.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.1	<p>The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.2	<p>Directors on the board of directors and governors on the council should meet the “fit and proper” persons test described in the provider licence.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.3	<p>The nominations committee(s) should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.4	<p>The chairperson or an independent non-executive director should chair the Nominations committee(s).</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.5	<p>The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non-executive directors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.6	<p>Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>

Provision	Summary:
B.2.7	<p>When considering the appointment of non-executive directors, the council should take into account the views of the board and the nominations committee on the qualifications, skills and experience required for each position.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.8	<p>The annual report should describe the process followed by the council in relation to appointments of the chairperson and non-executive directors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.2.9	<p>An independent external adviser should not be a member of or have a vote on the nominations committee(s).</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.3.3	<p>The board should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.5.1	<p>The board and the council of governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.5.2	<p>The board and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.5.3	<p>The board should ensure that directors, especially non-executive directors, have access to independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.5.4	<p>Committees should be provided with sufficient resources to undertake their duties.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.6.3	<p>The senior independent director should lead the performance evaluation of the chairperson.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.6.4	<p>The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>

Provision	Summary:
B.6.5	<p>Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.6.6	<p>There should be a clear policy and a fair process, agreed and adopted by the council, for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
B.8.1	<p>The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
C.1.2	<p>The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
C.1.3	<p>At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
C.1.4	<p>a) The board of directors must notify Monitor and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS foundation trust.</p> <p>b) The board of directors must notify Monitor and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in:</p> <ul style="list-style-type: none"> <li>i. The NHS foundation trust's financial condition;</li> <li>ii. The performance of its business; and/or</li> <li>iii. The NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS foundation trust.</li> </ul> <p><b><i>The Trust complies with this requirement.</i></b></p>

Provision	Summary:
C.3.1	<p>The board should establish an audit committee composed of at least three members who are all independent non-executive directors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
C.3.3	<p>The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
C.3.6	<p>The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
C.3.7	<p>When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to Monitor informing it of the reasons behind the decision.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
C.3.8	<p>The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
D.1.1	<p>Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels.</p> <p><b><i>The Trust did not have a performance-related element of remuneration for Executive Directors during 2017/18.</i></b></p>
D.1.2	<p>Levels of remuneration for the chairperson and other non-executive directors should reflect the time commitment and responsibilities of their roles.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
D.1.4	<p>The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
D.2.2	<p>The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>

Provision	Summary:
D.2.3	<p>The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
E.1.2	<p>The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
E.1.3	<p>The chairperson should ensure that the views of governors and members are communicated to the board as a whole.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
E.2.1	<p>The board should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to co-operate.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>
E.2.2	<p>The board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.</p> <p><b><i>The Trust complies with this requirement.</i></b></p>

## Regulatory Ratings

On the 24 April 2013 the Trust signed Enforcement Undertakings with Monitor (a copy of which is on Monitor's website) in relation to the Trust's breaches of the A&E 4 hour target and highlighted potential weaknesses in Governance processes. Monitor's concerns were such that this was superseded on 4 August 2014 by imposition of an additional licence condition under section 111 of the Health and Social Care Act 2012 (a copy of which is available on Monitor's website). In July 2015 the additional licence condition relating to Governance was formally removed by Monitor in recognition of the actions taken by the Trust in response to recommendations made following an independent Governance Review completed by Deloitte LLP during 2014/15.

However, sustainable delivery of the A&E 4-hour waiting time standard has continued to be a major challenge, despite considerable efforts made by the Trust to improve performance against the target and this subject has continued to be a recurring theme of quarterly review meetings with NHS Improvement. In March 2017 NHS Improvement signalled its intention to conduct a formal review of the Enforcement Undertakings and this review was subsequently undertaken during the period June-July 2017. The review resulted in a Modification of the Additional Licence Condition dated 15 December 2017 requiring the Licensee i.e. the Trust, to address the following issues:

- a. Failure to take the action necessary to ensure compliance with the A&E 4 hour maximum waiting time standard on a sustainable basis;

- b. Lack of a clear vision and strategy around which the Licensee's board can determine its focus and priorities;
- c. Lack of a long term financial recovery plan demonstrating how the Licensee aims to return to a financial break even position and of a credible plan to deliver the required cost improvement programme;
- d. Failure to ensure that the Licensee's board and its committees have effective oversight of quality, safety, finances and A&E performance;
- e. Failure to respond sufficiently and in a timely manner to concerns identified by the CQC in its inspection of January 2016; and
- f. Any other issues relating to the operation of the Licensee's board and its other governance arrangements, including those identified in any independent assessment of its governance arrangements, that have caused or contributed to, or will cause or contribute to, the breach, or the risk of breach, of the conditions of the Licensee's licence.

The Trust's progress in addressing these issues is subject to regular formal monitoring by means of monthly Enhanced Financial Oversight meetings and Quarterly Review Meetings with NHS Improvement. In addition, a Quality Improvement Board, now jointly chaired by GM Health & Social Care Partnership and NHS Improvement, meets on a monthly basis with a specific focus on quality matters and urgent and emergency care.

## **STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF STOCKPORT NHS FOUNDATION TRUST**

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

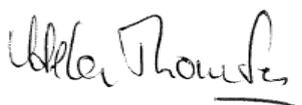
NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Stockport NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Stockport 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 Stockport NHS Foundation Trust and to enable her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of Stockport 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.



**Helen Thomson**  
**Interim Chief Executive**

**24 May 2018**

## **Annual Governance Statement 2017/18**

### **Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

### **The purpose of the system of internal control**

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

### **Capacity to handle risk**

Leadership and management of the risk management process is provided through:

- The Board of Directors with responsibility for overseeing all aspects of risk management
- The Audit Committee whose role is to receive and review assurance on the systems in place to manage risk
- The Chief Executive and the designated Executive Directors with responsibility for specific aspects of risk management
- The Safety and Risk Group, a group which reports to a sub-group of the Quality Committee, which has responsibility for organisation-wide co-ordination and prioritisation of risk management issues. The Group adopts a 'peer review' approach to provide guidance and encourage learning from best practice.
- An assessment of the level of risk management training that is required for staff and its delivery
- Review of the Risk Management Training Needs Audit matrix by the Safety and Risk Group which strengthens assurance that risk management training is effective, inclusive of a monitoring and review process
- Ensuring that employees with specific responsibilities for co-ordinating and advising on aspects of risk management have adequate training and development to fulfil their role
- The Trust's Risk Management Strategy, which clearly defines managers' levels of authority to manage and mitigate risks, according to risk scored ratings.

### **The risk and control framework**

The Trust has a Board-approved Risk Management Strategy which sets out our approach to the

management of risk and the system which assists in the identification, assessment, control and monitoring of risk. Risk management is recognised as a fundamental part of the Trust's culture and is firmly embedded in our philosophy, practices and business plans by means of appropriate training and development for employees with specific responsibilities for coordinating and advising on risk management.

Our risk assessment process, incident reporting and investigation and matters arising from complaints and claims are the principal sources of risk identification. The Trust has an open and accountable reporting culture and staff are encouraged to identify and report incidents by means of an online incident reporting tool. The Trust's Incident Reporting and Management Policy, currently under review, aims to ensure that when a serious event or incident occurs, there are systematic measures in place for safeguarding patients, property, resources and reputation. The policy ensures that a thorough investigation is undertaken and that any lessons learned are disseminated throughout the Trust and, if applicable, to other agencies to reduce the likelihood of a recurrence. The use of equality impact assessments and quality impact assessments is embedded in the Trust's business arrangements with the outputs of such assessments being used to inform risk mitigation activities where appropriate.

We use a '5x5 matrix' to assess and rate risks on both the likelihood and consequence to generate a risk score of between 1 and 25. The risk score then determines an appropriate level of escalation, management and scrutiny. The Risk Assessment process applies to all types of risk; clinical, financial, and operational, and risk registers are maintained by each of our Business Groups with registers subject to regular review at Business Group Quality Board meetings. Any risks with a residual risk score of 15 or above are placed on the Trust Risk Register which is monitored on a monthly basis by the Safety and Risk Group, Board-level Committees and the Board of Directors.

Any data security risks are subject to this same process, with escalation through to the Trust Risk Register where appropriate. The subject of data security is incorporated in annual Information Governance training which is mandatory for all staff with compliance levels monitored by the Information Governance & Security Group. A specific area of focus during 2017/18 has been preparation for the introduction of the General Data Protection Regulations (GDPR) in May 2018. The Trust's readiness for introduction of GDPR has been monitored by the Audit & Risk Committee and was also subject to review by Internal Audit which resulted in an assessment of significant assurance.

The Board Assurance Framework details the principal risks associated with delivery of the Trust's strategic objectives. Control measures and sources of assurance are clearly detailed in the Board Assurance Framework, together with details of any gaps in either control or assurance, and each entry has an associated action plan. The Board assesses the risk appetite for each of the principal risks and determines an appropriate acceptable level of risk. The relevant risk appetite is clearly stated in the Board Assurance Framework entry. The Board Assurance Framework is reviewed by the Board of Directors on a bi-monthly basis and the Board considers developments in the external environment in relation to inform Board Assurance Framework content. An Internal Audit assessment completed in March 2018 confirmed that "*The organisation's Assurance Framework is structured to meet the NHS requirements, is visibly used by the Board and clearly reflects the risks discussed by the Board*".

Management capability, in terms of leadership, the availability of knowledgeable and skilled staff and adequate financial and physical resources, to ensure that processes and internal controls work effectively is routinely monitored by the Executive Team. In November 2017 the Board of

Directors completed a Well Led Review self-assessment against NHS Improvement Well Led Framework. Outcomes from the self-assessment will inform developments in practice and process in anticipation of an external Well Led Review in 2018/19. The Board monitors and reviews the system of internal control and, where necessary, will identify improvements to accountability arrangements, processes or capability in order to deliver better outcomes. In 2017/18 this included further development of the Board's Committee arrangements, each of which is chaired by a Non-Executive Director and reports directly to the Board. These Committees are:

- Finance & Performance Committee
- Quality Committee
- People Performance Committee

Reports from the Assurance Committees, which detail key issues considered by the Committees and associated risks, are presented by the Committee chairs at each Board of Directors meeting. The format of key issues reports was reviewed during 2017/18 and an approach based on Alert, Assure and Advise headings was introduced in January 2018.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission. Further information on this area is included on page 98.

### **Key Organisational Risk in 2017/18 and 2018/19**

The risks to the principal objectives of the Trust, as identified in the Board Assurance Framework for 2017/18, were:

- Risk 1 - Emphasis on day to day operational delivery, in response to environmental pressures, results in lack of focus on strategic change programmes with consequent impairment or failure to deliver the Trust's Five Year Strategy
- Risk 2 - Failure to plan, resource and engage effectively with strategic change programmes impairs level of control and influence with a consequent detrimental impact on patient services.
- Risk 3 - Failure to achieve sustainable delivery of the 4-hour A&E target impairs quality of patient care and results in further regulatory intervention.
- Risk 4 - Inability to maintain and improve compliance with Care Quality Commission standards impairs patient experience, damages Trust reputation and results in regulatory intervention.
- Risk 5 - Failure to achieve the required level of cost improvement to deliver the Trust's financial plan with a consequent impact on patient services, increasing the likelihood of regulatory intervention.
- Risk 6 - Failure to prepare and deliver effective workforce plans supported by continuous professional development impairs the availability of workforce resources with a consequent impact on the delivery of patient services.
- Risk 7 - Failure to ensure efficient management of the EPR Project will mean the inability to realise the benefits expected to accrue from implementation of a comprehensive electronic system.

The principal risks to compliance with condition FT4 of the Trust's provider licence ('the FT governance condition') are as follows:

- 4-hour emergency department waiting time (target breached in all four Quarters during 2017/18)

The Trust remained in breach of its provider licence throughout 2017/18 as a result of failure to achieve the 4-hour Emergency Department target and Board members have continued to meet with NHS Improvement representatives at regular intervals to discuss the effectiveness of measures being taken to address weaknesses in performance. Clearly, the Trust's performance against the 4-hour emergency department standard has continued to be a key area of scrutiny due to non-achievement of the target in any Quarter during 2017/18. Delivery of this standard remains a risk in 2018/19. The Trust implemented initiatives to manage patient flows, which included the provision of additional bed capacity over and above winter plan levels and the cancellation of some elective activity. However, a combination of increased levels of high acuity patients and difficulties experienced in managing the effective discharge of patients with social care needs, had a significant impact on capacity.

In July 2017, the Trust, together with its partners from Stockport CCG, Stockport Metropolitan Borough Council, Viaduct Care and Pennine Care NHS Foundation Trust, approved a series of business cases for the Stockport Together programme. This programme is based on a collaborative approach to the implementation of new models of care as part of a sustainable and resilient solution for the Stockport health and social care economy. Work on implementing an Integrated Service Solution (ISS) commenced in earnest in October 2017 and each of the 10 schemes that make up the ISS was fully deployed by 30 April 2018.

On 28 February 2018, the Board of Directors agreed a revised set of strategic objectives for 2018/19. The principal risks to the strategic objectives are as follows:

- Failure to achieve the Implementation Plan for delivery of the 2018/19 Operational Plan impairs progress against the Trust Strategy.
- Failure to achieve the 2018/19 developments set out in the Quality Improvement Plan may impair clinical quality and patient experience.
- Failure to recurrently deliver the 2018/19 Cost Improvement Programme will result in an increased deficit position.
- A lack of management capacity has an adverse impact on the Trust's ability to effectively participate in strategic programmes.
- Failure to achieve the A&E 4-hour standard prevents removal of the Trust's additional licence condition with a consequent risk of further regulatory action.
- Failure to recruit to establishment results in over-reliance on agency cover with a consequent impact on workforce engagement and motivation.
- Failure to produce an Estates Strategy, and deliver Year One developments, impairs efficient use of the estate with a potential impact on service developments.

The governance framework described above will ensure that risks are identified and, where necessary, escalated for action from Business Groups to the Executive Team, Committees and the Board of Directors. Risks or developments that may have a consequent impact on quality of care will be identified through completion of quality impact assessments for business cases and cost improvement schemes. The outcomes of quality impact assessments are subject to validation by the Medical Director and the Chief Nurse & Director of Quality Governance. The

Trust will seek to engage proactively with public stakeholders in the management of any risks which may impact upon them.

The practice and processes incorporated in the risk and control framework, together with those incorporated in the quality governance framework serve to provide assurance on the validity of the Trust's Corporate Governance Statement as required under NHS foundation trust condition 4(8)(b).

### **Quality Governance Framework**

Stockport NHS Foundation Trust has arrangements in place for monitoring and continually improving the quality of care provided to its patients. The Board of Directors monitors performance against a suite of indicators relating to clinical, access and partnership and efficiency metrics through consideration of an Integrated Performance Report at each Board meeting. This report incorporates specific quality metrics relating to the following seven domains:

- Mortality
- Pressure ulcers
- C Difficile
- Dementia FAIR
- Falls
- Discharge summary / clinical correspondence
- Patient experience

Work was undertaken during the period October 2017 – March 2018 to review the format and content of the Integrated Performance Report to enhance the reporting of performance metrics across all areas. This review resulted in a more comprehensive set of quality indicators which will enable a greater degree of Board oversight across a wider set of metrics together with forward-looking analysis for each metric. Use of the revised quality metrics was piloted by the Quality Committee from January 2018 and the new form IPR will be used to commence reporting to the Board from April 2018.

The Trust is fully compliant with the registration requirements of the Care Quality Commission and had been subject to a CQC inspection in January 2016. The outcomes of this inspection were published in August 2016 and resulted in an overall rating of 'Requires Improvement'. A comprehensive action plan was prepared to address weaknesses identified during the inspection, with progress monitored by the Quality Committee and the Board of Directors. However, while progress had been made to address weaknesses, a follow-up inspection undertaken by the CQC on 22-23 June 2017 identified continuing weaknesses relating to nurse staffing, compliance with Deprivation of Liberty Standards, completeness of Do Not Attempt Resuscitation (DNAR) documentation, security of medicines and storage of hazardous products. The inspection report, published on 3 October 2017 included requirement notices under the following regulations:

- Regulation 10 Health & Social Care Act (RA) Regulations 2014 - Dignity and respect
- Regulation 12 Health & Social Care Act (RA) Regulations 2014 - Safe care and treatment
- Regulation 17 Health & Social Care Act (RA) Regulations 2014 - Good governance
- Regulation 18 Health & Social Care Act (RA) Regulations 2014 - Staffing

Immediate action was taken to address patient-safety related issues and a revised approach was

taken to resolution of other action areas with support and advice from NHS Improvement (NHSI). This support included the appointment of an NHSI Improvement Director in September 2017 with a specific remit to support the Trust in implementing best practice quality developments, both short and long term. The Trust also strengthened its leadership arrangements, with the appointment of a Chief Nurse & Director of Quality Governance in October 2017 and the subsequent appointments of a Deputy Chief Nurse and Deputy Director of Quality Governance.

Work was undertaken towards the end of 2017 to prepare a revised Quality Governance Framework (QGF) which was approved by the Board of Directors on 31 January 2018. The QGF includes a clear and robust management group structure, which covers Quality Governance, Patient Experience, Infection Prevention & Control, Safeguarding and Medicines Management, and provides a clear framework for the escalation of issues and reporting of assurance through to the Quality Committee and Board of Directors.

Having established a robust Framework, a Quality Improvement Plan was produced which sets out targeted developments across the following seven themes:

- High Quality Safe Care Plan
- Urgent Care Delivery
- Quality Improvement Initiatives
- Safe Staffing
- Safety Collaboratives
- Reducing Unwarranted Variation in Clinical Practice
- Quality Faculty

This is an ambitious plan that the Trust believes will deliver the improvements necessary to achieve a short-term goal of fulfilling the requirements for a CQC rating of at least 'Good' by January 2019 and the longer-term ambition of meeting the requirements to achieve an overall Trust CQC rating of 'Outstanding' by 2020. Progress against the Quality Improvement Plan will be monitored internally by the Quality Committee and Board of Directors and externally by the system Quality Improvement Board jointly chaired by representatives from the Greater Manchester Health & Social Care Partnership and NHS Improvement.

No Never Events were identified by the Trust during 2017/18.

### **Information Risks**

Specific risks relating to information governance, data protection and data quality are co-ordinated by the Information Governance and Security Group and overseen by the Finance & Performance Committee. As well as adopting proactive measures to prevent loss of data and improvements in data quality and cyber security, the Information Governance and Security Group ensures that specific procedures for detecting, reporting and dealing with any issues of data loss and breaches are in place. Other steps taken to safeguard against risks to information and cyber threats include:

- IT security controls for the encryption of all laptops and mobile devices including e-mail encryption software and restrictions on the use of removable media on all Trust computers.
- E-mail and web security controls and filters to protect against malicious software and websites
- Regular security updates and patching applied to computers and systems in accordance

with NHS Digital threat advisories and alerts.

- Independent security assessments and penetration testing of IT infrastructure and systems.
- On-going review of information flows of person identifiable data, internally and externally, and ensuring appropriate measures to maintain secure transfer of data.
- On-going review of information assets to ensure that they are appropriately risk assessed and that security measures are in place to maintain confidentiality, integrity and availability of data.
- Review and continued focus on security policies, procedures and guidance issued around handling and sharing of personal data in compliance with the Data Protection Act and General Data Protection Regulations which come into force on 25 May 2018.
- All staff are required to complete information governance e-learning as part of the Trust's mandatory training programme.

The Trust has a Board-level Senior Information Risk Owner (SIRO) with lead responsibility for ensuring that information risk is properly identified, managed and that appropriate assurance mechanisms exist. The SIRO role is undertaken by the Director of Support Services.

The overall Information Governance Toolkit self-assessment score for version 14.1 (2017/18) achieved 68% with all 45 of the requirements met at Level 2 standard or above. Action plans are in place to further improve performance during 2018/19. An Internal Audit review of Information Governance Toolkit evidence resulted in an assessment of Significant Assurance.

The Trust reported five serious IG incidents (level 2) to the Information Commissioner's Office (ICO) that occurred during 2017/18 which related to data loss or confidentiality breaches. All incidents were the subject to a full investigation, with appropriate action taken to mitigate risk of reoccurrence. No regulatory action was taken by the ICO in relation to three of the five incidents. The outcomes of the two remaining incidents (March 2018) are awaited from the ICO. A summary of the incidents is included below:

<b>Date of Incident</b>	<b>Nature of Incident</b>
July 2017	Disclosure of patient letter.
July 2017	Disclosure of handover sheet
December 2017	Disclosure of handover sheet
March 2018	Third party system failure resulting in misdirection of clinical correspondence
March 2018	Staff details passed to a third party

### **Other risk areas**

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

Control measures are in place to ensure that all the organisation's obligations under equality,

diversity and human rights legislation are complied with.

The foundation trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Board draws on a range of assurance sources and material in its on-going review of economy, efficiency and effectiveness of the use of resources. The annual internal audit programme, together with the reports from individual audits, provides assurance to the Audit Committee on the operational arrangements to secure economy, efficiency and effectiveness in the use of resources.

Assurance on the effectiveness of use of resources is also provided through scrutiny of performance against objectives and targets which is achieved through a number of channels, including:

- Approval of annual budgets by the Board of Directors
- Monthly reporting to the Board on key performance indicators covering access, finance, quality and workforce targets
- Scrutiny of performance against the financial plan and monitoring delivery of strategic change projects by the Finance & Performance Committee
- Board of Directors consideration of key issues reports from its Assurance Committees
- Executive team performance review meetings with Business Groups.

Compliance with the NHS Foundation Trust Code of Governance is reviewed by the Audit Committee on a six-monthly basis as a core element of the Committee's work plan. Outcomes of these reviews inform the compliance declarations included at page 76 of the report. Work of the Audit, Nominations and Remuneration committees is included on pages 43, 46 and 58 of the report.

### **NHS Improvement Review of Trust Position**

On the 24 April 2013 the Trust signed Enforcement Undertakings with Monitor (a copy of which is on Monitor's website) in relation to the Trust's breaches of the A&E 4 hour target and highlighted potential weaknesses in Governance processes. Monitor's concerns were such that this was superseded on 4 August 2014 by imposition of an additional licence condition under section 111 of the Health and Social Care Act 2012 (a copy of which is available on Monitor's website). In July 2015 the additional licence condition relating to Governance was formally removed by Monitor in recognition of the actions taken by the Trust in response to recommendations made following an independent Governance Review completed by Deloitte LLP during 2014/15.

However, sustainable delivery of the A&E 4-hour waiting time standard has continued to be a major challenge, despite considerable efforts made by the Trust to improve performance against the target and this subject has continued to be a recurring theme of quarterly review meetings with

NHS Improvement. In March 2017 NHS Improvement signalled its intention to conduct a formal review of the Enforcement Undertakings and this review was subsequently undertaken during the period June-July 2017. The review resulted in a Modification of the Additional Licence Condition dated 15 December 2017 requiring the Licensee i.e. the Trust, to address the following issues:

- g. Failure to take the action necessary to ensure compliance with the A&E 4 hour maximum waiting time standard on a sustainable basis;
- h. Lack of a clear vision and strategy around which the Licensee's board can determine its focus and priorities;
- i. Lack of a long term financial recovery plan demonstrating how the Licensee aims to return to a financial break even position and of a credible plan to deliver the required cost improvement programme;
- j. Failure to ensure that the Licensee's board and its committees have effective oversight of quality, safety, finances and A&E performance;
- k. Failure to respond sufficiently and in a timely manner to concerns identified by the CQC in its inspection of January 2016; and
- l. Any other issues relating to the operation of the Licensee's board and its other governance arrangements, including those identified in any independent assessment of its governance arrangements, that have caused or contributed to, or will cause or contribute to, the breach, or the risk of breach, of the conditions of the Licensee's licence.

The Trust's progress in addressing these issues is subject to regular formal monitoring by means of monthly Enhanced Financial Oversight meetings and Quarterly Review Meetings with NHS Improvement. In addition, a Quality Improvement Board, now jointly chaired by GM Health & Social Care Partnership and NHS Improvement, meets on a monthly basis with a specific focus on quality matters and urgent and emergency care. We expect that these monitoring arrangements will continue throughout 2018/19.

## **Annual Quality Report**

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

The steps that the Board has taken to assure itself that the Quality Report presents a balanced view, and that there are appropriate controls in place to ensure the accuracy of data, include:

- Seeking feedback on presentation and content of the Quality Report from commissioners, governors and other key stakeholders
- The data used for reporting quality metrics is regularly reviewed and triangulated against other performance measures, using a variety of different methods, including internal audit review. The Trust also engages with national coding audits and uses external benchmarking provided through Capita Health Knowledge Services (CHKS) to compare its performance with similar organisations.
- The development of underpinning policies and procedures to embed and sustain quality improvement, thereby enhancing longer-term achievement of quality objectives.

- Trust policies are available through the intranet and all staff are encouraged to participate in consultation around new and updated policies
- Quality services are monitored through the Business Group structure through to the Board-level Committee tasked with oversight of Quality Governance.
- The Trust celebrates achievement at quarterly celebration events launched to recognise and celebrate individuals and teams that have made an exceptional contribution to patient care.

The Trust assesses the quality and accuracy of elective waiting time data through testing against indicators detailed in the Data Quality Self-Assessment tool. Elective pathways are subject to regular validation in accordance with the Trust's Referral to Treatment Validation Procedure. The Procedure document details roles and responsibilities of staff in ensuring data quality and describes the schedule of validation reports and actions to minimise error rates. The implementation of Mandatory RTT training for relevant staff groups commenced in 2017/18 and supports local role based learning. Monthly RTT data quality audits are carried out by the Validation team to identify any areas of concern. Outcomes of audits have been regularly reported to the Audit & Risk Committee.

However, while there had been improvements in comparison to previous years, the external testing of mandated indicators, completed by Deloitte LLP to support a limited assurance opinion on the Quality Report, again identified weaknesses in data management process and practice relating to the 18-week incomplete Referral to Treatment indicator. The weaknesses resulted in a modified opinion for this specific indicator. Progress against actions to address the identified weaknesses will be monitored by the Audit & Risk Committee.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the other committees that form part of the Trust's assurance structure and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process for maintaining and reviewing the effectiveness of the system of internal control is based on a governance architecture with subject specific management groups at its foundations. Management groups, for example the Quality Governance Group or the Cash Action Group, report assurance, which may be positive or negative, and escalate emergent issues to a Board Assurance Committee. The Board-level Committees review reports from management groups, initiate further management action where necessary and report outcomes of each meeting to the Board of Directors by means of a key issues report based on an Alert, Assure and Advise approach.

The Audit & Risk Committee has a specific remit in assessing the effectiveness of internal control systems and considers the outcomes of work undertaken by Internal Audit to test system effectiveness at each meeting. This Committee also reviews assurance reports from management on system effectiveness and actions taken to address audit recommendations. The Audit & Risk Committee presents a key issues report to the Board following each meeting. The Board of Directors considers matters reported through the Committee key issues reports at each of its meeting and either acknowledges the assurances provided or determines where remedial action is required.

In describing the process that has been applied in maintaining and reviewing the effectiveness of the system of internal control I have detailed below some examples of the work undertaken during 2017/18.

My review has been informed by:

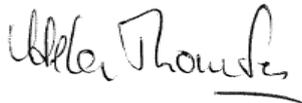
- The Board Assurance Framework which provides the Trust with evidence of the effectiveness of the system of internal controls that manage the principal risks to the organisation's strategic objectives. The Assurance Framework is subject to regular review by the Board of Directors.
- Internal Audit review of the Board Assurance Framework and the effectiveness of the overall system of internal control as part of the Internal Audit plan which is agreed by the Audit & Risk Committee.
- A positive Director of Audit Opinion which confirmed that there had been no deterioration in the control environment with an overall moderate assurance opinion on the system of internal control for 2017/18.
- The Trust continues to be registered with the Care Quality Commission without conditions.
- The process for the follow-up of audit recommendations which is monitored by the Audit Committee.
- Committees within the Board's committee structure having a clear timetable of meetings and a clear reporting structure which enables matters to be reported and/or escalated in a timely manner.
- Outcomes of the review of Enforcement Undertakings completed by NHS Improvement during the period June - July 2017.

The Trust has a comprehensive risk-based internal audit programme in place and the programme was delivered in full during 2017/18. Outcomes of the internal audit programme are reported to the Audit & Risk Committee and appropriately led action plans are in place to address any audits which result in a limited assurance assessment. The monitoring of governance processes is informed by an Integrated Performance Report, which includes a comprehensive set of indicators and is reviewed by the Board of Directors at each meeting. A data quality 'kite mark' is included for each indicator which indicates source of data, timeframe, method of calculation and whether data has been subject to validation. Data validation and availability is also tested as part of internal audit assessments, where appropriate.

The Trust has identified instances of 12-hour breaches over the winter period as a significant control issue. These instances are subject to incident investigation and outcomes used to identify means of strengthening controls to mitigate the risk of reoccurrence. The outcomes will be an area of specific focus in the development of our plans to manage the winter period 2018/19.

## **Conclusion**

My review confirms that Stockport NHS Foundation Trust has generally sound systems of internal control that support the achievement of its policies, aims and objectives. However, challenges related to operational pressures during the winter of 2017/18, and the consequent impact on patient flow, resulted in an unacceptable level of patients who experienced extended waits in the emergency department, despite much improved wait to be seen times, and were subject to breach of the 12-hour standard. This situation is considered to constitute a significant control issue. I am satisfied that each instance of a 12-hour breach was subject to comprehensive review and that no patient harm arose as a result of a breach. I am also assured that control arrangements are in place to mitigate the risk of reoccurrence.

A handwritten signature in black ink, appearing to read 'Helen Thomson', with a horizontal line underneath the name.

**Helen Thomson**  
**Interim Chief Executive**

**24 May 2018**



Stockport  
NHS Foundation Trust



# Annual Quality Accounts Report 2017/18

Your Health. Our Priority.



Huntleigh  
HEALTHCARE

SYS

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89

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RS-0006

# Welcome and Introduction

We are pleased to share with you our annual Quality Report for the period of 1 April 2017 to 31 March 2018.

All NHS healthcare providers are required to produce an annual Quality Report, to provide information on the quality of services they deliver. This aims to increase public accountability and drive quality improvements in the NHS.

As a Trust we strive to achieve high quality care for our patients. The Quality Report provides an opportunity for us to demonstrate our commitment to quality improvement and show what progress we have made in 2017/18 against our quality priorities and national requirements. The Quality Report is a mandated document which is laid before Parliament before being made available on the NHS Choices website and our own website ([www.stockport.nhs.uk](http://www.stockport.nhs.uk)).

Stockport NHS Foundation Trust welcomes the opportunity to outline how well we have performed over the course of 2017/18, taking into account the views of service users, carers, staff and the public, and comparing ourselves with other Trusts on a national scale. This Quality Report outlines the good work that has been undertaken; the progress made in improving the quality of our services and identifies areas for improvement.

The Quality Report is a statutory document that contains specific, mandatory statements and sections. There are also three categories mandated by the Department of Health (DH) that give us a framework in which to focus our quality improvement programme. These are patient safety, patient experience and clinical effectiveness.

In this report, Stockport NHS Foundation Trust is often referred to as “The Trust”.

A full glossary of terms and abbreviations can be found at the back of this report.

# Background and History

## Our organisation

Our main hospital site; Stepping Hill first opened in 1905. Stockport NHS Trust formed in April 2000, following the merger of Stockport Acute Services and Stockport Healthcare NHS Trust. In 2004 we became one of the first NHS trusts in the country to achieve foundation trust status.

We provide hospital care for children and adults across Stockport, the High Peak, and beyond, as well as community health services across Stockport. We are the second largest employer in Stockport, with a highly-skilled, committed and dedicated workforce. Our stroke and surgical services at Stepping Hill Hospital are highly rated nationally, and we run one of the largest orthopaedic departments in the country.

We are also an associate teaching hospital, helping to train doctors and nurses for the future. In our region, we are one of four specialist hospitals for emergency and high risk general surgery; and one of only two orthopaedic departments delivering C-spine surgery (a form of specialist neck surgery).

## Our services

As well as our main hospital we run 24 health centres and community clinics in Stockport and also provide community health services in people's homes.

We also run specialist services including the Devonshire Centre for neuro-rehabilitation, The Meadows palliative care centre and Swanbourne Gardens - a purpose built respite facility for children and young people with complex health needs.

With an annual income of circa £286 million we strive to be efficient and make every single penny count, with an ongoing cost improvement programme. It is important that we spend our money in the most effective way for patients.

Since 2004 we have built up 12,000 public members to ensure that people have a say in how we develop our services. Our members are represented by elected governors who take an active role in our organisation.

## Our values

Our values are at the heart of everything we do and come from our 'Your Health. Our Priority' promise. Every day, they drive the behaviour and actions for everyone who works for us, ensuring good care for others.

- **Service:**  
We provide effective, efficient and innovative care. We work in partnership with others, to deliver improved care, in the right place, at the right time.
- **Quality & Safety:**  
We deliver safe, high quality and compassionate care. We ensure a clean and safe environment for better care.
- **Communication:**  
We treat our patients, their families and our staff with dignity and respect. We communicate with everyone in a clear and open way.



## PART 1

<b>Statement On Quality From The Chief Executive</b> .....	<b>113</b>
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## PART 2

<b>Priorities For Improvement</b> .....	<b>116</b>
Priorities For Improving Quality In 2017/18.....	116
CQUIN 2017/18.....	128
Priorities For Improving Quality In 2018/19.....	130
CQUIN 2018/19.....	133
<b>Statements Of Assurance From The Board</b> .....	<b>138</b>
<b>Reporting Against Core Indicators</b> .....	<b>158</b>

## PART 3

<b>Other Information</b> .....	<b>168</b>
Overview Of The Quality Of Care.....	169
Patient Safety.....	170
Clinical Effectiveness.....	173
Patient Experience.....	176
Performance Against Other Indicators.....	180
Seven Day Hospital Services.....	181
Sign Up To Safety Campaign.....	182
NHS Staff Survey.....	183
Care Quality Commission (CQC) Review.....	184
Other Quality Initiatives.....	188

## ANNEX &amp; GLOSSARY

<b>Annex 1: Statements From Stakeholder Organisations</b> .....	<b>200</b>
<b>Annex 2: Statement Of Directors' Responsibilities</b> .....	<b>208</b>
<b>Glossary</b> .....	<b>210</b>



Stockport  
NHS Foundation Trust

# PART 1

## Statement on Quality from the Chief Executive

[www.stockport.nhs.uk](http://www.stockport.nhs.uk)

## Statement on Quality from the Chief Executive

**At Stockport NHS Foundation Trust we have embarked on a journey of change. This journey has a very clear focus of improving and maintaining the quality of care we provide.**



The NHS is facing a period of transformation in order to be able to create a sustainable future which can meet the growing demand for care within the resources it has available. It is our ambition to be successful in achieving the best possible outcomes for our patients and relatives and ensure we have a happy, healthy workforce to provide high quality care.

The annual Quality Report outlines the areas where we have already had success thanks to the innovation, dedication and skills of our teams and strong partnership working. It also sets out our priorities for improvement for 2018/19.

The trust was rated as requires improvement in March 2016 and October 2017 by the Care Quality Commission. In September 2017 the trust was identified as being 'challenged' in relation to quality, performance and finance by NHS Improvement. In the months since, we have seen a tremendous commitment from our staff who, no matter where they work in the organisation, have come to work every day to contribute to, or deliver, high quality care in order to secure the best outcomes for our patients.

Our quality improvement plan sets out our specific priorities and approach and is based around seven themes. The seven areas of focus include urgent care delivery, safe staffing and reducing an unwarranted variation in clinical practice. The purpose of the strategy is to provide assurance that national and local clinical and quality requirements have been

identified and processes and systems are in place to implement and monitor quality within the trust.

Our involvement in both regional and local health and social care partnerships are a central part of our quality agenda. At a regional level, we are fully engaged in the Greater Manchester Health and Social Care Partnership which has completed its second year following devolution. Our local position aligns with the aims of the Greater Manchester five year strategic plan: improved population health, quality of care and cost control, matched by removing the boundaries between mental and physical health, primary and specialist services, health and social care. As part of the Greater Manchester strategic plan, we are also continuing to progress the *Healthier Together* agenda as one of four hospital 'hub' sites for high risk general surgery within a single service approach.

Locally, the *Stockport Together* health and social care partnership work continues to deliver enhanced services closer to home based around eight GP-led neighbourhood areas. It aims to give people more control over their own health and wellbeing and manage their health in the community settings, as well as helping them to stay healthy and access support at the earliest opportunity to prevent health problems.

Although within the reporting year the trust was unsuccessful in achieving all the national targets from the operating framework, its failure in achieving the 95% Accident and Emergency access target reflected a deteriorating national position. Around 15% of patients account for 50% of our A&E visits and 79% of hospital admissions. The Stockport Together work therefore includes intensively supporting these patients to reduce A&E visits and hospital admissions. We have improved the streaming of A&E patients, who do not need to be in the hospital more than one day, through a new ambulatory ill unit on the hospital site and ambulatory care unit. A number of other initiatives are also helping such as: a new crisis response team providing support for patients at risk of coming into A&E; a new integrated transfer team to help patients ready for discharge get quickly and safely home; and a new active recovery community team.

The Stockport Together programme is a long-term sustainable solution to improve the health and quality of care for local people, whilst also reducing the pressure on urgent care. In terms of the short and medium term improvements, leaders from all the Stockport health and social care organisations, senior representatives from NHS Improvement and the Greater Manchester Health & Social Care Partnership meet to discuss the key areas for improvement. The four identified work streams are: the establishment of a new urgent treatment centre in Stockport, patient flow through our hospital, transfer processes from hospital to home / intermediate care centre / care or residential home, and community health and social care services capacity.

Our guiding principle for success is based on positive outcomes and feedback from patients, carers and families. We continue with our commitment to openness and transparency; ensuring everyone's voices are heard and used to help us to deliver better services. Of course none of these improvements are possible without the support of all 5,000 individuals

who work for the Trust and our volunteers whose dedication and commitment is a source of great strength for our organisation. I would like to give great appreciation to our staff for their exceptional commitment and professionalism, often in challenging circumstances. I would also like to thank our governors, members and partners for their tremendous support and contribution.

Once again, our staff won a number of national and regional awards throughout the year. We also saw an improvement in our staff survey engagement results. Our staff survey has provided us with further impetus to improve on staff involvement and engagement.

Our key measures of success are satisfied patients and staff who feel positive about what they are doing. The goal is high quality care for all, now and for future generations.

**Helen Thomson**  
Interim Chief Executive  
Stockport NHS Foundation Trust

#### Declaration:

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

- Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance, or included in internal audits programme of work each year.*
- Data collection practices and data definitions are evolving, which may lead to differences over time, both within and between years. The volume of data means that, where changes are made, it is usually not practical to reanalyse historic data.*

*The Trust and its Board of Directors have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported, but recognises that it is nonetheless subject to the inherent limitations noted above. Following these steps, to the best of my knowledge, the information in the document is accurate.*



**Date:** 24 May 2018

Helen Thomson  
Interim Chief Executive



Stockport  
NHS Foundation Trust

## **PART 2.1**

# **Priorities for Improving Quality in 2017/18**

[www.stockport.nhs.uk](http://www.stockport.nhs.uk)

## Priorities for improving Quality in 2017/18

<b>REDUCE MORTALITY:</b>	
<b>1. SEPSIS</b>	To continue to embed the Sepsis Screening Tool
<b>PROVIDE HARM FREE CARE:</b>	
<b>2. PRESSURE ULCERS</b>	To continue to work towards achieving a reduction in avoidable grade 3 and 4 pressure ulcers. Acute Target =0, Community Target = 9.
<b>3. FALLS</b>	To aim for a 10% reduction on 2016/17 outturn: To reduce serious falls (major and above Datix categories) to =/< 17 To work with key stakeholders in the acute setting to devise a falls pathway. To improve quality of life for people in Stockport by working with key stakeholders in the community to reduce the burden of falls and fractures.
<b>4. VENOUS THROMBOEMBOLISM (VTE)</b>	To continue to work towards reducing avoidable VTE by establishing a new VTE group comprising Associate Medical Directors, to review the RCAs and determine further learning.
<b>5. MEDICATION ERRORS</b>	To continue with all measures designed to reduce medication incidents which cause harm
<b>6. HEALTHCARE ASSOCIATED INFECTIONS</b>	2016-17 15 lapses in care against trajectory of 17 2017-18 trajectory remains at 17 2016-17- zero MRSA bacteraemia, Last hospital acquired case was December 2014 Full review of the Infection Prevention service and business case Review of IV service and processes & Aseptic None Touch Technique especially around clinicians
<b>7. DIABETES</b>	To prevent hospital acquired Diabetic Ketoacidosis by targeted training Reduce inpatient severe hypoglycaemia below 5% Review foot ulcers within 24 hours of admission Participate and learn from National Audits and adverse incident multidisciplinary review process Support patients in empowerment for self-care
<b>PROVIDE RELIABLE CARE:</b>	
<b>8. EARLY WARNING SCORE</b>	Implement the standardized trust mortality review process Embed the changes to the EWS policy Improve attendance at Resuscitation Training
<b>IMPROVE PATIENT EXPERIENCE:</b>	
<b>9. PATIENT &amp; FAMILY FEEDBACK</b>	Continue to build on the progress made during 2016/17 To progress triangulation of Staff and Patient Friends and Family Test
<b>10. IMPROVE CARE FOR PATIENTS WITH DEMENTIA</b>	Continue to implement the Trust's Dementia Strategy Dementia training sessions for Emergency Department staff to commence in April. Discussions on fast track of patients through ED remain on the agenda. Encourage the use of the Dementia café; Alzheimer's Society will have information and advice sessions on the last Friday of every month and EDUCATE group (Early Dementia Users Co-operative Aiming to Educate) will also run information and advice sessions on 4th Wednesday of every month. Establish a bespoke Enhanced Care Team of skilled HCAs to work with dementia patients Plans for Dementia ward remain in place going forward.
<b>11. COMPLAINTS &amp; DUTY OF CANDOUR</b>	Continuing to redesign management of informal complaints – education of patients and families on how to get issues and concerns resolved. Work towards improving the timely completion of Duty of Candour responsibilities, with closer monitoring and support for business groups.

## Sepsis:

**Sepsis is a life-threatening condition that arises when the body's own response to an infection, injures its own tissues and organs.**

Each year in the UK, it is estimated that more than 100,000 people are admitted to hospital with sepsis, resulting in around 37,000 deaths. Sepsis can lead to shock, multiple organ failure and death, especially if not recognised early and treated quickly.

Following on from a patient safety alert published by NHS England in 2014, which highlighted that the prompt recognition of sepsis and the rapid initiation of treatment is key to reducing mortality rates, Stockport NHS Foundation Trust has continuously undertaken work to further deliver improvements in this area. Sepsis remains a priority topic for the Trust with regards to increasing patient safety and provision of quality care. Sepsis continues as one of the National CQUIN's, which looks at patient screening and timely administration of antibiotics for patients with sepsis.

Reviews undertaken during the 2015/16 CQUIN highlighted the need for improvement. The Trust introduced a new dedicated Sepsis Service, led by a Specialist Nurse, who, with a background of critical care nursing, undertook the lead for the inpatient CQUIN and operated in a dual role, supported by the secondment of one of our nurses from the Emergency Department.

An intense Trust-wide raising awareness campaign for sepsis was undertaken to launch the new sepsis service. A new-look screening tool for sepsis was developed and introduced. This brought together the process of nurse escalation and clinician review in one complete document to screen for sepsis those patients who met the criteria. Printed on lightweight card with a tabbed edge, it has made it instantly recognisable in the patient's notes. A dedicated bleep was also introduced to provide 24 hour support to ward staff to escalate concerns for any patient requiring a clinical review for sepsis.

Sepsis rapid response kits were introduced to all adult inpatient areas. The kits contain equipment to enable staff to have everything to hand to provide treatment for sepsis. It also helps reinforce the message that treatment for sepsis is time critical.



Sepsis newsletters were circulated across the organisation highlighting news, training opportunities and audit results, ensuring staff have access to the latest available information on sepsis.

The sepsis nurses meet with ward managers to discuss compliance on their wards. Any delays identified in the screening process or treatments of patients are taken seriously. A review is undertaken by the ward manager to help understand the cause of the delay, thus empowering and supporting our staff in driving improvement. Results of sepsis reviews are shared regularly with senior key stakeholders across the organisation. The Quality Governance committee received regular updates in order to monitor progress throughout 2017/18. Screening compliance for inpatients improved from 11.4% in quarter 1 to 88.9% in quarter 4.

The Ward Accreditation Scheme (ACE) commenced in May 2018 and will provide a framework to bring together a range of performance criteria and supporting standards. This will create a single method of measuring the quality of all clinical areas across the Trust. As part of the accreditation within the category of Safe Care, staff in the clinical areas will be assessed on their level of understanding and knowledge around sepsis. This will be monitored by the Quality Governance Group thought 2018/19.

## Pressure Ulcers:

**The overall numbers of new pressure ulcers have fallen this year in comparison to 2016/17. There has notably been an almost 25% reduction in the number of acute hospital acquired pressure ulcers.**

The improvement has been a reduction in pressure ulcers of less severity i.e. category 2 ulcers. Although disappointingly the number of pressure ulcers that have developed in patients residing in community settings has increased. A concern for the organisation has been the inability to achieve the trusts stretch target for numbers of avoidable category 3+ pressure ulcer harms.

The three year pressure ulcer reduction strategy launched last year is ongoing and the trust remains committed to its vision to standardise and reduce unwarranted variation in the delivery of pressure ulcer prevention and management across hospital and community settings. The trust has continued to focus on improving staff knowledge and skills, with the successful roll out of 'React to Red' training for non-registered care staff. It is recognised that more work and emphasis is required to learn from serious incidents in order to ensure high quality care for patients.

### HOSPITAL & COMMUNITY ACQUIRED PRESSURE ULCERS

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
<b>2017-18</b>	40	24	34	28	34	27	35	34	37	43	32	26	<b>394</b>
<b>2016-17</b>	43	30	32	43	42	30	24	37	46	42	40	27	<b>436</b>
<b>2015-16</b>	35	36	21	43	34	31	27	27	28	28	38	39	<b>387</b>

By the end of quarter 4 there were 37 grade 3+ acute pressure ulcers reported, of which 13 were deemed avoidable with 6 cases to be confirmed. 86 community grade 3+ pressure ulcers were also confirmed, of which 11 were deemed avoidable, with 27 further incidents still under investigation. This is logged in the Trust corporate risk register and an action plan to improve this position is reviewed on a monthly basis.

In January 2018, a pilot audit examining compliance with pressure ulcer standards was undertaken as part of the ward accreditation assessments that are to be launched across the organisation. In addition, a pressure ulcer collaborative event took place at the beginning of March 2018, to which key stakeholders were invited to agree and set priorities for reducing the overall number of pressure ulcer harms for 2018/19. Part of this initiative included a deep dive into the serious incidents relating to pressure ulcer damage that has been reported in the previous 12 months.



*Our Pressure Ulcer Collaborative Launch – March 2018*

## Falls:

**With 30% of people aged over 65 years and 50% aged over 80 years falling at least once a year, according to the National Institute of Clinical Excellence (NICE), falls are a recognised common and serious problem.**

As well as the impact on the person who has fallen which can include pain, loss of confidence and in extreme cases mortality, falls also affects the wider family members and the carers of those who have fallen. According to NICE it is estimated that falls cost the NHS more than £2.3 billion per year. It is recognised that falls are one of our highest priority areas in reducing harm in the hospital setting. During 2017/18 there had been 31 falls (major and above), of these; 4 were deemed avoidable.

Year	Falls (major & above)	Avoidable Falls Target	Avoidable Falls Actual
2017/18	31	<17	4
2016/17	48	<19	11

Work is ongoing regarding the development of a Falls Service within Stockport Community. A number of successful initiatives have been put in place over the past year to support falls reduction and they include the implementation of the new sensor alarms trust-wide. We have implemented 'bay tagging' where a member of staff will remain in the bay ensuring they provide direct observation of any patient who is at risk of falling. This has proved popular, with medical staff, porters, therapists and support staff all thoroughly embracing the idea of being 'tagged' to safeguard our patients from falling.

We have reviewed where our nursing and support staff situate themselves as a base during the night. At any time they are not providing direct care to our patients, they are based outside the entrance to, or within each individual bay. The use of safety crosses where we provide real time data to staff, patients and visitors to the number of falls that have occurred on the ward. Whilst we have had some improvements, we believe there is more that we can do. We have chosen falls reduction as an area for key focus for 2018/19 and in line with best practice have removed the distinction between a fall that is avoidable or not. Additionally we will be concentrating on all falls where moderate and above harm occurs in order to drive the improvements we want to see for our patients.

'Steady in Stockport' (Falls prevention and Bone Health Service) is a new dedicated service that aims to proactively prevent and reduce falls and maintain good bone health for people in Stockport (Stockport GP). It complements the services already provided by Adult Community Therapy Team, Active Recovery, Crisis Response and other rehabilitation and therapy services and particularly targets those who otherwise wouldn't be seen following a fall.

The service is for people who have had a near miss/fallen for the first time, would benefit from falls prevention advice, have lost confidence and have a fear of falling or need a multi-factorial falls assessment or an environmental assessment and who are not already known to another rehabilitation service.

'S T E A D Y' forms an acronym to remind people of some of the risk factors that can contribute to a fall:

<b>S</b>	<b>Shoes, slippers</b> (i.e. ensuring good fitting and supportive footwear)
<b>T</b>	<b>Toilet</b> – (ensuring continence issues are addressed and ease of access to the toilet). <b>Tablets</b> – ensuring regular medication checks and minimising medication that can contribute to a fall)
<b>E</b>	<b>Eyes, Ears</b> – (regular vision and hearing checks, correct use of spectacles)
<b>A</b>	<b>Activity</b> – (The importance of physical activity and optimising strength and balance)
<b>D</b>	<b>Diet, Drink</b> – (Ensuring adequate nutrition and fluid intake)
<b>Y</b>	<b>Your Health, Your Environment</b> – (blood pressure checks, medical treatment when needed, home hazard checks, appropriate provision and use of equipment)

The service receives on average 36 referrals a week for falls prevention assessments and multi-factorial falls assessments and aims to receive 32 referrals a week for fracture prevention and bone health management following a fragility fracture.

## Venous Thromboembolism:

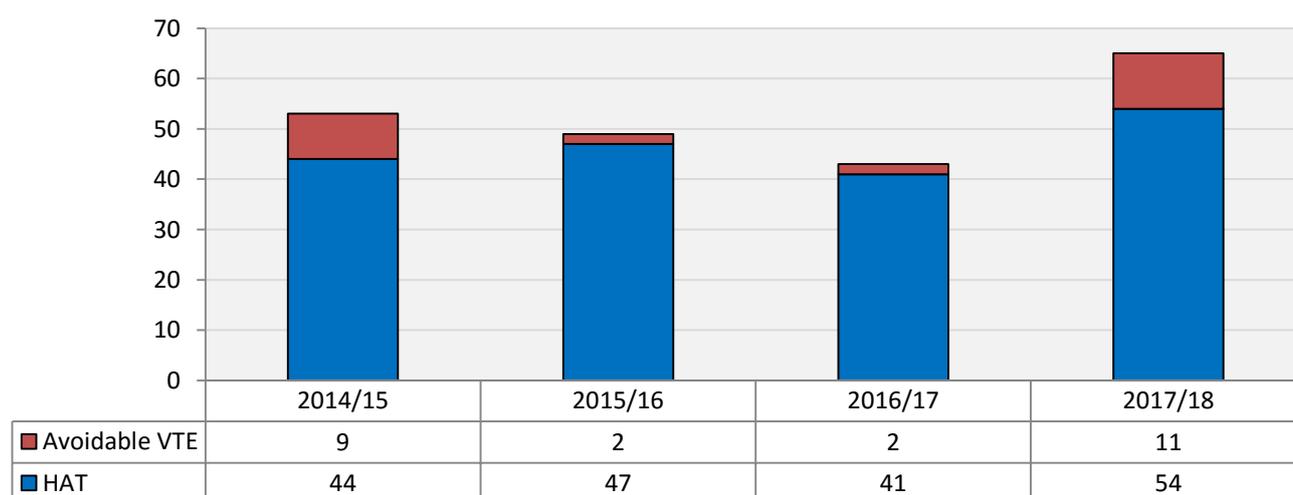
**Venous thromboembolism (VTE) is the collective term for Deep Vein Thrombosis (DVT) and Pulmonary Embolism (PE).**

DVT is a blood clot in one of the deep veins in the body. It can cause pain and swelling and may lead to complications, such as PE. This is when a piece of blood clot breaks off into the bloodstream and blocks one of the blood vessels in the lungs.

Each year more than 25,000 people in England die from VTE contracted in hospitals. This is more than the combined total deaths from breast cancer, AIDS and traffic accidents and more than 25 times the number who die nationally from MRSA (methicillin-resistant *Staphylococcus aureus*).

Undertaking a risk assessment ensures that patients admitted to hospital are assessed for their risk of developing VTE so that appropriate preventative treatment can be given to improve health outcomes. Compliance against the 95% target for VTE risk assessment within the Trust remains high.

A hospital acquired VTE is identified for any patient with a confirmed DVT or PE who had a previous admission greater than 24 hours within the last 30 days. During 2017/18 the Trust had 54 hospital-acquired venous thromboembolism (HAT) reported, compared to 41 in 2016/17.



A root cause analysis (RCA) should take place to see if a VTE could have been avoided. Root cause analysis is a key performance indicator as agreed with our local commissioners. The Trust established a new VTE RCA group consisting of one consultant from each business group. The group meets bi-monthly to undertake root cause analyses and determine if the event was avoidable. The findings of the RCA's are discussed at the Thrombosis Committee, chaired by the Deputy Medical Director. Key themes are communicated to the business groups via each respective governance lead. As a result of this the Trust now has a more consistent approach to root cause analysis.

We acknowledge that avoidable VTE rates have increased, however we now have a far more robust root cause analysis process and significantly better quality information for learning is being gathered and this has contributed to the identification of more avoidable VTEs. We have agreed a process where all avoidable VTEs are flagged to the relevant governance lead who then allocates the incident to be reviewed to the individual(s) involved. Key themes from the Root Cause Analysis Group are disseminated to key stakeholders. Our plans for 2018/19 are to engage more widely to further increase our learning and make improvements for our patients.

## Medication Errors:

**In England, GPs issue more than 660 million prescriptions every year and there are an estimated 200 million prescriptions in hospitals. Prescribed medicine is the most common treatment in the NHS. Some adverse reactions are unpredictable and unavoidable, but medication errors, including mistakes or lapses, are always avoidable.**

The National Reporting and Learning Systems (NRLS) defines a 'patient safety incident' (PSI) as, 'any unintended or unexpected incident, which could have or did lead to harm for one or more patients receiving NHS care.' Medication errors are any PSIs where there has been an error in the process of prescribing, preparing, dispensing, and administering, monitoring or providing advice on medicines.

The core objective of this project aims to continue with all measures designed to reduce medication incidents which cause harm.

A Patient Safety Alert (PSA) was released in April by the Medicines and Healthcare products Regulatory Agency (MHRA) in the safe use of Sodium Valproate in girls and women of child bearing age due to the high risk of neurodevelopment disability if exposed to unborn babies. An action plan was prepared which included ensuring that all prescribers are aware of the risks and resources are available if required during consultations. In response to the PSA, a newsletter was produced and circulated within the Trust highlighting the high risk of neurodevelopment disability if exposed to unborn babies.

With the new intake of Foundation Year 1 doctors, a training session was held by our Pharmacy team to explain and discuss how to take accurate drug histories, highlighting previous prescribing errors and how to ensure safe prescribing using Electronic Prescribing and Medicines Administration (ePMA), which enables prescribers to order their patient's medication electronically. It also included where to find trust guidelines and procedures to ensure that patient safety could be maintained at all times.

We also introduced Pharmacy medication administration technicians on two wards, A10 and E2.

Their roles were not only to administer medications to patients, manage controlled drugs and ePMA trolleys but also to provide training for nurses and other pharmacy colleagues. Their role also included ensuring stocklists are regularly reviewed and updated so medications are not delayed or omitted. If time critical medications were not available they are able to supply them within a short space of time reducing unnecessary drug omissions. These roles are continuously developing so they will also be able to administer IV medications in the future as well as expanding to other wards.

Incidents related to insulin were still occurring so one of our consultant endocrinologists held a training session to the FY1's using a real case study where the patient came to harm. It proved to be an interesting and a valuable session where a lot of discussion took place.

Over the last 12 months there has also been a focus on Community medication incidents which have included several duplicate authorisation forms being available for use and inaccuracy of medication details. The forms have now been rationalised but work is ongoing to reduce further risk of error.

'Discharge' options on take home letters have been reviewed as they were causing incomplete discharge medications to be supplied due to the inaccurate information supplied. With the updated list they should provide accurate information to allow complete discharge medications to be supplied.

Incidents related to specific medications/classes are closely monitored and training sessions are arranged as an outcome such as antibiotics and low molecular weight heparins.

### Drug/Medicine incidents:

Year	Q1	Q2	Q3	Q4	Total
2016/17	226	244	267	211	948
2017/18	209↓	240↓	232↓	239↑	920↓

### Medication errors which caused harm:

Year	Q1	Q2	Q3	Q4	Total
2016/17	53	49	70	60	232
2017/18	51↓	68↑	63↓	37↓	219↓

## Healthcare Associated Infections:

**Healthcare acquired infections (HCAIs) are caused by viral, bacterial and fungal pathogens; the most common type being blood stream infections.**

The Department of Health (DOH) sets trajectories for some HCAI's including MRSA (methicillin- resistant staphylococcus aureus), and CDI (clostridium difficile infection). The DOH also monitors other HCAI's including MSSA (Methicillin -sensitive staphylococcus aureus), E.coli (Escherichia Coli) and CPE (Carbapenamase producing Enterobacteriaceae).

During 2016/17 the trust reported zero cases of hospital acquired MRSA bacteraemia cases. During 2017/18 the Trust reported 2 hospital acquired MRSA bacteraemia cases which is an increase from the previous year. Each case undergoes a detailed investigation to identify how and why it occurred ensuring learning to further reduce harm.



During 2016/17 the Trust reported 36 cases of hospital acquired clostridium difficile infection (CDI) cases with 15 cases having significant lapses in care.

During 2017/18 the Trust reported 21 actual hospital acquired CDI cases which is a decrease from the previous year. Of these 21 cases 19 have been fully investigated, with 2 cases still requiring investigation to be fully completed. Of the 19 cases reviewed independently by the Clinical Commissioning Group (CCG), only 4 cases have been identified as having significant lapses in care, against an allocated trajectory of 17 which is a decrease on the previous year.

MSSA and E.coli are monitored as a whole health economy (WHE) so the Trust works closely alongside the Health Protection Team and meets on a monthly basis. As a WHE during 2016/17 we reported 57 MSSA cases of which 20 cases were hospital acquired and during 2017/18 we reported 72 MSSA cases of which 19 were hospital acquired.

For E.coli cases as a WHE during 2016/17 we reported 239 cases of which 47 were hospital acquired and during 2017/18 we reported 242 E.coli cases of which 45 were hospital acquired.

During 2016/17 the Trust pathology laboratory service reported 21 new cases of CPE of which 8 were hospital acquired. During 2017/18 the Trust pathology laboratory service reported 11 new cases of CPE of which 3 were hospital acquired and a decrease from the previous year. There were no outbreaks<sup>1</sup> of CPE during either year as the hospital acquired cases following an investigation found there were no time, place and/or person associated between the cases.

<sup>1</sup>An outbreak is an incident in which two or more persons have the same disease, similar symptoms or excrete the same pathogens and in which there is a time, place and/or person association between these persons. An outbreak may also be defined as a situation when the observed number of cases unaccountably exceeds the expected number.

## Diabetes:

### **Following the Care Quality Commission (CQC) unannounced inspection in June 2017, concerns were raised about the management of diabetes.**

The report concluded that the CQC wished to 'receive robust assurance that sets out how Stockport NHS Foundation Trust was ensuring that patients living with diabetes were cared for safely and appropriately.'



In response, the Trust initiated an action plan which has been monitored by a Diabetes Task and Finish Group. In addition, an external review was requested which informed the work of the group in refining current diabetes management, process and policies.

All staff on Diabetes specialist ward have received competency based training for diagnosis and treatment of hypoglycaemia. Diabetes refresher training has been mandated and delivered to all staff in medical and surgical wards in July and August 2017

with targeted individual training in September-November 2017. Essential Diabetes training is now mandated as face to face training and logged in the Trust training matrix.

A formal quarterly morbidity and mortality meeting has been established for the Diabetes and Endocrinology department.

In conjunction with the external review it was concluded that the policies implemented following the hospital's forensic experience with hypoglycaemia did not serve patients living with diabetes. A critical incident report of any blood glucose of less than 2.5mmol/L had not been shown to improve the care of patients living with diabetes in this hospital and as such has been discontinued. The target set in 2017/18 to reduce severe hypoglycaemia below 5% was superseded by a more robust approach to planning the management of all patients with diabetes. The more clinically relevant threshold of blood glucose of 3mmol/L has been adopted for patients with diabetes as a clinical trigger for diabetes specialist team input. The guideline for management of hypoglycaemia in Adults with Diabetes has been modified to include this clinical trigger it has also been merged with the guideline for the management of hyperglycaemia.

The involvement of the diabetes specialist team in patients with Diabetes with a blood glucose of less than 3mmol/L in a hospital spell is to be incorporated as key performance indicator for the service.

Audit of outcomes of hypoglycaemia is to be included as part of a rolling program. The incidence is to be captured by ongoing monitoring against trust previous performance. There has been a run chart of severe hypoglycaemia in this trust from 2010 where the quality board set an objective to sustain a greater than 10% reduction from baseline.

## Early Warning Score:

The Early Warning Score (EWS) can be divided into three areas; measurement of patient parameters, frequency of observations and calculation of the EWS and appropriate interventions.

The aim is to recognise earlier when a patient's condition is deteriorating to facilitate early interventions and treat the patient, which in turn could reduce the number of cardiac arrests on the wards.

Three Early Warning Scores are currently used at Stockport NHS Foundation Trust, these include;

- **Adult EWS** (Modified)
- **MEWS** (Maternity Early Warning Score)
- **PEWS** (Paediatric Early Warning Score)

The Adult EWS (Modified), used to monitor patients' vital signs, is to be replaced with the adoption of the Adult NEWS (National Early Warning Score) which will increase standardisation across acute and ambulance settings. This will be supported by a collaborative, established to drive the NEWS implementation. Patientrack, the system used to monitor EWS will be updated in line with new national criteria.



### Implement the standardized trust mortality review process

The Trust undertakes mortality reviews; from December 2017 a standardised approach has been adapted across all business groups. All reviews will be captured via the Datix system to improve reporting and identifying items for shared learning. The mortality review process is managed by our mortality review group. We have a publically available 'learning from deaths policy', and provide a quarterly mortality review to our public board of directors meetings.

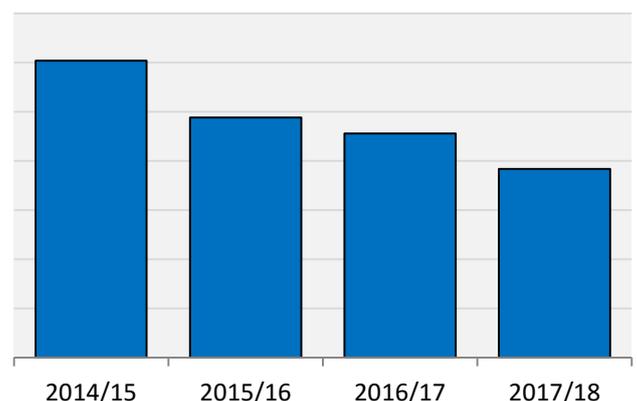
### Improve attendance at Resuscitation Training

The Trust recognises the need to improve compliance with its mandatory resuscitation training. Many additional training sessions are currently being provided. As a minimum standard, all wards will have a recently updated member of nursing staff on every shift. A local task and finish group is currently considering how best to deliver and maintain high levels of mandatory resuscitation training. Attendance is monitored through trusts electronic learning management system.

### Number of Cardiac Arrests on wards:

For 2017/18 there had been 96 cardiac arrests across all our ward areas, an average of 24 per quarter. A comparison against previous years is indicated in the table below. The national cardiac arrest audits have demonstrated a year on year increase in the number of patients surviving to discharge after suffering a cardiac arrest. Survival to discharge in 2016/17 was 21.4% compared to 13.7% in 2015/16 and 6.1% in 2013/14.

2014/15	2015/16	2016/17	2017/18
151	122	114	96



## Capturing & Learning From Patient & Family Feedback:

**Stockport NHS Foundation Trust cares passionately about the services it provides and the quality of care our patients, carers and families receive.**

The trust aims to ensure that improving the patient experience remains at the heart of everything we do - "Your Health, Our Priority".

Feedback is important as it allows the Trust to provide assurance that the care provided is being valued by patients and carers, but also helps the Trust to identify where improvements or changes need to be considered and addressed.

The Trust gathers data on patient experience from a number of sources including;

- **iPad Inpatient Surveys**
- **Friends and Family Test**
- **National Surveys**
- **Complaints**

All of the data and thematic analysis collected are reported through to the Quality Committee and to the Board of Directors. In addition, many of our services ask patients to complete bespoke questionnaires with the intention of gathering local insight and understanding of care delivery.

Further information on Friends and Family Test, as well as patient experience can be found on page 177 and 178 of this report.



## Improve Care for Patients with Dementia

**Dementia is a syndrome associated with an ongoing decline of the brain and its abilities. This includes problems with memory loss, thinking speed, mental agility, language, understanding and judgement.**

According to the Alzheimer's Society, it is estimated there are around 850,000 people living with dementia in the UK, with numbers set to rise to over one million by 2025. Around 225,000 people will develop dementia this year alone – that's one every three minutes.

Our 'Dementia Education Programme' at Stockport NHS Foundation Trust has been re-aligned to the Health Education England (HEE) dementia core skills framework (2015) tier 1 & 2 to improve knowledge and skills necessary for all staff members to be involved in the dementia care pathway.

Dementia is everyone's business, all staff members at SHH will be expected to work through the dementia education and training tiers to develop knowledge, skills and attitudes appropriate to their role. The aim of the dementia education programme is to enhance quality and standards of dementia care practice throughout SHH, to improve care outcomes for people with dementia. Those who complete training will be encouraged to continue to engage in positive changes in clinical practice.



*Our Memory Café based at Stepping Hill Hospital*

The 'Dementia Champion Programme' was recently revised to improve the delivery and quality of dementia care across the Trust. Dementia champions receive regular updates through newsletters, attend quarterly task and finish steering groups. The

dementia champions are actively promoting the 'Forget me not' scheme; which provides dementia training to all in the care service, as well as the 'This is me' document; a leaflet produced by the Alzheimer's Society to help hospital staff better understand the needs of people with dementia.



*Coronation Street star Richard Hawley opens our Memory Café*

The 'Dementia Carer Information Packs' were also revised. The packs contain more information regarding hospital process, local initiatives and national/local services available and accessible to carers and people living with dementia. The hospitals community partners are also offering the information packs to carers prior to hospital attendance.

The enhanced care team; rebranded the 'Forget me not' team, specialise in dementia care and they provide a wide range of therapeutic interventions for patients with dementia admitted to acute medical wards. The team operate 24 hours a day seven days a week and support wards with the forget me not scheme, forget me not care planning, tailoring of therapeutic interventions and risk management to improve patient safety and hospital experience.

Our 'Memory Café' remains accessible to family and friends of patients with dementia 24 hours a day 7 days a week. The space provides a calm and relaxing environment for dementia patients, and their families and carers, to spend some quiet, quality time together. The Alzheimer's society and the defence medical welfare service occupy time in the memory café sharing information and advice.

Progress against the objectives for Dementia are reported and monitored through the Dementia steering group.

## Complaints Management & Duty of Candour

**Stockport NHS Foundation Trust has always been committed to being open and honest with patients when things go wrong, under our Being Open policy.**

Duty of candour is a law which requires providers of healthcare across the country to be open and honest with their patients. It came into force on 27 November 2014. One of the main aims of duty of candour is to make sure that patients have confidence that all NHS trusts will be honest with them about their care and treatment.



*Staff supporting our patients every step of the way*

There are times when something goes wrong with a patient's care. On those occasions, the organisation responsible should:

- tell the patient in person what has happened and apologise
- provide the patient with a full and true account of all the known facts
- advise what else the organisation will need to do
- provide reasonable support to the patient
- follow-up with a written letter which confirms the information already provided, results of further enquiries and an apology

The organisation should tell the patient what has happened as soon as is reasonably possible. Sometimes, we will only become aware of an incident sometime after it has happened.

In certain situations, the requirements above will apply to someone representing the patient. This is likely to be when the patient is under 16 years old or when the patient lacks capacity to make their own decisions.

Duty of candour starts when there has been a 'notifiable safety incident'. This is a serious incident which has resulted in either:

- a patient's death
- moderate harm to the patient
- severe harm to the patient, or
- prolonged psychological harm to the patient

On the rare occasion that this happens, we will inform the patient or their relatives that an incident has happened and an investigation has been commenced. We will then feedback the investigation to those involved outlining the lessons learned and what actions the Trust will take to prevent it happening again.

An audit of the opening of duty of candour showed a compliance of 96.1%. This is reported and monitored through the trust's quality committee.

## Participation in CQUIN 2017/18

**The Commissioning for Quality and Innovation (CQUINs) payments framework encourages care providers to share and continually improve how care is delivered and to achieve transparency and overall improvement in healthcare.**

The system was introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specified areas of patient care. This means that a proportion of our income depends on achieving quality improvement and innovation goals.

For the first time since its introduction NHS England published a two year scheme for 2017/18 and 2018/19 with an aim to provide greater certainty and stability on the CQUIN goals, leaving more time for focus on implementing the initiatives. The CQUIN scheme intends to deliver clinical quality improvements and drive transformational change to support the ambitions of the Five Year Forward View and directly link to the NHS Mandate.

The CQUIN scheme shifted focus from local CQUIN indicators to prioritising engagement of the Sustainability and Transformation Plan (STP) and delivery of financial balance across local health economies.

2.5% of the Trust's income is payable depending on performance and is split as follows:

- 1.5% assigned to the clinical and transformational national indicators
- 1% assigned support Sustainability and Transformation Plan and achieving financial balance

As well as participation in CQUIN's which are commissioned locally, the Trust also participated in the Specialised CQUIN scheme, of which two indicators were undertaken.

Progress against CQUIN is shared internally with the Quality Governance Committee. All CQUINs are reported to our local commissioners on a quarterly basis as part of locally agreed process and internal CQUIN monitoring.

The table below shows the performance against quarterly financial milestones for each CQUIN indicator.

### Financial Incentive Performance Key:



**Fully achieved** – Secured all financial incentives



**Partially achieved** – Secured some financial incentives



**Not achieved** – Secured no financial incentives

Indicator name	Indicator weighting	Indicator value	Q1	Q2	Q3	Q4	17/18
Improvement of staff health and wellbeing (staff survey)	3.40%	£183,876	No Finance	No Finance	No Finance		
Healthy food for NHS staff, visitors and patients	3.30%	£178,468	No Finance	No Finance	No Finance		
Improving the uptake of flu vaccinations for frontline clinical staff	3.30%	£178,468	No Finance	No Finance	No Finance		
Proactive and safe discharges	10.00%	£540,813					
Timely identification of sepsis in ED	1.00%	£54,081					

Indicator name	Indicator weighting	Indicator value	Q1	Q2	Q3	Q4	17/18
Timely identification of sepsis in Acute Inpatient settings	1.00%	£54,081	✘	✔	✔	✔	⊖
Timely treatment for sepsis in ED	1.00%	£54,081	✔	✘	✔	✘	⊖
Timely treatment for sepsis in acute inpatient settings	1.00%	£54,081	✔	✔	⊖	⊖	⊖
Empiric review of antibiotic prescriptions	2.00%	£108,163	✔	✔	✔	✔	✔
Reduction in antibiotic consumption per 1,000 admissions	2.00%	£108,163	No Finance	No Finance	No Finance	⊖ <sup>1</sup>	⊖ <sup>1</sup>
Improving services for people with mental health needs who present to A&E	8.00%	£432,650	✔	✔	✔	✔	✔
Advice and guidance	5.00%	£270,406	✔	✔	✔	✔	✔
E-referrals	8.00%	£432,650	✔	✔	✔	✔ <sup>1</sup>	✔ <sup>1</sup>
Wound care	5.00%	£270,406	No Finance	✔	No Finance	✔	✔
Personalised care / support	6.00%	£324,488	No Finance	✔	✔	✔ <sup>1</sup>	✔ <sup>1</sup>
Sustainability & Transformation Plan (STP)	20.00%	£1,081,625	✔	No Finance	No Finance	No Finance	✔
STP Risk Reserve	20.00%	£1,081,625	✔	No Finance	No Finance	No Finance	✔

<b>National Indicator Total</b>	<b>100.00%</b>	<b>£5,554,336</b>	<b>99.5%</b>	<b>98.5%</b>	<b>91.8%</b>	<b>79.6%<sup>1</sup></b>	<b>92.8%<sup>1</sup></b>
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Indicator name	Indicator weighting	Indicator value	Q1	Q2	Q3	Q4	17/18
Standardised Dose Banding for SACT	50.00%	£58,484	✔	✔	✔	✔	✔
Medicines Optimisation	50.00%	£87,727	✔	✔	✔	✔ <sup>1</sup>	✔ <sup>1</sup>

<b>Specialised Services Total</b>	<b>100.00%</b>	<b>£146,211</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%<sup>1</sup></b>	<b>100%<sup>1</sup></b>
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<sup>1</sup>Indicates anticipated performance only due to evidence being under review at the time of reporting.



Stockport  
NHS Foundation Trust

## PART 2.2

# Priorities for Improving Quality in 2018/19

[www.stockport.nhs.uk](http://www.stockport.nhs.uk)

## Priorities for improving Quality in 2018/19

**The Trust has a duty to fully engage with stakeholders and members to ensure that we are listening to their views about quality and identify the quality priorities moving forward.**

The improvement priorities were discussed with a host of representatives from key organisations including governors, Stockport Clinical Commissioning Groups, and Healthwatch along with our own staff. A vision, the Quali-Tree was created and presented at various meetings and senior walk-rounds with the aim of planning our improvement priorities and quality indicators for 2018/2019.



### How we identify our priorities

**The priorities have been identified through receiving regular feedback and regular engagement with governors, staff, patients, the public, and commissioners of NHS services, overseeing scrutiny groups and other stakeholders.**

Progress on the planned improvements will be reported through the Trust's assurance committees, through Governors meetings, and ultimately through to Trust Board.

Our staff, governors, members and patients are the eyes and ears of the organisation and their views are constantly sought to ensure that we are focussing on the things that will make the most difference. We surveyed staff, patients and visitors, through the Staff Survey and the Friends and Family Test and from those results we capture the views of the staff and wider public in relation to the range of priorities.



## Improvement Priorities for 2018/19

The Trust Board, in partnership with staff and Governors, have reviewed data relating to quality of care and agreed that our improvement priorities for 2018-19, which will be monitored via quarterly reports to our Quality and Safety Improvement Group, include:

### SAFETY

- We aim to achieve a 50% reduction in avoidable stage 2, 3 and 4 pressure ulcers (in both acute and community) by March 2019
- We aim to achieve a 10% reduction in in-patient falls, with 25% reduction in falls with moderate and above harm by March 2019
- We aim to achieve 100% compliance with the Malnutrition Universal Screening Tool (MUST) by March 2019

### EFFECTIVENESS

- We will undertake a review of discharge planning process and establish a baseline and target for improvement by March 2019.
- Following a successful pilot we will launch our ACE Ward Accreditation programme. We will undertake 6 ward accreditations per quarter with quarterly reports provided. By March 2019 we will have scoped and piloted the ACE programme for community, maternity and paediatrics.
- We will improve on a range of metrics relating to the Deteriorating Patient and NEWS introduction (metrics to be determined through AQuA program) for improvement by March 2019

### EXPERIENCE

- We will undertake a strategic staffing review with a report to board in October 2018
  - We will deliver 4 work-streams identified through our staff retention programme
  - We will triangulate staffing levels with harm
- We will achieve an improvement in the top 5 worst performing questions from the inpatient survey by 5% measured in the 2018 in-patient survey
- We will Introduce a suite of Always Events in Q1 (metrics to be determined by 30 June 2018) with 100% achievement by March 2019

## Participation in CQUIN 2018/19

With the introduction of a two year CQUIN scheme by NHS England in 2017/18, Stockport NHS Foundation Trust will continue to build on the progress of these indicators during 2018/19.

The Trust will partake in the same indicators as highlighted during year one, other than the 'E-Referrals' indicator, which ran only for this period. For year two, the Trust will participate in the 'Preventing Ill Health by Risky Behaviours' indicator, which will focus on alcohol consumption and smoking.

The Trust will also continue to build on the indicators commissioned within the Specialised CQUIN scheme and will participate in two Dental CQUINs aimed at delivering new pathways and integrating dental services and patient centred care.

The table below highlights all indicators that will be undertaken by Stockport NHS Foundation Trust during 2018/19.

National		STP	Specialised	Dental
NHS Staff Health & Wellbeing	Preventing Ill Health By Risky Behaviours	Sustainability & Transformation Plan Engagement	Nationally Standardised Dose Banding For SACT	Managed Clinical Networks (MCNs)
Proactive & Safe Discharge	Wound Care	Sustainability & Transformation Plan Risk Reserve	Medicines Optimisation	Referral Management
Antimicrobial Resistance & Sepsis	Personalised Care / Support Planning			
Mental Health Services A&E	Advice & Guidance			

Further information on all indicators that the Trust will be participating in during 2018/19 along with their specified requirements is detailed on the subsequent pages of this report.

## NHS Staff Health & Wellbeing

### Improvement of staff health and wellbeing:

In year one (2017/18), this indicator focused on achieving a 5 percentage point improvement over a period of 2 years, in two of the three NHS annual staff survey questions on health and wellbeing, MSK and stress, measured against the results of the 2015 staff survey. In 2018/19 this indicator will remain the same, with results measured against the 2016 staff survey. The Trust will continue to promote and introduce schemes and initiatives aimed to improve the general wellbeing of its staff.

### Healthy food for NHS staff, visitors and patients:

The Trust will maintain the changes introduced during 2016/17 and the three changes to food and drink provision during 2017/18. While these same three areas will be kept for 2018/19, a further shift in percentages will be required.

- 80% (was 70%) of drinks lines stocked must be sugar free (less than 5 grams of sugar per 100ml).
- 80% (was 60%) of confectionery and sweets do not exceed 250 kcal.
- At least 75% (was 60%) of pre-packed sandwiches and other savoury pre-packed meals (wraps, salads, pasta salads) available contain 400kcal (1680 kJ) or less per serving and do not exceed 5.0g saturated fat per 100g

Our Trust will aim to continue its work in improving our role as an employer by reducing the percentage of sugar/salt products displayed, increasing healthier alternatives and avoiding overt promotion of unhealthy items.

### Improving the uptake of flu vaccinations for front line staff within Providers:

We continually strive to improve uptake of the flu vaccinations each year, predominantly in our frontline staff that are at higher risk of transmitting illness to vulnerable patients. In year 1 we were required to achieve an uptake of flu vaccinations by frontline clinical staff of 70%. For year 2 this percentage will increase to 75%.

Our commitment is to achieve 75% uptake in front line staff in all flu vaccination campaigns to ensure herd immunity. Whilst this remains challenging we will continue to;

- Work closely with clinical teams to ensure staff are offered and supported to be vaccinated.
- Provide staff with current information regarding vaccination, including myth busting and common questions.
- Ensure that all patients and staff across the Trust have access to vaccination to assist with the promotion of health and wellbeing.
- Continue to provide information trust wide around the benefits of flu vaccination
- Undertake weekly internal reporting of vaccination uptake rates in front line health care workers to address areas within the Trust where there is poor vaccination uptake.
- Work with NHS colleagues to give assurances in our winter preparedness.

## Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)

### Timely identification and treatment of sepsis in emergency departments and acute inpatient settings:

Sepsis continues to be a key focus area of the Trust. In previous years we have undertaken several initiatives in an attempt to improve care for patients with sepsis and increasing awareness of this serious complication to infection. In 2018/19 we will continue to build on the work previously undertaken within the emergency department and inpatient wards to improve our compliance with this indicator, ensuring patients who met the criteria for sepsis are screened, and of those, ensure they receive IV antibiotics within 1 hour.

### Antibiotic review:

Continuing on from previous years, the Trust will undertake local audits of a minimum of 30 patients diagnosed with sepsis, aiming to ensure that antibiotic prescriptions are documented and reviewed by a competent clinician within 72 hours. The results will again be measured against augmented quarterly targets, ranging from 25% compliance in quarter 1 up to 90% in quarter 4.

### Reduction in antibiotic consumption per 1,000 admissions:

In 2018/19 we will strive to reduce our total antibiotic consumption. This will be measured as defined daily doses (DDDs) per 1000 admissions. The CQUIN will remain with two parts, the first aimed at reducing total antibiotic consumption and the second reducing certain broad-spectrum antibiotic consumption (specifically carbapenem and piperacillin-tazobactam).

## Improving services for people with mental health needs who present to A&E

This indicator, working together and, likely also with other partners (primary care, police, ambulance, substance misuse, social care, voluntary sector), aims to ensure that people presenting at A&E with primary or secondary mental health and/or underlying psychosocial needs have these needs met more effectively through an improved, integrated service offer, with the result that attendances at A&E are reduced.

In 2017/18 the objective was to reduce the number of attendances to A&E by 20% for those within a selected cohort of frequent attenders who would benefit from mental health and psychosocial intervention, which the Trust achieved. For 2018/19 the aim is maintain the reduction made. In addition, the Trust is to identify a new cohort who could benefit from psychosocial interventions and work to reduce by 20%, their attendances to A&E during 2018/19.

## Offering advice and guidance

Building on the progress made during 2017/18, this indicator will require providers to ensure advice and guidance services are in place for a group of elective outpatient specialties responsible for receiving 75% of total GP referrals by quarter 4 (year one target 35%).

## Supporting proactive and safe discharge

As described in Part 2 of this report, NHS England has temporarily suspended this indicator for 2018/19 on the basis that there are multiple initiatives supporting the discharge agenda.

## Preventing ill health by risky behaviours – alcohol and tobacco

This CQUIN focuses on identifying and, where required, providing advice and offering referral to specialist services for inpatients. This indicator was initially applicable only to community and mental health providers during year one and will roll out to acute providers during year two (2018/19). This indicator will replace the E-Referrals indicator, undertaken during the previous year. The CQUIN has been developed in line with the need for the NHS to take action to address risky behaviours, with a focus on alcohol consumption and smoking.

Smoking and unsafe use of alcohol are among the most major risk factors in the global burden of disease in England. Smoking causes around 80,000 premature deaths a year, contributes to 1.7m hospital admissions and costs the NHS an estimated £2bn a year. Alcohol consumption is responsible for an estimated 23,000 premature deaths per year and contributes to about 1m hospital admissions, costing the NHS around 3.5bn a year.

The Five Year Forward View (5YFV) outlined the need for a radical upgrade in prevention. Preventing ill health through smoking cessation and reductions in alcohol consumption can considerably reduce the burden on the NHS; premature mortality and morbidity. It would also provide an incentive to support healthier behaviour.

By participating in this CQUIN we will aim to deliver non-specialist interventions for which there is sound evidence of effectiveness in reducing ill health. The interventions include components such as short screening questions, brief advice on the benefits of drinking less or stopping smoking, and where appropriate, a referral to specialist services.

During the first quarter of 2018/19 the Trust will be required to undertake an audit of its existing information systems, training staff to deliver brief advice and collect baseline data. From quarter 2 onwards achievement will be based on performance against the following measures;

Smoking:

- Percentage of unique adult patients who are screened for smoking status AND whose results are recorded
- Percentage of unique patients who smoke AND are offered advice

- Percentage of unique patients who smoke AND are referred to stop smoking services AND offered stop smoking medication

#### Alcohol:

- Percentage of unique patients who are screened for drinking risk levels AND whose results are recorded in local data systems
- Percentage of unique patients who drink alcohol AND are offered advice
- Percentage of unique patients who are indicated as potentially alcohol dependent AND are offered referral to specialist services locally or in-house alcohol care team

## Improving the assessment of wounds

Continuing on from year one, this indicator will again require the undertaking a clinical audit in quarter 2 and quarter 4 to establish any improvements in the number of wounds which have failed to heal after 4 weeks that receive a full wound assessment. Achievement will be based on nationally set absolute levels of performance developed nationally based on an assessment of national data returns and a further review of the latest evidence.

## Personalised care and support planning

For Year 2, the Trust will identify and agree a revised Cohort. This cohort will be drawn from the Year 1 Cohort and will thus be a sub-group of those patients who need further support in patient activation.

In year two there are two components:

1. *Reporting on the number of care and support planning conversations that take place (with the expectation that at least one conversation takes place for each patient but the number of conversations will vary depending on individual's needs and levels of knowledge, skills and confidence).*
2. *Conducting a follow up review of patient's knowledge, skills and confidence for the identified patient population.*

As above, organisations will either need to repeat the process of collecting individual Patient Activation scores using the Patient Activation Measure, or using

the questions from the GP patient survey to ascertain levels of confidence and feelings of support.

## Standardised Dose Banding for SACT

It is intended that all NHS England commissioned providers of chemotherapy move to prescribing a range of Systemic Anticancer Therapy (SACT) drugs, in accordance with a nationally approved set of dose tables.

The Trust has participated in this CQUIN since 2015/16 and will continue to build on the progress by adhering to the implementation of nationally standardised doses of SACT using dose-banding principles and dosage tables published by NHS England (developed through the Medicines Optimisation Clinical Reference Group).

Targets will be agreed in the first quarter on 2018/19 for end of year achievement in relation to the % of doses standardised per drug (number of SACT doses given of selected drugs that match to the standardised doses / number of SACT doses given of selected drug).

## Medicines Optimisation

This is a 2-year scheme. The year 1 payment triggers were focussed on transitioning to new arrangements for the use and management of medicines. In year 2 the payment triggers will be focussed on further improvement goals.

Trigger 2 'Improving drugs minimum data set (MDS) data quality' and Trigger 4 'Improving data quality associated with outcome databases' will not be applicable during 2017/18. Trigger 5 will be introduced and will focus on reviewing and switching existing patients to treatments in line with nationally agreed policy/ consensus guidelines.

## Dental - Referral Management

Previously undertaken during the 2015/16 CQUIN scheme, the Trust will again participate in the Referral Management indicator for 2018/19. The incentive available for this indicator will be weighted at 80% of the total dental CQUIN scheme, of which there are two indicators.

The aims will be to;

- Ensure the Trust has the necessary IT infrastructure systems and management process in place to interface with any electronic referral management systems commissioned by NHS England.
- Receive /process electronic referrals and related dental radiographs in line with NHS Information governance rules and the PACS and PORTAL guides provided.
- Ensure clinicians within the Trust can view referrals and dental radiographs electronically.
- Work with the Dental Commissioners to improve the utilisation of the referral management system.
- Undertake a quarterly audit of the source of routine referrals for agreed specialities as per the attached template.
- Accept only referrals via the e-referral management system (e-RMS) and to return to the sender any referrals not received via this route.

## Dental - Managed Clinical Networks (MCNs)

Previously undertaken during the 2015/16 CQUIN scheme, the Trust will again provide active participation in the wider MCNs. The aim of this indicator is to support the way of working where clinicians from all settings across a clinical pathway can focus on patients and services rather than being constrained by organisational boundaries.

To adhere to the requirements of this indicator the Trust will provide named clinical links to participate in the MCN which will be held 4-6 times per year. The incentive available for this indicator will be weighted at 20% of the total dental CQUIN scheme.



Stockport  
NHS Foundation Trust

## PART 2.3

# Statements of assurance from the Board

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## Statements of assurance

The following section includes responses to a nationally defined set of statements which will be common across all Quality Reports. The statements serve to offer assurance that our organisation is performing to essential standards, such as securing Care Quality Commission registration and measuring our clinical processes and performance. This includes participation in national audits and being involved in national projects and initiatives aimed at improving quality (such as recruitment to clinical trials).

### Review of Services

This statement is to ensure that we have considered quality of care across all of our services. The information reviewed by our quality committees is from all clinical areas. Information at individual service level is considered within our divisional structure and any issues escalated to the Quality Governance Committee or to Performance and Planning Committee.

During 2017/18 Stockport NHS Foundation Trust provided and/or subcontracted 49 relevant health services.

The Trust has reviewed all the data available on the quality of care in all of these relevant health services through a variety of methods including the undertaking of clinical audit and service evaluations, holding business group assurance meetings, and business group quality boards.

The income generated by the NHS services reviewed in 2017/18 represents 88% of the total income generated from the provision of NHS services by Stockport NHS Foundation Trust for 2017/18.

## Participation in Clinical Audit

The purpose of this statement is to demonstrate that we monitor quality in an on-going, systematic manner.

During 1 April 2017 to 31 March 2018, 55 national clinical audits and 4 national confidential enquiries covered relevant health services that Stockport NHS Foundation Trust provides.

During that period the Trust participated in 85 % of national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that the Trust was eligible to participate in during 2017/18 are as shown in table 1 on page 141.

The national clinical audits and national confidential enquiries that the Trust participated in during 2017/18 are as shown in table 1 on page 141.

The national clinical audits and national confidential enquiries that the Trust participated in, and for which data collection was completed during 2017/18 are listed in table 1 on page 141, alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

The reports of 37 national clinical audits were reviewed by the provider in 2017/18 and the Trust intends to take the following actions to improve the quality of healthcare provided. Reports are included on the Quality Governance Committee agenda as part of the governance framework and the Medical Director delegates to the clinical lead for the specialty for perusal, consideration and sharing the findings with appropriate groups and where appropriate develop local action plans.

The reports of 106 local clinical audits were reviewed by the provider in 2017/18 and the Trust intends to take the following actions to improve the quality of healthcare provided: A report and action plan if appropriate is produced for each audit and submitted to the clinical audit team. Business Groups are advised of outcomes and as part of the governance framework an outcomes report is submitted to the Trust Quality Governance Committee to advise of compliance level, risk and escalation requirements.

Clinical Audit has also been an integral part of the Trust's CQUIN programme providing evidence information for a number of indicators including care bundles.

The Trust has invested in software; AMaT (Audit Management and Tracking), to support monitoring and transparency of clinical audit and quality improvement projects. This was implemented in January 2018.

## Table 1: National Clinical Audits & Confidential Enquiries

The table below provides confirmation of the Trust's participation in the National Clinical Audit and Confidential Enquiries that NHS England advises Trusts to prioritise for participation during each financial year. Where available, the number and/or percentage of cases submitted have been provided. There are 90 projects indicated below, 88 which form part of the NHS England Quality Accounts list, and 58 that form part of the National Clinical Audit & Patient Outcomes Programme (NCAPOP) – of the 58, 56 also form part of the Quality Accounts. Where data is unavailable, this is due unavailability or timescales preventing receipt of figures.

### National Clinical Audits:

Title	Host Organisation	Trust Eligible	Trust Participated	Cases Submitted
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	National Institute for Cardiovascular Outcomes Research (NICOR)	✓	✓	478
Adult Cardiac Surgery	National Institute for Cardiovascular Outcomes Research (NICOR)	✗	-	<i>Not Eligible</i>
BAUS Urology Audits: Cystectomy	British Association of Urological Surgeons	✓	✓	TBC
BAUS Urology Audits: Nephrectomy	British Association of Urological Surgeons	✓	✓	160
BAUS Urology Audits: Percutaneous nephrolithotomy	British Association of Urological Surgeons	✓	✓	100%
BAUS Urology Audits: Radical prostatectomy	British Association of Urological Surgeons	✓	✓	120
BAUS Urology Audits: Urethroplasty	British Association of Urological Surgeons	✓	✓	100%
BAUS Urology Audits: Female stress urinary incontinence	British Association of Urological Surgeons	✓	✓	25 (85%)
Bowel Cancer (NBOCAP)	Royal College of Surgeons of England	✓	✓	74

Title	Host Organisation	Trust Eligible	Trust Participated	Cases Submitted
Cardiac Rhythm Management (CRM)	National Institute for Cardiovascular Outcomes Research (NICOR)	✓	✗	See Note <sup>1</sup>
Case Mix Programme (CMP)	Intensive Care National Audit Research Centre (ICNARC)	✓	✓	99%
Congenital Heart Disease (CHD)	National Institute for Cardiovascular Outcomes Research (NICOR)	✗	-	<i>Not Eligible</i>
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	National Institute for Cardiovascular Outcomes Research (NICOR)	✗	-	<i>Not Eligible</i>
Chronic Kidney Disease in Primary Care	Informatica Systems Ltd	✗	-	<i>Not Eligible</i>
Diabetes (Paediatric) (NPDA)	Royal College of Paediatrics and Child Health	✓	✓	185
Elective Surgery (National PROMs Programme)	NHS Digital	✓	✓	96.5% (Hip) 102.9% (Knee)
Endocrine and Thyroid National Audit	British Association of Endocrine and Thyroid Surgeons	✓	✓	31
Falls and Fragility Fractures Audit programme (FFFAP): Fracture Liaison Service Database	Royal College of Physicians	✗	-	<i>Not Eligible</i>
Falls and Fragility Fractures Audit programme (FFFAP): Falls	Royal College of Physicians	✓	✓	100%
Falls and Fragility Fractures Audit programme (FFFAP): National Hip Fracture Database	Royal College of Physicians	✓	✓	478
Fractured Neck of Femur	Royal College of Emergency Medicine	✓	✓	341
Head and Neck Cancer Audit (HANA) (TBC)	Saving Faces - The Facial Surgery Research Foundation	✓	✓	146

Title	Host Organisation	Trust Eligible	Trust Participated	Cases Submitted
Inflammatory Bowel Disease (IBD) programme	Inflammatory Bowel Disease Registry	✓	✓	129
Learning Disability Mortality Review Programme (LeDeR)	University of Bristol	✓	✓	0
Major Trauma Audit	The Trauma Audit & Research Network (TARN)	✓	✓	543
Maternal, Newborn and Infant Clinical Outcome Review Programme: Perinatal Mortality Surveillance	MBRRACE-UK, National Perinatal Epidemiology Unit, University of Oxford	✓	✓	16
Maternal, Newborn and Infant Clinical Outcome Review Programme: Perinatal Mortality and Morbidity confidential enquiries	MBRRACE-UK, National Perinatal Epidemiology Unit, University of Oxford	✓	✓	1
Maternal, Newborn and Infant Clinical Outcome Review Programme: Maternal Mortality surveillance and mortality confidential enquiries	MBRRACE-UK, National Perinatal Epidemiology Unit, University of Oxford	✓	✓	0
Maternal, Newborn and Infant Clinical Outcome Review Programme: Maternal morbidity confidential enquiries	MBRRACE-UK, National Perinatal Epidemiology Unit, University of Oxford	✓	✓	0
Mental Health Clinical Outcome Review Programme: Suicide by children and young people in England(CYP)	National Confidential Inquiry into Suicide and Homicide (NCISH)	✗	-	<i>Not Eligible</i>
Mental Health Clinical Outcome Review Programme: Suicide, Homicide & Sudden Unexplained Death	National Confidential Inquiry into Suicide and Homicide (NCISH)	✗	-	<i>Not Eligible</i>
Mental Health Clinical Outcome Review Programme: Safer Care for Patients with Personality Disorder	National Confidential Inquiry into Suicide and Homicide (NCISH)	✗	-	<i>Not Eligible</i>
Mental Health Clinical Outcome Review Programme: The Assessment of Risk and Safety in Mental Health Services	National Confidential Inquiry into Suicide and Homicide (NCISH)	✗	-	<i>Not Eligible</i>
National Audit of Anxiety and Depression	TBC – to be commissioned by HQIP in 2017	✗	-	<i>Not Eligible</i>
National Audit of Breast Cancer in Older Patients (NABCOP)	Clinical Effectiveness Unit, The Royal College of Surgeons of England	✓	✓	100%

Title	Host Organisation	Trust Eligible	Trust Participated	Cases Submitted
National Audit of Dementia	Royal College of Psychiatrists	✓	✓	100%
National Audit of Intermediate Care (NAIC)	NHS Benchmarking Network	✓	✓	152
National Audit of Psychosis: Core audit	TBC – to be commissioned by HQIP in 2017	✗	-	<i>Not Eligible</i>
National Audit of Psychosis: EIP spotlight audit	TBC – to be commissioned by HQIP in 2017	✗	-	<i>Not Eligible</i>
National Audit of Rheumatoid and Early Inflammatory Arthritis	TBC – to be commissioned by HQIP in 2017	✓	✗	Starts 2018/19
National Audit of Seizures and Epilepsies in Children and Young People	TBC – to be commissioned by HQIP in 2017	✓	✗	Starts 2018/19
National Bariatric Surgery Registry (NBSR)	British Obesity and Metabolic Surgery Society (BOMSS)	✗	-	<i>Not Eligible</i>
National Cardiac Arrest Audit (NCAA)	Intensive Care National Audit & Research Centre (ICNARC)	✓	✓	62
National Chronic Obstructive Pulmonary Disease Audit programme (COPD): Pulmonary rehabilitation	Royal College of Physicians	✓	✓	41
National Chronic Obstructive Pulmonary Disease Audit programme (COPD): Secondary Care	Royal College of Physicians	✓	✓	100%
National Chronic Obstructive Pulmonary Disease Audit programme (COPD): Primary Care (Wales)	Royal College of Physicians	✗	-	<i>Not Eligible</i>
National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI)	London North West Healthcare NHS Trust	✓	✓	100%
National Comparative Audit of Blood Transfusion programme: Re-audit of the 2016 audit of red cell and platelet transfusion in adult haematology patients	NHS Blood and Transplant	✓	✓	11

Title	Host Organisation	Trust Eligible	Trust Participated	Cases Submitted
National Comparative Audit of Blood Transfusion programme: 2017 National Comparative Audit of Transfusion Associated Circulatory Overload (TACO)	NHS Blood and Transplant	✓	✓	16
National Comparative Audit of Blood Transfusion programme: Audit of Patient Blood Management in Scheduled Surgery - Re-audit September 2016	NHS Blood and Transplant	✓	✓	13
National Diabetes Audit - Adults: National Diabetes Foot Care Audit	NHS Digital	✓	✓	34
National Diabetes Audit - Adults: National Diabetes Inpatient Audit	NHS Digital	✓	✓	70
National Diabetes Audit - Adults: National Diabetes Transition	NHS Digital	✓	✗	See Note <sup>2</sup>
National Diabetes Audit - Adults: National Core Diabetes Audit	NHS Digital	✓	✗	See Note <sup>2</sup>
National Diabetes Audit - Adults: National Pregnancy in Diabetes Audit	NHS Digital	✓	✓	28
National Emergency Laparotomy Audit (NELA)	Royal College of Anaesthetists	✓	✓	141
National End of Life care audit	TBC – to be commissioned by HQIP in 2017	✓	✗	Starts 2018/19
National Heart Failure Audit	National Institute for Cardiovascular Outcomes Research (NICOR)	✓	✓	615
National Joint Registry (NJR): Hip & Knee replacement	Healthcare Quality Improvement Partnership	✓	✓	100% (Hip) 100% (Knee)
National Lung Cancer Audit (NLCA)	Royal College of Physicians	✓	✓	180
National Maternity and Perinatal Audit	Royal College of Obstetricians and Gynaecologists	✓	✓	TBC

Title	Host Organisation	Trust Eligible	Trust Participated	Cases Submitted
National Neonatal Audit Programme (NNAP) (Neonatal Intensive and Special Care)	Royal College of Paediatrics and Child Health	✓	✓	100%
National Ophthalmology Audit	The Royal College of Ophthalmologists	✓	✗	See Note <sup>3</sup>
National Vascular Registry	Royal College of Surgeons of England	✗	-	Not Eligible
Neurosurgical National Audit Programme	Society of British Neurological Surgeons	✗	-	Not Eligible
Oesophago-gastric Cancer (NAOGC)	Royal College of Surgeons of England	✓	✓	37
Paediatric Intensive Care (PICANet)	University of Leeds	✗	-	Not Eligible
Pain in Children	Royal College of Emergency Medicine	✓	✓	50
Prescribing Observatory for Mental Health (POMH-UK): Use of depot/LA antipsychotics for relapse prevention	Royal College of Psychiatrists	✗	-	Not Eligible
Prescribing Observatory for Mental Health (POMH-UK): Prescribing antipsychotics for people with dementia	Royal College of Psychiatrists	✗	-	Not Eligible
Prescribing Observatory for Mental Health (POMH-UK): Assessment of side effects of depot and LA antipsychotic medication	Royal College of Psychiatrists	✗	-	Not Eligible
Prescribing Observatory for Mental Health (POMH-UK): Monitoring of patients prescribed lithium	Royal College of Psychiatrists	✗	-	Not Eligible
Prescribing Observatory for Mental Health (POMH-UK): Prescribing for bipolar disorder (use of sodium valproate)	Royal College of Psychiatrists	✗	-	Not Eligible
Prescribing Observatory for Mental Health (POMH-UK): Rapid tranquilisation	Royal College of Psychiatrists	✗	-	Not Eligible

Title	Host Organisation	Trust Eligible	Trust Participated	Cases Submitted
Prescribing Observatory for Mental Health (POMH-UK): Prescribing high-dose and combined antipsychotics on adult psychiatric wards	Royal College of Psychiatrists		-	<i>Not Eligible</i>
Prescribing Observatory for Mental Health (POMH-UK): Prescribing Clozapine	Royal College of Psychiatrists		-	<i>Not Eligible</i>
Procedural Sedation in Adults (care in emergency departments)	Royal College of Emergency Medicine			50
Prostate Cancer	Royal College of Surgeons of England			296
Sentinel Stroke National Audit programme (SSNAP)	Royal College of Physicians			1130
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance Scheme	Serious Hazards of Transfusion			24
UK Parkinson's Audit	Parkinson's UK			100%

<sup>1</sup> **Cardiac Rhythm Management (CRM)** – Stockport FT did not input data for 2017/18 due to staffing issues. This has been escalated to the business group and is currently being addressed.

<sup>2</sup> **National Diabetes Transition and National Core Diabetes Audit** – The Trust is currently reviewing its processes for undertaking these audits which will commence during 2018/19.

<sup>3</sup> **National Ophthalmology Audit** – Stockport FT was unable to participate due to software issues relating to the audit. This has been escalated to the business group and is currently being addressed.

## Confidential Enquiries:

Title	Host Organisation	Trust Eligible	Trust Participated	Cases Submitted
<b>Child Health Clinical Outcome Review Programme:</b>				
Young Peoples Mental Health (YPMH) Study	The National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓	✓	100%
<b>Medical and Surgical Clinical Outcome Review Programme:</b>				
Acute Heart Failure	The National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓	✓	100%
Cancer in Children, Teens and Young Adults	The National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓	✓	100%
<b>Medical and Surgical Clinical Outcome Review Programme:</b>				
Perioperative Diabetes	The National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓	✓	100%

## Local Clinical Audits

Clinical audit is a way to find out if healthcare is being provided in line with standards and allows care providers and patients know where their service is doing well, and where there could be improvements. The aim is to enable quality improvement to take place where it will be most helpful and will improve outcomes for patients.

Once an audit has been undertaken it is given a level of assurance by calculating the individual ratings against the standards as follows;

 **95% and above**       **75% to 94%**       **74% and below**

Once each standard has been rated an overall level of assurance for the audit project can be determined using the matrix below.

During 2017/18 the reports for 111 audits or re-audits were submitted to quarterly Quality Governance Committee meetings (compared to 115 from 2016/17). The assurance levels reported are highlighted below.

Assurance Level	Calculation of assurance	Number of audits reported	
		2016/17	2017/18
<b>FULL</b>	Each standard has achieved a score of 95% or above and is rated Green	<b>16</b>	<b>18 ↑</b>
<b>SIGNIFICANT</b>	Only Green and Amber rated findings (although where there are a significant number of Amber rated findings, consideration will be given as to whether in aggregate the effect is to reduce the assurance level given)	<b>21</b>	<b>23 ↑</b>
<b>LIMITED</b>	Small ratio of Red and Amber to Green rated findings	<b>39</b>	<b>37 ↓</b>
<b>VERY LIMITED</b>	Ratio of Red rated findings are greater than the Amber and Green	<b>39</b>	<b>33 ↓</b>

The majority of audits are undertaken where it is perceived that there is room for improvement therefore it is anticipated that the level of assurance will often be limited or very limited. Once the assurance level is given the project lead will then advise on the risk level (not all failed measures present a risk).

During the course of the year quarterly outcome reports are submitted to the Trust's Quality Governance Committee (QGC) as part of the governance framework advising on the level of assurance that an audit provided. The report also advises on the risk level and whether action is required by the committee. Where an audit required the committee's input, full details of the measures and compliance were submitted. Following an audit, action / improvement plans are put in place to support the delivery of improvements.

## Participation in Clinical Research

### Background:

Research engagement within the Trust is critical to meet the expectations of our patients. Polls run through the Department of Health have demonstrated public support for the NHS to offer opportunities to take part in healthcare research.

The NHS Constitution summarises what staff, patients and the public can expect from the NHS: 'The NHS will do all it can to ensure that patients, from every part of England, are made aware of research that is of particular relevance to them'. Healthcare professionals therefore have a part in ensuring the NHS Constitution is upheld in their own practices at this Trust.

Participation in clinical research demonstrates the commitment of Stockport NHS Foundation Trust to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinical staff members stay abreast of the latest treatment possibilities and active participation in research leads to successful patient outcomes.

In 2016/17, research and innovation became a key component of Trust strategy and this has remained the case in 2017/18. Research is enabled in the Trust predominantly through research active healthcare professionals and the staff funding support received from the National Institute of Health Research (NIHR). The NIHR is the research delivery arm of the NHS. Support is offered in regions through the NIHR and Stockport is part of the Greater Manchester Clinical Research Network (GMCN).

### Staff Engagement in Research:

There were over 160 members of clinical staff participating in clinical research studies at Stockport NHS Foundation Trust during 2017/18, increasing from over 50 from 2016/17. More than 60 clinical staff members are now actively delivering clinical research studies to our patients. Others are contributing to research studies focussing on improved health services and research delivery which include on-line survey completion to improve knowledge in a particular area of healthcare delivery. There has also been an increase in allied healthcare professionals supporting with a particular function of

research delivery such as spirometry, scanning and endoscopies.

These staff participated in and/ or supported delivery of research recruitment across 21 (from 17 in 2016/17) specialties as detailed below. Although not all areas have shown active recruitment, there have been open opportunities in all these areas for our patients. Our engagement with clinical research demonstrates the Trust's commitment to testing and offering the latest medical treatments and techniques.

There has been significant activity within the research and innovation team throughout 2017/18 to continue to raise the profile of research in the Trust, including:

- Hosting and delivering NIHR research education sessions
- GMCN awards (where the research and innovation team were short-listed as finalists for team of the year)
- Celebrating Stockport Good Practice Event (where the team manager was commended in the inspirational leader category)
- Internal events to support the national research programme (e.g. stand for International Clinical Trials Day to promote local research taking place in the Trust)
- Local press releases for recruitment successes
- New participant leaflet to publicise research in the Trust with our patients
- Updated microsite and regular newsflashes on new studies opening in the Trust.

### Clinical Research Portfolio and Recruitment:

The number of patients receiving relevant health services provided or sub-contracted by Stockport NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 632. This is compared to the Trust target set by the GMCN at 645. This reflects research studies that were approved by a research ethics committee (in conjunction with the Health Research Authority), and adopted by the NIHR.

In 2016/17, our local target was 555, increased to 645 in 2017/18 by the GMCRN based on the success of recruitment in 2016/17 (901 participants in total). 2017/18 recruitment was never expected to reach the levels of 2016/17 activity, which included some short

The research delivery team at Stockport have narrowly missed the 2017/18 recruitment target of 645 for 2017/18, enrolling 632 participants on to research studies. This has been a great achievement given the continued research nursing vacancies experienced throughout this year and the team never being at full complement in this time span. Successful recruitment runs at the end of 2017/2018 have meant the team returning to a near full complement ready to support the new recruiting year ahead.

Stockport NHS Foundation Trust actively recruited into 47 out of 76 open research studies in the following Trust areas during this reporting period. Of these 76 studies, 6 were sponsored by pharmaceutical companies (i.e. commercial studies) and 70 sponsored by a variety of academic institutions (i.e. universities) and other NHS Trusts in the UK.

2017/18 reflects a continued diversification into different specialisms in the Trust, to ensure research can be a viable option across as many areas as possible for our patients. Stockport NHS Foundation Trust also acts as a participant identification area for other Greater Manchester Trusts across many of these specialisms to ensure there is choice available to our patients for research study participation. The numbers of actively recruiting and open studies has remained relatively stable compared to the previous year where 50 studies were recruited from 75 open. This was as expected given the core research and innovation team has had significant nursing vacancy challenges throughout 2017/18 which have been resolved moving into the new financial year.

Our top three recruiting studies for 2017/18 were across 3 different specialisms as follows:

### 1. Health Services and Delivery

The high intensity specialist acute care (HiSLAC) project was our top recruiter at 124 in 2017-18 compared to 95 in its first year of recruitment in 2016/17. This study is a survey directed at clinicians, evaluating the impact of high-intensity specialist-led acute care on emergency medical admissions to NHS hospitals at weekends. It is a 5-year study, based on

recruitment windows, easy to recruit to studies. Such studies had closed to recruitment in 2017/18 so there was not the same opportunity to repeat the recruitment success of the previous year.

research in diverse health systems demonstrating poorer outcomes for patients admitted to hospitals at weekends. In the UK, the importance of this issue has been recognised through four recent initiatives: the Academy of Medical Royal College's publications 'Benefits of Specialist Delivered Care' and the Academy's standards document 'Seven Day Specialist Present Care'; The Royal College of Physicians Future Hospital Commission to examine new ways of providing specialist care; And NHS England's (Commissioning Board) working group on implementing 7-day services. The aim is to combine quantitative analysis with qualitative (ethnographic) research to measure quality of care and to explore cultural and behavioural aspects of a fundamental change in service delivery. The study also looks to assess the health economic impacts of improving specialist cover over weekends.

We have another year of recruitment in 2018/19 and hope to achieve even higher numbers with improved clinician engagement.

### 2. Oral and Dental Health

The TIGER TEETH study recruited 80 more participants from April to July 2017, with a total of 281 recruits in the one year period it was open. This is a randomised controlled trial of a targeted distributed toothpaste and tooth brushing programme to reduce paediatric dental general anaesthetic operations for young children in at risk families. Families are either allocated to receive the intervention (i.e. provision of standardised sugar-acid neutraliser toothpaste, tooth brushes, a timer and an evidence based information sheet to all adults and children identified in at risk families with follow up packs administered by post at 3 month intervals for 24 months) or no additional preventative oral health advice or treatment.

### 3. Children/ Diabetes

The TRIAL NET study opened to recruitment at Stockport in April 2017 and has successfully recruited 41\* participants. The study aims to find out more about how type I diabetes occurs. The study is divided into 2 sections, screening and monitoring. During screening, participants are tested for diabetes-related

auto-antibodies in the blood, which are proteins made by the immune system in humans. If these proteins are present, it may mean that pancreatic cells (which produce insulin) are damaged which links to type I diabetes. If these auto-antibodies are in the blood, participants are then requested to be monitored. Eligible participants are those with one or more close relatives diagnosed with type I diabetes, as relatives of people with diabetes have a 10-15 times higher risk of developing diabetes than those with no family history. This is a global study with 10,000 – 15,000 screened worldwide every year and recruitment will continue into 2018/19 at Stockport. For 2018/19, we hope to build on the success of previous years by further embedding research as a front-line activity here at Stockport NHS Foundation Trust. Re-location of the team into a centralised location on the Trust footprint along with a fit for purpose electronic healthcare record system and research delivery staff being truly integrated and publicised as part of the direct care team at Stockport will enable us improve recruitment into research studies and maximise revenue potential from commercial work.

The Trust currently has more than 20 studies in active set-up, with many more in early feasibility discussions to ensure a diverse research portfolio continues at Stockport.

Summaries for most of our recruiting studies can be found through <http://public-odp.nihr.ac.uk/glikview/>.

#### Future Direction

For 2018/19, we hope to build on the success of previous years by further embedding research as a front-line activity here at Stockport NHS Foundation Trust. Re-location of the team into a centralised location on the Trust footprint along with a fit for purpose electronic healthcare record system and research delivery staff being truly integrated and publicised as part of the direct care team at Stockport will enable us improve recruitment into research studies and maximise revenue potential from commercial work.

The Trust currently has more than 20 studies in active set-up, with many more in early feasibility discussions to ensure a diverse research portfolio continues at Stockport.

**Table 2: Studies & Participants Recruited**

Specialty <i>(Number in brackets is the number of studies open in 2017/18)</i>	Numbers of NIHR Research Studies Recruited Into			Number of Participants Recruited		
	2016/17	2017/18	Difference	2016/17	2017/18	Difference
Anaesthesia (2)	3	2	(1)	203	40	(163)
Cancer (15)	11	10	(1)	153	77	(76)
Cardiovascular Disease (4)	3	3	0	32	36	4
Children (12)	5	3	(2)	16	78	62
Diabetes (3)	2	3	1	21	45	24
Ear, Nose, Throat (2)	3	1	(2)	12	1	(11)
Gastroenterology (4)	2	4	2	17	49	32
Genetics (2)	0	0	0	0	0	0
Haematology (1)	1	0	(1)	6	0	(6)
Health Services/ Delivery (4)	2	3	1	96	126	30
Hepatology (1)	0	0	0	0	0	0
Infectious Diseases (1)	0	1	1	0	2	2
Injuries and Emergencies (1)	1	0	(1)	1	0	(1)
Musculoskeletal (8)	6	7	1	62	33	(29)
Ophthalmology (1)	0	0	0	0	0	0
Oral and Dental Health (1)	1	1	0	201	80	(121)
Primary Care (1)	1	1	0	19	2	(17)
Renal Disorders (1)	1	1	0	5	9	4
Reproductive Health (3)	1	2	1	1	5	4
Stroke (5)	5	3	(2)	43	37	(6)
Surgery (3)	2	2	0	13	12	(1)
<b>Totals</b>	<b>50</b>	<b>47</b>	<b>(3)</b>	<b>901</b>	<b>632</b>	<b>(269)</b>

## Information on the use of CQUIN framework

**The CQUIN payment framework continues to support the cultural shift towards making quality the organising principle of NHS services by embedding quality at the heart of commissioner-provider discussions.**

A proportion of Stockport NHS Foundation Trust's income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2017/18 and for the following 12 month period are available upon request from CQUIN@stockport.nhs.uk.

The level of the Trust's income in 2017/18 which was conditional upon the quality and innovation goals was £5.6m; in line with national rules this represented 2.5% of income.

During 2016/17 the Trust achieved a CQUIN payment of £5.1m, 88% of the £5.8m available.

## Registration with Care Quality Commission

**The Care Quality Commission (CQC) is the independent regulator of health and adult social care services in England.**



Stockport NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'registered'. The Trust has no conditions on its registration. The Care Quality Commission has not taken enforcement action against the Trust during 2017/18.

After the comprehensive inspection in January 2016 the Trust was rated 'Requires Improvement' and an action plan was implemented. However, following an unannounced inspection in March 2017 and a subsequent inspection in June 2017, the CQC did not find that the Trust had made necessary improvements and remained 'Requires Improvement'. In Urgent and Emergency Services and Medical Care the Trust was rated as 'Inadequate' for the Safe and Well Led key lines of enquiry.

Although the Care Quality Commission did not take enforcement action, a letter was submitted to the Trust on the 26 June 2017 relating to possible urgent enforcement action by way of potential use of Section 31 of the Health and Social Care Act 2008: Imposition of Conditions on Registration Regulation. Key areas of concerns described in this letter related to the care of people with diabetes.

Our regulators, NHS Improvement, considered the lack of improvement in areas identified in previous inspections alongside the Trust's finance and performance position and the Trust was placed into segment 3 of the Single Oversight Framework with a series of undertakings placed on the Trust's licence.

These included:

### Strategy and governance

- Strategy and Board Focus
- Balancing Priorities
- Quality of Papers
- Quality Assurance Committee Information
- Board Versus Committee Focus
- Triangulation between committees

### Finance

- Financial recovery plan
- Service reviews
- Cost Improvement Process
- Cost Improvement Reporting

### Emergency Department Improvement

- Alignment and oversight of action plans
- Identifying Strong leaders
- Addressing overnight breaches

Stockport NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

## Data Quality

**Data quality refers to the tools and processes that result in the creation of the correct, complete and valid data required to support sound decision-making.**

Good quality data underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made.

Stockport NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics (HES) which are included in the latest published data.

The patient NHS number is the key identifier for patient records. Accurate recording of the patient's General Medical Practice Code is essential to enable the transfer of clinical information about a patient from a trust to the patient's GP.

### Percentage of records in the published data which included a valid patient NHS number

Setting	17/18	16/17	15/16
Admitted Patient Care	99.64%	99.80%	99.86%
Out-Patient Care	99.83%	99.90%	99.96%
Emergency Care	98.50%	98.84%	99.21%

### Percentage of records in the published data which included the patient's valid GP practice code

Setting	17/18	16/17	15/16
Admitted Patient Care	99.79%	99.86%	99.90%
Out-Patient Care	99.93%	99.96%	99.97%
Emergency Care	99.15%	99.40%	99.54%

1. Upon checking GP Practice codes, all were valid. Those showing as invalid have the default code of "Practice Code is Not Known"
2. NHS Numbers include where patient identity has been withheld - invalid codes relate to "Trace attempted and no Match" or "Trace needs to be resolved"

### The Trust has been and will continue to take the following actions to improve data quality:

- Review the Terms of Reference of the Trust's Data Quality Review Group.
- Rigorous testing of new Acute EPR prior to Go Live to understand the impact its implementation is likely to have on data quality; logging issues for supplier to address.
- Review the current Key Performance Indicators produced re data quality on PAS and EMIS and report on these bi-monthly to Data Quality Review Group;
- Continue to undertake spot checks of patient recording activities in clinics and A&E department and report these.
- Continue to raise data quality issues at the newly formed EMIS user group with the aim of identifying issues and supporting service leads to rectify and prevent in future.
- Review and update procedures for capture and handling of patient activity data;
- Undertake work to improve timeliness of electronic recording on wards of Admissions, Transfers and Discharges, reporting in to senior nursing management.
- Update PAS and EMIS training materials in view of any data quality issues;
- Commence a project to identify whether improvements in the quality of records and consequent clinical coding can benefit Trust income. This will increase the contact of clinical coders with clinicians in an effort to improve interpretation of clinical notes.
- Develop a wide range of data quality reports, ahead of the delayed implementation of phase 1 of the new Acute Electronic Patient record, with the aim of ensuring that data quality does not drop post implementation. We will however, warn our commissioners of the possibility of a reduction in data quality immediately post go live as this tends to be the experience of most Trusts implementing new systems. Any data quality issues will be fed back to the training team and staff communicated with to correct any unforeseen issues.
- Continue to maintain compliance with all the Information Governance Toolkit requirements including health records and data quality standards.

## Information Governance

Information governance ensures that information held about patients and staff is kept safe and secure. The information governance toolkit is the way in which we demonstrate our compliance with information governance standards. The Trust's Information Governance & Security Group oversees the annual submission.

The Stockport NHS Foundation Trust information governance assessment report overall score for 2017/18 was 68% (Level 2) and was graded green and satisfactory.

## Clinical Coding

Clinical coding translates the medical terminology written by clinicians to describe a patient's diagnosis and treatment into standard, recognised codes. The accuracy of this coding is a fundamental indicator of the accuracy of the patient record.

Stockport NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2017/18 by the Audit Commission.

## Learning from Deaths

### **In March 2017, the National Quality Board published National Guidance of Learning from Deaths: A framework for NHS trusts and NHS Foundation Trusts on Identifying, Reporting, Investigating and Learning from Deaths in Care.**

The guidance stated that, from Quarter 3 of the fiscal year 2017/2018, Trusts should publish quarterly information on deaths. The data should include the total number of inpatient deaths, and the number of deaths the Trust has subjected to a case note review. Of these deaths subject to review, the Trust should provide estimates of whether the death was judged, more likely than not to be due to problems in care.

During 2017/2018 1,635 patients of Stockport NHS Foundation Trust died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 368 in the first quarter;
- 354 in the second quarter;
- 421 in the third quarter;
- 492 in the fourth quarter.

In December 2017, Stockport NHS Foundation Trust started to report the number of case record reviews undertaken. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 153 in the first three quarters (average of 51 per quarter) NB The trust did not report this by quarter until quarter 4
- 79 in the fourth quarter

28 of the patient deaths, representing 1.7%, during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. Of these, 15, equating to 0.91%, were identified to have lapses of care which may have contributed to the patient's death. However, this does not mean that the death was avoidable.

There have been a number of positive impacts resulting from completing the Learning from Death reviews. These include:

- Improvements around pre-operative risk assessments, accurately documenting

mortality risk and frankly discussing with the patient and their family

- Involving the triad of ICU, surgeon and anaesthetist in high risk pre-operative decisions, ensuring consensus agreement on the risks of surgery, to facilitate effective discussions with the patient and their family before deciding to proceed.
- The expectation of DNACPR consideration in a timely fashion to avoid futile resuscitation attempts in dying patients.
- Changing the volume of spinal anaesthesia in hip replacement surgery, greatly reducing the incidence of post-operative hypotension (low blood pressure).
- Challenging late ICU referrals, encouraging early contact and management of deterioration.

Stockport NHS Foundation Trust is committed to learn from all incidents and to continually improve the care that we deliver to our patients. The process for reviewing patients' deaths in our surgical business group is embedded and this good practice is being replicated in the other business groups.

During 2017/2018 Stockport NHS Foundation Trust have implemented a new incident management system which will be able to triangulate the Learning from Death reviews, with incident investigations, complaints, claims and inquests. This will support sharing the learning more widely and enable accurate recording of the data.

We plan to actively seek family feedback as part of our bereavement service. This feedback will be used to identify dissatisfaction (or excellence) such that appropriate cases may be selected for LFD review. An initial approach to the bereavement service has been made, and we anticipate their support with this development.

This is the first year of reporting learning from death reviews and deaths in this way. Therefore information for previous years for comparison is not available



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## PART 2.4

# Reporting against core indicators

## Reporting against core indicators

Since 2012/13 NHS foundation trusts have been required to report performance against a core set of indicators using data made available to the trust by NHS Digital. The tables below provide data against each indicator, including the number, percentage, value, score or rate (as applicable) for the latest available reporting period and at least the last two reporting periods for comparison. In addition, where available, the required data is compared with the national average and the highest and lowest performing NHS trusts.

As part of this reporting requirement we are also required, for each indicator, to make an assurance declaration in the form of a pre-defined statement. This includes what actions we have taken or plan to take to improve the performance in these areas.

### Summary Hospital-Level Mortality Indicator (SHMI)

The Summary Hospital-level Mortality Indicator (SHMI) reports on mortality across the NHS in England. It is produced and published quarterly as a National Statistic by NHS Digital.

The SHMI is the ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there.

Indicator	2014/15	2015/16	2016/17	2017/18*
<b>The value and banding of the summary hospital-level mortality indicator (“SHMI”) for the trust for the reporting period</b>				
Stockport NHS FT	0.94	0.96	0.93	0.93
National average	1.00	1.00	1.00	1.00
Highest national	1.21	1.17	1.23	1.24
Lowest national	0.66	0.69	0.73	0.72

\*October 2016 – September 2017

Stockport NHS Foundation Trust considers that this data is as described for the following reasons it is the latest data available from NHS Digital (reporting period is from July to June). We perform better than the national average (a lower score is better) and continue to focus upon accurate coding of patients to ensure that our population is accurately represented by their data.

Stockport NHS Foundation Trust intends to take/has taken the following actions to improve this number, and so the quality of its services, by developing a formal program for ‘learning from deaths’, and reviewing case studies at Morbidity and Mortality quarterly meetings within specialties to support learning. In addition, we have formalised our review of ‘high mortality alerts’, scrutiny of CQC insights report, NHSI mortality report and CHKS mortality reports. Finally, we have formalised our process for review of guidance and quality standards published by NICE.

## Patient Deaths with Palliative Care Coding

This indicator is designed to accompany the Summary Hospital-level Mortality Indicator (SHMI). The SHMI makes no adjustments for patients who are recorded as receiving palliative care. This is because there is considerable variation between trusts in the way that palliative care codes are used.

Using the same spell level data as the SHMI, this indicator presents percentage rates of deaths reported in the SHMI with palliative care coding at either diagnosis or treatment specialty level.

Indicator	2014/15	2015/16	2016/17	2017/18*
<b>The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the trust for the reporting period</b>				
Stockport NHS FT	24%	26%	29%	30%
National average	26%	29%	31%	31%
Highest national	53%	55%	59%	60%
Lowest national	0%	1%	11%	12%

\*October 2016 – September 2017

Stockport NHS Foundation Trust considers that this data is as described for the following reasons; this is the latest data available. We continue to move closer to the national average. The Trust is currently within the expected range and is not an outlier.

Stockport NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services by undertaking reviews of deaths, root cause analysis where appropriate, discussions and shared learning at appropriate forums. A review of the Trust's policy on palliative care coding is underway with the intent to improve the consistency of reported data.

## Patient Reported Outcome Measures Scores (PROMS)

Patient Reported Outcome Measures (PROMs) assess the quality of care delivered to NHS patients from the patient perspective. Currently covering four clinical procedures, PROMs calculate the health gains after surgical treatment using pre- and post-operative surveys. The four procedures are hip replacements, knee replacements, groin hernia and varicose veins (the latter being not applicable to Stockport NHS Foundation Trust). Health status information is collected before and after a procedure and provides an indication of the outcomes or quality of care delivered to NHS patients.

Indicator	2014/15	2015/16	2016/17	2017/18
<b>Groin Hernia Surgery</b>				
Stockport NHS FT	52%	48%	54%	46%
National average	50%	50%	50%	52%
Highest national	75%	83%	80%	90%
Lowest national	11%	21%	10%	25%
<b>Hip Replacement Surgery</b>				
Stockport NHS FT	91%	90%	90%	Insufficient Data
National average	88%	88%	89%	Insufficient Data
Highest national	100%	100%	100%	Insufficient Data
Lowest national	74%	63%	74%	Insufficient Data
<b>Knee Replacement Surgery</b>				
Stockport NHS FT	85%	80%	90%	Insufficient Data
National average	81%	81%	81%	Insufficient Data
Highest national	100%	100%	94%	Insufficient Data
Lowest national	54%	63%	30%	Insufficient Data

Stockport NHS Foundation Trust considers that this data is as described for the following reasons this is the latest data available from NHS Digital. The figures are based on patients' responses to questionnaires, completed before and after surgery and are the percentage of respondents who had improved health. The EQ-5D Index captures in a single value a range of generic health issues in a broad but clearly defined way.

SFT has taken the following actions to improve these scores, and so the quality of its services, by:

- **Hips and Knees** – The Trust continues to review results on a regular basis, along with publishing the figures within and outside the Trust.
- **Groin Hernia Surgery** – The Trust continues to review results on a regular basis.

## Readmissions within 28 Days of Discharge

This indicator measures the percentage of emergency admissions occurring within 28 days of the last, previous discharge from hospital after admission for selected conditions.

Indicator	2014/15	2015/16	2016/17	2017/18*
<b>Patient readmitted to hospital within 28 days of being discharged aged: 0-15</b>				
Stockport NHS FT	8.7%	8.6%	9.2%	8.8%
National average	9.3%	9.4%	9.1%	8.3%
Highest national	15.4%	18.2%	16.0%	15.2%
Lowest national	0.0%	0.0%	0.0%	0.0%

\*April 2017 to November 2017

<b>Patient readmitted to hospital within 28 days of being discharged aged: 16+</b>				
Stockport NHS FT	8.8%	8.3%	8.2%	8.5%
National average	7.5%	7.5%	7.6%	7.8%
Highest national	11.2%	10.6%	10.5%	10.9%
Lowest national	0.0%	0.0%	0.0%	0.0%

\*April 2017 to November 2017

Stockport NHS Foundation Trust considers that this data is as described for the following reasons: this is the latest available data.

Stockport NHS Foundation Trust intends to undertake extensive reviews of the data, associated with readmissions within 28 days of discharge, within specialities where readmissions are above the national average. These actions will be monitored through the operational management group meeting.

## National Inpatient Survey

This survey looks at the experiences of adult patients who were admitted to an acute NHS hospital in England. It excludes patients whose treatment related to maternity or, patients admitted for planned termination of pregnancy or day case patients. This indicator is based on an average weighted score of 5 questions relating to responsiveness to inpatients' personal needs (score out of 100).

Indicator	2013/14	2014/15	2015/16	2016/17
<b>The trust's responsiveness to the personal needs of its patients during the reporting period (score out of 100)</b>				
Stockport NHS FT	63	68	68	65
National average	69	69	70	68
Highest national	85	86	86	85
Lowest national	54	59	59	60

Stockport NHS Foundation Trust considers that this data is as described for the following reasons; the result shown is calculated as the average of five questions taken from the national inpatient survey.

Stockport NHS Foundation Trust is taking the following actions to improve this percentage, and so the quality of its services, by the Matron for Patient experience being highly visible on the wards supporting ward managers. The iPad survey continues to be used and the questions are reviewed annually to ensure targeted focus.

Stockport NHS Foundation Trust has a newly formed Patient Experience Group and a Patient Experience action group where action plans and improvements are monitored. The Matron for Out Of Hours also conducts regular night audits.

## National Staff Survey

The purpose of this survey is to collect staff views about working in their NHS organisation. Data is used to improve local working conditions for staff, and ultimately to improve patient care. The survey is administered annually so staff views can be monitored over time. It also allows a comparison of the experiences of staff in similar organisations.

Indicator	2014*	2015**	2016**	2017**
<b>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.</b>				
Stockport NHS FT	65%	73%	66%	65%
National average	65%	71%	69%	69%
Highest national	93%	93%	95%	89%
Lowest national	38%	46%	48%	47%

\* All Acute Trusts

\*\* Average of Acute Trusts & Combined Acute and Community Trusts

Stockport NHS Foundation Trust considers that this data is as described for the following reasons as it is taken from the results of the national staff survey, published at [www.nhsstaffsurveys.com](http://www.nhsstaffsurveys.com).

Stockport NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services, by ensuring a robust action plan is effective in supporting culture change. This will include thematic analysis of the comments and align to action plan and key areas of focus for the next 12 months will be added to the current culture plan. We will agree Communications Plan to support staff engagement and facilitate Focus Groups to share results with key groups of staff to generate feedback and ideas on actions to be taken to enhance the staff experience. Cultural Ambassadors will support areas where there are themes and trends.

## Venous Thromboembolism Risk Assessment

Venous thromboembolism (VTE) is a blood clot that starts in a vein. All patients, on admission, should receive an assessment of VTE and bleeding risk using national clinical risk assessment criteria to prevent VTE from developing.

Indicator	2014/15	2015/16	2016/17	2017/18
<b>The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period</b>				
Stockport NHS FT	95.9%	95.7%	95.4%	96.1%
National average	96.1%	95.8%	95.6%	95.3%
Highest national	100.0%	100.0%	100.0%	100.0%
Lowest national	88.6%	76.9%	70.4%	77.4%

*\*Up to December 2017*

Stockport NHS Foundation Trust considers that this data is as described for the following reasons; the Trust has consistently achieved above 95% compliance for VTE risk assessment on admission since 2013. It is mandatory to complete the VTE Risk Assessment in ePMA before prescribing medications. The data is recorded onto Patient Centre and validated by the VTE specialist nurses.

Stockport NHS Foundation Trust has taken the following actions to improve this percentage: ensuring our VTE nurses include risk assessment in their training package to junior doctors, and the Thrombosis Committee & VTE Specialist Nurses closely monitor the Trust's performance. We also continue to update the list of areas that are not eligible for assessment to ensure the data is fully robust.

## Cases of Clostridium Difficile Infection

Clostridium difficile infection (CDI) remains an unpleasant, and potentially severe or fatal infection that occurs mainly in elderly and other vulnerable patient groups especially those who have been exposed to antibiotic treatment.

Indicator	2014/15	2015/16	2016/17	2017/18*
<b>The rate per 100,000 bed days of cases of C.difficile infection reported within the trust amongst patients aged 2 or over during the reporting period</b>				
Stockport NHS FT	10.9	23.2	15.5	9.5
National average	15.1	14.9	13.2	13.5
Highest national	0.0	0.0	0.0	0.0
Lowest national	62.2	67.2	82.7	87.9

\*calculated against 2016/17 bed days

Stockport NHS Foundation Trust considers that this data is as described for the following reasons the data above is captured by the Infection Prevention team. The team continues with prudent testing to understand how many patients with loose stools of any duration and causation were carrying C difficile bacteria capable of spreading to others and the environment, even if not clinically causing disease in a particular individual. This continues to ensure we know exactly which patients should be managed with infection prevention precautions, including being isolated in side rooms. This remains critical to reducing C difficile disease in the Trust in the long term despite meaning more patients are being tested for carriage of C difficile.

Stockport NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by every case of C difficile undergoing a root cause analysis and where there have been concerns of possible patient harm as a result of failures in practice an investigation has been undertaken. The lessons learnt from the investigations have been acted on and measures put in place to prevent avoidable harm. The lessons and changes to practice have had wide discussion within the Trust and lessons and changes in practice have been communicated widely throughout the Trust to ensure education.

## Patient Safety Incidents

A patient safety incident is any unintended or unexpected incident which could have or did lead to harm or even death for patients receiving NHS care. This indicator highlights the number and, where available, rate of patient safety incidents per 1,000 bed days reported and the number and percentage of such patient safety incidents that resulted in severe harm or death with the Trust during the reporting period.

Indicator	2015/16		2016/17	
<b>Number of patient safety incidents (including rate per 1,000 bed days)</b>				
Stockport NHS FT	10,752	47.2	9,380	40.5
National average	8,645	28.7	9,217	40.6
Highest national	23,990	0.0	27,991	148.3
Lowest national	681	16.0	707	18.8
<b>Number resulting in severe harm or death (including as a percentage of all incidents)</b>				
Stockport NHS FT	91	0.8%	102	1.1%
National average	35	0.4%	34	0.4%
Highest national	162	1.7%	190	1.6%
Lowest national	0	0.0%	0	0.0%

Stockport NHS Foundation Trust considers that this data is as described for the following reasons; we report incidents and near misses in order to learn from them - to identify where we need to focus resources, such as training and finances, or whether we need to change our processes to improve patient safety.

In addition the Trust has to meet statutory and legal requirements to record incidents and so we report all our patient safety incidents and near misses to the National Reporting and Learning System (NRLS). Information from all NHS care providers is reviewed nationally by Clinicians and safety experts to identify trends and alert other organisations.

Stockport NHS Foundation Trust has taken the following actions to improve this percentage/rate, and so the quality of its services, by encouraging reporting with an open and just safety culture. As a result we have seen an increase in reporting, particularly with no or low harm incidents.

It is noted that Stockport NHS Foundation Trust has an average reporting rate compared to other organisations.

It has been identified that the scoring of incidents has not been consistent, which may have contributed to a higher number of incidents being identified as those resulting in severe harm or death. In January 2018, the patient safety summit was introduced, where all incidents that have resulted in moderate harm or above, near misses, staffing incidents, medication incidents, Healthcare Acquired infections and safeguarding incidents are reviewed by the senior clinical and governance teams. This ensures that there is a consistent approach to assessing harm levels and the levels of investigations required.



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# PART 3

## Other information

[www.stockport.nhs.uk](http://www.stockport.nhs.uk)

## Overview of the Quality of Care

The quality accounts regulations specify that Part 3 of the quality report should be used to present other information relevant to the quality of relevant health services provided by the provider during the reporting period.

In this section we have provided an overview of the quality of care offered by Stockport NHS Foundation Trust, based on performance in 2017/18 against indicators selected by the board in consultation with stakeholders. The indicator set selected includes:

- three indicators for **patient safety**
- three indicators for **clinical effectiveness**
- three indicators for **patient experience**

Each indicator, selected by the board, refers to historical data (where available) to demonstrate progress and performance over time. These indicators have remained consistent since the publication of our 2015/16 quality report. However, as described in section 2, these indicators will change for 2018/19 in line with extensive engagement with stakeholders.

PATIENT SAFETY	CLINICAL EFFECTIVENESS	PATIENT EXPERIENCE
<p><b>Infection Prevention</b> Data Source: Internal</p> <p><b>Pressure Ulcers</b> Data Source: NHS Safety Thermometer</p> <p><b>Nursing Care Indicators</b> Data Source: Internal</p>	<p><b>Care Bundles</b> Data Source: Internal</p> <p><b>VTE Risk Assessment</b> Data Source: Internal</p> <p><b>Mortality</b> Data Source: SHMI</p>	<p><b>Complaints</b> Data Source: Datix</p> <p><b>Friends &amp; Family Test</b> Data Source: Healthcare Communications</p> <p><b>Patient &amp; Family Experience</b> Data Source: Internal</p>

Where there is national guidance for example in mortality and VTE risk assessment, this is applied.

## Patient Safety: Infection Prevention

Our infection prevention nurses work across all the wards and departments in the hospital and at local GP Surgeries and clinics, giving practical advice and support in the fight against health care acquired infections. Infection prevention practitioners and assistants work on each ward and department, with up to date knowledge and experience to daily assist their colleagues. Whilst Infection Prevention is not included as a Safety Indicator in 2018/19, it will continue to be reported through the quality account.

### Clostridium Difficile:

Clostridium difficile, also known as C. difficile or C. diff, is a bacterium that can infect the bowel and cause diarrhoea. The infection most commonly affects people who have recently been treated with antibiotics, but can spread easily to others.

C. difficile infections are unpleasant and can sometimes cause serious bowel problems, but they can usually be treated with another course of antibiotics. These infections can be passed on very easily but the risk can be reduced by practicing good hygiene, both at home and in healthcare settings. A lapse in care provision is a deviation from practice of an acceptable standard.

Year	Cases of C.diff	Lapses in care
<b>2017/18</b>	21	4
<b>2016/17</b>	36	15

### MRSA:

MRSA is a type of staphylococcal bacteria that has developed resistance to a number of widely used antibiotics.

Staphylococcal ("staph") bacteria are relatively common. About 1 in 3 people carry staph bacteria harmlessly on their skin, usually inside their nose and on the surface of their armpits, groin and buttocks. This is known as being "colonised" by staph bacteria.

Up to 1 in every 30 people are colonised by MRSA bacteria. Like other types of staph bacteria, it's usually harmless and not a cause for concern for most healthy people. However, it can cause problems if it's able to enter the body or it infects someone in poor health.

Mandatory MRSA Screening came into effect from 1 April 2009 and affects all patients attending the hospital for elective or emergency admissions.



The Trust's MRSA Screening patient information leaflet is available upon request.

Year	Cases of MRSA
<b>2017/18</b>	2
<b>2016/17</b>	0

## Patient Safety: Pressure Ulcers

The overall numbers of new pressure ulcers has fallen this year in comparison to 2016/17. There has notably been an almost 25% reduction in the number of acute Hospital Acquired Pressure Ulcers (HAPU's), however this improvement has been in ulcers of less severity i.e. category 2 ulcers and numbers of pressure ulcers that have developed in patients residing in community settings has increased. Of further concern, is the failure to achieve the trusts stretch target for numbers of avoidable category 3+ pressure ulcer harms.

The three year pressure ulcer reduction strategy launched last year continues and has been strengthened in March 2018 with the launch of our Pressure Ulcer Safety Collaborative. The Trust remains committed to its vision to standardise and reduce unwarranted variation in the delivery of pressure ulcer prevention and management strategies across hospital and community settings. Our Safety Collaborative continues the focus on improving staff knowledge and skills, with the successful roll out of a number of tests of change to make significant improvement where required.

### Hospital & Community Acquired Pressure Ulcers:

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2017/18	40	24	34	28	34	27	35	34	37	43	32	26
2016/17	43	30	32	43	42	30	24	37	46	42	40	27
2015/16	35	36	21	43	34	31	27	27	28	28	38	39



## Patient Safety: Nursing Care Indicators (NCI)

The Trust must account for the quality of care we deliver and that care should be evidence based and appropriate to the needs of the patient. The NCIs are designed to support nurses and midwives in practice to understand how they deliver care, and where improvements are needed. Nursing Care Indicators are not included as a Safety Indicator in 2018/19. They have been subject, through Quarter 4 2017/18 to an intensive review and a new suite of measures called Quality Metrics that encompass care indicators that cross professional boundaries. Though not an indicator, they will continue to be reported through the quality account.

An audit is carried out on a monthly basis where clinical nursing indicators are measured by undertaking an audit of 50% of patients' records, with each indicator covering several measures. As a Trust we aim for compliance of at least 95% in each indicator. Each business group or ward can view their own results and can then take any actions if performance against any of the criteria requires improvement.

The tables below indicate monthly compliance for each indicator, as well as overall compliance across all indicators during multiple years.

**RAG KEY:** ■ ≤89% ■ 90%-94% ■ ≥95%

	Falls	Medication	EWS	Tissue Viability	Infection prevention	Nutrition	Pain	Catheter Care	Discharge	Privacy & Dignity
Apr	95.40	99.50	99.80	97.00	99.70	94.10	97.60	100.00	84.10	98.90
May	97.20	98.70	100.00	98.70	99.30	95.50	97.50	98.70	91.90	99.60
Jun	98.00	99.70	99.80	98.60	99.10	97.40	98.90	100.00	96.40	99.50
Jul	96.90	99.20	99.60	97.80	99.10	97.50	99.20	98.70	92.40	99.80
Aug	98.30	99.70	99.10	98.00	99.40	95.80	97.70	100.00	96.40	99.80
Sep	97.30	99.60	99.80	98.00	99.10	96.60	98.40	99.20	96.80	99.90
Oct	96.60	97.90	96.90	96.80	97.40	95.30	97.60	94.70	96.20	98.30
Nov	95.90	98.20	97.20	96.10	98.30	95.80	97.20	93.20	94.70	98.30
Dec	93.90	99.10	99.30	93.90	98.90	96.40	98.60	95.80	94.70	99.50
Jan	96.50	97.10	99.30	97.90	98.60	95.70	99.20	99.50	93.60	99.90
Feb	97.20	96.60	99.10	97.90	97.40	95.10	98.90	97.00	93.40	99.60
Mar	97.20	98.00	99.60	98.00	98.70	96.70	99.00	96.60	96.30	99.50

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2014/15	98.7	99.2	98.1	99.2	98.8	98.6	98.8	98.7	98.4	98.7	97.6	98.5
2015/16	88.2	94.9	95.4	96.0	96.6	96.9	94.4	95.8	97.4	94.3	97.2	98.2
2016/17	98.3	98.1	98.4	98.5	97.9	97.8	97.5	96.1	97.7	94.4	97.8	97.7
2017/18	97.1	98.0	98.8	98.3	98.4	98.5	97.0	96.9	97.1	97.7	97.4	98.1

## Clinical Effectiveness: Care Bundles

During 2016/17, Stockport NHS Foundation Trust moved away from using AQuA (Advancing Quality Alliance) to report on its care bundle audits. The rationale behind this was to make the indicators more local and to enable access to real-time data. This would allow earlier reporting of data and therefore enable the prompt implementation of any actions required. Care Bundles are not included as an Effectiveness Indicator in 2018/19, however where they are part of a larger work-stream, they will continue to be reported through the quality account.

These monthly audits also formed part of the 2015/16 and 2016/17 CQUIN programmes and covered 4 key measure groups, comprising of Acute Kidney Injury (AKI), Diabetes, Alcohol Related Liver Disease (ARLD) and Sepsis. From 2017/18, despite no longer forming part of the CQUIN programme, the Trust continued to undertake an annual spot-check audits on the care bundles to review compliance and address any areas for improvement.

Results of the latest spot-check audits are highlighted below. Results from the 2016/17 audits are also provided.

Results are calculated using two different scoring methods. These are CPS (Composite Process Score), which is the percentage of all measures achieved. The second is ACS (Appropriate Care Score), which is the percentage of patients who receive perfect care i.e. receives all the measures of the care bundle they were eligible for.

### Composite Process Score (CPS) Results:

	Acute Kidney Injury		Diabetes		Alcohol Related Liver Disease		Sepsis	
	Target	Result	Target	Result	Target	Result	Target	Result
<b>2017-18</b>	-	80.5%	-	69.4%	-	75.8%	-	83.0%
<b>Q2 2016-17</b>	<b>44.7%</b>	80.4%	<b>58.2%</b>	60.4%	<b>78.7%</b>	76.9%	<b>80.6%</b>	89.4%
<b>Q3 2016-17</b>	<b>46.6%</b>	84.5%	<b>60.9%</b>	76.1%	<b>80.9%</b>	78.7%	<b>82.8%</b>	89.3%
<b>Q4 2016-17</b>	-	86.4%	-	73.3%	-	74.5%	-	91.6%

### Appropriate Care Score (ACS) Results:

	Acute Kidney Injury		Diabetes		Alcohol Related Liver Disease		Sepsis	
	Target	Result	Target	Result	Target	Result	Target	Result
<b>2017-18</b>	-	44.4%	-	18.7%	-	30.0%	-	38.1%
<b>Q1 2016-17</b>	-	42.6%	-	10.0%	-	29.4%	-	60.0%
<b>Q2 2016-17</b>	-	55.8%	-	23.6%	-	22.2%	-	70.0%
<b>Q3 2016-17</b>	-	75.6%	-	41.2%	-	31.4%	-	70.0%
<b>Q4 2016-17</b>	<b>50.0%</b>	58.7%	<b>30.0%</b>	31.5%	<b>50.0%</b>	25.0%	<b>50.0%</b>	68.8%

## Clinical Effectiveness: VTE Risk Assessment

Venous thromboembolism (VTE) is a condition where a blood clot forms in a vein. All NHS providers are required to collect data on VTE risk assessments each month, submitting the data quarterly, at the end of each quarter ensuring that at least 95% of our patients are assessed for their risk of VTE within 24 hours of admission to hospital. Whilst VTE is not included as an Effectiveness Indicator in 2018/19, it will continue to be reported through the quality account.

The data collection asks for the number of adults admitted as inpatients in the month, which have been risk assessed for VTE on admission to hospital using the criteria in the National VTE risk assessment tool.

As indicated in the table below, the Trust had been compliant for a number of years. Unfortunately due to a recruitment issue, the reporting of performance in documentation was affected during 3 months. A replacement VTE nurse was recruited and performance has continued to be above the national target.

The data below shows the Trust's percentage of patients risk assessed for VTE across multiple years against the national target.

**RAG KEY:** ■ Missed Target ■ Met or Exceeded Target

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2014/15	95.82	95.52	96.01	95.84	95.59	96.29	96.03	96.09	95.45	96.03	96.68	95.97
2015/16	95.29	95.51	95.63	95.80	95.89	95.90	95.95	95.99	95.66	95.80	95.48	95.71
2016/17	95.71	95.27	95.66	96.06	95.01	95.76	95.64	95.48	95.25	96.53	94.10	94.38
2017/18	94.26	96.17	95.73	96.41	96.64	95.98	96.86	97.00	95.93	97.24	96.84	96.53

## Clinical Effectiveness: Mortality

**As an Acute Trust, serving a large and aging population, it is inevitable and entirely appropriate that some patients will die in our hospital. Managing these cases well is fundamental to good nursing and medical care.**

In the vast majority of cases, excellent care is delivered; death could not have been avoided and was well managed. We recognise that there are occasions where we fall short of this standard. We now have a formal process for 'learning from deaths', in which senior clinicians review the case notes of patients who have died in our care. Our focus is on seeking opportunities to learn, such that can reflect upon any deficiencies in care provided, and make improvements for future patients.

Where shortfalls in care are identified, the cases are presented to peer groups so that meaningful discussion and challenge can be given to the care and treatment provided, and actions identified to improve future patient care.



Many patients, who know that they are dying, would prefer where possible to receive the support required to stay in their own homes right up until their death. We recognise that in Stockport more patients die in hospital than is seen elsewhere in the country.

Consideration must be given to the support our health system offers to these patients. Improving the support offered to such patients in the community will be one of the benefits of the 'Stockport Together' initiative.

Data from the Summary Hospital-Level Mortality Indicator (SHMI), as published by the Health and Social Care Information Centre, is referred to on page 54 of this report. Some of this variation may be explained by different populations, different areas of specialism between hospitals, and variations in how patients' diagnoses and previous health problems are recorded (coded); however, the standardised mortality index gives a useful estimate of relative mortality risk.

Stockport is pleased to have a mortality rate below the national average, but we continue to strive to reduce this further. We regularly review the national mortality data, to compare our outcomes with those seen elsewhere. Where we find more deaths than expected in any particular patient group or diagnosis, we investigate these deaths to seek any opportunities to improve the care we offer.

In recent years there have been reports in the national media regarding mortality linked to hospital admissions at a weekend. To understand this further, NHS England now undertake an audit twice a year, to capture any variance between weekday and weekend working. Stockport has fully participated in each round and considers the findings of the audit to deliver further improvements.

The development of '7 day services' is a key focus area for the Board of Directors and features regularly on the agenda of many of the sub board committee meetings. This work is already delivering earlier consultant reviews of emergency cases across the whole week, and is working towards more consistent senior medical input and availability of investigations and procedures for all hospital in-patients over the weekend. We anticipate this project to be a major focus of the trust for the next four years.

## Patient Experience: Complaints

**Every NHS organisation has a complaints procedure. We encourage feedback because it is used to improve the services we provide.**

In 2017/18 (Q1-Q3, January and February 2018) we received 436 formal complaints. There were 681 formal complaints 2016/17 and 787 in 2015/16.

The main themes arising from formal complaints continue to be around clinical treatment, communication and staff values and behaviours. These themes are monitored in the quarterly patient experience and complaints report at the Quality Governance Committee.

Percentage of timely responses:

Q1	Q2	Q3	Q4
91.7%	93.4%	52%	*

*\*Data not available until 18 June 2018*

The Trust aims to ensure that 95% of all complaints are responded to within the time frame agreed with the complainant. The overall percentage for 2017/18 (Quarter 1-3) is 79.8% of complaints responded to in the timeframe agreed. This is a decline from 2016/17 which was 89.4% (full year). This is due to an increased focus and rigour in both the investigation and response of complaints, which we believe was not previously in place. It has been initiated by the new Chief Nurse and Director of Quality Governance

In 2017/18 (Quarter 1-3) the Parliamentary and Health Service Ombudsman (PHSO) finalised their investigation into 10 complaints, the following outcomes were recorded:

Not upheld	Fully upheld	Partially upheld
7	0	3

The 3 complaints partially upheld were in relation to poor record keeping, the Trust not recognising full extent of the failings or the impact these had on the patient, inappropriate tests undertaken, concerns regarding patient safety and lack of action taken by the Trust and failure to communicate with GP leading to delay in treatment.

In partly upheld cases, apologies have been issued and action plans developed by the relevant business group to reduce the likelihood of reoccurrence. All action plans are shared with the PHSO on completion.

We have been disappointed to note that we have not achieved compliance with our own standard of responding to formal complaints. This has been due to a renewed focus on the quality of responses since October 2017. There has been an additional focus on the depth and breadth of investigations undertaken and actions taken to improve; this aims to ensure that anyone who is concerned about the care or treatment they received can be assured that the Trust learns from what happened.

Throughout Quarter 4 2017/18 a review of the complaints process has been undertaken to embed changes required and it is envisaged that the response rate will improve throughout the first six months of 2018/19.



## Patient Experience: Friends & Family Test

**The Friends & Family Test (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. Since its launch in 2013, it has been rolled out across most NHS services.**

It asks people "How likely are you to recommend our service to friends and family if they needed similar care or treatment?" offering a range of answers from "extremely likely" to "extremely unlikely". When combined with additional follow-up questions, the FFT provides a mechanism to highlight both good and poor patient experience. This feedback is vital in transforming our services and supporting patient choice. Results are reviewed to monitor trends and are discussed at business group quality boards and at Trust board sub-committees. In addition, monitoring of response rates forms part of the Nursing Dashboard which is reviewed monthly.

During 2017/18 the Trust received a total of 123,456 responses to the FFT question. It is encouraging to note that 93% of patients who did respond stated they were either 'likely' or 'extremely likely' to recommend Trust services.

The Matron for Patient Experience continues to work closely with Ward Managers and Matrons to raise awareness of FFT and improve response rates where required. To assist with this key staff have been identified as champions.

A meeting took place with the Matron for Patient Experience and the Matron for Paediatrics to explore ways to improve response rates in Treehouse. As a result, changes were made to the process in relation to the availability of the paper survey cards as this method has proved successful in the Children's Emergency Department.

There have been many positive comments in the Emergency Department centred on professional, caring and friendly staff. Reference was also made on numerous occasions on how well organised the department was despite it being busy. Negative

comments continue to be related to long waiting times.

Positive comments across inpatient areas continue to be related to kind and considerate staff who treat patients with dignity and respect. There were very few negative comments throughout the quarters however these were related to poor communication and reference was made to the lack of staff in some areas. Despite this there were comments acknowledging how hard the staff on duty were working.

Within the Outpatient department there were many positive comments relating to the overall attitude of staff; extremely efficient and helpful who deliver an excellent service. Negative comments related to long waiting times, however patients made positive comments about the excellent communication, and being kept informed regarding clinic delays.

All comments received for Maternity were positive relating to dedicated, friendly staff. The theme evident throughout is centred on the high standard of care provided.

The children's emergency department continues to be a challenge in obtaining FFT feedback and this continues to be monitored by the business group.

Patient voices continue to include patients attending the Emergency Department, Out Patients Department and parts of Community Services and this remains positively received. Patients contacted via landline are asked for their verbal feedback at the point of discharge, and comments are available to the business group for review and sharing with staff.

Response rates continue to be monitored for all areas and form part of the Nursing Dashboard which is reviewed monthly by Strategic Heads of Nursing. Comments feedback continues to be reported back to the business groups.

Whilst the Friends and Family Test is not included as an Experience Indicator in 2018/19, it will continue to be reported through the quality account.

## Patient Experience: Learning from Patient & Family Experience

The trust continues to capture patient feedback in a variety of ways including:

- The annual national surveys (e.g. the National Inpatient Survey)
- The Friends and Family Test
- Complaints and compliments
- Monthly iPad surveys

In addition, many of our services continue to ask patients to complete bespoke questionnaires with the intention of gathering local insight and understanding of care delivery.



Applying these different approaches facilitates a more informed understanding of patient or service user experience and identifies the themes and trends which are then considered in service or process evaluations and reviews.

An annual appraisal of our iPad questions provides the opportunity for the trust to monitor aspects of care where it has been identified more surveillance, or understanding of an issue, is required.

Our volunteers continue to provide fantastic support in carrying out these surveys and who themselves

receive updates in the bi-monthly Volunteers newsletter of the changes taken place as a result of their dedication and support. The Voluntary Services Manager and Matron for Patient Experience also dedicate time to support the Volunteers in completing surveys where communication is a challenge.

Whilst learning from Patient and Family Feedback is not included as an Experience Indicator in 2018/19, it will continue to be reported through the quality account.

### [Service improvements following staff or patient surveys/ comments and Care Quality Commission reports](#)

The monitoring of noise levels at night continues to be undertaken by the night sisters. In addition to this the Matron for Patient Experience also monitors noise at night using a specific proforma.

The audits include ensuring staff are aware of the “standards to reduce noise levels and promote a restorative night for patients” and advocate: lights being turned off by 23.00hrs; the volume on ward phones being put on a low setting and answered within 5 rings; and staff wearing soft soled shoes.

A piece of work has been undertaken to review the information that is displayed to patients and their families on the wards and create a standardised approach. The Safety and Quality boards will clearly communicate the name of the nurse in charge, the staff on duty, uniform guide, Friends and Family results, satisfaction survey results, Harm Free data, ‘You said, we did’, Safety Collaborative information and Noise at Night.

The support group for ex patients of High Dependency / Intensive Care units (HDU/ICU) has proven successful. It provides patients with the opportunity to meet up along with their relatives and share experiences with one another in the hope that it will help them make sense of what has been for many a frightening experience.

A review of ‘Mixed Sex Accommodation’ was undertaken last year (2017) which highlighted that the Trust had misinterpreted the guidance and 2 wards were non – compliant where patients could casually

overlook a member of the opposite sex, and also pass a member of the opposite sex to use the toilet facilities. There was also a day case procedure room operating from a side room on a Male ward which did not have toilet facilities and female patients attended.

Actions to become compliant were recommended and immediately addressed within the Business Group. Annual audits continue to be undertaken and action plans monitored through the Patient Experience group.



There is ongoing work in the Emergency Department to ensure the privacy and dignity of patients is protected. A recent survey undertaken by the Volunteers highlighted positive results which were shared at the Patient Experience Group.

In relation to food, a review has been undertaken of patient menus and a new electronic ordering system which will enable patients to choose their meals on the day. In addition the catering team continue to undertake monthly inspections on wards to look at the patient mealtime experience. These include assessing the taste, temperature and quality of the food on offer in addition to engaging with patients and seeking their feedback. Any information gained is then reported back to the Trusts Nutrition and Hydration group.

Breakfast clubs have been successfully piloted in some of the ward areas whereby patients can sit round a dining table instead of eating at their bedsides. This encourages mobility, normality and also interaction with other patients.

#### [Improvements in patient / carer information](#)

Dementia packs for carers/family of people with dementia are readily available. Each pack contains a copy of "This is me" (a document about the patient to help communication between the patient and healthcare staff) and information for additional support services family members may wish to access.

Bedside booklets were replaced in all ward areas providing patients and families/carers with relevant information relating to the admission, what to expect and also what to expect on discharge. There was a full review of the Discharge Leaflet by the relevant stakeholders to ensure it contains up to date information that is useful to patients and families / carers.

## Performance against other indicators

The table below provides data against relevant indicators and performance thresholds which form part of appendices 1 and 3 of the Single Oversight Framework (SOF).

Indicator	Target	Q1	Q2	Q3	Q4	17/18	16/17
<b>18 week referrals</b>							
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	<b>92%</b>	92.8%	92.1%	92.4%	90.3%	<b>91.9%</b>	91.7%
<b>A&amp;E waiting times</b>							
A&E: maximum waiting time of four hours from arrival to admission/ transfer/ discharge	<b>95%</b>	85.8%	80.0%	79.5%	70.1%	<b>78.9%</b>	77.4%
<b>All cancers: 62-day wait for first treatment from pre breach re-allocation:</b>							
Urgent GP referral	<b>85%</b>	86.3%	90.4%	89.8%	89.9%	<b>89.2%</b>	90.1%
NHS cancer screening service referral	<b>90%</b>	100.0%	100.0%	100.0%	100.0%	<b>100.0%</b>	95.0%
<b>All cancers: 62-day wait for first treatment from post breach re-allocation:</b>							
Urgent GP referral	<b>85%</b>	83.7%	87.6%	83.7%	88.0%	<b>85.7%</b>	87.7%
NHS cancer screening service referral	<b>90%</b>	100.0%	100.0%	100.0%	100.0%	<b>100.0%</b>	95.0%
<b>Clostridium difficile (C. diff):</b>							
C. diff due to lapses in care (Cumulative)	<b>&lt;17</b>	3	3	3	4	<b>4</b>	15
Total C. diff (Cumulative)	<b>&lt;39</b>	7	12	15	21	<b>21</b>	36
<b>Maximum 6-week wait for diagnostic procedures</b>							
Proportion of patients referred for diagnostic tests who have been waiting for less than six weeks	<b>99%</b>	99.7%	99.5%	99.9%	99.5%	<b>99.7%</b>	99.6%
<b>Venous thromboembolism (VTE) risk assessment:</b>							
% of patients admitted who have a VTE risk assessment/	<b>95%</b>	95.4%	96.4%	96.6%	96.9%	<b>96.3%</b>	95.4%

## Other Information

### Seven Day Hospital Services

**Providers of acute services are asked to include a statement regarding how they are implementing the priority clinical standards for seven day hospital services in this year's Quality Report.**

The seven day services programme is designed to ensure patients that are admitted as an emergency, receive high quality consistent care, regardless of what day they attend hospital.

Ten clinical standards were developed in 2013 through the Seven Day Services Forum, chaired by Sir Bruce Keogh and involved a range of clinicians and patients. The standards were established on published evidence and on the position of the Academy of Medical Royal Colleges (AoMRC) on consultant-delivered acute care.



Four of the 10 clinical standards were identified as priorities on the basis of their potential to positively affect patient outcomes. These are:

- **Standard 2** – Time to first consultant review
- **Standard 5** – Access to diagnostic tests
- **Standard 6** – Access to consultant-directed interventions
- **Standard 8** – Ongoing review by consultant twice daily if high dependency patients, daily for others

These standards were identified as being 'must do' by 2020 to ensure patients;

- don't wait longer than 14 hours to initial consultant review
- get access to diagnostic tests with a 24-hour turnaround time - for urgent requests, this drops to 12 hours and for critical patients, one hour
- get access to specialist, consultant-directed interventions
- with high-dependency care needs receive twice-daily specialist consultant review, and those patients admitted to hospital in an emergency will experience daily consultant-directed ward rounds

The 7 day implementation team was established in mid-2017, to facilitate discussion and support of the business groups in developing their strategies for compliance. Plans have been developed. The group is supported by representatives of NHSi and NHSe.

## Sign Up To Safety Campaign

**Sign up to Safety is a national initiative to help NHS organisations and their staff achieve their patient safety aspirations and care for their patients in the safest way possible. The Trust signed up to the campaign in 2014-15 and developed a safety improvement plan to reduce avoidable harm, by reducing pressure ulcers, falls and medication incidents, and by timely treatment of sepsis and by implementing improvements in diabetes care.**

Sign up to Safety is here to help NHS staff and organisations achieve their patient safety aspirations and care for their patients in the safest way possible.

Ours is a joyful, trusting, open and optimistic approach to patient safety improvement; empowering and enabling our members to make the changes they want to see in their work. We see each day and every action as an opportunity to learn and improve and we welcome everyone who wishes to get involved.



We want our members to feel that they have the power to make a difference; acknowledging that those who work closest to patients know best what needs to happen to reduce avoidable harm and save lives.

Our role is to help them create a positive and strong safety culture that will stand the test of time. We do this by celebrating progress and providing practical support and guidance through digital channels and social media, making it quicker and easier for our members to find what they need to know, to be inspired and motivated to keep going.

Each organisation or person signed up commits to make five safety pledges:

1. **Put safety first** – Committing to reduce avoidable harm in the NHS by half through taking a systematic approach to safety and making public your locally developed goals, plans and progress. Instilling a preoccupation with failure so that systems are designed to prevent error and avoidable harm.
2. **Continually learn** – Review your incident reporting and investigation processes to make sure that you are truly learning from them and using these lessons to make your organisation more resilient to risks. Listen, learn and act on the feedback from patients and staff and by constantly measuring and monitoring how safe your services are.
3. **Be honest** – Being open and transparent with people about your progress to tackle patient safety issues and supporting staff to be candid with patients and their families if something goes wrong
4. **Collaborate** – Stepping up and actively collaborating with other organisations and teams; sharing your work, your ideas and your learning to create a truly national approach to safety. Working together with others, joining forces and creating partnerships that ensure a sustained approach to sharing and learning across the system.
5. **Be supportive** – Being kind to your staff, helping them bring joy and pride to their work. Being thoughtful when things go wrong; helping staff cope and creating a positive just culture that asks why things go wrong in order to put them right. Giving staff the time, resources and support to work safely and to work on improvements. Thanking your staff, rewarding and recognizing their efforts and celebrating your progress towards safer care.

## NHS Staff Survey

The NHS Staff Survey results are predominantly aimed to inform local improvements in staff experience and well-being. Nationally, the NHS Staff Survey results provide an important measure of performance against the pledges set out in the NHS Constitution. The Constitution outlines the principles and values of the NHS in England, setting out a number of pledges that define what staff should expect from NHS employers.

The results are also used by NHS England to support national assessments of quality and safety. The Care Quality Commission use the results to help to decide who, where and what to inspect.

During 2016/17 the Trust was required to report on the two specific questions from the NHS staff survey. For consistency we have again chosen to report on these results, providing comparison to both the previous two years and the national average.

Staff Survey Question	Value	2015	2016	2017
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	Trust score:	88%	86%	84%
	National average:	87%	87%	85%

Staff Survey Question	Value	2015	2016	2017
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	Trust score:	21%	21%	22%
	National average:	24%	23%	24%

In total, 2160 staff completed the survey, a response rate of 41.8%. This is a 2.3% increase from the 2016 survey and compares with a national average of 43% for combined Acute and Community Trusts.

The following will be taken forward to ensure a robust action plan is effective in supporting culture change:

- Thematic analysis will be aligned to Listening events which will commence from end of April 2018
- We will complete thematic analysis of the comments and align to our action plan
- The four key areas of focus for the next 12 months will be added to the current culture plan;
  - **KF30** - Fairness and effectiveness of procedures for reporting errors, near misses and incidents
  - **KF17** – Staff feeling unwell due to work related stress in the last 12 months
  - **KF9** – Effective team working
  - Staff satisfaction with resourcing and support
- The Culture and Engagement Group will monitor and provide assurance on the action plan and culture change
- We will agree a Communications Plan to support staff engagement
- We will facilitate Focus Groups to share results with key groups of staff to generate feedback and ideas on actions to be taken to enhance the staff experience
- Our Cultural Ambassadors will support areas where there are themes and trends.

## Care Quality Commission (CQC) Review

The Care Quality Commission (CQC) carried out a comprehensive inspection of the Trust in 22 January 2016, which resulted in a rating of 'Requires Improvement'. Their inspections was structured around the CQC's five key questions that asks for each of eight core hospital services we provide, are services:

- **Safe**
- **Effective**
- **Caring**
- **Responsive**
- **Well-led**

In March and June 2017, the CQC undertook unannounced inspections of Urgent and Emergency Services and Medical Care and did not note that improvements had been made. The report was published on 3<sup>rd</sup> October 2017 and followed a letter from the CQC received in June 2017 relating to immediate findings from the June unannounced visit.

The following ratings have been applied for **Stepping Hill Hospital**:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Inadequate	Requires improvement	Requires improvement	Requires improvement	Inadequate	Inadequate
Medical care	Inadequate	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Surgery	Good	Good	Good	Good	Good	Good
Critical care	Good	Good	Good	Requires improvement	Good	Good
Maternity and gynaecology	Requires improvement	Requires improvement	Good	Good	Requires improvement	Requires improvement
Services for children and young people	Requires improvement	Good	Outstanding	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Outpatients and diagnostic imaging	Good	N/A	Good	Good	Good	Good
<b>Overall</b>	<b>Inadequate</b>	<b>Requires improvement</b>	<b>Good</b>	<b>Requires improvement</b>	<b>Requires improvement</b>	<b>Requires improvement</b>

The following ratings have been applied for **Stockport NHS Foundation Trust**:

	Safe	Effective	Caring	Responsive	Well-led	Overall
<b>Overall</b>	<b>Requires improvement</b>	<b>Requires improvement</b>	<b>Good</b>	<b>Requires improvement</b>	<b>Requires improvement</b>	<b>Requires improvement</b>

## Concerns and key areas for improvement

A number of persistent concerns have been identified, recognised both by us as a Trust, and also by external agencies, which our plan intends to address;

### Board governance and oversight

- The need for a strategic plan reflecting Stockport Together and acute hospital services across Greater Manchester
- Valuing the fundamentals of care such as Medicines management, Care of vulnerable patients, management of deteriorating patients and diabetes care
- Safe staffing, access to mandatory training and Staff morale
- The pressure or demand in emergency services and persistent problems with patient flow
- Gaps in governance and risk management
- Education and training opportunities for junior doctors
- Recognising the importance of privacy, dignity and patient experience

### Trust Board Response

**The Trust Board have acknowledged that the CQC reports made difficult reading and have accepted the findings without reservation; acknowledging that the Trust had clearly fallen short in some key areas.**

Since the inspections in March and June 2017, the Trust has made some significant and important changes, including strengthening the joint working of our doctors and nurses in the emergency department and medical care. We have also developed a clear medical leadership structure under the Medical Director. We have improved how we care for our most vulnerable patients, including those who have lack capacity to make decisions. We now have active, early risk assessments in our ED, a Mental Health Liaison Team working closely together and stronger cross-organisational working practices with colleagues from partners. The Trust Board have made it clear that secrecy, not speaking up and not working together for the good of all our patients has no place in our Trust.

The Trust Board consider that we have the skills, dedication and ambition to address all the issues raised by the CQC and ensure we give the best possible care we can to every patient. The successful implementation of this Quality Improvement Plan will ensure that improvements are made and sustained for all Trust's services.

### Developing a Culture of Continuous Improvement

**Patients are at the heart of everything we do at Stockport NHS Foundation Trust and we are committed to improving quality and achieving excellence in all that we do. Our aim is to be one of the most successful NHS trusts. We are committed to developing a culture of learning and doing things differently and supporting continuous Quality Improvement (QI), as advocated within NHS Improvement's 'Developing People, Improving Care' document (2016).**

For QI to be successfully embedded by all staff at all levels, a culture of improvement that spans the organisation is required.

Strong leadership is key to the development of an improvement culture, and organisations that have successfully implemented QI strategies have demonstrated improvements in standards and outcomes across all aspects of care. QI is distinctly different to audit and has been shown to bring about more sustained improvement as it enables those

with the experiences to explore and co-create the process, resulting in it being more likely that the whole organisation will 'own' the approach.

Early Board level support and backing are cited as being critical success factors; the Board of Directors have committed to delivering the Quality Improvement Aims, which will be underpinned by the development of a new Quality Faculty.

## The Plan

**The Quality Improvement Plan brings together all the actions that the Trust believes to be the most important. The Trust also believe that gaining traction on these will deliver the improvements necessary to achieve the short-term goal of an overall Trust CQC rating of at least 'Good' by January 2019 and the longer-term ambition of an overall Trust CQC rating of 'Outstanding' by 2020. This has led to the development of seven key themes.**

The Quality Improvement Plan will ensure that effective QI skills are embedded and locally owned.

The development of a virtual 'Quality Faculty' will support the delivery of the agreed Quality Improvement Strategy using QI training to build capability and capacity amongst the workforce. The vision of the 'Quality Faculty' is to oversee a 'hub' of QI Facilitators whose role will be to train, mentor and support staff working through QI projects.

The Trust will adopt the Advancing Quality Alliance QI lean methodology model for improvement as our chosen QI methodology. It is simple for all staff to use and is a widely understood methodology that has been successfully used in many healthcare settings. Furthermore it builds on the existing knowledge and skills of many of our staff, and harnessing that enthusiasm and knowledge from frontline staff will enable us to make progress faster.

Whilst the issues were identified within the Urgent and Emergency Services and Medical Care, we acknowledge that these findings are potentially translatable across the whole organisation. The identified aims align to the Trust Quality Account Priorities for 2018/2019 and to the Operational Plan 2018/2020.

The plan to demonstrate the requirements of 'Good' and beyond is very detailed within our High Quality Safe Care Plan.

We will approach our Quality Improvement Plan through:

- Robust leadership to drive recovery
- Focused Board oversight and scrutiny
- Executive Accountability for delivery of improvement plans
- Building strong leadership at all levels within the Trust
- Extensive staff engagement and clinical leadership to drive innovation
- A rigorous QI approach throughout the organisation
- Supported Programme and Project management
- A single reporting structure for Board, Commissioners and Regulators
- Support and work with our partners
- Support and involvement from patients, service users and the public
- Relationships with the Acute and Mental Health Alliances
- External support from experts to address capability

We will be evidence-based and will systematically monitor and test progress as well as look to outstanding organisations elsewhere to see how they do things and learn for our own development.

Actions to address the identified weakness are incorporated in the development of our 'Safe High Quality Care Improvement Plan'. Progress against the plan is proactively monitored at a weekly Patient Quality Summit meeting, led by the Director of Nursing & Quality and the Medical Director, which facilitates timely remedial action to address any identified barriers to progress.

The 'Safe High Quality Care Improvement Plan' describes the actions to be taken in order to ensure compliance with the Health and Social Care 2008 (Regulated Activities) Regulations 2014. The plan has been developed in response to the Care Quality Commission unannounced focused inspection of March 2017, and subsequent inspection in June 2017. The plan is part of an overarching Quality Improvement Plan; however it purposively addresses the 'MUST' and 'SHOULD' do actions from the CQC Report published 3 October 2017.

## Other Quality Improvement

Throughout 2017/18 there have been a number of significant quality improvements, particularly in relation to the infrastructure relating to governance redesign. Whilst some quality initiatives have been presented in earlier sections of this report; this section of the report describes the improvements made to the infrastructure supporting quality governance. In this section of the report we describe some of them

Since the Care Quality Commission inspections in March and June 2017, the Trust has made some significant and important infrastructure changes, including strengthening the joint working of our doctors and nurses, AHP's and managers through our Organisational Development Improvement Plan; the introduction of our Quality Governance Framework; and the development of our new Risk Management Strategy & Framework.

### Organisational Development Improvement Plan

In October 2017, the Trust was successful in a bid to NHSI for financial support to our organisational development (OD) improvement plan. As a result of being able to implement a series of activities relating to OD in quality, we can demonstrate achievement in a number of areas:

- We have delivered the Advancing Quality Alliance (AQuA) quality improvement methodology as 'one Trust approach to QI'.
- We have identified key areas for improvement, and our clinical leaders have developed them into quality improvement projects that are clinically led and managerially supported.
- We have delivered QI one day practitioner courses. These have been attended by staff from all areas of the Trust, including finance teams, transformation teams, estates teams as well as front-line clinical staff. In this way we are developing a critical mass of staff with the right skills and knowledge as part of our plans for a Quality Faculty
- We have delivered a medical leadership programme which has led to Associate Medical Directors and Clinical Directors becoming more actively involved in the planning, delivery and transformation of the services they provide.
- As part of our NHSI Recruitment and Retention programme we have introduced, from 1 June 2018, nine Chief Nurse Junior Fellows. These are nursing, ODP and therapy staff in Band 5 posts who will spend time working on quality projects using QI methodologies to make improvements that are measurable and transferrable.
- We have developed a nursing and allied health professional leadership programme, which includes resilience in challenging times within a 2 day programme.

## Quality Governance Framework

Quality has three main elements: patient safety, clinical effectiveness and patient experience (Darzi Report, High Quality Care for All: June 2008). High quality organisations are safe, effective, person centred, timely, efficient and equitable. The Trust has restructured the Quality Committee (currently Quality Assurance Committee) in line with this approach to ensure that we provide an equal balance and assurance on all aspects of quality within the organisation and that we can measure and improve quality at all levels and throughout all areas of the Trust.

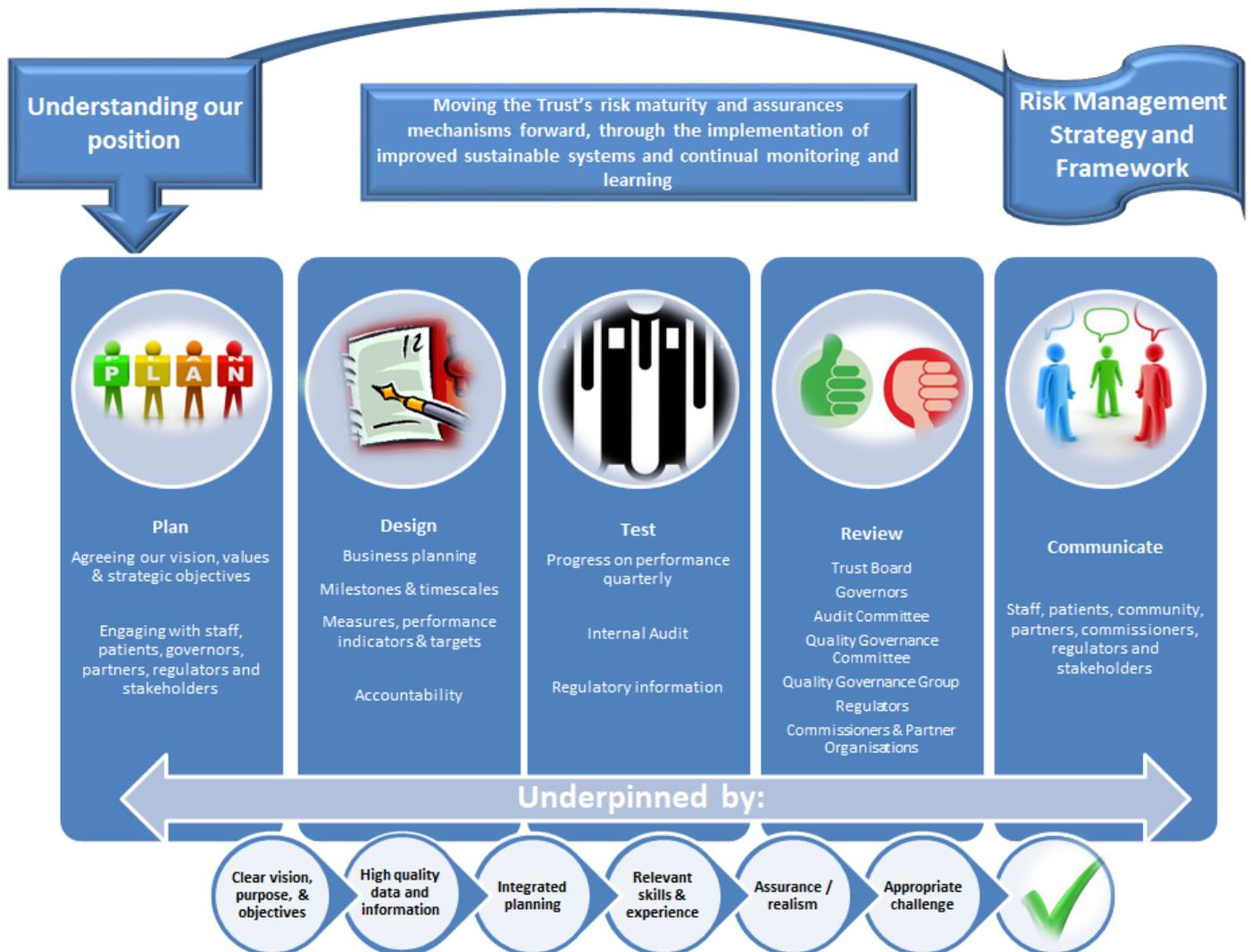


The Trust has restructured the committee and groups in line with the above model to support our objective of building a quality focussed structure that supports the continuous collation and review of information and data to further improve the internal management and assurance processes around these critical functions underpinning high quality care and gain assurance that quality is being managed effectively. Going forward these five Groups will report to the Quality Committee. The new Quality Governance Framework will be launched from 1 April 2018.

## Risk Management Framework

During Q4 2017/18, the Risk Management Strategy and Framework document has been developed in response to internal and external audit recommendations, an internal review of our risk management systems and processes and feedback from Board members regarding opportunities for improvement.

The Risk Management Strategy and Framework (the Framework), will be finally approved and launched in Q1 2018/19. The Framework forms part of the Trust's wider internal control and governance arrangements. The Framework defines the strategy, policy, principles and mandatory requirements for how risk is managed across the organisation; highlights key aspects of the risk management and assurance process, and identifies the main reporting and escalation procedures.



## Quality Improvement Plan 2018 – 2020

We want our Quality Improvement Plan to take us from 'Requires Improvement' by being bold in taking us further on a trajectory to 'Good' and 'Outstanding'. Of course we must address areas of concerns relating to patient safety that have been noted externally by the Care Quality Commission (CQC) and NHS Improvement, and those that we have recognised ourselves. We all want our patients to receive consistent, high-quality care and our ambition is that the pride taken in delivering care to our patients helps us to become the employer of choice in the region.

The delivery of our Quality Improvement Plan, which draws together seven themes for improvement, underpinned by good governance and staff development, will ensure that the changes made already are sustainable, and that those outstanding can be delivered in agreed timeframes.



## Safe High Quality Care Improvement Plan

The Safe High Quality Care Improvement Plan is part of our overarching Quality Improvement Plan that by being bold, intends to take us from 'Requires Improvement' to 'Good' and 'Outstanding'.

We all want our patients to receive consistent, high-quality care and our ambition is that the pride taken in delivering care to our patients will help us to become the employer of choice in the region.

We are on track to deliver identified improvements, other than in those described in the section above. We have had a number of significant successes that include:

- Consistent approaches to reporting incidents, with a significant and sustained increase of 20% in reporting – leading to a greater opportunity to share immediate lessons learned and embed safer practice via our Patient Safety Summit update to ALL USERS following the summit
- 60% improvement in the reporting of 'no and low harm' incidents – demonstrating an evolving safety culture and a passion to get things right
- Reduction in pressure ulcers, especially across surgery and critical care, although we did not achieve our stretch trajectory
- Introduction of our ward accreditation scheme – Accreditation for Continuous Excellence (ACE), resulting in immediate improvements in MUST assessment compliance
- Achievement of our 'no lapses in care' target for C-difficile cases that are healthcare acquired
- Every ward has a nurse on every shift with up to date Basic Life Support training, meaning we are assured that our wards and departments have the right staff with the right skills on duty to respond if a patient were to deteriorate unexpectedly.
- Improved patient experience in our Emergency Department by ensuring that privacy and dignity for patients who attend in an emergency is maintained.
- Introduction of a new Quality Governance Framework where assurance is monitored from 'ward to board'.
- Engagement with staff, governors, stakeholders and key partners through quality work-shops and safety walk-rounds.

## ACE - Accreditation for Continued Excellence

**Stockport NHS FT is proud to have developed an accreditation scheme to drive continuous improvement; linking in with the Trust's strategic values and the Greater Manchester Quality Improvement Framework.**

The vision is to create a scheme which ensures staff are motivated and recognised in delivering patient-centred, quality services, which are consistently achieved across all care settings.

The Accreditation for Continued Excellence (ACE) scheme provides a framework to bring together a range of performance criteria and supporting standards to create a single method of measuring the quality of all clinical areas across the Trust.

ACE aims to promote safer patient care, share best practice, celebrate success, ensure better health outcomes and improve the patient / service user experience.

The following categories will be assessed as part of ACE:

- First impressions
- Environment
- Management and leadership
- Nutrition and hydration
- Safeguarding
- Safety
- End of life
- Medication
- Personal care
- Infection prevention

All adult wards should be working towards the standards as part of their day-to-day activity.

A Task and Finish Group was set up with representation from across the Trust to develop the first draft of the standards. Internal and external research was undertaken to identify best practice, which included visits to Salford, Mid-Cheshire and Bolton. The standards were then sent to the specialist leads for specific review and input, as well as review at various engagement events.



Each clinical area will be given a rating following their assessment. This takes the overall percentage compliance into account, as well as compliance against each individual criterion.

The subject specialists undertake the assessments; this provides them with assurance for their service and an opportunity to feed into a meaningful action plan.

A pilot took place on two ward areas in January 2018 and following feedback from the assessors, changes were made in preparation for the launch in April 2018.

It is appreciated that different areas of the Trust need to be assessed against slightly different criteria. Therefore these areas will have their own set of standards; noting that many of the standards are expected to crossover different specialist areas. The following areas have been identified as requiring their own set of standards; further areas may be identified for future phases:

- Adult wards
- Community
- Emergency Department
- Theatres
- Paediatrics
- Maternity

## Stepping Hill Hospital goes 'Inner Space' to diagnose patients with small bowel conditions

**Stepping Hill Hospital's gastroenterology team are now going 'inner space' to help scan people for intestinal problems.**

An advanced 'capsule endoscopy' uses state-of-the-art technology to diagnose abnormalities in the small bowel, where traditional endoscopy and colonoscopy tubes cannot reach.

The innovative device involves the patient swallowing a pill sized camera, which then travels through the stomach and intestine taking many images per second of the bowel. It can adjust how fast it is clicking and taking pictures by identifying how fast or slow it is moving through the bowel.

These images are transmitted to a device worn by the patient on a belt. They are then downloaded onto a computer and reviewed by the gastroenterologists, who can diagnose whether the patient is suffering from conditions such as gastrointestinal bleeding, Crohn's disease or iron deficiency anaemia.

The capsule endoscopy offers a more thorough diagnosis. It is also quicker and more comfortable for the patient. There is no recovery time and no sedation needed for this painless and convenient process. It is expected that around 100 patients a year at Stepping Hill Hospital will benefit.



*The capsule up close*

Wisam Jafar, Clinical Director for Gastroenterology at Stepping Hill Hospital said, "Capsule endoscopy can potentially make a very big difference for many of our patients. This exciting technology will help the gastroenterology team look for and detect abnormalities within the small bowel such as: bleeding, inflammatory bowel disease and polyps. We are delighted to have this innovative advanced technology up and running."

## Encouraging patients to get up, get dressed and get moving – End PJ Paralysis

**Staff on the short stay older people's ward at Stepping Hill Hospital are today launching a 'dressed is best' initiative by swapping their uniforms for pyjamas.**



*Staff on the short stay older people's ward*

A team of therapists, nurses and healthcare assistants will also attend ward rounds and bed meetings throughout the week to promote the initiative, offer guidance on how to help patients to get up, dressed and walking and encourage staff to ask themselves: 'Why is my patient in bed?'

'Dressed is best' is part of the national #endPJparalysis campaign, which highlights the impact of patients being left in pyjamas or hospital gowns for any longer than necessary. Brian Dolan a professor of nursing has spread the campaign on Twitter across the UK. While patients of all ages can benefit from being more active, it's particularly important for older people.

'Dressed is best' aims to increase the number of ward patients that are sat out of bed at lunchtime and in their own clothes. Once launched on the short stay older people's ward, the following days will see two other wards, B6 and A11, take up the baton with the plan to roll out the initiative across all hospital wards in the long term.

Steph Brown, physiotherapist team lead who is part of the project team behind 'dressed is best', said: "It is often the case that when patients arrived in hospital, they stay in their pyjamas or hospital gown until they are discharged.

Our 'dressed is best' initiative aims to get patients up, dressed and moving so they can recover more quickly and get home and back to doing the things they love. By wearing pyjamas, we want staff to see how vulnerable people can feel when they are on a ward and how being dressed, sat in a chair and keeping moving is absolutely the best thing to help in their recovery."

Alison Lynch, Chief Nurse & Director of Quality Governance at Stockport NHS Foundation Trust, which runs Stepping Hill Hospital, said: "The aim of 'dressed is best' is to ensure a sustained improvement to the patient journey and to ultimately change the culture on hospital wards. It should not be the norm for patients to be in bed in pyjamas but to be up and active in their recovery as far as they possibly can.

"We are dedicated to supporting improvements to the care we deliver and most importantly, we want to ensure that hospital stays are efficient and effective, encouraging a speedy recovery that can lead to patients returning home sooner."

## Honours for staff following Manchester Arena Attack

**Stepping Hill Hospital staff, together with other NHS staff across Greater Manchester, received honours for their outstanding response to the Manchester Arena attack in May 2017.**

Twenty-two people were killed in the horrific bombing at an Ariana Grande concert and over 500 were injured. Stepping Hill Hospital was one of the eight hospitals which treated the critically wounded in the aftermath.



Six months after the event that shocked the world, a flurry of awards and recognition events have taken place. At ITV's 'Pride of Britain' awards, staff were presented with a 'Special Recognition' award by Prince William and Ed Sheeran. Stepping Hill Hospital was also honoured at The Sun's inaugural 'Who Cares Wins' awards, presented by Lorraine Kelly.

Junior doctor Vicky Wijeratne, who attended the concert with two doctor friends, and gave emergency care to victims before paramedics arrived, was presented with a national 'Woman of the Year' award by Camilla, Duchess of Cornwall.

Stepping Hill also received a letter of thanks from Prime Minister Theresa May, and there was recognition closer to home with 30 hospital staff attending a special Civic Recognition event at Manchester Town Hall.

Our medical director; Colin Wasson, who was on duty working as a consultant on the night, said this was the 'NHS at its very best.'

## Top safety ratings for bowel cancer care

**Figures showed that Stepping Hill Hospital had some of the best results in the country for bowel cancer care.**

The National Bowel Cancer Audit for 2017, published nationally, showed high survival rates for patients who have surgery and treatment at our hospital.

Surgery is the most common treatment for bowel cancer, with around 180 people needing surgery every year in Stockport. The overall 90 day mortality figures for patients treated by Stepping Hill are 1.1% (an improvement on last year's 1.9%). This is the lowest rating in Greater Manchester, and well below the national average of 3.2%.

The 2 year mortality from bowel cancer has also continued to improve and Stockport remains the lowest in Greater Manchester and well above the National average. This is a reflection of the hard work by many health professionals within the Multi-Disciplinary Cancer Team all working together to follow up cancer patients and prevent recurrence.

Work is ongoing to work together across the sector to pool expertise and resources to improve long term outcomes even further for everyone across the sector.

Ed Clark, bowel cancer consultant surgeon at Stepping Hill Hospital said, "We are delighted to see that the latest national audit confirms the high quality of multi-disciplinary cancer care at Stepping Hill Hospital. We believe this is due to specialists working together as a multi-disciplinary team with patients to deliver the best care available."

Bowel cancer is the most common cancer in non-smokers and second biggest cause of cancer deaths. It has been linked to: genetic factors, diet, smoked foods and ageing - with the disease being more common among those over the age of 60. Around 320 men and 270 women die from bowel cancer in Greater Manchester every year.

## Stepping Hill Hospital's stroke centre ranked top in England

### Stepping Hill Hospital's stroke centre in Stockport has been officially ranked as the best in the country.

The independent report from the Sentinel Stroke National Audit Programme (SSNAP) rates the quality and performance of services for every stroke patient, from treatment to recovery. It is the single source of stroke data for England.



Patient Roy Miller with physio Katie Spiller, consultant Krishnamoorthy & Sister Clare McQuaker

Stepping Hill Hospital came first in the country out of a total of 224 stroke centres. It shows a big improvement for the hospital, leaping up the national rankings by 50 places over the past eighteen months. Stepping Hill Hospital's stroke centre assesses over 3000 patients with suspected stroke and treats over 1100 stroke patients a year. It is one of only three specialist units in Greater Manchester and expanded its services three years ago. The unit treats patients from the High Peak and Eastern Cheshire, as well as Greater Manchester.

Strokes are the fourth biggest killer in the UK, and a leading cause of disability – but swift, specialist treatment can make a huge difference. There are more than 100,000 strokes in the UK, with someone suffering from one every five minutes. In Greater Manchester the number is 6000 every year. The Stepping Hill stroke centre uses high tech scanners to detect blood clots in the brain, and then emergency 'clot-busting' drugs to break them down. It also provides stroke patients with a full rehabilitation programme, with a team of physiotherapists,

occupational therapists and speech and language therapists working alongside stroke doctors and nurses.

The centre includes a dedicated assessment unit for stroke patients in the emergency department, hyper acute stroke unit, physiotherapy gym, therapy rooms, sensory garden and new unit specifically for assessment of 'mini-strokes'.

Patients have ranged in age from 21 to 104, with the average patient staying on the unit for 22 days. Roy Miller (76) from New Mills in the High Peak, Derbyshire is currently recovering at Stepping Hill Hospital following a stroke several weeks ago. He is making good progress and said, "Having a stroke is very frightening, but the support and reassurance I have had from all the staff here has been a huge help. It's certainly very good to know this is the best stroke unit in England, and to be honest it doesn't surprise me. The care they have given me, doing their very best to help me to recover, has really been fantastic."

Dr Shivakumar Krishnamoorthy, clinical director for stroke services at the hospital said, "We're really proud and delighted with this gold standard assessment of our services. Having access to the right tests and treatments immediately; such as the CT scans, clot busting drug, and specialist stroke therapy, means that stroke patients have a much better chance of recovery.

"Everything we do is about ensuring we provide the highest quality of care for our patients and this achievement is testimonial to the teamwork and dedication of all the staff involved.

Helen Thomson, interim chief executive of Stockport NHS Foundation Trust, which runs Stepping Hill Hospital, said, "We are immensely proud of our services and this top ranking is testament to the skill and commitment of all our staff, as well as the investment we have made. "Our stroke centre seamlessly sews together all aspects of care; bringing experts and equipment under one roof to provide first-class treatment, reducing death rates and long-term disability".

## First for flu fighters

**Stockport is best place in the country, for the sixth year in a row, for protecting pregnant women against the flu virus.**



*Our ward staff took part in promoting why they got vaccinated*

Our hospital and community midwives, working together with local GPs and the council's public health team, vaccinated 65% of pregnant women in Stockport. This is 2,200 women out of 3,400 - 20% higher than the national average of 45%.

Pregnant women are at greater risk of contracting infections because their immune system is compromised by being pregnant. They also have a higher chance of developing complications if they get

flu, particularly in the later stages of pregnancy, which could include bronchitis or pneumonia.

The advice is therefore to get the flu vaccination every winter, which they can receive from our midwife team for free. Studies have shown that the flu vaccine is safe during any stage of pregnancy, from the beginning through to delivery.

We were also very successful in vaccinating our staff against flu. We had the 12th best score in the country out of 259 NHS organisations. 80% of staff were vaccinated, against a national average of 63%.



*Janet Cotton; Head of Midwifery promotes flu vaccinations*

## Home for Easter Week

Another measure we took was a special 'Home for Easter Week'. This was to improve patient the safe flow of patients from our emergency (A&E) department, through the ward and back home.

The week involved our Stockport Together partners and every hospital ward had extra help to sort the issues which lead to delays – with volunteers in the role of 'ward liaison officers'.

As well as improving the patient experience by getting people home as soon as they are medically ready to leave hospital, the aim was to free up beds quicker for other patients who need them.

Home for Easter Week created energy for change by doing things differently. Teams were able to try new ideas during the week, as well as identify obstacles to improve patient flow through the hospital.

Every service team made a pledge for the week, and are continuing with many of these for long term patient improvements. Pledges range from completing all surgical ward rounds by 11am, to booking all patient transport in advance.

## Corrie star opens new dementia café

**Our new dementia café was opened at Stepping Hill Hospital by Coronation Street star Richard Hawley, who plays factory owner Johnny Connor in the soap.**

The new space provides a calm and relaxing environment for dementia patients, and their families and carers, to spend some quiet, quality time together.



*Coronation Street star Richard Hawley opens our new dementia café at Stepping Hill Hospital*

Our staff helped to finance the café with a variety of fundraising events in their spare time. Local organisations have also generously donated items and Stockport College art students have helped paint the room.

Richard Hawley has personal experience of dementia, as his father died of the condition. As well as Coronation Street, Richard is known for roles in Family Affairs and the film Love Actually.

Ruth Turner's husband had dementia and was a patient at Stepping Hill Hospital before he sadly died earlier this year. She also spoke at the event, and said;

"It can be a struggle supporting a loved one with the condition, and facilities like this can really help."

Emma Smith, matron for dementia care at Stepping Hill Hospital, said "Being in an unfamiliar hospital environment can be a very frightening experience for patients living with dementia. The new café is a supportive place for staff or family members to relax with patients."

Volunteers are helping out in the café and in the café has coffee and tea making facilities, music, games and reminiscence books and pictures. The Alzheimer's Society and the EDUCATE group (Early Dementia Users Co-operative Aiming To Educate) will be also at the café every month to offer dementia advice and information.

"I know the effects of dementia first hand through my father's illness. It has a huge impact not just on the person with dementia but on the rest of their family as well.

"That's why it's so important they get the care and support they need. This café at Stepping Hill Hospital is a fantastic example of that support in action, and I know it's going to be such a wonderful help for them."  
- Richard Hawley, actor

Around 1,300 patients a year being treated at our hospital are living in dementia.

In recent years, we have taken many steps to give both patients and their carers extra support.

This includes a new memory clinic to diagnose dementia, a badge scheme to enable staff in A&E to easily recognise patients with the condition, dementia friendly signage and environments, two reminiscence rooms on wards, and over 70 dementia champions across the organisation.



Stockport  
NHS Foundation Trust

# Annex 1

## Statements from stakeholder organisations

[www.stockport.nhs.uk](http://www.stockport.nhs.uk)

## Statement from Stockport Clinical Commissioning Group (CCG)



**Stockport**  
Clinical Commissioning Group

**17 May 2018**

Subsequent to receipt and review of the Annual Quality Accounts Report 2017-18, Stockport Clinical Commissioning Group (SCCG) would like to acknowledge Stockport NHS Foundation Trust (SFT) achievements against a significant proportion of the priorities for improvement for 2017-2018.

We acknowledge the trust's commitment to achieving these objectives in a particularly challenging and pressured time.

SFT have continued to demonstrate commitment to the quality improvement programme of CQUINs and shown definite motivation in achieving these improvement objectives. Similarly, there has been a clear enthusiasm to improving patient experience and as a result over 90% of people surveyed said they were likely or extremely likely to recommend the Trust.

The Trust has seen challenges throughout the year, particularly around emergency department (ED) waiting times and recruitment and retention of staff across the Trust. CQC have maintained the overall Trust rating of 'requires improvement'. The learning from the reported 12 hour breaches that have been examined as Serious Incidents in 2017-18 needs to be embedded thoroughly across the organisation in 2018-19, given the high numbers reported over the winter period, and particularly in Q4.

Failure to achieve the performance indicators around ED has been frustrating, but the CCG acknowledge the Trusts' commitment to ensure that processes are in place to improve and maintain quality and safety and to alleviate some of the issues identified in this particularly challenging environment. The CCG have continued to work with the Trust on a variety of initiatives to enhance the pace of improvements needed and a renewed focus needs to be applied in 2018-19 particularly around winter planning to facilitate the improvements required. There has been progress in relation to the reduction in Delayed Transfers of Care; however there is still further work to do to reduce length of stay for older people.

It has been encouraging to learn that the year has seen a fall in the overall numbers of new pressure ulcers in comparison to 2016/17, with an almost 25% reduction in the number of acute hospital acquired pressure ulcers (HAPU's) in category 2 ulcers, but the Trust recognises that there has been an increase in PU's developing in patients residing in community settings. The Trust has not achieved the stretch target for numbers of avoidable category 3+ pressure ulcer harms. SCCG acknowledge the work in progress around the standardised PU care pathway implemented as part of the Trusts optimising capacity work stream 'Wound Care - Development Improvement Plan', the PU strategy 2016-2018 'Delivering Safe Effective Care' and PU prevention action plan. This work has been strengthened with the launch of the PU Safety Collaborative, which will continue to focus on improving staff knowledge and skills.

MRSA rates had been encouraging with no cases reported for 2016/17, but the Trust has reported 2 hospital acquired MRSA bacteraemia for this year. The reduction in C diff rates however, demonstrates a clear improvement around infection prevention and control and the Trust have remained below trajectory for identified lapses in care. The reduction in the number of avoidable falls from 12 in 2016-17 to 4 in 2017-18 and the safety thermometer identified a marked improvement in 'recorded falls with harm' which was lower than the National average. SCCG

have also noted the work in progress including the weekly harm free care summit, 'STEADY' in Stockport and bay tagging initiatives to further enhance the work around the falls agenda.

The CCG note the clear commitment to harm free care and improvement plans around falls and pressure ulcers, and commend the introduction of the weekly harm free care meetings, patient safety summit meetings and the weekly senior nurse walk rounds to further enhance the patient quality and safety agenda.

The Trust has maintained improvements and outcomes around cancer targets, achieving the 18 week waiting target and continued to see encouraging results from their highly rated stroke unit, officially ranked best in the country by the SSNAP audit. It has also been noted that the Trust have some of the best results in the country for bowel cancer care.

There have been some substantial improvements reported this year that SCCG wish to commend, and some good examples of collaborative working across the health and social care economy, and a dedication to patient safety, incident reporting and implementation of lessons learned. Participation in the "End PJ Paralysis" campaign was welcomed. It should be noted that community services for children and young people has been rated by CQC as 'Outstanding', end of life care, 'Good' with an overall rating for 'Caring as 'Good' but there is clearly work to do to enhance the overall Trust CQC rating.

The CCG support the response of the Trust to address the CQC outcomes through its Improvement Plan. The CCG will continue to seek assurance on completion of the actions, and is committed to working with SFT on sustaining and nurturing improvements, developing areas for growth and establishing innovation in quality improvement projects in the year ahead.

SCCG have also noted and commend the National recognition of Trust staff, together with other NHS staff across GM, who were honoured for their outstanding response to the Manchester Arena attack in May 2017, demonstrating the NHS at its best.

SCCG recognise the achievements made over the last year and look forward to working with SFT to further improve patient experience, patient safety and clinical effectiveness for all patients accessing SFT services.

## Statement from Trust Governors



**23 May 2018**

Stockport Foundation Trust Governors would like to take the opportunity to comment on the Trust's Annual Quality Report. The Governors would wish to pay tribute to the efforts of all those who work for and with the Trust in providing the best possible care for patients during what was a particularly difficult year with increasing demands and a challenging financial position.

The outcomes of inspections carried out by the Care Quality Commission (CQC) in March 2017 and June 2017 were extremely disappointing, particularly as the outcomes indicated a lack of improvement and learning from the original inspection carried out in January 2016. Ratings of 'Inadequate' or 'Requires Improvement' are not descriptions of services that Governors expect to read. However, the Governors have been encouraged by the response taken by the Board and will enthusiastically support the Quality Improvement Plan, which aims to implement and embed the practices required to achieve a 'Good' rating. Governors will continue to participate in practices such as 'mock' inspections and patient safety walk rounds to ensure that member views contribute to service assessment.

The CQC outcomes are resulting in changes of practice across the Trust and during 2017/18 the Council of Governors reviewed its Committee arrangements and established separate Committees with a specific focus on Patient Experience and Quality Standards. These Governor-chaired Committees provide the opportunity to seek assurance on the quality targets that are set to ensure that services and procedures in the hospital and community provide consistent, high quality harm-free care. The support and engagement with the Committees from the Chief Nurse, and her encouragement of Governor involvement, has been much appreciated. Governors would also like to endorse the increasing level of liaison and engagement with Non-Executive Directors, Executive Directors and Clinical teams an example of this engagement would be the opportunity for Governors and members of the public to put questions to the Board following each Board meeting.

Performance against the Accident and Emergency target continues to be disappointing and, while the winter of 2017/18 was a challenging period nationally, Governors concerns are naturally focused on the implications for our local population. The Governors note the reference in the Chief Executive's statement to the service developments as part of the Stockport Together programme, and expect to see the benefits from these developments have a positive impact on the Trust's performance against this key national target in 2018/19. Given the context of the CQC and A&E-related challenges, the outcomes of the Friends and Family Test are encouraging and indicative of a positive patient experience and satisfaction with the quality of care being provided.

The Governors note the Improvement Priority for 2017/18 relating to Medication errors and the reference on page 16 of the report that such errors "are always avoidable". It is also noted that, despite a reduction of instances in 2017/18, continuing work is required to further reduce the occurrence of pressure ulcers. Successful work has clearly been undertaken which has resulted in a significant reduction of avoidable falls and the improvement in this area is welcomed by Governors. Diabetes care has been a recurring theme for Governors and was the subject of adverse criticism from the Care Quality Commission. It is encouraging to note that a Task & Finish Group is in place which is working to a comprehensive action plan.

The Quality Report also details a range of positive outcomes, and the Governors note the good progress made against the indicators in the CQUIN framework for 2017/18. Also worthy of note are the developments made to improve care for patients with dementia which have particular importance given the age profile of the Trust's patient population. Governors also welcome the introduction of a dedicated Sepsis Service as a positive development. In particular, Governors were delighted by the news that the Trust's Stroke Centre was officially

ranked as the best in the country and this achievement reflects the professionalism and commitment to effective patient care from all involved in the delivery of this vital service.

Finally, we would like to reflect on the aftermath of the horrific attack at the Manchester Arena on 22 May 2017. The Trust's response summed up its real strength and ethos; the efforts and professionalism of all who responded and worked with such skill over so many hours was amazing. The recognition they received at local, regional and national level was richly deserved. The Governors acknowledge the commendable work that takes place in the Trust and the dedication of staff to their patients and families in often challenging circumstances. We look forward to continuing to work in partnership with the Trust.

## Statement from Adult Social Care & Health Scrutiny Committee



**STOCKPORT**  
METROPOLITAN BOROUGH COUNCIL

**14 May 2018**

The Scrutiny Committee, having had the opportunity to consider the draft Quality Report and to question the Chief Nurse and Director of Quality Performance, is satisfied with the Quality Report for 2017/18.

The Scrutiny Committee was aware of changes in senior posts at the Trust since the last quality report, and that the Trust was also actively engaged in the ambitious Stockport Together reform programme. As such, the Scrutiny Committee recognised that this was a period of transition for the Trust.

While the Scrutiny Committee, in questioning the Chief Nurse, identified a number of areas of concern they were reassured by the robustness of the responses they received and the commitment to addressing the concerns and issues raised.

Although the Trust undoubtedly faced challenges and had areas for improvement, members of the Scrutiny Committee, drawing on personal and constituent experience, highlighted the good care patients received at the hospital. The Scrutiny Committee also welcomed the positive contributions the Trust was making toward the prevention of ill-health.

## Statement from Healthwatch Stockport



**4 May 2018**

During this review period it is widely accepted that the Trust has been extremely challenged on matters of quality.

It was of considerable concern to Healthwatch that following CQC inspections in March 2016 and October 2017 the Trust was rated overall as 'Requiring improvement' (including community health services for adults) and in September 2017 the regulator, NHS Improvement, identified the Trust as 'challenged' in relation to quality, performance and finance.

This Quality Account recognises the achievements but also where improvement is still required against the priorities that were set for 2017/18.

It is disappointing to note that there were two incidences of hospital acquired MRSA bacteraemia after a sustained period of zero and we share the Trust's concern on its inability to achieve its stretch target for numbers of avoidable category 3+ pressure ulcer harms.

The issues relating to the system wide Urgent and Emergency Care service also remain a major concern, particularly the recent increase in breaches of the 12 hour wait standard but note the inclusion of the Urgent and Emergency Care recovery plan.

We wish to acknowledge the Trust's engagement with Healthwatch Stockport in the determination of priorities, participation in the Accreditation for Continued Excellence (ACE), ward accreditation programme and the Patient Experience Group.

The Trust is not immune from the national issues and pressures on our NHS and Healthwatch Stockport recognises the dedication and hard work of front line staff in these very difficult times.

Healthwatch Stockport, through its involvement with Commissioners, Providers, patients and the public, continues to help, challenge and encourage the achievement of quality improvement and the pledges to patients set out in the NHS Constitution.

This statement was prepared by and on behalf of Healthwatch Stockport.

Kind Regards

**Maria Kildunne**  
Chief Executive  
Healthwatch Stockport



Stockport  
NHS Foundation Trust

## Annex 2

# Statements of directors' responsibilities for the quality report

## Statements of directors' responsibilities

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year. NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- *the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2017/18 and supporting guidance*
- *the content of the Quality Report is not inconsistent with internal and external sources of information including:*
  - *board minutes and papers for the period **April 2017 to March 2018***
  - *papers relating to quality reported to the board over the period **April 2017 to March 2018***
  - *feedback from commissioners dated **17 May 2018***
  - *feedback from governors dated **23 May 2018***
  - *feedback from local Healthwatch organisations dated **4 May 2018***
- *feedback from Overview and Scrutiny Committee dated **14 May 2018***
- *the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated **April 2016 to March 2017***
- *the latest national patient survey **January 2018***
- *the latest national staff survey **7 March 2018***
- *the Head of Internal Audit's annual opinion of the trust's control environment dated **9 May 2018***
- *CQC inspection report dated **3 October 2018***
- *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,



*Adrian Belton*

Adrian Belton  
Chair  
24 May 2018



*Helen Thomson*

Helen Thomson  
Interim Chief Executive  
24 May 2018



Stockport  
NHS Foundation Trust

# Glossary

## Terms and abbreviations

[www.stockport.nhs.uk](http://www.stockport.nhs.uk)

## Glossary – terms and abbreviations

**Acute** – This describes a disease of rapid onset, severe symptoms and brief duration.

**A&E** – Accident & Emergency (or Emergency Department)

**AMaT** - Audit Management and Tracking. To support monitoring and transparency of clinical audit and quality improvement projects.

**AQuA** - Advancing Quality. Advancing Quality is the flagship programme of AQuA (Advancing Quality Alliance) the North West's health care quality improvement body.

**ARLD** - Alcohol-related liver disease. This refers to liver damage caused by excess alcohol intake. There are several stages of severity and a range of associated symptoms.

**Board of Directors** – the powers of a Trust are exercised by the Board of Directors (also known as the Trust Board). In a foundation trust, the Board of Directors is accountable to governors for the performance of the trust.

**Care Bundle** - A care bundle is a set of clinical interventions that, when used together, significantly improve patient care.

**Care Quality Commission (CQC)** – the independent regulator of health and social care in England.

**Clinical Commissioning Groups (CCGs)** – Entities which are responsible for commissioning many NHS funded services under the new Health and Social Care Act 2012, established 1 April 2013.

**Clostridium difficile (C.Difficile or CDIFF)** – a health care associated intestinal infection that mostly affects elderly patients with underlying diseases.

**Commissioning for Quality and Innovation (CQUIN)** – The CQUIN payment framework enables commissioners to reward excellent performance by linking a proportion of providers' income to the achievement of local quality improvement goals.

**Datix** -The system to report and record patient safety incidents.

**DDD** - Defined daily dose. This is a statistical measure of drug consumption, defined by the World Health Organization (WHO).

**ED** - Emergency Department (or Accident & Emergency)

**EMIS Web** - A clinical system for delivering integrated healthcare allows healthcare professionals to record, share and use vital information.

**EPR** - Abbreviation for Electronic Patient Record. A system used to access patient information electronically.

**FFT or F&FT** - Friends and Family Test. This 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. It asks people if they would recommend the services they have used and offers a range of responses.

**Foundation Trust (FT)** – NHS hospitals that are run as independent public benefit corporations and are controlled and run locally.

**Governors** - Members can become more involved by standing for election as a governor and representing their fellow members' views on the Council of Governors. Governors play an important role in the governance of the Trust. They represent the views of patients, carers and patients.

**GP** –General Practitioner

**HDU/ICU** – High dependency / intensive care unit

**MRSA** – Methicillin-Resistant Staphylococcus Aureus is the bacterium responsible for several difficult to treat infections.

**MUST** – Malnutrition Universal Screening Tool

**NHS** – National Health Service

**NHSI**- NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care

**NHSE** - NHS England leads the National Health Service (NHS) in England setting the priorities and direction of the NHS and encouraging and informing the national debate to improve health and care

**NICE** - The National Institute for Health and Care Excellence (NICE) provides national guidance and advice to improve health and social care.

**NRLS** - National Reporting and Learning System

**Primary care** – the collective term for family health services that are usually the patient’s first point of contact with the NHS; includes general medical and dental practices, community pharmacy and optometry.

**PROM** - Patient Recorded Outcome Measure

**RCA** - Root cause analysis. This is a method of problem solving used for identifying the root causes of faults or problems.

**Secondary care** – care provided in hospitals.

**SACT** - Systemic Anticancer Therapy

**SHH** - Stepping Hill Hospital

**SSNAP** - Sentinel Stroke National Audit Programme

**SMBC** – Stockport Metropolitan Borough Council

**SFT** – Stockport (NHS) Foundation Trust

**STP** - Sustainability and Transformation Plan

**SHMI** – Summary Hospital-level Mortality Indicator is a new indicator which uses standard and transparent methodology for reporting mortality at hospital level.

**Trust Board** – another name used for the Board of Directors.

**VTE** - Venous Thromboembolism





Stockport  
NHS Foundation Trust

**Stockport NHS Foundation Trust**

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**Web:** [www.stockport.nhs.uk](http://www.stockport.nhs.uk)

**Your Health. Our Priority.**

## **Independent auditor's report to the Council of Governors of Stockport NHS Foundation Trust on the quality report**

We have been engaged by the Council of Governors of Stockport NHS Foundation Trust to perform an independent assurance engagement in respect of Stockport NHS Foundation Trust's quality report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of Stockport NHS Foundation Trust as a body, in reporting Stockport NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the annual report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Stockport NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Scope and subject matter**

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- Percentage of patients with a total discharge time in A&E of 4 hours or less from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'indicators'.

### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the NHS foundation trust annual reporting manual issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the NHS foundation trust annual reporting manual and supporting guidance
- the quality report is not consistent in all material respects with the sources specified below 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 supporting guidance and the six dimensions of data quality set out in the Detailed requirements for external assurance on quality reports.

We read the quality report and consider whether it addresses the content requirements of the NHS foundation trust annual reporting manual and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with:

- board minutes for the period April 2017 to 17 May 2018
- papers relating to quality reported to the board over the period April 2017 to 17 May 2018
- feedback from commissioners, dated 17 May 2018
- feedback from governors, dated May 2018
- feedback from local Healthwatch organisations, dated 04 May 2018
- feedback from the Overview and Scrutiny Committee dated 14 May 2018
- the trust's quarterly complaints reports published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 for Q1, Q2, Q3 and Q4 of 2017/18
- the latest national patient survey, January 2018
- the latest national staff survey, dated 6 March 2018
- the report arising from the Care Quality Commission inspection on 21,22 and 28 March 2017, published 3 October 2017
- the Head of Internal Audit's annual opinion over the trust's control environment, dated March 2018

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- testing key management controls
- limited testing, on a selective basis, of the data used to calculate the indicator against supporting documentation
- comparing the content requirements of the *NHS foundation trust annual reporting manual* to the categories reported in the quality report
- 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 that can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS foundation trust annual reporting manual*.

The scope of our assurance work has not included testing of indicators other than the selected mandated indicators, or consideration of quality governance.

## Basis for qualified conclusion

The annualised 18 week referral to treatment indicator is calculated as an average based on the percentage of incomplete pathways which are incomplete at each month end, where the patient has been waiting less than the 18 week target. Our procedures included testing a sample of 25 pathways, and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

We identified the following errors:

- 1 instance where the actual stop date was one week earlier than reported due to delay in communication between consultant and waiting list management officer.
- 1 instance where there was no evidence to support recorded pathway close date, in this case being the date when the patient was referred to another Trust for treatment.
- 1 instance where start date cannot be proven as no date stamp on referral letter received from GP. Letter is dated earlier than recorded start date in PAS.
- 1 instance where the recorded start date was too late as a period of active monitoring had not been included at the beginning of the pathway.
- 3 instances where the pathway had been closed inappropriately early when the patient was still waiting for treatment.

As a result of the issues identified, we have concluded that there are errors in the calculation of the “percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period” indicator for the year ended 31 March 2018. We are unable to quantify the effect of these errors on the reported indicator.

## Qualified conclusion

Based on the results of our procedures, except for the matters set out in the basis for qualified conclusion section of our report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the quality report is not prepared in all material respects in line with the criteria set out in the *NHS foundation trust annual reporting manual*
- the quality report is not consistent in all material respects with the sources specified above and

- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS foundation trust annual reporting manual* and supporting guidance.

Deloitte LLP

Deloitte LLP  
Leeds  
24 May 2018

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF STOCKPORT NHS FOUNDATION TRUST

### Report on the audit of the financial statements

#### Opinion

---

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

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

We have audited the financial statements which comprise:

- the group and foundation trust statements of comprehensive income;
- the group and foundation trust statements of financial position;
- the group and foundation trust statements of cash flow;
- the group and foundation trust statements of changes in taxpayers' equity;
- the related notes 1 to 44.

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

#### Basis for opinion

---

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

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

#### Material uncertainty relating to going concern

---

We draw attention to note 1.1.2 in the financial statements, which indicates that the group recorded a deficit during the year ended 31 March 2018 of £21.95m and are forecasting £34.0m deficit for the 2018/19 year end. Cash during the year fell from £23.7m to £15.5m and additional working capital funding is anticipated to be required during quarter one of 2018/19.

In response to this, we:

- reviewed management's controls in place over the forecasting of their financial position and cash requirements into 2018/19, including the Board paper prepared and reviewed confirming the intention to prepare the financial statements under the going concern assumption;
- reviewed the foundation trust's 2018/19 plan including cash flow forecasts and the planned CIP for 2018/19, including the profile of these savings. We have considered assumptions driving this forecast for 2018/19 and have reviewed management's sensitivity analysis to understand the level of risk in the forecast position;
- reviewed the potential funding arrangements available to maintain the minimum cash balance proposed by the Trust and the timing of when these would be required.

As stated in note 1.1.2, these events or conditions, along with the other matters as set forth in note 1.1.2 to the financial statements, indicate that a material uncertainty exists that may cast

significant doubt on the group's and the foundation trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> <li>• NHS Revenue Recognition</li> <li>• Going Concern (see 'material uncertainty relating to going concern' section above)</li> <li>• Arrangement to secure value for money (see 'matters on which we are required to report by exception – use of resources' section)</li> </ul> <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .</p>
<b>Materiality</b>	The materiality that we used for the group financial statements was £5.71m which was determined on the basis of 2% of total income.
<b>Scoping</b>	All audit work for the Group was performed directly by the group audit engagement team and accounts for 99% of the Group's net assets and 95% of the Group's deficit for the year.
<b>Significant changes in our approach</b>	Property valuations was not been identified in 2017/18 as a key audit matter as there were not any significant changes to the MEA alternate site approach, and a desktop revaluation was performed.

### Key audit matters

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

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

In addition to the matters described in the 'material uncertainty relating to going concern' section and 'matters on which we are required to report by exception – use of resources' section, we have determined the matters described below to be the key audit matters to be communicated in our report.

<b>NHS Revenue Recognition</b> 	
<b>Key audit matter description</b> 	<p>As described in note 1.4, Income and note 1.2, Critical judgements in applying accounting policies and sources of estimation uncertainty, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> <li>• the complexity of the Payment by Results regime, in particular in determining the level of overperformance revenue to recognise;</li> <li>• the judgemental nature of provisions for disputes, including in respect of outstanding overperformance income for quarters 3 and 4; and</li> </ul> <p>Details of the Group's income, including £242.6m of income from CCGs and NHS England, are shown in note 3 to the financial statements. NHS</p>

debtors are shown in note 24.1 to the financial statements.

The Group earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position. The settlement of income with Clinical Commissioning Groups continues to present challenges, leading to disputes and delays in the agreement of year end positions.

**How the scope of our audit responded to the key audit matter**



We evaluated the design and implementation of controls over recognition of Payment by Results income.

We performed detailed substantive testing on a sample basis of the recoverability of overperformance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.

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 2018-19 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 are satisfied that the NHS revenue has been appropriately recognised.

**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.

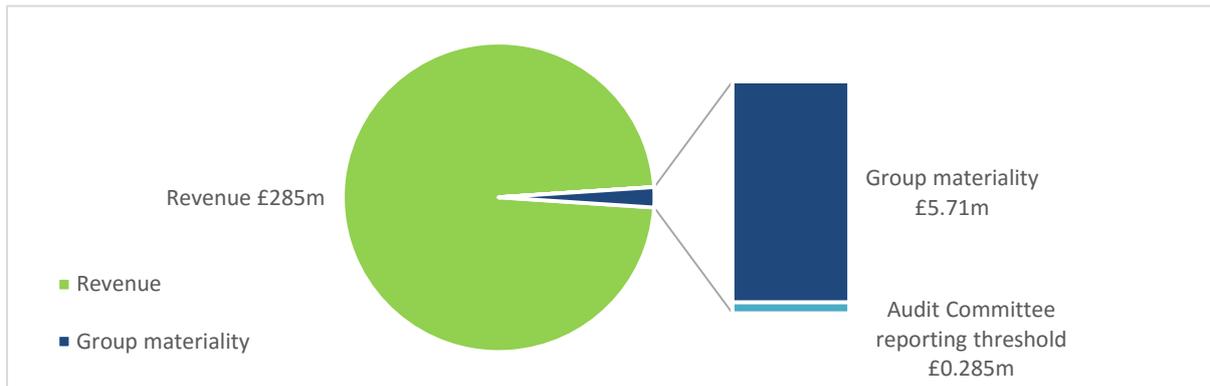
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Foundation Trust	Group
<b>Materiality</b>	£5.71m (2016/17: £6.06m)	£5.72m (2016/17: £6.07m)
<b>Basis for determining materiality</b>	2% of total income (2016/17: 2% of total income)	2% of total income (2016/17: 2% of total income)

### Rationale for the benchmark applied

Total foundation trust income was chosen as a benchmark as the foundation trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.

Total income was chosen as a benchmark as the foundation trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £285k (2016/17: £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 group audit was scoped by obtaining an understanding of the Group and its environment, including internal controls, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the foundation trust, with work performed at the foundation trust's head offices in Stockport directly by the audit engagement team, led by the audit partner.

Our audit covered the primary foundation trust entity within the Group which accounts for 99% of the Group's net assets and 95% of the deficit for the year.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement in the aggregated financial information of the remaining components that are not subject to audit or audit of specified account balances.

### Other information

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

***We have nothing to report in respect of these matters.***

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

In connection with our audit of the financial statements, our

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

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

### **Responsibilities of accounting officer**

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As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Report on other legal and regulatory requirements**

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

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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**

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#### **Use of resources**

We are required to report to you if, in our opinion the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

#### **Bases for qualified conclusion**

We consider the following matters to be relevant to the foundation trust's arrangements to secure economy, efficiency and effectiveness:

- The foundation trust was subject to enforcement action by NHSI throughout 2017/18 in relation to its breach of the A&E 4 hour maximum waiting time target. In addition,

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urgent and emergency services were rated inadequate by CQC in their latest inspection report. More detail of which can be found in the Regulatory Ratings section of the Annual Report on page 91, and the Quality Report on page 106. Urgent care continues to be an area of focus for the foundation trust.

This is evidence of weakness against the 'value for money' criteria of planning, organising and developing the workforce effectively to deliver strategic planning priorities.

- Whilst the trust exceeded its financial plan for the period, it reported a deficit of £21.95m in 2017/18. The foundation trust was subject to an undertakings review by NHSI in 2017/18 which raised concerns about the absence of a financial plan to return the organization to a break even position. In addition the trust was unable to agree a control total for 2017/18, nor has it been able to achieve the planned level of recurrent CIPs to prevent a further increase in the deficit forecast in 2018/19, more detail of which can be found in the Financial Review on page 23, the finance review. This is evidence of weakness against the 'value for money' criteria of planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

#### Qualified conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in December 2017, with the exception of the matters reported in the bases for qualified conclusion paragraph above, we are satisfied that, in all significant respects, Stockport NHS Foundation Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

#### **Annual Governance Statement and compilation of financial statements**

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

***We have nothing to report in respect of these matters.***

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

#### **Reports in the public interest or to the regulator**

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

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

***We have nothing to report in respect of these matters.***

## Certificate

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

## Use of our report

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This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Stockport NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Thomson ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds

24 May 2018

Stockport NHS Foundation Trust

Annual accounts for the year ended 31 March 2018

## Foreword to the accounts

### Stockport NHS Foundation Trust

These accounts, for the year ended 31 March 2018, have been prepared by Stockport NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

**Signed**

A handwritten signature in black ink, appearing to read 'H Thomson', is written over a horizontal line.

**Name** Mrs H Thomson  
**Job title** Interim Chief Executive  
**Date** 24th May 2018

## Statement of Comprehensive Income

	Note	Group		Trust	
		2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Operating income from patient care activities	3.2	250,843	256,521	250,843	256,521
Other operating income	4	35,250	46,582	34,639	46,802
Operating expenses	6, 8	(304,095)	(305,705)	(303,765)	(305,386)
<b>Operating (deficit) from continuing operations</b>		<b>(18,002)</b>	<b>(2,603)</b>	<b>(18,283)</b>	<b>(2,063)</b>
Finance income	11	108	116	64	66
Finance expenses	12	(872)	(939)	(872)	(939)
PDC dividends payable		(2,841)	(3,318)	(2,841)	(3,318)
<b>Net finance costs</b>		<b>(3,605)</b>	<b>(4,141)</b>	<b>(3,649)</b>	<b>(4,191)</b>
Other gains / (losses)	13	1	106	(21)	(76)
Corporation tax expense	14	(32)	-	-	-
<b>Deficit for the year from continuing operations</b>		<b>(21,638)</b>	<b>(6,638)</b>	<b>(21,953)</b>	<b>(6,330)</b>
<b>Other comprehensive income</b>					
<b>Will not be reclassified to income and expenditure:</b>					
Impairments	7	(3,321)	(16,859)	(3,321)	(16,859)
Revaluations	19	6,034	1,439	6,034	1,439
<b>Total comprehensive loss for the period</b>		<b>(18,925)</b>	<b>(22,058)</b>	<b>(19,240)</b>	<b>(21,750)</b>
<b>Deficit for the period attributable to:</b>					
Stockport NHS Foundation Trust		(21,638)	(6,638)	(21,953)	(6,330)
<b>TOTAL</b>		<b>(21,638)</b>	<b>(6,638)</b>	<b>(21,953)</b>	<b>(6,330)</b>
<b>Total comprehensive loss for the period attributable to:</b>					
Stockport NHS Foundation Trust		(18,925)	(22,058)	(19,240)	(21,750)
<b>TOTAL</b>		<b>(18,925)</b>	<b>(22,058)</b>	<b>(19,240)</b>	<b>(21,750)</b>

The Group Accounts include the consolidated financial results of Stockport NHS Foundation Trust, its associated Charity, Stockport NHS Foundation Trust General Fund (Charity Commission Number 1048661) and Stepping Hill Healthcare Enterprises Limited (trading as the Pharmacy Shop).

The Group Accounts reflect the outturn of the Trust of £22 million deficit in 2017/2018 (£6.3 million deficit in 2016/2017) and subsidiaries' profit of £59k for Stepping Hill Healthcare Enterprises Limited (£128k profit in 2016/2017). The Trust Charity has net movement in funds of £256k incoming in 2017/2018 compared to net movement in funds of £436k outgoing resources in 2016/2017. The Trust's consolidated subsidiaries results are further explained at notes 40 to 42.

Included in the Trust deficit of £22 million are net adjustments for an impairment reversal of £4.2 million following the revaluation of the Trust's land and buildings. The revaluation has also had an effect on the Trust revaluation reserve of £2.7 million increase as disclosed above in the Total Comprehensive Expense for the period at the 31st March 2018. The impairment and revaluation charges and credits to the financial statements are explained further at notes 7 and 18.

**Statement of Financial Position**

	Note	Group		Trust	
		31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
<b>Non-current assets</b>					
Intangible assets	16	3,161	3,374	3,161	3,374
Property, plant and equipment	17	144,456	139,450	144,456	139,450
Other investments / financial assets	21	1,235	1,213	-	-
Trade and other receivables	24	652	782	652	782
<b>Total non-current assets</b>		<b>149,504</b>	<b>144,820</b>	<b>148,269</b>	<b>143,606</b>
<b>Current assets</b>					
Inventories	23	1,574	1,574	1,391	1,369
Trade and other receivables	24	7,811	16,545	9,133	17,518
Non-current assets for sale and assets in disposal	25	315	315	315	315
Cash and cash equivalents	26	17,098	24,677	15,523	23,726
<b>Total current assets</b>		<b>26,798</b>	<b>43,111</b>	<b>26,362</b>	<b>42,928</b>
<b>Current liabilities</b>					
Trade and other payables	27	(33,356)	(26,283)	(33,605)	(26,490)
Borrowings	29	(1,664)	(1,647)	(1,664)	(1,647)
Provisions	31	(6,055)	(5,072)	(6,055)	(5,072)
Other liabilities	28	(926)	(960)	(926)	(960)
<b>Total current liabilities</b>		<b>(42,001)</b>	<b>(33,962)</b>	<b>(42,250)</b>	<b>(34,169)</b>
<b>Total assets less current liabilities</b>		<b>134,301</b>	<b>153,969</b>	<b>132,381</b>	<b>152,365</b>
<b>Non-current liabilities</b>					
Borrowings	29	(23,637)	(25,190)	(23,637)	(25,190)
Provisions	31	(2,153)	(2,259)	(2,153)	(2,259)
Other liabilities	28	(333)	(416)	(333)	(416)
<b>Total non-current liabilities</b>		<b>(26,123)</b>	<b>(27,865)</b>	<b>(26,123)</b>	<b>(27,865)</b>
<b>Total assets employed</b>		<b>108,179</b>	<b>126,104</b>	<b>106,258</b>	<b>124,500</b>
<b>Financed by</b>					
Public dividend capital		84,390	83,390	84,390	83,390
Revaluation reserve	19	43,778	41,065	43,778	41,065
Income and expenditure reserve		(21,951)	(57)	(21,909)	45
Charitable fund reserves	20	1,962	1,706	-	-
<b>Total taxpayers' equity</b>		<b>108,179</b>	<b>126,104</b>	<b>106,258</b>	<b>124,500</b>

The notes on pages 6 to 49 form part of these accounts.

Name  
Position  
Date



**Mrs H Thomson**  
**Interim Chief Executive**  
**24th May 2018**

**Statement of Changes in Equity for the year ended 31 March 2018**

Group	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2017 - brought forward</b>		<b>83,390</b>	<b>41,065</b>	<b>(57)</b>	<b>1,706</b>	<b>126,104</b>
(Deficit)/Surplus for the year		-	-	(21,980)	342	(21,638)
Impairments	7	-	(3,321)	-	-	(3,321)
Revaluations	19	-	6,034	-	-	6,034
Public dividend capital received		1,000	-	-	-	1,000
Other reserve movements		-	-	86	(86)	-
<b>Taxpayers' and others' equity at 31 March 2018</b>		<b>84,390</b>	<b>43,778</b>	<b>(21,951)</b>	<b>1,962</b>	<b>108,179</b>

**Statement of Changes in Equity for the year ended 31 March 2017**

Group	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2016 - brought forward</b>		<b>83,390</b>	<b>56,485</b>	<b>6,145</b>	<b>2,142</b>	<b>148,162</b>
(Deficit)/Surplus for the year		-	-	(7,242)	604	(6,638)
Impairments	7	-	(16,859)	-	-	(16,859)
Revaluations	19	-	1,439	-	-	1,439
Other reserve movements		-	-	1,040	(1,040)	-
<b>Taxpayers' and others' equity at 31 March 2017</b>		<b>83,390</b>	<b>41,065</b>	<b>(57)</b>	<b>1,706</b>	<b>126,104</b>

**Information on reserves****Charitable Fund Reserves**

This balance represents the ring-fenced funds held by the NHS charitable fund consolidated within these Accounts. These reserves are classified as restricted or unrestricted. A breakdown is provided at note 22.

**Public Dividend Capital**

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

**Revaluation Reserve**

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

**Income and Expenditure Reserve - Trust**

The balance of this reserve is the accumulated surpluses and deficits of Stockport NHS Foundation Trust.

**Income and Expenditure Reserve - Group**

The balance of this reserve is the accumulated surpluses and deficits of Stockport NHS Foundation Trust and its subsidiary, Stepping Hill Healthcare Enterprise Ltd, which are consolidated into these Accounts with the Trust.

**Statement of Changes in Equity for the year ended 31 March 2018**

Trust	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2017 - brought forward</b>		<b>83,390</b>	<b>41,065</b>	<b>45</b>	<b>124,500</b>
(Deficit)/Surplus for the year		-	-	(21,953)	(21,953)
Other transfers between reserves		-	-	-	-
Impairments	7	-	(3,321)	-	(3,321)
Revaluations	19	-	6,034	-	6,034
Public dividend capital received		1,000	-	-	1,000
<b>Taxpayers' and others' equity at 31 March 2018</b>		<b>84,390</b>	<b>43,778</b>	<b>(21,909)</b>	<b>106,258</b>

**Statement of Changes in Equity for the year ended 31 March 2017**

Trust	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2016 - brought forward</b>		<b>83,390</b>	<b>56,485</b>	<b>6,375</b>	<b>146,250</b>
(Deficit)/Surplus for the year		-	-	(6,330)	(6,330)
Impairments	7	-	(16,859)	-	(16,859)
Revaluations	19	-	1,439	-	1,439
<b>Taxpayers' and others' equity at 31 March 2017</b>		<b>83,390</b>	<b>41,065</b>	<b>45</b>	<b>124,500</b>

## Statement of Cash Flows

	Note	Group		Trust	
		2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
<b>Cash flows from operating activities</b>					
Operating surplus / (deficit)		(18,002)	(2,603)	(18,283)	(2,063)
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	6.1	8,655	7,996	8,655	7,996
Net (reversal of impairments)/impairments	7	(4,107)	4,152	(4,107)	4,152
Decrease/(Increase) in receivables and other assets		8,009	(4,631)	7,696	(4,119)
(Increase)/decrease in inventories		-	388	(19)	381
Increase/(decrease) in payables and other liabilities		5,879	(1,196)	5,945	(1,159)
Increase/(decrease) in provisions		872	2,082	872	2,081
Movements in charitable fund working capital		41	-	-	-
Tax (paid)/received		(8)	-	-	-
<b>Net cash flows from / (used in) operating activities</b>		<b>1,339</b>	<b>6,187</b>	<b>759</b>	<b>7,269</b>
<b>Cash flows from investing activities</b>					
Interest received		59	69	59	69
Purchase of intangible assets		(448)	(498)	(448)	(498)
Purchase of PPE and investment property		(5,042)	(9,879)	(5,042)	(9,879)
Sales of PPE and investment property		21	13	21	14
Net cash flows from charitable fund investing activities		44	308	-	-
<b>Net cash flows from / (used in) investing activities</b>		<b>(5,366)</b>	<b>(9,987)</b>	<b>(5,410)</b>	<b>(10,294)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		1,000	-	1,000	-
Movement on loans from DHSC*		(1,551)	1,509	(1,551)	1,509
Capital element of finance lease rental payments		(70)	(1,149)	(70)	(1,149)
Capital element of PFI, LIFT and other service concession payments		(28)	(27)	(28)	(27)
Interest paid on PFI, LIFT and other service concession obligations		(12)	(13)	(12)	(13)
Other interest paid		(869)	(872)	(869)	(872)
PDC dividend (paid) / refunded		(2,022)	(4,095)	(2,022)	(4,095)
<b>Net cash flows from / (used in) financing activities</b>		<b>(3,552)</b>	<b>(4,647)</b>	<b>(3,552)</b>	<b>(4,647)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7,579)</b>	<b>(8,447)</b>	<b>(8,203)</b>	<b>(7,672)</b>
<b>Cash and cash equivalents at 1 April - b/f</b>		<b>24,677</b>	<b>33,124</b>	<b>23,726</b>	<b>31,398</b>
<b>Cash and cash equivalents at 31 March</b>	24	<b>17,098</b>	<b>24,677</b>	<b>15,523</b>	<b>23,726</b>

\* Department for Health and Social Care

## Notes to the Accounts

### Note 1 Accounting policies and other information

#### Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Following the release of the 2018/2019 DHSC GAM in May 2018, the Trust is assessing the likely impact of IFRS 9 and IFRS15 (and the adaptations included in the GAM). Areas the Trust is reviewing include non contract activity, research income and the approach for provisioning for non NHS debtors. The Trust is also considering the potential impact of IFRS 15 in contract negotiations of the planned Integrated Care System.

##### Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

##### Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis.

IAS 1 requires the Board of Directors to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. As a non-trading entity in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity.

There is material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern and this is addressed further in the Annual Report. The Directors consider the future provision of service evidenced by the signed contracts and agreements with commissioning bodies and ongoing dialogue with the Independent Trust Financing Facility for revenue support is sufficient evidence that the Trust will continue as a going concern for the foreseeable future.

#### Note 1.2 Critical judgements in applying accounting policies and 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 that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Underlying assumptions and estimates are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key Judgements and Sources of Estimation Uncertainty

The most significant areas where judgements and estimates are made are capital expenditure, provisions, accruals, revaluations and revenue. Specifically estimates and judgements are made in the following areas:

- The Provision for Restructurings and Redundancy includes estimated costs associated with the workforce elements of the Trust's future plans. This includes the provision for the restructuring of services associated with Stockport Together and specific roles that have been identified as at risk of redundancy.

- The timing of year end processes precludes determining the final figure for non-contracted activity in February and March of the financial year. The year end figures are based on estimates which may be different to the final year end outturn for the year. Stockport NHS Foundation Trust includes a general non-provider specific 'provision' for non-contracted activity.

- Other provisions include estimates of legal provisions including pay banding appeals and contractual disputes.

- The Trust uses the District Valuer service to provide revalued amounts for its land, buildings and dwellings. These valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. In 2017/2018 the Trust has undertaken a review exercise of its alternative site valuation of land and buildings. This is not a change in accounting estimate or accounting policy but a judgement exercise on the proposed alternative site and build. This is made in conjunction with the Estates department and with a professional valuation by the District Valuer service.

### **Note 1.3 Consolidation**

Stockport NHS Foundation Trust is the Corporate Trustee to Stockport NHS Foundation Trust General Fund, registered in England with the Charity Commission: Registration Number 1048661. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- Recognise and measure them in accordance with the foundation trust's accounting policies and
- Eliminate intra-group transactions, balances, gains and losses.

### **Other subsidiaries**

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year except where a subsidiary's financial year end is before 1 January or after 1 July in which case the actual amounts for each month of the trust's financial year are obtained from the subsidiary and consolidated.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

### **Stepping Hill Healthcare Enterprises Limited**

Stepping Hill Healthcare Enterprises Limited is a limited company, incorporated on the 16th September 2014. Its principal activities are to dispense drugs to the outpatients of Stockport NHS Foundation Trust. The Company is wholly owned by Stockport NHS Foundation Trust.

The company's latest accounting period to the 31st March 2017 have been prepared, audited and submitted to Companies House on the 21st December 2017.

### **Note 1.4 Income**

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services.

The Trust is entitled to recognise income for partially completed spells of activity at the 31st March 2018. As the individual National Tariff price and procedure code is not known for partially completed spells the Trust has based its calculation of such income based on the average length of stay and the cumulative activity. In 2017/18 partially completed spell activity is not material for inclusion in the financial results of the Trust. The principle to not include partially completed spells activity is agreed with the Trust's lead Commissioner, Stockport CCG as part of the income and expenditure agreement of balances exercise. These principles are reviewed on an annual basis.

## **Non-Contract Activity**

The timing of year end processes precludes determining the final figure for non-contracted activity in February and March and full and final settlement figure for Stockport CCG. The year end figures are based on estimates which may be different to the final year end outturn for the year. Stockport NHS Foundation Trust includes a general non-provider specific 'provision' for non-contracted activity.

Where income is received for a specific activity which is to be delivered in future financial years, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's 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 compensations claims and bad debts.

Income from the sales of goods and services is recognised after deduction of any price reductions, quantity discounts or cash discounts. Sales are recognised in the income statement in the year in which the risks and rewards of ownership related to the goods have passed to the customer or in which the service is rendered, and the amounts can be reliably measured and are expected to be recovered.

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.

## **Revenue grants and other contributions to expenditure**

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

## **Note 1.5 Expenditure on employee benefits**

### **Short-term employee benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

### **NHS Pension Scheme**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of these Schemes can be found on the NHS Pensions website [www.nhsba.nhs.uk/pensions](http://www.nhsba.nhs.uk/pensions). Both are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of the Secretary for State in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities; therefore, each scheme is accounted for as a defined contribution scheme. The cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Employer's pension contributions are charged to operating expenses as and when they become due.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

### **a) Accounting valuation**

A valuation of the scheme liability is carried out annually by the scheme actuary (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 the scheme liability as at the 31 March 2018, is based on valuation data as at the 31 March 2017, updated to the 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

### **b) Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates 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 contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out on the records as at the 31st March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required provisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

### **Note 1.6 Expenditure on other goods and services**

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

### **Note 1.7 Property, plant and equipment**

#### **Note 1.7.1 Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
- forms part of the initial equipping and setting up cost of a new building or refurbishment of unit 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, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

### **Note 1.7.2 Measurement**

#### Valuation

All property, plant and equipment are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation. The carrying values of property, plant and equipment are reviewed for impairment annually if events or changes in circumstances indicate the carrying value may not be recoverable. Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. All land and buildings are restated to current value using professional valuations in accordance with IAS 16 every five years. A three yearly interim valuation is also carried out. Valuations are determined as follows:

- Land and Buildings - market value for existing use
- Specialised buildings - depreciated replacement cost

An item of property, plant and equipment which is surplus with no plan to bring it back into use is measured at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

The depreciated replacement cost of specialised buildings has been valued on a modern equivalent asset basis. Valuations are carried out by the District Valuer, who is external to the Trust, and in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The last land and building asset valuation, using the modern equivalent asset methodology, was undertaken as at the 31st March 2018 as part of the Trust's year end and to comply with HM Treasury requirements. In 2017/2018 the Trust has had an alternate site valuation of its land and buildings at the 31st March 2017 by the District Valuer; having agreed the material change in valuation should be reflected in the 2017/2018 financial statements.

Assets in the course of construction for service or administration purposes are valued 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 valued by professional valuers on the next occasion when all assets of that class are revalued unless there is an indication that initial cost is less than fair value.

Fixtures and equipment are valued at depreciated historical cost as this is not considered to be materially different from fair value. Equipment surplus to requirements is valued at net recoverable amount.

#### **Subsequent expenditure**

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise, and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

#### **Depreciation**

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

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 and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Plant and Equipment are depreciated evenly over the estimated life of the asset, as follows:

Medical equipment, engineering plant and equipment : 5 to 10 years

Transport equipment: 7 years

Office and Information technology equipment: 5 years

Furniture & fittings: 10 years

Soft Furnishings: 7 years

Set up costs in new buildings: 10 years

### **Revaluation gains and losses**

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

### **Impairments**

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income.'

### **Note 1.7.3 De-recognition**

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
  - management are committed to a plan to sell the asset
  - an active programme has begun to find a buyer and complete the sale
  - the asset is being actively marketed at a reasonable price
  - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

**Note 1.7.4 Donated and grant funded assets**

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

**Note 1.7.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions**

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

**Note 1.7.6 Useful Economic lives of Property, Plant and Equipment**

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	<b>Min life</b>	<b>Max life</b>
	<b>Years</b>	<b>Years</b>
Buildings, excluding dwellings	24	29
Dwellings	30	40
Plant & machinery	5	10
Transport equipment	7	7
Information technology	5	8
Furniture & fittings	7	10

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

**Note 1.8 Intangible assets****Note 1.8.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

**Internally generated intangible assets**

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

**Software**

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

**Note 1.8.2 Measurement**

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible 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 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or “fair value less costs to sell”.

**Amortisation**

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

**Note 1.8.3 Useful economic life of intangible assets**

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	<b>Min life Years</b>	<b>Max life Years</b>
<b>Intangible assets - purchased</b>		
Software licences	4	10

**Note 1.9 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

**Note 1.10 Investment properties**

The Trust holds no investment properties at the 31st March 2018.

### **Note 1.11 Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values. Interest earned on bank accounts is recorded as interest receivable in the periods to which it relates. Bank charges are recorded as operating expenditure in the periods to which they relate.

In 2017/2018 Stockport NHS Foundation Trust has repaid £2.4 million in principle and interests on its' capital loans and £2 million in PDC Dividend to the Department of Health and Social Care. It has received £1 million in PDC financing for the Primary Care Streaming capital project.

### **Note 1.12 Carbon Reduction Commitment scheme (CRC)**

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO<sub>2</sub> it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO<sub>2</sub> emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO<sub>2</sub> emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

### **Note 1.13 Financial instruments and financial liabilities**

#### **Recognition**

Financial assets and financial 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's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Regular way purchases or sales are recognised and de-recognised, as applicable, using the trade date.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

#### **De-recognition**

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

#### **Classification and measurement**

Financial assets are all categorised as loans and receivables.

Financial liabilities are all classified as other financial liabilities.

#### **Financial assets and financial liabilities at "fair value through income and expenditure"**

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term.

### **Financial assets and financial liabilities at “fair value through income and expenditure continued”**

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and “other receivables”.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly 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.

#### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of “other comprehensive income”. When items classified as “available-for-sale” are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in “finance costs” in the Statement of Comprehensive Income.

#### **Other financial liabilities**

All other 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 that discounts exactly 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.

The Trust's financial liabilities include trade creditors, accruals and other creditors. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term 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.

#### **Determination of fair value**

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.

#### **Impairment of financial assets**

At the Statement of Financial Position date, the Trust assesses 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 if, and 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 an impact on the estimated future cash flows of the asset.

## **Impairment of financial assets continued**

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, in the case of trade receivables, the carrying amount of the asset is reduced directly through the use of a provision for irrecoverable debts.

The carrying value of financial assets is recognised directly where it is acknowledged that all available avenues to recover the asset's full value have been exhausted. A provision for impairment of receivables is utilised where the likelihood of full recovery is probable but not yet fully approved to write down directly.

### **Note 1.14 Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

#### **Note 1.14.1 The Trust as lessee**

##### **Finance leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both 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 asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

##### **Operating leases**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

##### **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.

### **Note 1.15 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury. Post employment benefits provisions, such as injury benefits provisions, use HM Treasury's pension discount rate of 0.10% (0.24% in 2016/2017) in real terms.

##### **Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 31.2 but is not recognised in the Trust's accounts.

##### **Non-clinical risk pooling**

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

### **Note 1.16 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 32 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 32, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

### **Note 1.17 Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

### **Note 1.18 Value added tax**

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### **Note 1.19 Corporation tax**

Health Service bodies, including Foundation Trusts, are exempt from taxation on their principal healthcare income under section 519A ICTA 1988. The Government introduced legislation in section 148 of the Finance Act 2004 to ensure that significant commercial non-core healthcare activities of NHS Foundation Trusts are taxable. Accordingly, the Trust is potentially within the scope of Corporation Tax in respect of its activities which are not related to, or are ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum.

The Trust incurs corporation tax through its wholly owned subsidiary 'Stepping Hill Healthcare Enterprises Limited as detailed at note 14.

### **Note 1.20 Foreign exchange**

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

#### **Note 1.20 Foreign exchange continued**

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at “fair value through income and expenditure”) are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

#### **Note 1.21 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

#### **Note 1.22 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

#### **Note 1.23 Gifts**

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

#### **Note 1.24 Transfers of functions to / from other NHS bodies / local government bodies**

For functions that have been transferred to the Trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

For property plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

#### **Note 1.25 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

#### **Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted**

As required by IAS 8, the Trust can disclose that the following standards, amendments and interpretations have been issued but are not yet been adopted for the public sector and are therefore not applicable to DHSC Group Accounts in 2017/2018.

- IFRS 9 *Financial Instruments* – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted;
- IFRS 15 *Revenue for Contracts with Customers* - Application required for accounting periods beginning on or after 1 January 2017, but not yet adopted by the FReM: early adoption is not therefore permitted and
- 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.

#### **Note 1.27 Relevant International Financial Reporting Standards**

Listed below are the extant International Accounting Standards adopted in the preparation of these accounts in so far as they are applicable to the Foundation Trust:

##### **International Financial Reporting Standards (IFRS)**

- IFRS 3 Revised Business Combinations
- IFRS 5 Non Current Assets held for sale and discontinued operations
- IFRS 7 Financial Instruments Disclosures
- IFRS 8 Operating Segments
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair value measurement
- Annual Improvements to IFRS 2009-13

##### **International Accounting Standards**

- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting policies, changes in accounting estimates and errors
- IAS 10 Events after the reporting period
- IAS 12 Income taxes
- IAS 16 Property, plant and equipment
- IAS 17 Leases
- IAS 18 Revenue
- IAS 19 Employee benefits
- IAS 20 Accounting for Government grants and disclosure of Government assistance
- IAS 21 The effects of changes in foreign exchange rates
- IAS 23 Borrowing costs
- IAS 24 Related party disclosures
- IAS 27 Separate financial statements
- IAS 28 Investments in Associates and Joint Ventures (Revised 2011)
- IAS 32 Financial instruments: Presentation
- IAS 36 Impairment of assets
- IAS 37 Provisions, contingent liabilities and contingent assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and measurements
- IAS 40 Investment Property

##### **IFRIC Interpretations**

- IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IFRIC 4 Determining whether an arrangement contains a lease
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 12 Service concession arrangements
- IFRIC 14 IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction.
- IRIC 21 Levies

##### **SIC Interpretations**

- SIC 15 Operating Leases – Incentives
- SIC 27 Evaluating the Substance of Transactions Involving the Form of a Lease
- SIC 29 Disclosure – Service Concession Arrangements
- SIC 31 Revenue – Barter Transactions Involving Advertising Services
- SIC 32 Intangible Assets – Web Site Costs

**Note 2 Operating Segments**

In line with IFRS 8 on Operating Segments, the Board of Directors, as Chief Operating Decision Maker (CODM), have assessed that the Trust continues to report its Annual Accounts on the basis that it operates as a single entity in the healthcare segment only. The accompanying financial statements have consequently been prepared under one single operating segment.

All of the Foundation Trust's activities are in the provision of healthcare, which is an aggregate of all the individual specialty components included therein, and the very large majority of the healthcare services provided occur at the one geographical main site. Similarly, the large majority of the Foundation Trust's revenue originates with the UK Government; namely through contracts with NHS Commissioners. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust together with the related supplies and overheads needed to establish this production. The business activities which earn revenue and incur expenses are therefore of one broad combined nature and therefore on this basis one segment of 'Healthcare' is deemed appropriate. In applying the aggregation criteria the CODM also recognises that the Trust's business groups operate under one common regulatory framework.

In consolidating the charitable funds the Trust has considered the level of its charitable funds and has considered them immaterial to report as a separate operating segment as the charitable funds revenue are not 10% or more of the combined assets of all operating segments.

In consolidating the financial results of the Stepping Hill Healthcare Enterprises Limited Company, the Trust considers that the provision of an outpatient dispensing service to patients still falls under the healthcare operating segment. In addition its revenue streams are also not 10% or more than all the combined assets of all operating segments.

The Trust's view on segmental reporting remains unchanged from its financial statements in 2016/2017. The Board, as Chief Operating Decision Maker, does not receive separate information routinely to evaluate how to allocate resources and assess performance as described within IFRS 8 Operating Segments for any of its internal business groups and continues with its integrated business group structures with services aligned across all the business groups.

**Note 3 Operating income**

**Note 3.1 Income from activities arising from commissioner requested services**

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	<b>Foundation Trust and Group</b>	
	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
Income from services designated (or grandfathered) as commissioner requested services	249,891	255,004
Income from services not designated as commissioner requested services	952	1,517
<b>Total</b>	<b><u>250,843</u></b>	<b><u>256,521</u></b>

**Note 3.2 Operating income from patient care activities (Group)**

	<b>Foundation Trust and Group</b>	
<b>Note 3.3 Income from patient care activities (by nature)</b>	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
<b>Acute services</b>		
Elective income	39,509	42,611
Non-elective income	79,870	75,475
First outpatient income	16,159	16,077
Follow up outpatient income	15,313	18,067
A & E income	13,530	12,162
High cost drugs income from commissioners (excluding pass-through costs)	9,535	9,078
Other NHS clinical income	46,357	50,976
<b>Community services</b>		
Community services income from CCGs and NHS England	22,928	22,612
Income from other sources (e.g. local authorities)	6,690	7,946
<b>All services</b>		
Private patient income	233	242
Other clinical income	719	1,275
<b>Total income from activities</b>	<b><u>250,843</u></b>	<b><u>256,521</u></b>

**Note 3.4 Income from patient care activities (by source)**

	<b>Foundation Trust and Group</b>	
<b>Note 3.4 Income from patient care activities (by source)</b>	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
<b>Income from patient care activities received from:</b>		
NHS England	13,617	12,283
Clinical commissioning groups	228,952	234,104
Department of Health and Social Care	17	-
Other NHS providers	514	516
NHS other	101	85
Local authorities	6,690	8,016
Non-NHS: private patients	243	242
Non-NHS: overseas patients (chargeable to patient)	23	45
NHS injury scheme	686	1,230
<b>Total income from activities</b>	<b><u>250,843</u></b>	<b><u>256,521</u></b>
<b>Of which:</b>		
Related to continuing operations	250,843	256,521

**Note 3.5 Overseas visitors (relating to patients charged directly by the provider)**

	<b>Foundation Trust and Group</b>	
	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
Income recognised this year	23	45
Cash payments received in-year	13	39
Amounts added to provision for impairment of receivables	10	11
Amounts written off in-year	-	131

**Note 4 Other operating income (Group)**

	Group	
	2017/18	2016/17
	£000	£000
Research and development	511	545
Education and training	8,141	7,978
Stockport Pharmaceuticals and Quality Control	5,430	5,278
Local Authorities	3,614	4,249
NHS Bodies	9,001	9,172
Non-NHS Bodies	2,109	2,082
Rents and car parking income	2,130	1,820
Catering sales	13	11
Stockport Healthcare Enterprises Ltd income	3,425	3,312
Sustainability and Transformation fund income	390	11,402
Charitable fund incoming resources	276	387
Other income	210	346
<b>Total other operating income</b>	<b>35,250</b>	<b>46,582</b>

**Of which:**

Related to continuing operations	35,250	46,582
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For Group Accounts elimination, adjustments have been made to remove Trust income received from its Pharmacy Shop subsidiary for purchases of drugs and services charged by the Trust for use of its facilities. The consolidated numbers include income earned by the Pharmacy Shop on its outpatient dispensing service, prescription charges and retail income from the Pharmacy Shop itself.

In 2017/2018 the Trust received £390,000 Sustainability and Transformation Fund Income as a post audit adjustment to the 2016/2017 STF allocation. This has been included in income in 2017/2018. The Trust received no STF monies in 2017/2018.

**Note 4.1 Other operating income (Trust)**

	Trust	
	2017/18	2016/17
	£000	£000
Research and development	511	545
Education and training	8,141	7,978
Stockport Pharmaceuticals and Quality Control	5,430	5,278
Pharmacy Sales	3,660	3,268
Local Authorities	3,110	4,249
Charitable and other contributions to expenditure	86	1,043
Sustainability and transformation fund income	390	11,402
NHS and WGA Bodies	9,001	9,172
Non-NHS Bodies	2,093	1,948
Rents and car parking income	2,130	1,820
Catering sales	13	11
Clinical Excellence awards	74	88
<b>Total other operating income</b>	<b>34,639</b>	<b>46,802</b>

**Of which:**

Related to continuing operations	34,639	46,802
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Note 5 Fees and charges (Group)	Foundation Trust and Group	
	2017/18	2016/17
	£000	£000
Income	5,386	5,331
Full cost	(4,787)	(4,640)
<b>Surplus / (deficit)</b>	<b>599</b>	<b>691</b>

The above note identifies the costs associated with significant trading and income generating activities. This notes discloses the income and costs associated with the trading activities of Stockport Pharmaceuticals and Quality Control. Income includes amounts assigned to education and training and other categories within note 4.

Note 6 Operating expenses (Group)	Group	
	2017/18	2016/17
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,901	3,987
Purchase of healthcare from non-NHS and non-DHSC bodies	2,143	3,851
Staff and executive directors costs	212,468	204,917
Remuneration of non-executive directors	158	146
Supplies and services - clinical (excluding drugs costs)	21,607	22,527
Supplies and services - general	2,824	3,058
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	19,452	19,094
Inventories written down	50	-
Consultancy costs	1,231	3,584
Establishment	2,004	1,711
Premises	13,137	9,619
Transport (including patient travel)	1,095	1,142
Depreciation on property, plant and equipment	7,994	7,498
Amortisation on intangible assets	661	498
Net (reversal of impairments)/impairments	(4,107)	4,152
Increase in provision for impairment of receivables	292	470
Increase in other provisions	1,488	2,387
Change in provisions discount rate(s)	31	241
Audit fees payable to the external auditor		
audit services- statutory audit	48	48
other auditor remuneration (external auditor only)	16	17
Internal audit costs	96	102
Clinical negligence	9,418	8,562
Legal fees	465	162
Insurance	242	308
Research and development	468	358
Education and training	741	640
Rentals under operating leases	2,382	2,518
Redundancy	-	1,663
Charges to operating expenditure for off-SoFP IFRIC 12 schemes	1,177	1,143
Hospitality	181	201
Other services, e.g. external payroll	42	106
Other NHS charitable fund resources expended	-	15
Other	2,390	980
<b>Total</b>	<b>304,095</b>	<b>305,705</b>
<b>Of which:</b>		
Related to continuing operations	304,095	305,705

Note 6.1 Operating expenses (Trust)	Trust	
	2017/18 £000	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	3,901	3,987
Purchase of healthcare from non-NHS and non-DHSC bodies	2,143	3,851
Staff and executive directors costs	212,468	204,917
Remuneration of non-executive directors	158	146
Supplies and services - clinical (excluding drugs costs)	21,607	22,527
Supplies and services - general	2,824	3,058
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	19,452	19,039
Inventories written down	50	-
Consultancy costs	1,231	3,584
Establishment	2,004	1,711
Premises	13,137	9,619
Transport (including patient travel)	1,095	1,142
Depreciation on property, plant and equipment	7,994	7,498
Amortisation on intangible assets	661	498
Net (reversal of impairments)/impairments	(4,107)	4,152
Increase in provision for impairment of receivables	292	470
Increase in other provisions	1,488	2,387
Change in provisions discount rate(s)	31	241
Audit fees payable to the external auditor		
audit services- statutory audit	48	48
other auditor remuneration (external auditor only)	16	17
Internal audit costs	96	102
Clinical negligence	9,418	8,562
Legal fees	465	162
Insurance	242	308
Research and development	468	358
Education and training	741	640
Rentals under operating leases	2,382	2,518
Redundancy	-	1,663
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	1,177	1,143
Car parking & security	181	201
Losses, ex gratia & special payments	42	106
Other	2,060	731
<b>Total</b>	<b>303,765</b>	<b>305,386</b>
<b>Of which:</b>		
Related to continuing operations	303,765	305,386

**Note 6.2 Other auditor remuneration (Group)**

	Group	
	2017/18	2016/17
	£000	£000
<b>Other auditor remuneration paid to the external auditor:</b>		
1. Audit of accounts of any associate of the Trust	4	5
2. Audit-related assurance services	12	12
<b>Total</b>	<b>16</b>	<b>17</b>

**Note 6.3 Limitation on auditor's liability (Group)**

There is no limitation on auditor's liability for external audit work carried out for the financial years 2017/18 or 2016/17.

**Note 7 Impairment of assets (Group)**

	Foundation Trust and Group	
	2017/18	2016/17
	£000	£000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Changes in market price	(4,107)	4,152
<b>Total net impairments (credited)/charged to operating surplus / deficit</b>	<b>(4,107)</b>	<b>4,152</b>
Impairments charged to the revaluation reserve	3,321	16,859
<b>Total net (reversal of impairments)/impairments</b>	<b>(786)</b>	<b>21,011</b>

In 2017/2018 the Trust has undertaken a revaluation exercise of its land, buildings and dwellings on an alternate site basis. The table above highlights the impairment charge to the revaluation reserve of £3.3 million (£16.9 million in 2016/2017) from the valuation where an existing revaluation reserve balance exists to charge the impairment. It has also resulted in a net £4.1 million reversal of impairment (£5.3 million impairment in 2016/2017) to the Statement of Comprehensive Income (SoCi). Reversals of impairments reflect the increase in value of property where previous charges have been made to income and expenditure.

**Note 8 Employee benefits (Group)**

	Group	
	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	158,243	152,803
Social security costs	13,512	13,216
Apprenticeship levy	791	-
Employer's contributions to NHS pensions	18,144	17,646
Pension cost - other	23	32
Temporary staff (including agency)	22,465	23,627
<b>Total staff costs</b>	<b>213,178</b>	<b>207,324</b>

**Of which**

Costs capitalised as part of assets	259	400
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Staff costs for the Group include staff employed by the Trust subsidiary, Stepping Hill Healthcare Enterprises Limited.

**Note 8.1 Employee benefits (Trust)**

	Trust	
	2017/18	2016/17
	Total £000	Total £000
Salaries and wages	158,028	152,803
Social security costs	13,512	13,216
Apprenticeship levy	791	-
Employer's contributions to NHS pensions	18,144	17,646
Pension cost - other	20	32
Temporary staff (including agency)	22,465	23,627
<b>Total gross staff costs</b>	<b>212,960</b>	<b>207,324</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>212,960</b>	<b>207,324</b>
<b>Of which</b>		
Costs capitalised as part of assets	259	400

**Note 8.2 Retirements due to ill-health (Group)**

During 2017/18 there were 11 early retirements from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £38k (£243k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

**Note 9 Pension costs**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

Further details on the NHS Pensions schemes can be found at Note 1.5 in the Accounting Policies note on employee benefits.

The Group offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST), to employees of both the Foundation Trust. It also offers a similar scheme to its subsidiary, Stepping Hill Healthcare Enterprises Limited. The Trust has paid £20k (£32k in 2016/2017) to NEST in employer contributions and £3k for the subsidiary.

**Note 10 Operating leases (Group)**

**Note 10.1 Stockport NHS Foundation Trust as a lessor**

There are no arrangements where income generated in operating lease agreements where Stockport NHS Foundation Trust is the lessor.

**Note 10.2 Stockport NHS Foundation Trust as a lessee**

This note discloses costs and commitments incurred in operating lease arrangements where Stockport NHS Foundation Trust is the lessee.

In 2017/2018 the Trust has leasing arrangements for its community buildings with NHS Property Services Ltd for community services provided in the Stockport area. These leases are held in line with current commissioning contracts. It also has a lease arrangement for the Swanbourne Gardens Childrens Respite building. This is due to expire in January 2023.

	<b>Foundation Trust and Group</b>	
	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
<b>Operating lease expense</b>		
Minimum lease payments	2,382	2,518
<b>Total</b>	<b>2,382</b>	<b>2,518</b>
	<b>31 March</b>	<b>31 March</b>
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Future minimum lease payments due:</b>		
- not later than one year;	2,382	2,518
- later than one year and not later than five years;	141	139
- later than five years.	62	61
<b>Total</b>	<b>2,585</b>	<b>2,718</b>

**Note 11 Finance income**

Finance income represents interest received on assets and investments in the period.

	<b>Group</b>	
	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
Interest on bank accounts	64	66
NHS charitable fund investment income	44	50
<b>Total</b>	<b>108</b>	<b>116</b>
	<b>Trust</b>	
	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
Interest on bank accounts	64	66
<b>Total</b>	<b>64</b>	<b>66</b>

**Note 12 Finance expenditure**

Finance expenditure represents interest and other charges involved in the borrowing of money.

	<b>Foundation Trust and Group</b>	
	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	855	897
Main finance costs on PFI and LIFT schemes obligations	12	12
<b>Total interest expense</b>	<b>867</b>	<b>909</b>
Unwinding of discount on provisions	5	30
<b>Total finance costs</b>	<b>872</b>	<b>939</b>

**Note 12.1 The Late Payment of Commercial Debts (interest) Act 1998 / Public Contract Regulations 2015**

The Trust and Group has no late payment of commercial debts to report in 2017/2018.

**Note 13 Other gains / (losses) (Group)**

	<b>Group</b>	
	<b>2017/18</b>	<b>2016/17</b>
	<b>£000</b>	<b>£000</b>
Gains on disposal of assets	20	13
Losses on disposal of assets	(41)	(89)
Gains / losses on disposal of charitable fund assets	-	17
<b>Total gains / (losses) on disposal of assets</b>	<b>(21)</b>	<b>(59)</b>
Fair value gains/(losses) on charitable fund investments & investment properties	22	165
<b>Total other gains / (losses)</b>	<b>1</b>	<b>106</b>

In 2016/2017 the Group Charity disposed of its CCLA Fixed Interest Interest Common Investment Fund with gain on disposal of £16,932. There were no disposals in 2017/2018. In 2017/2018 the Charity continues to invest in the CCLA Equity Common Investment Fund and this has made an unrealised gain of £22,000 (£165,000 in 2016/2017).

In 2017/2018 the Trust had a loss on disposal of assets of £21k (loss of £76k in 2016/2017) comprising of cash proceeds of £13k offset by the write off of net book value of £34k. The cash proceeds relate to the trade in prices achieved for items of medical equipment, vehicles and fittings as they were replaced.

**Note 14 Corporation Tax**

The Group has consolidated the provisional financial results of its subsidiary, Stepping Hill Healthcare Enterprises Limited, and has estimated a Corporation tax liability of £24k. This assessment will be concluded for its accounting period to the 31st March 2018. The corporation tax liability for 2016/2017 was £8k and was agreed post consolidation in 2016/2017.

	<b>Group</b>	
	<b>2017/18</b>	<b>2016/17</b>
Corporation Tax payable 2017/2018	24	-
Corporation Tax paid 2016/2017	8	-
	<b>32</b>	<b>-</b>

## Note 15.1 Intangible assets - 2017/18

Foundation Trust and Group	Software licences £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2017 - brought forward</b>	<b>7,476</b>	<b>1,646</b>	<b>9,122</b>
Additions	182	266	448
Reclassifications	33	(33)	-
<b>Valuation / gross cost at 31 March 2018</b>	<b>7,691</b>	<b>1,879</b>	<b>9,570</b>
<b>Amortisation at 1 April 2017 - brought forward</b>	<b>5,748</b>	-	<b>5,748</b>
Provided during the year	661	-	661
<b>Amortisation at 31 March 2018</b>	<b>6,409</b>	-	<b>6,409</b>
<b>Net book value at 31 March 2018</b>	<b>1,282</b>	<b>1,879</b>	<b>3,161</b>
<b>Net book value at 1 April 2017</b>	<b>1,728</b>	<b>1,646</b>	<b>3,374</b>

## Note 15.2 Intangible assets - 2016/17

Foundation Trust and Group	Software licences £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2016 - as previously stated</b>	<b>6,756</b>	<b>448</b>	<b>7,204</b>
Prior period adjustments	-	-	-
<b>Valuation / gross cost at 1 April 2016 - restated</b>	<b>6,756</b>	<b>448</b>	<b>7,204</b>
Transfers by absorption	-	-	-
Additions	704	1,214	1,918
Reclassifications	16	(16)	-
<b>Valuation / gross cost at 31 March 2017</b>	<b>7,476</b>	<b>1,646</b>	<b>9,122</b>
<b>Amortisation at 1 April 2016 - as previously stated</b>	<b>5,250</b>	-	<b>5,250</b>
Prior period adjustments	-	-	-
<b>Amortisation at 1 April 2016 - restated</b>	<b>5,250</b>	-	<b>5,250</b>
Transfers by absorption	-	-	-
Provided during the year	498	-	498
<b>Amortisation at 31 March 2017</b>	<b>5,748</b>	-	<b>5,748</b>
<b>Net book value at 31 March 2017</b>	<b>1,728</b>	<b>1,646</b>	<b>3,374</b>
<b>Net book value at 1 April 2016</b>	<b>1,506</b>	<b>448</b>	<b>1,954</b>

**Note 16.1 Property, plant and equipment - 2017/18**

Foundation Trust and Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2017 - brought forward</b>	<b>11,030</b>	<b>111,760</b>	<b>1,605</b>	<b>1,405</b>	<b>42,262</b>	<b>203</b>	<b>12,768</b>	<b>553</b>	<b>181,586</b>
Additions	-	1,163	33	1,532	2,421	16	1,022	35	6,222
Impairments	(2,850)	(654)	(25)	-	-	-	-	-	(3,529)
Reversals of impairments	-	4,288	27	-	-	-	-	-	4,315
Revaluations	-	1,795	(45)	-	-	-	-	-	1,750
Reclassifications	-	243	-	(1,393)	293	-	857	-	-
Disposals / derecognition	-	-	-	-	(667)	(8)	-	-	(675)
<b>Valuation/gross cost at 31 March 2018</b>	<b>8,180</b>	<b>118,595</b>	<b>1,595</b>	<b>1,544</b>	<b>44,309</b>	<b>211</b>	<b>14,647</b>	<b>588</b>	<b>189,669</b>
<b>Accumulated depreciation at 1 April 2017 - brought forward</b>	-	-	-	-	31,179	114	10,515	328	42,136
Provided during the year	-	4,239	45	-	2,587	20	1,057	46	7,994
Revaluations	-	(4,239)	(45)	-	-	-	-	-	(4,284)
Disposals / derecognition	-	-	-	-	(626)	(7)	-	-	(633)
<b>Accumulated depreciation at 31 March 2018</b>	-	-	-	-	<b>33,140</b>	<b>127</b>	<b>11,572</b>	<b>374</b>	<b>45,213</b>
<b>Net book value at 31 March 2018</b>	<b>8,180</b>	<b>118,595</b>	<b>1,595</b>	<b>1,544</b>	<b>11,169</b>	<b>84</b>	<b>3,075</b>	<b>214</b>	<b>144,456</b>
<b>Net book value at 1 April 2017</b>	<b>11,030</b>	<b>111,760</b>	<b>1,605</b>	<b>1,405</b>	<b>11,083</b>	<b>89</b>	<b>2,253</b>	<b>225</b>	<b>139,450</b>

**Note 16.2 Property, plant and equipment - 2016/17**

Foundation Trust and Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation / gross cost at 1 April 2016 - as previously stated</b>	<b>17,386</b>	<b>112,240</b>	<b>1,869</b>	<b>12,705</b>	<b>40,823</b>	<b>199</b>	<b>12,715</b>	<b>861</b>	<b>198,798</b>
Additions	-	4,115	(11)	1,405	2,317	35	306	161	<b>8,328</b>
Impairments	(6,300)	(17,189)	-	-	-	-	-	-	<b>(23,489)</b>
Reversals of impairments	-	351	20	2,107	-	-	-	-	<b>2,478</b>
Revaluations	-	(2,250)	(9)	-	-	-	-	-	<b>(2,259)</b>
Reclassifications	-	14,493	-	(14,812)	42	-	257	20	-
Transfers to / from assets held for sale	(56)	-	(264)	-	-	-	-	-	<b>(320)</b>
Disposals / derecognition	-	-	-	-	(920)	(31)	(510)	(489)	<b>(1,950)</b>
<b>Valuation/gross cost at 31 March 2017</b>	<b>11,030</b>	<b>111,760</b>	<b>1,605</b>	<b>1,405</b>	<b>42,262</b>	<b>203</b>	<b>12,768</b>	<b>553</b>	<b>181,586</b>
<b>Accumulated depreciation at 1 April 2016 - as previously stated</b>	-	-	-	-	<b>29,412</b>	<b>124</b>	<b>9,879</b>	<b>784</b>	<b>40,199</b>
Provided during the year	-	3,654	49	-	2,598	18	1,146	33	<b>7,498</b>
Revaluations	-	(3,654)	(44)	-	-	-	-	-	<b>(3,698)</b>
Transfers to/ from assets held for sale	-	-	(5)	-	-	-	-	-	<b>(5)</b>
Disposals/ derecognition	-	-	-	-	(831)	(28)	(510)	(489)	<b>(1,858)</b>
<b>Accumulated depreciation at 31 March 2017</b>	-	-	-	-	<b>31,179</b>	<b>114</b>	<b>10,515</b>	<b>328</b>	<b>42,136</b>
<b>Net book value at 31 March 2017</b>	<b>11,030</b>	<b>111,760</b>	<b>1,605</b>	<b>1,405</b>	<b>11,083</b>	<b>89</b>	<b>2,253</b>	<b>225</b>	<b>139,450</b>
<b>Net book value at 1 April 2016</b>	<b>17,386</b>	<b>112,240</b>	<b>1,869</b>	<b>12,705</b>	<b>11,411</b>	<b>75</b>	<b>2,836</b>	<b>77</b>	<b>158,599</b>

**Note 16.3 Property, plant and equipment financing - 2017/18**

Foundation Trust and Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2018</b>									
Owned - purchased	8,180	117,350	1,545	1,544	10,122	84	3,075	214	142,114
Finance leased	-	-	-	-	112	-	-	-	112
On-SoFP PFI contracts and other service concession arrangements	-	827	-	-	-	-	-	-	827
Owned - donated	-	418	50	-	935	-	-	-	1,403
<b>NBV total at 31 March 2018</b>	<b>8,180</b>	<b>118,595</b>	<b>1,595</b>	<b>1,544</b>	<b>11,169</b>	<b>84</b>	<b>3,075</b>	<b>214</b>	<b>144,456</b>

**Note 16.4 Property, plant and equipment financing - 2016/17**

Foundation Trust and Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2017</b>									
Owned - purchased	11,030	110,558	1,554	1,405	9,981	89	2,253	225	137,095
On-SoFP PFI contracts and other service concession arrangements	-	767	-	-	-	-	-	-	767
Owned - donated	-	435	51	-	1,102	-	-	-	1,588
<b>NBV total at 31 March 2017</b>	<b>11,030</b>	<b>111,760</b>	<b>1,605</b>	<b>1,405</b>	<b>11,083</b>	<b>89</b>	<b>2,253</b>	<b>225</b>	<b>139,450</b>

**Note 17 Donations of property, plant and equipment**

In 2017/2018 the Group Property, Plant and Equipment note discloses the net book value of assets previously provided by donations on cash income. In 2016/2017 the Trust received total income of £743,000 from its charitable funds to purchase capital assets. In 2017/2018 charitable funding has contributed to smaller revenue items for patient and staff welfare (see note 40).

**Note 18 Revaluations of property, plant and equipment**

In 2017/2018 the Trust undertook a valuation of land and buildings by the District Valuer in compliance with International Accounting Standards, the Royal Institute of Chartered Surveyors, the Treasury Financial Reporting Manual and the Department of Health Group Accounts Manual. The valuation has been undertaken at the the 31st March 2018 prepared on an alternative site basis. The valuation was based on land on its existing site but on a much smaller footprint and buildings based on a Modern Equivalent Basis.

The impact of the revaluation was to increase the value of land and buildings within the Trust's financial statements by £2.7 million, with a £3.3 million impairment charge charged to the revaluation reserve offset by £6 million upwards valuation. A further net impairment reversal of £4.1 million was credited back to the Statement of Comprehensive Income. The impairment charge to the revaluation reserve was predominantly a reduction in land values following an update to the optimised design of the alternative site valuation. A reduction in the building footprint, however, has been offset by a significant rise in indices that has attributed to the increase in the valuation.

**Revaluation Reserve Movements**

	<b>Foundation Trust and Group</b>		
	<b>Property, Plant and Equipment</b>	<b>Assets Held for Sale</b>	<b>Total Revaluation Reserve</b>
At 1 April 2017	40,721	344	41,065
Impairment	(3,321)		(3,321)
Revaluations	6,034		6,034
At 31 March 2018	<u>43,434</u>	<u>344</u>	<u>43,778</u>
At 1 April 2016	56,485	-	56,485
Impairment	(16,859)	-	(16,859)
Revaluations	1,439	-	1,439
Other reserve movements	(344)	344	0
At 31 March 2017	<u>40,721</u>	<u>344</u>	<u>41,065</u>

**Note 19 Other investments / financial assets (non-current)**

	<b>Group</b>	
	<b>2017/18</b>	<b>2016/17</b>
<b>Charitable Funds Investments</b>	<b>£000</b>	<b>£000</b>
<b>Carrying value at 1 April - brought forward</b>	<b>1,213</b>	<b>1,289</b>
Movement in fair value	22	165
Disposals	-	(241)
<b>Carrying value at 31 March</b>	<u><b>1,235</b></u>	<u><b>1,213</b></u>

The above note details the investments held by the Trust Charity consolidated in Group numbers only.

For the Consolidated Group the Charity held investments in equity common investment funds. In 2017/2018 the Group reported £45,000 (£50,000 in 2016/2017) in interest receivable on these investments and a gain on valuation of £22,000 at the 31st March 2018. In 2016/2017 the Charity disposed of its holding in the fixed interest fund. Prior year numbers have been restated on a gross basis with the same net impact of £76k decrease.

**Note 20 Analysis of charitable fund reserves**

The Trust has consolidated its charitable fund, Stockport NHS Foundation Trust General Fund - Charity Commission Number Registration Number 1048661, within the Group Accounts.

	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>
<b>Unrestricted funds:</b>		
Unrestricted income funds	277	241
<b>Restricted funds:</b>		
Endowment funds	10	10
Other restricted income funds	1,675	1,455
	<b><u>1,962</u></b>	<b><u>1,706</u></b>

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds are accumulated income funds which are expendable at the Trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the Charity. For Stockport NHS Foundation General Fund these funds relate to specified business groups and departments at the Trust. There is one permanent endowment fund where the monies are retained for use rather than expended.

**Note 21 Inventories**

	<b>Group</b>		<b>Trust</b>	
	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>	<b>31 March 2018 £000</b>	<b>31 March 2017 £000</b>
Drugs	608	561	425	356
Consumables	885	928	885	928
Energy	81	85	81	85
<b>Total inventories</b>	<b><u>1,574</u></b>	<b><u>1,574</u></b>	<b><u>1,391</u></b>	<b><u>1,369</u></b>
<b>of which:</b>				
Held at lower of cost and NRV	1,574	1,574	1,391	1,369

Inventories recognised in expenses for the year were £15,826k (2016/17: £19,394k). Write-down of inventories recognised as expenses for the year were £50k (2016/17: £0k).

Inventories for the Group included £181k (£205k in 2016/17) drugs for Stepping Hill Enterprises Healthcare Limited (the Pharmacy Shop).

**Note 22.1 Trade receivables and other receivables**

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
<b>Current</b>				
Trade receivables - NHS	1,977	4,155	1,977	4,155
Trade receivables - Non-NHS	2,777	2,266	4,034	2,266
Receivables due from NHS charities	-	-	70	432
Accrued income - NHS	800	5,450	800	5,450
Accrued income - Non NHS	473	522	473	522
Provision for impaired receivables	(1,303)	(1,191)	(1,303)	(1,191)
Prepayments (non-PFI)	713	791	713	791
Interest receivable	9	4	9	4
PDC dividend receivable	18	837	18	837
VAT receivable	668	851	668	851
Other receivables	1,674	2,814	1,674	3,401
NHS charitable funds: trade and other receivables	5	46	-	-
<b>Total current trade and other receivables</b>	<b>7,811</b>	<b>16,545</b>	<b>9,133</b>	<b>17,518</b>
<b>Non-current</b>				
Provision for impaired receivables	(132)	(168)	(132)	(168)
Prepayments (non-PFI)	207	217	207	217
Other receivables	577	733	577	733
<b>Total non-current trade and other receivables</b>	<b>652</b>	<b>782</b>	<b>652</b>	<b>782</b>
<b>Of which receivables from NHS and DHSC group bodies:</b>				
Current	2,795	10,442	2,795	10,442

Consolidation adjustments within the Group have removed the £70k Trust Receivable from its charitable fund subsidiary to settle its grants expensed in 2017/2018 (£432k in 2016/2017).

Consolidation adjustment within the Group have removed intra group receivables between the Trust and its subsidiary Stepping Hill Healthcare Enterprises Limited. The Group Accounts includes £269k receivables for its Pharmacy Shop subsidiary; £259k of this being due from HMRC (£141k in 2016/2017).

**Note 22.2 Provision for impairment of receivables**

	Group		Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
<b>At 1 April as previously stated</b>	<b>1,359</b>	<b>1,054</b>	<b>1,359</b>	<b>1,054</b>
Increase in provision	392	498	392	498
Amounts utilised	(216)	(165)	(216)	(165)
Unused amounts reversed	(100)	(28)	(100)	(28)
<b>At 31 March</b>	<b>1,435</b>	<b>1,359</b>	<b>1,435</b>	<b>1,359</b>

The Trust provision for impaired receivables includes £766k (2016/2017: £835k) for the NHS Injury Scheme using the nationally recommended percentage rate of write down of such debts. Other impaired receivables have been reviewed on an individual basis which includes consideration of information from its debt recovery service. There are no provisions for impaired receivables held by the Trust Charity or subsidiary.

**Note 22.3 Credit quality of financial assets**

Group	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
<b>Ageing of impaired financial assets</b>				
0 - 30 days	55	-	183	-
30-60 Days	10	-	2	-
60-90 days	8	-	30	-
90- 180 days	40	-	1	-
Over 180 days	557	-	308	-
<b>Total</b>	<b>670</b>	<b>-</b>	<b>524</b>	<b>-</b>
<b>Ageing of non-impaired financial assets past their due date</b>				
0 - 30 days	2,663	1,235	11,637	1,213
30-60 Days	1,102	-	591	-
60-90 days	443	-	761	-
90- 180 days	716	-	566	-
Over 180 days	701	-	482	-
<b>Total</b>	<b>5,625</b>	<b>1,235</b>	<b>14,037</b>	<b>1,213</b>

**Note 22.4 Credit quality of financial assets**

Trust	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
<b>Ageing of impaired financial assets</b>				
0 - 30 days	55	-	183	-
30-60 Days	10	-	2	-
60-90 days	8	-	30	-
90- 180 days	40	-	1	-
Over 180 days	557	-	308	-
<b>Total</b>	<b>670</b>	<b>-</b>	<b>524</b>	<b>-</b>
<b>Ageing of non-impaired financial assets past their due date</b>				
0 - 30 days	2,663	-	12,657	-
30-60 Days	1,102	-	591	-
60-90 days	443	-	761	-
90- 180 days	716	-	566	-
Over 180 days	701	-	436	-
<b>Total</b>	<b>5,625</b>	<b>-</b>	<b>15,011</b>	<b>-</b>

The reduction in the value of non-impaired financial assets reflects the Trust receivable in 2016/2017 for Sustainability and Transformation Fund Income of £5.4 million and the settlement in-year of other receivables. The financial assets' analysis does not include accrued receivables for the injury Recovery Scheme as these are recoverable under statute.

The Group has other investments held by its Charity with CCLA Investment Management Ltd. These assets are held to earn a return on its investment until disposal is requested by the Corporate Trustee.

The Trust's non-impaired receivables under 30 days includes charitable funds receivables of £70k and receivables from Stepping Hill Enterprises Healthcare Limited of £1,526k (£643k settled in April 2018).

**Note 23 Non-current assets held for sale and assets in disposal groups**

Foundation Trust and Group	Foundation Trust and Group			2016/17
	2017/2018		Total	Total
	Land	plant &		
£000	£000	£000	£000	
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April</b>	<b>56</b>	<b>259</b>	<b>315</b>	<b>315</b>
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March</b>	<b>56</b>	<b>259</b>	<b>315</b>	<b>315</b>

In August 2016 the Trust put on the market for sale two residential properties as part of the financial improvement programme in 2016/2017. The disposals were expected to take place during 2017/2018. The value of land and buildings of these properties is detailed in the note above. The disposals were not completed in 2017/2018 but it is expected that the sales will complete during 2018/2019.

**Note 24.1 Cash and cash equivalents movements**

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
<b>At 1 April</b>	<b>24,677</b>	<b>33,124</b>	<b>23,726</b>	<b>31,398</b>
Prior period adjustments		-		
<b>At 1 April (restated)</b>	<b>24,677</b>	<b>33,124</b>	<b>23,726</b>	<b>31,398</b>
<b>At start of period for new FTs</b>	-	-		
Net change in year	(7,579)	(8,447)	(8,203)	(7,672)
<b>At 31 March</b>	<b>17,098</b>	<b>24,677</b>	<b>15,523</b>	<b>23,726</b>
<b>Broken down into:</b>				
Cash at commercial banks and in hand	973	1,324	181	445
Cash with the Government Banking Service	15,342	23,281	15,342	23,281
Other current investments	783	72		-
<b>Total cash and cash equivalents as in SoFP</b>	<b>17,098</b>	<b>24,677</b>	<b>15,523</b>	<b>23,726</b>
<b>Total cash and cash equivalents as in SoCF</b>	<b>17,098</b>	<b>24,677</b>	<b>15,523</b>	<b>23,726</b>

**Analysis of Group Cash and Cash Equivalents**

	2017/18	2016/17
	£000	£000
Stockport NHS Foundation Trust	15,523	23,726
Stockport NHS Foundation Trust Charitable Funds	792	879
Stepping Hill Healthcare Enterprises Limited	783	72
	<b>17,098</b>	<b>24,677</b>

**Note 24.2 Third party assets held by the Trust**

Stockport NHS Foundation Trust held no cash or cash equivalents which relate to monies held by patients or other parties. It does, if requested, retain patient monies and belongings in sealed pouches for the duration of the individual's stay.

**Note 25.1 Trade and other payables**

	Group		Trust	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
<b>Current</b>				
Trade payables	5,713	5,489	5,955	5,489
Capital payables	2,339	1,271	2,339	1,271
Accruals	18,741	13,153	18,741	13,360
Social security costs	1,996	1,951	1,996	1,951
Other taxes payable	1,595	1,603	1,595	1,603
Accrued interest on loans	212	227	212	227
Other payables	2,760	2,589	2,767	2,589
<b>Total current trade and other payables</b>	<b>33,356</b>	<b>26,283</b>	<b>33,605</b>	<b>26,490</b>
<b>Of which payables from NHS and DHSC group bodies:</b>				
Current	4,592	2,393	4,592	2,393

Consolidation adjustments by the Group have removed payables between the Trust, Charitable Fund and the Stepping Hill Healthcare Enterprises Limited subsidiaries.

**Note 25.2 Early retirements in NHS payables above**

There are no early retirement payables in the note above. The payables note above does include amounts in relation to outstanding pension contributions.

Foundation Trust and Group	31 March	31 March
	2018	2017
	£000	£000
- outstanding pension contributions	2,489	2,411

Pension contributions outstanding at 31st March 2018 of £2,489k have been settled in April 2018 in accordance with the NHS Pensions payment dates.

The Trust and Group have no amounts in Trade payables to buy out the liability for early retirements.

**Note 26 Other liabilities**

	Group		Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
<b>Current</b>				
Other deferred income	926	960	926	960
<b>Total other current liabilities</b>	<b>926</b>	<b>960</b>	<b>926</b>	<b>960</b>
<b>Non-current</b>				
Other deferred income	333	416	333	416
<b>Total other non-current liabilities</b>	<b>333</b>	<b>416</b>	<b>333</b>	<b>416</b>

**Note 27 Borrowings**

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
<b>Current</b>				
Loans from DHSC	1,551	1,551	1,551	1,551
Obligations under finance leases	84	68	84	68
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	29	28	29	28
<b>Total current borrowings</b>	<b>1,664</b>	<b>1,647</b>	<b>1,664</b>	<b>1,647</b>
<b>Non-current</b>				
Loans from DHSC	23,083	24,634	23,083	24,634
Obligations under finance leases	229	202	229	202
Obligations under PFI, LIFT or other service concession contracts	325	354	325	354
<b>Total non-current borrowings</b>	<b>23,637</b>	<b>25,190</b>	<b>23,637</b>	<b>25,190</b>

**Note 28 Finance leases**

**Note 28.1 Stockport NHS Foundation Trust as a lessor**

The Trust had no future lease receipts due under finance lease agreements where Stockport NHS Foundation Trust is the lessor:

**Note 28.2 Stockport NHS Foundation Trust as a lessee**

Obligations under finance leases where Stockport NHS Foundation Trust is the lessee.

	Group		Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
<b>Gross lease liabilities</b>	<b>313</b>	<b>270</b>	<b>313</b>	<b>270</b>
of which liabilities are due:				
- not later than one year;	84	68	84	68
- later than one year and not later than five years;	202	202	202	202
- later than five years.	27	-	27	-
Finance charges allocated to future periods	-	-	-	-
<b>Net lease liabilities</b>	<b>313</b>	<b>270</b>	<b>313</b>	<b>270</b>
of which payable:				
- not later than one year;	84	68	84	68
- later than one year and not later than five years;	202	202	202	202
- later than five years.	27	-	27	-

In 2017/2018 the Trust entered into an agreement for Point of Care testing. Costs relating to the blood gas analysers have been capitalised as a finance lease. In 2016/2017 the Trust entered into finance leases include an agreement to provide an electronic patients records system for community services for a five year period. Costs relating to software were capitalised as a finance lease on deployment.

**Note 29.1 Provisions for liabilities and charges analysis**

Foundation Trust and Group	Current 2017/18	Current 2016/17	Non - Current 2017/18	Non - Current 2016/17
Pensions relating to other staff	164	163	2,153	2,259
Other legal claims	132	112	-	-
Restructurings	123	142	-	-
Redundancy	2,579	3,317	-	-
Other	3,057	1,338	-	-
<b>Total</b>	<b>6,055</b>	<b>5,072</b>	<b>2,153</b>	<b>2,259</b>

Foundation Trust and Group	Pensions - early departure costs £000	Legal claims £000	Re- structuring £000	Redundancy £000	Other £000	Total £000
<b>At 1 April 2017</b>	<b>2,422</b>	<b>112</b>	<b>142</b>	<b>3,317</b>	<b>1,338</b>	<b>7,331</b>
Change in the discount rate	31	-	-	-	-	31
Arising during the year	23	87	40	-	2,405	2,555
Utilised during the year	(164)	(32)	(59)	(188)	(204)	(647)
Reversed unused	-	(35)	-	(550)	(482)	(1,067)
Unwinding of discount	5	-	-	-	-	5
<b>At 31 March 2018</b>	<b>2,317</b>	<b>132</b>	<b>123</b>	<b>2,579</b>	<b>3,057</b>	<b>8,208</b>
<b>Expected timing of cash flows:</b>						
- not later than one year;	164	132	123	2,579	3,057	6,055
- later than one year and not later than five years;	655	-	-	-	-	655
- later than five years.	1,498	-	-	-	-	1,498
<b>Total</b>	<b>2,317</b>	<b>132</b>	<b>123</b>	<b>2,579</b>	<b>3,057</b>	<b>8,208</b>

The provision for 'Pensions relating to other staff' is for the reimbursement of injury benefit allowances to the NHS Pensions Agency.

The provision for 'Legal Claims' provides for the Liability to Third Parties Schemes (LTPS) and Public & Employers Liability Scheme (PES). This provision covers the excess amount payable by the Trust and not the full liability of claims which are covered by the NHSLA under the non-clinical risk pooling scheme.

The provisions for 'Restructurings' and 'Redundancy' include costs associated with the workforce elements of the Trust's future plans. Examples of this include the provision for protected pay following service restructuring. It has also provided for the future costs of service restructuring for Stockport Together.

Within other provisions the Trust has provided for costs for legal fees and other costs relating to contractual disputes and provisions for at risk income for penalties from commissioners.

**Note 29.2 Clinical negligence liabilities**

At 31 March 2018, £129,355k was included in the provisions of NHS Resolution in respect of clinical negligence liabilities of Stockport NHS Foundation Trust (31 March 2017: £113,107k).

**Note 30 Contingent assets and liabilities**

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
<b>Value of contingent liabilities</b>				
NHS Resolution legal claims	(91)	(107)	(91)	(107)
<b>Net value of contingent liabilities</b>	<b>(91)</b>	<b>(107)</b>	<b>(91)</b>	<b>(107)</b>
<b>Net value of contingent assets</b>	-	-	-	-

The above contingent liability is the liability related to the Liability to Third Parties Schemes and Public and Employer Liability (PES) and is supplied by NHS Resolution along with its associated provision at Note 31.2. The provision is revised annually by NHS Resolution based on up to date information at the 31st March.

**Note 31 Contractual capital commitments**

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	594	617	594	617
Intangible assets	3,970	5,781	3,970	5,781
<b>Total</b>	<b>4,564</b>	<b>6,398</b>	<b>4,564</b>	<b>6,398</b>

The Trust signed a contract in December 2015 for the provision of an Electronic Patients' Record system with Intersystems Corporation. This is for a period of ten years from an effective date of the 1st June 2016. There have been delays in completion and it is now expected to be completed in 2018/2019. Capital commitments included within this contract are £3.9 million. The Trust has made payments to date of £3.6 million.

Commitments arising from this contract are as follow:

	Trust £000
Software	7,000
Support and maintenance	10,200
Finance Charges	1,000
	<b>18,200</b>

**Note 32 Defined benefit pension schemes**

Neither the Trust nor the Group held any on-Statement of Financial Position Defined Benefit Pension Schemes during 2017/2018 or 2016/2017.

**Note 33 On-SoFP PFI, LIFT or other service concession arrangements**

Under IFRIC 12 the Trust recognises a service concession arrangement with Alliance Medical for the provision of a building to perform MRI scanning services.

**Note 33.1 Imputed finance lease obligations**

The following are obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
<b>Gross PFI, LIFT or other service concession liabilities</b>	<b>422</b>	<b>463</b>	<b>422</b>	<b>463</b>
<b>Of which liabilities are due</b>				
- not later than one year;	40	40	40	40
- later than one year and not later than five years;	161	161	161	161
- later than five years.	221	262	221	262
Finance charges allocated to future periods	(68)	(81)	(68)	(81)
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<b>354</b>	<b>382</b>	<b>354</b>	<b>382</b>
- not later than one year;	29	28	29	28
- later than one year and not later than five years;	125	121	125	121
- later than five years.	200	233	200	233

**Note 33.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments**

Total future obligations under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	<b>13,332</b>	<b>14,544</b>	<b>13,332</b>	<b>14,544</b>
<b>Of which liabilities are due:</b>				
- not later than one year;	1,212	1,212	1,212	1,212
- later than one year and not later than five years;	4,848	4,848	4,848	4,848
- later than five years.	7,272	8,484	7,272	8,484

**Note 33.3 Analysis of amounts payable to service concession operator**

This note provides an analysis of the unitary payments made to the service concession operator:

	Group		Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	<b>1,217</b>	<b>1,183</b>	<b>1,217</b>	<b>1,183</b>
<b>Consisting of:</b>				
- Interest charge	12	12	12	12
- Repayment of finance lease liability	28	28	28	28
- Service element and other charges to operating expenditure	1,177	1,143	1,177	1,143
<b>Total amount paid to service concession operator</b>	<b>1,217</b>	<b>1,183</b>	<b>1,217</b>	<b>1,183</b>

## **Note 34 Financial instruments**

### **Note 34.1 Financial risk management**

IFRS 7 Financial Instruments Disclosure requires declaration of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. Stockport NHS Foundation Trust has 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 NHS Foundation Trust in undertaking its activities. For the Group the Charity does hold investments and is, therefore, exposed to a degree of financial risk. This risk is carefully managed by pursuing a low risk investment strategy. The Charity holds its investments within common investment funds with a market leader provider of Charity Investments, CCLA Management Ltd.

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 treasury management for the Trust Charity and subsidiary, Stepping Hill Healthcare Enterprises Ltd, are also carried out by the Finance department. All treasury activity is subject to review by Internal Audit.

The Trust finances its capital expenditure from internally generated funds or funds made available from the Department of Health as Public Dividend Capital. The Trust has also borrowed commercially from the Department of Health NHS Financing Facility within approved borrowing limits to finance strategic capital schemes.

Stockport NHS Foundation Trust has in place a Treasury Management Policy that covers the short-term investment of surplus operating cash. It provides a clearly defined risk management framework and was developed with reference to best practice guidance issued by Monitor, the Independent Regulator. This policy ensures the efficient management of liquidity and financial risk. Due to the changes in 2013/2014 in the calculation of the annual PDC dividend the Trust no longer engages currently in short term money market investments and retains its surplus cash to earn interest receivable within the Government Banking Service.

At the 31 March 2018 the Trust's cash balances were held solely in its Government Banking Services bank accounts and Barclays current accounts as per note 26. Further consideration of the Trust's liquidity has been looked at as part of the going concern declaration. Stockport NHS Foundation Trust is, therefore, not exposed to significant liquidity risk.

#### **Market and Interest Rate Risk**

At the 31 March 2018 the Trust's financial liabilities carried either nil or fixed rates of interest. The Trust's financial assets relate to loans and receivables and its cash balances held within its Government Banking Service bank accounts and commercial current account. Interest on cash balances are set by HM Treasury through the Royal Bank of Scotland. Stockport NHS Foundation Trust is not, therefore, exposed to significant interest rate risk.

#### **Credit Risk**

As the Trust receives most of its income from its commissioners based on annual contracts adjusted quarterly. It operates a robust debt management policy and, where necessary, provides for the risk of particular debts not being discharged by the applicable party. Stockport NHS Foundation Trust is, therefore, not exposed to significant credit risk.

#### **Foreign Currency Risk**

The Trust has negligible foreign currency income or expenditure.

#### **Charitable Funds**

The Group accounts include the financial statements of the Stockport NHS Charitable Fund. The charitable fund places its short term cash in bank accounts with the Trust's commercial bank, Barclays PLC. The Charity also invests monies of £1.8 million for longer term investment with CCLA Investment Management Ltd. It holds one common investment fund in equity funds of £1.2 million and one cash deposit account holding £0.6 million. The Charity receives quarterly updates on the performance of its investments and allocates gains and losses when realised to its charitable funds. This policy is reviewed on an annual basis to mitigate for any possible market losses on the valuation of its equity common investment fund.

#### **Stepping Hill Healthcare Enterprises Limited**

The Group accounts include the financial statements of its trading subsidiary, Stepping Hill Healthcare Enterprises Limited. The subsidiary holds its cash with the Trust commercial banker, Barclays PLC, in a separate bank account. Its income is predominantly with the parent and it currently purchases drugs for its dispensing services using the Trust Pharmacy as its wholesale supplier. It is not considered, therefore, to have market or liquidity risks.

**Note 34.2 Carrying values of financial assets**

Group	Loans and	Total book	Loans and	Total book
	receivables	value	receivables	value
	£000	£000	£000	£000
	31 March	31 March	31 March	31 March
	2018	2018	2017	2017
<b>Assets as per SoFP as at 31 March 2018</b>				
Trade and other receivables excluding non-financial assets	4,691	4,691	12,368	12,368
Cash and cash equivalents	16,306	16,306	23,798	23,798
Consolidated NHS Charitable fund financial assets	2,032	2,032	2,138	2,138
<b>Total at 31 March 2018</b>	<b>23,029</b>	<b>23,029</b>	<b>38,304</b>	<b>38,304</b>

The Group Charity only holds financial assets that qualify as basic financial instruments. These are recognised initially at transaction value and subsequently measured at fair value through the Statement of Financial Activities

Trust	Loans and	Total book	Loans and	Total book
	receivables	value	receivables	value
	£000	£000	£000	£000
	31 March	31 March	31 March	31 March
	2018	2018	2017	2017
<b>Assets as per SoFP as at 31 March 2018</b>				
Trade and other receivables excluding non-financial assets	4,752	4,752	12,799	12,799
Cash and cash equivalents	15,523	15,523	23,726	23,726
<b>Total at 31 March 2018</b>	<b>20,275</b>	<b>20,275</b>	<b>36,525</b>	<b>36,525</b>

Group	Other financial liabilities	Total book
		value
		£000
		£000
<b>Liabilities as per SoFP as at 31 March 2018</b>		
Borrowings excluding finance lease and PFI liabilities	24,634	24,634
Obligations under finance leases	313	313
Obligations under PFI, LIFT and other service concession contracts	354	354
Trade and other payables excluding non-financial liabilities	29,735	29,735
Provisions under contract	1,233	1,233
<b>Total at 31 March 2018</b>	<b>56,269</b>	<b>56,269</b>

Group	Other financial liabilities	Total book
		value
		£000
		£000
<b>Liabilities as per SoFP as at 31 March 2017</b>		
Borrowings excluding finance lease and PFI liabilities	26,185	26,185
Obligations under finance leases	270	270
Obligations under PFI, LIFT and other service concession contracts	382	382
Trade and other payables excluding non-financial liabilities	21,969	21,969
Provisions under contract	961	961
<b>Total at 31 March 2017</b>	<b>49,767</b>	<b>49,767</b>

**Note 34.2 Carrying values of financial assets**

Trust	Other financial liabilities £000	Total book value £000
<b>Liabilities as per SoFP as at 31 March 2018</b>		
Embedded derivatives		-
Borrowings excluding finance lease and PFI liabilities	24,634	24,634
Obligations under finance leases	313	313
Obligations under PFI, LIFT and other service concession contracts	354	354
Trade and other payables excluding non financial liabilities	30,014	30,014
Provisions under contract	1,233	1,233
<b>Total at 31 March 2018</b>	<b>56,548</b>	<b>56,548</b>

Trust	Other financial liabilities £000	Total book value £000
<b>Liabilities as per SoFP as at 31 March 2017</b>		
Embedded derivatives		-
Borrowings excluding finance lease and PFI liabilities	26,185	26,185
Obligations under finance leases	270	270
Obligations under PFI, LIFT and other service concession contracts	382	382
Trade and other payables excluding non-financial liabilities	22,936	22,936
Provisions under contract	961	961
<b>Total at 31 March 2017</b>	<b>50,734</b>	<b>50,734</b>

**Note 34.3 Maturity of financial liabilities**

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
In one year or less	29,735	25,132	30,014	26,099
In more than one year but not more than two years	1,664	1,551	1,664	1,551
In more than two years but not more than five years	6,656	6,204	6,656	6,204
In more than five years	18,214	16,880	18,214	16,880
<b>Total</b>	<b>56,269</b>	<b>49,767</b>	<b>56,548</b>	<b>50,734</b>

**Note 35 Events after the reporting date**

The Trust has no events to report after the 31st March 2018.

**Note 36 Prior period adjustments**

The Trust and Group made no prior period adjustments in 2017/2018 or 2016/2017.

**Note 37 Losses and special payments**

Group and trust	2017/18		2016/17	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
<b>Losses</b>				
Cash losses	3	1	43	22
Bad debts and claims abandoned	77	167	138	150
<b>Total losses</b>	<b>80</b>	<b>168</b>	<b>181</b>	<b>172</b>
<b>Special payments</b>				
Ex-gratia payments	37	104	36	108
<b>Total special payments</b>	<b>37</b>	<b>104</b>	<b>36</b>	<b>108</b>
<b>Total losses and special payments</b>	<b>117</b>	<b>272</b>	<b>217</b>	<b>280</b>

In 2017/2018 there were 80 cases of bad debts abandoned and approved at Audit Committee. Each bad debt case is assessed individually for recovery and referred to a debt recovery agency where appropriate before the final decision to abandon is taken. Bad debts include payments from NHS bodies for disputed activity payments and private patients. Other ex gratia payments include the reimbursement of patients' effects and negotiated legal settlements.

**Note 38 Gifts**

Neither the Trust or Group made gifts of any value in 2017/2018 or 2016/2017.

**Note 39 Related parties**

Stockport NHS Foundation Trust is a body corporate authorised by Monitor, the Independent Regulator of NHS Foundation Trusts, in exercise of the powers conferred by the National Health Service Act 2006. The Department of Health and Social Care is the parent body of all Foundation Trusts.

The Trust has 26 members of the Council of Governors; 24 representing public and staff and a further 2 appointed by partner organisations. None of the Council of Governors or parties related to them has undertaken any material transactions with Stockport NHS Foundation Trust.

From the 1st January 2018 the Trust appointed an interim Chief Executive to the Board of Directors. Prior to this date the appointed Director received payment of £35k to a private company as consultancy fees from October to December 2017. None of the other Board of Directors or members of the key management staff or parties related to them has undertaken any material transactions with Stockport NHS Foundation Trust.

The Trust and Group's related parties include all Whole of Government bodies as defined by the Treasury. The key transactions are with the following bodies:

**Note 39.1 Related parties - Key Bodies**

	Income		Expenditure	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Stockport CCG	174,971	178,038	(118)	(8)
North Derbyshire CCG	22,294	23,004	-	-
Eastern Cheshire CCG	13,805	13,418	-	-
Tameside & Glossop CCG	10,495	11,968	-	(84)
Stockport MBC	12,396	11,343	(342)	(331)
NHS England	16,214	25,258	(37)	(3)
NHS Litigation Authority (NHSLA)	-	-	(9,418)	(8,812)
Health Education England	7,933	7,930	(10)	-
	<b>258,108</b>	<b>270,959</b>	<b>(9,925)</b>	<b>(9,238)</b>

**Note 40 Stockport NHS Charitable Funds**

In preparing consolidated accounts the Group includes financial statements incorporating Stockport NHS Foundation Trust and its associated charitable fund, Stockport NHS General Fund. This is a registered Charity with the Charity Commission under the registration number 1048861. The Charity is an umbrella Charity split between one unrestricted fund, one endowment fund and 15 restricted funds. The objects of the Charity, as set out in its governing document are:

- To provide funds for any charitable purpose, or purposes relating to the National Health Service;
- For the relief of sickness by promoting the efficient performance of their duties by staff;
- For the relief of patients treated by Stockport NHS Foundation Trust;
- For any charitable purpose which will further the aim of advancing scientific or medical research;
- To support staff training, development and improvement of staff welfare.

The financial statements for Stockport NHS Charitable Funds are prepared under the Charities SORP 2015 and FRS 102 before consolidation adjustments and are due for submission to the Charity Commission by the 31<sup>st</sup> January 2019. The following Statement of Financial Activities and Balance Sheet for 2017/2018 are estimated at the 31<sup>st</sup> March 2018 to be consolidated into Group numbers.

**Note 40.1 Stockport NHS Charitable Fund Statement of Financial Activities for the year ended 31st March 2018**

Charity SOFA	2017/18 £000	2016/17 £000
Incoming Resources	276	387
<b>Sub-total voluntary income</b>	<u>276</u>	<u>387</u>
Investment Income	44	50
<b>Total incoming resources</b>	<u>320</u>	<u>437</u>
Resources Expended	(86)	(1,055)
<b>Total resources expended</b>	<u>(86)</u>	<u>(1,055)</u>
Realised Gains on disposal of assets	-	17
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>	<u>234</u>	<u>(601)</u>
Unrealised Gains on investments assets	22	165
<b>Net Movement in Funds</b>	<u>256</u>	<u>(436)</u>

**Note 41 Stockport NHS Charitable Funds Balance Sheet at the 31st March 2018****Balance Sheet for the year ended 31 March 2018**

	<b>31st March 2018 £000</b>	<b>31st March 2017 £000</b>
<b>Fixed Assets</b>		
Investments	1,235	1,213
<b>Total Fixed Assets</b>	<u>1,235</u>	<u>1,213</u>
<b>Current Assets</b>		
Debtors	5	46
Short term investments and deposits	580	536
Cast at bank and in hand	212	343
<b>Total Current Assets</b>	<u>797</u>	<u>925</u>
Creditors falling due within one year	(70)	(432)
<b>Total Net Assets</b>	<u>1,962</u>	<u>1,706</u>
<b>Funds of the Charity</b>		
Endowment Fund	10	10
Unrestricted Fund	277	241
Restricted Fund	1,675	1,455
<b>Total Funds</b>	<u>1,962</u>	<u>1,706</u>

The Charity has accrued a £3,000 legacy within debtors (£42,000 in 2016/2017) which it has received in April 2018.

**Note 42 Disclosure of Interests in other entities**

**Note 42.1 Stepping Hill Healthcare Enterprises Limited**

On the 16th September 2014 the Trust formally registered its subsidiary company, Stepping Hill Healthcare Enterprises Limited. The subsidiary started trading in October 2014 in newly refurbished premises and trades under the name 'The Pharmacy Shop'. It provides an improved service to the Trust's patients by dispensing outpatient prescriptions faster than previously with improved advice. In addition it provides retail Pharmacy drugs and goods to the staff, patients and visitors to Stockport NHS Foundation Trust.

The subsidiary company's accounting period end is twelve months to the 31st March 2018 of which twelve months for 2016/2017 are consolidated in line with the accounting period of the Trust and its other subsidiary, Stockport NHS Foundation Trust General Fund. The Group Financial Statements have been prepared with estimated financial results for Stepping Hill Healthcare Enterprises Limited.

<b>Profit and Loss Account for the year ended 31st March 2017</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
	<b>£000</b>	<b>£000</b>
Operating Income	3,425	3,312
Operating expenses	(3,366)	(3,184)
<b>Operating Surplus</b>	<b>59</b>	<b>128</b>

<b>Statement of Financial Position for the year ended 31 March 2017</b>	<b>31st March 2018</b>	<b>31st March 2017</b>
	<b>£000</b>	<b>£000</b>
<b>Current Assets</b>		
Inventories	181	205
Receivables	571	381
Cast at bank and in hand	783	72
<b>Total Current Assets</b>	<b>1,535</b>	<b>658</b>
Creditors falling due within one year	(1,579)	(762)
<b>Total assets less current liabilities</b>	<b>(44)</b>	<b>(104)</b>
<b>Total assets employed</b>	<b>(44)</b>	<b>(104)</b>
Income and Expenditure Reserve	(44)	(104)
	<b>(44)</b>	<b>(104)</b>



