



Cheshire and Wirral Partnership  
NHS Foundation Trust



# Annual Report and Accounts 2011/12

Care • Well-being • Partnership



Cheshire and Wirral Partnership



NHS Foundation Trust

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**Cheshire and Wirral Partnership NHS Foundation Trust**

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# Annual Report 1 April 2011 to 31 March 2012

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# Introduction

## Foreword from the chairman

This year has been an exciting year for CWP, one filled with significant events, important developments and notable Trust accreditations and achievements.

At the beginning of April we extended a very warm welcome to over 800 new colleagues from Community Care Western Cheshire (CCWC) who joined the Trust as part of Transforming Community Services. Working with CWP will allow CCWC to further develop the modern, vibrant and responsive community services that patients need and that our staff want to provide.

The Trust has continued its success in developing specialist services. In summer, a new low secure recovery centre for mental health service users opened in Nether Alderley. With the latest innovative energy saving systems incorporated into the build it brings a huge boost to CWP's carbon reduction plans. In November, the Trust also celebrated its partnership with Cheshire West and Chester Council in providing a new child and adolescent mental health 'Caring to Care' service designed to promote the emotional health and well-being of children in care. You can read more about these developments in the Care section of the report from page 10.

This year's report also describes the significant progress we made in 2011/12 in enhancing the quality and scope of services. Pine Lodge Young People's Centre in Chester opened a new classroom to enable inclusive, engaging and nurturing education for all of its residents and in January the Trust's Wirral memory assessment service received national accreditation by The Royal College of Psychiatrists (Centre for Quality Improvement). This accreditation, plus several other external assessments detailed within the report, serves to assure staff, service users and carers, commissioners and regulators of the quality of the services we provide.

Our membership has grown significantly with over 15,700 members and I am always delighted to see the extent of our involvement activities, including the development of a new Involvement Strategy. We have continued our excellent culture of engagement with stakeholders, hosting a number of "No decision about me, without me" engagement events earlier this year. I would like to express my thanks to the many people who came along to these events and contributed to our service development plans, the Trust's new Involvement Strategy and proposed changes to the Trust's Constitution. The outcome of the events has helped shape our future thinking and direct service developments in ways we believe will make a real difference for our service users and the communities that we serve.

I would like to praise our staff who provide excellent services and thank those who have given their support over the past year. I am proud of the Trust's continued dedication to improving the health and well-being of our local community and look forward to the next 12 months as we continue to flourish and succeed.



David Eva, chairman

## Foreword from the chief executive

2011/12 has been a successful year for CWP and one I am proud to have been involved in. We have celebrated our 10<sup>th</sup> anniversary as an organisation, wished a 'Happy 1st Birthday' to our Wirral eating disorders unit (Oaktrees) and congratulated Rosewood intensive rehabilitation unit in Bowmere Hospital (Chester) on its 5<sup>th</sup> anniversary.

We also held a celebration event to showcase the Trust's newly refurbished child and adolescent unit in Macclesfield, launched our exciting new MyMind website on World Mental Health Day in October and launched a new Family Nurse Partnership programme offering teenage mothers support and advice to help improve health and social care outcomes for mother and baby. You can read more about these milestones in the Care, Well-being and Partnership sections from pages 10 to 15.

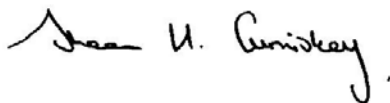
Our values of care, well-being and partnership are at the heart of everything we do and I have been continually impressed by the hard work and commitment of our staff over the past year in living these values and doing their job to the highest standard.

Staff achievements this year include Elaine Williams, a mental health nurse within the child and adolescent mental health service, being shortlisted for the prestigious "Mental Health Nurse of the Year" Nursing Standards award. CWP also worked in partnership with Mid Cheshire Hospitals NHS Foundation Trust to develop the 'Look at My Ability, Not My Disability' programme, which improves the privacy and dignity of patients with learning disabilities, and consequently won the 'Enhancing Patient Dignity' category at the Nursing Times Awards 2011.

The Trust has also maintained its strong position against a background of significant challenges presented by the need to meet the Government's efficiency targets and the move towards greater integration of health and social care provision, and mental and physical health care pathways. These challenges have however presented great opportunities, including the successful integration of Community Care Western Cheshire in April last year.

As an organisation we are always keen to further improve our care and have, during the year, used feedback from external and internal reviews of our services to examine what we do to ensure that we continually improve.

I look forward to the coming year with great confidence in our ability to continue to provide high quality patient care and would like to express my thanks to all staff, service users, carers, volunteers and our many partners who continue to work so hard to improve the patient experience. Thank you for your continued support.



Sheena Cumiskey, chief executive



## Foreword from the lead governor

This year has been an exciting time to be involved as a Governor of CWP because of the changes that have been taking place. The integration of Community Care Western Cheshire, and the involvement of members and volunteers from this service, has meant we have had to change our way of thinking from a primarily mental health focus to ensuring that we think about wider physical care pathways for our patients.

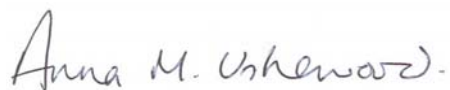
It was wonderful to see so many of our members at our various public meetings and I was particularly pleased to be involved with the award presentations at our Annual Members' Meeting in December. It was lovely to be able to recognise and celebrate the contribution and involvement made by our service users, carers, volunteers and staff. I was amazed at the energy and commitment to the patients and the Trust by all the nominees for the 'Going the Extra Mile' awards. Congratulations to them all!

I was also delighted to extend a warm welcome to the six new governors who were appointed to CWP and congratulate four governors reappointed following our local election. The Council of Governors acts as a key link between members and the Trust's Board of Directors and we are excited to be working alongside them.

I would also like to pay tribute to one of our longest serving Governors Sylvia Hough, who sadly passed away in the summer. Sylvia will be deeply missed by many people at CWP as she was very involved with the Trust and was well known amongst service users, carers and staff. She worked for many years as a patient and public involvement (PPI) representative and as a volunteer, before being elected as a service user/carer governor in 2009.

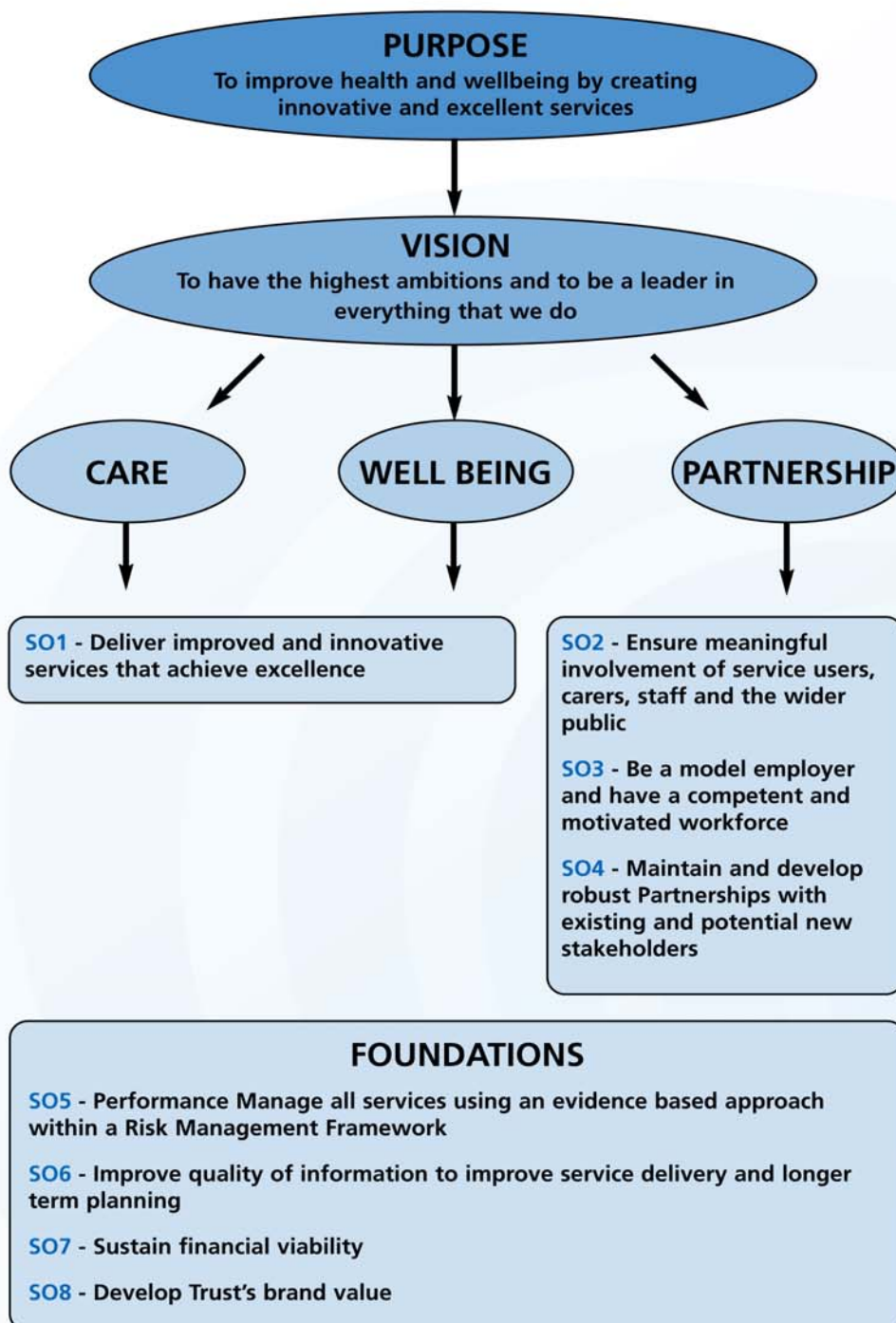
Our Governors and members have been vital in continuing to challenge the stigma often faced by those with mental health, learning disability and drug and alcohol conditions and my grateful thanks go out to you all for helping us to try and eliminate this. However, there is still more work to do and my plea is that you will all remember this when you are out and about with friends and colleagues and take every opportunity to challenge stigma.

Thank you all for your continued support of CWP. I look forward to another exciting year ahead.



Anna Usherwood, lead governor

## Our vision and values



SO = Strategic objective, which are the targets agreed by the Board as priorities for the year ahead.

# Foundations

The Trust is committed to providing the highest quality of care for service users to improve their health and well-being by creating innovative and excellent services. In the past year 2,746 clinical staff delivered care to 166,611 service users across 204 clinical services.

In our Annual Plan we identified four strategic objectives to set the foundations for achieving success (see chart on page 8). They were to:

- performance manage all services using an evidence based approach within a risk management framework (S05);
- improve quality of information to improve service delivery and longer term planning (S06);
- sustain financial viability (S07);
- develop the Trust's brand value (S08).

During the last year we achieved this by:

## Raising awareness of CWP

- The Trust launched an innovative website dedicated to informing children, young people, parents and professionals about mental health which launched in October on World Mental Health Day. The site, called MyMind, includes information on mental health services available and offers self help materials to those young people experiencing a range of mental health problems. You can find the website at [www.mymind.org.uk](http://www.mymind.org.uk)
- The Trust launched its research charitable fund in September, 'Insight - Recovery through Research', committed to improving the emotional well-being of adults and children living in the Trust footprint by supporting research projects to find better solutions, treatments, care and recovery for people experiencing mental ill health.

## Improving information

- The Knowledge and Library Service at the Trust was awarded the national Sally Hernando Award for Innovation in NHS Library and Knowledge Services for Process Innovation. Enabled by the Trust's IT infrastructure, this specialist software allows the service team to view the screens of staff computers remotely when they request support.
- The Trust has developed a dementia memory assessment care bundle to improve the experience for people with a diagnosis of dementia. It has been integrated with the Trust's patient information system, CAREnotes, to provide clinicians with a pathway to follow, to ensure that memory services promote improvement in clinical and patient/carer reported outcomes. This includes promoting advance directives and statements, which increase service users' choice and control regarding the involvement and support from services over the period of their illness.
- CWP were the highest performing Trust in the North West for the Information Governance Toolkit Assessment with an overall score of 94%. The assessment looks at information security, clinical and corporate data management and quality, and compliance with national legislation including data protection act and freedom of information act.

## Improving performance

- Local quality priorities were developed by all of CWP's clinical services, to identify actions to improve issues specific to their service user populations. These priorities were agreed following discussion at the Trust's Clinical Engagement and Leadership Forum and were formulated around clinically credible evidence bases and best practice. Progress in delivering these priorities has been reported at each service's performance review throughout the year.

# Care – ‘caring for service user, carers, staff and the wider public’

In our Annual Plan we identified a strategic objective (SO1 – see chart on page 8) to “deliver improved and innovative services that achieve excellence.”

## Improved and innovative new services

- CWP is now offering an increased range of rehabilitation services within Bowmere Hospital, Chester. Rosewood intensive rehabilitation unit consists of 18 beds – an increase from 15 – including two new flatlets, to increase inpatient routes to successful community living.

*Ian Davidson, CWP’s consultant psychiatrist, said: “This new development reflects the high quality of service provided by Rosewood. Local demand has exceeded availability of beds so this development will enable more people to be successfully treated locally. It demonstrates that CWP continues to invest in high quality services for those with the most complex needs as well as developing enhanced community services.”*

- A new low secure recovery centre for mental health service users opened in Nether Alderley. Saddlebridge Recovery Centre provides improved facilities for service users, carers and staff. The centre, which has 15 en-suite bedrooms, is located on the same site as the low secure learning disabilities services based at the Alderley Unit, enabling more effective links. The latest innovative energy saving systems have also been incorporated into the build, bringing a huge boost to CWP’s carbon reduction plans. This includes solar hot water and electricity generation, controlled lighting and the latest building ventilation systems.
- Pine Lodge Young People’s Centre in Chester opened a new classroom to enable inclusive, engaging and nurturing education for all of its residents.

*Andy Cotgrove, CWP’s medical director, said: “The principle that underpins the service we deliver at Pine Lodge is that all young people, regardless of their difficulties, have the right to access a high quality education and that their social and emotional development is central to their progress.”*

- In November, more than 80 professionals attended the launch of the new ‘Caring to Care’ service designed to promote the emotional health and well-being needs of children in care. The child and adolescent mental health service is a partnership between CWP and Cheshire West and Chester Council and provides easy access for social workers, foster carers and other professionals to mental health support and advice for the young people in their care.
- A new Family Nurse Partnership programme (FNP) has launched, offering teenage mothers support and advice, from pregnancy until the child’s second birthday, to help improve health and social outcomes for mother and baby. FNP is a preventative intensive home visiting programme for young mums based in Ellesmere Port. Aims of the service include a reduction of smoking in pregnancy, reductions in child abuse and neglect and greater involvement of fathers.

*A local mum receiving FNP from CWP said: “I think the information given to us in communicating with the baby is really useful and has made a difference”.*

## Achieving excellence

- The Trust’s Wirral memory assessment service has received national accreditation by The Royal College of Psychiatrists (Centre for Quality Improvement). The accreditation serves to assure staff, service users and carers, commissioners and regulators of the quality of the service being provided.

*Dr Andrew Ellis, consultant psychiatrist, said: “We’re really pleased to have received our accreditation so early in the service’s development. The full service started a year ago and the accreditation demonstrates that we are providing a comprehensive service, working closely with the local Alzheimer’s Society to deliver high quality care and support to people with memory problems and their carers.”*

- CWP's learning disabilities unit in Macclesfield has received national Accreditation for Inpatient Mental Health Services – Learning Disabilities (AIMS-LD) by The Royal College of Psychiatrists (Centre for Quality Improvement). The unit received the highest possible accreditation, Level 1, which means that the Special Committee on Professional Practice and Ethics believe their practice standards to be excellent.

*Andy Styring, CWP's director of operations, said, "At Greenways we are constantly looking to improve and develop our assessment and treatment unit so that we are able to provide the best possible care for our service users. We are very proud to receive the AIMS-LD accreditation which reflects all the hard work and support provided by our staff."*

- CWP has been awarded the UNICEF Baby Friendly Initiative (BFI) Certificate of Commitment, as part of Community Care Western Cheshire. The initiative works to ensure a high standard of care in relation to infant feeding for pregnant women, mothers and babies. Support from BFI is provided for healthcare facilities that are seeking to implement best practice. The Trust is preparing to achieve full accreditation by 2014.
- CWP received a highly commended in the 'Excellence in Innovation / Innovative Practice' category of the Care Programme Approach Association Good Practice Awards 2011. The award was presented to community nurses Jenny Pratt and Ellie Smith for the production of a leaflet for learning disabilities staff as part of a training pack.
- CWP's liaison team led the development of a professionally produced DVD to improve understanding of the issues related to dementia in general hospitals. Working with patients' families, staff and Wirral Universities Teaching Hospital, it has been so successful that it now forms part of mandatory training for several acute trusts.

# Well-being – ‘feeling well, doing well, staying well’

In our Annual Plan we identified a strategic objective (SO1 – see chart on page 8) to “deliver improved and innovative services that achieve excellence”.

## Demonstrating recovery

- The Trust launched its Trustwide Recovery Strategy in 2011, ‘Recovery – The Way Forward for CWP’. The strategy sets out the key principles of recovery and is aimed at driving forward CWP’s clear commitment to delivering recovery orientated services and demonstrating a positive recovery culture across the organisation. CWP now have a clear vision for implementing recovery practice Trustwide, with a strategy that will take the organisation up to 2016.
- Over 200 people attended the Cheshire Recovery Convention at Crewe Alexandra FC’s Gresty Road Stadium in September. The event, the first of its kind to be held in the area, was organised by the partner agencies commissioned by the Cheshire Drug Action Team (DAT) including CWP. It saw recovering drug and alcohol users from the region come together to share their stories with each other.

*Marie Orrell, Chair of Cheshire DAT said: “The event was inspirational and I was delighted with the high level of attendance and engagement. It was a privilege to share service users’ journeys to recovery and will motivate others to take the same step forward.”*

- CWP held a Wirral Recovery Convention in December at the Floral Pavilion in New Brighton. Over 530 people attended to listen to speakers from the National Treatment Agency, CWP Wirral Drug Service, Wirral Drug and Alcohol Action Team and The Quays - a new recovery community project, led by service users.
- Child and adolescent mental health services in Cheshire and Merseyside have recently developed a Tier 4 Outreach Service. The service has helped support many young people in crisis without the need for them to come into hospital, enabled quicker discharge to community services and prevented re-admissions.
- A new therapy centre for people who have been discharged from mental health care officially opened in Macclesfield in November. CWP’s new ‘Zest’ Therapy Service was named by service users from the centre as part of a competition. David Rutley MP unveiled the new service at a special launch event.

*David Rutley MP said: “It is a real honour to be asked to open Zest in Macclesfield. It’s clear that a whole range of activities are available here to help people get on with their lives. This is exactly what we need in Macclesfield and I wish the staff and the people that use the service every success in the months ahead.”*

- CWP teamed up with Wirral Council in December to set up a new support group for adults who care for someone with a mental health problem including depression, bipolar, psychosis or severe social anxiety.
- CWP have been working with Mid Cheshire Hospitals NHS Foundation Trust to develop their ‘Look at My Ability, Not My Disability’ programme. This programme, which improves the privacy and dignity of patients with learning disabilities, won the ‘Enhancing Patient Dignity’ category at the Nursing Times Awards 2011.

## Work and well-being

- An event was held to celebrate the end of the Future Jobs Fund scheme, which enabled 23 local jobseekers to develop employment based skills. The scheme, which was coordinated by the Skills for Health Academy North West, aimed to help jobseekers get back into the workplace by offering six month paid work placements within CWP.

- Planning work has completed on developing a CWP apprenticeship scheme – the first intake of apprentices will happen during 2012/13.
- The Trust recruited a new work and well-being project lead for two years. The lead supports the Mindful Employer network and the development of the Trust's staff health and well-being strategy.

### Enhancing the environment

- CWP has taken part in a project to enhance the environment of care for people with dementia. The project was carried out at Cherry Ward, Bowmere Hospital in Chester in partnership with The King's Fund. It was jointly funded by CWP and the Department of Health.

*Sarah Waller CBE, Project Officer at The King's Fund, said: "We were delighted to be able to visit the project and to see both the innovative balcony garden and the other improvements that have been made in Cherry Ward. We are sure they will bring much benefit to patients, carers, visitors and staff and hope that they will really enjoy the wonderful views of the surrounding countryside from the garden as well having the opportunity to use the new family area and sensory room."*

- The Trust celebrated the official opening of its child and adolescent unit, Elm House, in Macclesfield in July. The celebration event showcased the newly refurbished facility to members of the local community.
- Grounds and gardens staff, helped by a service user from the Alderley unit in Macclesfield, planted 40 new trees between the unit and Saddlebridge rehabilitation unit. The trees were awarded through the NHS Forest, following an application by the environment officer.



# Partnership – ‘working together to achieve common aims’

In our Annual Plan we identified strategic objectives (see chart on page 8) to:

- ensure meaningful involvement of service users, carers, staff and the wider public (SO2);
- be a model employer and have a competent and motivated workforce (SO3);
- maintain and develop robust partnerships with existing and potential new stakeholders (SO4).

## Meaningful involvement

- The Trust has recruited a new Trust carer lead, Chris Taylor, on secondment for two years. He is developing a carers’ strategy and further promoting the ‘Triangle of Care’ work.
- CWP joined an ‘Epic Walk’ to raise awareness of mental health issues in April. Staff and service users of the Trust walked from Chester Cathedral to Bowmere Hospital to challenge the stigma associated with mental health. The route formed one leg of Tony Russell’s ‘Epic Walk’, which saw him walk across the UK to highlight mental health issues whilst raising money for charities like ‘Combat Stress’, which aids service men and women who suffer mental health issues on returning home from war.

*Tony Russell, founder of Breakthrough Mental Health, said: “The main objective is to highlight the stigma that those of us involved in mental health face. I am delighted and grateful for the support of CWP who continue to recognise the value of art as an aid to recovery and healing.”*

- Staff and key stakeholders were invited to local trustwide ‘value stream events’ and ‘rapid improvement events’ to look at how services, currently provided within adult mental health community, can be improved. Work is currently progressing to develop care processes and pathways for consultation in 2012-2013.
- The Annual Members’ Meeting, held in December, saw staff, volunteers and involvement representatives rewarded for their contribution to CWP. The Trust also extended a warm welcome to six new governors recently appointed and congratulated four governors reappointed following a local election.

*Sheena Cumiskey, chief executive, said: “It was a great opportunity to say a big thank you to everyone who has gone the extra mile over the last 12 months and I was delighted to hear about the many examples of outstanding work.”*

- Over 30 members attended three “No decision about me, without me” engagement events held at the beginning of 2012. The Trust sought views on service development plans, the Trust’s new involvement strategy and proposed changes to the Trust constitution. The outcome of these events will now formulate CWP’s future thinking.
- There continues to be service user and carer involvement in recruitment and selection processes, including having representatives playing an active role at each Trust induction course for new Trust staff.

## Staff involvement

- At the beginning of April we extended a very warm welcome to over 800 new Community Care Western Cheshire colleagues who joined the Trust as part of Transforming Community Services (TCS). TCS is an NHS wide agenda, the aim of which is for us to continue to provide the best quality care for patients in the most efficient way possible.
- The Trust has held the ‘Investors in People’ award for a number of years and in early 2011, a successful re-accreditation process took place.
- Work has continued with a joint staff and patient and public involvement (PPI) group reviewing the Trust’s arrangements for the recruitment and selection of people with a disability. So far



recruitment policies have been revised, training course content changed and a workshop held considering the 'real work place experience' of existing staff with disabilities. The proportion of the Trust's workforce which has declared themselves to have some form of disability has increased from less than 2% to more than 5% over the last 12 months.

- The Trust has reviewed its framework of mandatory employee learning, both reducing the amount of training considered to be 'mandatory' and significantly increasing the amount of learning which can be done via electronic means.
- The monthly 'going the extra mile award' continues to be popular, with staff from across the Trust being nominated – with a judging panel including staff side and involvement representatives. CWP also recognised its longest serving members of staff at a special Recognition of Service awards in September. Staff celebrated over 20 years continuous service, with attendees clocking up an incredible 1,456 years of service between them.

*Cliff Jones, 82 from Chester, was given a special award to celebrate serving over 50 years as a member of staff. Cliff said: "I spent the first 35 years visiting the wards each week, holding sing songs with patients. In those days the hospital had a single decker bus which I used to take the patients to other hospitals like Leighton, Mostyn, Denbigh and Winwick to put on variety shows. One year I wrote and took part in a Christmas pantomime but I've also held music quizzes, and played tunes for patients on the piano. I love my job and love working for CWP."*

### **Developing and maintaining partnerships**

- Two occupational therapists, Jane White and Maria Yuen, and clinical psychologist, Linda Shuttleworth, travelled to Africa in February. They spent two weeks strengthening links with the mental health ward at Kisiizi hospital by supporting the small local staff group in developing therapeutic activities and assessments. This trip comes as part of CWP's commitment to work alongside staff at Kisiizi Hospital to make a real and sustainable difference in Uganda.
- Nigel Crompton, CWP service development manager, travelled to Hong Kong in October to train mental health practitioners in setting up new crisis services. The training aimed to equip health care professionals with the adequate knowledge and skills in assessing mental health crisis presentations and implementing appropriate interventions.
- The module on mental health and neurology which makes up the *Liverpool John Moore's University post-graduate Diploma in Clinical Pharmacy for Pharmacists* was organised during 2011 and then in early 2012 by CWP pharmacy staff. The training and insight into mental health practice was well received as was evidenced by the excellent feedback and CWP are being asked to run the module for 2012.

A range of other partnerships with external organisations can be found in the 'significant partnerships and alliances' on page 66.

# Quality Account

## 2011/12

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# Introduction

Quality in the NHS is split into three parts.

## Patient safety

This means protecting service users from harm and injury, and providing treatment in a safe environment.

## Clinical effectiveness

This means providing care and treatment to service users, that improves their quality of life.

## Patient experience

This means ensuring that service users have a positive experience of their care, and providing treatment with compassion, dignity and respect.

**Quality Accounts are annual reports to the public, from providers of NHS services, about the quality of services they provide.**

The aim is to enhance *public accountability* by *listening* to and *involving* the public, partner agencies and, most importantly, *acting* on feedback received by the Trust. Reviewing and publishing performance about quality enhances public accountability.



To help meet this aim, CWP produces quarterly *Quality Reports* on the Trust's priorities to show improvements to quality during the year. This is so that CWP can *regularly* inform its staff, service users, carers, the public, commissioners of NHS services, and scrutiny groups of quality initiatives and encourage regular feedback.

As a report to the public, CWP recognises how important it is that the information it provides about the quality of care is accessible to all. This Quality Account and the user friendly quarterly Quality Reports are published on CWP's public facing website.

The following Quality Account offers readers an opportunity to understand the quality of services provided by CWP, and what the Trust is doing to improve the care and treatment it provides.

# Part 1.

## Statement on quality from the Chief Executive of the NHS Foundation Trust



I am delighted to introduce and present CWP's Quality Account for 2011/12.

This Quality Account enables the Trust to be open and accountable to all of our stakeholders for the quality of services that we provide. It gives us an opportunity to look back on achievements during the past year, and also to continue to promote the importance of quality by setting further quality priorities for the year ahead. Sharing our performance in relation to quality through this report builds on our culture of engagement with our service users, carers, patient and public involvement representatives, staff, volunteers, Foundation Trust members, governors, Local Involvement Networks, commissioners, and other stakeholders and partners. Our commissioning PCTs, Overview and Scrutiny Committee, and Local Involvement Networks have all contributed to defining our quality priorities,

and influencing the direction of our services in line with local needs, through their feedback during the year. They have been invited to comment on the Quality Account, and their feedback, which is most welcome, has been included in the report.

As we reported last year, on 1 April 2011, CWP began to provide community physical health services in Western Cheshire. We welcomed over 900 new staff from Community Care Western Cheshire, and are delighted to incorporate so many excellent examples of the quality of the services provided by these staff in this report, alongside our adult, child and adolescent mental health, learning disability, and drug and alcohol services.

CWP has been involved in many quality improvement activities throughout 2011/12, as set out in this Quality Account:

- We have monitored compliance with key patient safety standards across all of our wards every month, in order to improve patient safety and reduce variation, and have demonstrated our success in this area within the report.
- Our services have improved the collection and analysis of outcome measures, and have used this valuable information to make improvements to the effectiveness of the care and treatment they provide.
- As part of a nation-wide review of services for people with learning disabilities in the autumn of 2012, the Care Quality Commission identified concerns at two of the Trust's locations. As an organisation, we are committed to learning from independent feedback of the quality of the care we provide where it is judged to fall short of our own high expectations. As a result of this feedback, we improved our systems and processes for the benefit of patients and carers. Further information, and actions we took and completed to address the concerns, are detailed in Part 2.
- To provide a full picture of the quality of care we provide, we have remained committed to seeking the views of people who use our services through patient and carer surveys.

I had the opportunity last year of travelling to London to hear the Health Secretary announce *The Operating Framework for the NHS in England 2012/13*, which was published on 24 November 2011. It describes the national priorities, system levers, and enablers needed for NHS organisations to maintain and improve the quality of services provided, while delivering transformational change and maintaining financial stability. To improve services for patients, there will be four key themes for all NHS organisations during 2012/13:

- Putting patients at the centre of decision making in preparing for an outcomes approach to service delivery, whilst improving dignity and service to patients and meeting essential standards of care.
- Completion of the last year of transition to the new system, building the capacity of emerging clinical commissioning groups (CCGs) and supporting the establishment of Health and Wellbeing Boards so that they become key drivers of improvement across the NHS.
- Increasing the pace on delivery of the quality, innovation, productivity and prevention (QIPP) challenge.
- Maintaining a strong grip on service and financial performance, including ensuring that the NHS Constitution right to treatment within 18 weeks is met.

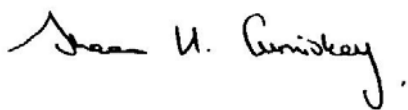
To improve quality, services, and patient experience during 2012/13, the following key areas requiring particular attention have been identified, which are all priority areas for CWP, as discussed within this report:

- Dementia and care of older people.
- Carers.
- Military and veterans health.
- Health visitors and Family Nurse Partnerships.

Readers can find further information on the *The Operating Framework for the NHS in England 2012/13* on the Department of Health's website.

We know that there are challenging times ahead for all public services, but we also know that our commitment to improving quality will enable us to improve the efficiency and effectiveness of our services, meet our ambition to deliver continuous quality improvement, and continue to deliver against our strategic vision to improve health and well-being by providing high quality care. We will achieve this commitment by placing a greater emphasis on listening to service users, and capturing their experiences of the care and treatment they receive from CWP, so that all services are focused on making improvements. Our patient experience priority for 2012/13, as set out in this report, describes the techniques we will use to help us achieve this. CWP will also seek and use robust external benchmarking data to support service delivery, the efficiency challenge, continuous performance improvement, and improvements in quality and outcomes.

On behalf of the Board, to the best of my knowledge, the information presented in this report is accurate. I hope you find it informative and stimulating.



**Sheena Cumiskey**  
**Chief Executive**  
**Cheshire and Wirral Partnership NHS Foundation Trust**

# Statement from our Medical Director – executive lead for quality



As the Trust's executive lead for quality, it is important that our strategies support all our clinical leaders and clinical services to improve the quality of the care and treatment that they provide. We are building capacity and capability for quality improvement through our staff, which will contribute to instilling a culture of continuous quality improvement across the Trust. There are so many excellent examples of this contained within this report, and in our *Quality Reports* during the year. However, CWP recognises that quality improvement is an ongoing process, and, as described by Lord Darzi, who undertook a national review of the NHS to support it to achieve high quality care, acknowledges that world-class quality of care is a moving target. Therefore, we will progress with the priority areas of work that we have undertaken in 2011/12 and develop and enhance these over the coming years, in the following ways:

- Embracing the Trust's 'recovery strategy', so that our core principle is providing high quality care that delivers meaningful, individualised outcomes, personal to each of our service users.
- Transforming the delivery of care and tackling health inequalities, through the development of patient pathways across the local health economy, with the service user at the heart.
- Listening to the experiences of service users and carers to help plan and develop services, and undertaking service evaluations, reviews and clinical audits of our services to promote safe and clinically effective care.
- Developing a 'quality dashboard', to assist the Board in reviewing and informing quality improvement and risk reduction programmes.
- Measuring, analysing, and using clinical outcome data, to ensure that patients benefit from evidenced-based practice, underpinned by current clinical research and innovative ways of working.

Each of the above priority areas of work have been encapsulated in the quality priorities that we have set in this report for 2012/13. They also link closely with the quality improvement goals we have agreed with our commissioners, as part of the *Commissioning for Quality and Innovation (CQUIN)* payment framework. We have already implemented a number of quality improvement programmes and innovative ways of working through last years *CQUIN* goals, the results of which are included in this report. These, and other quality improvement priorities that we agree with our frontline clinicians, and our Board, aim to support and enable our staff and our services to deliver high quality patient care that is safe, effective, and personal to our service users.

On behalf of the Board, to the best of my knowledge, the information presented in this report is accurate.

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

**Dr Anushta Sivananthan**  
**Medical Director – Compliance, Quality & Assurance**  
**Cheshire and Wirral Partnership NHS Foundation Trust**

# Part 2.

## Priorities for improvement and statements of assurance from the board

### Priorities for improvement

#### Quality improvement priorities for 2011/12

**CWP is pleased to report that the quality priorities it set in last year's Quality Account have all been achieved.** Below is a summary of the actions the Trust took throughout the year to achieve these priorities, and to ensure improvements can be sustained. The priorities were monitored throughout the year in the Trust's quarterly *Quality Reports*, which are presented at the Trust's Board meetings and are available on the CWP website.

#### Patient safety priority for 2011/12

##### *CWP said it would:*

Undertake an ongoing check of patient safety issues common to all 22 inpatient wards across adult mental health, learning disability assessment and treatment units, and Tier 4 CAMHS, for example care planning, falls assessment and prevention, and the safe administration of medication, in order to regularly monitor performance in these areas, and to achieve high quality outcomes for service users.

##### *Because:*

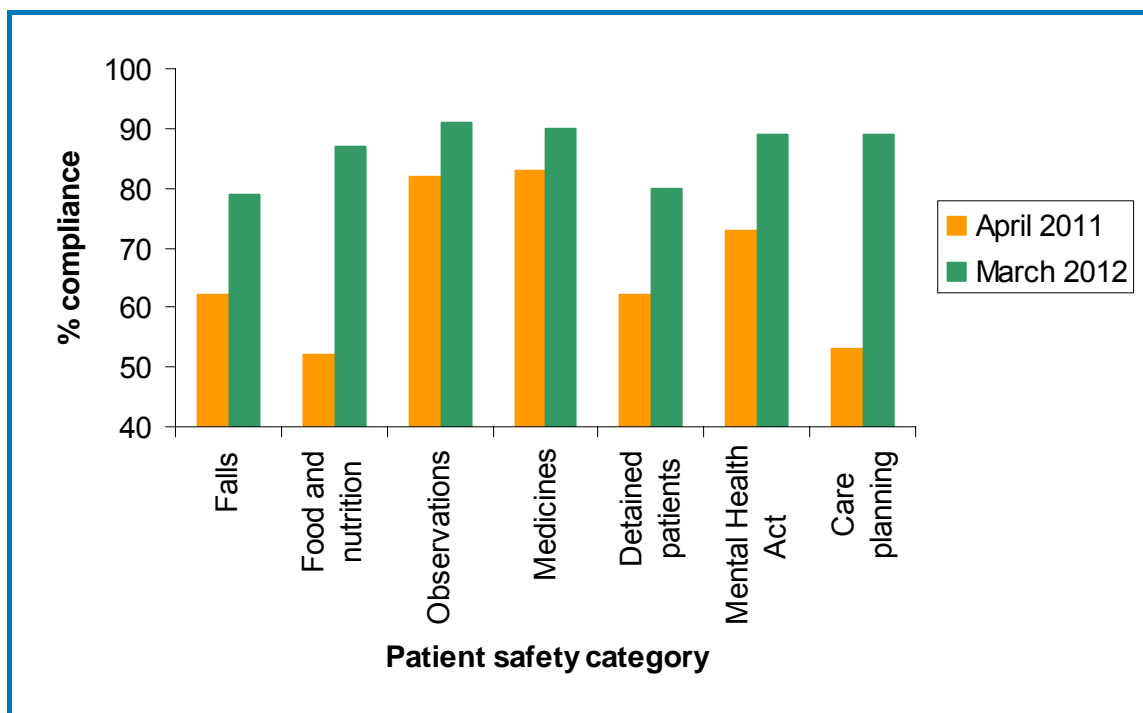
The quality of inpatient care is critical to the safety of patients admitted to the Trust, who are often the Trust's most vulnerable service users. The new Mental Health Strategy states that care for patients with mental health needs should be on a par for those with physical health needs. Ongoing, monthly checks provide an up-to-date method of measuring and tracking standards of patient safety, reinforce local accountability, and provide a spur for providing high quality care. The actions taken to improve these essential standards of patient safety will help to standardise the provision of the quality of care provided across all inpatient wards, and result in better outcomes for service users.

##### *CWP achieved this priority by:*

- Undertaking checks of compliance with patient safety standards, on each inpatient ward, every month throughout 2011/12, in the following categories of patient safety:
  - Quality of falls assessments and the prevention of falls.
  - Quality of nutritional assessments and support.
  - Safe and therapeutic patient observation.
  - Safe administration of medicines.
  - Good practice in planning of treatment of detained patients.
  - Effective administration of the Mental Health Act.
  - Quality of and involvement in care planning.
- Where compliance was not 100%, the ward manager, modern matron, and clinical director, developed an improvement action plan.
- Publishing the results and improvement action plans on a poster placed in a visible area of the ward, so that staff, patients, carers, relatives, and visitors were able to see how the ward was performing and what it was doing to improve performance.



- Incentivising improvements to quality, by rewarding improvement and sustained high compliance with patient safety standards, using a portion of the Trust's income from its achievement of *Commissioning for Quality and Innovation (CQUIN)* goals.
- Using the results to contribute to aggregated analysis of learning from other sources of qualitative and quantitative information, e.g. incidents, to provide a more comprehensive view of the quality of care provided by CWP, and to target areas requiring improvement.
- Improving the average, overall compliance with each category of patient safety at the end of the year, compared with the baseline compliance at the start of the year – see the graph below. The range of compliance during the first month of the year was 52% - 83%. At the end of the year the range of compliance improved to 79% - 91%.



## Clinical effectiveness priority for 2011/12

### *CWP said it would:*

Enhance the effectiveness of priority care pathways across the Trust, by including structured sets of interventions known as 'care bundles'. A care bundle is a collective set of interventions, performed in a structured way as part of a care pathway, which is effective in improving outcomes for service users. The identified priority care pathways were also identified as *CQUIN* priorities for 2011/12:

- psychosis
- dementia
- structured assessment and treatment in learning disabilities
- obsessive compulsive disorder (OCD) in child and adolescent mental health
- physical healthcare pathways specific to Community Care Western Cheshire (CCWC), i.e. urinary catheter care, wound care, and pressure ulcer care.

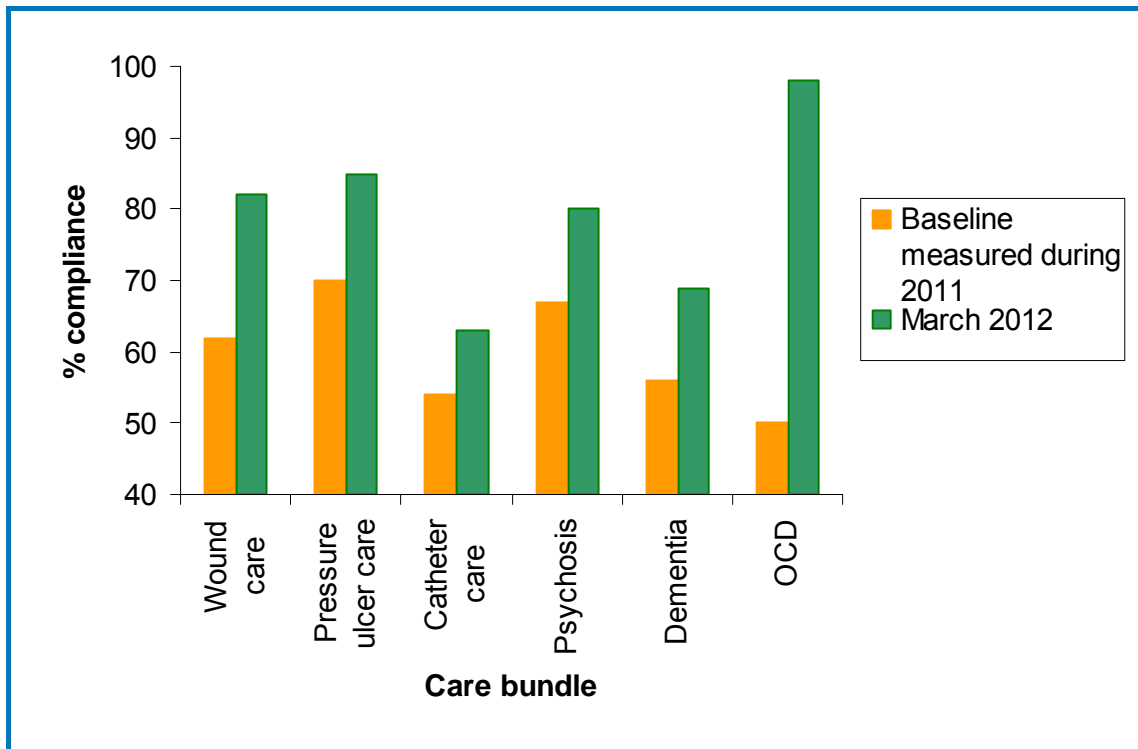
### *Because:*

Care bundles are effective ways to specify a structured set of standards of care the Trust should provide to all of its service users with a particular diagnosis or needs. Implementing care bundles should improve outcomes for service users, but to demonstrate this, the priority care pathways include patient reported outcome measurement to complement clinical outcome measurement. Patient reported outcome measures demonstrate the degree of recovery and improvement to quality of life unique to an individual.

### *CWP achieved this priority by:*

- Developing the priority care bundles, including associated outcome measures, by:

- Researching national examples of good practice, and scoping existing national and local pathways.
- Identifying NICE guidelines and Department of Health strategies to support the development of outcome measures.
- Involving clinical staff, through the Trust's *clinical network groups*, and working closely with clinical teams to support the adoption and integration of care bundles into their practice.
- Undertaking a retrospective measurement of each care bundle indicator to demonstrate a baseline in levels of compliance with identified measures.
- Measuring and reporting compliance with these during the year as part of the Trust's *CQUIN* goals.
- Undertaking prospective studies of care bundles to measure effectiveness. At the end of the period, all outcome measures across all components showed a higher degree of compliance by the implementation of the care bundle – see the graph below.



- As part of the structured assessment and treatment in learning disabilities ‘care bundle’, a full scale review of all admissions, discharges, and the journey through Learning Disability Services has been undertaken, to identify and improve pathways within the service, including routes in and out, with a specific focus on identifying key partnerships and barriers to smooth transitions.
- Receiving positive feedback from service users and carers, who indicated the usefulness of the measures. Examples include:

*When I first began receiving support from the team I was in a very bad place. I genuinely believed that my life had been written off, that I had no hope of a future. But with my care co-ordinator I found I could talk about my problems without having to feel ashamed and it made me feel like a normal person again. In all honesty, I do believe the team saved my life.*

**Early Intervention Service**

*Having the support from the doctor has made what felt like an unbearable situation become something that we can now cope better with thanks to the support, patience and understanding.*

**Memory Services**

## Patient experience priority for 2011/12

### *CWP said it would:*

Monitor and improve experience of service users and carers, by capturing patient and carer stories, across the Trust, to inform areas of improvement.

### *Because:*

Understanding the experience of service users, and their carers, is fundamental to being able to identify areas for improvement. Asking service users and/ or their carers about their experience, in their own words, gives more accurate, personal and timely feedback on the quality of services the Trust provides. Improving service user experience in this way helps to improve health outcomes, improves satisfaction, increases adherence to treatment, and enables more efficient use of resources.

### *CWP achieved this priority by:*

- Continuing to successfully use patient stories across the Trust within Learning Disability Services.
- Training six staff, and three Lived Experience Advisors, in the process of collecting patient and carer stories.
- Designing various posters and leaflets to provide information on patient and carer stories, and how service users and carers can actively participate in them.
- Collecting twelve patient stories from inpatients, specifically those affected by the relocation of inpatient services from Leighton Hospital to the Millbrook Unit, Macclesfield, at the request of the Overview and Scrutiny Committee in last year's Quality Account. By reviewing these stories, and others captured as part of this year's programme, themes will be identified to help the Trust to:
  - further understand the impact of service change;
  - inform Board meetings and Governor meetings, to ensure that they remain focused on improving the experience of the Trust's service users and carers; and
  - inform action plans in other relevant areas.

## Quality improvement priorities for 2012/13

**CWP has set four quality improvement priorities for 2012/13, as detailed below.** The common principle across all the priorities is '**recovery**'. Achievement of these priorities will support bringing about positive changes to service users' lives, unique to each person, to help them overcome challenges to their health and well-being. *The priorities have been identified through receiving regular feedback and through regular engagement with staff, service users, carers, the public, commissioners of NHS services, scrutiny groups and other stakeholders.*

## Patient safety priority for 2012/13

### **Priority for quality improvement:**

**Improve patient safety standards across inpatient and community mental and physical health services** by undertaking an ongoing check of key standards relating to patient safety. These checks will be undertaken across all inpatient mental health and learning disability wards across the Trust, all community mental health teams across the Trust, and all community physical health teams in Western Cheshire. The checks will include reviewing quality of care planning and clinical risk assessment, in order regularly to monitor performance in these and other key areas of patient safety, and to identify improvements to achieve high quality outcomes for the Trust's service users.

### *Rationale for selection of this priority:*

The quality of care is critical to the safety of patients admitted to the Trust, and those people that CWP cares for in the community and in their own homes, who can often be the Trust's most vulnerable service users. In part, this safety priority was introduced in 2011/12 by a monthly check being undertaken on all inpatient wards. Despite notable improvements, it is important to ensure that this is sustained and further improved, to ensure that all patients continue to benefit from having a safe and therapeutic experience of inpatient care. By extending this priority to community mental and physical health services, it will ensure that those service users that CWP cares for in the community, and in their own homes, also have a safe and therapeutic experience of care. Actions taken to improve these key standards of patient safety will

help to standardise the provision of the quality of care provided to all service users, and encourage better outcomes of care.

*How progress to achieve the priority will be measured:*

Ward and community team managers will undertake checks of patient safety standards during the year. They will each have an identified 'buddy' so that they critically review the standards of care provided by each other's teams.

*How progress to achieve the priority will be monitored:*

- Updates of each team's performance, compared with other teams, will be made available to ward and community team managers to inform action planning.
- The results and improvement actions identified will be displayed on inpatient wards and in community resource/ health centres, so that patients can see performance in relation to patient safety and improvements being made.
- Monitoring of performance across the Trust by inclusion of the results in the 'corporate performance report' monitored by Board, senior clinicians and managers.

*How progress to achieve the priority will be reported:*

Results and actions being taken to improve patient safety standards will be reported to the Board, and regular updates will be included in the Trust's quarterly *Quality Report*.

*How the views of patients, the wider public and staff were taken into account:*

- This priority has been discussed throughout the year with senior clinicians and clinical staff at many of the Trust's corporate governance meetings, which includes attendance of patient and public involvement representatives, who have supported the measurement and routine monitoring of patient safety standards across all areas.
  - Improving standards of safety has been identified as a continuing priority by all of the Trust's stakeholders, including LINks, the Overview and Scrutiny Committee, and commissioners.

## Clinical effectiveness priorities for 2012/13

### **Priority for quality improvement:**

**Enhance the effectiveness of clinical services through implementation of the Trust's clinical effectiveness strategy.** One of the main contributors to effective clinical practice is the implementation of guidance, produced by the National Institute of Health & Clinical Excellence (NICE), on promoting good health, and preventing and treating ill health. Implementation of the Trust's clinical effectiveness strategy involves the appointment of approximately 20 NICE 'champions' within the Community Care Western Cheshire clinical service unit, and approximately 20 NICE champions from the Trust's other clinical service units, who will be responsible for facilitating implementation of at least one NICE guidance each.

*Rationale for selection of this priority:*

Systematic implementation of priority NICE guidelines will facilitate the continuing improvement and effectiveness of the Trust's services, improve outcomes for service users and promote their recovery, and facilitate a culture of reflective practice and innovation amongst the Trust's workforce.

*How progress to achieve the priority will be measured:*

NICE champions will gather information on how their identified NICE guidance is being implemented across CWP, using compliance information gathered from the implementation of care pathways or undertaking clinical audits.

*How progress to achieve the priority will be monitored:*

Feedback from NICE champions regarding compliance with their identified NICE guideline will be reviewed and benchmarked to identify ways to improve compliance, and therefore improve service user and carer experience.

#### *How progress to achieve the priority will be reported:*

- Each NICE champion will be invited to present progress on the implementation of their identified NICE guideline, including the results of clinical audits, and actions being taken to improve compliance where necessary, approximately once a year at a monthly *Clinical Effectiveness Network* meeting.
- Twice yearly updates of compliance with all NICE guidance applicable to the Trust will be reported at the Trust's *Patient Safety & Effectiveness Sub Committee*.

#### *How the views of patients, the wider public and staff were taken into account:*

- This priority has been discussed throughout the year with senior clinicians and clinical staff at many of the Trust's corporate governance meetings, which includes attendance of patient and public involvement representatives, who have supported implementation of the framework proposed within the Trust's clinical effectiveness strategy.
- Compliance with NICE guidance has been identified as a continuing priority by all of the Trust's stakeholders, including LINKs, the Overview and Scrutiny Committee, and commissioners.

#### **Priority for quality improvement:**

**Enhance the effectiveness of priority care pathways across the Trust, by developing and delivering care bundles for dementia care, and community physical healthcare, to improve outcomes.** A care bundle is a collective set of interventions, performed in a structured way as part of a care pathway, which is effective in improving outcomes for service users. These care bundles will incorporate clinical outcomes, and feedback from patients on whether their health and well-being has improved following treatment, i.e. patient reported outcome measures.

#### *Rationale for selection of this priority:*

Care bundles are evidence based ways of delivering clinically effective care to all of the Trust's service users. Implementing care bundles improves outcomes of care, but to demonstrate this, the priority care pathways that the Trust has identified below will include patient reported outcome measurement to demonstrate the degree of recovery, and improvement to quality of life unique to each service user, to complement clinical outcome measurement. This will give a wider picture of the quality of care that CWP delivers. Care bundles for the following diagnosis areas have been identified as the Trust's clinical effectiveness priorities, and as *CQUIN* priorities for 2012/13:

- chronic obstructive pulmonary disease
- heart failure
- diabetes
- dementia

#### *How progress to achieve the priority will be measured:*

Evidence based clinical and patient reported outcome measures, relevant to the priority care bundles, will be used to measure health status before and after the care bundles have been performed.

#### *How progress to achieve the priority will be monitored:*

The results of clinician and patient reported outcome measures, that are built-in to the care bundles, will be reviewed.

#### *How progress to achieve the priority will be reported:*

For each of the priority areas, the outcomes for service users, and actions being taken to improve outcomes, will be reported at the Trust's *Patient Safety & Effectiveness Sub Committee*. Regular updates will be included in the Trust's quarterly *Quality Report*. As these areas are also *CQUIN* priorities for 2012/13, progress will also be reported to commissioners at the joint quality meetings that are held throughout the year.

#### *How the views of patients, the wider public and staff were taken into account:*

- Senior clinicians and managers, in consultation with their clinical teams, identified the care bundle priorities following a consultation to identify local *CQUIN* priorities for 2012/13. Additionally, the care bundles have been identified in consultation with commissioners, who have agreed these as *CQUIN* goals.
- During the year, the Trust's LINKs have discussed the dementia care pathway as a priority.



## Patient experience priority for 2012/13

### **Priority for quality improvement:**

**Improve service user experience, by monitoring positive indicators of patient experience.** Focus will be placed upon medication, dignity, and the implementation of quality standards on patient experience as developed by NICE. Such a focus will help CWP improve the experience of its service users and their carers by ensuring that the Trust is utilising a wide variety of tools and techniques, including 'patient stories', to capture service user and carer feedback that will inform and influence the development of the Trust's services.

### *Rationale for selection of this priority:*

Understanding the experience of service users, and their carers, is fundamental to being able to identify areas for improvement, and also in highlighting good practice which can be shared across the wider health economy. Listening to service users and/ or their carers about their experience of the Trust's services can provide personal, accurate, and timely feedback on the quality and effectiveness of the services that the Trust provides, and enables CWP to be more flexible and responsive to individual need. By improving the patient experience in this way, CWP can encourage better health outcomes, improve satisfaction, increase adherence to treatment, and enable a more efficient use of resources. The Trust has selected the following specific areas of feedback:

- *Medications* – because the Trust has benchmarked its performance with other Trusts and this is an area requiring improvement. The specific area of medications will relate to the Trust's *CQUIN* goal in this area, for example provision of verbal and written information to service users.
- *Dignity* – because ensuring that service users and carers are treated with dignity and respect is a national priority area following the Health Service Ombudsman's ten investigations into NHS care of older people, is a fundamental expectation and right of all service users under the NHS Constitution, and is also inherent in the Trust's vision and values.
- The implementation of *NICE quality standards* on patient/ service user experience in adult NHS services and adult mental health – because this will enable CWP to provide evidence-based advice to support the delivery of a good experience of care for the people who use the Trust's service.

These areas will form 'always events', which describe elements of the patient experience which should happen for all service users all of the time. This supports and promotes the continuous improvement of service user experience, and encourages the development of a culture that continuously views care through the eyes of CWP's service users and their carers.

### *How progress to achieve the priority will be measured:*

Listening to the Trust's service users and carers and capturing their experiences. CWP will use a variety of tools and techniques to listen to and understand the care that they have received, including using feedback from complaints, compliments, surveys, postings on the 'patient opinion' website, involvement and consultation events, and by asking service users and carers to tell the Trust about their experiences in their own words through the use of 'patient stories'. This feedback will be undertaken across areas of the Trust, including inpatient wards, outpatient departments, and in the community, and will be measured against relevant similar activity in previous years. CWP will also seek to benchmark its performance with that of other Trusts and share best practice across the wider health economy.

### *How progress to achieve the priority will be monitored:*

Feedback from service users and carers will be reviewed to identify themes. This will include identifying positive areas and best practice that could be shared and re-enforced across the Trust, and also those areas requiring improvement and the identification of actions to improve how CWP delivers its services. CWP will also work closely with the Local Involvement Networks (LINKs) to ensure that the views of the wider community are taken into account, and will ensure that there is regular interaction with the Trust's commissioners to monitor and review CWP's contracted activity.

### *How progress to achieve the priority will be reported:*

Results and actions being taken to improve service user and carer experience will be reported at the Trust's *Learning from Experience Group*. Additionally, regular updates will be provided in the Trust's

quarterly *Quality Report*, which is shared widely with partner organisations, governors, members, local groups and organisations, and the public.

*How the views of patients, the wider public and staff were taken into account:*

- Capturing the experiences of the Trust's service users and carers, by listening to their stories about their journeys through the Trust's services, builds on and complements all of the regular feedback from the Trust's patient and public involvement representatives and groups.
- The priority builds on the 'patient stories' captured successfully by the Trust's Learning Disability Services, and the pilot activity within adult mental health services which was undertaken as part of last year's patient experience priority. Involvement representatives and staff, with support from the Trust's involvement team, participated in this.
- The Trust's 'patient stories' and support for carers work has been presented at the joint quality meetings held with commissioners, who have welcomed further development of this priority.
- Throughout the year, the Trust's LINKs, and Council of Governors, have encouraged the development of the Trust's involvement work and involvement strategy.

## Statements of assurance from the board

The purpose of this section of the report is to provide formally required evidence on the quality of CWP's services. The content follows the advisory guidance provided by the Department of Health. This allows readers to compare content common across all Quality Accounts nationally.

Common statements for all Quality Accounts are contained in a double line border like this.

### Information on the review of services

CWP provides mental health, learning disability, drug and alcohol, and community physical health services. The Trust provides its services across Cheshire, Wirral, Merseyside, Trafford, and Bolton, in partnership with commissioners, local authorities, voluntary/ independent organisations, service users and carers.

During 2011/12, Cheshire and Wirral Partnership NHS Foundation Trust provided and/ or sub-contracted **103** NHS services.

Cheshire and Wirral Partnership NHS Foundation Trust has reviewed all the data available to them on the quality of care in **103** of these services.

The income generated by the NHS services reviewed in 2011/12 represents **100** per cent of the total income generated from the provision of NHS services by **Cheshire and Wirral Partnership NHS Foundation Trust** for 2011/12.

CWP has been able to successfully review the data on the quality of its services, covering the three dimensions of quality – patient safety, clinical effectiveness and patient experience – in the following ways during the year.

#### **Contract review and monitoring**

CWP has jointly reviewed and monitored the quality requirements in its contracts with its commissioners at joint quality meetings. CWP works together with its commissioners to review and update these quality requirements annually, to ensure that they reflect changes in best practice and emerging national or local good clinical or good healthcare practice. Contract monitoring provides assurance that the Trust's performance in relation to improving quality of care is on track. Many of CWP's healthcare teams have delivered presentations at these meetings to show commissioners how they have worked to improve the quality and outcomes of the care that they deliver.

### **Reviewing the results of local and national patient surveys**

To improve the quality of services that CWP delivers, it is important to understand what people think about their care and treatment. CWP carries out its own local patient surveys, and also reviews the results of the annual national patient survey carried out by the Care Quality Commission (CQC).

#### **The national 'survey of people who use community mental health services'**

The CQC's national patient survey was completed in April 2011. It gave CWP a valuable insight into how service users view the Trust and how they feel about the services the Trust provides. The CQC report also provides an indication of the Trust's progress since the last survey in 2010. The Trust received 233 responses from a sample of 815 service users, which represented a 29% response rate. Responses from the survey highlighted the following:

- **92%** of service users said that they were "definitely treated with respect and dignity".
- When service users were asked "if they knew who their Care Co-ordinator (or lead professional) was" **91%** said "yes" compared to 74% in 2010.
- With reference to staff listening to service users, **90%** said that the person they saw "definitely listened carefully to them".
- Service users were asked "if their views were taken into account", **86%** said that they definitely were.
- An area requiring improvement was the explanation of the purpose and the side effects of medication. This is an area that will be particularly considered by the Trust in future action plans, and as part of the Trust's patient experience priority for 2012/13.

An action plan has been developed to address further areas requiring improvement, which is being monitored by the Trust's *Learning from Experience Group*.

#### **Local CWP patient surveys**

This year, CWP has undertaken a trustwide inpatient survey to continue to drive forward improvements in service user experience by capturing what they think about their care and treatment. All service users in inpatient wards at the Trust were offered the opportunity to participate in this, and Lived Experience Advisors went on to the wards to assist service users with completing the survey and listening to their views. In total, the Trust received 86 responses. **80%** of service users rated the service they received as 'good' or 'excellent', which is an improvement compared with the previous year. All improvement actions required are being monitored by the Trust's *Learning from Experience Group*, and will be used to inform future service development. An example is the need to improve the provision of help and advice, elements of which will continue to be monitored and improved as part of the Trust's patient safety priority for 2012/13.

CWP also undertook a trustwide carers' survey in January and February 2012, to obtain an understanding of carers' needs regarding information, support and guidance available from CWP and the wider carer support community. 317 responses were received, from a sample of over 1,700. CWP is in the process of reviewing the results, and will then share the findings via the Trust's *Learning from Experience Group* to consolidate and promote best practice, and identify actions where there is room for improvement. This learning will help to inform the programme of work being put in place in 2012/13 regarding enhancing carers' support.

#### **Learning from experience and patient feedback**

CWP acknowledges areas where it needs to improve. This is called 'learning from experience', particularly when patient feedback shows the Trust that service users are not fully satisfied with the services they have received, or through the reporting of incidents by staff when care has fallen short of the high quality of standards CWP aspires to. The Trust also follows its own *Policy for the management of internal and external recommendations and best practice guidance*, to ensure that it learns from other NHS organisations when things go wrong, by reviewing external recommendations.

#### **Examples of learning from experience**

- Following a serious untoward **incident**, the liaison psychiatry management team have met with general hospital Accident & Emergency Department managers, to establish a system to inform liaison psychiatry staff when patients are discharged to ensure follow-up care can be planned.
- Following a **claim** relating to a member of staff suffering an injury to their fingers as a result of a faulty door, CWP's estates department has completed improvement works to ensure that the door is now in safe working order.



- Following a **complaint** raised about facilities at Springview, Wirral, improvement works have taken place on the heating system to facilitate better temperature control within the building.

### Examples of patient feedback

CWP welcomes compliments and comments from service users and carers, in order to use the feedback to act on suggestions, consolidate what CWP does well, and to share this best practice across the Trust. During 2011/12, CWP has seen a **39% increase**, compared with the previous year, in the number of compliments received from service users and others about their experience of the Trust's services. This does not include compliments received by the Community Care Western Cheshire clinical service unit – in 2011/12, they received 172 compliments.

*"I just wanted to say a heartfelt thank you to you and your team, for your superb professionalism at all times, during Mum's final weeks. She could not have been treated with any more respect, consideration or tenderness. I know that there was nothing more that could possibly have been done for her comfort and care. Please pass on this letter to the team, particularly (names anonymised). I am sorry I've forgotten any other nurses' names but will anyone who visited mum be thanked most sincerely."*

Community Care Western Cheshire

*"I can't tell you just how much help (name anonymised) has been to me. If it wasn't for the therapist that treated me, there is a good chance I may not be here today. I just couldn't rate her enough. Thank you so much."*

Adult Mental Health Services

*"I am really pleased with the treatment I've received here. It is (more) helpful than I thought it would be. The support I've received from (name anonymised) and the doctor has been excellent. The programme has really worked for me and has helped keep my family together. I don't know what I'd have done without the help I've received."*

Drug and Alcohol Services

*"For sometimes it isn't easy when we're trying to express how someone has touched our lives and has brought such happiness. So the gratitude towards you that's felt in every way is hopefully expressed in these words you read today."*

Learning Disability Services

*"Thank you so much for the help provided in the initial assessment, he was truly grateful for the advice, strategies, literature and how quickly he was seen as he understands that services can take years to access. He feels that he has made a complete recovery and was very happy!"*

Child & Adolescent Mental Health Services

CWP's quarterly *Learning from Experience* report reviews learning from incidents, complaints, concerns, claims and compliments including Patient Advice and Liaison Service contacts. These are all rich sources of service user feedback. Reviewing them together, with the results of clinical audits, as discussed next, helps to identify trends and spot early warnings, so that actions can be taken to prevent potential shortfalls in care. Sharing learning is key to ensuring that safety is maintained and that action can be taken to prevent recurrence of similar issues. These quarterly *Learning from Experience* reports are shared with the public, via CWP's public Board meetings and on the Trust's website, and also with CWP's partner organisations, as the Trust is committed to being transparent in how it learns lessons and makes improvements.

**Reviewing the results of clinical audit**

Healthcare professionals who provide care use clinical audit to check that the standards of care they provide is of a high quality. Where there is a need for improvement, actions are identified to improve the delivery of care, which is described on the following pages.

**Information on participation in clinical audits and national confidential enquiries**

The purpose of clinical audit is to improve the quality of care provided to service users. It is at the heart of providing the necessary changes in practice to ensure that CWP is delivering efficient, service user focused, high quality care and treatment.

**National clinical audits and national confidential enquiries**

*National clinical audits*

The National Clinical Audit and Patients Outcomes Programme is managed by the Healthcare Quality Improvement Partnership on behalf of the Department of Health. CWP’s policy is to take part in all of the clinical audits contained on this programme, as it allows the Trust to compare findings with other NHS Trusts to help CWP identify necessary improvements for service users.

*National confidential enquiries*

National confidential enquiries are nationally defined audit programmes that ensure there is learning from the investigation of deaths in specific circumstances, taken from a national sample, in order to improve clinical practice.

During 2011/12 **4** national clinical audits and **1** national confidential enquiry covered NHS services that Cheshire and Wirral Partnership NHS Foundation Trust provides.

During 2011/12 Cheshire and Wirral Partnership NHS Foundation Trust participated in **100%** national clinical audits and **100%** national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Cheshire and Wirral Partnership NHS Foundation Trust was eligible to participate in during 2011/12 are as follows:

- National prescribing observatory for mental health
- National audit of psychological therapies for anxiety and depression
- National audit of schizophrenia
- Parkinson’s audit
- National Confidential Inquiry into Suicide and Homicide by People with Mental Illness

The national clinical audits and national confidential enquiries that Cheshire and Wirral Partnership NHS Foundation Trust participated in, and for which data collection was completed during 2011/12, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry:

	Cases submitted as a percentage of registered cases
<b>National clinical audits</b> (registered cases for these audit programmes means cases registered within CWP)	
National prescribing observatory for mental health	Prescribing antipsychotics for children and adolescents re-audit = <b>100%</b> Monitoring of patients prescribed lithium = <b>100%</b> Data collection completed and reports received in March 2012. CWP is in the process of reviewing the results contained in the reports to inform action planning. The outcomes will feature in the Trust’s next quarterly <i>Quality Report</i> .

	Cases submitted as a percentage of registered cases
National audit of psychological therapies for anxiety and depression	<b>100%</b> Data collection completed and report received in February 2012. CWP is in the process of reviewing the results to inform action planning. The outcome will feature in the Trust's next quarterly <i>Quality Report</i> .
National audit of schizophrenia	<b>100%</b> Data collection completed. Representatives from the Trust are attending a feedback event in the first quarter of 2012/13 to receive the preliminary national results to assist with benchmarking and informing action planning. The final national report is due to be published in November 2012.
Parkinson's audit	<b>100%</b> Data collection completed, but results will not be available until May 2012 to inform action planning.
<b>National Confidential Inquiry into Suicide and Homicide by People with Mental Illness</b> (registered cases for this audit programme means cases from a national sample, not from within CWP)	
Sudden unexplained death in psychiatric inpatients	<b>100%</b>
Suicide	<b>100%</b>
Homicide	<b>100%</b>
Victims of homicide	<b>100%</b>

The reports of **0** national clinical audits were reviewed by Cheshire and Wirral Partnership NHS Foundation Trust in 2011/12.

As stated in the above table, the national clinical audit results are in the process of being reviewed, and improvement actions identified will be included in the Trust's quarterly *Quality Reports*.

### Local CWP clinical audits

The Trust has a specific and comprehensive infection prevention and control (IPC) audit programme. This has included more than 200 local audits, undertaken by Modern Matrons, of IPC practice and checks of the environment. It also includes over 150 audits undertaken by staff and the IPC team across other clinical areas and within community physical and mental health settings. These audits support the enhancement of the cleanliness of the care environment and identify good practice and areas for improvement.

Patient Environment Action Team (PEAT) annual self assessments of inpatient sites are undertaken to ensure improvements are made in the non-clinical aspects of patient care, including standards relating to food, cleanliness, infection control, patient environment, and privacy and dignity. Results and performance to-date have demonstrated continuous improvements, and have helped CWP to standardise practices across inpatient sites, which is the main objective of PEAT. *The Health and Social Care Information Centre* website [www.ic.nhs.uk/](http://www.ic.nhs.uk/) contains more information.

In addition, service level clinical audits are conducted by individual healthcare professionals, teams, including the infection prevention and control team and pharmacy services, or medical trainees, evaluating aspects of care that they themselves have selected as being important to them and their teams. These clinical audits are reviewed and reported to frontline staff through clinical service unit meetings. All clinical audit projects are registered with the Clinical Audit Team. In total, **32** clinical audits were registered and completed during 2011/12.

As well as national clinical audits, trustwide CWP clinical audits are prioritised each year. These audits are conducted by individual healthcare professionals or teams with direct support from the Clinical Audit Team. They are reviewed as part of the trustwide clinical audit programme, and are reported to the Trust's *Patient Safety & Effectiveness Sub Committee*, which is a delegated sub committee of the Board chaired by the Medical Director – Executive Lead for Quality. The actions identified from these clinical audits are monitored by the Trust's *Learning from Experience Group* so that there is learning across the Trust.

The Trust's infection prevention and control team, and the Trust's pharmacy team undertake audits as part of programmes specific to their areas of work. In addition, service level clinical audits are conducted by individual healthcare professionals, teams, including the infection prevention and control team and pharmacy services, or medical trainees, evaluating aspects of care that they themselves have selected as being important to them and their teams. These clinical audits are reviewed and reported to frontline staff through clinical service unit meetings. All clinical audit projects are registered with the Clinical Audit Team. In total, confirmed as at 29 March 2012, 32 clinical audits were registered and completed during 2011/12.

The reports of 14 local clinical audits were reviewed by the provider in 2011/12 and Cheshire and Wirral Partnership intends to take the following actions to improve the quality of healthcare provided:

#### *1. Mental Health Act 1983 – section 130D*

#### *2. Mental Health Act 1983 – section 132*

Sections 130D and 132 of the Mental Health Act 1983 describe the duties and responsibilities of staff in providing essential information to service users and their nearest relatives. Section 130D requires CWP and Social Services to provide information regarding the Independent Mental Health Advocacy (IMHA) service. Section 132 requires that detained patients are given their rights, both verbally and in writing. As a result of reviewing this audit, CWP:

- Has monitored completion of, and amendments to, the 'record of rights' form, and monitored the recording of the giving of verbal information to service users, by peer review using the inpatient safety metrics programme.
- Will summarise the audit findings and improvement actions required to relevant staff by the end of April 2012, following discussion at the Trust's Mental Health Act Clinical Network.

#### *3. Safeguarding children and adults in vulnerable circumstances*

CWP undertakes an annual audit of compliance with its policies for safeguarding and promoting the welfare of children, young people, and vulnerable adults, and for ensuring that they are protected from harm. As a result of reviewing this audit, CWP has:

- Set targets for the percentage of staff to be compliant with mandatory training requirements, to ensure staff have the appropriate level of knowledge and training to meet the responsibilities of their role. Quarterly reporting by local safeguarding groups against these targets to the trustwide safeguarding group is in place.
- Improved representation at the Trust's safeguarding operational groups.
- Made readily available up-to-date, high quality information for service users and their families, including information in a 'child friendly' format.

#### *4. Outpatient clinics/ 'Did Not Attend'*

Some service users pose a risk to themselves or others if they do not maintain contact with the Trust's services. This audit measured whether services are compliant with the Trust's policy with regard to ensuring the safety and well-being of service users who do not attend a prior arranged appointment. As a result of reviewing this audit, CWP has:

- Informed clinical staff that they must make an assessment of risk for all service users who 'did not attend', which needs to be discussed at the multi-disciplinary team meeting.
- Informed staff to send letters to all agencies involved in the care of a service user, informing them of action taken as a result of them not attending an appointment.

#### *5. Nursing management of venous leg ulcers – Community Care Western Cheshire*

This audit measured whether patients presenting with leg ulcers were treated in accordance with Royal College of Nursing recommendations, including pain management, wound cleansing and dressing, and use of skin care preparations and antibiotics. As a result of reviewing this audit, by the end of May 2012, CWP will develop venous leg ulcer guidelines to ensure that all patients:

- Have their leg ulcers measured and photographed at the initial assessment, and at defined regular intervals set out within the care plan.
- Are measured for compression hosiery and receive education on its use, and will be regularly reminded of this at every intervention by the District Nursing team.

## *6. Primary care mental health outcome measures*

The Primary Care Mental Health Service, based at Ellesmere Port Hospital, is a community-based mental health service which aims to provide easy access to a range of psychological therapies. The audit aimed to provide assurance of the quality and consistency of outcome measures used in the service. Results demonstrated that 100% of service users' initial assessment scores were recorded and their goals identified, whilst 88% of final assessment scores were recorded. As a result of reviewing this audit, CWP has raised awareness and reminded staff of the need to record final assessment scores, which it will measure progress against in the next re-audit scheduled for 2012/13.

## *7. Medicines management*

The Trust's pharmacy team undertake audits as part of programmes specific to their areas of work. In addition, CWP audits its medicines management policy and processes across all inpatient wards and community mental health teams in the Trust on an annual basis, to measure, in line with Department of Health requirements, the effectiveness of its systems to ensure that medicines are handled in a safe and secure manner, with accountability to the Board. Overall, the results improved compared to those reported in 2010. As a result of reviewing this audit, CWP:

- Will raise awareness to prescribers, and other clinical staff, of the importance of discussing off-label prescriptions, side effects with patients, and the recording of this information in CAREnotes, by the end of April 2012.
- Has included a standard, in the acute care pathway, that all inpatients will have an opportunity to discuss medication with a pharmacist during their stay.
- Will consider, by the end of April 2012, how ward managers should record in CAREnotes when they inform, where applicable, the key worker in the drugs service of the admission.
- Will highlight to nursing staff, by the end of April 2012, their responsibilities for awareness of actions required as highlighted in the NPSA alerts contained in the medicines alert folder on the ward.

## *8. Communication between Health Visitors and GP practices*

Effective communication between Health Visitors and GP practices is essential to the ongoing provision of the safe and effective management of clients in their care. The audit evidenced good practice in communication with GPs, and there has been a significant improvement on the results of the previous year. As a result of reviewing this audit, by the end of July 2012, CWP will:

- Highlight to NHS Western Cheshire the need to identify a contact who can provide to the Trust the up to date contact details of GPs to the CCWC Health Visiting service.
- Include communication as an agenda item at each Health Visitor meeting, and the sharing of best practice and issues, to aid escalation of communication issues.

## *9. NICE clinical guideline 54 – management of urinary tract infection in children*

CCWC carried out an audit to gain assurance of compliance, by the GP Out of Hours service, with adherence to NICE guideline 54 in the diagnosis, treatment and long-term management of urinary tract infections in children under the age of 5 years. The audit demonstrated high quality of care was given to patients and the NICE guideline standards were met across most criteria. As a result of reviewing this audit, CWP has:

- Provided feedback to clinicians on the length of treatment, as specified in the NICE guideline.
- Provided feedback to clinicians on the documentation requirements within a patient's electronic health record.

## *10. NICE clinical guideline 47 – assessment and initial management of feverish illness in children under 5 years*

CCWC carried out an audit to gain assurance of compliance, by the GP Out of Hours service, with adherence to NICE guideline 47 in the assessment and initial management of feverish illness in children under the age of 5 years. Whilst the audit evidenced high standards in many criteria set out in the guideline, as of result of reviewing this audit, CWP:

- Has placed a laminated colour copy of the traffic light system used in the guidance on each computer in each consulting room.
- Has performed a further re-audit of criterion 1 and criterion 2 of the guideline, which demonstrated further improvements in compliance.
- Has confirmed it is possible to add a template in the GP Out of Hours computer system to incorporate vital sign recording and is currently seeking approval from members of the Cheshire Aadastra Hub to implement this.



### 11. Outcome measures used by the acquired brain injury (ABI) service

An audit of outcome measures used by the ABI service was undertaken to ensure that the team goal setting process was effective and service standards were being met. The audit demonstrated the team goal setting process was effective and provides measurable treatment outcomes appropriate to the complex needs of the clients accessing the service. As a result of reviewing this audit, CWP:

- Has reviewed and updated the scoring of clients who do not attend appointments.
- Has discussed and agreed the scoring of review and discharge clients with all staff.
- Will continue to monitor goal setting scores on discharged files until the end of September 2012.
- Will undertake a re-audit to include a total number of goals per client, duration with service, or goal successes per discipline, by the end of September 2012.

### 12. Dignity and respect

CCWC carried out an audit of dignity and respect in service provision across a range of services. They self assessed current practice against core areas of dignity in care, and provided evidence to support the assessment. As a result of reviewing this audit, CWP has initiated a *dementia champions network* to ensure that knowledge and information, such as links to health promotion and voluntary services, is embedded within services.

### 13. Care planning

CWP has undertaken a rolling programme of audits of the quality and content of care plans. A care plan is the service user's own record of who is involved in their care and how it is to be delivered. It should ensure continuity of care, treatment and support by using effective communication between all involved in the service user's care. As a result of reviewing these audits, CWP:

- Has reminded team managers that care plans must be reviewed in a timely manner.
- Has reminded staff to document the views and choices of service users in the care plans.
- Is introducing a review of the quality and content of care planning as part of its patient safety priority for 2012/13.

### 14. Record keeping

CWP undertakes an annual trustwide audit to ensure compliance with standards of good quality record keeping to facilitate delivery of high quality care and treatment. As a result of reviewing this audit, by the end of September 2012, CWP will:

- Improve the recording of diagnosis on electronic records by appropriate reports and use of care pathways.
- Improve the attribution of written records by the use of a specimen signature sheet in the front of paper records, and by encouraging all staff to print their name under their signatures.
- Improve the use of the NHS number in correspondence by reminding staff of its use.

## Information on participation in clinical research

The NHS Constitution makes it clear that research is a core part of the NHS, enabling the NHS to improve the current and future health of the people it serves. CWP staff are recognised internationally for their pioneering work through their involvement in research to discover best practice and innovative ways of working.

In January 2012, CWP held its annual research afternoon to raise awareness about research in CWP and to explore opportunities and ideas surrounding funding, training and Trust developments.

CWP's participation in clinical research helps to improve the quality of care, patient experience and outcomes within the Trust and across the NHS.

The number of patients receiving NHS services provided or sub-contracted by Cheshire and Wirral Partnership NHS Foundation Trust in 2011/12 that were recruited during that period to participate in research approved by a research ethics committee was **528**.

Participation in clinical research demonstrates Cheshire and Wirral Partnership NHS Foundation Trust's commitment to improving the quality of care it offers and to making its contribution to wider health

improvement. CWP's clinical staff stay abreast of the latest possible treatment possibilities and active participation in research leads to successful patient outcomes.

Cheshire and Wirral Partnership NHS Foundation Trust was involved in conducting **82** clinical research studies in all of its clinical service units during 2011/12.

The improvement in patient health outcomes in Cheshire and Wirral Partnership NHS Foundation Trust demonstrates that a commitment to clinical research leads to better treatments for patients.

There were **170** clinical staff participating in research approved by a research ethics committee at Cheshire and Wirral Partnership NHS Foundation Trust during 2011/12. These staff participated in research covering **24** medical specialties.

As well, in the last three years, **59** publications have resulted from the Trust's involvement in NIHR research, which shows the Trust's commitment to transparency and desire to improve patient outcomes and experience across the NHS.

The Trust's engagement with clinical research also demonstrates Cheshire and Wirral Partnership NHS Foundation Trust's commitment to offering the latest medical treatments and techniques.

### NICE guidance

CWP staff are recognised nationally, as many CWP specialists are involved in the production of national guidelines for the National Institute of Health and Clinical Excellence (NICE). One member of staff has recently been made a Fellow by NICE.

CWP monitors the implementation of all types of applicable NICE guidance, and is fully or partially compliant with **all** applicable guidance as at January 2012, as detailed in the Trust's second six-monthly report of compliance with NICE guidance. This does not include guidance applicable to CCWC, as the Trust is continuing to reconcile its monitoring systems to ensure that information on compliance is consistent. This will be available in 2012/13 as CWP implements its clinical effectiveness strategy, which is one of the Trust's clinical effectiveness priorities for 2012/13.

Type of NICE guidance	As at January 2012			
	Full compliance	Partial compliance	Non compliance	Total
Clinical guideline	23	14	0	37
Public health interventions	16	7	0	23
Interventional procedures	2	0	0	2
Technology appraisal	14	1	0	15
Patient safety	1	0	0	1
<b>Total</b>	<b>56 (72%)</b>	<b>22 (28%)</b>	<b>0 (0%)</b>	<b>78</b>

Some of the reasons CWP cannot declare full compliance with some of the guidelines includes:  
*Internal restrictions* – in such instances, an action plan is in place, which is monitored locally by the Clinical Director of the service, and at a Trust level by the *Patient Safety & Effectiveness Sub Committee*.  
*Commissioning issues* – in such instances, CWP has discussed these with the relevant commissioning leads regarding how to take the issues forward.

CWP is continuing to work with its clinical leads in the Trust, commissioners, and has identified implementation of its new clinical effectiveness strategy as a quality priority this year, to further progress compliance with NICE guidance.

## Information on the use of the CQUIN framework

The *Commissioning for Quality and Innovation (CQUIN)* payment framework enables commissioners to reward excellence, by linking a proportion of the Trust's income to the achievement of local, regional, and national quality improvement goals. Participation in *CQUIN* indicates that CWP is actively engaged

in quality improvements with its commissioners. *CQUIN* goals are reviewed through the contract monitoring process as discussed earlier in the report.

A proportion of Cheshire and Wirral Partnership NHS Foundation Trust's income in 2011/12 was conditional on achieving quality improvement and innovation goals agreed between Cheshire and Wirral Partnership NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2011/12 and for the following 12 month period available by request from the Trust's Clinical Governance Department:  
<http://www.cwp.nhs.uk/1/Pages/contactus.aspx>

Cheshire and Wirral Partnership NHS Foundation Trust achieved all the agreed *CQUIN* goals, including those agreed for Community Care Western Cheshire, and received the full payment of **£2,064,933** which has been invested in quality improvement programmes across the Trust. These include:

- Establishment of a *Healthy Lifestyle Group* in Wirral.
- Development of a programme for improving information sharing during the antenatal period within Western Cheshire.
- Development of *The Team of Life* programme as a fun and exciting way to involve young service users in working towards their goals.
- Provision of a skills based training programme for carers of people with eating disorders at the Macclesfield, Chester, and Bolton outpatient teams.
- Creation of two reading groups in Ellesmere Port and Chester Community Drug and Alcohol Services.
- Development of a training DVD specifically focussed on confidentiality and information sharing for carers.
- Provision of six recovery champions workshops, two managers recovery master classes, and one medics master class, co-produced in partnership with national leaders in recovery approaches.
- Enhancement of the 'Chester Freedom Forum' relapse prevention group in Ellesmere Port to further establish positive social contacts for its members.
- Training of two therapists on a two-day 'train the trainers' course for resilience work with senior managers.

The total monies available in 2012/13, upon successful achievement of all the agreed *CQUIN* goals, is **£3,354,807**.

### Information relating to registration with the Care Quality Commission and periodic/ special reviews

Independent assessments of CWP and what people have said about the Trust can be found by accessing the Care Quality Commission's website. Here is the web address of CWP's page:

<http://www.cqc.org.uk/directory/rxa>

Cheshire and Wirral Partnership NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is **registered and licensed to provide services**. Cheshire and Wirral Partnership NHS Foundation Trust has **no conditions** on its registration.

The Care Quality Commission has **not** taken enforcement action against Cheshire and Wirral Partnership NHS Foundation Trust during 2011/12.

Cheshire and Wirral Partnership NHS Foundation Trust has participated in **3** special review or investigation by the Care Quality Commission relating to the following areas during 2011/12 entitled **Inspection of services for people with learning disabilities**. This was a nation-wide review of compliance to assess how well people with learning disability experience safe and appropriate care, treatment and support, and whether they are protected from abuse, implemented following the broadcast of a programme that highlighted serious abuse and poor standards of care at a private hospital for people with learning disabilities.



The Care Quality Commission identified four moderate concerns at two locations, and one major concern at one location. Cheshire and Wirral Partnership NHS Foundation Trust intends to take the following action to address the conclusions or requirements reported by the CQC which related to the Trust:

1. Review and ensure care plans are in place for inpatient service users in Learning Disability Services, that are person centred, and in a format that service users can understand.
2. Review the Trust's current compliance assurance process.
3. Establish agreements for input from a range of disciplines in community learning disability teams, to extend multi-disciplinary working around patients.
4. Establish a CQC compliance group within Learning Disability Services.
5. Managers to be asked to remind staff, at each handover, of triggers and referral practices for adult safeguarding.
6. Ensure staff who are Institute of Applied Behavioural Analysis (IABA) trained are involved in behavioural programmes on inpatient units, and that the challenging behaviour pathway is being implemented and correct paperwork being used.
7. Ensure that the Trust's inpatient safety metrics programme is benchmarking all the policies required to deliver safe care, and are in line with CQC standards and values based practice.
8. Increase Board assurance on quality by ensuring the frequency of patient experience reports being received by Board is increased.
9. Review the information flow of how restraint incidents are reported.
10. Review safeguarding processes, particularly in relation to restraint.
11. Identify current level of staff training in autism and communication to ensure staff knowledge and skills are appropriate to support patients.

Cheshire and Wirral Partnership NHS Foundation Trust has made the following progress by 31 March 2012 in taking such action. The Care Quality Commission undertook a return visit to one location to verify there were no concerns regarding the safety of healthcare provision. The Trust has implemented and completed all the actions identified above, with a return to full compliance across the two locations.

1. Care plans in place for inpatient learning disability service users have been reviewed to ensure that they are person centred. Adaptation of the current care planning documentation, to enable greater personalisation and functionality across different services was discussed at the Trust's *Clinical Engagement and Leadership Forum* in March 2012, for further review in-year.
2. A CWP specific assurance inspection template has been developed, and compliance within other learning disability inpatient units has been reviewed.
3. Multi-disciplinary working around patients agreed as part of a trustwide review of community services, and as part of the *CQUIN* for 2011/12 relating to the patient journey within Learning Disability Services.
4. CQC compliance group within Learning Disability Services has been established, with its terms of reference incorporating feedback from the CQC review.
5. A written communiqué has been distributed to clinical service managers and ward managers to request that they remind staff, at each handover, of triggers and referral practices for adult safeguarding.
6. Staff are being supported by IABA trained staff to complete assessments and produce behavioural plans for patients. The development of staff is being taken forward by the Trust's *Challenging Behaviour Clinical Network*, whose work plan includes targets for skills development (assessment and intervention for challenging behaviour) for inpatient staff led by IABA trained staff. Skills and knowledge will be assessed using competences set by the IABA.
7. Inpatient safety metrics have been updated to measure, from 2012/13, additional standards in relation to qualitative aspects of care planning, risk assessment, and safeguarding.
8. The business cycle for the Trust's *Quality Committee* and Board have been reviewed to ensure routine receipt of assurances relating to patient experience.
9. Reporting of incidents of restraint and safeguarding has been streamlined so that they are recorded through the 'Datix' incident reporting system.
10. A flow chart has been produced to provide staff with a better understanding of safeguarding processes.

11. A training plan has been developed, detailing the level of training in autism and communication required.

## Information on the quality of data

### NHS number and general medical practice code validity

The patient *NHS number* is the key identifier for patient records. Improving the quality of NHS number data has a direct impact on improving clinical safety by preventing misidentification.

Accurate recording of a patient's *general medical practice code* is essential to enable transfer of clinical information about the patient from a Trust to the patient's GP.

Cheshire and Wirral Partnership NHS Foundation Trust submitted records during 2011/12 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:  
**99.9%** for admitted patient care;  
**100%** for out patient care.

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:  
**100%** for admitted patient care; and  
**100%** for out patient care.

### Information Governance Toolkit attainment levels

The Information Quality and Records Management attainment levels assessed within the Information Governance Toolkit provide an overall measure of the quality of data systems, standards and processes within an organisation.

Cheshire and Wirral Partnership NHS Foundation Trust's Information Governance Assessment Report overall score for 2011/12 was **94%** and achieved a **satisfactory** rating (this means that the Trust was graded **green** for all the requirements of the toolkit, where it was required to score at least level 2).

### Statement on relevance of data quality and actions to improve data quality

Good quality information underpins the effective delivery of service user care and is essential if improvements in quality of care are to be made.

Cheshire and Wirral Partnership NHS Foundation Trust will be taking the following actions to improve data quality:

Implementation of a data quality framework plan during 2012/13 to address the following areas –

1. Improvement in the data quality of the Commissioning Data Set, by feeding back to services issues with data, including through a CAREnotes Champions User Group, production of a newsletter produced by this group, on site visits, and weekly data quality reports, and working with the clinical system team and business intelligence team to make processes easier and more efficient.
2. Use of the data quality dashboards published by the Information Centre to look at data quality issues and ensure that when a refresh is undertaken that the Trust concentrates on the areas requiring improvement.
3. Improvement in data quality for the Mental Health Minimum Data Set part 1 – data completeness, through distributing weekly data quality reports to services, the data quality lead participating in the CAREnotes Champions User Group, and emphasis of this indicator through the group's newsletter.

4. Improvement in data quality in relation to the delivery of care to patients, by developing data quality reports relating to unconfirmed clinical notes and scheduled events reports to tackle issues in patients' records.

5. Improvement in data quality in relation to the delivery of care to patients, specifically promoting compliance with the CQC indicator for 12 month CPA reviews, through distribution of weekly reports to services, including alert reports, targeting specific teams and individuals whose performance requires improvement, through the CAREnotes Champions User Group, and through the group's newsletter.

#### Clinical coding error rate

Cheshire and Wirral Partnership NHS Foundation Trust was **not** subject to the Payment by Results clinical coding audit during 2011/12 by the Audit Commission.

# Part 3.

## Other information

### An overview of the quality of care offered by CWP – performance in 2011/12

Below is a summary of CWP's performance, during 2011/12, against previous years' quality improvement priority areas approved by Board as part of the Trust's Quality Accounts. The performance compares historical and/ or benchmarking data where this is available. This demonstrates the Trust's commitment to setting quality improvement priorities, each year in its Quality Account, that it intends to continue to review its performance against to demonstrate sustained improvements to quality.

Quality indicator	Year identified	Reason for selection	CWP performance		
			2009/10	2010/11	2011/12
<b>Patient safety</b>					
i. Improving learning from patient safety incidents by increasing reporting	2008/09	Research shows that organisations which report more usually have stronger learning culture where patient safety is a high priority	<p><b>3.1% increase</b> compared with 2008/09</p> <p>A target of an increase in reporting by 3% applied in 2009/10. The Trust met this target and reported on this in the Quality Report for 2009/10.</p>	<p><b>3.8% decrease</b> compared with 2009/10</p> <p>The number of the Trust's reported incidents for 2010/11 and for the previous and subsequent years was comparable with the middle 50% of reporters, based on national comparative data reported to the National Reporting and Learning System.</p>	<p><b>28.6% increase</b> compared with 2010/11</p> <p>This does not include incidents reported by CCWC, as these were not included in previous years' performance. CCWC reported 1,013 incidents in 2011/12.</p>
			<p>The National Patient Safety Agency (NPSA) encourages the reporting and analysis of all patient safety related incidents, and particularly encourages high reporting of those resulting in 'no' or 'low' harm (categories C – E), as it provides an opportunity to reduce the risk of future incidents. For 2011/12, the Trust's profile meets the NPSA's suggested profile, with the overall increase made up of the following incident categories:</p> <p style="text-align: right;">           Category A = 57% decrease            Category B = 52% decrease            Category C = 4% increase            Category D = 28% increase            Category E = 62% increase         </p>		

Quality indicator	Year identified	Reason for selection	CWP performance		
			2009/10	2010/11	2011/12
ii. Create a better safety culture by achieving level 2 NHSLA accreditation	2008/09	Accreditation provides an independent assessment of compliance against national safety priorities	<b>Achieved NHSLA level 2 accreditation</b> November 2009	<b>NHSLA level 2 compliant</b>	<b>NHSLA level 2 compliant</b>
iii. Strengthen hand decontamination procedure compliance	2008/09	Equipping staff with the skills to undertake effective hand decontamination minimises the risk of cross infection to service users and staff	NHS Staff Survey scores  <i>Training:</i> <b>79%</b> (national average 58%)  <i>Availability of hand washing materials:</i> <b>69%</b> (highest 20% of all mental health Trusts)	NHS Staff Survey scores  <i>Training:</i> <b>82%</b> (national average 63%)  <i>Availability of hand washing materials:</i> <b>70%</b> (highest 20% of all mental health Trusts)	NHS Staff Survey scores  <i>Training:</i> <b>76%</b> (national average 68%)  <i>Availability of hand washing materials:</i> <b>65%</b> (highest 20% of all mental health Trusts)
			<p>The NHS National Staff Survey results include the percentage of staff saying that they:</p> <ul style="list-style-type: none"> <li>- have received training, learning, or development in infection control (including guidance on hand washing);</li> <li>- always have hand washing materials available.</li> </ul> <p>Staff receive training on infection prevention and control at induction, mandatory training/ learning, and bespoke training to all ward staff.</p> <p>Audits are undertaken by the Trust's Infection Prevention and Control Team, incorporating questions in relation to hand decontamination, on a rolling basis. Every inpatient area and every clinic trustwide was audited in 2011/12.</p>		
<b>Clinical effectiveness</b>					
i. Implement the Advancing Quality programme for dementia and psychosis	2009/10	'Advancing Quality' measures clinical and patient reported outcomes to determine the level of care that patients have received, benchmarked against a set of agreed 'best practice' criteria	No performance data available, priority only agreed in 2009/10 for implementation in subsequent years	The Trust <b>participated in regional meetings</b> to develop the Advancing Quality programme in mental health and learning disability services - <b>Population data submitted</b> to the Advancing Quality	<b>Dementia:</b> Regional target <b>75%</b>  <i>CWP compliance</i> (Regional compliance in brackets) October <b>93%</b> (64% - 100%) November <b>85%</b> (0% - 97%) - <b>Psychosis:</b> Regional

Quality indicator	Year identified	Reason for selection	CWP performance		
			2009/10	2010/11	2011/12
				programme, to inform the reporting of benchmarking data across the North West region	target <b>85%</b> <i>CWP compliance</i> (Regional compliance in brackets) October <b>87%</b> (83% - 100%) November <b>94%</b> (50% - 100%)
			<p>There is a six month time delay in reporting of compliance data relating to 2011/12. Regional targets applicable monthly from October 2011. Regionally, compliance figures include those reported by:</p> <p>5 Boroughs Partnership NHS Foundation Trust Cumbria Partnership NHS Foundation Trust Greater Manchester West Mental Health NHS Foundation Trust Lancashire Care NHS Foundation Trust Mersey Care NHS Trust Pennine Care NHS Foundation Trust</p>		
ii. Physical health checks for all inpatient service users, including Body Mass Index (BMI)	2008/09	The monitoring of a service user's physical health is a priority to ensure that a service user's physical health needs are being met	<b>78% compliance</b> with full or partial completion of physical health examination, including BMI	<b>82% compliance</b> with full or partial completion of physical health examination, including BMI	<b>87% compliance</b> with physical health check undertaken within 6 hours of admission – <b>85% compliance</b> with the patient having their BMI calculated on admission
			Performance was measured once during the year as part of the Trust's clinical audit programme for 2009/10. The denominator was 114.	Performance was measured once during the year as part of the Trust's clinical audit programme for 2010/11. The denominator was 107.	Performance was measured throughout the year as part of the Trust's patient safety priority for 2011/12. The denominators were 1017 and 1102 respectively for physical health checks and BMI.
			In 2011/12, CWP developed a physical health in mental health pathway. It was supported by the		

Quality indicator	Year identified	Reason for selection	CWP performance		
			2009/10	2010/11	2011/12
			development of a standard operating procedure/ policy in physical health assessment and management (including management of head injury and altered levels of consciousness), and introduction of a Trust-wide physical health assessment on admission tool for inpatients on CAREnotes. These developments were underpinned by a physical health training programme for staff, which included completion of the physical observation recording chart.		
iii. Develop integrated care pathways	2009/10	Seamlessness between primary and secondary care promotes a joined up approach, and improves the continuity and quality of care	No performance data available, priority only agreed in 2009/10 for implementation in subsequent years	Baseline determined, including scoping existing pathways, determining outcome measures collected as part of them, and producing a framework for their development	Care pathways and associated care bundles developed for: <ul style="list-style-type: none"> <li>- <b>urinary catheter care</b></li> <li>- <b>wound care</b></li> <li>- <b>pressure ulcer care</b></li> <li>- <b>dementia memory assessment</b></li> <li>- <b>early intervention in psychosis</b></li> <li>- <b>structured assessment and treatment in learning disabilities</b></li> <li>- <b>Obsessive Compulsive Disorder in young people</b></li> </ul>
			All outcome measures for the care bundles identified as priorities for 2011/12 showed a higher degree of compliance by implementation of the care bundle, see <i>Part 2 – Clinical effectiveness priority for 2011/12.</i>		
<b>Patient experience</b>					
i. Increase patient experience feedback - <i>the types of feedback measured include concerns/ PALS contacts, comments, complaints, and</i>	2008/09	Understanding the experience of service users, and their carers, is fundamental to being able to provide high quality services and to identify areas for improvement	<b>39% increase</b> compared with 2008/09  A target of an increase in patient experience feedback by 5% applied in 2009/10. The	<b>14% increase</b> compared with 2009/10  This figure has increased from that reported in the Quality Account 2010/11 due to compliments	<b>28% increase</b> compared with 2010/11  This does not include patient experience feedback reported by CCWC, as these were not



Quality indicator	Year identified	Reason for selection	CWP performance		
			2009/10	2010/11	2011/12
<i>compliments</i>			Trust met this target.	received relating to 2010/11 that were received after completion of the report.	included in previous years' performance. CCWC received 264 patient experience contacts in 2011/12.
			<p>For 2011/12, the changes in patient feedback are:  Concerns/ PALS contacts = <b>19% decrease</b>  Comments = <b>33% increase</b>  Compliments = <b>39% increase</b>  Complaints = <b>15% decrease</b></p> <p>The overall increase in patient experience feedback, the continuing downward trend in complaints, and the increase in compliments received, is in accordance with Department of Health guidance. This trend indicates that the trust's complaints system and patient experience mechanisms are effective.</p>		
ii. Improvement of complaints management and investigation processes	2008/09	Complaints handling and investigations should be of a high quality and robust so that any improvements are highlighted and cascaded throughout the Trust in order to continually improve services and share best practice	<b>12 complaint quality assurance reviews</b>	<b>6 complaint quality assurance reviews</b> – The Trust's complaints policy was reviewed in February 2011 and introduced specific timescales for complaints resolution to improve performance management of complaints responses	<b>6 complaint quality assurance reviews</b> – Compliance with complaints resolution timescales:  Quarter 1: <b>90%</b> Quarter 2: <b>87%</b> Quarter 3: <b>88%</b> Quarter 4: <b>97%</b>
			Complaint quality assurance reviews are led by a Non Executive Director, and provide internal assurance of the quality and robustness of complaints management and investigation processes		
iii. Measure patient satisfaction levels	2008/09	Patient satisfaction is an important measure of the quality of the care and treatment delivered by the Trust	National Patient Survey score <b>63</b> (better than the average performance across all other mental health Trusts)	National Patient Survey score <b>72</b> (average performance compared with all other mental health Trusts)	National Patient Survey score <b>75</b> (better than the average performance across all other mental health Trusts)



Quality indicator	Year identified	Reason for selection	CWP performance		
			2009/10	2010/11	2011/12
			Responses = 127 – CWP inpatient survey <b>84%</b> of service users rated the service they received as <b>'good'</b> or <b>'excellent'</b> Responses = 100	Responses = 236 – CWP inpatient survey <b>73%</b> of service users rated the service they received as <b>'good'</b> or <b>'excellent'</b> Responses = 79	Responses = 224 – CWP inpatient survey <b>80%</b> of service users rated the service they received as <b>'good'</b> or <b>'excellent'</b> Responses = 86
			The National Patient Survey was an inpatient survey in 2009, and a community mental health survey in 2010 and 2011. The score represents how service users 'rated' the care received from CWP. A score of 100 represents the best possible response.		

## Performance against key national priorities

CWP is required to report its performance linked to a list of published key national priorities, against which the Trust is judged. CWP reports its performance to the Board and the Trust's regulators throughout the year. Actions to address any areas of under performance are put in place where necessary. These performance measures and outcomes help CWP to monitor how it delivers its services.

### Performance against key national priorities from the Department of Health's *The Operating Framework for the NHS in England 2011/12*

Area	National priority indicator	Required performance	Actual performance
Quality	Care Programme Approach (CPA) patients receiving follow-up contact within seven days of discharge	95%	97.95%
Quality	Care Programme Approach (CPA) patients having formal review within 12 months	95%	96.38%
Quality	Minimising mental health delayed transfers of care	<=7.5%	0.99%
Quality	Admissions to inpatient services had access to crisis resolution home treatment teams	90%	100%
Quality	Meeting commitment to serve new psychosis cases by early intervention teams	95%	118% CWP has over-performed against this target. This means that the Trust has seen more new cases than the national target in line with local need.
Effectiveness	Data completeness identifiers (MHMDS Part 1)	99%	99.38%

Area	National priority indicator	Required performance	Actual performance
Effectiveness	Data completeness outcomes (MHMDS Part 2)	50%	92.84%
Patient Experience	Certification against compliance with requirements regarding access to healthcare for people with a learning disability	N/A	Achieved
Patient Experience	Breaches of Same Sex Accommodation	Compliant	Compliant

The definitions of the above performance measure indicators can be found from the Department of Health website in their document entitled *Technical Guidance for the 2011/12 Operating Framework*.

Monitor requires mental health foundation trusts, for external assurance of their Quality Accounts, to ensure a review by independent auditors of two mandated indicators and one indicator selected by the Trust's Council of Governors. The independent auditor's report, at Annex C, details the findings of the review of the mandated indicators. Annex D details the definitions of the mandated indicators. The locally selected indicator is also detailed below for information.

#### **Mandated indicators**

- Care Programme Approach (CPA) patients receiving follow-up contact within seven days of discharge.
- Admissions to inpatient services had access to crisis resolution home treatment teams.

#### **Locally selected indicators**

- Community care referral information. The indicator covered all patient information captured in suitable electronic systems (specifically 'EMIS' – a computer system used in primary and community care) within fields 15000060 (priority type code), 15000055 (primary reason for referral) and 15000253 (referral closure date if relevant). The review by the independent auditors returned 100% achievement of this indicator.

### **Additional information on improving the quality of CWP's services in 2011/12**

Below is a summary of some of the work over the past year that each of the Trust's clinical services have undertaken to improve the quality of the services they provide. The Trust's quarterly *Quality Reports* provide more information about the quality of the services provided by CWP throughout the year.

#### **Adult Mental Health Services**

*Provides a range of services for adult and older people with complex and serious mental health problems. Services are mostly based in the community, with access to inpatient beds for patients requiring admission.*

#### **Adult Mental Health Services – East**

The Psychosexual Service hosted a very successful conference in collaboration with *The Christie NHS Foundation Trust* entitled 'Living with Sexuality and Cancer'.

As a result of a consultation exercise during the year with service users and carers, the Early Intervention Team is developing an interactive website. Written in a clear, conversational style, the website will enable service users and their families to access information about their condition, what a visit to the service will entail, and medication advice.

At the end of January 2012, a successful bid for funding until the end of March 2012 from the Strategic Health Authority, designed to improve access to services, funded a number of short-term projects that has achieved the following improvements to the quality of services:

- Reduction in *Improving Access to Psychological Therapies* waiting times within East Cheshire to a maximum of 18 weeks.
- Reduction in the waiting time for dementia diagnostic assessments within East Cheshire to below the national target of 13 weeks.
- Increase in the capacity within the Liaison Psychiatry services, based at *Macclesfield District General Hospital*, and *Leighton Hospital*, to reduce waiting time for inpatient assessment.

Croft Ward commenced the following projects at the end of 2011 which are now fully operational:

- Creation of a multi-sensory room, aimed at meeting the needs of people with dementia and more impaired service users. It is used as an intervention, usually on an individual basis, to stimulate or soothe, based on need.
- Completion of a garden that opens directly from the ward. The garden helps to meet the needs of people with dementia, especially the 'working garden' area, so that gardening can be used as an age-appropriate activity since it is often a familiar and much loved pastime.
- Carer 'drop in' support sessions, which take place on a flexible basis to accommodate different carer transport arrangements. The sessions provide an informal, welcoming atmosphere to be able to share their feelings in a supportive environment. Information relevant to carers is also available.

### Adult Mental Health Services – West

CWP has worked hard to support the rehabilitation of local military veterans throughout the year, particularly through its *Improving Access to Psychological Therapies* (IAPT) programme. In May 2011, the IAPT service in Chester completed two days training, in partnership with *Military Mental Health*, which helped raise awareness of the psychological support available, and enabled CWP staff to think creatively about how best to engage this client group into the service in a timely fashion. Given that military and veterans health is a key area for particular attention identified in *The Operating Framework* for 2012/13, CWP remains committed to working with its commissioners to ensure implementation of the national mental health plan for servicemen and veterans, to:

- Ensure smooth transition into NHS care for returning personnel injured in the course of duty.
- Ensure their dependants are not disadvantaged by their circumstances.
- Provide timely access to treatment, including appropriate mental health treatment, for veterans with conditions related to their service, subject to the clinical needs of others.

Rosewood Unit, at Bowmere Hospital, has benefitted from the addition of two new self contained flatlets. They enable service users to live more independently following their stay within the main part of the unit. Staff are able to work with service users to test the skills they have developed, while maintaining their independence, and progress towards discharge from the unit to an appropriate destination.

A temporary project worker post, within the older people's community mental health team (CMHT), was recruited to during the year using *CQUIN* monies. The project worker supports teams in researching and setting up activity groups for clients. They also link in with the Trust volunteer scheme to ensure that the groups are able to continue after the end of the project worker's appointment. This will result in a greater choice of service to clients, and ensure that CMHT staff are aware of local groups/ activities that are available to complement and enhance the service they provide.

As part of the 'Pets as Therapy' scheme, Bumble the golden retriever has started to visit the acute wards at Bowmere Hospital in the past twelve months. Service users on Beech, Willow, Juniper and Cherry wards have the opportunity to interact with Bumble and her owner on a weekly basis. Staff have observed that these sessions encourage engagement, raise interest and self esteem, and opportunity for reminiscence. The benefits of interacting with an animal have been noted even for service users who have previously been agitated, distressed or unable to engage in other therapeutic activities.

### Adult Mental Health Services – Wirral

The Criminal Justice Liaison Team has been identified by the Ministry of Justice, and the Department of Health, as a model of good practice, and has been chosen by them as a developmental site to progress the recommendations contained in Lord Bradley's review of people with mental health problems or learning disabilities in the criminal justice system.

In January 2012, the Wirral Memory Assessment Service was accredited by the Royal College of Psychiatrists' Centre for Quality Improvement.

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The *Single Point of Access* project has run successfully since the beginning of November 2011 as a new service, which patients can access before being referred to the most appropriate care/ treatment pathway. GP feedback direct to the team has been extremely positive, praising the speed of the team's response, celebrating the ease of access to mental health services, as well as praising the quality of support that they have received.

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CWP's Wirral Early Intervention Team, in partnership with Wirral MET College, has progressed with its third cohort on the 'Back on Track' programme, which enables CWP clients to improve their confidence, build self esteem, and start working towards a full or part time course at the college. *CQUIN* monies have been used to fund outdoor activities as part of this programme. The course helps young people with considerable difficulties, low self esteem and poor motivation, to make steps in their recovery and re-engaging in society. The team has also established a gym group once per week, where service users can use the gym, and receive a full physical health screen which is used to measure outcomes.

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Work has taken place on Meadowbank ward to record 'Life Histories', as an intervention for people who have dementia and their families. Information is gathered on all aspects of the individual's life events and displayed as a book that is enhanced by photographs. The outcome is to provide a life history for each individual to facilitate and prompt 1:1 interactions, and provides discussion points for all to reminisce on the individual's life events. The initiative has prompted very positive feedback from both individuals and staff. Carers have also enjoyed and have been pleased with the finish products.

## Child & Adolescent Mental Health Services – CAMHS

*Provides services on an inpatient outpatient basis to children and young people from the ages 0–19 years suffering from mental health problems.*

Maple Ward, which cares for young people with mental health issues, received a national quality mark in October 2011, when it was accredited by the 'Quality Network for Inpatient Child and Adolescent Mental Health Services'. It is one of only four wards in England to be accredited. This accreditation recognises the high standards of quality and safety of care that the ward provides.

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Pine Lodge Young People's Centre has opened a new classroom and created the resource to enable inclusive, engaging and nurturing education for all of its residents. The extra space means the centre is able to run a variety of sessions, whilst simultaneously providing a safe, calm environment for those who particularly need it.

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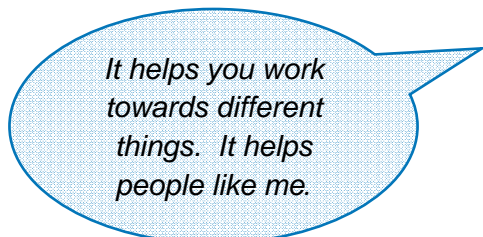
In autumn of 2011, a new and innovative website dedicated to child and adolescent mental health services was launched: [www.mymind.org.uk](http://www.mymind.org.uk). It was created following extensive consultation with service users, and designed to be a tool to assist children and young people recently referred to CAMHS to engage with the service. The website also provides information and resources for parents and carers as well as professionals with an interest in the services offered by CAMHS.

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Throughout the year, CAMHS has been demonstrating its commitment to improving quality and clinical effectiveness by auditing the use of goal based outcome measures that:

- puts patients in charge of making decisions about their care;
- focuses on personalised care; and
- enables the service to be held to account against clinically credible and evidence based outcome measures.

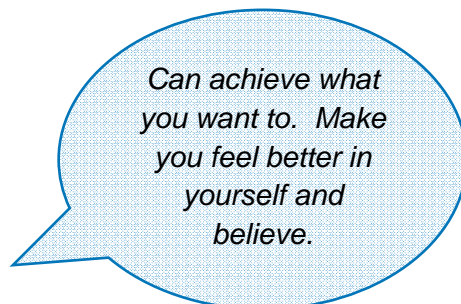
A dedicated team in CWP CAMHS has also captured patient experience of using the measure, and gathered feedback from clinicians. Feedback from the young people about using the measure was overwhelmingly positive. Young people's comments included:



*It helps you work towards different things. It helps people like me.*



*Was pretty easy.*



*Can achieve what you want to. Make you feel better in yourself and believe.*

When asked after they had finished treatment:

- All the young people interviewed understood why they were being asked to work towards goals and were 'happy' or 'very happy' with the goals they had set.
- They all reported working collaboratively with their therapists to set the goals, and over two thirds said that working towards goals helped them stay on track.
- 92% reported that as they got nearer to their goal they felt good and felt that they had achieved something.

The results also showed that over 40% of clinicians reviewed and recorded the patient's progress towards their goals at the end of treatment. This is excellent in comparison to a national figure of 0.09% in one large-scale study, as implementation of any new outcome measure is dependent on clinician participation and response rates are traditionally low in CAMHS. An exciting initiative linked to this project is the development of a child friendly goal based outcomes tool that clinicians can use to help young people identify and review their goals throughout treatment in an interactive, fun way using graphics to enhance communication between patient and clinician, truly putting the young patient at the heart of their care.

## Community Care Western Cheshire

*Provides community physical health services in Western Cheshire, including GP out of hours, district nursing, health visiting, and musculoskeletal services.*

In May 2011, CWP supported parents in Ellesmere Port and Chester to keep their children active by providing a selection of free health programmes. The Trust ran the programmes in partnership with MEND (Mind, Exercise, Nutrition... Do it!) for children from the age of two to thirteen. The programmes were designed by experts in child health and were run in the community by fully trained physical exercise and nutrition staff. They have already helped a number of families in the area enjoy a wider variety of foods and get more active.

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CWP joined forces with several local organisations in June 2011, to support National Eye Health Week and Age UK Falls Awareness Week, both of which focused on vision. CWP's Falls and Fracture Prevention Co-ordinator joined Chester's Dee 106.3 breakfast show to help promote this important patient safety issue. Every year, around one in three over 65s living in the community, and one in two people aged over 85, will have a fall. The consequences can be devastating, both physically and emotionally, and include loss of mobility, independence and confidence. Additionally, CWP, Vision Support, Age UK, Cheshire Fire Service, Cheshire West and Chester Council, local opticians and staff across health and social care held events across Cheshire to highlight the importance of people having their eyes checked in a bid to reduce falls suffered by the elderly.

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CWP introduced the Family Nurse Partnership (FNP) programme, as part of the services to children and families, in February 2012. The programme offers support and advice to teenage mothers, from pregnancy until the child's second birthday, to help to improve health and social outcomes for mother and baby. FNP is a preventative intensive home visiting programme, for young mothers, based at Woodlands Children's Centre, Ellesmere Port. Aims of the service include a reduction of smoking in pregnancy, a reduction in child abuse and neglect, and greater involvement of fathers. The programme has been proven to improve outcomes for the children and families, and although only commencing in February 2012, is already helping to make a difference to families in the area.

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The community Heart Failure service has introduced the use of 'Telehealth', the electronic transmission of health related information, such as a patient's vital signs measured in their own home, for patients diagnosed with Left Ventricular Systolic Dysfunction (LVSD). LVSD patients require close observation following discharge from hospital, during periods of medication titration and/ or decompensation of their heart failure condition. This remote monitoring provided by Telehealth has supported clinicians by highlighting trends, identifying treatment options, promptly recognising when a potential problem has arisen, and prevented hospital admissions/ readmissions by responding to changes in trends.

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The Acquired Brain Injury service has worked with the *Countess of Chester Hospital NHS Foundation Trust* and the Neuro Rehabilitation Unit at *Clatterbridge Hospital* to develop a new pathway when seeking specialist rehabilitation referrals from acute hospital settings. The new pathway eliminates



duplication of effort by a range of services, and provides clarity on referral routes, which has reduced the length of time taken to achieve transfers to specialist rehabilitation, thus improving the experience of clients with an acquired brain injury, their carers, staff, and commissioners.

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CWP's Western Cheshire Stop Smoking Service offers support and treatment, through a range of community clinics run by trained staff, to help smokers achieve a smoke free lifestyle. Stopping smoking helps to improve smokers' own health and the health of their families. In November 2011, the service set up a stall at *Mothercare* in Chester to promote smoke free pregnancies by demonstrating what essential baby items could be afforded after quitting.

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The Continence Advisory Service has implemented individualised toileting programmes, resulting in a gradual decline in the number of children in receipt of continence products. As at March 2012, there was a reduction from 65 to two children in receipt of continence products, significantly reducing the proportion who may have reached adulthood still using such products.

## Drug and Alcohol Services

*Provides easily accessible, community based services to people whose drug and/ or alcohol use is a problem, with the overarching aim of promoting health and minimising harm to the individual, their families, and the community.*

Wirral Drug Service Harm Reduction Team received funding from *NHS Wirral's* Public Health Innovation Fund in 2011/12 for the following three projects:

A men's health clinic, which has been organised by Wirral Drug Service. It aims to help clients and steroid users to live healthy lifestyles and make healthy choices. Research has shown that men under utilise screening and preventative healthcare, and may delay seeking help for health problems. This clinic promotes awareness of men's health issues, and aims to improve related health outcomes by providing access to a range of interventions and health professionals in an easily accessible location.

A drop in clinic for steroid users, which is being run by the Harm Reduction Unit. This initiative provides elements of general health assessment, blood borne virus testing, sexual health screening, and information to inform behaviour change.

'Dried blood spot' testing, which commenced in March 2011, undertaken by Wirral Drug Service. Low diagnosis rates of viral hepatitis presents a serious public health challenge for the UK. The *Health Protection Agency* estimates that there are at least 100,000 people living with undiagnosed Hepatitis C in England and Wales, and the prevalence of people with chronic Hepatitis B infections has been estimated as high as 326,000. Stigma, difficult access, and confidentiality may dissuade people who think they have been at risk of contracting Hepatitis B or C from accessing testing. To-date, the Drug Service has tested 347 individuals, a vast increase in uptake of tests. The test is easier in terms of obtaining the blood sample, and more clients are willing to be tested.

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In November 2011, two CWP substance misuse practitioners received commendations from the Chief Superintendent of Cheshire for their partnership work with the criminal justice agencies. The 'Navigate' scheme aims to reduce re-offending and promote community safety by working assertively with prolific and persistent offenders, many of whom have drug problems. The practitioners liaise closely with the police and probation to ensure offenders receive support to change their lives, and their drug treatment is a significant part of this.

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Central Cheshire Alcohol Service introduced a new Hospital Alcohol Liaison Service at *Leighton Hospital*, Crewe, in April 2011. The service is run in partnership with *Addaction* (a specialist drug and alcohol treatment charity), providing contact with service users who present at the hospital with physical health problems due to the harm caused by alcohol. The aim of the service is to reduce the harmful effects of alcohol by engaging with, and educating patients about their alcohol use, and signposting them to further help, advice or treatment. The service has been effective in breaking the cycle of hospital admissions for many repeat attendees, and is key to achieving savings across the health and social care economy.

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Central Cheshire's Drug Service and CWP's Estates Department have been working closely with their commissioners and partner agencies, such as *Turning Point*, *Addaction* and *Addiction Dependency Solutions*, to improve not only the building environment at Northwich, but also to improve the services which can be accessed there. The clean and bright facility now houses a multi-agency recovery focused resource centre, which clients can visit for advice, treatment, support groups, service user forums and alternative therapies. A team of service user volunteers manage the reception area and are making use of the facility for new projects such as a 'job club' and family support.

Service user peer support groups, established between May and December 2011, covering Chester and Ellesmere Port, meet regularly to discuss challenges to recovery, share experiences, and discuss issues. These 'recovery communities' have facilitated the following successes:

- Organised social events to reduce the isolation and loneliness experienced by people who have stopped drinking.
- Established links with *Endurance UK*, a local charity founded by people in recovery, the *Workers' Educational Association*, and *Liverpool John Moores University*, to develop bespoke training packages around life skills, mentoring, and personal development skills learning.
- Participated in the National Service User Involvement Conference in Birmingham in 2012.

## Learning Disability Services

*Provided by multi-disciplinary staff in the community and inpatient settings. Services, provided for adults with a learning disability, are person-centred, ensuring that service users' needs and preferences influence the care they receive.*

Health promotion work undertaken by CWP's health facilitators, in East Cheshire, has featured in a regional best practice document. 'Ready Steady Go' is a practical approach for healthy lifestyles, aimed at children over the age of 17 with learning difficulties. It is usually held over eight or twelve sessions, and includes modules on health promotion, healthy eating, healthy lifestyle, screening programmes, visiting a hospital, seeing the GP, visiting the dentist, smoking advice, alcohol advice, personal hygiene, and personal safety. It is delivered face-to-face in a group situation, and involves activities and learning outcomes.

Staff within Learning Disability Services have compiled a set of guidelines and checklists intended to assist professionals throughout CWP who are working with people who may lack capacity to make specific complex decisions for themselves. The guidelines, which were introduced in August 2011, outline how people should interpret and apply the statutory principles when using the Mental Capacity Act. They are designed to provide support for the professional, help to ensure that appropriate action is taken in individual cases, and guide the way to solutions in difficult or uncertain situations. Overall, the guidelines will assist in ensuring that best practice is followed and that the highest quality of care is provided.

CWP has been approached by the Department of Health with a request to include an outline on the Trust's work in learning disability commissioning. One of the Trust's nurses was chosen to be profiled in the Chief Nursing Officers February 2012 issue of the monthly e-bulletin. It describes her day-to-day job, outlines the role of commissioning, and explores some of the benefits and challenges faced in commissioning from a nurse perspective.

In April 2011, a community nurse for CWP was nominated for the title of 'Cheshire Woman of the Year' for the work that she does with children who have severe learning disabilities in Macclesfield. She was also recently awarded the title of 'Queen's Nurse' for supporting families and extended carers to improve quality of life.



# Annex A:

## Comments on CWP Quality Account 2011/12

CWP has included contributions internally from its staff, senior clinicians and managers, patient and public involvement representatives, and the Council of Governors, in developing this Quality Account. Externally, CWP has received comments and contributions from its Primary Care Trust (PCT) commissioners, Local Involvement Networks (LINKs), and the Overview and Scrutiny Committee (OSC), which is key to the Quality Account assurance process. Their contribution assures the public that the information presented in the Quality Account is accurate and fairly interpreted, and that the range of services described and priorities for improvement are representative. Through the Trust's quarterly *Quality Report*, CWP has engaged with its PCTs, LINKs and the OSC throughout the year, to assist them in developing a better informed comment, and to regularly discuss healthcare matters with CWP and their stakeholders, including service users.

Following the return of the comments below, no amendments were required to be made to CWP's Quality Account 2011/12.

### Comment by CWP's commissioners

#### **Comment by NHS Wirral as lead commissioner for mental health services provided by CWP in 2011/12**

We are committed to commissioning high quality services from our providers and place clear expectations around the standards that we expect to be met through our contractual arrangements. Performance against these standards is monitored closely throughout the year to provide assurance, highlight any risks, and also to give providers the opportunity to demonstrate the provision of safe high quality services that are patient-centred and responsive to commissioner requirements.

The Trust has provided a Quality Account that demonstrates the improvements across the three domains of quality, and which provides significant reassurance to commissioners of the commitment to continual reflection and improvement by the Trust.

Key areas that have stood out as being particularly good practice within the quality domains are highlighted below.

In any area of patient safety where the Trust fails to achieve 100% compliance, these results are published in public areas, along with an action plan for improvement. This demonstrates clear accountability to the public and provides assurance of the trust's ability to introspectively recognise its areas for improvement.

As commissioners we must ensure that we remain focussed on ensuring the best possible outcomes for our patients. The adoption of Patient Reported Outcome Measures as part of the Care Bundles implemented in 2011/12, is therefore welcomed, and the effectiveness of the Trust's approach – with a strong focus on clinical leadership and adherence to recognised best practice – is evidenced in their clear improvement in compliance with key care bundle indicators.

The Trust is clearly committed to listening to, and acting upon feedback from its service users. It is very positive that the Trust is employing a wide range of tools to capture the views of its patients. The Learning from Experience Group has provided qualitative evidence that has supported useful and robust discussion within contract monitoring meetings. We would look to see further development in the area of benchmarking its performance with that of other Trusts, in order to share and adopt best practice within this area.

The emphasis placed upon improvement of patient experience is borne out by the high and improved scores received through the CQC patient survey.

We welcome the willingness of the Trust to take part in local and national clinical audit, but would look to see the full set of action plans developed as a result of these audits, to provide reassurance of any learning from audit activity.

The commitment to providing high quality clinical care is apparent through the focus on clinical research, and in the involvement in production of NICE guidelines. We are assured by the Trust's approach to monitoring its compliance with NICE guidelines, with a full adherence rate of over 70%. We look forward to working with the Trust to improving this rate further during 2012/13.

The Trust has performed well against the quality metrics contained in the contract in 2011/12. We have worked collaboratively with the Trust to develop local CQUIN schemes which provide a level of 'stretch' in areas where there are clear benefits for patients and carers in making additional investment. We are pleased that the Trust achieved all the CQUIN goals for 2011/12 and secured the full incentive payment. It is very reassuring to commissioners that the Board has approved the reinvestment of CQUIN monies into clinical services for future quality improvement initiatives. We look forward to assessing the impact of the 2012/13 CQUIN goals over the coming year.

We are reassured to see from this Quality Account the high profile given to continuous quality improvement in Cheshire and Wirral Partnership Trust. We look forward to continuing to work in partnership with Cheshire and Wirral Partnership Trust to assure the quality of services commissioned in 2012/13.

***Wirral GP Commissioning Consortium – NHS Wirral  
May 2012***

**Comment by West Cheshire Clinical Commissioning Group as lead for the CWP services provided by CWP in West Cheshire**

We are committed to commissioning high quality services from our providers and we make clear in our contract with this Trust the standards of care that we expect them to deliver. We manage their performance throughout the year, requesting reports and information that will demonstrate to us that standards are being met and levels of compliance are maintained. It is through these arrangements that the accuracy of this Quality Account has been validated.

From the 1st April 2011, we commissioned Cheshire and Wirral Partnership Foundation Trust to provide community physical health services for West Cheshire residents, so it is good to read examples throughout this Quality Account of how high quality physical health care has been delivered. We note the achievements you have delivered in improving patient experience in 2011/12. We welcome the inclusion of our suggestion in the patient experience priorities set for 2012/13 of a need to focus on dignity and respect. This reflects the current national focus on this important matter.

We are pleased to see that the programme of work on compliance with patient safety standards is to be extended from mental health inpatient wards to community mental health and physical health services. This programme of work measures how well staff comply with key care activities and we commend your commitment to making the results of these audits highly visible in wards and community resource/health centres. We believe this demonstrates an open culture in the Trust's efforts to improve the quality and outcomes of care.

The 2011/12 CQUIN scheme included a programme of work to ensure that nursing staff are delivering the best clinically effective services that they can. Staff were asked to measure their compliance with delivering evidence based care activities. We commend the Trust on their increased rates of compliance in year with these best practice standards in wound care, pressure ulcer care and catheter care, all showing a marked improvement from the baseline measured at the start of the programme.

We look forward to seeing a continued improvement in how the staff can demonstrate through audits of their practice that they comply with key policies, such as safeguarding.

It would be of real value in the 2012/13 Quality Account to see examples of how patient stories of service users of the physical health teams have been captured and used to identify areas for improvement.

**West Cheshire Clinical Commissioning Group**  
**April 2012**

## Comment by Cheshire East LINK

The Cheshire East Link welcomes the commitment of the Trust to work closely with all stakeholders, including LINKs, and the opportunity to comment on the Trust's Quality Account.

We have only commented on services in Cheshire East.

We are pleased to note that the Trust is registered with the Care Quality Commission with no conditions. We note that the Trust has participated in three reviews by the Care Quality Commission relating to services for people with learning disabilities, particularly with regard to safeguarding. We note the actions and progress made to ensure full compliance. This improvement the LINK was able to confirm on an unannounced *Enter and View* visit.

The emphasis on the Recovery Strategy is welcome.

We are pleased to note the improved compliance with patient safety categories, particularly in food and nutrition and care planning.

We note the clinical audits in which the Trust has participated and in particular the local audits which support improvements in care.

A comprehensive and easily understandable document.

**Cheshire East LINK**

## Comment by Wirral LINK

The combination of the very wide clinical and geographical spread of the services provided by CWP, detailed statutory requirements and the report format used by CWP has made this not an easy report to read. For future reports, CWP may wish to consider using decimal numbering of paragraphs and sub-paragraphs for ease of cross-reference and a more easy read style to help both staff and the lay public to see what has worked well and where and how things are to be improved. Wirral LINK will only comment on three key areas.

### 1. Levels of Compliance

It is encouraging that levels of compliance have improved over the year for "Patient Safety" (52 – 83% to 79 – 91%) and for "Clinical Effectiveness" (52 – 70% to 62 – 97%). Trying to quantify improvements in "Patient Experience" in a similar manner against measurable targets is challenging, but it is encouraging that "compliments" have increased by 39% compared with the previous year.

### 2. Recovery Strategy

It is encouraging that as part of CWP's over-arching recovery strategy, CWP has set up a Task & Finish group of clinicians, service users, carers and voluntary sector experts to review mental health medical report templates and align them to the revised cognitive function descriptors now used in the Work Capability Assessment (WCA) process. The WCA process has been much criticised in statutory annual reviews by Professor Harrington. The work of this group should ensure that users of CWP services are not unfairly disadvantaged in claims for financial life support benefits.

Since preparation for useful occupation and employment is a key aspect of the recovery process for improving outcomes for so many users of CWP services, CWP can now be seen to be beginning to “practice what it preaches” by developing an internal apprenticeship scheme for training/ paid work experience for 12 months and by extending internal advertising for job vacancies to include those existing service users who want to be considered for employment within CWP. It is understood that CWP job vacancies are increasingly being filled on a short term and temporary basis.

### **3. CQC Reports on CWP Learning Disability Facilities**

For a CWP facility for learning disabilities in Wirral (Kent House), the Care Quality Commission (CQC) had two “moderate concerns” and one “major concern” at their September 2011 visit, but had no concerns at their December 2011 visit. After an “Enter & View” visit to Kent House in January 2012, Wirral LINK concluded that the combination of favourable comments from families of residents (“Kent House is a centre of excellence”), national awards for “easy read” documentation and rare national accreditation (AIMS-LD) for this type of service suggest that the original levels of concern by CQC may have been too severe. Nevertheless, it is salutary that further improvements were identified such as at the start of an individual’s Care Plan, there is now a list of “do’s” and “dont’s” specific to that individual so that even new staff know how best to care safely and effectively for that individual.

This approach could perhaps be extended to other areas such as ordinary medical wards in general hospitals where nearly half the patients will be elderly with some level of mental impairment. Extending an “easy read” approach to a more consistent use of “quick read summary procedures” may make implementation of large policy documents more consistent and effective for both new and old staff, a form of best practice which commissioners and providers of care may wish to share and spread.

#### ***Wirral LINK***

## **Comment by Cheshire West and Chester LINK**

Cheshire West and Chester LINK values the opportunity to comment and are pleased to note the improvements made by the Trust during the last twelve months. They found the report thorough and easy to read.

#### ***Cheshire West and Chester LINK***

## **Comment by Overview and Scrutiny Committee**

The Cheshire and Wirral Councils’ Joint Scrutiny Committee was not quorate at a meeting on 18 April 2012 to review the Cheshire and Wirral Partnership NHS Foundation Trust’s Quality Account 2011/12. The Committee is therefore unable to provide an approved comment. However, the Scrutiny Team from the Cheshire and Wirral Councils’ Joint Scrutiny Committee and the Trust have mutually agreed to provide the following statement.

The Cheshire and Wirral Partnership NHS Foundation Trust’s Quality Account 2011/12 was received, reviewed, and discussed by the Cheshire and Wirral Councils’ Joint Scrutiny Committee at an informal meeting held on 18 April 2012, with officers from the Trust in attendance. Positive actions were identified for 2012/13 to assist in a systematic review of the quality of the Trust’s services throughout the year in order to inform and facilitate the provision of a more robust commentary next year. Councillors agreed that their involvement at an earlier stage during the compilation of the accounts would be beneficial, providing a useful input with regard to how information might be presented. A summary of individual comments discussed during the informal meeting has been provided to the Trust, but no specific changes to the Quality Account have been formally requested.

#### ***Cheshire and Wirral Councils’ Joint Scrutiny Committee***

# Annex B:

## Statement of directors responsibilities in respect of the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 as amended to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS Foundation Trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that Foundation Trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

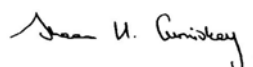
- the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2011-12;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2011 to June 2012
  - Papers relating to Quality reported to the Board over the period April 2011 to June 2012
  - Feedback from the commissioners dated 03/05/2012 and 09/05/2012
  - Feedback from governors dated 01/04/2012
  - Feedback from LINKs dated 23/04/2012, 02/05/2012 and 08/05/2012
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 16/05/2012
  - The 2011 national patient survey
  - The 2011 national staff survey
  - The Head of Internal Audit's annual opinion over the Trust's control environment dated March 2012
  - CQC quality and risk profiles dated 21/04/2011, 16/06/2011, 20/07/2011, 17/08/2011, 20/10/2011, 17/11/2011, 08/12/2011, 09/02/2012 and 06/03/2012.
- 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, noting the modified limited assurance opinion on 100% enhanced Care Programme Approach patients;
- 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 Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at [www.monitornhsft.gov.uk/annualreportingmanual](http://www.monitornhsft.gov.uk/annualreportingmanual)) as well as the standards to support data quality for the preparation of the Quality Report (available at [www.monitornhsft.gov.uk/annualreportingmanual](http://www.monitornhsft.gov.uk/annualreportingmanual)).

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report. We will continue to strive to improve the quality of data the Trust collects.

By order of the Board at the meeting held on Wednesday 30<sup>th</sup> May 2012.



Date: 30<sup>th</sup> May 2012, Chair of the meeting



Date: 30<sup>th</sup> May 2012, Chief Executive

# Annex C: Independent Auditor's Limited Assurance Report to the Council of Governors of Cheshire and Wirral Partnership NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of Cheshire and Wirral Partnership NHS Foundation Trust to perform an independent assurance engagement in respect of Cheshire and Wirral Partnership NHS Foundation Trust's Quality Report (the 'Quality Report') and specified performance indicators contained therein.

## Scope and subject matter

The indicators in the Quality Report that have been subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 100% enhance Care Programme Approach patients receiving follow up contact within seven days of discharge from hospital ("CPA follow up").
- Access to crisis resolution home treatment teams.

We refer to these national priority indicators collectively as the "specified 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 assessment criteria referred to on page 49, Annex C of the Quality Report (the "Criteria"). The Directors are also responsible for their assertion and the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") issued by the Independent Regulator of NHS Foundation Trusts ("Monitor"). In particular, the Directors are responsible for the declarations they have made in their Statement of Directors' Responsibilities.

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 does not incorporate the matters required to be reported on as specified in Annex 2 to Chapter 7 of the FT ARM;
- The Quality Report is materially inconsistent with the sources specified below; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria.

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM, 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 2011 to March 2012;
- Papers relating to Quality reported to the Board over the period April 2011 to March 2012;
- Feedback from the Commissioners dated 03/05/2012 and 09/05/2012;
- Feedback from LINKS dated 23/04/2012, 02/05/2012 and 08/05/2012;



- The trust's learning and experience reports which include the detail on complaints which will be published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, final quarter learning and experience report dated 16/05/2012;
- The 2011 national patient survey;
- The 2011 national staff survey;
- Care Quality Commission quality and risk profiles dated 21/04/2011, 16/06/2011, 20/07/2011, 17/08/2011, 20/10/2011, 17/11/2011, 08/12/2011, 09/02/2012 and 06/03/2012; and
- The Head of Internal Audit's annual opinion over the trust's control environment dated March 2012.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Cheshire and Wirral Partnership NHS Foundation Trust as a body, to assist the Council of Governors in reporting Cheshire and Wirral Partnership NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2012, to enable the 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 Cheshire and Wirral Partnership NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 '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
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.
- Comparing the content requirements of the FT ARM to the categories reported in the Quality Report.
- Reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and the Directors' interpretation of the Criteria in Annex C of the Quality Report.



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

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by Cheshire and Wirral Partnership NHS Foundation Trust.

#### **Basis for Adverse Conclusion – CPA follow up**

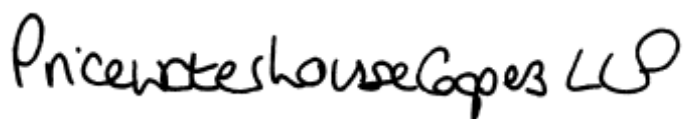
The CPA follow-up indicator requires patients to be followed up within 7 days of discharge through face to face contact or a phone call. Two patients out of a total of 50 tested were found to have breached this target but had been reported as being followed up within 7 days. We also found that supporting documentation for the calculation of the indicator in some cases did not exist or could not be reconciled.

#### **Conclusions (including adverse conclusion on CPA follow up)**

In our opinion, because of the significance of the matters described in the Basis for Adverse Conclusion paragraph, CPA follow up has not been prepared in all material respects in accordance with the criteria.

Based on the results of our procedures, nothing has come to our attention that causes us to believe that,

- The Quality Report does not incorporate the matters required to be reported on as specified in annex 2 to Chapter 7 of the FT ARM;
- The Quality Report is materially inconsistent with the sources specified above; and
- Access to crisis resolution home treatment teams has not been prepared in all material respects in accordance with the Criteria.



PricewaterhouseCoopers LLP  
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101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

30<sup>th</sup> May 2012

The maintenance and integrity of the Cheshire and Wirral Partnership NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

# Annex D:

## Definitions of the performance measure indicators in the NHS Operating Framework for 2011/12

### **Care Programme Approach (CPA) 7 day follow up**

All patients discharged to their place of residence, care home, residential accommodation, or to non psychiatric care followed up within seven days of discharge through face to face or telephone contact (not including text message or voicemail) as a percentage of all CPA patients discharged. The seven day period is measured in days not hours and starts the day after discharge.

#### *Exemptions:*

- Patients who died within seven days of discharge.
- Where legal precedence has forced the removal of the patient from the country.
- Patients transferred to NHS psychiatric inpatient wards.
- CAMHS (children and adolescent mental health services).
- Where a patient has been discharged to prison, contact should be made via the prison in-reach team.

### **Home Treatment episodes carried by Crisis Resolution/ Home Treatment teams**

Crisis resolution home treatment teams are required to gatekeep all admission to psychiatric inpatient wards. An admission has been gatekept by a crisis resolution team if they have assessed the service user before admission and if the crisis resolution team was involved in the decision making-process, which resulted in an admission. Assessment is defined as direct contact with the patient, irrespective of the setting, where an assessment has been made.

#### *Total exemptions from this indicator include:*

- Patients recalled on Community Treatment Order.
- Patients transferred from another NHS hospital for psychiatric treatment.
- Internal transfers of service users between wards in the trust for psychiatry treatment.
- Patients on leave under Section 17 of the Mental Health Act.
- Planned admission for psychiatric care from specialist units such as eating disorder unit are excluded.

#### *Partial exemptions from this indicator include:*

- Admissions from out of the trust area where the patient was seen by the local crisis team (out of area) and only admitted to this trust because they had no available beds in the local areas. Crisis resolution team should assure themselves that gatekeeping was carried out. This can be recorded as gatekept by crisis resolution teams.

# Directors' Report

## Background information

Cheshire and Wirral Partnership has been a NHS foundation Trust since July 2007. Prior to that, it had been an NHS Trust since 2002. The Foundation Trust currently serves a population of approximately 1 million people across its traditional area of Cheshire and Wirral although it does provide services on a regional footprint including Trafford and Bolton. Its principal activities have always been to provide primary and specialist mental health, learning disabilities, child and adolescent mental health and drug and alcohol services – as well as a range of specialist services such as eating disorder services. As in previous years, over 90% of the NHS Foundation Trust's income comes from contracts with the following NHS bodies, Central and Eastern Cheshire PCT, NHS Western Cheshire, NHS Wirral and North West Specialist Commissioners together with Cheshire East Council, Cheshire West and Chester Council and Wirral Council.

On April 1<sup>st</sup> 2011 Community Care Western Cheshire services transferred from NHS Western Cheshire under the Department of Health national Transforming Community Services programme. This was a significant transaction for the Trust and as such a robust project management process and structure was put in place to ensure a smooth transfer and delivery of services with identifiable benefits.

The directors are pleased to provide readers with a fair review of the Foundation Trust's principal activities during the financial year, ending 31<sup>st</sup> March 2012. In nearly five years as a Foundation Trust we have sought to build further on the real benefits this status affords to continually improve the quality of health care provided. We set out in the Trust's Annual Plan what we wanted to achieve in the past year while recognising there are many other things that could be done. This report will inform the reader, fairly, of how we performed against that plan including what was achieved in full and targets that were exceeded or fell short.

## Business review (management commentary / operating and financial review)

### The position of the Trust at the end of March 2012

The Trust ended the financial year with a green governance rating and a financial risk rating of 3 as assessed by the regulator of Foundation Trusts Monitor. The main trends and factors underlying the position of the Trust during the last 12 months can be summarised as follows:

- Robust monitoring and careful use of available resources meant that the Trust was able to achieve a surplus £3.99m. This was ahead of plans set out at the beginning of the year. The Trust's performance on recognised financial metrics can be demonstrated in the table below:

Financial criteria	Metric	Performance	Rating
Achievement of Plan	EBITDA achieved (acronym for earnings before interest, taxes, depreciation & amortisation)	106.9%	5
Underlying Performance	EBITDA margin	4.97%	2
Financial Efficiency	Return on Assets	8.8%	5
Financial Efficiency	Income and Expenditure surplus margin	2.5%	4
Liquidity	Liquidity ratio	50.6	4
<b>Overall rating</b>			<b>3</b>

- The key factors contributing to improved financial performance in relation to the Trust's plans are listed as follows:

- Additional, unplanned income for specialist or newly commissioned services;
- Pay costs incurred below those planned.

Because CWP has Foundation Trust status it can take full advantage of this additional cash surplus in future years by setting plans to invest this into improving our estate for the benefit of services provided to our patients.

- The uncertain future and financial position of commissioners throughout 2011/12 affected the contract income the Trust received to varying degrees. This was a significant risk which the Trust worked hard to mitigate, to prevent any loss of income during the financial year.
- We were wholly successful in managing the financial risks posed to ensure these did not have a detrimental effect on the financial performance of the Trust.
- A key feature of our financial performance was the ability of the Trust's services to deliver a very challenging efficiency programme. Efficiency savings are a fundamental part of NHS contracts going forward into 2012/13 and beyond.
- The Trust was able to take advantage of £2m (£2,066,130) of CQUIN (Commission for Quality and Innovation) non-recurrent funding to invest in a wide range of service quality enhancements outlined in the Quality Report.
- The Trust's governance risk rating changed in Quarter 2 from green to red following the Care Quality Commission undertaking a review of compliance at two of the Trust's learning disability units. This is described in more detail on page 69. In Quarter 3 the Trust's rating improved from red to amber-red, by Quarter 4 the Trust's rating returned to green. The Trust has been able to return to green as Monitor decided to apply the CQC scoring methodology of the 2012/13 Compliance Framework to all Quarter 4 2011/12 returns i.e. "moderate CQC concerns and CQC compliance actions outstanding will no longer score".

The Care Quality Commission declared the Trust compliant with the outcomes under review during their inspection. The Trust is awaiting a re-inspection from the Care Quality Commission. The Trust performed well within the targets set by Monitor; the one exception related to the access to healthcare for people with a learning disability target. The Trust achieved this target in 2010/11; Mental Health services remained compliant in 2011/12. The underperformance related to the newly acquired Community Services. A programme of work was undertaken to ensure that Community Services were compliant with this target; compliance was achieved in Quarter 3.

### Statement on income

Savings required of the Trust by its commissioners in 2011/12 meant that total Mental Health services income decreased by 1% over the previous year. This decrease was mainly due to the national deflator applied to our contracts and the Quality, Innovation, Productivity and Prevention target levied by NHS Western Cheshire. This has been offset by the receipt of CQUIN funding, new contracts for Eating Disorders and some developments within existing contracts. In addition, income has increased by £27m due to the transfer of Community Care Western Cheshire services from NHS Western Cheshire which took effect on 1<sup>st</sup> April 2011.

### Statement on running costs

The Trusts' running costs increased in line with inflation and other NHS specific cost pressures. In addition and in line with movements to income, additional costs in relation to CQUIN projects and new service developments that are net of financial efficiency schemes have contributed to in year expenditure movements. However, the most material increase in running costs followed the transfer of Community Care Western Cheshire services on 1<sup>st</sup> April 2011 as part of the TCS agenda.

### Statement on assets

The net book value of property, plant and equipment has increased by £0.91m during the year from £59.07m to £59.98m. Of this £2.95m related to additions which were offset by depreciation of £1.365m. In the current financial year the carrying value of property, plant and equipment was reviewed by the

Trust but no revaluation was considered necessary. This review took into account increases in the Building Cost Information Service 'All in' tender price index as well as current depreciation rates and included discussions with the Trust's professional valuers and external auditors.

### Statement on cash

The Trust ended the year with cash, bank balances and investments of £25.3m. This represents a £1.5m increase over cash, bank balances and investments held at the end of the previous year. The increase primarily reflects lower than anticipated capital expenditure and a higher than anticipated income and expenditure surplus.

### Going concern

Through its financial statements and performance risk indicators, the Trust continues to demonstrate a strong underlying and improving financial position. The 2012/13 Annual Plan forecasts ongoing surpluses. The directors' opinion therefore is that the Trust is a going concern and make the following disclosure as recommended by the Accounting Standards Board: 'After making enquiries, the directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future' and for this reason they continue to adopt the going concern basis in preparing the accounts.

### Risk

- **Risk of harm to patients due to lack of staff competency** to a) manage physical healthcare within MH inpatient units b) manage inpatient slips, trips and falls – the Trust developed a physical healthcare pathway and funded a training programme for all inpatient nursing staff. The effectiveness of this pathway and training are monitored monthly as part of the inpatient safety metric work and significant improvements have been made (see page 23 of quality accounts). Also quality monies were used to purchase new equipment for falls prevention across all inpatient units.
- **Lack of robust governance around medical devices** may result in harm to patients, breach of legislation and litigation claims – this was a risk identified as part of the Trust's Transforming Community Services work. There were a number of gaps identified around medical devices, including procurement, tracking of devices and training for staff. An action plan has been put in place and is overseen by the Trust's Patient Safety and Effectiveness Sub Committee, which is chaired by the Trust's Medical Director. This risk will continue to be monitored.
- **Risk of not being able to deliver planned financial risk rating** due to incomplete CIP plans and potential breach of authorisation terms and reputational damage - this is a financial risk that the Trust continues to monitor very closely, as any failure to achieve the required cost improvement target within a year is carried over to the next year, and therefore adds cost pressures. The Trust's Finance Team and Service Innovation and Development Team work closely with the Trust's clinical services to ensure that plans are in place which will account for local and trustwide cost improvements, without compromising clinical quality.
- **Risk of not being able to deliver safe and effective services** due to inadequate attendance on mandatory training. This may result in harm to patients, litigation claims and breach of legislation – the Trust has reviewed its mandatory training in 2011/12, including prioritising the essential training required for all staff groups and increasing the availability of e-learning for all staff. Training reports are reviewed by the Trust's Workforce and Organisational Development Sub Committee, which reports to the Trust's Operational Board.
- **Risk of harm to patients, carers and staff as well as reputational and litigation risks** due to being unable to a) show consistent investigation of incidents; b) show learning from actions of incidents, claims etc is cascaded; c) be assured investigations are carried out in a timely manner and may breach contractual obligations – in order to promote consistency and quality of investigations within the Trust, external training was commissioned for managers who undertake and approve investigations. Actions resulting from investigations are discussed within the Clinical Services Units and shared at Clinical Networks - this is overseen by the Trust's Quality

Committee and regular reports are provided to the Trust's commissioners. This risk will continue to be monitored.

### **Pensions and other retirement benefits**

The Trust's accounting policies for pensions and other retirement benefits for staff can be found in note 1.17 to the Accounts. Details of the remuneration and pension benefits of senior managers can be found in the Remuneration Report on page 79.

### **Patient and staff surveys**

See page 30 for patient surveys and page 73 for staff surveys.

### **Complaints handling**

During the reporting period a total of 263 complaints were received, compared with 232 for 2010/11. The Trust operates a triage system for managing complaints, namely red, amber and green. Of the complaints received, 216 were green, 38 amber and 9 red. In total the Trust has received a 13% increase in complaints, which reflects the expansion of our services within 2011/12. As a Trust, we welcome all types of feedback - this enables us to learn and improve our services for the communities which we serve.

### **Significant partnerships and alliances entered into by the Trust**

The Trust continues to work in close partnership with a wide range of organisations across the NHS, local authorities and the third sector in terms of direct service delivery. The Trust has an established, formal partnership with Addiction Dependency Solutions (ADS) with whom the Trust provides drug services in Trafford and is currently working with ADS on other service developments. CWP also has a formal partnership with Mental Health Matters with whom the Trust deliver primary care mental health services in Warrington.

CWP is also exploring partnership working with the Trades Union Congress (TUC) in initiatives in line with the Mindful Employer® project to promote good mental health in the workplace. CWP is currently working with AQR to develop resilience training for staff internally and also to develop interventions for adults with Attention Deficit Disorder. The Trust has inherited a range of partnership arrangements through its merger with community services in Western Cheshire and is keen to develop these further.

### **Development of services involving other agencies**

In line with World Class Commissioning, CWP sees the development of services across pathways, involving partner organisations delivering parts of that pathway, as essential in delivering flexible, effective and valued services. For example, the Trust is working across health agencies in Cheshire and Wirral to develop services for people with acquired brain injuries.

The Trust is committed to delivering health care in its broadest sense and continues to provide for improved employment support for mental health service users in the Wirral and, more recently, Cheshire. CWP is working in partnership with the Richmond Fellowship to provide Individual Placement and Support services for people with severe and enduring mental health problems to enable them to gain employment and support them in the workplace.

CWP are currently exploring ways in which we can partner with local third sector providers such as Advocacy in Wirral and others to revitalise the way we deliver community mental health services.

### **Looking forward**

The Trust is well placed to continue to develop innovative, efficient and quality services against a challenging economic backdrop. As an organisation, we have a number of key areas of focus for the year ahead. Improving quality remains of utmost importance, and given this, the Trust intends to continue to prioritise delivering the Trust's Recovery Strategy, ensuring our core principle is the delivery of high quality care, while transforming the delivery of care, and tackling health inequalities.

Engagement with our service users and carers is essential to improving quality, and we will continue to listen to the experiences of service users and carers to support us in the design, development, improvement and review of services. We will also develop a quality dashboard to support with the review and informing of quality improvement and risk reduction programmes, along with using clinical outcome

data to ensure patients benefit from evidence based practice. This will be underpinned by current clinical research and innovative ways of working.

Alongside this, the Trust has several key areas for development. The Estates Strategy and the Joint Venture programme will assist the trust to address key clinical needs, make environmental improvements, and advance the building rationalisation programme.

Continuing to advance our established partnerships and networks is a critical area of development for the Trust. This is essential to ensure the Trust continues to meet the needs of the population it serves. Working with local CCGs as they develop, and the establishment of Health and Well-being Boards are key partnership areas for the Trust, along with developing further links with local authorities and acute care trusts as part of the 'integration' agenda.

The Trust aims to achieve these priorities against a backdrop of a challenging economic landscape with a strong focus on efficiencies and cost improvement. In light of this, and other priorities that the Trust aspires to achieve, the Trust has commenced a review of its existing vision and strategic objectives. This is to ensure that they are still fit for purpose and demonstrate the Trust's core aspirations and values, while also reflecting the changes in the external environment that CWP is operating in.

Once revised, the strategic objectives will underpin the vision, and reflect the core direction of our activities across the Trust while maintaining an emphasis on quality, continuous improvement and sound financial capability.



## Performance against key targets

The Trust had a number of external targets to achieve in 2011/12. The regulatory body /accountable organisation target details, required performance, and actual performance are listed below:

Regulatory Body/Accountable Organisation	Target Title	Required Performance	Actual Performance
<b>Patient Related</b>			
Monitor (Mental Health Target)	Admissions to inpatient services had access to crisis resolution home treatment teams	90%	<b>100%</b>
Monitor (Mental Health Target)	Care Programme Approach (CPA) patients (11), comprising <b>either:</b> -receiving follow-up contact within seven days of discharge - having formal review within 12 months	95%	<b>97.95%</b>
		95%	<b>96.38%</b>
Monitor (Mental Health Target)	Minimising delayed transfers of care	<=7.5%	<b>0.99%</b>
Monitor (Mental Health Target)	Maintain level of crisis resolution teams set in 03/06 planning round (or subsequently contracted with PCT)	4 teams	<b>4 teams</b>
Monitor (Mental Health Target)	Meeting commitment to serve new psychosis cases by early intervention teams	95%	<b>118%</b>
Monitor (Mental Health Target)	Data completeness: identifiers	99%	<b>99.38%</b>
Monitor (Mental Health Target)	Data completeness: outcomes for patients on CPA	50%	<b>92.84%</b>
Monitor/Care Quality Commission	Certification against compliance with requirements regarding access to healthcare for people with a learning disability	Not applicable	<b>Achieved</b>
Monitor (Community Target from Q3 and Q4 – not scored)	Community care – venous ulcer treatment information	Not applicable	<b>Not applicable at Q3 and Q4</b>
Monitor (Community Target from Q3 and Q4 – not scored)	Community care – user experience outcome information	Not applicable	<b>Not applicable at Q3 and Q4</b>
Monitor (Community Target from Q3 and Q4 – not scored)	Community care – referral to treatment information	Not applicable	<b>100%</b>
Monitor (Community Target from Q3 and Q4 – not scored)	Community care – referral information	Not applicable	<b>100%</b>
Monitor (Community Target from Q3 and Q4 – not scored)	Community care – activity information	Not applicable	<b>100%</b>
Monitor	Community care – patient	Not applicable	<b>100%</b>

(Community Target from Q3 and Q4 – not scored)	identifier information		
Monitor (Community Target from Q3 and Q4 – not scored)	Community care – end of life patients deaths at home information	Not applicable	<b>100%</b>
Information Centre	Information Governance Toolkit	66%	<b>94%</b>
Monitor/Care Quality Commission	Moderate CQC concerns regarding the safety of healthcare provision	No concerns	<b>In year Moderate concerns identified following inspection of 2 locations*</b>
Monitor/Care Quality Commission	Major CQC concerns regarding the safety of healthcare provision	No concerns	<b>In year 1 major concern identified following CQC inspection at 1 location. Judgement of full compliance following return CQC visit **</b>
Monitor/Care Quality Commission	CQC compliance action outstanding	Yes/No	<b>No</b>
Monitor/Care Quality Commission	CQC enforcement notice currently in effect	Yes/No	<b>No</b>
Monitor/Care Quality Commission	Unable to maintain, or certify, a minimum published CNST level of 1.0 or have in place appropriate alternative arrangements	Yes/No	<b>No</b>
Monitor	Risk of, or actual, failure to deliver mandatory services	Yes/No	<b>No</b>

**\* Moderate CQC Concerns**

A review of compliance by CQC at Greenways Unit in October 2011 resulted in a judgement of moderate concerns with outcomes 4 (care and welfare of people who use services) and 7 (safeguarding people who use services from abuse) of the Care Quality Commission's essential standards of quality and safety. An action plan was implemented and all actions completed by 31<sup>st</sup> January to return the Unit to full compliance. CQC have not re-visited to verify the Trust's view that it is fully compliant with these outcomes. A review of compliance by CQC at Kent House in September 2011 resulted in a judgement of moderate concerns with outcome 4 and 16 of the essential standards. An action plan was implemented and all actions completed by 31<sup>st</sup> January to return Kent House to full compliance. It is the Trust's view that it is now fully compliant with these outcomes. CQC did not assess compliance with these outcomes when they re-visited in December 2011.

**\*\* Major CQC Concerns**

A review of compliance by CQC at Kent House in September 2011 resulted in a judgement of major concerns with outcome 7. An action plan was implemented to address these concerns. A further visit by CQC to Kent House in December 2011 verified a return to full compliance with outcome 7.

# Regulatory ratings

## Commentary

Monitor uses the Trust's annual plans, in-year quarterly submissions and relevant third party reports to assign risk ratings for finance and governance. Monitor then uses these ratings to assess risk to compliance with the Trust's Authorisation, to guide the intensity of monitoring and signal to the NHS Foundation Trust the degree of concern with the specific issues identified and evaluated.

Monitor requires NHS Foundation Trusts to report in-year, normally on a quarterly basis (dependent upon the outcome of its rating). The submission is split into the following areas:

- **Finance**
- **Governance**

Throughout the year the Trust has satisfied the requirements of the standards set by regulatory bodies. The **financial risk rating** is determined by four factors:

- Achievement of plan;
- Underlying performance;
- Financial efficiency;
- Liquidity.

The **governance rating** is determined by an assessment of:

- quality governance,
- performance against targets,
- results of any elections and
- reports of changes of any directors or board of governors

The Trust's governance risk rating changed in Quarter 2 from green to red following the Care Quality Commission undertaking a review of compliance at two of the Trust's learning disability units. The Trust however ended the year with a risk rating adjusted to green and therefore did achieve the expected performance set out in its annual plan for 2011/12.

## Quality Governance Framework

The Quality Account sets out the Trust's commitment to setting quality improvement priorities that the Trust intends to continue to review its performance against in future years, and to sustain improvements to quality. This strategy is supported by an ongoing/ quarterly self assessment by the Board, as per the Monitor quality governance framework, to assure the Board that strategies are in place to support the quality agenda, and at Trust level the development of a quality operating framework for 2012/13.

**Mandatory services** are the services which each NHS Foundation Trust must provide as detailed in its Terms of Authorisation. As last year, again this year the Trust achieved and maintained the highest rating of green for the full year. The Trust therefore achieved the expected performance set out in its Annual Plan for 2011/12.

	Annual Plan 2011/12	Q1 2011/12	Q2 2011/12	Q3 2011/12	Q4 2011/12
<b>Financial risk rating</b>	3	4	4	4	3
<b>Governance risk rating</b>	●	●	●	Amber/Red	●
<b>Mandatory services</b>	●	●	●	●	●

	Annual Plan 2010/11	Q1 2010/11	Q2 2010/11	Q3 2010/11	Q4 2010/11
<b>Financial risk rating</b>	3	3	4	4	4
<b>Governance risk rating</b>	●	●	●	●	●
<b>Mandatory services</b>	●	●	●	●	●

**Key:**

**Financial risk rating**

1. Highest risk - high probability of significant breach of authorisation in short-term, e.g. <12 months, unless remedial action is taken;
2. Risk of significant breach in medium-term, e.g. 12 to 18 months, in absence of remedial action;
3. Regulatory concerns in one or more components. Significant breach unlikely;
4. No regulatory concerns;
5. Lowest risk - no regulatory concerns.

**Service performance score (targets)**

- <1.0
- ≥1.0 - <2.0
- ≥2.0 - <4.0
- ≥ 4.0

**Governance risk rating**

- Green
- Amber-green
- Amber-red
- Red

## Sustainability/climate change

CWP is committed to improving and sustaining carbon reduction across all of its operations. A Carbon Management Strategy is in place from 2010-15 with the target of 5% reduction in energy achieved in 2011. An Environment Strategy Action Schedule monitors measured progress on carbon reduction, the major factor in climate change. Adaptation and mitigation of the threats of climate change are included in sustainable development planning.

The key principles outlined in the Trust's strategy have committed, and currently are on target, to exceed the 10% carbon reduction target proposed in the NHS Carbon Reduction Strategy for England: "Saving Carbon, Improving Health" published in January 2009.

CWP has incorporated environmental sustainability in many current plans and has a strategy in place that reports and monitors:

- energy and carbon management;
- waste reduction;
- transport and travel;
- refurbishment and design of our buildings.

Carbon management is subject to monitoring and measuring mechanisms that form part of the Carbon Reduction and Sustainable Development Plan. Information is reported into the Environment Strategy Sub-Committee using a carbon measurement recording tool managed by the CWP Energy Manager.

In line with the NHS reporting target 'CWP set base year from 2007 reducing Co2 emissions by at least 10% by 2015', CWP Energy Carbon tonnage was 3947.10 in 2007 and is now measured at 2840.48 representing a reduction of 1106.62 tonne of carbon in the last four years.

CWP has continued to develop partnerships and networks with other public sector bodies and services throughout 2011/12 and has been working on developing the NHS good Citizenship Model 3 assessment. Carbon reduction strategies for mitigating effects of climate change in 2011/12 include:

- Raising energy awareness campaigns twice yearly.
- Boiler replacement with condensing units scheme.
- Energy efficient lighting replacements as standard.
- Targeted ongoing reduction of waste streams and promotion of increased recycling.
- Auditing of waste streams enabling analysis to utilise as a resource and income generator.
- Paper, cardboard and printer cartridges projects are measured to offset CWP total tonnage of general waste from 62% at base year 2007 to 95% by 2015.
- Office furniture and equipment is utilised by teams before purchasing new by accessing a tool available for staff on the environment intranet page, saving £8k to £10k per year.
- Water consumption CO<sub>2</sub> emissions from travel have been successfully reduced by installation of plumbed in units. This represents 7 tonne of carbon saved during 2011/12, as well as reduction of £12,000 costs.
- 17 VCR units installed in the last year for increased video conferencing, reducing mileage and CO<sub>2</sub> emissions from travel.
- Annual bike purchase scheme for staff and improved storage and cycle facilities at larger sites.
- Staff engagement has been improved and consolidated with a network of eco representatives across the Trust. Eco representatives meet four times a year to discuss campaigns and projects.
- CWP staff eco representatives have had opportunities in 2011 and 2012 to engage in level 1 Environmental Principles training through funding from a public sector carbon management programme.

The Trust fully embraces the ethos of sustainable development in all its forward planning and adaptation in respect of the risks and challenges that we face with the impacts of climate change and sustainable development and aims to improve and consolidate our carbon reduction over time.

# Staff engagement

## Statement of approach to staff engagement

Underpinning the Trust’s approach to staff engagement is the Partnership Agreement which recognises the important role that trade unions and professional bodies play in enhancing workforce employee relations. Informal discussions take place on a regular basis and a framework of committees and local joint meetings is in place. Together, these ensure that the views of staff representatives can be fed into decision making.

- The 2011 staff survey was the first in which all 3300 Trust staff were given the opportunity to comment upon how they viewed the Trust as an employer in that one year. 61% chose to return completed questionnaires – the highest ever response rate;
- There was an increase in the numbers of staff who felt that their senior managers were as strongly committed to improving the welfare of patients as they were;
- In order to increase the extent to which front line staff can get involved in helping ensure that management addresses issues which are of most major concern to them, a staff engagement group was established in mid 2011. This has helped tie together actions planned from a range of sources (such as the staff survey) and will have a strong voice in making sure that the new staff health and well-being strategy is having an impact in practice;
- Much joint working was done during the latter part of the year on developing the Trust’s first staff health and well-being strategy. To ensure that this was focused on meeting needs expressed by staff, a health and well-being audit was initially conducted which all staff had the opportunity to complete. It is anticipated that the strategy will be formally approved early in 2012/13.

## Summary of performance – results from the NHS staff survey

Overall staff engagement (the higher score the better):

2010/11		2011/12		Trust change
Trust	National average	Trust	National average	
55%	54%	61%	54%	+6% (1 <sup>st</sup> time 100% of staff surveyed)

Summary of how the 4 scores in which CWP received the highest ratings in the 2010 survey have either improved (+) or deteriorated (-) in the 2011 survey. Changes of less than 5% are not statistically significant:

Top 4 Ranking Scores	2010/11		2011/12		Trust change
	Trust	National Average	Trust	National Average	
% of staff saying hand washing materials always available	70%	58%	65%	59%	- 5%
% of staff working extra hours	56%	65%	59%	65%	+ 3%
% believing the Trust provides equal opportunities for career progression or promotion	93%	89%	93%	90%	No change



Effective team working **	3.91	3.80	3.88	3.91	- 0.3
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\*\* This score is a composite measure, indicating the extent to which team members believe they have shared objectives, meet frequently and communicate effectively about team objectives. Assessed on a score range of 1 – 5, high is positive.

Summary of how the 4 bottom ranked scores from the 2010 survey have either improved or deteriorated in the 2011 survey:

Bottom 4 Ranking Scores	2010/11		2011/12		Trust % change
% appraised in last 12 months	76%	82%	69%	83%	- 7%
% receiving job-relevant training, learning or development in the last 12 months	79%	80%	77%	80%	- 2%
% feeling pressure in last 3 months to attend work when feeling unwell	21%	19%	17%	20%	- 4%
% feeling there are good opportunities to develop their potential at work	44%	45%	41%	42%	- 3%

Summary of the top and bottom ranked scores from the 2011 survey:

Top 4 ranking scores	Trust	National average
% of staff experiencing physical violence from staff in last 12 months	0%	1%
% of staff experiencing discrimination at work in last 12 months	10%	14%
% of staff witnessing potentially harmful errors, near misses or incidents in last month	22%	27%
% of staff saying hand washing materials are always available	65%	59%

Bottom 4 ranking scores	Trust	National average
% of staff appraised in last 12 months	69%	83%
% of staff appraised with personal development plans in last 12 months	64%	73%
% of staff receiving job-relevant training, learning or development in last 12 months	77%	80%
% of staff using flexible working options	62%	67%

The key area of improvement is in respect of the percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months, which reduced from 15% in 2010 to 10% in 2011.

The key area of concern is the percentage of staff being appraised (where compliance declined from 77% to 69%). Linked is the percentage of staff who have a PDP following appraisal (declined from 72% to 64%).

Future priorities and targets include:

- Improving the incidence of staff appraisals for all staff (and links with PDPs);
- Increasing the number of staff who undertake mandatory employee learning activity to schedule;
- Continuing to focus on ensuring the widest realistic engagement of Trust staff (including recognised trades unions and professional bodies) in workforce related plans and projects.

Each of these factors will be part of the work programme of the Staff Engagement Group, monitored by the Trust's workforce and organisational development sub-committee, during the next year.

### **Measuring outcomes and monitoring arrangements**

All significant projects will continue to have specific anticipated outputs and outcomes, as well as a nominated lead officer. Performance against those pre-planned measures will be considered as part of internal monitoring arrangements. Progress on and outcomes of all workforce related initiatives will be monitored through the Workforce and Organisational Development Sub Committee or the Health, Safety and Staff Well-being Sub committee.

# Equality and diversity

## Commentary

As a public sector organisation CWP is committed to tackling unlawful discrimination and harassment and promoting equality of opportunity regardless of age, disability, gender, gender reassignment, marriage/civil partnership, maternity / paternity, race and ethnicity, religion/belief and sexual orientation.

The Trust's overall vision is "to have the highest ambitions and to be a leader in everything that we do". The continued development of our work around equality and diversity and the recruitment this year of the Trust's first Equality and Diversity Officer to help deliver the agenda, demonstrates the commitment of the Trust to delivering this vision of moving diversity forward for service users, staff and carers within the Trust. Over the last 12 months the Trust has made considerable progress in its work on promoting equality and diversity. In particular, we have:

- in accordance with the requirements of the Equality Act, 2010, revised our pre-employment procedures in relation to employee health questionnaires;
- published an online briefing for all staff on the implications of the Equality Act 2010 and communicated it through the e-staff weekly bulletin CWP essential;
- briefed teams on the implications of the Equality Act 2010;
- revised the content of the equalities training programme forming part of the mandatory employee learning and new staff induction framework;
- carried out a comprehensive staff equality monitoring exercise across all protected personal characteristics;
- refreshed the Trust's approach to equality impact assessment (EIA)
- updated the content of the Trust's internal equality web page;
- updated our membership recruitment process to take account of the Equality Act, 2010;
- published information as required with regard to the new Public Sector Equality Duty;
- established an internal diversity group, comprising frontline diversity champions and specifically recruited Involvement Representatives able to represent those groups who we know are under-represented in our services;
- delivered a multi agency pilot training event on gypsy travellers healthcare and well-being;
- completed a structured self-assessment process with each clinical service unit against the outcomes of the NHS Equality Delivery System;
- conducted discussion groups and consultation events with members of the public to gather views regarding our services.

As a Trust we have continued to engage positively with a diverse range of service users and the wider public, for example Cheshire and Halton Race Equality Council, Merseyside Society for Deaf People, Eastern European community, Irish Travellers community, The Deafness Support Network and local disability groups. The Trust's Involvement Team attended the Warrington Disability Awareness Day in July, one of the largest events of its kind in Europe with over 20,000 visitors. The Trust is pleased to say that over the last year the number of members of the deaf community engaging with the Trust has increased.

## Equality Data

A key obligation arising from the Equality Act 2010 was the need to publish an Equality Information Report setting out what we know about our staff, patients, carers and members. This was published in January, 2012. A copy can be found at the following link:

<http://www.cwp.nhs.uk/Publications/Reports/Documents/Annual%20Equality%20Information%20Report%20Jan%202012.pdf>

The period covered by the report coincides with the overall size of the Trust's workforce growing by almost one-third as a result of the Transforming Community Services (TCS) transfer of Community Care Western Cheshire from April, 2011.

The report details an analysis of CWP's membership, workforce and service users. Although current internal information systems do not fully support the monitoring of all the protected characteristics in all

localities, services and groups of people (members, service users and staff), it was possible to draw a number of initial conclusions and identify areas requiring further attention.

The report describes some of the actions that we have taken recently to better understand equality and areas that we may prioritise once we have formalised our objectives and strategy.

### **Equality Objectives 2012-2017**

Our consultation processes around equality and diversity are developing. During the spring of 2012 we discussed our performance against the four outcomes of the Equality Delivery System with key representatives and groups across the Trust's geographic footprint. We have completed a series of self-assessment meetings with each clinical service unit and then used this information to consult with local communities and groups.

Using the self assessment evidence and the feedback from the round table discussions a full and frank discussion was held around how the panel felt that CWP was performing. There were areas where the panel felt that CWP was at the 'achieving' level for many people with protected characteristics. However the panel tempered this view with the fact that CWP was unable to *prove* some factors for some groups and therefore the overall grading that was given was '**developing**'. We will continue to work with those groups to ensure that our services are always personal, fair and diverse. With this in mind we have set our Equality Objectives for 2012-17 as follows:

#### Improving our intelligence

We have data collection systems in place but they are either not designed to collect information about protected characteristics or the data is not always complete. Once we have this data our systems do not support the Trust in turning it into information and making intelligent use of it. Over the next 5 years we will develop our systems and practice so that we always know the impact of our services on people with different protected characteristics and we can demonstrate this.

#### Working with our communities

We have identified that people from the Deaf/hard of hearing community do not access our services in proportion to those that live locally and that Gypsies and Travellers and people from the Lesbian, Gay, Bisexual and Trans (LGBT) communities do not access health services well in general. Over the next 5 years we will improve the access of people from those groups to our services by working with communities and commissioners and developing our approach once people are first referred. In addition our services will improve their engagement with local communities as part of service development and improvement work.

#### Developing our staff

From the processes described above it is clear that the services, management teams and staff understand the principles of equality and diversity and the duties placed on public sector organisations. In the main services aim to deliver bespoke individualised care to patients that meets their specific needs including any protected characteristics. However if we are to deliver personal, fair and diverse services every time we must develop our workforce so that they have the confidence to challenge and change the way that our services are established and monitored at every level. Over the next five years we will deliver a leadership and development framework that supports staff at every level to champion diversity and human rights so that CWP is recognised as a leader in this field.

# Emergency Planning

## Commentary

This was a busy year for emergency planning with considerable focus for all organisations on achieving the ambitious plans laid out by the Strategic Health Authority and the challenges set by the NHS White Paper.

For the Trust, Emergency preparedness, resilience and response continues to be a core function of the NHS. The Trust ensures that it maintains a good standard of preparedness to respond safely and effectively to a full spectrum of threats, hazards and disruptive events, such as pandemic flu, mass casualty, terrorist incidents, severe weather, fuel and supplies disruption, public health incidents and the 2012 Olympic and Paralympic games (Department of Health, 2011).

A great deal of work took place throughout 2011-12 to assuring that Emergency and Business Continuity Plans were well integrated into the Trust and that CWP was well-equipped to handle the transfer of Community Care Western Cheshire (CCWC) on 1<sup>st</sup> April 2011.

The focus of the Emergency Planning Sub-Committee (EPSC) for 2011-12 was the development, approval and exercising of the specific response plans to sit alongside the Major Incident Plan; Evacuation Plan, Flooding Plan, Fuel Plan, Heatwave Plan, Resilient Telecommunications Plan and Winter Plan. The CWP Fuel Plan was audited by the Cheshire, Warrington and Wirral Cluster, scoring 100% for compliance in Trust processes and systems to minimise disruption to healthcare services.

Assurances of command and control arrangements, Business Continuity strategies, escalation of services and mutual aid agreements were provided to the Cheshire, Warrington and Wirral Cluster Resilience team, and PCT commissioners.

## Remuneration Report

Tables showing the remuneration and pension benefits of senior managers have been audited and follow this section.

The Remuneration and Terms of Service Committee (RTSC) determines the remuneration of the Chief Executive and Executive Board members using a process of benchmarking and job evaluation. Remuneration is set at appropriate market rates and uplifts for inflation are guided by national recommendations for senior managers in the NHS. Pay is fixed and is not subject to performance assessment. Objectives are set at the start of each year and performance is reviewed annually and shared with RTSC. Senior managers have permanent contracts with a notice period of three months. Compensation for early termination is not formally provided for, though such compensation may be considered, dependent on circumstances, on a case by case basis.

The Remuneration and Terms of Service Committee comprises the chair and all non executive directors. One meeting of the Committee were held in 2011/12.

Non Executive Directors
D Eva (Chair)
F Clark
R Howarth
C Kirk
G Owen
M Maier
S McAndrew

Audited Remuneration of Senior Managers	31 March 2012			31 March 2011		
	Salary in bands of £5,000	Other Remuneration in bands of £5,000	Benefits in Kind to the nearest £100	Salary in bands of £5,000	Other Remuneration in bands of £5,000	Benefits in Kind to the nearest £100
S Cumiskey – Chief Executive	140-145	0	0	140-145	0	0
R Francké – Director of Finance and Deputy Chief Executive	105-110	0	4,400	105-110	0	4,500
Dr A Sivananthan – Medical Director Compliance, Quality and Regulation	25-30	115-120	0	15-20	85-90	0
Dr A Cotgrove – Medical Director Effectiveness and Medical Workforce	25-30	145-150	0	15-20	100-105	0
A Devaney – Director of Nursing, Therapies and Patient Partnership	85-90	0	6,400	85-90	0	7,000
A Styring – Director of Operations	55-60	0	0	80-85	0	0
D Eva – Chairman	40-45	0	0	40-45	0	0



F Clark – Non Executive Director	10-15	0	800	10-15	0	14
R Howarth – Non Executive Director	15-20	0	0	10-15	0	0
C Kirk – Non Executive Director	10-15	0	0	10-15	0	0
M Maier – Non Executive Director	10-15	0	0	1-5	0	0
S McAndrew – Non Executive Director	10-15	0	0	10-15	0	0
G Owen – Non Executive Director	10-15	0	0	10-15	0	0

Please note that benefits in kind relate to leased cars and childcare provided by the NHS Foundation Trust.

<b>31 March 2012</b>	
Band of Highest Paid Directors Total Remuneration (£000)	170 - 180
Median Total Remuneration	27,685
Ratio	6.3

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 the financial year 2011-12 was £170,000-£180,000.

This was 6.3 times the median remuneration of the workforce, which was £27,685. In 2011-12, 3 employees received remuneration in excess of the highest-paid director.

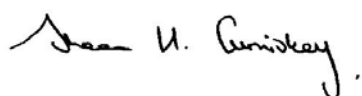
Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Prior year comparators are not included as the data required to support calculations is not available in the Electronic Staff Record system.

<b>Audited Pension Benefits of Senior Managers</b>	<b>Real increase in pension at age 60.</b>	<b>Real increase in lump sum at age 60</b>	<b>Total accrued pension at age 60 at 31 March 2012.</b>	<b>Lump sum at age 60 related to accrued pension at 31 March 2012.</b>	<b>Cash Equivalent Transfer Value at 31 March 2012.</b>	<b>Cash Equivalent Transfer Value at 31 March 2011.</b>	<b>Real Increase (Decrease) in Cash Equivalent Transfer Value</b>
	<b>Bands of £2,500</b>	<b>Bands of £2,500</b>	<b>Bands of £5,000</b>	<b>Bands of £5,000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
S Cumiskey - Chief Executive	0-2.5	5-7.5	45-50	145-150	862	738	124
R Francké – Director of Finance and Deputy Chief Executive	0-2.5	2.5-5	20-25	65-70	341	266	75
Dr A Sivananthan –	0-2.5	2.5-5	25-30	80-85	424	339	86

Medical Director Compliance, Quality and Regulation							
Dr A Cotgrove – Medical Director Effectiveness and Medical Workforce	7.5-10	27.5-30	55-60	165-170	1138	886	252
A Devaney – Director of Nursing, Therapies and Patient Partnership	0-2.5	5-7.5	30-35	95-100	523	429	94

- Please note Non Executive Directors do not receive pensionable remuneration.
- A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accumulated by a member at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accumulated in their former scheme. The pension figures shown relate to the benefits that the individual has accumulated as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accumulated to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. A CETV is calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.
- Real Increase in CETV: this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accumulated pension due to inflation, contributions paid by the employee (including the value of benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end period.
- The CETV for Dr A Cotgrove does not take account of his mental health officer status and accrued enhancements, in addition to the CETV stated above.
- In the budget on the 23<sup>rd</sup> March 2011, HM Treasury confirmed that they were considering a review of the basis for the calculation of CETVs payable for public service and schemes, including the NHS Pension Scheme. That review is now complete and revised guidance was issued on the 26<sup>th</sup> October 2011, NHS Pensions have applied the most recent actuarial factors produced by Government Actuary Department (GAD) with effect from 8<sup>th</sup> December 2011.



Sheena Cumiskey  
Chief executive

30 May 2012

## Public interest disclosures

### Information to and consultation with employees

The Trust continues to take its responsibilities for informing and consulting with staff very seriously. In addition to the existing framework of regular consultation meetings (both formal and informal) and meeting statutory obligations in respect of bringing about changes within the workplace, staff side representatives are routinely invited to participate in a wide range of Trust projects. A development over the last 12 months includes offering staff side a seat at Operational Board meetings.

### Equalities and disabled employees

In the summer of 2011 we undertook a diversity data audit to help improve the proportion of monitoring information held about staff. One consequence of this was that we dramatically reduced the number of people who have not recorded whether they have a disability. This reduced from 67.9% to 16.1%. For the first time we also asked all our staff about their sexual orientation and religious belief. Headlines (as of October 2011, of 3330 CWP employees) include:

- 78.9% are women;
- 20.4% are aged under 35 and 15.8% are aged over 55;
- Across Cheshire West and Chester, Cheshire East, Wirral and Trafford we have between 2.7% - 6.7% of our staff from black minority and ethnic communities and a further 2.4% - 3.1% are from white minority backgrounds;
- 5.1% of staff have disclosed that they consider themselves to have a disability. 77.5% of staff have told us they do not consider themselves to have a disability - with the remainder either unknown or having chosen not to make a disclosure;
- 71.7% of staff have disclosed as heterosexual and 1.2% as lesbian, gay or bisexual with the remainder unknown or having chosen not to make a disclosure;
- 55.6% of staff consider themselves Christian, 8.3% as Atheists and 5.5% choosing to define their religion as 'Other' not included on the list available (this list includes Atheism, Buddhism, Christianity, Hinduism, Islam, Judaism and Sikhism). 29% of staff either did not answer the question or chose not to disclose their religion or belief.

### Health and safety performance information and occupational health

The Executive Director with Board level responsibility for Health and Safety acts on behalf of the Chief Executive and has the following responsibilities which are intended to ensure management of health and safety is effective:

- The development and monitoring of relevant policies and systems.
- Setting health and safety objectives based on the standards set out in the Health and Safety Leadership Checklist for Trust Boards and managing performance against objectives.
- Ensuring that appropriate advice is available on health and safety matters.
- Promoting the importance of health and safety.

During 2011, CWP successfully integrated the health and safety function with Community Care Western Cheshire which involved new learning through shared experience. This exciting opportunity enabled CWP to establish new governance arrangements for linking discussions on health and safety with wider staff well-being across all clinical service units. Overall the CWP health and safety team has achieved its targets in line with other partner organisations and is looking forward to new challenges on the horizon.

The Trust's Health, Safety and Well-Being Sub Committee has also met regularly throughout the year and, as part of its remit, fulfils the role of the statutory Safety Committee. A framework of local support meetings is in place.

The main focus of Health, Safety and Well-Being Sub Committee members in the latter half of the year was on contributing to the development of the Trust's first Staff Health and Well-Being Strategy and supporting action plan. Its aim is to create a working environment that optimises staff health and well-being and enables staff to enjoy work and perform at their best for the benefit of everybody. It also sets out high level objectives for the Trust as a whole to achieve over the next 5 years. If approved, as anticipated, in early 2012/13 the objectives will be:

- promote the five ways to well-being by implementing changes to policy and practice;
- introduce systems to improve staff health and well-being in specific areas;
- take actions that enable CWP to lead the way as an exemplar employer; and
- introduce support that enables our employees to be innovators.

In addition to undertaking its core support activities to management, over the last year the Trust's Occupational Health Service has:

- opened a new service site within Macclesfield (thereby significantly reducing travelling time for staff needing inputs from the service in the eastern part of the Trust's service delivery footprint);
- supported the establishment of a new Well-Being Officer post and successfully recruited to the vacancy;
- contributed to the drafting of the Trust's Staff Health and Well-Being Strategy;
- developed and secured funding approval for the introduction of a staff physiotherapy service within CWP (initially on a 12 months pilot basis);
- catalysed discussions which led to the agreement to running a pilot of an attendance management IT system (projected to start in May, 2012);
- developed proposals for the introduction in early 2012/13 of a staff mental health well-being pathway, expediting the treatment of staff reporting personal mental ill health; and
- completed all of the preparatory work necessary to undergo a national service quality assurance accreditation assessment in early 2012/13.

### **Counter fraud**

The Trust continued to work with the NHS Counter Fraud Service and the accountable officer remains the Director of Finance. Mersey Internal Audit Agency (MIAA) has again provided the service this year. There were a number of investigations within the 2011/12 financial year which were investigated in accordance with the Trust's Anti-Fraud, Corruption and Bribery, Policy and Response Plan. The Trust's counter fraud work plan for 2012/13 includes work across the seven generic areas of counter fraud activity as designated by NHS Protect. The Trust actively encourages its staff to use its whistle blowing policy where they have concerns.

### **Consultations**

In line with the Trust's commitment to positive engagement with all parts of our local community as set out within the Trust's Involvement Strategy 2011-2016 and CWP's approach to the Equality Delivery System we arranged two community consultations this year. They were with parts of the community who have been identified as often under-represented within Trust's services and previous involvement work. This was followed by a community assessment panel made up of staff Diversity Champions and third sector representatives. The consultation feedback gathered is the beginning of a long term relationship that needs to be developed with communities and the third sector organisations that support different groups. This process will be part of the Equality Strategy developed in the summer of 2012.

### **Patient and public involvement**

Cross referenced in the membership section on page 107.

### **Sickness absence data**

Sickness absence performance in 2011/12 is 5.07%.

### **Charging for information**

It is government policy that much information about public services should be made available either free or at low cost, in the public interest. The Trust has complied with the cost allocation and charging requirement set out in HM Treasury and Office of Public Sector Information guidance.

### **Data loss and confidentiality breaches (required as part of NHS Information Governance rules)**

There were no serious and untoward incidents involving loss or disclosure of person-identifiable data from April 2011 to March 2012.

### Better payment practice code

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

Item	Number 2011/12	£000 2011/12	Number 2010/11	£000 2010/11
Total non-NHS trade invoices paid in period	24,098	27,079	21,851	25,861
Total non-NHS trade invoices paid within target	22,986	25,187	20,746	24,805
Percentage of non-NHS trade invoices paid within target	95%	95%	95%	96%
Total NHS trade invoices paid in the period	1,474	12,898	1,324	11,695
Total NHS trade invoices paid within target	1,388	12,789	1,177	11,378
Percentage of NHS trade invoices paid within target	94%	99%	89%	97%

### Corporate social responsibility – social, community and environmental matters

The Trust is a keen champion of corporate social responsibility and aims to use suppliers that meet its values in respect of making a contribution to the local community and the environment. CWP has its own challenging stigma campaign and organises a variety of events to challenge stigma each year. A range of environmentally friendly initiatives is undertaken to support our sustainability strategy, refer to page 72 for more.

- Over the last year, CWP raised over £6,000 to provide solar power for Bansang Hospital in Gambia. The scheme is run in partnership with Environment Times and specialist recyclers Empty Cartridge Recycling Ltd (ECR). Empty cartridges from CWP are recycled, refilled and resold and monies raised go to Bansang Hospital for solar power projects. By recycling cartridges landfill sites are spared being filled with this waste too.
- CWP has also continued to build on its links with Kisiizi Hospital in South West Uganda and raised over £11,000 for a vehicle to help the mental health team develop their community based services.
- The Trust launched their research charitable fund in September, 'Insight - Recovery through Research', committed to improving the emotional well-being of adults and children living in the Trust footprint by supporting research projects to find better solutions, treatments, care and recovery for people experiencing mental ill health.

# NHS FT Code of Governance

## Council of Governors

The Council of Governors is responsible for fulfilling its statutory duties (of appointing, removing and deciding term of office (including remuneration) of the chair and non executive directors (NEDs), approving the appointment of the chief executive, appointing or removing the Trust's external auditors, receiving the annual report and accounts and auditor's report, and expressing a view of the Board's forward plans) and for ensuring that the interests of the community served by the Trust are appropriately represented. The Council of Governors meets at least three times per annum in public.

In the reporting period, composition of the Council of Governors was:

- Public – 10 Governors
- Service users and carers – 9 Governors
- Staff – 6 Governors
- Partnership – 10 Governors

The table now gives the names of those who occupied the position of governor during the reporting period, how they were appointed or elected and how long their appointments are for. It also states the number of Council of Governors' meetings that were held and individual attendance by Governors at those meetings.

Between April 2011 and March 2012 the Council of Governors met on 5 occasions and attendance is indicated on the table below.

Public Governors (elected)	Area	Tenure	From	To	Council of Governors' meetings attended April 2011 – March 2012
Bosomworth, Derek (term commenced Dec 2011)	Cheshire East	3 years	2011	2014	1 out of 1
Coad, Tim (term commenced Oct 2010)	Cheshire West & Chester	3 years	2010	2013	5 out of 5
Cooper, Kathy (term commenced Oct 2010)	Wirral	3 years	2010	2013	3 out of 5
Doubt, Nicola (term ended Dec 2011)	Cheshire West & Chester	3 years	2008	2011	3 out of 4
Griffin, Julie (term commenced Oct 2009)	Wirral	3 years	2009	2012	3 out of 5
Seber, Derek (re-elected Dec 2011)	Out of Area	3 years	2011	2014	4 out of 5
Smith, Jean (term ended Dec 2011)	Cheshire East	3 years	2008	2011	4 out of 4



Wilkinson, Peter (term commenced Dec 2011)	Cheshire East	3 years	2011	2014	0 out of 1
Woods, Jean (resigned Oct 2011)	Wirral	3 years	2008	2011	1 out of 3
<b>Service user &amp; carer Governors (elected)</b>					
Ankers, Nicholas (term commenced Dec 2011)		3 years	2011	2014	1 out of 1
Campbell, Jean (term commenced Oct 2010)		3 years	2010	2013	2 out of 5
Harland, Richard (term commenced Dec 2011)		3 years	2009	2012	1 out of 1
Hough, Sylvia (term ended July 2011)		3 years	2009	2012	0 out of 2
Jarrold, Phil (term commenced Dec 2010)		3 years	2010	2013	5 out of 5
Jones, Brenda (term commenced Oct 2009)		3 years	2009	2012	5 out of 5
Lee, Tong Hing (re- elected Oct 2010)		3 years	2007	2010	3 out of 5
		3 years	2010	2013	
McGrath, Ann (re-elected Dec 2011)		8months	2011	2011	4 out of 5
		3 years	2011	2014	
Salisbury, Eddie (assumed Service User and Carer seat Oct 2010)		3 years	2008	2011	5 out of 5
		3 years	2011	2014	
Re-elected as Wirral Governor, Dec 2011					
Towse, Cyril (re-elected Dec 2011, resigned March 2012)		3 years	2008	2011	4 out of 5
		10months	2011	2012	
Usherwood, Anna (re-elected Dec 2011)		3 years	2008	2011	5 out of 5
		3 years	2011	2014	
<b>Staff Governors (elected)</b>	<b>Class</b>				
Irving, Peter (term commenced Oct 2010)	Nursing	3 years	2010	2013	2 out of 5
Laird, David (term commenced Dec 2011)	Non- clinical	3 years	2011	2014	1 out of 1
Lillie, Clive (assumed Dec 2011)	Nursing	3 years	2009	2012	1 out of 1
Marks, Lynne (assumed Jan 2009, term ended Dec 2011)	Non- clinical	3 years	2008	2011	2 out of 4

Newby, Gavin Dr (term commenced Dec 2011)	Clinical Psychology	3 years	2011	2014	0 out of 1
Odiyoor, Mahesh Dr (term commenced Dec 2011)	Medical	3 years	2011	2014	1 out of 1
Tremblay, Micheline (term ended Dec 2011)	Medical	3 years	2008	2011	4 out of 4
Welton, Sarah (term commenced Oct 2010)	Therapies	3 years	2010	2013	4 out of 5
<b>Partnership Governors (appointed)</b>	<b>Organisation</b>				
Dawson, Jane (assumed Oct 2011)	Western Cheshire Primary Care Trust	3 years	2010	2013	1 out of 1
Callcott, John (assumed Oct 2011)	Wirral Primary Care Trust	3 years	2010	2013	0 out of 1
Dowding, Brenda (term commenced Oct 2009)	Cheshire West & Chester Council	3 years	2009	2012	3 out of 5
Gibson, Maire (resigned Oct 2011)	Western Cheshire Primary Care Trust (re-appointed Oct 2010)	3 years 3 years	2007 2010	2010 2013	4 out of 4
Gilchrist, Phil (term commenced Oct 2010)	Wirral Metropolitan Borough Council	3 years	2010	2013	4 out of 5
Lea, O'Mahoney, Maurice (term commenced Oct 2010)	Staff side	3 years	2010	2013	4 out of 5
Piercy, Anne (term ended 2011)	Council for Voluntary Services	3 years	2008	2011	0 out of 4
Roach, Mike (resigned Oct 2011)	Wirral PCT	3 years	2010	2013	1 out of 2
Wilson, Ken (re-appointed Oct 2010)	Universities	3 years 3 years	2007 2010	2010 2013	2 out of 5
Wray, John (appointed July 2010)	Cheshire East Council	3 years	2009	2012	3 out of 5

Members of the Board of Directors regularly attend meetings of the Council of Governors in order to understand Governors' views. The chief executive has a standing invitation to attend all meetings of the Council. All directors receive the council's papers for review. Directors, and in particular non executives, also come together regularly with governors and members at consultation, information and training events and seminars.

Directors' attendance at meetings of the Council of Governors during 2011/12 is shown below:

<b>Director</b>	<b>Council of Governors' meetings attended April 2011 – March 2012</b>
<b><i>Non executive</i></b>	
Clark, Fiona	3 out of 5
Eva, David (chair)	5 out of 5
Howarth, Ron	5 out of 5
Kirk, Carol	3 out of 5
Maier, Mike	4 out of 5
McAndrew, Stephen (deputy chair and senior independent director)	1 out of 5
Owen, Grahame	4 out of 5
<b><i>Executive</i></b>	
Cotgrove, Andy	3 out of 5
Cumiskey, Sheena (chief executive)	5 out of 5
Devaney, Avril	2 out of 5
Francké , Ros	3 out of 5
Sivananthan, Anushta	4 out of 5
Styring, Andy	3 out of 5

## Board of Directors

The Board is responsible for determining the Trust's strategy and business plans, budgets, policy determination, audit and monitoring arrangements, regulations and control arrangements, senior appointment and dismissal arrangements and approval of the annual report and accounts. It acts in accordance with the requirements of its foundation trust terms of authorisation.

A number of decisions are delegated by the Board to management. These are set out in the Trust's scheme of reservation and delegation to facilitate the efficient operation and success of the organisation. A policy in respect of the composition of the Board is in place, as confirmed by the Council of Governors. In the reporting year, composition of the Board of Directors was:

- Non executive directors – 7 (including the chair)
- Executive directors – 6 (including the chief executive)

Non executive directors			Executive directors
Name	Date of appointment	Length of appointment	
David Eva - chair	1 December 2009	3 years – to 30 November 2012	Sheena Cumiskey – chief executive
Fiona Clark	1 July 2008	3 years – to 30 June 2011. Reappointed 1 <sup>st</sup> July 2011 – 30 <sup>th</sup> June 2013.	Ros Francke – director of finance – deputy chief executive
Ron Howarth	1 November 2010	# to 31 October 2012	Avril Devaney – director of nursing, therapies and patient partnership
Carol Kirk	1 January 2009	3 years – to 31 December 2011. Reappointed 1 <sup>st</sup> January 2012 – 31 <sup>st</sup> Dec 2015.	Andy Cotgrove – joint medical director effectiveness & medical workforce
Mike Maier	1 March 2011	1 March 2014	Andy Styring – director of operations
Stephen McAndrew - deputy chair & senior independent director	1 July 2008	3 years – to 30 June 2011. Reappointed 1 <sup>st</sup> July 2011-30 <sup>th</sup> June 2013.	Anushta Sivananthan – joint medical director compliance and quality regulation
Grahame Owen	1 November 2010	##To 31 October 2013	
#Appointment length extended from 1 November 2010 - to 31 <sup>st</sup> October 2012 by Council of Governors in April 2010. ## Appointment length extended from 1 November 2010 - to 31 <sup>st</sup> October 2013 by Council of Governors in April 2010.			

Directors' attendance at meetings during the year - possible and actual - has been recorded as below.

Director	Board of directors	Audit Committee	Quality committee	Operational board
Fiona Clark	10 out of 11		7 out of 7	
Dr Andy Cotgrove	8 out of 11		5 out of 7	10 out of 10
Sheena Cumiskey	10 out of 11		4 out of 7	9 out of 10
Avril Devaney	8 out of 11		5 out of 7	9 out of 10
David Eva	10 out of 11			

Ros Francké	9 out of 11		4 out of 7	9 out of 10
Ron Howarth	11 out of 11	7 out of 7		
Carol Kirk	9 out of 11		5 out of 7	
Stephen McAndrew	11 out of 11		3 out of 7	0 out of 10
Mike Maier	10 out of 11	7 out of 7		
Grahame Owen	8 out of 11	7 out of 7		8 out of 10
Dr Anushta Sivananthan	10 out of 11		6 out of 7	10 out of 10
Andy Styring	8 out of 11		6 out of 7	10 out of 10

The background of each Board member is shown in the pen portraits below.


<b>David Eva</b>	<b>Chairman appointed to former NHS Trust April 2002, re-appointed December 2009 and tenure extended to December 2012</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• North West Regional Manager, Union Learn</li> <li>• Member of North West Regional Employability Group</li> <li>• Member of Liverpool City Region Employment and Skills Board</li> <li>• North West Apprenticeship Champion</li> <li>• Member of the Greater Manchester Employment and Skills subgroup</li> <li>• Member of Cheshire and Warrington Economic Alliance Skills subgroup</li> <li>• Former Reviewer with Healthcare Commission (predecessor to Care Quality Commission)</li> <li>• Former Chairman of Wirral and West Cheshire NHS Trust</li> <li>• Former non executive director of Wirral Community NHS Trust and Member of Wirral District Health Authority</li> <li>• Former Member of NHS National Training Authority</li> </ul>	
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• Physiology and Biochemistry BSc, MSc</li> <li>• Postgraduate Diploma in Regeneration</li> </ul>	


<b>Sheena Cumiskey</b>	<b>Chief Executive - appointed February 2010</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• 28 years experience in the NHS, 16 years at Chief Executive level</li> <li>• Former Chief Executive of both commissioning and provider organisations</li> <li>• Worked at strategic and operational levels within the NHS</li> <li>• Member North Leadership Academy Board</li> <li>• Chair of North West Emerging Leaders Board</li> </ul>	
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• BA Hons</li> <li>• General Management Training Scheme graduate</li> <li>• Member of the Institute of Health Service Managers</li> </ul>	

<b>Fiona Clark</b>		<b>Non Executive Director - appointed March 2004, reappointed July 2008</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• Specialist Advisor – The Tuberous Sclerosis Association</li> <li>• Disability Qualified panel member for Tribunal Service hearing appeals against Disability Living Allowance and Attendance Allowance</li> <li>• Member – Employment Tribunals</li> <li>• 13 years experience in NHS as a senior nurse, midwife and clinical manager</li> <li>• 16 years experience working at senior management and strategic level in both large and small voluntary sector organisations</li> </ul>		
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• Registered General Nurse</li> <li>• Registered Midwife</li> <li>• BA (Dual Hons) Human Resource Management and Business Administration (First Class)</li> <li>• MA Medical Ethics (Keele)</li> </ul>		

<b>Andy Cotgrove</b>		<b>Consultant Psychiatrist &amp; Medical Director (Effectiveness, Medical Education &amp; Medical Workforce) - appointed joint Medical Director August 2010</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• Trained in Sheffield and then worked in hospital medicine and general practice before training in psychiatry. Specialist training in child and adolescent psychiatry was at the Tavistock Clinic in London where he also gained an MSc in family therapy.</li> <li>• Worked as a Clinical Director and Consultant in Adolescent Psychiatry at the Young People's Centre in Chester since 1993. In 2008 he also took on the role of Service Wide Clinical Director for CAMHS in the Trust.</li> <li>• Maintains a special interest in service development and service improvement. Led on a number of service developments and redesign within Tier 4 CAMHS.</li> <li>• Long-standing interest in research including designing a randomised controlled trial for a treatment intervention for young people who self-harm. Has published widely in the areas of clinical research and service design.</li> <li>• Member of the NICE Mental Health Topic Selection Panel (2007–date). Member or advisor to a number of NICE Guideline Development Groups, including Depression in Young People (2002-2005), Self Harm (2004), Borderline Personality Disorder (2007-2008) and Psychosis with Substance Misuse (2008-date).</li> </ul>		
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• Member of the Royal College of Psychiatrists Child and Adolescent Faculty Executive.</li> <li>• MBChB 1982</li> <li>• MRCPSych 1989</li> <li>• MSc 1993</li> </ul>		



<b>Avril Devaney</b>		<b>Director of Nursing, Therapies and Patient Partnerships - appointed January 2003</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• 29 years experience working in Mental Health and Drug and Alcohol Services</li> <li>• Nine years experience at Board level</li> <li>• Initiated funding bids, secured income and established new and innovative interagency services</li> <li>• Received the Queen's Nursing Institute award for Innovation in 1999</li> <li>• Led the development of Patient and Public Involvement and established productive relationships with partner organisations</li> <li>• Worked with local and national media including TV, radio and press</li> </ul>		
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• Registered Nurse (Mental Health)</li> <li>• Diploma in Counselling</li> <li>• MSc in Health and Social Care (research subject: Nurse Leadership and Organisational Change)</li> </ul>		

<b>Ros Francké</b>		<b>Director of Finance - appointed May 2006</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• Director for the Trust for the past six years</li> <li>• 22 years experience in Finance in the NHS.</li> <li>• Experience of working in most sectors of the NHS - both provider and commissioner</li> <li>• Member of Healthcare Financial Management Association (HFMA)</li> <li>• Chair of the HFMA Mental Health Faculty, member of the Policy Forum, Costing Forum and Joint Commissioning Collaborative for Mental Health Services</li> </ul>		
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• Chartered Management Accountant (CIMA) since 1997</li> </ul>		


<b>Carol Kirk</b>		<b>Non Executive Director, appointed January 2009.</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• Specialist in structuring and delivering new business ideas</li> <li>• Managing Director, Branza Limited (UK) – Business Initiatives</li> <li>• Partner, GMBB Services Limited UK</li> <li>• Consultant, Co-operative Financial Services</li> <li>• Former Board member – Co-operative Legal Services</li> <li>• Former President and Board member – Amicus Financial Internet Bank (Canada)</li> <li>• Former Vice President – Electronic banking Ventures, Canadian Imperial Bank of Commerce (CIBC)</li> <li>• Former Vice President – Finance Initiatives, CIBC</li> </ul>		


<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• BA Business Administration (with computer science and maths options), (Canada 1984)</li> <li>• MSc Management (UK 1986)</li> <li>• Certified Management Accountant (Canada 1992)</li> <li>• Rotary scholar</li> </ul>	
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<b>Ron Howarth</b>	<b>Non Executive Director - appointed June 2006, appointment extended June 2010, reappointed November 2010</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• Retired Commercial Banker. Latterly a Director of Corporate Banking RBS / NatWest group North West Region</li> <li>• Non executive director and Chair of the Audit group, Cheshire Area Probation Board</li> <li>• Former non executive director and Chair of Finance, Liverpool &amp; Manchester Design Initiative Limited (a Registered Charity promoting local design capability)</li> <li>• Former Independent member – Birkenhead and Wallasey Primary Care Trust NHS Agenda for Change Implementation Project Team</li> </ul>	
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• ACIB (Associate of the Chartered Institute of Bankers)</li> <li>• Associate member, Globecon (International Corporate Finance &amp; Capital Markets training organisation)</li> </ul>	

<b>Stephen McAndrew</b>	<b>Non Executive Director, Deputy Chair &amp; Senior independent Director - appointed April 2004, re- appointed July 2008</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• Business Development Director, GSTS Pathology LLP</li> <li>• Commercial Director, Healthcare at Home Limited</li> <li>• Strategic Development Director, Serco Health</li> <li>• Managing Partner, McAndrew Management LLP</li> <li>• Managing Director, Health Care Risk Resources International Limited</li> <li>• General Manager, Lister BestCare Limited</li> <li>• Head of International Marketing and Logistics, KeyMed (Medical and Industrial Equipment) Limited</li> </ul>	
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• Member of the International Society for Quality in Healthcare</li> <li>• Fellow of the Royal Society of Arts</li> <li>• Fellow of the Royal Society of Medicine</li> <li>• BA Psychology</li> </ul>	

<b>Mike Maier</b>	<b>Non Executive Director - appointed March 2011</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• 27 years experience in international manufacturing, chiefly in building products and eye care sectors</li> <li>• European Finance Director, Pilkington Group Ltd</li> <li>• UK Finance Director, Pilkington Group Ltd</li> <li>• Significant experience in mergers and acquisitions, restructuring, internal controls, systems development, strategic planning and cash management</li> </ul>	
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• BA Hons Economics</li> <li>• Institute of Chartered Accountants in England and Wales (ACA) since 1981</li> </ul>	

<b>Grahame Owen</b>	<b>Non Executive Director - appointed June 2006, appointment extended June 2010, reappointed November 2010</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• 30 years experience in the Information Technology industry, including project and contract management</li> <li>• Former school governor</li> <li>• Former Trustee of a local children's charity</li> <li>• Former member of East Cheshire Patient and Public Involvement Forum</li> <li>• Committee member of the General Social Care Council and</li> <li>• Lay member of the Nursing and Midwifery Council</li> </ul>	
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration</li> <li>• MSc Control Systems</li> <li>• BSc Electrical Engineering</li> </ul>	

<b>Anushta Sivananthan</b>	<b>Consultant Psychiatrist and joint Medical Director (Compliance, Quality &amp; Assurance) – appointed August 2010</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>• 12 years as Consultant Old Age Psychiatrist</li> <li>• Clinical Director for Older Peoples' Services, West Cheshire</li> <li>• Trust-wide Clinical Director for Adult Services</li> <li>• College Tutor, West Cheshire 2002 – 2004</li> <li>• Deputy Convenor, Royal College of Psychiatrists 2004 – 2006</li> <li>• Programme Director, Old Age Psychiatrists at Mersey Deanery</li> <li>• Cochrane reviewer in collaboration with Evidence Based Practice Centre at CWP</li> </ul>	
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>• MBChB</li> <li>• MRCPsych</li> <li>• Diploma in Geriatric Medicine</li> </ul>	

<b>Andy Styring</b>		<b>Director of Operations - appointed May 2009</b>	
<b>Experience</b>	<ul style="list-style-type: none"> <li>Lifelong experience of living with and alongside people with learning disabilities</li> <li>36 years as nurse, teacher and senior manager in services for children and adults with learning disabilities</li> <li>Several senior clinical posts in children's and adults' learning disability services spanning career</li> <li>Board level posts at acting and substantive level in mental health and learning disability services</li> <li>Former Healthcare Commission associate</li> <li>Member of local Safeguarding Children Boards</li> <li>Member of Learning Disability Partnership Boards</li> <li>Member of Executive Commissioning Group for mental health and learning disability services across Cheshire and Wirral</li> <li>Wide ranging expertise in strategic service development and change management</li> <li>Former staff governor</li> <li>Passionate about partnerships and team building</li> </ul>		
<b>Qualifications &amp; Memberships</b>	<ul style="list-style-type: none"> <li>Registered nurse (learning disabilities)</li> </ul>		

The Trust confirms the balance, completeness and appropriateness of the membership of the Board. The Board has prepared a number of self certification statements relating to clinical quality, service performance, risk management processes, compliance with authorisation and board roles, structures and capacity. The latter states the Board:

- Is satisfied that all directors are qualified to discharge their functions effectively, including setting strategy, monitoring and managing performance and ensuring management capacity and capability.
- Confirms it has a selection process and training programmes in place to ensure non executive directors have appropriate experience and skills.
- Confirms that the management team has the capability and experience necessary to deliver its annual plan, and that a management structure is in place to deliver annual plan objectives for the next three years.

The performance of the Board, its committees and individual directors is undertaken number of ways:

- In September 2011 the Board undertook an independent review of its impact on Trust staff and key external stakeholders from which a Board development plan was produced.
- Individual appraisal and performance development planning (executive and non executives).
- Preparation of annual reports by key governance committees (received by the Board of Directors).
- Review of committee effectiveness of the Audit Committee.
- Review by Leadership Initiative.
- Review of Corporate Governance arrangements in December 2011 highlighted a number of areas of best practice in Board arrangements.

The Chair's and other Directors other significant commitments are detailed in the pen portraits shown on pages 90 to 95 and within the Board of Directors' register of interests. Members of the public can gain access to the Board of Directors' register of interests at [www.cwp.nhs.uk](http://www.cwp.nhs.uk).

Directors can be contacted by e-mail via details on the Trust's website [www.cwp.nhs.uk](http://www.cwp.nhs.uk), or via the company secretary on 01244 397408.

## Code of governance (including disclosures)

The Board of Directors and the Council of Governors of the Trust are committed to the principles of good corporate governance as detailed in the NHS Foundation Trust Code of Governance. Since publication of the code, work has been undertaken to ensure compliance with as many of its provisions as possible. This work continues and the Trust's position in respect of the code of governance is below. It sets out whether the Trust complies with the provisions of the code or, where it does not, gives an explanation.

Code ref	Code requirement – Trust position	Comply or Explain
<b>A.1 – the Board of Directors</b>	<b>Every NHS foundation Trust should be headed by an effective Board of Directors, since the board is collectively responsible for the exercise of the powers and the performance of the NHS foundation Trust</b>	
A.1.1	<ul style="list-style-type: none"> <li>Board members meet at least monthly excepting August</li> <li>The annual report states how the Board of Directors and Council of Governors operate, including a high-level statement of which types of decisions are taken by each</li> <li>Matters reserved for the Board are included in the Trust's corporate governance manual</li> <li>The roles and responsibilities of Governors is contained in the Trust's constitution</li> <li>The Council of Governors' standing orders includes a statement relating to the handling of disputes</li> </ul>	<b>Comply</b>
A.1.2	<ul style="list-style-type: none"> <li>The annual report identifies the chair, deputy chair, chief executive, senior independent director and the chair and members of the Nomination, Audit and Remuneration Committees</li> <li>Records are kept of the number of meetings of the Board of Directors and its committees, and directors' attendance.</li> </ul>	<b>Comply</b>
A.1.3	<ul style="list-style-type: none"> <li>The chair meets regularly with non executive directors without executives present</li> <li>The non executive directors meet annually without the chair</li> <li>A process for evaluating the chair's performance has been agreed with the Council of Governors</li> </ul>	<b>Comply</b>
A.1.4	<ul style="list-style-type: none"> <li>The Trust's objectives are stated in its annual plan</li> </ul>	<b>Comply</b>
A.1.5	<ul style="list-style-type: none"> <li>The Board reviews the Trust's performance at each of its formal meetings based on a corporate performance report and other reports from directors</li> <li>Reports from 'external' bodies are also routinely reviewed</li> </ul>	<b>Comply</b>
A.1.6	<ul style="list-style-type: none"> <li>The Board receives annually a clinical governance annual report</li> <li>The Board's clinical governance plans are prepared by the Trust's patient safety &amp; effectiveness subcommittee</li> <li>The Trust's integrated governance framework, which permeates the organisation, facilitates the achievement of improving clinical standards. It is scheduled for review and improvement during 2011</li> </ul>	<b>Comply</b>
A.1.7	<ul style="list-style-type: none"> <li>Board meetings are comprehensively and accurately</li> </ul>	<b>Comply</b>



Code ref	Code requirement – Trust position	Comply or Explain
	minuted	
A.1.8	<ul style="list-style-type: none"> <li>The chief executive is fully aware of her responsibilities as accounting officer and follows the procedure as set out in the NHS Foundation Trust Accounting Officer Memorandum</li> </ul>	Comply
A.1.9	<ul style="list-style-type: none"> <li>The Trust's corporate governance manual includes the Board's code of conduct which is based on the spirit of the Nolan Principles</li> </ul>	Comply
A.1.10	<ul style="list-style-type: none"> <li>The Trust's corporate governance manual includes the Board's code of conduct and code of practice on openness</li> </ul>	Comply
A.1.11	<ul style="list-style-type: none"> <li>Appropriate insurance is in place to cover the risk of legal action against directors</li> </ul>	Comply
<b>A.2 – Chairman and chief executive</b>	<b>There should be a clear division of responsibilities at the head of the NHS foundation Trust between the chairing of the board of directors and Governors and the executive responsibility for the running of the NHS foundation Trust's business. No one individual should have unfettered powers of decision</b>	
A.2.1	<ul style="list-style-type: none"> <li>The division of responsibilities between the chair and chief executive is clearly established and has been formally set out in writing and agreed by the Board</li> </ul>	Comply
A.2.2	<ul style="list-style-type: none"> <li>The chair meets the independence criteria.</li> </ul>	Comply
<b>A.3 - Balance and independence of the Board of Directors</b>	<b>The Board of Directors should include a balance of executive and non executive directors (and in particular independent non executive directors) such that no individual or small group of individuals can dominate the Board's decision taking. All directors should be able to exercise one full vote, with the chair having a second casting vote on those occasions where a decision is tied.</b>	
A.3.1	<ul style="list-style-type: none"> <li>The Board of Directors has confirmed that all of its non executive directors are considered to be independent and has stated this in the Trust's annual report</li> </ul>	Comply
A.3.2	<ul style="list-style-type: none"> <li>The Board comprises seven non executive directors, including the chair all of whom are considered independent. It also currently has five executive directors which includes the post of medical director shared by two people</li> </ul>	Comply
A.3.3	<ul style="list-style-type: none"> <li>A process is in place for the Council of Governors to confirm the (combined) appointment of the deputy chair and senior independent director to the Board</li> </ul>	Comply
A.3.4	<ul style="list-style-type: none"> <li>The annual report gives a description of each director's expertise and experience</li> <li>It also makes a statement about its balance, completeness and appropriateness to the Trust's requirements</li> </ul>	Comply
A.3.5	<ul style="list-style-type: none"> <li>The constitution prevents an individual holding office as both director and governor at the same time</li> </ul>	Comply
A.3.6	<ul style="list-style-type: none"> <li>All board members receive identical information prior to Board Meetings.</li> <li>Non Executive Directors have the opportunity to challenge recommendations and decisions of the</li> </ul>	Comply

Code ref	Code requirement – Trust position	Comply or Explain
	Board at board meetings	
<b>B.1 – The Board of Governors</b>	<b>Every NHS foundation Trust will have a Board of Governors which is responsible for representing the interests of NHS foundation Trust members, and partner organisations in the local health economy in the governance of the NHS foundation Trust. Governors must act in the best interests of the NHS foundation Trust and should adhere to its values and code of conduct.</b>	
B.1.1	<ul style="list-style-type: none"> <li>The Council of Governors meets formally at least three times per annum</li> </ul>	<b>Comply</b>
B.1.2	<ul style="list-style-type: none"> <li>There are 38 members of the Council of Governors</li> <li>The Council of Governors regularly reviews its structure, composition, roles and procedures</li> <li>The Lead Governor was re-appointed in 2012</li> </ul>	<b>Comply</b>
B.1.3	<ul style="list-style-type: none"> <li>The annual report identifies Governors, their constituency or organisation they represent, whether they were elected or appointed and the duration of their appointment</li> <li>A record is kept of Governors' attendance at meetings</li> </ul>	<b>Comply</b>
B.1.4	<ul style="list-style-type: none"> <li>The roles and responsibilities of the Council of Governors are set out in the constitution and includes preparation and review of the Foundation Trust's membership strategy</li> </ul>	<b>Comply</b>
B.1.5	<ul style="list-style-type: none"> <li>Governors routinely received information in respect of the Trust's performance in order to enable it to discharge its duties.</li> </ul>	<b>Comply</b>
B.1.6	<ul style="list-style-type: none"> <li>The Council of Governors has issued a standing invitation to the chief executive to attend its meetings</li> <li>Other executives and non executive directors are invited to attend Council meetings as appropriate and frequently attend as observers</li> </ul>	<b>Comply</b>
B.1.7	<ul style="list-style-type: none"> <li>The Council of Governors' standing orders includes a statement relating to the handling of disputes.</li> <li>A process is in place for the Council of Governors to confirm the (combined) appointment of the deputy chairman and senior independent director to the Board (a senior independent director is in situ)</li> </ul>	<b>Comply</b>
B.1.8	<ul style="list-style-type: none"> <li>The Council of Governors is clear about its role and that of the Board of Directors</li> <li>The Council has to date expressed no concerns that would warrant escalation to Monitor</li> </ul>	<b>Comply</b>
B.1.9	<ul style="list-style-type: none"> <li>The Constitution of the Foundation Trust provides that the business of the Trust is to be managed by the Board of Directors who exercise all the powers of the Trust</li> <li>The Council of Governors' Standing Orders includes a statement relating to the handling of disputes.</li> </ul>	<b>Comply</b>
B.1.10	<ul style="list-style-type: none"> <li>The Constitution of the Foundation Trust provides a procedure for the removal of the Chair or another Non Executive Director, including a minimum level of governor approval for any such a proposal.</li> </ul>	<b>Comply</b>
<b>C – Appointments</b>	<b>The 2006 Act presents how appointments to the Board are to be made. There should be a formal, rigorous and transparent procedure for the appointment or election of new members to the Board of Directors.</b>	



Code ref	Code requirement – Trust position	Comply or Explain
to the Board	<b>Appointments to the Board of Directors should be made on merit and based on objective criteria. Care should be taken to ensure that appointees have enough time available to devote to the job. This is particularly important in the case of chairmanships. The Board of Directors should satisfy itself that plans are in place for orderly succession of appointments to the Board so as to maintain an appropriate balance of skills and experience within the NHS foundation Trust and on the Board.</b>	
C.1.1	<ul style="list-style-type: none"> <li>• A policy for the composition of the Board of Directors was confirmed by both the Board and the Council of Governors when the Trust was authorised</li> <li>• The nominations committee will regularly review the policy (at least three-yearly)</li> </ul>	<b>Comply</b>
C.1.2	<ul style="list-style-type: none"> <li>• The Trust has two nominations committees – one for executive directors and one for non executive directors</li> <li>• The nominations committee responsible for non executive directors has met regularly since authorisation in order to oversee a number of appointments. In doing so it has taken full account of Board assessments to help evaluate the balance of skills, knowledge and experience of Board members</li> </ul>	<b>Comply</b>
C.1.3	<ul style="list-style-type: none"> <li>• The Trust's chair is chair of both Nominations Committees except where his appointment or performance is under review</li> </ul>	<b>Comply</b>
C.1.4	<ul style="list-style-type: none"> <li>• The responsible Nominations Committee has a clear terms of reference for the appointment, re-appointment and removal of the chair and other non executive directors, based on the constitution</li> </ul>	<b>Comply</b>
C.1.5	<ul style="list-style-type: none"> <li>• In making its recommendation/s re the appointment of non executive directors to the Council of Governors the nominations committee takes into account the views of the Board of Directors</li> </ul>	<b>Comply</b>
C.1.6	<ul style="list-style-type: none"> <li>• The responsible nominations committee approved the appointment of one non executive director in 2011. It prepared a job specification taking into account the Board of Directors' views to meet the requirements of the post</li> <li>• The chair's other significant commitments are shown in the annual report</li> </ul>	<b>Comply</b>
C.1.7	<ul style="list-style-type: none"> <li>• Non executive director terms and conditions of appointment are available for inspection</li> <li>• The expected time commitment is set out in the letter of appointment and in accepting the appointment, non executive directors confirm that they are able to allocate sufficient time to the role</li> <li>• Other significant appointments on the part of those recommended for non executive directorship are made known to Governors prior to appointment</li> </ul>	<b>Comply</b>
C.1.8	<ul style="list-style-type: none"> <li>• The annual report describes the process followed in relation to non executive director appointments</li> </ul>	<b>Comply</b>

Code ref	Code requirement – Trust position	Comply or Explain
C.1.9	<ul style="list-style-type: none"> <li>During 2011/12, no executive appointments were made</li> </ul>	Comply
C.1.10	<ul style="list-style-type: none"> <li>The constitution provides for the chief executive to be appointed and removed by the non executive directors, with appointment approved by the Council of Governors.</li> </ul>	Comply
C.1.11	<ul style="list-style-type: none"> <li>No full-time executive director holds such non executive directorships</li> </ul>	Comply
C.1.12	<ul style="list-style-type: none"> <li>The annual report describes the work of the nominations committees</li> </ul>	Comply
C.1.13	<ul style="list-style-type: none"> <li>The Constitution of the Foundation Trust provides that a person may not become or continue as a Director of the Foundation Trust if they are a director of an NHS body</li> </ul>	Comply
C.1.14	<ul style="list-style-type: none"> <li>A description of the work of the Nominations Committee(s) is included in the Annual Report</li> </ul>	Comply
<b>C.2 – Re-election</b>	<b>All directors and elected governors should be submitted for re-appointment or re-election at regular intervals. The Board of Directors should ensure planned and progressive refreshing of the Board of Directors.</b>	
C.2.1	<ul style="list-style-type: none"> <li>A chief executive and two executive directors have been appointed since authorisation. It has been agreed by the Nominations Committee that executive director appointments be made on a permanent basis and not be subject to re-appointment at intervals of not more than five years</li> </ul>	Comply
C.2.2	<ul style="list-style-type: none"> <li>The constitution states the terms of office and re-appointment arrangements of non executive directors, by the Council of Governors</li> </ul>	Comply
C.2.3	<ul style="list-style-type: none"> <li>The constitution provides for regular elections for public, service user/carer and staff Governors</li> <li>Governors seeking re-election are advised to include prior performance information in their election addresses</li> </ul>	Comply
C.3.1	<ul style="list-style-type: none"> <li>The Schedule of Matters Reserved to the Board of Directors retains as a Board Matter decisions regarding the dismissal of Executive Directors</li> <li>The Schedule of Matters Reserved to the Board of Directors retains as a Board Matter the approval of proposals received from the Remuneration and Terms of Service Committee regarding Executive Directors.</li> </ul>	Comply
<b>D – Information and professional development</b>	<b>The Board of Directors and the Council of Governors should be supplied in a timely manner with information in a form and of a quality appropriate to enable them to discharge their respective duties. All directors and Governors should receive induction on joining their Board and should regularly update and refresh their skills and knowledge.</b>	
D.1.1	<ul style="list-style-type: none"> <li>An induction programme for new governors is in place</li> <li>A core induction programme for new directors is in place which is tailored to meet the needs of directors appointed</li> </ul>	Comply
D.1.2	<ul style="list-style-type: none"> <li>The Trust's governance manual provides that independent advice may be sought by the Board of</li> </ul>	Comply

Code ref	Code requirement – Trust position	Comply or Explain
	Directors as appropriate <ul style="list-style-type: none"> <li>• Directors undergo annual appraisal and have access to training courses and/or materials consistent with identified personal development needs</li> <li>• Committees are supported by the relevant executive director, senior manager/s and Trust staff</li> <li>• The Council of Governors is supported by the Company Secretary</li> </ul>	
D.1.3	<ul style="list-style-type: none"> <li>• The Board of Directors regularly reviews trust performance information</li> <li>• The Council of Governors receives appropriate supporting information to enable it to fulfil its role.</li> </ul>	<b>Comply</b>
D.1.4	<ul style="list-style-type: none"> <li>• The Trust's governance manual provides that independent advice may be sought by the Board of Directors as appropriate</li> <li>• The Audit Committee of the Board has delegated authority to utilise external assurances</li> </ul>	<b>Comply</b>
D.1.5	<ul style="list-style-type: none"> <li>• The Code of Conduct for Governors states that Governors will ensure that the constituency they represent is properly informed and able to influence services</li> </ul>	<b>Comply</b>
D.1.6	<ul style="list-style-type: none"> <li>• The Annual Plans of the Trust are regularly considered by the Council of Governors</li> <li>• The constitution provides that one of the roles and responsibilities of the Council of Governors is to provide their views on the Trust's forward planning.</li> </ul>	<b>Comply</b>
<b>D.2 – Performance evaluation</b>	<p><b>The Board of Directors should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. The Board should state in the annual report how performance evaluation of the Board, its committees and its individual directors including the chairman, has been conducted, bearing in mind the desirability for independent assessment, and the reason why the Foundation Trust adopted a particular method of performance evaluation. The outcomes of the evaluation of the executive directors should be reported to the Board of Directors. The chief executive should take the lead on the evaluation of the executive directors. The Council of Governors, which is responsible for the appointment and re-appointment of non executive directors, should take the lead on agreeing a process for the evaluation of the chair and non executives, with the chairman and the non executives. The outcomes of the evaluation of the chairman and the non executives should be agreed by Governors. The Governors should bear in mind the desirability of using the senior independent director to lead the non executive directors in the evaluation of the chairman. The Council of Governors should assess its own collective performance and its impact in the NHS Foundation Trust.</b></p>	
D.2.1	<ul style="list-style-type: none"> <li>• Individual appraisal and performance development planning is undertaken at least annually</li> <li>• Preparation of annual reports by key governance committees is routinely undertaken.</li> <li>• KPMG review of Corporate Governance - best practices identified</li> <li>• KPMG review of Quality Governance - best practice identified</li> </ul>	<b>Comply</b>

Code ref	Code requirement – Trust position	Comply or Explain
D.2.2	<ul style="list-style-type: none"> <li>The Council of Governors has adopted a set of key performance indicators to help assess their collective performance</li> <li>The Council has reviewed the user/carer and public constituencies of its composition policy</li> <li>Governors attended and contributed to Annual Plan events</li> <li>Governors are involved in the appraisal of the Chair of the Trust</li> </ul>	<b>Comply</b>
D.2.3	<ul style="list-style-type: none"> <li>The constitution sets out the arrangements for the removal of a Governor from the Council</li> </ul>	<b>Comply</b>
<b>E – Director remuneration</b>	<b>Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the NHS Foundation Trust successfully, but a NHS Foundation Trust should avoid paying more than is necessary for this purpose.</b>	
E.1.1	<ul style="list-style-type: none"> <li>The Trust does not currently operate a performance-related pay scheme or make provision for annual bonuses</li> </ul>	<b>Comply</b>
E.1.2	<ul style="list-style-type: none"> <li>The Council of Governors sets the level of remuneration for the chair and other non executive directors which is reviewed by them on an annual basis</li> </ul>	<b>Comply</b>
E.1.3	<ul style="list-style-type: none"> <li>Remuneration disclosures in the annual report have not previously included information on earnings by executive directors from non executive director roles elsewhere as none have been declared</li> </ul>	<b>Comply</b>
E.1.4	<ul style="list-style-type: none"> <li>The remuneration committee will consider what compensation commitments directors' term of appointment would entail in the event of early termination on an individual basis</li> </ul>	<b>Comply</b>
<b>E.2 – Procedure</b>	<b>There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.</b>	
E.2.1	<ul style="list-style-type: none"> <li>The Board of Directors' remuneration committee is composed of all non executive directors</li> <li>The committee's terms of reference are available</li> </ul>	<b>Comply</b>
E.2.2	<ul style="list-style-type: none"> <li>The remuneration committee has delegated responsibility for setting all executive director and senior manager remuneration</li> </ul>	<b>Comply</b>
E.2.3	<ul style="list-style-type: none"> <li>The Council of Governors fulfils its responsibility to set the remuneration of the chairman and non executive directors. In doing so it has access to national data on pay levels</li> </ul>	<b>Comply</b>
<b>F – Accountability and audit</b>	<b>The Board of Directors should present a balance and understandable assessment of the NHS Foundation Trust's position and prospects.</b>	
F.1.1	<ul style="list-style-type: none"> <li>The annual report explains directors' responsibility for preparing the accounts</li> </ul>	<b>Comply</b>

Code ref	Code requirement – Trust position	Comply or Explain
	<ul style="list-style-type: none"> <li>The annual report also includes a statement by the auditors about their reporting responsibilities</li> </ul>	
F.1.2	<ul style="list-style-type: none"> <li>The annual report contains a statement from directors that the Foundation Trust is a going concern</li> </ul>	<b>Comply</b>
F.1.3	<ul style="list-style-type: none"> <li>All new developments that might affect the Trust's financial or service performance or reputation are brought to the attention of Monitor and the Council of Governors. Consideration is also given by the Board as to whether such developments should be brought to the attention of the public</li> <li>All significant changes that might affect the Trust's financial or service performance or reputation are brought to the attention of Monitor and the Council of Governors. As above, consideration is also given by the Board of Directors as to whether such changes should be brought to the attention of the public</li> </ul>	<b>Comply</b>
F.1.4	<ul style="list-style-type: none"> <li>The Trust has an established annual planning cycle that includes governor involvement</li> <li>The Board of Directors regularly present information, both quantitative and qualitative, of the Trust's business and operations to the Council of Governors</li> </ul>	<b>Comply</b>
<b>F.2 – Internal control</b>	<b>The Board should maintain a sound system of internal control to safeguard public and private investment, the NHS foundation Trust's assets, patient safety and service quality.</b>	
F.2.1	<ul style="list-style-type: none"> <li>The Board of Directors conducts an annual review of effectiveness of its system of internal control, supported by its internal auditors and audit committee</li> <li>A statement of internal control is included in the Trust's annual report</li> </ul>	<b>Comply</b>
<b>F.3 – Audit committee and auditors</b>	<b>The Board should establish formal and transparent arrangements for considering how they should apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the NHS Foundation Trust's auditors.</b>	
F.3.1	<ul style="list-style-type: none"> <li>The Trust's audit committee comprises three independent non executives and is chaired by a non executive director with recent and relevant financial experience, one of the committee's members is CCAB qualified.</li> </ul>	<b>Comply</b>
F.3.2	<ul style="list-style-type: none"> <li>The audit committee's terms of reference are regularly reviewed (at least annually) and clearly set out its main role and responsibility</li> </ul>	<b>Comply</b>
F.3.3	<ul style="list-style-type: none"> <li>The audit committee's terms of reference are available on request</li> <li>The annual report describes the audit committee's work</li> </ul>	<b>Comply</b>
F.3.4	<ul style="list-style-type: none"> <li>The audit committee receives regular reports from its counter fraud service provider and has agreed a counter fraud policy and response plan which sets out the steps to be taken where fraud or corruption is suspected</li> <li>The counter fraud plan includes raising fraud</li> </ul>	<b>Comply</b>

Code ref	Code requirement – Trust position	Comply or Explain
	<p>awareness throughout the Trust. In 2011/2012 this has been via direct training presentations to staff, newsletters, and intranet development</p> <ul style="list-style-type: none"> <li>• Staff are made aware via the corporate governance manual and staff handbook how to raise, in confidence, concerns about possible improprieties</li> </ul>	
F.3.5	<ul style="list-style-type: none"> <li>• In February 2009, following a competitive tendering process, the Council of Governors appointed the Trust's external auditors for a period of 3 years. The Council of Governors then extended the contract for a further 2 years, to March 2014. This is in line with the terms within the initial contract</li> <li>• The audit committee worked alongside governors in respect of this work</li> </ul>	<b>Comply</b>
F.3.6	<ul style="list-style-type: none"> <li>• The Trust's auditor's appointment has not ended in disputed circumstances to date. However should this occur then Monitor would be informed</li> <li>• The Trust ensures the independence of its external auditors</li> </ul>	<b>Comply</b>
F.3.7	<ul style="list-style-type: none"> <li>• In respect of this non-audit work the Trust ensured the auditors' independence.</li> </ul>	<b>Comply</b>
F.3.8	<ul style="list-style-type: none"> <li>• The Audit Committee is required to approve any work undertaken by the external auditor which falls outside Monitor's audit code for Foundation Trusts</li> <li>• Details of any remuneration and fees paid to the external auditor including work done outside of the audit code for NHS Foundation Trusts is stated in the notes to the accounts.</li> </ul>	<b>Comply</b>
F.3.9	<ul style="list-style-type: none"> <li>• The Audit Committee reviews arrangements by which Trust staff may raise, in confidence, concerns about possibly improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.</li> </ul>	<b>Comply</b>
<b>G – Relations with stakeholders</b>	<p><b>The Board of Directors should appropriately consult and involve members, patients, clients and the local community. Notwithstanding the complementary role of the governors in this consultation, the Board of Directors as a whole has responsibility for ensuring that satisfactory dialogue with its stakeholders takes place.</b></p>	
G.1.1	<ul style="list-style-type: none"> <li>• The Trust has in place a membership strategy</li> </ul>	<b>Comply</b>
G.1.2	<ul style="list-style-type: none"> <li>• The Board of Directors has arrangements in place to fulfil its responsibility for ensuring there is satisfactory dialogue with its stakeholders. It consults and involves members, patients, clients and the local community in respect of preparation of the Trust's annual plan each year and in respect of any proposed significant service changes or developments</li> <li>• The Trust's membership strategy is monitored by the membership communications and patient and public involvement strategy subgroup of the Council of Governors whilst its patient and public involvement strategy is monitored by the patient and public involvement subcommittee of the Board of Directors.</li> </ul>	<b>Comply</b>



Code ref	Code requirement – Trust position	Comply or Explain	
	<p>The overlap and interface between Governors and any local consultative forums already in place (e.g. overview and scrutiny committee) is addressed through these groups and via the trust's patient experience team</p> <ul style="list-style-type: none"> <li>Patients/service users and carers are represented throughout the Trust's governance structure; via membership of our subcommittees they are fully integrated into our operational processes</li> </ul>		
G.1.3	<ul style="list-style-type: none"> <li>The chair routinely reports to the Board of Directors on the work of the Council of Governors</li> <li>The chair provides the Council of Governors with regular reports on the work of the Board of Directors. The chair also sends a regular news bulletin to Governors called "Chair's Posting"</li> <li>Non executive directors, including the senior independent director, regularly attend meetings of the Council of Governors</li> </ul>	<b>Comply</b>	
G.1.4	<ul style="list-style-type: none"> <li>The Council of Governors has in place a programme of member engagement activities</li> <li>The Trust's website and annual report and its regular members' newsletter provides details of how members can contact their governor</li> </ul>	<b>Comply</b>	
G.1.5	<ul style="list-style-type: none"> <li>The annual report describes how non executive directors have developed their understanding of the views of governors and members</li> </ul>	<b>Comply</b>	
G.1.6	<ul style="list-style-type: none"> <li>The Board of Directors receives regular reports on how representative the Trust's membership is</li> <li>Member engagement work is reported to the Board of Directors in context e.g. member engagement during the annual planning process</li> </ul>	<b>Comply</b>	
<b>G.2 – Cooperation with third parties with roles in relation to NHS foundation Trusts</b>	<p><b>The Board of Directors is responsible for ensuring that the NHS Foundation Trust cooperates with other NHS bodies, local authorities and other relevant organisations with an interest in the local health economy.</b></p>		
G.2.1		<ul style="list-style-type: none"> <li>The Board of Directors has a schedule of the specific third party bodies in relation to which the NHS foundation Trust has a duty to cooperate (within its terms of authorisation)</li> </ul>	<b>Comply</b>
G.2.2		<ul style="list-style-type: none"> <li>All Board members have developed networks within their own areas of responsibility to ensure the proper cooperation with third party bodies in order to develop and maintain collaborative relationships</li> <li>The Board has reviewed the effectiveness of these process and relationships.</li> </ul>	<b>Comply</b>



## Audit Committee

During 2011-12, the Chair of the Audit Committee was non executive director Ron Howarth. Its other members were non executives Grahame Owen, and Mike Maier. The attendance of audit committee members at its meetings is shown in the table on page 89-90.

The over-arching aim of the Audit Committee is to provide one of the key means by which the board ensures effective internal control arrangements are in place. In addition, the committee provides a form of independent scrutiny upon the executive arm of the board. As defined within its terms of reference the committee is responsible for reviewing the adequacy of effectiveness of governance, risk management and internal control arrangements covering both clinical and non-clinical areas.

The Trust's external auditor for the period has been PricewaterhouseCoopers LLP (PWC). In their engagement letter PwC state that their liability and that of their members, partners and staff (whether in contract, negligence or otherwise) shall not exceed £1m in the aggregate. It is the Trust's policy to ensure that the external auditor's independence has not been compromised where work outside of Monitor's audit code for NHS Foundation Trusts has been purchased from them. Any work falling into this category is approved by the audit committee.

Details of remuneration and fees paid to the external auditor including for work done outside of the audit code for NHS Foundation Trusts can be found in Note 5 of the Accounts. Where the Trust is planning to appoint outside management consultants to undertake work, consideration is given to whether the auditors can be included in the list of firms to be considered, or whether they should be excluded as the work would potentially compromise their independence as auditors. Consideration is given to factors such as the likely fees for the work, the area in which the work is to be undertaken and whether the auditors are likely to review the area as part of their work.

Through the chief executive as the Trust's accounting officer, directors are responsible for preparing the accounts as presented in this report. The directors take this opportunity to state so far as they are aware there is no relevant audit information of which the Trust's auditors are unaware. 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.

## Nominations Committee

The Trust has two nominations committees:

- Nominations committee of the Council of Governors in respect of non executive director appointments. This is chaired by the Trust's chair, David Eva and the committee's members during the year were Governors Derek Seber, Anna Usherwood and John Wray. Directors' attendance at this committee is shown below. During 2011/12, the committee met on three occasions. At two of its meetings, its purpose was to oversee the appointment of non executive directors and at one of its meetings to review the chair's performance against his objectives.
- Nominations committee of the Board of Directors in respect of executive director appointments. This is also chaired by the Trust's chair, David Eva, and its members are all other non executive directors plus the chief executive (unless the chief executive is being appointed). This committee did not meet in 2011-12.

The number of meetings and individual attendance by directors at nominations committees – possible and actual - is shown below:

Director	Nominations committee – NEDs
Fiona Clark	
David Eva	2 out of 3
Ron Howarth	
Carol Kirk	
Mike Maier	
Stephen McAndrew	1 out of 3
Grahame Owen	
Sheena Cumiskey	3 out of 3

# Membership

The Trust has continued to build on its commitment to establish a representative foundation trust membership, which is informed about the organisation and has the opportunity to become involved in a wide variety of activities. This makes CWP a stronger, more responsive and better organisation.

## Eligibility requirements for membership

Staff, service user, carers and the general public are eligible to join the Trust as members. Membership is divided into three groups, known as constituencies:

- general public;
- service users and carers;
- staff.

## General Public

Anyone aged over 11 or over is eligible to join the Trust as a member. Staff from partner organisations, statutory, community or voluntary groups are welcome to join as individual members of the public. Within the public constituency, members join into a sub division, known as classes, which are based on local boundaries, as well as 'out of area' category. The general public members can join one of the following classes:

- Wirral
- Cheshire West and Chester
- Cheshire East
- out of area.

To monitor CWP membership all members are registered on the CWP membership database by the areas they reside: the areas are highlighted below.

- Wirral
- Macclesfield
- Congleton
- Crewe and Nantwich
- Vale Royal
- Chester
- Ellesmere Port and Neston
- out of area.

## Service users and carers

Service users who are over the age of 11 and have received care or treatment from the Trust in the past 12 months, or carers of people who are over the age of 11 and have accessed Trust services in the past 12 months, are eligible to join the Trust as service user/carers members. Service users/carers who have received care or treatment from the Trust more than 12 months ago, or carers of people who have accessed Trust services more than 12 months ago are eligible to join the Trust as general public members.

## Staff

The Trust has put arrangements in place for staff to automatically become members because we would like staff to be as fully involved in the organisation as possible. However, staff are able to opt-out if they prefer. Staff join one of the following classes of the constituency:

- medical
- nursing - registered and non registered
- therapies
- non-clinical staff
- clinical psychology.

Staff membership is open to individuals who meet one of the following conditions:

- have a contract of employment with no fixed term or a fixed term of at least 12 months,
- have been employed continuously by the Trust for at least 12 months,

- have exercised functions for the purposes of the Trust for at least 12 months e.g. volunteers or staff who are employed by recruitment agencies.

Staff working for the Trust who do not meet any of these criteria can join as general public or service user/carer members. All staff members who are due to end their employment with the Trust are encouraged to continue with their membership role as a public member.

### **Number of members**

At the end of March 2012 the Trust had 15,736 members, 10,658 of whom were public members, 3,336 were staff and 1,742 were in the service user and carers' constituency.

### **Summary of the membership strategy**

The Council of Governors has a Membership Strategy Subgroup to oversee implementation of the membership strategy. The sub-group continues to establish membership recruitment targets in order to ensure that CWP membership is representative of the local population.

The Trust continues to focus its recruitment efforts harder to reach groups and communities to increase CWP membership i.e. service users and carers, males, members of black and ethnic minority groups and young adults.

Whilst CWP's membership is broadly representative of the ethnic diversity of the area, there is a continued commitment to engage further with minority ethnic communities and other harder to reach groups including black and minority ethnic communities. Trust staff liaise closely with local community development teams and community leaders, and have attended relevant events in order to provide further information on the benefits of becoming involved as a member. The Trust continues to actively recruit younger people at schools, colleges and universities and now has 2,226 public members who are aged between 11 and 21.

### **Membership engagement**

In addition to recruiting members, the Trust has developed a range of events and activities aimed at communicating, consulting and engaging with members. During the last year the Trust has undertaken a range of engagement activities with members, including:

- **Annual members' meeting and involvement awards**

The Trusts Annual Members Meeting and Going the Extra Mile Awards were held on the 9<sup>th</sup> December 2011 at the Winsford Lifestyle Centre in Winsford, Cheshire. The event was attended by over 100 members of the Trust.

- **Engagement events**

The involvement team along with governors and lived experience advisors have attended over 70 events throughout the year and have been actively involved in the various communities across the Trust's footprint. Activities have focused upon communicating with CWP members, as well as with other members of the public and numerous local community groups, and providing information and updates on the wide variety of opportunities to be actively involved in the work of the Trust.

The Trust held one "Meet the Service" event for the Eating Disorder Service in the Wirral. Three engagement events were also held at the beginning of 2012 to provide members with an opportunity to comment on the Trust's annual plans, the 2011-2016 Involvement Strategy and proposed changes to the Trust's constitution. The events in Macclesfield, Ellesmere Port and Birkenhead also enabled the Trust to communicate its progress against the Involvement Strategy.

- **Engagement in volunteering activities**

At present CWP has 106 volunteers in various roles across the Trust. 62% of our volunteers are current or recent service users in recovery and carers. Volunteers are involved with various activities such as Recovery Sponsors, Meet and Greet, Gym Assistance, Pets as Therapy and Activity Groups either ward based or in the community. Volunteers in activity groups can help staff with cooking and baking, arts and crafts, music appreciation, bingo, social activities and much more. We also have volunteers helping in our gardens and grounds.

- **Patient and Public Involvement**

Members have been provided with information on the range of different opportunities for Patient and Public Involvement (PPI) at the Trust. A new Involvement Strategy explains the different roles available as an involvement representative, lived experience advisor, expert advisor. A number of members have subsequently signed up to the Trust's Involvement Register and are engaged in a wide range of activities.

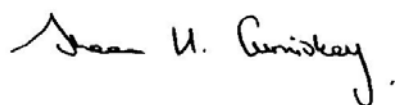
- **Involvement strategy**

Implementation of the 2011-2016 Involvement Strategy began in 2011-12 via an Involvement Action Plan Group which has produced a new Involvement Handbook and started developing a more comprehensive involvement induction and training programme. The strategy aims to ensure that members, governors, volunteers, involvement representatives, lived experience advisors and expert advisors develop, learn more about and become even more involved in the Trust.

Members who wish to communicate with governors can do so via email to [governor@cwpc.nhs.uk](mailto:governor@cwpc.nhs.uk) or via the company secretary on 01244 397408.

## Foreword to the Accounts

These financial statements for the year ended 31 March 2012 have been prepared by Cheshire and Wirral Partnership NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 in the form which Monitor, the Independent Regulator of NHS Foundation Trusts has, with the approval of the Treasury, directed.

A handwritten signature in black ink, reading "Sheena U. Cumiskey". The signature is written in a cursive style with a prominent initial 'S'.

Date: 30<sup>th</sup> May 2012 Sheena Cumiskey - chief executive

## Statement of Accounting Officer's Responsibilities

### Statement of the chief executive's responsibilities as the Accounting Officer of Cheshire and Wirral Partnership NHS Foundation Trust

The National Health Service Act 2006 states that the chief executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed Cheshire and Wirral Partnership NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Cheshire and Wirral Partnership NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

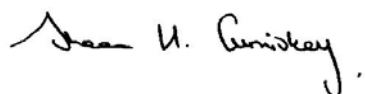
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- b) observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- c) make judgements and estimates on a reasonable basis;
- d) state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements and
- e) prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor's NHS Foundation Trust Accounting Officer Memorandum.

Signed:



Sheena Cumiskey - chief executive

Date: 30 May 2012

## Annual Governance Statement (AGS) - April 2011 to March 2012

### 1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Cheshire and Wirral Partnership 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.

### 2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Cheshire and Wirral Partnership 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 Cheshire and Wirral Partnership NHS Foundation Trust for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts.

### 3. Capacity to handle risk

The Integrated Governance Framework sets out the responsibility and roles of each level of leadership in the organisation, in relation to handling and managing risk. At an executive level, the Chief Executive has delegated operational responsibility for oversight of risk management processes to the Medical Director (Quality, Compliance & Assurance), but each Executive Director is accountable for managing the strategic risks that are related to their portfolio.

The Quality Committee and Operational Board are the two committees reporting directly to the Board, that are responsible for overseeing strategic risks outlined within the corporate risk register and assurance framework, with the Quality Committee reviewing the corporate risk register at each meeting, as the committee with 'overarching responsibility for risk', as per NHS Litigation Authority requirements. High rated risks on the corporate risk register i.e. those 'red risks', rated 15 or above, are reviewed by the Board of Directors monthly, with the full risk register and assurance framework being reviewed quarterly.

The Audit Committee is also responsible for oversight and internal scrutiny of risk systems and processes within the organisation, and discharges these functions through the use of internal and external auditors.

As well as having a corporate risk register, each Clinical Service Line has its own risk register and risk management systems and processes, with the accountable officers for risk management being the Clinical Director and General Manager of each Clinical Service Unit. There is an escalation process in place, as part of the Integrated Governance Framework, that any 'red risk' i.e. those risks rated 15 or above, identified via Clinical Service Line risk processes, will be escalated to the Clinical Governance Department, for consideration of inclusion on the corporate risk register.

The Foundation Trust continues to include risk management awareness, risk assessment and incident reporting in induction and mandatory training.

The core training processes include specific risk management training and Root Cause Analysis training is also available as part of the mandatory training programme for those staff who undertake formal investigations following an incident. This training was developed with the National Patient Safety Agency (NPSA) and runs at regular intervals within each financial year.



An important aspect of risk management is the Foundation Trust's capacity to learn. The Foundation Trust promotes a learning culture, by having systems and processes in place to investigate and learn from when things go wrong or to share best practice. Each quarter a 'Learning from Experience' report is produced, which contains trend analysis of incidents, complaints, Patient Advice and Liaison Services (PALS) and claims data, and makes recommendations to the Clinical Service Units based on these analyses. This report is received and discussed at Board of Directors, Quality Committee and the Clinical Service Unit governance meetings. There is also an accompanying 'Learning Lessons, Changing Practice' publication, which highlights key lessons that need to be shared across the Foundation Trust.

The Foundation Trust also publishes a quarterly 'Quality Report', which highlights best practice that can be shared across the organisation.

#### **4. The risk and control framework**

The risk management strategy is an integral component of the Integrated Governance Framework that was approved by the Board. The key elements of the strategy include:

- A statement that sets out the Board's commitment to risk management and risk appetite;
- A commitment to create a suitable environment for staff and operate an open and just culture, which encourages and supports the reporting of errors so that learning and improvement can take place;
- How risks are identified against strategic objectives;
- Designated responsibilities and accountability framework in relation to risk management;
- Risk management processes that include identification, evaluation, analysis, risk control, review and follow up, residual risk and reasonable practicality;
- Governance structure (corporate meetings) chart, with a description of how this supports risk management within the Foundation Trust;
- Committee terms of references, outlining responsibilities in managing strategic risk.

The implementation of the risk management strategy within the organisation is underpinned by a number of policies and procedures, including:

- Corporate Governance Manual;
- Incident Reporting, Management and Review Policy;
- Policy for the recording, investigation and management of complaints, comments, concerns and compliments;
- Health & Safety Policy;
- Environmental Risk Policy for Ligature Points;
- Management of Slips, Trips and Falls (including falls pathway and staff guidance);
- Safe Manual Handling of People and Loads (including safe use of bed rails);
- Bed Management Policy.

In relation to quality governance arrangements, the Board receives a monthly Corporate Performance Report, which provides the Board with routine information on:

- The monthly Quality & Risk Profile published by the Care Quality Commission (CQC), which provides oversight of adherence to compliance with CQC registration;
- CQC priority performance indicators;
- Monitor terms of authorisation performance indicators;
- Patient experience data e.g. numbers of complaints, PALS and compliments received;
- Infection prevention and control audit data;
- Adherence to patient safety alerts issued by the Department of Health Central Alerting System (CAS);
- Adherence to National Institute of Clinical Excellence (NICE) guidance;
- Workforce data e.g. staff sickness;
- Financial data e.g. income and expenditure and any financial risks;
- 'Red risks', i.e. those risks rated 15 or above, on the corporate risk register.

The above report informs the Board of any emerging quality and performance risks across the Foundation Trust. The Corporate Performance Report is also reviewed at the Operational Board and the Performance and Compliance Sub Committee, so that if quality and performance is going off track, mitigations can be put in place, through early identification. Quality and performance are also reviewed at the Clinical Service Unit and Clinical Support Services quarterly performance reviews. These performance reviews are attended by the Chief Executive and Executive Directors, as well as the Clinical Director and General Manager/Head of Department for the service i.e. those accountable for operational performance and quality.

The Board has undertaken an assessment of Monitor's quality governance standards in year and will undertake this assessment quarterly to ensure a robust system of internal control is maintained.

The Foundation Trust has data quality processes in place to ensure that:

- there is a corporate framework in place for the management and accountability of data quality;
- there is commitment to secure a culture of data quality throughout the organisation;
- there is clear responsibility for data quality, governance and accountability at all levels of the organisation;
- clinicians understand the purpose and use of the data collected within the Foundation Trust;
- there are policies or procedures in place to secure the quality of the data used for reporting;
- staff have the knowledge, competencies and capacity in relation to data quality;
- there are appropriate arrangements in place to ensure that data supporting reported information is actively used in the decision-making process;
- data is subject to an appropriate system of internal control and validation that will continue to be further enhanced.

Data security is managed via the processes outlined within the Foundation Trust's Information Governance Policy, which is scrutinised annually via the Information Governance Toolkit.

Some of the major strategic risks that the organisation faced in 2011/12 were as follows:

***Risk of not being able to deliver planned financial risk rating due to incomplete CIP plans and potential breach of authorisation terms and reputational damage*** – this is a financial risk that the Foundation Trust continues to monitor very closely, as any failure to achieve the required cost improvement target within a year is carried over to the next year, and therefore adds cost pressures. The Foundation Trust's Finance Team and Service Innovation and Development Team work closely with the Foundation Trust's clinical services to ensure that plans are in place which will account for local and Trustwide cost improvements, without compromising clinical quality.

***Risk of harm to patients due to lack of staff competency to a) manage physical healthcare within MH inpatient units b) manage inpatient slips, trips and falls*** – the Foundation Trust developed a physical healthcare pathway and funded a training programme for all inpatient nursing staff. The effectiveness of this pathway and training are monitored monthly as part of the inpatient safety metric work and significant improvements have been made. Also quality monies were used to purchase new equipment for falls prevention across all inpatient units.

***Lack of robust governance around medical devices may result in harm to patients, breach of legislation and litigation claims*** – this was a risk identified as part of the Foundation Trust's Transforming Community Services work. There were a number of gaps identified around medical devices, including procurement, tracking of devices and training for staff. An action plan has been put in place and is overseen by the Foundation Trust's Patient Safety and Effectiveness Sub Committee, which is chaired by the Foundation Trusts Medical Director. The risk will continue to be monitored.

***Risk of harm to patients, carers and staff as well as reputational and litigation risks due to being unable to a) show consistent investigation of incidents; b) show learning from actions of incidents, claims etc is cascaded; c) be assured investigations are carried out in a timely manner and may breach contractual obligations*** – in order to promote consistency and quality of

investigations within the Foundation Trust, external training was commissioned for managers who undertake and approve investigations. Actions resulting from investigations are discussed within the Clinical Services Units and shared at Clinical Networks – this is overseen by the Foundation Trust's Quality Committee and regular reports are provided to the Foundation Trust's commissioners. This risk will continue to be monitored.

Risk management is embedded into the activity of the organisation via the following examples:

- Having a clear accountability and performance management framework in place;
- Ongoing review and scrutiny of local and strategic risks registers;
- Having a 'fair blame' culture, actively encouraging the reporting of incidents;
- Learning from incidents via aggregate analysis, regular feedback to staff and review of lessons learned;
- Ensuring that scheduled health and safety risks assessments are conducted across the Foundation Trust;
- Having a robust clinical audit program, linked to risk management;
- Ensuring that equality and diversity impact assessments are conducted on all clinical services and on Foundation Trust policies and;
- Ensuring that impact assessments are conducted on all new service developments across the Foundation Trust.

The Foundation Trust has an Engagement Strategy in place, so that patient, carer and public involvement is key to helping the organisation to manage risks. Some of the ways in which we engage patients, carers and the public are:

- Annual planning events, which encourage engagement in setting strategic priorities;
- Consultation with patients, carers and the public on major service redesign;
- Our Foundation Trust membership and Council of Governors meetings;
- Inviting Patient and Public Involvement (PPI) representatives to attend corporate and clinical meetings and involving them in recruitment processes;
- Inviting our Local Involvement Networks, commissioners and Overview and Scrutiny Committees to comment on our Quality Accounts and;
- By making changes to practice when appropriate from feedback received from Patient Advice and Liaison Service (PALS) comments, concerns and complaints received.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to 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 UK Climate Impacts Programme (UKCIP) 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Board reviews the financial position of the Foundation Trust on a monthly basis. This includes the achievement of efficiency targets and other performance measures. There is a scheme of delegation in place and the key governance committees of the Board, the Audit Committee and the Quality Committee are also part of this process. The Foundation Trust assesses its performance against the independent regulator, Monitor, key ratios such as the financial risk rating.

The Foundation Trust also utilises its internal audit services to review business critical systems over a rolling programme using a risk based approach. This culminates in the delivery of the Director of Audit opinion on the effectiveness of the system of internal control at the Foundation Trust (further information is included in section 7).

## **6. Annual Quality Report**

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

In order to ensure that the Quality Accounts represent a balanced view and that there are adequate controls in place to ensure the accuracy of the data, the following steps have been taken:

- The Quality Accounts have been discussed and presented to appropriate internal and external review and scrutiny groups (including key clinical stakeholders, commissioners and patient groups), to ensure that the priorities for the forthcoming year in relation to patient safety, clinical effectiveness and patient experience, represent the strategic direction of the Foundation Trust in relation to Quality;
- Views of commissioners, Local Involvement Networks (LINKs) and the Overview and Scrutiny Committee have been sought and comments are included within the Foundation Trust's Quality Account;
- The Board have formally signed off the Quality Account and will ensure that it receives the same level of scrutiny as the Foundation Trust's financial accounts i.e. the Foundation Trust external auditors will undertake a formal audit of the Quality Account as per the regulations;
- The audit conducted by external auditors will include a review of the Foundation Trust's policies, systems and processes, people and skills and data accuracy by undertaking 'data delves'.

In order to maintain and review the effectiveness of the systems of internal control in relation to the Quality Report, there are ongoing reports to the Board of Directors and other internal groups within the FT. Progress against targets within the Quality Accounts is also reported to commissioners, LINKs and the Overview and Scrutiny Committee on a regular basis.

## **7. Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of 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 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 included in this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of control by the Board, the Audit Committee, the Operational Board and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Director of Internal Audit has provided me with a positive opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

This review has given assurance that:

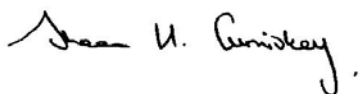
- The components of the assurance framework are all present i.e. objectives, risks, controls, positive assurance, gaps in control and/or assurance and remedial action;
- There is evidence that the Board had been appropriately engaged in developing and maintaining the assurance framework;

- The objectives are sufficiently strategic, well balanced and across all areas of activity;
- The objectives explicitly reflect the scope of CQC essential standards of quality and safety, the NHS Operating Framework, existing performance commitments and financial management, user and public involvement, equality and human rights requirements, as appropriate to the organisation;
- The risks are sufficiently strategic/high level and complete (i.e. are potential risks and not just residual risks);
- The key controls have been identified and evaluated with regard to their effectiveness to manage risk;
- Potential sources of assurance have been identified;
- Results of real assurances have been included in the framework, which includes positive assurances, and gaps in control and/or assurance identified where appropriate;
- The components of the framework have all been explicitly mapped out against each other so that an assurance can be mapped back to an objective with ease;
- The framework is fit for purpose and provides the Board with evidence based assurances on the way in which it manages the organisation at a strategic level;
- Significant issues arising from the assurance framework are being escalated to the Board and can be traced through the Board agenda;
- Arrangements are in place and are being followed to address gaps in control and/or gaps in assurance where the Board deems that appropriate;
- The framework informs appropriate declarations made in the Annual Governance statement, including significant control issues, in line with national guidance.

The Board received this confirmation in March 2012 and accepted the conclusions of the Internal Auditors, as did the Audit Committee.

No internal control issues which would have a significant impact on the achievement of organisational objectives were identified during the period April 2011 to March 2012. Strategically significant risks are always highlighted and monitored through the assurance framework processes.

Signed



Sheena Cumiskey  
Chief Executive

Date 30<sup>th</sup> May 2012

## **Independent Auditors' Report to the Council of Governors of Cheshire and Wirral Partnership NHS Foundation Trust**

### **Independent Auditors' Report to the Council of Governors of Cheshire and Wirral Partnership NHS Foundation Trust**

We have audited the financial statements of Cheshire and Wirral Partnership NHS Foundation Trust for the year ended 31 March 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual 2011/12 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out in Annex C the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12. Our responsibility is to audit and express an opinion on the financial statements in accordance with the NHS Act 2006, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (ISAs) (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council of Governors of Cheshire and Wirral Partnership NHS Foundation Trust in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the NHS Foundation Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12, of the state of the NHS Foundation Trust's affairs as at 31 March 2012 and of its income and expenditure and cash flows for the year then ended 31 March 2012; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12.

#### **Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts**

In our opinion

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



### Matters on which we are required to report by exception

The Audit Code for NHS Foundation Trusts requires us to report where we qualified our limited assurance report on your Quality Report. We have qualified our report with an adverse conclusion in relation to the performance indicator, 100% enhance Care Programme Approach patients receiving follow up contact within seven days of discharge from hospital (“CPA follow up”).

Our certificate in this report is qualified in this regard.

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if:

- in our opinion the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2011/12 or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls;
- we have not been able to satisfy ourselves that the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

### Qualified Certificate

We have qualified our report with an adverse conclusion in relation to the performance indicator, 100% enhance Care Programme Approach patients receiving follow up contact within seven days of discharge from hospital (“CPA follow up”). Our limited assurance report on the Quality Report is unqualified in all other respects.

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.



Peter Chambers (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### Notes:

- (a) The maintenance and integrity of Cheshire and Wirral Partnership NHS Foundation Trusts website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2012**

		Year ended 31 March 2012	Year ended 31 March 2011 Restated *
	NOTE	£000	£000
Operating income from patient care activities	3	152,844	127,150
Other operating income	4	7,175	7,131
Operating expenses	5	<b>(153,455)</b>	<b>(126,626)</b>
<b>OPERATING SURPLUS</b>		<b>6,564</b>	7,655
Finance income - bank interest		300	295
Finance expenses	8	<b>(402)</b>	<b>(384)</b>
Public Dividend Capital dividends payable	9	<b>(2,468)</b>	<b>(2,288)</b>
<b>SURPLUS FOR THE YEAR</b>		<b>3,994</b>	5,278
<b>Other Comprehensive Income</b>			
Prior period adjustments		0	525
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3,994</b>	5,803

The notes on pages 5 to 28 form part of these Accounts.

\* Note – The statement of Comprehensive Income for the year ended 31<sup>st</sup> March 2011 has been restated for a prior period adjustment, see Note 1.4 below

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012**

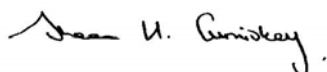
		31 March 2012	31 March 2011
		£000	Restated *
	NOTE	£000	£000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	<u>59,986</u>	<u>59,072</u>
<b>CURRENT ASSETS</b>			
Inventories	12	0	0
Trade and other receivables	13	4,878	3,383
Short term investments	14	10,000	7,000
Cash and cash equivalents	14	<u>15,257</u>	<u>16,811</u>
<b>Total Current Assets</b>		<b>30,135</b>	<b>27,194</b>
Non-current assets held for sale		674	0
<b>TOTAL ASSETS</b>		<u><b>90,795</b></u>	<u><b>86,266</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	(10,727)	(10,139)
Tax (PAYE) and Social Security payables		(2,411)	(1,971)
Borrowings	16	(340)	(340)
Deferred income	17	(128)	(433)
Provisions for liabilities	18	<u>(171)</u>	<u>(381)</u>
<b>Total Current Liabilities</b>		<b>(13,777)</b>	<b>(13,264)</b>
<b>NET CURRENT ASSETS</b>		<u><b>16,358</b></u>	<u><b>13,930</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>77,019</b></u>	<u><b>73,002</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	16	(2,005)	(1,997)
Deferred income	17	(0)	(0)
Provisions for liabilities	18	<u>(864)</u>	<u>(849)</u>
<b>Total Non-Current Liabilities</b>		<b>(2,869)</b>	<b>(2,846)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<u><b>74,149</b></u>	<u><b>70,156</b></u>
<b>FINANCED BY TAXPAYERS' EQUITY:</b>			
Public dividend capital	22	35,849	35,849
Revaluation reserve		8,674	8,802
Retained earnings		29,626	25,505
<b>TOTAL TAXPAYERS' EQUITY</b>		<u><b>74,149</b></u>	<u><b>70,156</b></u>

The notes on pages 5 to 28 form part of these Accounts

\* Note - The Statement of Financial Position as at 31/3/2011 has been restated for a prior period adjustment, see Note 1.4.

The financial statements on pages 1 to 28 were approved by the Board on 30 May 2012 and signed on its behalf by Sheena Cumiskey, Chief Executive.

Signed:



Date: 30 May 2012

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY**

	Public Dividend Capital	Revaluation Reserve	Donated Asset Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000
<b>Taxpayers' Equity at 1 April 2010, as previously stated</b>	35,819	8,987	3	18,642	63,451
<b>Total Comprehensive Income for year ended 31 March 2011:</b>					
Retained surplus for the year	0	0	0	5,278	5,278
Reduction in the donated asset reserve due to depreciation	0	0	(3)	0	(3)
Transfer of realised profits to retained earnings in respect of assets disposed of	0	(185)	0	185	0
Prior period adjustment in respect of deferred income >1yr (deferred government grant income) see note 24:					
- Impact on Statement of Comprehensive Income	0	0	0	26	26
- Impact on Statement of Financial Position	0	0	0	1374	1374
Public Dividend Capital Received	30	0	0	0	30
<b>Taxpayers' Equity at 31 March 2011</b>	<u>35,849</u>	<u>8,802</u>	<u>0</u>	<u>25,505</u>	<u>70,156</u>
<b>Total Comprehensive Income for year ended 31 March 2012:</b>					
Retained surplus for the year	0	0	0	3,994	3,994
Transfer of the excess of current cost depreciation over historical cost depreciation to retained earnings	0	(128)	0	127	(1)
<b>Taxpayers' Equity at 31 March 2012</b>	<u><u>35,849</u></u>	<u><u>8,674</u></u>	<u><u>0</u></u>	<u><u>29,626</u></u>	<u><u>74,149</u></u>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2012**

		Year ended 31 March 2012	Year ended 31 March 2011 restated*
	NOTE	£000	£000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>OPERATING SURPLUS</b>		<b>6,564</b>	7,655
Depreciation	11	1,365	1,407
Impairments	11	0	1,660
Transfer from donated asset reserve		(0)	(3)
Decrease/(increase) in inventories		0	124
(Increase)/decrease in trade and other receivables		(1,437)	3,653
Increase/(decrease) in trade and other payables		1,012	726
(Decrease)/increase in other current liabilities		(305)	96
Decrease in provisions		(224)	(1,345)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>6,975</b>	13,973
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		242	257
Purchase of other financial assets		(10,000)	(7,000)
Sale of other financial assets		7,000	0
Payments for property, plant and equipment		(2,928)	(5,749)
Proceeds from disposal of property, plant and equipment		0	0
<b>NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES</b>		<b>(5,686)</b>	(12,492)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Public dividend capital received		0	30
Interest element of finance leases		(374)	(366)
Public dividend capital dividend paid		(2,468)	(2,483)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		<b>(2,842)</b>	(2,819)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,554)</b>	(1,338)
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>		<b>16,811</b>	18,149
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	14	<b>15,257</b>	16,811

The notes on pages 5 to 28 form part of these Accounts.

Note – The statement of Cashflow for year ended 31<sup>st</sup> March 2011 has been restated for a prior period adjustment, see Note 1.4 below.

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES AND OTHER INFORMATION

Monitor, the Independent Regulator of NHS Foundation Trusts, has directed that these financial statements shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual as agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2011/12 issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently, unless otherwise stated, in dealing with items considered material in relation to the accounts.

The Cheshire and Wirral Partnership NHS Foundation Trust Charitable Funds balances have not been consolidated in these financial statements even though the NHS foundation trust is a Corporate Trustee. This treatment is in line with guidance from Monitor, who have obtained dispensation from HM Treasury to delay the consolidation of NHS Charity balances until 2013/14.

The following standards, amendments and interpretations have been published by the IASB and IFRIC and are mandatory for the NHS foundation trust's accounting periods beginning on or after 1 April 2012 or later periods, but, unless otherwise indicated, have not been early adopted. These changes are not anticipated to have a material impact on the NHS foundation trust's financial statements.

- IFRS 7 Financial Instruments: Disclosures
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IASB 12 Income Taxes amendment
- IASB 01 Presentation of financial statements, on other comprehensive income
- IASB 27 Separate Financial Statements
- IASB 28 Associates and joint ventures

#### 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 and where required certain financial assets and financial liabilities. NHS foundation trusts, in compliance with HM Treasury's Financial Reporting Manual, are not required to comply with IAS 33 requirements to report "earnings per share".

#### 1.2 Acquisitions and Discontinued Operations

Activities are considered to be 'acquired' whether or not they are acquired from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely but they are not considered to be 'discontinued' if they transfer from one public sector body to another. A discontinued operation is a component of the entity that: a) is a reportable segment or b) meets the criteria to be classified on acquisition as held for sale.

#### 1.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the NHS foundation trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. While estimates and underlying assumptions are continually reviewed, actual results may differ from such estimates. Revisions to accounting estimates are recognised in the year that such revisions occur.

The following critical judgements have been made in applying the NHS foundation trust's accounting policies:

- Determination of an appropriate carrying value for Property, Plant and Equipment. Detailed in Note 1.8 below is the basis that the NHS foundation trust has applied in valuing its Property, Plant and Equipment.
- Determination of an appropriate value for the NHS foundation trust's provisions. These are set out in Note 18 below.

The following key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have significant risk of causing material adjustments to the carrying value of amounts of assets and liabilities within the next financial year include:

- Continuing economic conditions that may result in further impairment of the NHS foundation trust's property portfolio.
- Conditions or circumstances used in determining the NHS foundation trust's provisions proving to be incorrect.

#### **1.4 Prior Period Adjustment**

A Prior Period Adjustment has been included in these financial statements. This resulted from amendments arising from changes to the HM Treasury FReM, introducing a new accounting approach to government grants. A correction for this change in accounting policy results in Deferred Income > 1 year reduced by £1,400,000 to nil and the NHS foundation trust's retained earnings increasing by the same amount.

#### **1.5 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 NHS foundation trust is contracts with commissioners in respect of healthcare services. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred. Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract, less the carrying amount of the assets sold.

#### **1.6 Expenditure**

Expenditure on goods and services is recognised when, and to the extent that the goods and services have been received. It is measured at the fair value of the consideration payable. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment. Expenditure on salaries and wages and employment related payments 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.

#### **1.7 Pooled Budgets**

The NHS foundation trust has a pooled budget arrangement hosted by Cheshire East Council. Under this, funds are pooled under Section 75 of the NHS Act 2006 for learning disabilities activities in Central and Eastern Cheshire. As a provider of healthcare services the NHS foundation trust does not make contributions to the pool. However payments from the pool for services provided by the NHS foundation trust are accounted for as income from Local Authorities and are recognised in the period that services are provided.

## 1.8 Property, Plant and Equipment

### 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 will be supplied to, the NHS foundation trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably and individual items have a cost of at least £5,000; or
- collectively items have a cost of at least £5,000 and where the assets are functionally interdependent, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a property, such as a building, includes a number of components with significantly different asset lives, then these components are treated as separate assets and depreciated over their own useful economic lives.

### Measurement

#### Valuation

All property, plant and equipment is 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 property, plant and equipment is measured subsequently at fair value. Land and buildings are shown in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment loss.

Fair values are determined as follows:

- Land and non-specialised buildings - market value for existing use
- Specialised buildings - depreciated replacement cost
- Non-operational properties including surplus land - fair value based on alternative use

Until 31 March 2008, the depreciated replacement cost of specialised buildings was estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on a modern equivalent asset basis (MEA). This allows for an alternative site and more modern specification to be valued as long as that alternative site would provide the same level of service as is currently provided. In accordance with IAS 16 revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined using fair value at the reporting date.

A complete revaluation of land and buildings on the MEA basis was carried out at 31 March 2010 by the NHS Foundation Trust's valuers DTZ, (Member of the Royal Institute of Chartered Surveyors). In the current financial year the carrying value of the NHS foundation trust's land and buildings has been reviewed but no revaluation was considered appropriate. The review took into account increases in the Building Cost Information Service 'All in' tender price index as well as current depreciation rates and included discussion with the NHS foundation trust's valuers.

Note 1.8 continues on next page.



## 1.8 Property, Plant and Equipment (continued)

Property in the course of construction is carried at cost, less any impairment loss. Such property is normally valued, where material, by professional valuers when it is brought into use, at which time depreciation commences. Note that cost includes professional fees but not borrowing costs which are charged to the statement of comprehensive income immediately, as allowed by IAS 23 for assets held at fair value.

Plant and equipment is carried at depreciated historic cost as this is considered not to be materially different from fair value. Plant and equipment surplus to requirements is valued at net recoverable amount.

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 future economic benefits 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 reliably determined. All other expenditure is recognised as an expense in the period in which it is incurred.

### Depreciation

The cost or valuation of property, plant and equipment is depreciated on a straight line basis over its remaining useful economic life in a manner consistent with the consumption of economic or service delivery benefits. This is specific to the NHS foundation trust and may be shorter than the physical life of the asset itself. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment in the course of construction is not depreciated until it is brought into use, whilst that intended for disposal is reclassified as held for sale and depreciation ceases upon this reclassification (see Note 1.9). Property, plant and equipment which is to be scrapped or demolished is not earmarked as held for sale but is retained as an operational asset and its economic life is adjusted accordingly. Property, plant and equipment is de-recognised when scrapping or demolition occurs.

Buildings and installations are depreciated on a straight line basis on their carrying value over their estimated remaining lives as assessed by the NHS foundation trust's professional valuers.

Equipment is depreciated evenly over its estimated remaining life which is considered not to be materially different from the period of consumption of economic benefits as follows:

Plant and Equipment - 5 to 15 years  
Transport Equipment - 5 years  
Information Technology - 5 years  
Furniture and Fittings - 3 to 8 years

### Revaluations and Impairments

Increases in property, plant and equipment values arising from revaluations are recognised in the revaluation reserve, except where they reverse a revaluation loss previously recognised in operating expenses, in which case, they are credited initially to operating expenses to the extent of the charge previously made there and thereafter to the revaluation reserve. Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance in respect of the asset, and thereafter they are charged to operating expenses.

At the end of each financial year the NHS foundation trust reviews its property, plant and equipment assets for indications of impairment. Impairments arise from a loss or consumption of economic benefits or service potential.

Note 1.8 continues on next page.

### **1.8 Property, Plant and Equipment (continued)**

Impairments arising from a loss or consumption of economic benefits or service potential are charged to operating expenses. The asset is written down to its recoverable amount and a charge which is either the lower of the impairment loss charged to operating expenses or the balance on the revaluation reserve in respect of the asset impaired is then transferred from the revaluation reserve to the income and expenditure reserve. Impairments due to a loss of economic benefits or service potential are reversed if the circumstances that gave rise to the original loss subsequently reverse.

For all other impairments that do not arise from a loss or consumption of economic benefits or service potential, the asset is written down to its recoverable amount and a charge is made to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to operating expenses. Where such an impairment subsequently reverses, the reversal is credited to operating expenses to the extent of the loss previously recognised and thereafter the remainder of the reversal is credited to the revaluation reserve.

Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the statement of comprehensive income.

The excess of the depreciation on revalued amounts over that on the original asset cost is transferred in equity from revaluation reserve to retained earnings.

#### **Donated Assets**

Donated property, plant and equipment assets are capitalised at their current value on receipt and this value is credited to income at the same time. This is a change in accounting policy where previously the current value of donated assets would be credited to donated asset reserve. NHS bodies will no longer hold a donated asset reserve. Donated assets are valued, depreciated and impaired in the same manner as other items of property, plant and equipment.

### **1.9 Non-Current Assets Held For Sale**

Property, plant and equipment intended for disposal is reclassified as non-current assets held for sale once 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 is highly probable, i.e. management are committed to a plan to sell the asset and it is unlikely that the plan will be dropped or changed; an active programme has begun to find a buyer and complete the sale; the asset is being marketed at a reasonable price; the sale is expected to be completed within 12 months of the date of classification as 'held for sale'.

Non-current assets held for sale are valued at the lower of existing carrying amount and 'fair value less costs to sell'. Depreciation ceases to be charged and there is no revaluation, except where the 'fair value less costs to sell falls below the carrying amount.

The profit or loss arising on disposal of property, plant and equipment is the difference between the sale proceeds and the carrying amount and is recognised in the statement of comprehensive income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings. For donated assets, a transfer is made to or from the relevant reserve to the gain or loss on disposal account so that no gain or loss is recognised in the statement of comprehensive income. The remaining surplus or deficit in the donated asset reserve is then transferred to retained earnings.

## **1.10 Leases**

### **Finance Leases**

Where substantially all the risks and rewards of ownership of a leased asset are borne by the NHS foundation 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 implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to finance costs in the statement of comprehensive income.

### **Operating Leases**

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the lease term. Operating lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

## **1.11 Inventories**

IAS 2 prescribes the accounting treatment for inventories & permits recognising inventories in operating expenses. From 2010/11 all inventories are now charged to operating expenses but are reviewed on an annual basis for any material change. Partially completed contracts for patient services are not accounted for as inventory work-in progress.

## **1.12 Financial Assets and Financial Liabilities**

### **Recognition**

Financial assets and financial liabilities arising from contracts for the purchase or sale of non-financial items (goods or services), which are entered into in accordance with the NHS foundation trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. 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 (see Note 1.10).

All other financial assets and financial liabilities are recognised when the NHS foundation 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 NHS foundation 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**

Financial assets are classified into the following categories: financial assets held at fair value through income and expenditure; held to maturity investments; available for sale financial assets and loans and receivables. The NHS foundation trust holds only loans and receivables.

Note 1.12 continues on next page.

## **1.12 Financial Assets and Financial Liabilities (continued)**

### **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The NHS foundation trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and other receivables.

Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate 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.

### **Financial Liabilities**

Financial liabilities are classified into the following categories: fair value through income and expenditure or other financial liabilities. The NHS foundation trust holds only other financial liabilities.

Financial liabilities are included in current liabilities except for amounts payable more than twelve months after the statement of financial position date, which are classified as long-term liabilities.

The NHS foundation trust's financial liabilities comprise trade payables, accruals, other payables and provisions for legal claims.

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate 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. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to the statement of comprehensive income.

### **Determination of Fair Value**

Fair value is determined from market prices, independent appraisals and discounted cash flow analysis as appropriate to the financial asset or liability. Where required, cash flows are discounted at HM Treasury's discount rate of 2.2% in real terms.

### **Impairment of Financial Assets**

At the statement of financial position date, the NHS foundation trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows where applicable discounted at the asset's original effective interest rate. The loss is recognised in the statement of comprehensive income and the carrying amount of the asset is reduced through the use of a provision for impairment of receivables. Amounts charged to the provision for impairment of receivables are only written off against the carrying amount of the financial asset, when all avenues of recovery are deemed exhausted.

## **1.13 Cash and Cash Equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than twenty four hours.

Note 1.13 continues on next page.

### **1.13 Cash and Cash Equivalents (continued)**

Cash equivalents are investments that mature in three 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. These balances exclude monies held in the NHS foundation trust's bank accounts belonging to patients (see Note 1.20 Third Party Assets). Cash balances with the Government Banking Service (GBS) currently comprise bank accounts with Citibank and the Royal Bank of Scotland which in accordance with Department of Health instructions are aggregated to arrive at a net closing position. Interest earned and interest charged on bank accounts is recorded as, respectively, finance income and finance expenses in the year to which they relate. Bank charges are recorded as operating expenses in the year to which they relate.

### **1.14 Provisions**

The NHS foundation trust provides for legal or constructive obligations that are of uncertain timing or amount at the date of the statement of financial position on the basis of the best estimate of the expenditure required to settle the obligation. Provisions are recognised where 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. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 2.2% in real terms except for early retirement and injury benefit provisions which both use HM Treasury's pension discount rate of 2.8% in real terms.

### **1.15 Clinical Negligence Costs**

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. The contribution is charged to operating expenses. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. Amounts in respect of these cases are not provided for in these financial statements but the total value of the clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at Note 18.2. However, excesses arising on the settlement of clinical negligence claims are the responsibility of the NHS foundation trust and are therefore included in provisions for liabilities.

### **1.16 Non-Clinical Risk Pooling**

The NHS foundation trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes and are accounted for on a net basis under which the NHS foundation trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

### **1.17 Pension Costs**

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The Scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS foundation trust of participating in the Scheme is taken as equal to the employers cost contribution payable to the Scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

Note 1.17 continues on next page.

## 1.17 Pension Costs (continued)

### a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the Scheme (taking into account recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members.

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision. Employer and employee contribution rates are currently being determined under the new scheme design.

### b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31 March 2012, is based on detailed membership data as at 31 March 2010 updated to 31 March 2012 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.

### c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

#### Annual Pensions

The Scheme is a “final salary” scheme. Annual pensions are normally based on  $1/80^{\text{th}}$  for the 1995 section and of the best of the last three years pensionable pay for each year of service, and  $1/60^{\text{th}}$  for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as ‘pension commutation’.

#### Pensions' Indexation

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace Retail Prices Index (RPI).

Note 1.17 continues on next page.

### **1.17 Pension Costs (continued)**

#### **Ill-Health Retirement**

Early payment of a pension, with enhancement in certain circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties or regular employment effectively, through illness or infirmity.

#### **Death Benefits**

A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount, is payable. For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

#### **Additional Voluntary Contributions (AVCs)**

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVCs run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contribution (FSAVC) providers.

### **1.18 Taxation**

The Cheshire and Wirral Partnership NHS Foundation Trust is a Health Service Body within the meaning of S519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the exemption in relation to the specified activities of a Foundation Trust (S519A (3) to (8) ICTA 1988). Accordingly the NHS foundation trust is potentially within the scope of Corporation Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum. There is no Corporation Tax liability arising in respect of such items in the current financial year.

Most of the activities of the NHS foundation trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to operating expenses or included in the capitalised purchase cost of property, plant and equipment. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### **1.19 Foreign Exchange**

The functional and presentational currency of the NHS foundation trust is sterling. A transaction which is denominated in a foreign currency is translated into sterling at the exchange rate ruling on the date of the transaction. At the end of the reporting period, financial assets and liabilities denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains or losses for either of these are recognised in the statement of comprehensive income in the period in which they arise.

### **1.20 Third Party Assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the financial statements since the NHS foundation trust has no beneficial interest in them. Details of third party assets are disclosed in Note 21.

### **1.21 Public Dividend Capital (PDC) and Public Dividend Capital Dividend**

Public dividend capital represents taxpayers' equity in the NHS foundation trust. It is recorded at the value of the excess of assets over liabilities at the time of establishment of the original predecessor NHS trust. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument within the meaning of IAS 32.

Note 1.21 continues on next page.



### 1.21 Public Dividend Capital (PDC) and Public Dividend Capital Dividend (continued)

The PDC dividend for the year payable to the Department of Health is shown in Note 9 of these financial statements. The charge reflects the cost of capital utilised by the NHS foundation trust and is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets and cash balances with the Government Banking Service. The average carrying amount of all assets less liabilities is calculated as a simple average of opening and closing relevant net assets based on the draft financial statements.

### 1.22 Losses and Special Payments

Losses and Special Payments are items that Parliament would not have contemplated when it agreed funds for the National Health Service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories which govern the way each individual case is handled.

Losses and Special Payments are charged to operating expenses on an accruals basis, including losses which would have been made good through insurance cover had the NHS foundation trust not been bearing their own risks. See Note 10 below.

### 1.23 Research and Development

Expenditure on research and development is normally charged against income in the year in which it is incurred. Where development expenditure relates to a clearly defined project which is guaranteed to provide future economic benefit, then the expenditure is deferred and amortised through operating expenses on a systematic basis over the period expected to benefit from the project, in accordance with IAS38, Intangible Assets.

### 1.24 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS foundation trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote. See Note 19.

## 2. Operating Segments

The NHS foundation trust's Chief Operating Decision Maker (CODM) is the Board as they determine the allocation and use of the NHS foundation trust's resources. The Board primarily focuses on the NHS foundation trust's aggregated results, but also monitors performance variances at service line levels as shown below.

	Operating Income	Operating Expenses	Non-operating Income and Expenditure	Surplus
Year ended 31 March 2012	£000	£000	£000	£000
<b>Service Lines</b>				
Adult Mental Health and Older Peoples Services:				
North West	-	24,009	-	-
South East	-	29,514	-	-
Wirral	-	26,585	-	-
Learning Disabilities Services	-	14,415	-	-
Child and Adolescent Mental Health Services	-	16,541	-	-
Drug and Alcohol Services	-	11,485	-	-
Community Care Western Cheshire		29,542		
	<u>160,019</u>	<u>152,091</u>	<u>3,934</u>	<u>3,994</u>

	Operating Income	Operating Expenses	Non-operating Income and Expenditure	Surplus
Year ended 31 March 2011	£000	£000	£000	£000
<b>Service Lines</b>				
Adult Mental Health and Older Peoples Services :				
North West	-	20,486	-	-
South East	-	31,888	-	-
Wirral	-	27,961	-	-
Learning Disabilities Services	-	15,332	-	-
Child and Adolescent Mental Health Services	-	16,669	-	-
Drug and Alcohol Services	-	11,512	-	-
	<u>134,307</u>	<u>123,848</u>	<u>5,155</u>	<u>5,304</u>

Note 1 - Non-operating Income and Expenditure comprises interest received, finance expenses, losses on disposal, depreciation, impairment and PDC dividend payable and cannot be apportioned across service lines.

Note 2 - Corporate service and overhead costs excluding depreciation and impairment costs have been allocated pro rata to operating expenses across service lines.

Note 3 - Operating income is mainly received on a block contract basis and cannot be apportioned across service lines.

### 3. Operating Income from Patient Care Activities

Income is almost entirely from the supply of services and is classed by source below. Income from the sale of goods is immaterial.

	Year ended 31 March 2012	Year ended 31 March 2011
	£000	£000
NHS Foundation Trusts	386	340
NHS Trusts	131	53
Primary Care Trusts	143,089	119,045
Department of Health	52	31
Local Authorities	8,230	7,334
Non-NHS Other	956	347
	<u>152,844</u>	<u>127,150</u>

Note 1- The Terms of Authorisation set out the mandatory goods and services that the NHS foundation trust is required to provide (protected services). With respect to the analysis of income by source shown above £152,572,000 (year ended 31 March 2011, £126,776,000) is derived from the provision of protected services and £272,000 (year ended 31 March 2011, £374,000) is derived from the provision of non-protected services, including income from occupational health, psychology and staff support services.

Note 2 – The increase in Primary Care Trust income reflects the transfer of Community Care Western Cheshire services on the 1<sup>st</sup> April 2011 from NHS Western Cheshire as per the Transforming Community Services project.

**4. Other Operating Income**

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Research	351	184
Education and training	2,600	2,510
Transfer from donated asset reserve	0	3
Non-patient care services to other bodies	2,600	2,743
Other income	1,624	1,691
	<u>7,175</u>	<u>7,131</u>

Note - The Terms of Authorisation set out the mandatory education and training that the NHS foundation trust is required to provide (protected education and training). All of the income from education and training shown above is derived from the provision of protected education and training. All other operating income is un-protected.

**4.1 Private Patient Cap**

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000	Base Year 2002/03 £000
Private patient income	93	69	0
Total patient related income	<u>152,844</u>	<u>127,116</u>	<u>78,568</u>
Proportion (as percentage)	<u>0.06%</u>	<u>0.05%</u>	<u>0.00 %</u>

Note 1 - Private patient income is included under Non-NHS Other Income in Note 3 above.

Note 2 - For mental health NHS foundation trusts, The Health Act 2009 revised the Private Patient Cap as defined in Section 44 of the National Health Service Act 2006. The new provisions came into force on 19 January 2010, from which date the Private Patient Cap was the greater of a) the proportion of the total patient related income derived from private patient charges in 2002/03; or b) 1.5% i.e. £1,178,520 for the NHS foundation trust.

**5. Operating Expenses****Operating expenses comprise:**

	Year ended 31 March 2012 £000	Year ended 31 March 2011 £000
Services from NHS Foundation Trusts	1,958	2,249
Services from NHS Trusts	2,008	703
Services from other NHS bodies	520	1,022
Employee expenses - Executive directors	595	617
Employee expenses – Non executive directors	127	127
Employee expenses - Staff (Note 1)	120,404	96,393
Drug costs	3,565	2,937
Supplies and services - clinical	1,879	1,115
Supplies and services - general	973	911

Establishment	5,540	4,270
Research	318	299
Transport	212	251
Premises	10,911	9,985
Increase/(Decrease) in bad debts provision	(4)	6
Depreciation on property, plant and equipment	1,365	1,407
Impairments of land and buildings (Note 2)	0	1,660
Gain on disposal of land and buildings assets held for sale	(0)	(289)
Internal audit	74	52
Statutory auditors' fees (Note 3)	71	67
Other statutory auditors' services (Note 4)	7	48
Clinical negligence	185	143
Legal fees	218	281
Consultancy services	252	342
Redundancy costs	717	349
Training	901	829
Insurance	247	256
Other	412	596
	<b>153,455</b>	<b>126,626</b>

Note 1 – The increase in staff employee expenses reflects the transfer of Community Care Western Cheshire staff into the employment of the Trust on the 1<sup>st</sup> April 2011 from NHS Western Cheshire as part of the Transforming Community Services project.

Note 2 - Impairments of land and buildings are losses arising on valuation reviews which could not be offset against revaluation reserves.

Note 3 - Further details in respect of statutory audit arrangements including auditor liability are shown on page 103 of the Annual Report.

Note 4 - Other statutory auditors' services relate to taxation advice and support.

## 6 Operating Leases

These primarily comprise leases for office equipment, premises and transport which are charged to operating expenses in Note 5 above.

<b>6.1 Payments recognised as an expense</b>	<b>Year ended 31 March 2012</b>	<b>Year ended 31 March 2011</b>
	<b>£000</b>	<b>£000</b>
Minimum lease payments	<b>1,497</b>	<b>1,238</b>

## 6.2 Total future minimum lease payment commitments

	Year ended 31 March 2012		Year ended 31 March 2011	
	Land and Buildings	Other Leases	Land and Buildings	Other Leases
	£000	£000	£000	£000
Payable :				
Within 1 year	751	520	655	407
Between 1 and 5 years	1,621	449	1,290	220
After 5 years	584	0	522	0
	<u>2,956</u>	<u>969</u>	<u>2,467</u>	<u>627</u>

## 7. Employee Costs and Numbers

7.1 Employee costs	Year ended 31 March 2012	Year ended 31 March 2011
	£000	£000
Salaries and wages	99,495	79,823
Social Security costs	7,144	5,845
Employer contributions to NHS Pensions Scheme	11,404	9,325
Agency / contract staff	3,208	2,193
	<u>121,251</u>	<u>97,186</u>

Note 1 - Key management are the executive directors whose remuneration is disclosed in the Remuneration Report, see page 79 of the Annual Report.

Note 2 - Employee costs above vary with Employee expenses - Staff disclosed in Note 5 to the Accounts, due to the costs of research staff being classified under Operating Expenses - Research.

Note 3 - Further information on NHS Pensions Scheme costs, valuations and provisions can be found above in Note 1.17.

## 7.2 Staff exit packages

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<b>Year ended 31 March 2012</b>			
<b>Exit package cost band</b>			
<£10,000	0	0	0
£10,001 - £25,000	2	1	3

£25,001 - £50,000	3	2	5
£50,001 - £100,000	8	1	9
<b>Total number of exit packages by type</b>	<b>13</b>	<b>4</b>	<b>17</b>
<b>Total resource cost</b>	<b>£717,000</b>	<b>£140,000</b>	<b>£857,000</b>
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Year ended 31 March 2011			
Exit package cost band			
<£10,000	3	0	3
£10,001 - £25,000	5	0	5
£25,001 - £50,000	2	0	2
<b>Total number of exit packages by type</b>	<b>10</b>	<b>0</b>	<b>10</b>
<b>Total resource cost</b>	<b>£144,593</b>	<b>£0</b>	<b>£144,593</b>

Note 1 - In the year ended 31 March 2012 12 exit packages costing £611,000 resulted from a restructuring of clinical/central support services following the transfer of Community Care Western Cheshire. The action taken will generate recurrent savings going forward.

Note 2 - The remaining 5 exit packages and resource costs £147,000 were in respect of separate management restructuring processes.

### 7.3 Average number of employees

	Year ended 31 March 2012	Year ended 31 March 2011
	Number	Number
Medical and dental	138	138
Administration and estates	639	526
Healthcare assistants and other support staff	143	134
Nursing, midwifery and health visiting staff	1,389	1,135
Scientific, therapeutic and technical staff	553	448
Social care staff	5	6
Bank and agency staff	185	119
	<b>3,052</b>	<b>2,506</b>

Note 1 - The average number of employees is shown on a whole time equivalent basis and of these over 95% have permanent contracts with the NHS foundation trust.

Note 2 – The increase in employee numbers reflects the transfer of Community Care Western Cheshire staff on 1<sup>st</sup> April 2011 from NHS Western Cheshire as part of the Transforming Community Services project.

#### 7.4 Retirements due to ill-health

During the year there were 4 (year ended 31 March 2011, 6) early retirements from the NHS foundation trust on the grounds of ill-health. The additional pension liabilities of these ill-health retirements will be £554,000 (year ended 31 March 2011, £533,000). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

#### 8. Finance Expenses

	Year ended 31 March 2012	Year ended 31 March 2011
	£000	£000
Unwinding of discount on provisions	28	18
Finance leases	374	366
	<u>402</u>	<u>384</u>

#### 9. Public Dividend Capital Dividend

The NHS foundation trust is required to pay a dividend to the Department of Health to reflect the cost of capital utilised at a real rate of 3.5% on the actual average carrying amount of all assets less liabilities, except for donated assets and cash balances with the Government Banking Service. The NHS foundation trust's public dividend capital dividend charge for the year was £2,468,000 (year ended 31 March 2011, £2,288,000).

#### 10. Losses and Special Payments

NHS Foundation Trusts record on an accruals basis payments and other adjustments that arise as a result of losses and special payments. In the year to 31 March 2012 the NHS foundation trust had 163 (year ended 31 March 2011, 164) separate losses and special payments totalling £124,000 (year ended 31 March 2011, £72,000). Most of these were in relation to damage and losses in respect of buildings and property.

#### 11. Property, plant and equipment

##### 11.1 Year ended 31 March 2012

	Land	Buildings	Assets under construction	Plant and equipment	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2011	9,693	47,061	4,717	890	157	997	565	65,741
Additions purchased	0	841	1,824	45	0	243	0	2,953
Reclassifications	(207)	4,082	(4,565)	0	0	0	0	(690)
<b>Cost or Valuation at 31 March 2012</b>	<b>9,486</b>	<b>51,984</b>	<b>1,976</b>	<b>935</b>	<b>157</b>	<b>1,240</b>	<b>565</b>	<b>68,004</b>
Depreciation at 1 April 2011	0	1,609	1,660	654	125	709	251	6,669
Charged during the year	0	1,124	0	43	6	56	136	1,349
Reclassifications	0	(16)	0	0	0	0	0	0
<b>Depreciation at 31 March 2012</b>	<b>0</b>	<b>2,717</b>	<b>1,660</b>	<b>697</b>	<b>131</b>	<b>765</b>	<b>387</b>	<b>8,018</b>



**Net book value**

Purchased at 1 April 2011	9,693	45,452	3,057	236	32	288	314	59,072
Donated at 1 April 2011	0	0	0	0	0	0	0	0
<b>Total at 1 April 2011</b>	<b>9,693</b>	<b>45,452</b>	<b>3,057</b>	<b>236</b>	<b>32</b>	<b>288</b>	<b>314</b>	<b>59,072</b>
Purchased at 31 March 2012	9,486	49,267	316	238	26	475	178	59,986
Donated at 31 March 2012	0	0	0	0	0	0	0	0
<b>Total at 31 March 2012</b>	<b>9,486</b>	<b>49,267</b>	<b>316</b>	<b>238</b>	<b>26</b>	<b>475</b>	<b>178</b>	<b>59,986</b>

**11.1 Year ended 31 March 2011**

	Land	Buildings	Assets under construction	Plant and equipment	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2010	9,693	45,139	1,441	860	137	845	565	58,680
Additions purchased	0	208	4,990	30	20	152	0	5,400
Reclassifications	0	1,714	(1,714)	0	0	0	0	0
<b>Cost or Valuation at 31 March 2011</b>	<b>9,693</b>	<b>47,061</b>	<b>4,717</b>	<b>890</b>	<b>157</b>	<b>997</b>	<b>565</b>	<b>64,080</b>
Depreciation at 1 April 2010	0	341	0	616	121	685	178	1,941
Charged during the year	0	1,268	0	38	4	24	73	1,407
Impairments	0	0	1,660	0	0	0	0	1,660
<b>Depreciation at 31 March 2011</b>	<b>0</b>	<b>1,609</b>	<b>1,660</b>	<b>654</b>	<b>125</b>	<b>709</b>	<b>251</b>	<b>5,008</b>
<b>Net book value</b>								
Purchased at 1 April 2010	9,693	44,798	1,441	244	13	160	387	56,736
Donated at 1 April 2010	0	0	0	0	3	0	0	3
<b>Total at 1 April 2010</b>	<b>9,693</b>	<b>44,798</b>	<b>1,441</b>	<b>244</b>	<b>16</b>	<b>160</b>	<b>387</b>	<b>56,739</b>
Purchased at 31 March 2011	9,693	45,452	3,057	236	32	288	314	59,072
Donated at 31 March 2011	0	0	0	0	0	0	0	0
<b>Total at 31 March 2011</b>	<b>9,693</b>	<b>45,452</b>	<b>3,057</b>	<b>236</b>	<b>32</b>	<b>288</b>	<b>314</b>	<b>59,072</b>

\* Note - an impairment adjustment was made in respect of a nearly completed asset under construction following a valuation review carried out as at 31<sup>st</sup> March 2011 by the NHS Foundation Trust's professional valuers.

### 11.2 Protected and non-protected assets

Protected property is land and buildings required for the purposes of providing either mandatory goods and services or mandatory education and training as designated in the Terms of Authorisation of the NHS foundation trust. No protected assets have been disposed of in the year.

	31 March 2012		31 March 2011	
	Land	Buildings	Land	Buildings
	£000	£000	£000	£000
Protected assets	9,355	39,175	9,355	34,889
Non protected assets	131	10,092	338	10,553
	<u>9,486</u>	<u>49,267</u>	<u>9,693</u>	<u>45,452</u>

### 11.3 Assets held under finance leases

The net book value of assets held under finance leases, which is included in total property, plant and equipment above, is as follows.

	31 March 2012	31 March 2011
	£000	£000
Buildings	<u>1,473</u>	<u>1,534</u>

Depreciation charged to the statement of comprehensive income in respect of assets held under finance leases and which is included under total depreciation above, is as follows.

	31 March 2012	31 March 2011
	£000	£000
Buildings	<u>61</u>	<u>61</u>

### 11.4 Net book value of land and buildings

	31 March 2012	31 March 2011
	£000	£000
Freehold	56,169	52,191
Long leasehold	2,229	2,432
Short leasehold	355	522
<b>TOTAL</b>	<u>58,753</u>	<u>55,145</u>

### 11.5 Capital Commitments

Commitments under capital expenditure contracts at 31 March 2012 were £128,000 (31 March 2011, £1,317,000).

## 12. Inventories

	31 March 2012	31 March 2011
	£000	£000
Raw materials and consumables	<u>0</u>	<u>0</u>

## 13. Trade and other receivables - current

	31 March 2012	31 March 2011
	£000	£000
NHS receivables	1,265	1,242
Non-NHS trade receivables	1,156	547
Provision for impairment of receivables	(4)	(8)
Prepayments	850	851
Accrued income	1,433	458
VAT receivables	178	293
<b>TOTAL</b>	<u><u>4,878</u></u>	<u><u>3,383</u></u>

Note 1 – There were no non – current trade and other receivables

### 13.1 Receivables past their due date but not impaired

	31 March 2012	31 March 2011
	£000	£000
By up to three months	512	220
By three to six months	45	9
By more than six months	70	120
<b>TOTAL</b>	<u><u>627</u></u>	<u><u>349</u></u>

### 13.2 Provision for impairment of receivables

	31 March 2012	31 March 2011
	£000	£000
Balance at 1 April	8	4
Amount written off during the year	(0)	(2)
Amount recovered during the year	(5)	0
Increase in receivables impaired	1	6
<b>Balance at 31 March</b>	<u><u>4</u></u>	<u><u>8</u></u>

**14. Cash and cash equivalents**

Cash with banks is held in instant access accounts. Current investments comprise money market investments or fixed interest accounts denominated in sterling which are either instant access or mature within three months of the statement of financial position date. Short term investments mature between three and six months after the statement of financial position date. All accounts attract interest at rates based on LIBOR or equivalent market or public sector rates. The carrying amounts are equivalent to their fair values.

	31 March 2012	31 March 2011
	£000	£000
Balance at 1 April	16,811	18,149
Net change in year	(1,554)	(1,338)
<b>Balance at 31 March</b>	<b>15,257</b>	<b>16,811</b>
Made up of -		
Cash with the Government Banking Service (GBS)	3,848	546
Cash with commercial banks and cash in hand	1,409	6,265
Current investments	10,000	10,000
<b>Cash and cash equivalents as in Statement of Financial Position and Statement of Cash Flows</b>	<b>15,257</b>	<b>16,811</b>

**15. Trade and other payables - current**

	31 March 2012	31 March 2011
	£000	£000
NHS payables	305	1,470
Other trade payables - revenue	2,625	1,474
Other trade payables - capital	479	454
Other payables	750	477
Accruals	6,568	6,264
<b>TOTAL</b>	<b>10,727</b>	<b>10,139</b>

Note - There are no non-current trade and other payables balances.

**16. Borrowings - current**

	31 March 2012	31 March 2011
	£000	£000
Obligations under a finance lease	340	340

**16.1 Borrowings - non-current**

	<b>31 March 2012</b>	31 March 2011
	<b>£000</b>	£000
Obligations under a finance lease	<u><u>2,005</u></u>	<u><u>1,997</u></u>

Note - The finance lease obligation relates to a property from which the NHS foundation trust delivers Adult Mental Health and Older Peoples Services. The lease has a termination date of 2036 and an implicit interest rate of 15.23%.

**16.2 Finance lease obligations****Amounts payable under finance leases: minimum lease payments**

	<b>31 March 2012</b>	31 March 2011
	<b>£000</b>	£000
Within one year	340	340
Between one and five years	1,360	1,360
After five years	12,106	12,810
Less future finance charges	<b>(11,461)</b>	<b>(12,173)</b>
Present value of minimum lease payments	<u><u>2,345</u></u>	<u><u>2,337</u></u>
Included in:		
Current borrowings	340	340
Non-current borrowings	<u><u>2,005</u></u>	<u><u>1,997</u></u>
	<u><u>2,345</u></u>	<u><u>2,337</u></u>

**16.3 Borrowings - Prudential Borrowing Limit (PBL)**

The NHS foundation trust is required to comply and remain within a prudential borrowing limit. This is made up of two elements:

- the maximum cumulative amount of long-term borrowing. This is set by reference to the four ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit.
- the amount of any working capital facility approved by Monitor.

Long-term borrowing within the PBL comprises the finance lease referred to above in Note 16.1. Further information on the NHS Foundation Trust's Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the Independent Regulator of NHS Foundation Trusts at [www.monitor-nhsft.gov.uk](http://www.monitor-nhsft.gov.uk)

In 2011/12 the NHS foundation trust had a Prudential Borrowing Limit approved by Monitor of £27,300,000 (2010/11, £24,000,000). The NHS foundation trust has not borrowed against this limit.

In 2011/12 the NHS foundation trust had a working capital facility limit approved by Monitor of £5,000,000 (2010/11 £10,000,000). The actual working capital facility for 2011/12 was £5,000,000 (2010/11 £5,000,000). The NHS foundation trust had no requirement to draw on this facility during the year.

The four ratio tests and the NHS foundation trust's performance against them is set out below:

<b>Financial ratios</b>	<b>Actual 2011/12</b>	<b>Approved 2011/12</b>	<b>Actual 2010/11</b>	<b>Approved 2010/11</b>
Minimum Dividend Cover	3.2	>1	3.7	>1
Minimum Interest Cover	n/a	>3	n/a	>3
Minimum Debt Service Cover	21.2	>2	30	>2
Maximum Debt Service to Revenue	0.23%	<2.5%	0.27%	<3%

#### 17. Deferred income - current

	<b>31 March 2012</b>	<b>31 March 2011</b>
	<b>£000</b>	<b>£000</b>
Deferred income	<u>128</u>	<u>433</u>

#### 17.1 Deferred income - non-current

	<b>31 March 2012</b>	<b>31 March 2011</b>
	<b>£000</b>	<b>£000</b>
Deferred income	<u>0</u>	<u>0</u>

Note - Deferred income - non-current as at 31/3/2011 has been restated for a prior period adjustment, see Note 24

#### 18. Provisions for liabilities - current

	<b>31 March 2012</b>	<b>31 March 2011</b>
	<b>£000</b>	<b>£000</b>
Pensions relating to other staff	78	100
Legal claims	93	77
Other	0	204
<b>TOTAL</b>	<u>171</u>	<u>381</u>

#### 18.1 Provisions for liabilities - non-current

	<b>31 March 2012</b>	<b>31 March 2011</b>
	<b>£000</b>	<b>£000</b>
Pensions relating to other staff	864	849
<b>TOTAL</b>	<u>864</u>	<u>849</u>

**18.2 Movement of provisions for liabilities**

	Pensions relating to other staff	Legal claims	Other	Total
	£000	£000	£000	£000
<b>At 31 March 2011, as previously stated</b>	<b>949</b>	<b>77</b>	<b>204</b>	<b>1,230</b>
Arising during the year	28	118	0	146
Utilised during the year	(63)	(55)	(144)	(262)
Reversed unused	(0)	(47)	(60)	(107)
Unwinding of discount	28	0	0	28
<b>At 31 March 2012</b>	<b>942</b>	<b>93</b>	<b>0</b>	<b>1,035</b>

**Expected timing of cash flows:**

Within one year	78	93	0	171
Between one and five years	464	0	0	464
After five years	400	0	0	400

Note 1 - The provision for pensions is based on actuarial estimates provided by the NHS Business Services Authority - Pensions Division.

Note 2 - The provision for legal claims is based on information provided by the NHS foundation trust's solicitors and the NHS Litigation Authority (NHSLA) and largely relates to excesses that are expected to be paid. Settlement of these claims is generally anticipated to be within one year.

Note 3 - At 31 March 2012 £502,000 (31 March 2011, £1,242,000) is included in the provisions of the NHSLA in respect of the clinical negligence liabilities of the NHS Foundation Trust.

**19. Contingent Liabilities**

At 31 March 2012 the NHS foundation trust has a contingent liability in respect of clinical negligence claims with the NHS Litigation Authority (NHSLA) of £92,000 (31 March 2011, £23,000).

**20. Financial Instruments**

IAS 32 and 39 and IFRS 7 require disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. The NHS foundation trust actively seeks to minimise its financial risks, neither buying nor selling financial instruments and is therefore not exposed to significant financial risk factors arising from financial instruments.

Further the NHS foundation trust is not exposed to the degree of financial risk faced normally by business entities because of the continuing service, commissioner-provider relationship that the NHS foundation trust has with local Primary Care Trusts and the way in which those Primary Care Trusts are financed. Financial assets and liabilities, see below, 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. The NHS foundation trust holds the following financial assets and liabilities:

	31 March 2012	31 March 2011
	£000	£000
<b>Financial Assets</b>		
<b>Loans and Receivables -</b>		



NHS receivables	1,265	1,242
Non-NHS trade receivables (net of provision for impaired receivables)	1,152	539
Accrued income	1,433	458
VAT receivables	178	293
Cash at bank and in hand, and short term investments	25,257	23,811
<b>TOTAL</b>	<b>29,285</b>	<b>26,343</b>

### Financial Liabilities

#### Other Financial Liabilities -

NHS payables	1,720	1,470
Other trade payables - revenue	1,498	1,474
Other trade payables - capital	479	454
Other payables	750	477
Accruals	6,280	6,264
Finance lease obligations	2,345	2,337
<b>TOTAL</b>	<b>13,072</b>	<b>12,476</b>

Note - The fair value of financial assets and liabilities shown above is not considered to be significantly different from book value.

### 20.1 Market Risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. The only element of financial assets held that are subject to a variable rate are cash at bank and current investments. The NHS foundation trust is not therefore exposed to significant interest rate risk. In addition all of the NHS foundation trust's financial liabilities carry nil or fixed rates of interest. Further details on interest rates in respect of the NHS foundation trust's relevant financial assets can be found in Note 14. Changes in interest rates can impact discount rates and consequently affect the valuation of provisions and finance lease obligations. The NHS foundation trust's transactions are almost all undertaken in sterling and so it is not exposed to foreign exchange risk and as it holds no equity investments in companies or other investments linked to a price index no further exposure arises in this respect.

### 20.2 Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the NHS foundation trust. Credit risk arises from deposits with banks as well as credit exposure to the NHS foundation trust's commissioners and other receivables. At the statement of financial position date the maximum exposure of the NHS foundation trust to credit risk was £32,999,000. Surplus operating cash is invested to maximise interest return. Investments are only permitted with independently rated UK sovereign banks and there is a list of authorised deposit takers with whom surplus funds may be invested for appropriate periods up to a maximum of twelve months. The NHS foundation trust's banking services are provided by the Government Banking Service and Lloyds Public Banking Group. The NHS foundation trust's net operating expenses are incurred largely under annual service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The NHS foundation trust receives cash each month based on agreed levels of contract activity. Excluding income from local councils, which is normally considered low risk, 1% of income is from non-NHS customers.

### 20.3 Liquidity Risk

Liquidity risk is the possibility that the NHS foundation trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. To mitigate against any significant fluctuation in cash flows, the NHS foundation trust has in place a £5,000,000 working capital facility with its Bankers which it has yet to draw on. As stated above the NHS foundation trust's net operating expenses are financed via Primary Care Trusts from resources voted annually by Parliament.

NHS Foundation Trusts are required to comply with the Prudential Borrowing Code made by Monitor, the Independent Regulator of Foundation Trusts, compliance with which is covered in Note 16.3.

The NHS foundation trust presently finances its capital expenditure from internally generated funds or funds made available from Government, in the form of additional Public Dividend Capital. In addition, the NHS foundation trust can borrow, within parameters laid down by Monitor, the Independent Regulator, both from the Department of Health Financing Facility and commercially to finance capital schemes. No borrowing has taken place in the accounting year. The NHS foundation trust is currently not exposed to significant liquidity risk.

## 21. Third Party Assets

At 31 March 2012 the NHS foundation trust held £24,708 (31 March 2011 £32,265) cash at bank and in hand which relates to monies held on behalf of patients. This has been excluded from cash and cash equivalents figures reported in these financial statements.

## 22. Movement in Public Dividend Capital

	31 March 2012	31 March 2011
	£000	£000
Public Dividend Capital at 1 April	35,849	35,819
New Public Dividend Capital received	0	30
<b>Public Dividend Capital at 31 March</b>	<b>35,849</b>	<b>35,849</b>

Note - Further information on public dividend capital can be found above in Note 1.21.

## 23. Related Party Transactions

### Ultimate Parent

Cheshire and Wirral Partnership NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. Monitor, the Independent Regulator of NHS Foundation Trusts has the power to control the NHS foundation trust within the meaning of IAS 27 'Consolidated and Separate Financial Statements' and therefore can be considered as the NHS foundation trust's parent. Monitor does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts which are then included within the Whole of Government Accounts. Monitor is accountable to the Secretary of State for Health. The NHS foundation trust's ultimate parent is therefore HM Government.

### Whole of Government Accounts (WGA) Bodies

All government bodies which fall within the whole of government accounts boundary are regarded as related parties because they are all under the common control of HM Government and Parliament. This includes, for example, all NHS bodies, all local authorities and central government bodies. During the year the NHS foundation trust has had transactions with the following related party organisations;

#### Year Ended 31 March 2012

Name of Related Party	Relationship/Reason for Disclosure	Income £000	Expenditure £000	Receivables £000	Payables £000
Alzheimer's Society	Member of Council of Governors	0	0	4	0
Arch Initiatives	Member of Council of Governors	0	103	0	0
Care Quality Commission	Member of Council of Governors	0	70	0	0
Central and Eastern Cheshire PCT	Member of Council of Governors	35,231	368	342	15

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Cheshire East UA	Member of Council of Governors	4,174	167	9	78
Cheshire West and Chester UA	Member of Council of Governors	764	551	47	13
Cheshire Area probation Service	Member of Council of Governors	0	0	60	0
Countess of Chester Hospital NHS FT	Member of Council of Governors	321	956	174	256
East Cheshire NHS Trust	Member of Council of Governors	0	957	0	320
HM Revenue and Customs	WGA body and material balance	0	7,144	0	2,410
Mid Cheshire Hospitals NHSFT	Member of Council of Governors	18	131	18	73
Metropolitan Borough of Wirral	Member of Council of Governors	1,289	295	56	0
NHS Business Services Authority	WGA body and material balance	0	1,923	0	378
NHS Pensions Agency	WGA body and material balance	0	11,404	0	1,388
Royal College of Psychiatrists	Member of Council of Governors	0	77	0	0
Trafford Borough Council	WGA body and material balance	2,451	15	751	8
Tribunals Service	Board of Directors	0	0	1	0
Unionlearn	Board of Directors	0	0	1	0
University of Liverpool	Member of Council of Governors	0	609	19	0
Western Cheshire PCT	Member of Council of Governors	64,761	2	738	1,517
Wirral Community NHS Trust	WGA body and material balance	1,914	1,041	121	107
Wirral Mind	Member of Council of Governors	0	76	0	0
Wirral PCT	Member of Council of Governors	40,351	125	491	43
Wirral University Teaching Hospitals NHSFT	WGA body and material balance	44	1,181	6	2,506

**23. Related Party Transactions (continued)**

Year Ended 31 March 2011

	Relationship	Income £000	Expenditure £000	Receivables £000	Payables £000
Alzheimer's Society	Member of Council of Governors	4	0	0	0
Arch Initiatives	Member of Council of Governors	0	59	0	1
Central and Eastern Cheshire PCT	Member of Council of Governors	35,638	413	53	74
Cheshire East UA	Member of Council of Governors	4,195	208	56	79
Cheshire West and Chester UA	Member of Council of Governors	103	254	2	0
East Cheshire NHS Trust	Member of Council of Governors	0	823	0	1,418
HM Revenue and Customs	WGA body and material balance	1,169	6,140	293	2,008

Mid Cheshire Hospitals NHSFT	Member of Council of Governors	0	550	0	5
Metropolitan Borough of Wirral	Member of Council of Governors	1,209	246	45	18
NHS Pensions Agency	WGA body and material balance	0	9,346	0	1,165
NHS Prescription Pricing Authority	WGA body and material balance	0	1,382	0	233
Royal College of Psychiatrists	Member of Council of Governors	0	30	0	0
Trafford Borough Council	Member of Council of Governors	1,999	0	196	25
University of Liverpool	Member of Council of Governors	93	628	20	86
Western Cheshire PCT	Member of Council of Governors	39,849	47	427	409
Wirral PCT	Member of Council of Governors	43,480	985	461	187
Wirral University Teaching Hospitals NHSFT	Member of Council of Governors	44	1,156	2	2,554

Note - Wirral University Teaching Hospitals NHSFT includes under Payables £2,345,000 in respect of a finance lease.

The NHS Foundation Trust has benefited from revenue payments out of a number of charitable funds, for which the NHS Foundation Trust acts as Corporate Trustee, and as such is regarded as a related party. The Foundation Trust, however, does not receive any direct funding from, or provide funding to the charitable funds. The Annual Report and Accounts for the charitable funds (Registered Charity No. 1050046) are available on request from the NHS Foundation Trust.

#### 24. Prior Period Adjustment for change in accounting policy (IAS 20)

##### Impact of prior period adjustment on Statement of Comprehensive Income

	2010/11 £000	Policy Changes for IAS 20 £000	Restated 2010/11 £000
<b>Income from patient care activities</b>	127,150	0	127,150
<b>Other operating income</b>			
Research	184	0	184
Education and training	2,510	0	2,510
Transfers from the donated asset reserve	3	0	3
Non patient care services to other bodies	2,743	0	2,743
Other income*	1,717	(26)	1,691
<b>Total income</b>	<b>134,307</b>	<b>(26)</b>	<b>134,281</b>
Expenditure	(126,626)	0	(126,626)
Finance costs	(2,377)	0	(2,377)
<b>Surplus/(deficit) for the year</b>	<b>5,304</b>	<b>(26)</b>	<b>5,278</b>

\*Other income included transfer from the government grant reserve.

### Impact of prior period adjustment on Statement of Financial Position

	2010/11 £000	Policy Changes for IAS 20 £000	Restated 2010/11 £000
Non current assets	59,072	0	59,072
Current assets	27,194	0	27,194
Current liabilities**	(13,290)	26	(13,264)
<b>Total assets less current liabilities</b>	<b>72,976</b>	<b>26</b>	<b>73,002</b>
Non current liabilities**	(4,194)	1,348	(2,846)
<b>Total assets employed</b>	<b>68,782</b>	<b>1,374</b>	<b>70,156</b>
<b>Financed by:</b>			
Public dividend capital	35,849	0	35,849
Revaluation reserve	8,802	0	8,802
Donated asset reserve	0	0	0
Income and expenditure reserve	24,131	1,374	25,505
<b>Total taxpayers' equity</b>	<b>68,782</b>	<b>1,374</b>	<b>70,156</b>

\*\* Current and non current liabilities included deferred government grant.

### Impact of prior period adjustment on cash flows

	2010/11 £000	Policy Changes for IAS20 £000	Restated 2010/11 £000
<b>Cash flows from operating activities</b>			
Operating surplus/(deficit) from continuing operations	7,681	(26)	7,655
<b>Non-cash income and expense</b>			
Depreciation and amortisation	1,407	0	1,407
Impairments	1,660	0	1,660
Transfer from donated asset reserve	(3)	0	(3)
(Increase)/decrease in trade and other receivables	3,653	0	3,653
(Increase)/decrease in inventories	124	0	124

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Increase/(decrease) in trade and other payables*	726	0	726
Increase/(decrease) in other liabilities	70	26	96
Increase/(decrease) in provisions	(1,345)	0	(1,345)
<b>Net cash inflow from operating activities</b>	<b>13,973</b>	<b>0</b>	<b>13,973</b>
<b>Net cash outflow from investing activities</b>	<b>(12,492)</b>	<b>0</b>	<b>(12,492)</b>
<b>Net cash outflow from financing activities</b>	<b>(2,819)</b>	<b>0</b>	<b>(2,819)</b>
Increase/(decrease) in cash and cash equivalents	(1,338)	0	(1,338)
Cash and cash equivalents as at 1st April	<b>18,149</b>	<b>0</b>	<b>18,149</b>
<b>Cash and cash equivalents as at 31st March</b>	<b>16,811</b>	<b>0</b>	<b>16,811</b>







Cheshire and Wirral Partnership   
NHS Foundation Trust

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