Cheshire and Wirral Partnership NHS
NHS Foundation Trust

Annual Report and Accounts 2009 / 2010

Care • Well-being • Partnership

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

Cheshire and Wirral Partnership NHS Foundation Trust

Annual Report and Accounts for the year ended 31 March 2010.

Annual Report 1 April 2009 to 31 March 2010

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Introduction

Foreword from the chairman

I am delighted to be providing the foreword to this year's annual report, having been re-appointed as CWP's chairman for a further three years. It has been another year of significant activity at the Trust with some notable achievements. We were able to improve our Annual Health Check rating from 'good' to 'excellent' for the use of our resources. This means the Trust has demonstrated that it uses public resources in an effective and efficient manner and that, despite receiving lower income than the national average, we have been innovative at getting best value from this. These skills and abilities will be essential in successfully facing the impact of the economic challenges ahead.

In turn it was disappointing to move from 'excellent' to 'good' for the quality of our services, after three years of achieving 'excellent'. However I would like to assure service users, carers, staff and external partners that multiple external reviews and benchmarking, including Care Quality Commission reports, show us performing well above average across our range of services. For more information on this see pages 52-3. We are already in a strong position to return to our excellent rating next year.

We achieved our planned financial risk rating, assessed by our regulator Monitor, and performed well against the majority of national and local targets. Details of a range of other achievements involving external assessment, including attaining level 2 for the NHS litigation authority risk management standards, are including in the Care section of the report from page 11.

Having reviewed our performance and taken the appropriate action where necessary, the Board and its stakeholders have drawn up plans for 2009/10 which reflect the current economic climate, and opportunities to continue to develop services. This has led to three key statements with regard to our strategic direction in the forthcoming year:

- We will consolidate our position, particularly where we have taken on new services or developed others;
- We will seek to prepare for the future and improve what we do, particularly in relation to developing further our partnerships;
- We will continue to be committed to raising the standards of what we do.

The Trust has strengthened its integrated governance systems this year to ensure oversight of key risks, which in the past 12 months included our ability to tackle the threat of a swine flu pandemic, review the learning from the Francis Report into Mid-Staffordshire NHS Foundation Trust, and respond to the financial challenge post-recession. At the start of the year we identified the need to review inpatient facilities in central and eastern Cheshire, as well as the impact of the financial situation on efficient design of services trust wide. This led us to hold two full public consultations from December 2009 to March 2010. The outcome will be taken forward in 2010/11. Contracts with our main commissioners were renewed by the year end ensuring security of Trust funding. However the next 12 months are likely to bring further challenges as funding pressures experienced by our commissioners impact on the services we provide. More information can be found on page 64.

Highlights of new and improved services during the last year can be found on page 50, it has been particularly pleasing to see the development of Springview in Wirral to feature enhanced older people's accommodation; Greenways in Macclesfield for service users with learning disabilities; and Maple Ward in Chester for young people with mental health problems.

I am always delighted to see the extent of our patient and public involvement (PPI) activity, which in recent years has also embraced our foundation trust membership. Key developments have included a review of the PPI Strategy through workshops exploring 'the way forward'; our ongoing commitment to our own, and the national, challenging stigma initiatives; and the milestone of recruiting our 10,000th public member! Finally I would like to thank all those involved in the Trust – our service users, carers, staff, volunteers, members, governors and partners – for all your support during the past 12 months. I hope you will continue to support CWP during the year ahead, as we aim to improve the health and well-being of people in our care.

David Eva, chairman

Foreword from the chief executive

I was delighted to join CWP as chief executive in February 2010 and have been very impressed with what I have seen so far.

Looking back at the achievements during the past 12 months, a number of things stand out for me.

I was very pleased to see that the national NHS staff survey indicates improving job satisfaction at the Trust, and that over 90% of staff feel they really do make a difference to patients. This is also reflected in patient surveys, where over 81% of service users would recommend CWP's services to a friend or relative.

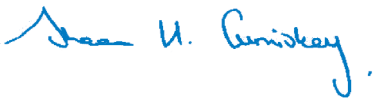
The ongoing investment in learning and development within the Trust is also bringing rewards in respect of a range of initiatives from management training through to e-learning. We are fortunate that union learner representatives provide such good support to this process.

CWP staff achievements this year have included becoming the first NHS Trust to deliver the 75 StarWards ideas in all of our inpatient wards. This is a marvellous achievements and one that everyone deserves great credit for.

This was the first year that CWP held staff awards for special achievements alongside long service and learning awards, and I think it is really important that we do recognise people who go the extra mile in their day jobs. Our new monthly award, for which staff nominate their colleagues on our intranet site, shows that there are many more people across the Trust doing this every day.

The role we play in our local community and the environment is very important, and initiatives during the last year involving charitable efforts, reducing our carbon footprint, and reaching out into the community deserve particular mention. You can read more about these in the Care, Well-being and Partnership sections from pages 11 to 18.

Finally I'd like to thank all staff, patient and public involvement representatives, volunteers, and our many partners in other NHS, local authority and private sector organisations who work so hard to improve people's lives. I look forward to the year ahead with great confidence in CWP's ability to confront the challenging economic environment whilst continuing to provide high quality patient care.



Sheena Cumiskey, chief executive

Foreword from the lead governor

This has been another busy year for the Trust. There have been some good new developments – I was particularly impressed by the new Greenways Assessment and Treatment Unit for people with learning disabilities in Macclesfield, when I went to its opening recently. There have also been some big changes, including the appointment of our new chief executive Sheena Cumiskey. It's good to see Sheena getting to grips with things, after waiting a while for her to arrive.

Things are not all good though. The widespread financial problems have begun to affect CWP too. Health commissioners have less money to buy services from organisations such as CWP. The next few years could be tough as we try to maintain high quality services against a background of financial restraint.

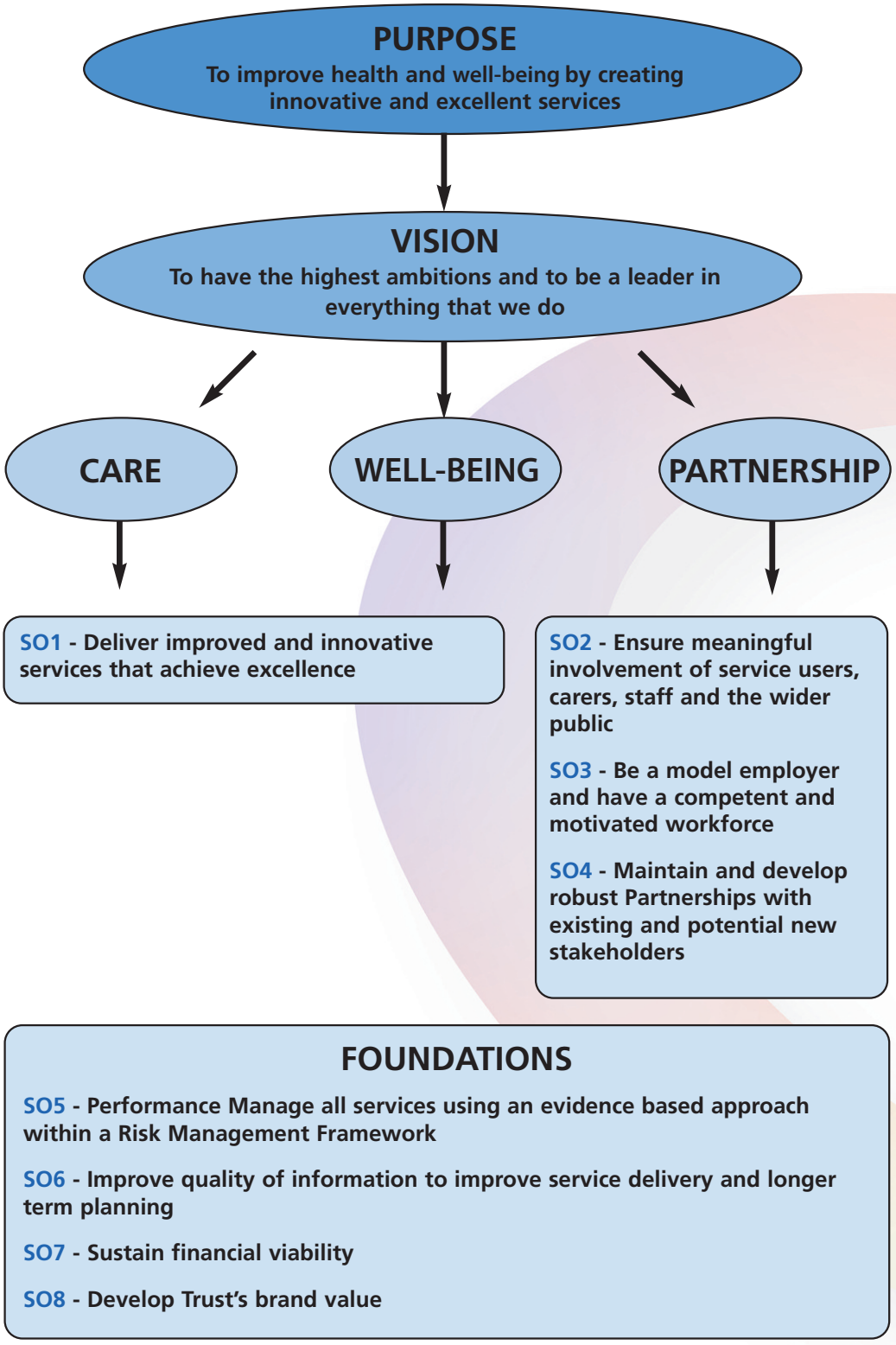
This could be a particularly challenging time for us on the Council of Governors. We have potentially conflicting roles: to defend and promote the rights and needs of people that use our services, while also defending the integrity of the Trust. In a time of financial pressure we risk finding ourselves defending one against the other if we don't get the balance right. However, I think that the Council of Governors is now strong enough to play its part in helping CWP through some possibly difficult times ahead.

By the time you read this I will have stepped down as lead governor, and I would like to take this opportunity to thank Board members, staff, and my fellow governors for their help and support during my time as CWP's first lead governor. I am very pleased that Anna Usherwood is taking on the lead governor role and hope that you will give her your support in this role.

Finally some big thank yous. Thank you to all the CWP staff who work hard to provide the Trust's services. Thank you also to all the Trust's members: you make CWP a more democratic and accountable organisation – stay involved, together we are stronger.

Nigel Watson, lead governor

Our vision and values



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

Foundations

In our Annual Plan we identified four strategic objectives (SOs) 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 (SO5);
- improve quality of information to improve service delivery and longer term planning (SO6);
- sustain financial viability (SO7);
- develop the Trust's brand value (SO8).

During the last year we have achieved this by:

Learning from feedback – improving our services

Patient surveys

A range of patient surveys were completed during the year to ensure that direct feedback from patients informs Trust service plans at all times:

- In the National Patient Survey 2009: 79% of inpatient service users rated the overall quality of care from CWP as good, very good or excellent.
- In CWP's Inpatient Service User Experience Report 2009: 75% said that staff were always helpful; and 81% said they would recommend CWP services to a friend or relative.
- In CWP Carers' Audit 2009: 72% of carers felt CWP staff fully recognised their role as carer; 88% felt they were always treated with respect; and 78% would recommend CWP's services.
- In the Learning Disabilities Service User Experience Report 2009: patient stories identified the need to have a better awareness of individual communication abilities so that service users have both the time and opportunity to have their say.
- In the Drug and Alcohol Service User Satisfaction Survey 2009: 95% of service users said staff are supportive to their needs; 83% said they were aware of all the treatment options available; and 87% said they were given the amount of support they needed from their key worker.

Comments, concerns, compliments, complaints and incidents

Sharing learning is key to ensuring that safety is maintained and that action can be taken to minimise the risk of similar issues arising again. Key issues this year centred on care co-ordination, risk assessment and documentation - examples include:

- A 'change of medication' communications form being developed to help GPs be aware of changes to medication when service users are admitted as inpatients.
- An alert on the Trust's patient record systems (Carenotes) to remind staff to consult with carers on any significant changes in care or treatment decisions.
- The production of an easy read version of patient information leaflets on the Mental Health Act 1983.

Clinical audit

Clinical audit is a way of measuring the standards of care and treatment provided to service users, so that improvements can be made and best practice shared. Examples include:

- Inappropriate hospital admissions being reduced by ensuring that service users are cared for where possible in their own home or a familiar environment rather than being admitted – this followed learning from early onset dementia and alcohol related brain damage audits.

- A separate and well-equipped child visiting room at Leighton Hospital has been created to ensure that children visiting their relatives on mental health wards can do so in a welcoming and safe environment, as a result of a safeguarding children audit;

A notable achievement this year was CWP's clinical audit team being named runners-up in the Healthcare Quality Improvement Partnership national awards 2009. The Trust's clinical audit annual report includes more information and will be available on the Trust website in summer 2010.

Evidenced based approach – research and best practice

The Trust's research, development and training initiatives provide access to new treatments for patients, give staff experience of new treatments, and add to the wider evidence base for the NHS:

- The Trust has continued to work closely with the research networks including the Mental Health Research Network and the Dementia and Neurodegenerative Research Network. Over the last year CWP has recruited over 550 patients into research studies.
- The Trust has been involved in 51 studies on the National Portfolio over the last year.
- Trust staff are partners in a number of bids submitted for research funding and were successful in a bid for funding for the Sustaining Positive Engagement and Recovery (SUPEREDEN) project this year, which is the next step after early intervention for psychosis.

Performance and financial viability – our annual health check

- The Trust achieved an 'excellent' rating for its use of resources in the 2008-9 Annual Health Check. This is an improved rating from last year and places the Trust in the top 26% of all NHS Trusts for its use of resources. CWP also received a 'good' rating for the quality of its services, after achieving an 'excellent' rating three years running from 2005-2008.

For more information on performance and finances please see pages 50-54 of the Business Review section.

Ian Davidson, deputy chief executive, comments: "By achieving an 'excellent' rating for use of resources, the Trust can demonstrate that it uses public resources in an effective and efficient manner."

Quality of information – supporting service delivery

The Trust's informatics portfolio supports CWP via technology, information management and performance monitoring to deliver an improved patient experience. Examples this year include:

- CWP was the first mental health trust to gain accreditation for ContactPoint, the national index of multi-agency contacts with children, enabling the Trust to access and input into this important source of information.
- The Trust's patient record system (CareNotes) was upgraded to improve performance.
- During the severe weather in January 2010, more than 300 staff were supported to continue to provide uninterrupted care by connecting remotely to update patient records securely and access the incident management system.

Our values – care, well-being and partnership

The 'CWP' brand and values have been further promoted this year through events, campaigns, media coverage, and publications to boost and protect the Trust's reputation, and to help support the challenging stigma campaign - as referenced throughout this report. Highlights include:

- 85% awareness of the CWP brand and over 69% describing it as modern, professional, clear and effective (awareness survey April 09).
- Over 300 items of media coverage (print and broadcast) were achieved, a 16% increase on the previous year. 77% of the coverage was positive, with 15% neutral and only 8% negative. CWP is in the top three mental health trusts in the North West for: generating the highest amount of print media coverage, the most positive influential print media coverage, and the least negative influential print media coverage (NHS media benchmarking).

Care - 'caring for service users, 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".

Quality and innovation – a shared vision

New Horizons – a shared vision for mental health (2009) is the new national strategy, and it sets out six main aspirations which are listed below. CWP has already started working towards achieving these within our services, examples include:

- **prevention of mental ill-health and promoting mental health:** The Trust has a Choosing Health campaign aimed at promoting positive well-being via exercise and healthy eating. There is also a workstream underway to produce a trustwide Recovery Strategy that will influence the way all service user and carers interact with trust services in promoting positive mental health. A range of CWP services have health promotion activities embedded within them, including drug and alcohol services linked to work with the Drug and Alcohol Actions Teams reaching out into communities, and child and adolescent mental health services visiting schools.

- **early intervention:** CWP early intervention services provide early diagnosis of mental health problems and prompt access to treatment. Teams visit schools to raise awareness of mental health issues and services. In drug and alcohol services there is a single point of contact with the early intervention team to identify people who also have mental health problems; as well as a new proactive approach to identifying people with drug and alcohol related problems early and commencing intensive detoxification to prevent long term dependency.

- **tackling stigma**: CWP was the first mental health trust in the UK to sign up to the national Time to Change initiative, and during 2009/10 held a 'get moving' event to support the national campaign. CWP launched its own challenging stigma campaign in 2004 which has gone from strength to strength. This year the campaign included a 'count me in' census of CWP staff's experience of mental health issues. For more information see page 58.

- **strengthening transitions:** CWP recognises the value of service pathways that follow the patient journey throughout their lifetime. Increasingly we are looking to redesign our inpatient services based on need rather than age. For example, in our eating disorder services decisions made about treatment for young people aged 16 –18 are made across children and adult services based on need; and our crisis resolution home treatment teams work across the age range and don't have an upper age limit.

- **personalised care:** CWP staff are participating in a pilot for the first ever UK partnership distance learning course on personalisation which commenced in February 2010. Personalisation is about patient choice and ownership of their care pathway. Participants will share learning with other staff to establish how best to support the personalisation agenda moving forwards. The course is being developed by the Department of Adult Social Services along with NHS Wirral and the Open University.

- **innovation:** CWP strives to be an innovative provider of services. A range of measures have been launched this year to support this including successful application for regional innovation funding (see more on this below). There is also an innovation area on the staff website. The Trust already has many innovations within services including the acute care approach and the recovery approach in drug and alcohol services - where we are viewed as a national leader.

Other highlights of quality and innovation this year have included:

- CWP was awarded three out of four mental health regional innovation bursaries to take forward adult attention deficit hyperactivity disorder (ADHD) clinics, and to pilot a mental health assessment and diagnosis tool within primary care services.
- The Trust gained level 2 status against the NHS litigation authority risk management standards (see page 27 for more information).

- From 1st April 2009 the Trust established a new pharmacy service, with the supply of medicines now through a private public partnership with Lloydspharmacy working alongside a new in-house clinical pharmacy team. The team has been adding value to the service by having a presence across the inpatient units advising on the medicines management processes and being available for education and advice to both clinical staff and service users.

For more information on quality see the quality accounts on page 22.

New services and better accommodation – improving care

CWP's foundation trust status enables it to build a surplus (savings) that it can reinvest in new accommodation and the quality of existing accommodation, which otherwise would be unfunded. In addition, CWP actively pursues ideas for new services which, in the past year, have been supported by commissioners in a number of areas. We have successfully delivered the following new or improved services as set out in our annual plan:

Adult mental health:

- NHS Wirral and CWP invested £2.8 million this year to co-locate its adult and older people's services on a single site with improved facilities at Springview hospital in Wirral. All of the older people's wards at Springview have been refurbished and feature single bedrooms with en-suite facilities. In addition, service users have access to a healing environment garden and fully equipped gym.

Child and adolescent mental health:

- Maple Ward, a new 10-bedded emergency service for young people aged 13 -18, opened in Chester in September 2009 funded by CWP. It takes admissions from across Cheshire and Merseyside which means in-patient mental health care for young people experiencing serious mental health problems is now available 24 hours a day.

Learning disabilities:

- Greenways, the new £3.3 million state of the art assessment and treatment unit funded by CWP for adults with learning disabilities, opened in Macclesfield in February 2010. New design features include single en-suite rooms, additional lounges for privacy, a dedicated patient kitchen, computer suite, sensory room, and dedicated spaces for education and learning.

Andy Styring, director of operations, says: "Greenways is a superb development for eastern Cheshire and will enable the Trust to provide the highest quality of in-patient care for people with learning disabilities."

Drug and alcohol:

- New drug service navigator roles have been established to reduce the emphasis on long-term treatment. These roles involve people being guided through other recovery options.

CWP was also successful in its bid to become the new provider of the following services this year:

- A community eating disorder service for adults and young people in Warrington and Halton.
- A drug service, in partnership with Addiction Dependency Solutions, in Trafford.
- A learning disability service in Trafford.

Sandy Bering, commissioning consultant from Trafford Primary Care Trust, said: "Working with CWP to provide learning disability services for the borough will enable us to provide an enhanced service, particularly in terms of improved choice and access, better health and wellbeing provision and protection for vulnerable people."

More information on service developments can be found on page 50 of the Business Review.

Tackling health inequalities

- CWP continues to be at the forefront of the development of easy read materials, spearheaded by its learning disability services staff. This has included working with NHS Wirral to produce easy read leaflets for people with learning disabilities during the swine flu pandemic. The leaflets were disseminated nationally as best practice.

- Three health facilitator posts have been established in mental health services to improve access to physical health services, so that the needs of individuals are more fully met.
- CWP's criminal justice liaison service in central and eastern Cheshire has provided mental health awareness training to over 200 police officers and 400 probation workers to ensure that people experiencing mental health problems receive the appropriate approach and care.

For more information on equality and diversity see page 61.

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." This year we have achieved this through the following well-being initiatives:

Improving the patient experience – 'aiming' high

- CWP became the first Trust in the UK to implement the StarWards '75 ideas' in all of its hospitals. The ideas enhance the daily experiences of service users by increasing the time spent on activities, which include dancing, swimming and crafts.

Avril Devaney, director of nursing and patient partnership, says: "StarWards offers a flexible framework for bringing together good practice and focusing on what matters to patients. The programme of activities has meant that patients have more choice about the care they receive."

- Cedar Ward, at Bowmere Hospital in Chester, became the first ward in the country for people with dementia to successfully achieve level one excellence in Accreditation for Acute Inpatient Mental Health Services (AIMS). The ward has been formally recognised by the Royal College of Psychiatrists Centre for Quality Improvement for general standards of patient care including therapies, activities, environment and facilities.

- CWP also joined forces with the Royal College of Psychiatrists to pilot a new programme in the North West to drive up standards in memory services. The Trust developed two new practitioner roles to help access and promote diagnosis for local people with dementia. CWP was subsequently accredited for its high quality care in memory services by the Royal College of Psychiatrists.

- The Spiritual Care Group has continued to work towards developing spiritual care resources for both service users and staff throughout the Trust.

Work and well-being – employment opportunities

- During the last year CWP has hosted the Mindful Employer ® North West network, including a series of events with partners across the region to promote well-being at work. Mindful Employer is a national initiative aimed at increasing awareness of mental health at work and providing support for employers in recruiting and retaining staff.

- CWP has supported over 200 people to come off sick pay and benefits as part of the improving access to psychological therapies programme commissioned by Central and Eastern Cheshire Primary Care Trust. This was treble the original target to help people get back into work and education.

- The Trust's community mental health teams in central and eastern Cheshire are supporting an initiative led by the Route Finder Career Development Service to support people with disabilities accessing job opportunities.

- CWP has also entered into important partnerships with Jobcentre Plus, Richmond Fellowship and Union learn to help service users gain employment (see partnerships on page 17 for more information).

Protecting our environment – reducing carbon emissions

- More than 20 CWP staff were able to take part in an Energy Saving Trust initiative to improve their driving style through advanced lessons, in a bid to reduce fuel consumption and cut CO2 emissions by 15%.

- The Trust has signed up to a new "cycle to work" guarantee in a bid to transform the numbers of staff cycling to work.

- Video conferencing has been rolled-out trust-wide to reduce travel costs, time and carbon emissions.

- The Trust donated two full dental suites including dental chairs, X-ray machines and other dental equipment to Aid to Hospitals Worldwide.

Aid to Hospitals Worldwide chief executive, Mike Coleman adds: "This donation is welcomed by those less fortunate and will also help save extremely limited landfill space and UK tax payers' money by removing the cost of disposal."

- The Trust has donated several items of office equipment to the Romanian Orphans Appeal, a registered charity based in Wirral, to support young boys with long term mental health problems.

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).

Patient and public involvement

- CWP celebrated World Mental Health Day by hosting a free family fun day and annual members' meeting in Winsford, and a one-day workshop for people who experience voices and paranoia in Chester.

- In May 2009, CWP recruited its 10,000th public member 17 year old Cameron Weir, a carer from Frodsham.

Cameron Weir comments: "I am really excited that I joined CWP as a member. I am pleased that I am able to help people understand what happens with the challenges of mental health, learning disability and drug and alcohol issues based on my experience."

- A CWP 'Simply the best' conference at Congleton town hall showcased the central and eastern Cheshire mental health services, a service user artwork exhibition, and featured a guest appearance from Marion Janner of StarWards and local sign language choir, Dee Sign. Town hall representatives requested the artwork remain for a two week period, so that it could be appreciated by visiting members of the public.

- The occupational therapy department at Leighton Hospital has started a monthly 'come dine with me' session this year to promote social inclusion, mutual support, respect - and above all hope.

- CWP's drug and alcohol service, supported by Wirral Drug and Alcohol Action Team (DAAT), hosted the first Wirral Recovery Convention aimed at service users and service providers across the area. The convention promoted the range of services that are currently available, as well as raising awareness of the Trust's challenging stigma campaign.

- In addition, drug and alcohol service users are being supported with appropriate training to work alongside CWP staff giving presentations to hospitals and hostels on general drug dependency, relapse prevention and needle exchange.

- There continues to be active service user and carer involvement in recruitment and selection processes. As well as jointly opening each Trust induction course alongside a Board director, patient and public involvement (PPI) representatives are also reviewing the Trust's arrangements for the recruitment and selection of people with a disability.

- In autumn 2009, the Trust held PPI events to put forward ideas to further develop involvement at CWP. Two project groups have been formed to look at feedback including developing a PPI code of conduct/charter, a programme for PPI training, and how to further improve staff engagement in PPI.

- A successful series of events for foundation trust members to meet our services and get to know more about them were held; and four events were held across Cheshire and Wirral to seek foundation trust members' views on member engagement.

For more information on: patient surveys see page 9; membership engagement see page 20; the Council of Governors see page 7 and page 94.

Staff involvement

- The 2009 NHS staff survey showed rising levels of job satisfaction amongst CWP staff. In comparison with other Trusts, more CWP staff would be happy for their relatives to be cared for by the Trust and 92% feel their role makes a difference to patient lives. In addition, the Trust took part for the first time in the Sunday Times 'best companies to work for' assessment which rates companies based on staff views. Across both surveys, 80% of staff were able to provide feedback on working at CWP which will inform future staff engagement work.

Avril Devaney, director of nursing and patient partnership, comments: "Not only are the staff survey results good news for our staff but they are also very good news for the local people who use our services. The overall results reflect the hard work put in by staff to maintain the organisation and deliver clinical services and support each other in this process."

- The first annual staff awards were held recognising a range of achievements including 'best contribution to the patient experience'. The event also featured the annual learning awards and long service awards, and responded to staff feedback requesting more formal recognition and praise processes.

- A monthly 'going the extra mile' award was launched which involves staff nominating colleagues online and a winner being selected by a panel including staff side and patient and public involvement representatives.

- Close working with staff side trade union/professional body representatives has continued, building on the commitments made in last year's revised partnership agreement.

- New mandatory training has resulted in a significant increase in attendance levels at annual learning programmes, which was reflected in a maximum 10 out of 10 score during the National Health Service Litigation Authority (NHSLA) level 2 assessment process. In addition, access to e-learning has been improved via the national learning management system.

- Additional funding has been secured for learning and development through a Union Learn project, and considerable work has been done in partnership with union learner representatives assessing the basic numeracy and literacy skills of staff.

- Partnerships with Aston Business School (management training) and West Cheshire College (vocational learning) were furthered this year. West Cheshire College attends the Trust's corporate induction programme to raise the profile of 'skills for life' training.

- In advance of the publication of the Boorman report (which reviewed NHS staff health and well-being), a significant investment was made in the in-house occupational health service, laying the foundations for both extending and improving the quality and range of services available to staff.

For more information on staff engagement see page 58.

External organisations

- A 'jobs pledge' aimed at developing job opportunities for local people has been signed by the Trust and Jobcentre Plus. Local Employment Partnerships represent a new and innovative approach where employers pledge jobs for long term unemployed people and those at a disadvantage in the labour market.

David Eva, CWP chairman, comments: "Local Employment Partnerships promote a joint commitment to improving the labour market for those people who are long term unemployed."

- CWP community mental health teams are working alongside job coaches, employed by Richmond Fellowship, to support people with severe and enduring mental health conditions gain employment in Wirral. Union Learn is also a partner in this work and supports the employers involved.

- The Trust has continued to work closely with the Local Involvement Networks (LINks) across Cheshire and Wirral and have attended a number of joint events.

A range of other partnerships with external organisations can be found in the Care and Well-being sections on pages 11-14, and in the 'significant partnerships and alliances' section on page 67.

Membership

As indicated in our annual plan the Trust has continued to build on its commitment to establish a large and representative foundation trust membership, which is informed about the organisation and has the opportunity to become involved in a wide variety of activities that will make CWP a stronger, more responsive and better organisation.

Eligibility requirements for membership

Staff, service users, 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 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 constituency, members join into a sub-division, known as classes, which are based on local council boundaries, as well as an 'out of area' category.

Following local authority reorganisation, the Cheshire local authorities have been replaced with two new borough councils which are Cheshire West and Chester Council; and Cheshire East Council. Therefore from 1 April 2009, general public members joined 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/carer 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 2010 the Trust had 14,344 members, 11,794 of which were 'public' members (general public and service users and carers) and 2,550 were staff. Of the public membership 1,819 were service user and carers.

Summary of the membership strategy

The Council of Governors has a Communications, Membership and Patient and Public Involvement Strategy sub-group to oversee implementation of the membership strategy. The sub-group continues to establish membership recruitment targets in order to ensure that membership is representative of the local population. A target was set of reaching 10,000 public members by 1 July 2009 which was reached ahead of schedule in May. The Trust is now refocusing its efforts around groups and communities that are currently under-represented within membership. A target of 2,000 new members has been set from September 2009 – September 2010.

Members continue to receive regular communications in the form of a quarterly newsletter called Engage and are periodically informed of membership and recruitment events, wider patient and public involvement activities and engagement events with voluntary organisations, charities and colleges/universities. A regular events calendar has been established which provides details of relevant local events and meetings for governors and staff to enable greater participation in membership and recruitment activities. The Membership, Communications and PPI Strategy sub group of the Council of Governors is continuing to monitor membership recruitment performance against the membership strategy.

Whilst CWP's membership is representative of the ethnic diversity of the area, there is a continued commitment to engage further with minority ethnic communities and other hard to reach groups including black and minority ethnic communities and the traveller communities. Meetings have been held with faith groups and articles have been placed in targeted newsletters. Trust staff are liaising 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 4,507 public members who are aged between 11 and 35.

Member engagement

In addition to recruiting members, the Trust has developed a range of events and activities aimed at consulting, communicating and engaging with members. There is an increasing shift in emphasis to engaging with our members, which will develop further throughout the coming year. Within the reporting period, the Trust has undertaken a range of engagement activities with members, which have included:

- **Family day and annual members' meeting**

  This activity took place on World Mental Health Day as part of the national Time to Change 'Get Moving' campaign in October 2009, and was attended by around 300 members and the general public. Activities included dance, drama, sports and art; and members also had the opportunity to find out about a wide range of CWP services. In the afternoon everyone was invited to the annual members' meeting to hear the Trust present its annual report and accounts.

• Engagement in volunteering activities

Members that declared an interest in volunteering when first approached regarding membership have been sent further information about opportunities at the Trust. Some members are now involved as volunteers in different settings, with others currently in different stages of the application process. This exercise will be repeated periodically as new members join the Trust.

• 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 number of members have subsequently signed up to the Trust's Involvement Register, and are becoming engaged in a wide range of PPI activities.

• Annual Planning engagement events

Three annual planning engagement events took place during November 2009. These events enabled members to meet staff from across the Trust, find out more about CWP's latest plans, and to have their say on the longer term direction of the Trust.

• Meet the services' events

Members were invited to join governors and CWP staff at seven 'Meet the Service Events' which took part in different settings across the Trust. These events have proven to be hugely successful with members, and a further three local meetings along these lines have been planned for the coming year. Governors are also planning a number of local meetings with members living within their area.

Members who wish to communicate with governors can do so via e-mail to governor@cwp.nhs.uk or via the company secretary on 01244 397408.

Quality accounts 2009/10

Please note that this year the Trust has been asked to produce a stand alone document as its Quality Accounts. The Quality Accounts therefore contain information that repeats some of the information elsewhere in this Annual Report.

Quality Accounts 1 April 2009 to 31 March 2010 – Contents

Part 1: Statement on Quality

1.1 Introduction and statement from the Chief Executive

I am pleased to present Cheshire and Wirral Partnership (CWP) NHS Foundation Trust's Quality Accounts, which provide information on the quality of care provided for 2009/2010.

An enormous amount of work is undertaken whereby clinicians and managers are routinely monitoring quality and driving improvements in clinical services. The information and data presented in this document represents a small proportion of this work. Quality is intrinsic to everything we do at Cheshire and Wirral Partnership, set out within our statement of purpose to 'improve health and well-being by creating innovative and excellent services'.

The Board of Directors is totally committed to delivering high quality care and continually improving the quality of our services. We encourage and welcome feedback from service users, carers and the public so that we can learn and improve. It also gives us the opportunity to celebrate and commend staff who provide high quality services, meeting and often exceeding service user and carer expectations.

The Trust has always strived to provide quality services for the population that it serves, by ensuring that:

- the views of service users, carers, staff and the public are taken into account when planning services,
- the clinical care provided is the most up to date, aligned to best practice and current research;
- clinical audit and review of clinical services is conducted throughout the year to share learning and best practice, promoting safety and quality;
- the Trust works closely with partner organisations e.g. commissioners, voluntary organisations, local authority, Local Involvement Networks (LINks) etc. to ensure that we are responsive to the changing needs of the population.

We feel like we have achieved this and that Cheshire and Wirral Partnership Trust is a Trust known for providing high quality services, with demonstrable successes, some of which are outlined within this document. These priorities are evident in our strategic vision, outlined in the diagram on the next page. This ethos of striving to constantly maintain and improve quality has resulted in many achievements for the Trust, some of which are listed below.

81% of service users and 71% of carers would recommend CWP's services
Inpatient service user experience report/ Carer's audit, CWP, 2009

84% of in-patient service users rate the quality of CWP services as either 'Good' or 'Excellent'
Mental health acute inpatient service users survey, Care Quality Commission, 2009

Ranked in the top 20% of mental health trusts in England for patient care
National Patient Survey, Care Quality Commission, 2009

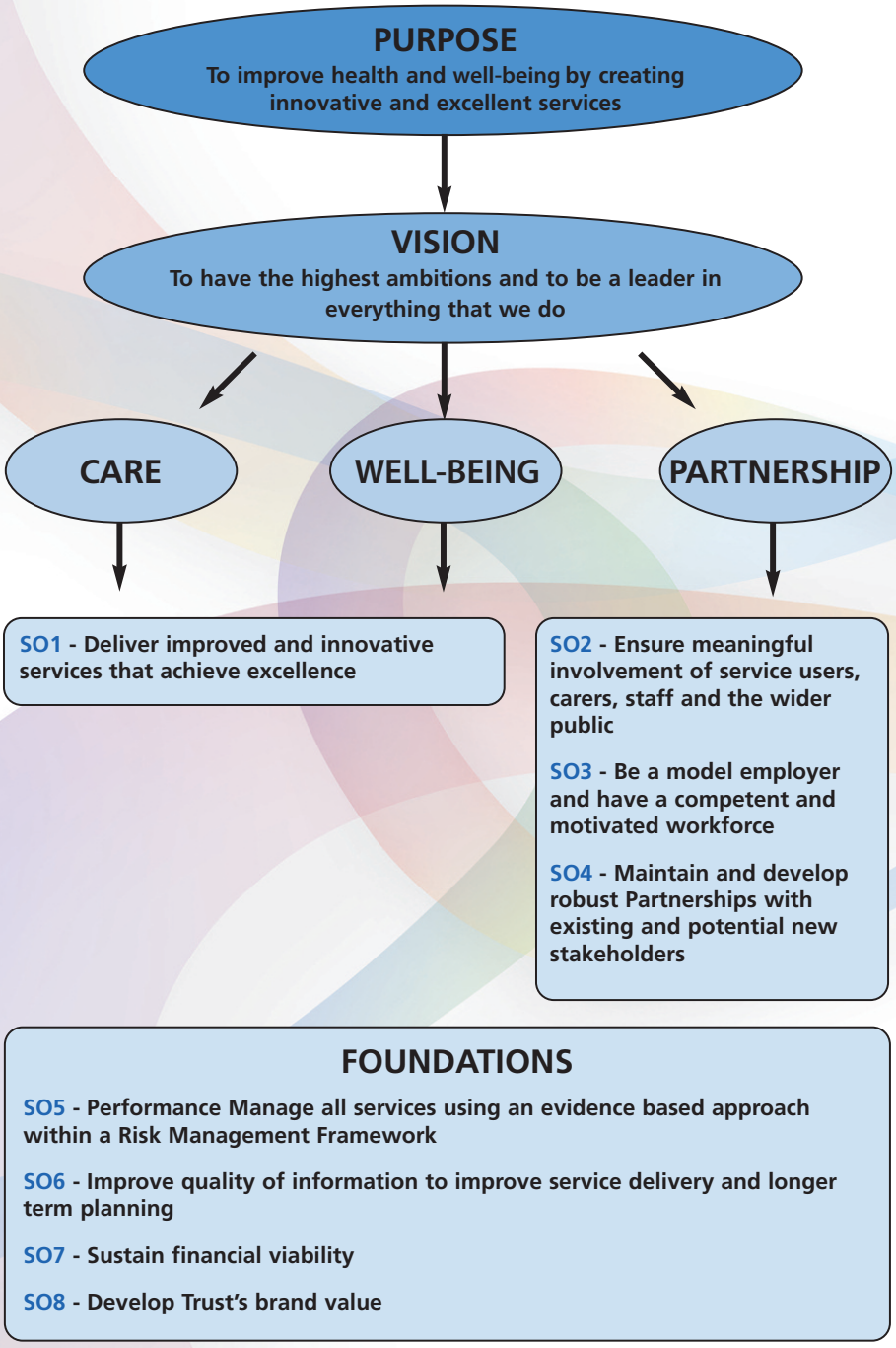
First mental health trust in the North of England to achieve foundation trust status
Monitor, 2007

First Trust in UK to achieve the 'Absolute Monty' award for implementing 75 ideas to improve the patient experience in all in-patient wards
Star Wards, 2009

First Trust in UK to achieve ward status level one for excellence in organic Acute Inpatient Mental Health Services (AIMS)
AIMS, 2009

First Trust to sign-up to the 'Time to Change' national challenging stigma campaign.
Time to Change, 2008

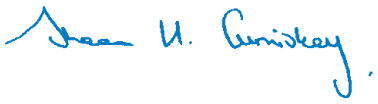
One of 16 mental health Trusts in the country to have achieved NHSLA level 2 accreditation
NHS Litigation Authority 2009



NB. 'SO' = Strategic objective

The Trust has an excellent culture of engagement with Patient and Public Involvement (PPI) representatives, Council of Governors, Foundation Trust members, Local Involvement Networks (LINks), commissioners and other key stakeholders. During 2010/11 we will be working very closely with these stakeholders ensuring that priorities for improvement outlined within this Quality Accounts are monitored and priorities are reviewed in year, to ensure a dynamic process.

Further information about the treatments provided by the Trust and its performance are available from either NHS Choices website (www.nhs.uk) or by accessing the Trust's website (www.cwp.nhs.uk). I am assured that the information contained within this document, to the best of my knowledge, is accurate.



Sheena Cumiskey, Chief Executive

1.2 Foreword from Dr Vimal Sharma - Medical Director, Executive Lead for Quality

High Quality Care for All, published in 2008 set the vision for quality, to be the guiding principal in the NHS. The challenge set out within this document was for all healthcare organisations to:

- Define what quality meant to their staff and service users;
- Understand where improvement is happening or is needed;
- Tell others what you are doing and what you are planning to do to improve quality;
- Recognise the role of clinicians as leaders and empower them to drive improvements in quality of care;
- Recognise and reward quality;
- Make sure essential standards are met;
- Make the best use of innovation and research and push forward, not back.

Lots of work has been achieved in 2009/10 to implement all of the above in Cheshire and Wirral Partnership Trust, some of which you will read within this document. Looking ahead for next year 2010/11, we will strive to maintain and improve quality of care.

We will continue to work with our service users, public, staff and commissioners to make sure we have a greater understanding of what quality means for them. We will continue to engage our staff to improve quality, where it is required and reward best practice. We will continue to develop our research and innovation agenda, so that the Trust is at the forefront of evidence-based practice in mental health, learning disability and drug and alcohol services.

This Quality Account document has been developed in partnership internally with clinicians, senior managers and service users. Externally the views of the Trust's commissioners, Overview and Scrutiny Committees and Local Involvement Networks have also been taken into account. I am assured that the information contained within this document, to the best of my knowledge, is accurate.

Dr Vimal Sharma, Medical Director

Part 2: Priorities for Improvement and Statement of Assurance from the Board

2.1 Review of Quality Accounts Performance Targets 2009/10

CWP set itself some ambitious quality improvement targets in its inaugural Quality Report in 2008/09, which featured in last year's annual report and accounts. These comprised of three targets in each of the three domains of quality, defined in the 2008 Department of Health publication High Quality Care For All as **patient safety, clinical effectiveness,** and **patient experience**. There was robust stakeholder engagement in defining the targets, with the aim of supporting the delivery of high quality care by frontline staff. Below are CWP's achievements against these targets:

Patient Safety

1. Improve learning from patient safety incidents by increasing reporting by 3%

The reporting of patient safety incidents over the past year increased by 3.1%, an upward trend that is encouraging and in line with best practice. This increase was assisted by the introduction of the online

reporting of incidents across the Trust. A commitment to reporting demonstrates a commitment to patients and their safety by promoting the ability to learn from each patient safety incident that is reported. This is consistent with the national evidence from the National Patient Safety Agency (NPSA), which indicates that a good safety culture within any Trust is evident from a higher reporting of incidents and near misses, with the majority of incidents resulting in 'no' or 'low' harm. This is the case in CWP.

2. **Create a better safety culture by achieving NHSLA Level 2 CWP achieved compliance with Level 2**
   CWP achieved compliance with Level 2 the NHS Litigation Authority's [NHSLA] risk management standards for mental health and learning disability trusts in November 2009. This independent assessment against national patient safety priorities verifies CWP's ongoing work in developing a better safety culture. There are only 16 mental health Trusts nationally that have achieved this level of accreditation.

3. **Strengthen hand decontamination procedure compliance**
   Almost 2,500 staff have attended hand decontamination training during the year, and almost 50 audits undertaken to measure hand decontamination practice. Equipping staff with the skills to undertake effective hand decontamination minimises the risk of cross infection to service users and staff whilst the additional audits that have been undertaken have ensured that areas requiring improvement have been acted on. This has been highlighted nationally by the Care Quality Commission and Department of Health. The Trust is due to receive a routine Infection, Prevention and Control inspection from the Care Quality Commission in 2010, the results of which will be published on the Trust's website.

Clinical Effectiveness

1. **Increase offer of psychological intervention for service users with schizophrenia**
   CWP set itself an ambitious goal of offering psychological intervention to 70% of service users with schizophrenia. During the year we developed the data collection method across all areas of the Trust for this target. As at January 2010, the Trust demonstrated that psychological intervention was offered to over 68% of service users, a significant improvement on 50% demonstrated by the most recently available clinical audit data. This improvement assists in addressing service users' identified needs more completely via their care plan, as stated within national evidence based practice and National Institute of Clinical Excellence (NICE) guidance. This will continue to be monitored as part of the 'Advancing Quality' programme for Schizophrenia in 2010/11.

2. **Diagnosis of dementia by a specialist**
   CWP has contributed to raising the profile of dementia, for example by developing care pathways through its dementia clinical network, and linking with the PCT-led National Dementia Strategy, to ensure that service users are referred, assessed and treated in a timely manner. Almost 95% of service users referred to the Trust received assessment and diagnosis within 13 weeks, which is national best practice. This will continue to be monitored as part of the 'Advancing Quality' programme for Dementia in 2010/11.

3. **Physical health checks for all in-patient service users (including Body Mass Index)**
   CWP contributes to promoting healthy lifestyles as part of its 'Choosing Health' work programme, aims to ensure that all service users who are admitted have an annual physical assessment including Body Mass Index [BMI] measurement as part of this assessment, and facilitates GP access for service users in the community. The importance of physical healthcare in patients who have mental illness has been highlighted via research and also within evidence based practice NICE guidance. Clinical audit data in 2009, showed that 79% of inpatients were receiving a physical health exam, with 83% of these individuals having had their BMI measured. The Trust has an action plan in place to increase this further and will be monitoring this in year as part of the prioritised work on physical healthcare for 2010/11 (which will focus on developing robust systems of monitoring this target), as outlined in section 2.2.2.

Patient Experience

1. **Increase patient experience feedback by 5%**
   CWP is committed to providing high quality services and has a range of initiatives to promote patient experience feedback. CWP surpassed its goal, with feedback obtained from patient experience increasing by approximately 38.8% this year. This was broken down by the following:

Type of feedback	2008/2009	2009/2010
PALS (including concerns and comments)	311	743
Complaints	233	216
Compliments	884	1023
Total	1428	1982

The Trust is pleased to see the downward trend in complaints received by the Trust and the increase in PALS contacts/compliments received, which is in accordance with the Department of Health's implementation guidance on 'Making Experiences Count'. The Trust manages its complaint/concerns via the Trust Complaints Management process. Any themes and remedial actions are reported quarterly to the Board of Directors and externally to commissioners. Copies of these reports are available on request from the Trust's Complains Department at the Trust Board Offices http://www.cwp.nhs.uk/1/Pages/contactus.aspx.

2. Measure patient service satisfaction levels

Local and trust-wide patient survey activity to capture patient service satisfaction levels has been increased throughout the year. In addition to the national survey work, we said that we would increase local and Trustwide survey and engagement activity. In 2009/10, we undertook a Trustwide inpatient survey and survey of carers. We also organised a number of engagement events, such as 'Meet the Service' Events, 'Annual Planning and Consultation' events and 'Open Space' events. This is in accordance with our Patient and Public Involvement and Membership strategies, which outlines our duty under the Health and Social Act, 2001.

3. Improvement of complaints management and investigation processes

Last year, CWP introduced quality assurance reviews into its complaints management and investigation processes to support the implementation of the new complaints regulations. This involved a quality assurance check on responses to some of the more complex complaints, overseen by Non Executive Directors and Executive Directors of the Board, senior clinicians and managers, which is in accordance with the Department of Health's implementation guidance on 'Making Experiences Count'. The goal of 12 quality assurance reviews has been met.

2.2 Priorities for Improvement

For 2010/11, the Trust has identified priorities to improve quality in line with its commissioners, staff, service user engagement groups and other key stakeholders. These priorities have been identified via discussions with commissioners, priorities outlined within contracts, views from service users, carers and the public gauged via consultations and survey results. The priorities are outlined within this section of the Quality Account, with the rationale for the priority, how it will be monitored and measured throughout the forthcoming year and how it will be reported.

The priorities are identified against the three principal areas of service quality:

1. Patient Safety
2. Clinical Effectiveness
3. Patient Experience

2.2.1 Patient Safety

Safety Priority 1: *Improve safety by monitoring of trends from Serious Untoward Incident (SUI) investigations and development of systems to monitor reduction of repeatable themes*

Rationale for priority: Applying lessons learned from SUIs is a key measure of safety within any organisation. The Trust has always strived to ensure that any outcomes and recommendations resulting from investigations are shared and applied across the Trust. This is an area that the Trust is also being asked to consider as part of the Quality Schedule of the Trust's contract with its commissioners.

How improvement will be measured and monitored: The current incident system will be improved to capture details of themes highlighted from SUI investigations, as well as actions taken and monitoring of outcomes. The Trust will aim to provide evidence that we have reduced repeatable themes from SUIs.

How improvement will be reported: Repeatable themes from SUI investigations will be reported to the Board and commissioners as part of the quarterly incidents, complaints and claims report and reported internally to clinical services via a 'Lessons Learned' publication.

Safety Priority 2: *Reduction of preventable falls in in-patient areas by at least 10% by end March 2011*
Rationale for priority: A patient falling is the most common patient safety incident reported to the National Reporting and Learning Service (NRLS) from inpatient services at a national, regional and Trust level. The Trust has on average 180 falls incidents reported each quarter. The last report from the NRLS showed the Trust to have a higher rate of falls compared to other mental health Trusts, however the NRLS data and Trust incident data shows that the majority of Trust falls (97%) were in the 'no' or 'low' harm category, which is an indication that in the majority of cases the Trust is actively managing the risk of falls. This will be investigated further.
How improvement will be measured and monitored: Each inpatient fall will be reviewed to determine whether the Trust falls policy was adhered to, in order to assess whether the fall may have been preventable. If it is found that the fall could have been prevented, actions taken will be reported and cascaded as learning to all inpatient teams.
How improvement will be reported: Falls incidents will be reported to the Board and commissioners as part of the quarterly incidents, complaints and claims report and reported internally to clinical services via a 'Lessons Learned' publication.

2.2.2 Clinical Effectiveness

Effectiveness Priority 1: *Implementation of the Advancing Quality programme for schizophrenia and dementia (including development of Patient Reported Outcome Measures)*
Rationale for priority: This is a new regional priority for mental health services. '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. This has also been identified as a priority by the Trust's commissioners and is a Commissioning for Quality Improvement (CQUIN) scheme for 2010/11.
How improvement will be measured and monitored: The Trust has signed up to Advancing Quality and will be implementing the programme against timeframes outlined within an agreed regional project plan.
How improvement will be reported: Progress with Advancing Quality will be reported within a quarterly quality report that will be provided to the Trust Board of Directors and key stakeholders, such as commissioners.

Effectiveness Priority 2: *Development of integrated care pathways in mental health*
Rationale for priority: It is important that integrated care pathways are further developed to promote interface with other services i.e. primary care. This has been highlighted as a priority with commissioners, staff within the Trust and also service users/carers, who see seamless care between primary and secondary care as a must do for improving quality of care.
How improvement will be measured and monitored: Integrated care pathways will be developed for specific areas in mental health within the clinical framework of integrated care.
How improvement will be reported: Progress will be reported within a quarterly quality report that will be provided to the Trust Board of Directors, commissioners, the Overview and Scrutiny Committee and the Trust's Council of Governors.

Effectiveness Priority 3: *Review of physical healthcare for Trust service users*
Rationale for priority: Research has indicated that people with mental health problems have an increased likelihood of physical health problems and are at risk of dying prematurely. In recognition that CWP service users may have complex physical health demands, which may be at risk of being neglected, it is important not only to detect physical health problems but also promote physical health and wellbeing. Performance in 2009/10 was monitored for inpatients as part of the quality reporting mechanisms and outlined in Chapter 3 of this Quality Account.
How improvement will be measured and monitored: The Trust has a physical health care pathway in place within the Trust for inpatient services, which will be reviewed. There will also be a review of physical healthcare in the community setting for the Trust's service users, working with General Practitioners.

How improvement will be reported: Progress will be reported within a quarterly quality report that will be provided to the Trust Board of Directors, commissioners, the Overview and Scrutiny Committee and the Trust's Council of Governors.

2.2.3 Patient Experience

Patient Experience Priority 1: *Collection of real time patient experience data*
Rationale for priority: Patient experience has always been an important measure of quality within the Trust and feedback from service users and carers has been sought in a variety of different ways- surveys, clinical audit, PALS Talkback, focus groups etc. The Trust however has recognised the importance of collecting 'real time' patient experience data (which is about asking the views of patients and/or their carers/relatives during or immediately after their treatment), to allow service users and carers to give more accurate and timely feedback on their care, as a good patient experience is integral to quality of care and will affect outcomes. This has also been identified as a priority by the Trust's commissioners and is a Commissioning for Quality Improvement (CQUIN) scheme for 2010/11.
How improvement will be measured and monitored: The Trust will use technology to collect real time patient experience, piloting in a number of areas (at least one in each commissioning area). This will be linked to the Advancing Quality programme for dementia and schizophrenia, in order to be able to review clinical outcome and patient experience data for these service users.
How improvement will be reported: Progress with patient experience will be reported within a quarterly quality report that will be provided to the Trust Board of Directors, commissioners, the Overview and Scrutiny Committee and the Trust's Council of Governors.

Patient Experience Priority 2: *Ensure that patient experience of previous Assertive Outreach service users and carers is sought and continuously monitored during the merger of the Assertive Outreach function into Community Mental Health Teams (CMHTs)*
Rationale for priority: CWP have undertaken a recent review of the Assertive Outreach function, in conjunction with service users, carers, staff and partner organisations. It was agreed that the work of the Assertive Outreach Teams would be incorporated into Community Mental Health Teams (CMHTs), rather than being a stand alone function. The review was based on clinical research and also to ensure a more efficient service.
How improvement will be measured and monitored: We have planned to put a process in place for monitoring the implementation of the proposal to ensure that assertive outreach service users and their carers receive the level of care and support that they need. The monitoring will include focus groups and a survey being undertaken.
How improvement will be reported: There is an action plan in place, which outlines the reporting requirements. This includes regular internally reporting within the Trust's governance structure, but also regular external reporting to Overview and Scrutiny Committee, LINks and Commissioners.

The Trust will continuously monitor progress against these quality priorities and will report progress in 2010/11 Quality Accounts, but also throughout the year internally to service users, and carer groups and staff; and externally to commissioners and scrutiny groups.

2.3 Statements Relating to Quality of all NHS Services Provided

2.3.1. Review of services

During 2009/10 Cheshire and Wirral Partnership NHS Foundation Trust provided and/or sub contracted 37 NHS services, across West, Central and Eastern Cheshire and Wirral, as outlined within the Trust's contract with its commissioners.

The Trust has reviewed **all** the data available to them on the quality of care in all of these services as part of the CQC registration process and the ongoing internal and external clinical governance arrangements. In addition to the performance and quality data reviewed by the Board of Directors, the Trust implemented 'Patient Safety Walk Rounds' in the past year, which gives Board members the opportunity to talk to frontline staff, service users and carers, giving Board members firsthand knowledge of quality initiatives in practice (e.g. Star Wards, Brilliant Basics, Productive Ward and Productive Leader) and also any priorities for quality identified in partnership with frontline staff.

The income generated by the NHS services reviewed in 2009/10 represents 100% percent of the total income generated from the provision of NHS services by Cheshire and Wirral Partnership NHS Foundation Trust for the period 1st April 2009 to 31st March 2010.

2.3.2a. Participation in clinical audits

Clinical audit is a way of measuring the practice of healthcare professionals and the standards of care and treatment delivered to service users, so that any necessary improvements can be made or excellence in practice consolidated and shared.

During 2009/10, no national clinical audits covered NHS services that CWP provides, therefore it did not and was not eligible to participate in the National Clinical Audit Programme. However, as a matter of best practice, CWP considers the merits of its participation in other national audits that are not part of the formal National Clinical Audit Programme. During 2009/10, CWP participated in the National Health Promotion in Hospitals audit, was the only mental health trust in the region to participate in the original pilot, and was part of the steering group to develop the audit methodology so that the 2009/10 audit would generate quality data and outcomes for mental health inpatient wards to use.

A total of 77 clinical audits were registered with the Trust's Clinical Audit Team and completed during 2009/10. This included those projects registered by individual teams where they aimed to improve the quality of healthcare for specific aspects of the services they deliver, an audit conducted in partnership with other mental health trusts in the North West region, and those participated in by medical trainees. The Clinical Audit Team provides direct support to and reports on a priority number of local (Trustwide) audits each year as part of its clinical audit programme. The reports of 18 local (Trustwide) clinical audits were reviewed by CWP in 2009/10 as part of the Trust-wide clinical audit programme, and the following actions were identified, in order to improve the quality of healthcare the Trust provides:

1. Inpatient record keeping audit

CWP undertakes an annual Trustwide record keeping audit to ensure compliance with standards for good quality record keeping, facilitating delivery of high quality care and treatment. The audit recommendations have re-enforced the need to comply with all elements of the Trust's record keeping policy, including the use of standard assessment and risk assessment paperwork, and to ensure that discharge arrangements are recorded in records. Where appropriate, health records will be audited on a smaller scale on an ongoing basis to ensure standards are monitored and high standards sustained, with any decrease in compliance actioned promptly.

2. Medical devices audit

CWP undertook this audit to provide quality information about the numbers and types of medical devices that are in use within the Trust and to assure service users, carers and the wider public with regard to the processes in place for the safe use of medical devices within the Trust. Learning from the audit has informed the following improvements:

- Introduction of an electronic dissemination system for medical device alerts, to ensure that alerts are received in a timely way and there is an electronic audit trial for recipt and sign off ;
- Development of an inventory checklist to teams and wards accompanied by a list of possible medical devices, to remind staff about medical devices that are used on an irregular basis so that they are taken into account when assessed by the nominated Medical Devices Co-ordinator;
- Learning and Development Services will incorporate staff responsibilities relating to medical devices as per Trust policy into staff appraisal training.

3. Carers audit

CWP recognises the need to support carers in terms of knowledge, guidance and understanding of their needs, including provision of out of hours support. Carers should be satisfied with the amount of support given to them by CWP to help them carry out their caring role. Carers should also be given adequate information about the services that are provided for them and for the person they care for/support. This audit recommended the following actions to improve the quality of this support further:

- To ensure the Trust supports older age carers with the appropriate level of support and guidance;
- To put programmes in place to strengthen links with all ages of carers;

- To communicate the availability of out of hours support;
- To support and encourage more carers from other services to participate in future carers audits by:
  - Providing more information and developing a standardised approach, working with voluntary sector to deliver this;
  - Working closer with care co-ordinators and 'carer links';
  - Presenting more information to carers.

4. Therapeutic observation audit

Within inpatients areas, it is vital that there is a clear process for therapeutic observation of services users to ensure the delivery of safe and effective care. As a consequence of the findings of a clinical audit of compliance with the Trust's therapeutic observation policy, CWP intends to share the learning from the audit with inpatient staff to ensure that actions are taken to:

- Record in all cases of observation the time of initiation of the current level of observation;
- Document in the case notes daily entry the current level of observation;
- Document complementary current risk assessments with current level of observation;
- Record the conversation assessing mood and behavior in the case notes at least once per shift for patients being observed;
- Complete an intervention plan for all patients on levels 1 and 2 of observation within 72 hours;
- Document in the observation care plan how often the patient should be checked at observation levels 1, 2 and 3;
- Complete a full or partial risk assessment tool at every observation level change;
- Document in the case notes when an observation level is reduced;
- Give patients verbal information about their current observation level;
- Give patients a leaflet containing written information regarding their current observation level.

5. Care Programme Approach audit

The Care Programme Approach is used in mental health services to assess, plan and deliver care, and aims to promote effective liaison and communication between agencies, carers and service users, thereby managing risk and meeting the individual needs of those service users in contact with the Trust so that it enhances their social recovery. As a consequence of the findings of a clinical audit of the use of the Care Programme Approach, CWP will share the learning from the audit with all clinical staff and will ensure the following actions are taken:

- Team managers raise any individual performance issues with staff as part of supervision;
- Staff awareness training is provided to ensure that the benefits of the Care Programme Approach are communicated to service users and carers and that they are aware of the need to inform service users that they can bring a relative or friend to care review meetings;
- All carers are offered a carer's assessment and those who accept should then receive a copy;
- Carers' information packs are provided, recorded and monitored.

6 - 7. Safeguarding adults and children audits

Abuse and mistreatment of vulnerable adults and children and the need for a systematic approach when working with those who may be at risk is central to CWP's approach to safeguarding. CWP has undertaken clinical audits around these processes, and the learning has been shared with all Trust staff to ensure that team leaders and ward managers lead on safeguarding adults and children issues within their teams, so that each team and ward has an identified lead for safeguarding issues. CWP will also ensure that awareness is promoted of how to access safeguarding policies, and ensure continued partnership working with health and social care.

8. Slips, trips and falls

The Trust is aware of its responsibilities for managing the risk associated with slips, trips and falls, for service users, staff and others, and aims to ensure, via appropriate risk assessment, that staff, patients and others are protected from accidents and a safe environment is facilitated in which high quality clinical care can be provided.
As a consequence of the findings of a clinical audit of slips, trips and falls, CWP will ensure that:

- All service users who are assessed and are at risk of falling within community teams are referred to the relevant Primary Care Trust falls prevention service;
- All service users who are assessed and are at risk of falling have a falls intervention care plan and it must be reviewed when applicable;

- All service users who are assessed as not at risk of falling are given a falls information leaflet. The falls information leaflet must be contained within the admission information pack given to each service user.

9 - 10. Medicines management audits

CWP aims to ensure the safe and secure handling of medicines at all stages of the medicine process within ward/inpatient and community/team settings and in doing so minimise the incidence of harm caused by medication errors. CWP undertakes an annual audit regarding medicines management to constantly improve the safe use of medicines, listed below are some examples of learning from the most recent audit and an additional audit of the medicines management policy. CWP will ensure that the following actions are taken:

- Staff distribute medicine leaflets to service users and record advice and monitoring of side effects in their notes;
- When prescribing, staff record the indication for prescribing medication on an 'as required' basis, and that this is relayed in junior doctor training;
- When prescribing, staff record the name of medication to be prescribed off-label and the treatment plan in the case notes;
- Systems and procedures where they have been identified as requiring review are updated and/or standardised;
- There are improvements to the training programme regarding controlled drugs.

11. Audit of NICE guideline: Anxiety

Compliance with National Institute of Health and Clinical Excellence guidance for anxiety has been assessed via a clinical audit and actions have been identified to ensure that:

- Staff distribute medicine leaflets to service users and record advice and monitoring of side effects in their notes;
- If one type of intervention does not work, the service user is re-assessed and consideration given to trying another type of intervention;
- If there has been two interventions provided (any combination of psychological intervention, medication, or bibliotherapy) and the service user still has significant symptoms, then referral to specialist mental health services should be offered.

12. Audit of NICE guideline: Schizophrenia

Compliance with National Institute of Health and Clinical Excellence guidance for schizophrenia has been assessed via a clinical audit and actions have been identified to ensure that:

- Service users with schizophrenia receive a comprehensive multidisciplinary assessment, including a psychiatric, psychological and physical health assessment;
- There are improvements to the number of service users who are given a copy of their care plan;
- There is an increase in the number of service users with schizophrenia offered cognitive behavioural therapy and family therapy;
- There is improved recording of indications/benefits/risks of medication.

13. Strategies to reduce missing patients audit

"Strategies to reduce missing patients" is a workbook designed to provide acute mental health staff with key strategies, illustrated with positive practice examples, to reduce the number of patients who go missing from acute wards. The learning from the self-assessment tool that was used in this clinical audit has resulted in the following actions:

- Ensuring the generic service user information pack is available throughout the trust, with use of this promoted;
- All areas should have a daily patient meeting;
- Modern Matrons should liaise with the lead Occupational Therapists for their areas to look at the provision of patient activities and collaborative working.

14. Self harm audit

The aim of this audit was to assess CWP's liaison psychiatry teams' compliance with the National Institute for Health and Clinical Excellence guidelines for self harm. Learning from the audit has resulted in the following actions:

- The Crewe, Chester and Macclesfield liaison teams will invite service user, carer, PCT and ambulance trust representatives to the meeting they currently have in place with the acute trusts;
- An email will be distributed amongst all liaison psychiatry team members to draw their attention to the legal services available to them for advice on the care of their patients;
- Information for staff on how to access legal services will be added to the local induction policy;
- All liaison psychiatry team managers will link with their respective emergency departments to jointly develop training programmes where this is not currently in place.

15 - 17. Resuscitation equipment audits

CWP aims to ensure the optimum management of adult and child cardio-respiratory arrests, should they arise, and a policy is in place to guide and support staff. A number of clinical audits have been undertaken throughout the year to measure compliance with the standards contained within the policy, and the learning from the most recent audit has resulted in the following actions:

- 'Availability of a ligature knife' question should be added to existing daily checklists; this is a recommendation nationally to ensure staff can react promptly to any ligature incidents that occur in inpatient areas;
- Assurance should be sought regarding access via the fob systems employed on clinic room doors. This will ensure that all staff, including bank and locums, are able to access ward clinic rooms in which resuscitation equipment is held;
- Further guidance regarding the acceptable/recommended volume of oxygen gas to be maintained within ward cylinders for use in a resuscitation capacity should be developed.

18. Ward audit

CWP undertakes an annual audit of compliance with clinical standards that are in place across all inpatient areas of the Trust. The outcome of this audit showed that the Trust is adhering to its inpatient policies, however there are areas for further improvement. This year's clinical audit has informed the following actions to improve the quality of care:

- All wards to review at least annually their documentation to ensure they are using the current versions as per Trust policy;
- Staff must be reminded that the admission checklist must be fully completed and filed in the casenotes;
- Staff must be reminded that nutrition screening tools should be fully completed;
- Ensure that all staff are aware of and follow the CWP resuscitation policy;
- Ensure that all medicine fridges are kept locked, have external digital thermometers and there is evidence to demonstrate daily temperature checks;
- All wards should ensure that they have a folder to file National Patient Safety Agency and medicine alerts;
- All wards should ensure they have a Health and Safety poster;
- Risk assess and where possible remove waste bins with liners;
- Ensure a 'Welcome Pack' is available to all service users admitted to the ward;
- Ensure that all staff access line management supervision.

All service line clinical audit reports are reviewed and reported by service line clinical audit leads to frontline staff. Trustwide audits are reported to the Clinical Standards Sub Committee, a delegated sub committee of the Board of Directors, chaired by the Medical Director. The Trust Board also reviews audit data as part of its annual reporting processes but also will review risk based information, gauged from clinical audit, as part of the risk management processes.

The Trust also undertakes a series of infection control, cleaning and spot checks audits, which are undertaken by the Infection Prevention and Control nurses, reported to service line managers and through to the Board of Directors via the Director of Infection Control's quarterly Infection Prevention and Control report.

2.3.2.b. Participation in national confidential enquiries

There are a number of national confidential enquiries, all of which are overseen by the National Patient Safety Agency. The aim of these projects is to improve NHS services by gathering information about trends and developing recommendations to improve the safety of NHS services for the future.

The current studies and enquiry programmes of all national confidential enquiries are considered by CWP for applicability to NHS services that CWP provides.

During 2009/10, one national confidential enquiry covered NHS services that CWP provides. During that period CWP participated in this national confidential enquiry. This was the National Confidential Inquiry into Suicide and Homicide by People with Mental Illness.

The data collection that was completed during 2009/10 is listed below, alongside the number of cases submitted to each category of the national confidential enquiry that CWP was eligible to participate in, as a percentage of the registered cases required by the terms of the enquiry:

Number of cases	Categories of the National Confidential Inquiry into Suicide and Homicide by People with Mental Illness	Percentage of registered cases
2	Sudden unexplained death in psychiatric inpatients	100%
50	Suicide	100%
1	Homicide	100%
1	Victims of homicide	100%

The table above demonstrates that the Trust fulfilled all requirements of participation in the National Confidential Enquiry programme.

2.3.3. Research

The numbers of patients receiving NHS services provided or sub contracted by CWP in 2009/10 that were recruited during that period to participate in research approved by a research ethics committee was 558 patients, 17 carers, 5 staff members and 8 teams/wards. This is an increase from 2008/09 figures of 201 patients, 41 carers, 73 staff members and 3 teams/wards. Numbers of involvement are dependent on the type of research being undertaken.

This level of participation in clinical research demonstrates the Trust's commitment to improving the quality of care that we provide but also making our contribution to the wider health economy. For details of the current research studies being undertaken at CWP, please access the following URL:
http://www.cwp.nhs.uk/AboutCWP/Pages/Researchprojects.aspx

The Trust was involved in conducting 51 clinical research studies. 94% of these studies were completed as designed within the agreed time and to the agreed recruitment target.

CWP used national systems to manage the studies in proportion to the risk. Of the 51 clinical research studies given permission to start in 2009/10, 100% were given permission by an authorised person less then 30 days from receipt of a valid complete application. Of the 51 studies, 2 were Clinical Trials of an Investigational Medicinal Products (CTIMPS), 100% of which were established and managed under national model agreements.

100% of the 51 eligible research involved using the Research Passport System.

In 2009/10 the National Institute for Health Research (NIHR) supported 25 studies through its research networks.

In the last three years 2007 to April 2010, 79 publications have resulted from our involvement in NIHR research, additionally a further 65 research related publications by Trust staff over this period, helping to improve patient outcomes both within the Trust and experience across the NHS.

2.3.4. Goals agreed with commissioners

A proportion of Cheshire and Wirral Partnership NHS Foundation Trust's income in 2009/10 was conditional on achieving quality improvement and innovation goals agreed by the Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation (CQUIN) payment framework. This amount equated to £338,175.

In 2009/10, the Trust achieved all its CQUINs with the commissioners and hence received £338,175 CQUIN monies. These were as follows:

- Review of inpatient assessment and treatment units within Learning Disabilities (LD), in line with key department of Health policy documents and most up to date guidance;
- The production and implementation of a recovery strategy for Black and Ethnic Minority service users within CWP;
- To improve access and reduce waiting times for children accessing 0-16 specialist Child and Adolescent Mental Health Services (CAMHS);
- Development of an alcohol pathway to promote the use of brief interventions in Adult and Older Peoples' Mental Health services;
- Provision of a mechanism to communicate medication changes for mental health patients to general Practice;
- Regional CQUIN on quality to help measure, monitor and benchmark quality across the North West.

In 2010/11 the CQUIN schemes agreed with the Trust's commissioners are as follows.

- To promote quality for patients with learning disabilities accessing mainstream mental health services through application of the 'Green light Toolkit';
- Implementation of the regional 'Advancing Quality' programme for Schizophrenia and Dementia;
- Promote collection of real time patient experience data;
- Review the dementia pathway within the Trust, working with partner organizations, in line with the National dementia Strategy;
- Development of an alcohol pathway in CAMHS (16-19)/LD to support the use of brief interventions;
- To develop a strategy for improving services for those individuals with Challenging Behaviour.

There are also a number of specialist CQUINS for Secure Commissioning. The total CQUIN monies in 2010/11 equates to £1,246,093.

Further details of the agreed goals for 2009/10 and for the following 12-month period are available on request from the Trust's Clinical Governance Department at the Trust Board Offices
http://www.cwp.nhs.uk/1/Pages/contactus.aspx

The Trust also has goals agreed in other 'schedules' of the Trust's contracts, which will be monitored through the contract monitoring process, with the aim to improve quality of care.

2.3.5. What others say about the Provider

The Trust had to register its services with the Care Quality Commission (CQC), as part of the new registration standards applicable to all NHS Trusts.

The Trust provides the following types of services (as categorised by the Care Quality Commission):

- Hospital services for people with mental health needs, learning disabilities and problems with substance misuse, including liaison psychiatry;
- Rehabilitation services;
- Community based services for people with mental health needs;
- Community based services for people with a learning disability;
- Community based services for people who misuse substances.

CWP provide services to the following service users (as categorised by the Care Quality Commission):

- Learning disabilities or autistic spectrum disorder;
- Older people;
- Adults;
- Children 0-3 years;
- Children 4-12 years;
- Children 13-18 years;
- Mental health;
- Dementia;

- People detained under the MHA 1983;
- People who misuse drugs and alcohol;
- People with an eating disorder.

Cheshire and Wirral Partnership NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status has registered the above services. The Trust has had ***no conditions*** placed on its registration. The Care Quality Commission has not taken enforcement action against the Trust during 2009/10.

CWP is subject to periodic reviews by the Care Quality Commission, (please refer to the following link for more information).
http://healthdirectory.cqc.org.uk/findcareservices/informationabouthealthcareservices/summaryinformation/search-fororganisation.cfm?cit_id=RXAandwidCall1=customWidgets.content_view_1

The last review the CQC undertook with the Trust was in October 2009 and was a *'Visit to monitor the care of people whose rights are restricted under the Mental Health Act'*.

The Care Quality Commission visits all places where patients are detained under the Mental Health Act 1983. The Commissioner linked to the Trust monitors the Trust's operation of the Mental Health Act and visits and meets with detained patients, throughout the year, to monitor the care of people whose rights are restricted under the Mental Health Act. A feedback summary with recommendations is given to the Trust following each visit and, where necessary, action is taken and fed back to the Commission. At the end of the year, the Commissioner then produces an annual statement.

The Care Quality Commission's annual statement, dated October 2009, has provided an overview of the main findings and outcomes from visits to wards/units throughout CWP during the period August 2008 - September 2009.

The CQC made three recommendations for CWP to consider:

1. Section 58

The Commissioner has found a lack of evidence of Clinicians in Charge of treatment following the Code of Practice in the following areas:

- Information given to service users in relation to treatment and how this is recorded for each service user;
- Seeking and recording consent of those service users where the Mental Health Act permits some medical treatment for mental disorder without consent. In these instances, the individual's consent or refusal should be recorded in their notes, as should the treating clinician's assessment of the patient's capacity to consent, including those being treated under the three month rule as per Section 63 of the Mental Health Act;
- The compliance of Responsible Clinicians with their requirement to record the conversation they have with a detained patient following the visit of a Second Opinion Appointed Doctor (SOAD).

Trust response to this recommendation

To reinforce the importance of compliance by Responsible Clinicians/Clinicians in charge of treatment with the requirements of the Code of Practice as outlined above. An internal audit will be carried out to ensure ongoing compliance with the issues raised.

2. Statutory Consultees

Compliance by Statutory Consultees with the requirements of the Code of Practice needs to improve.

Trust response to this recommendation

To remind staff acting as Statutory Consultees of their obligations as outlined in the Code of Practice. An internal audit will be carried out to ensure ongoing compliance with the issues raised.

3. Section 17

Since the Trust's last audit, there is a much improved level of compliance. However, there are still issues relating to risk assessment and service users signing the section 17 proforma. The Commissioner has suggested that where a patient refuses or is unable to sign the leave form that this is recorded. Also staff are not always making

a note in the case notes as to how leave has progressed and the impact on the patients Mental Health.
Trust response to this recommendation
To remind ward staff of the need to consistently record the outcome of leave for daily leave of longer periods and escorted or unescorted.

CWP has made the following progress by 31 March 2010 in taking such action:

1. Section 58
A Trust-wide Section 58 audit is currently being undertaken by the Mental Health Act Team. Findings, recommendations and an action plan will be discussed at the Mental Health Act Strategy Group. The action plan will also be provided to the Care Quality Commission in April 2010. The Code of Practice's guiding principles continue to be highlighted at the Trustwide mandatory training sessions for application of the Mental Health Act.

2. Statutory Consultees
The Trust has a guidance note in place, as well as a reminder system regarding obligations placed on Consultees, as outlined by the Code of Practice. The obligation of Statutory Consultees is also highlighted in the Trust's mandatory Mental Health Act training. An audit will be undertaken in due course. In the interim, as an immediate action, the Mental Health Act Team Manager has reminded all staff in writing that their duties as Statutory Consultees [recording their consultation with the Second Opinion Appointed Doctor (SOAD)] are fulfilled.

3. Section 17
A reminder to all staff has been completed as an immediate action. Plans are in place to highlight the need for recording outcomes of leave in the Trust-wide mandatory Mental Health Act training. The section 17 leave form is in the process of being reviewed.

The CQC also highlights areas of good practice to which each Trust should be aspiring, as well as recommendations regarding matters that require further attention:

- The interface between the Mental Health Act and the Mental Capacity Act;
- Deprivation of Liberty Safeguards;
- The Guiding Principles of the Code of Practice;
- With regard to lone females on wards, the Trust should ensure that it is not acceptable under any circumstances for there to be a lone female on ward or unit and the Commission would like to see this closely monitored. The Code of Practice is clear about this;
- The Trust to monitor the use of Independent Mental Health Advocates.

Progress as at 31 March 2010 in taking action against these five areas has been to schedule a discussion at CWP's Mental Health Act Strategy Group in May 2010 with a view to producing an action plan to promote compliance with best practice.

Cheshire and Wirral Partnership has not participated in any special reviews or investigations by the CQC during the period April 2009 to March 2010. The Trust will be participating in the special review 'Meeting the Physical Health Needs of Those with Mental Health Needs and Learning Disabilities', which is due to be completed by October 2010.

The Trust will also be receiving its Infection, Prevention and Control inspection from the Care Quality Commission in 2010/11 to assess if the trust is adequately protecting patients, works and others from healthcare associated infection. The Trust has a dynamic Infection, Prevention and Control programme in place and a sound system of assurance led by the Trust's Director of Infection Prevention and Control, who reports internally to the Board of Directors and externally to commissioners, Health Protection Agency (HPA) and the Care Quality Commission.

2.3.6. Data Quality

CWP submitted records during 2009/10 to the Secondary Uses System (SUS) for inclusion in the Hospital Episode statistics, which are included in the latest published data. The number of records submitted was as follows:

- Inpatient: 2,860
- Outpatient: 43,468

The percentage of records in the published data which included the patient's valid NHS number was:

- 98.78% for admitted patient care
- 99.94% for outpatient care

The above data shows a high percentage of records within the Trust having the NHS number recorded. This is considered to be an important measure of patient safety as national evidence shows that recording a valid NHS number can reduce incidents involving patient misidentification.

The percentage of records in the published data which included the patient's valid General Medical Practice code was:

- 99.27% for admitted patient care
- 99.99% for outpatient care

The above data shows a high percentage of records within the Trust having a valid General Medical Practice code. This is considered to be an important measure of patient safety as having a valid GP practice logged can enable transfer of clinical information about service users from the Trust back to their GP.

CWP's score for 2009/10 for information quality and records management, assessed using the Information Governance Toolkit, was 88%. CWP was not subject to the Payment by Results clinical coding audit during 2009/10 by the Audit Commission, as this is **not** applicable to Mental Health Trusts.

Part 3: Review of Quality Performance

3.1 Looking back at quality improvement

Cheshire and Wirral Partnership has been a Foundation Trust since July 2007. Prior to that, it was an NHS Trust since 2002. The 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 in some cases. 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 disorders services and occupational health.

As outlined within section 2.1 the Trust set the following quality targets for 2009/10:

Patient Safety

- Improve learning from patient safety incidents by increasing reporting by 3%
- Create a better safety culture by achieving NHSLA Level 2
- Strengthen hand decontamination procedure compliance

Clinical Effectiveness

- Increase offer of psychological intervention for service users with schizophrenia
- Diagnosis of dementia by a specialist
- Physical health checks for all in-patient service users (including Body Mass Index)

Patient Experience

- Increase patient experience feedback by 5%
- Measure patient service satisfaction levels
- Improvement of complaints management and investigation processes

The rationale for setting these targets was laid out in our quality report targets for 2009/10, a section within our Annual Report 2008/09, which is available in the reports section of the Trust website (www.cwp.nhs.uk)

The Trust met all of the safety targets that it set itself in 2009/10. The Trust increased its incident reporting by introducing a new on-line and web-based incident reporting system. The Trust is currently classed as a 'middle

reporter' by the National patient Safety Agency (NPSA, Sept 09). This means that compared to other similar mental health trusts, CWP reports the average number of incidents. The majority of CWP incidents continue to be in 'no' to 'low' harm category, which is indicative of a culture wanting to be open, report an learn from incidents/near misses.

The Trust also achieved level 2 of the NHS Litigation Authority assessment. This assessment involves demonstrating compliance across fifty areas of risk management, which were determined following an analysis of claims within mental health trusts nationally. There are currently only 16 mental health trusts that have this level of accreditation (NHLA, May 2010) and therefore the Board of Directors felt that this demonstrated sound assurance against risk management and safety standards within the Trust.

Hand decontamination was a key quality indicator for the Trust, in line with a greater emphasis nationally. The Trust increased training and auditing of Infection Prevention and Control (IPC) across the Trust. This is reported quarterly to the Board as part of the IPC programme.

In terms of effectiveness standards, the Trust recognises that, whilst significant progress was made in 2009/10 (i.e. significant improvement in offering psychological intervention to service users with schizophrenia, ensuring that the majority of service users with suspected dementia were assessed and diagnosed within 13 weeks and achieving an increase in patients receiving physical healthcare exams on admission to inpatient units), there is still some improvements to be made in this area. The Trust has signed up to the regional 'Advancing Quality' programme for schizophrenia and dementia. This means that issues such as access to treatment, assessment, care planning and psychological interventions will be monitored for all service users with these conditions, and regularly monitored and reported to ensure that Trust clinical services are consistent with best practice for all service users. Physical healthcare is also a major priority for the Trust in 2010/11, not only for inpatients but for community patients also, so the Trust will be linking very closely with GPs and acute hospitals to review this for our service users.

The Trust has given a lot of emphasis to improving patient experience in the last year. This has resulted in an increase in Patient Advice and Liaison Service (PALS) contacts, a reduction in complaints, and an increase in compliments- specific performance is shown in section 2.1 of this report. The Trust has also increased internal survey activity and also organized engagement events, such as 'Meet the Service' Events, 'Annual Planning and Consultation' events and 'Open Space' events. This is in accordance with our Patient and Public Involvement and Membership strategies, which outlines our duty under the Health and Social Act, 2001.

The complaints process was also reviewed in year to look at the quality of the complaint's responses. This involved a quality assurance check on responses to some of the more complex complaints, overseen by Non Executive Directors and Executive Directors of the Board, senior clinicians and managers. This was been undertaken monthly during 2009/10. In terms of 2010/11 priorities for complaints management, timeliness of complaint responses is going to continue to be reviewed as well as quality of complaints responses. Within 2009/10, the following gives an overview of some of the quality initiatives across the Trust, as prioritised within our annual plan. This has included:

Adult mental health

- NHS Wirral and CWP invested £2.8 million this year to co-locate all of its adult and older people's services on a single site with improved facilities at Springview hospital in Wirral. All of the older people's wards at Springview have now been completely refurbished and feature single bedrooms with en-suite facilities. In addition, service users have access to a healing environment garden and fully equipped gym.
- Refurbishment of Crewe Mental Health resource centre, enabling clinical and administrative staff to be co-located, promoting more effective working across the team;
- New front entrance and reception area in Millbrook Unit in Macclesfield, promoting a better welcoming and therapeutic environment;
- Establishment of three health facilitator posts in mental health services, to support the public health and health promotion agenda within mental health, working with partner organisations and service users to improve physical and mental well being;
- Establishment of the Intensive Re-enablement Team in Wirral to proactively support clients with complex needs in the community and reduce inpatient admissions;

- CWP's criminal justice liaison service in central and eastern Cheshire has provided mental health awareness training to over 200 police officers and 400 probation workers to ensure that people experiencing mental health problems receive the appropriate approach and care;
- CWP also joined forces with the Royal College of Psychiatrists to pilot a new programme in the North West to drive up standards in memory services. CWP developed two new practitioner roles to help access and diagnose local people with dementia. The Trust was subsequently accredited for its high quality care in memory services by the Royal College of Psychiatrists.

Child and adolescent mental health

- Maple Ward, a new 10-bedded emergency service for young people aged between 13 and 18, opened in Chester in September 2009, funded by CWP. It takes admissions from across Cheshire and Merseyside which means in-patient mental health care for young people experiencing serious mental health problems is now available 24 hours a day;
- Development of Multi-systemic team in Wirral in partnership with the Children and Young People's Department youth offending service, with joint investment from Wirral PCT;
- Development of Tier 2 services for primary mental health worker following investment from Wirral PCT;
- Development of psychology post to enable effective use of the alcohol pathway for children and young people admitted to A and E at Arrowe Park Hospital in Wirral;
- Achieving the CQUIN target of 13 weeks access to CAMHS across CWP footprint;
- West 16 – 19 Service have completed the relevant process for meeting the You're Welcome Programme (A national programme for all Children's Services); the team are currently awaiting verification of this achievement. Wirral CAMHS working towards completion of same;
- Achievement of Level 4 across all 6 CQC standards.

Learning disabilities

- Greenways, the new £3.3 million state of the art assessment and treatment unit funded by CWP for adults with learning disabilities, opened in Macclesfield in February 2010. New design features include single en-suite rooms, additional lounges for privacy, a dedicated patient kitchen, computer suite, sensory room, and dedicated spaces for education and learning;
- Successfully part of the secure services framework, following competitive tender by specialist commissioners;
- Refurbishment of Mary Dendy Unit, Macclesfield, promoting a safer, more therapeutic environment;
- CWP continues to be at the forefront of the development of easy read materials, spearheaded by its learning disability services staff. A highlight of this work in the last year was partnership working with NHS Wirral to produce easy read leaflets for people with learning disabilities during the swine flu pandemic, including the symptoms and anti-viral medication. The leaflet was disseminated nationally as best practice.

Drug and alcohol

- Successful in being awarded the contract for provision of drug services in Trafford in partnership with Addiction Dependency Solutions (ADS);
- Wirral drug service has received national praise for its work on recovery and hosted a recovery event;
- New drug service navigator roles have been established to reduce the emphasis on long-term treatment.

CWP was also successful in its bid to become the new provider of the following services this year:

- A community eating disorder service for adults and young people in Warrington and Halton;
- A drug service, in partnership with Addiction Dependency Solutions, in Trafford;
- A learning disability service in Trafford.

3.2 Seeking Your Views

The Trust has a strong culture of Patient and Public Involvement and engagement with key stakeholders, such as commissioners, local businesses, voluntary agencies and partners in health and social care.

In 2009/10, the following activities were undertaken in relation to seeking and responding to views to improve quality:

- As well as participating in the national survey programme, the Trust conducted its own inpatient survey and a survey of carers. The inpatient survey was conducted by service users asking other service users their views of the wards, treatment and staff;
- During the last year CWP has hosted the Mindful Employer North West network, including a series of events with partners across the region to promote well-being at work. One event featured keynote speaker Dame Carol Black, the government's National Director of Health and Work;
- A 'jobs pledge' aimed at developing job opportunities for local people has been signed by the Trust and Jobcentre Plus. Local Employment Partnerships represent a new and innovative approach where employers pledge jobs for long term unemployed people and those at a disadvantage in the labour market;
- The Trust held a family day and annual members' meeting, which took place on World Mental Health Day as part of the national Time to Change "Get Moving" campaign in October 2009, and was attended by around 300 members and the general public. Activities included dance, drama, sports and art; and members also had the opportunity to find out about a wide range of CWP services;
- Three annual planning engagement events took place during November 2009. These events allowed members of the Trust to meet staff from across the Trust, find out more about CWP's latest plans, and to have their say on the longer term direction of the Trust;
- Members were invited to join governors and CWP staff at seven 'Meet the Service Events' which took part in different settings across the Trust. These events have proven to be hugely successful with members, and a further three local meetings along these lines have been planned for the coming year. Governors are also planning a number of local meetings with members living within their area.

3.3 Learning and Improving

Sharing learning is key to ensuring that safety is maintained and that action can be taken to prevent recurrence of similar issues. The following demonstrates improvements and learning as a result in 2009/10:

- The Trust developed information leaflets and training for staff on the safe use of bed rails following an incident;
- Incidents regarding GPs not being aware in changes to medication when service users were admitted for an in-patient episode have resulted in a 'change of medication' communications form being developed. This form is completed and faxed to a safe haven fax in the GPs surgery when medication is changed, improving safety for the patient;
- Following on from a complaint, Trust Liaison Psychiatry staff have reviewed the self-harm pathway with AandE staff to ensure adherence to NICE guidance and consistent application for all service users;
- Learning from a complaint has also demonstrated that there have been some occasions when carers have not been informed of a change in an individual's care plan. This has resulted in an alert being put on the Trust's Electronic Patient Record Systems (Carenotes) to remind staff to consult with carers on any significant changes in care or treatment decisions. This is also monitored through the Trust's carers survey.

The Trust has also benchmarked its performance against a number of national reports, namely the Care Quality Commission's investigation reports into Mid Staffordshire NHS Foundation Trust and West London Mental Health Trust. Each clinical service area was asked to give the Board of Directors assurance that there were no major areas of concern within the Trust, based on what the Care Quality Commission had found in the two organisations that they had investigated.

This report is available on request from the Trust's Clinical Governance Department at the Trust Board Offices http://www.cwp.nhs.uk/1/Pages/contactus.aspx

3.4 Performance against key National Priorities and National Core Standards

See performance table on the next page.

Regulatory Body/Accountable Organisation	Target Title	Required Performance	Actual Performance
Patient Related			
Monitor	Admissions to inpatient services had access to crisis resolution home treatment teams	90%	100%
Monitor, also a Care Quality Commission indicator	100% Enhanced Care Programme Approach (CPA) patients receiving follow up contact within seven days of discharge from hospital	95%	98%
Monitor	Minimising delayed transfers of care	<=7.5%	2.16%
Monitor	Maintain level of crisis resolution teams set in 03/06 planning round (or subsequently contracted with PCT)	4	4
Care Quality Commision	Quality of Services	Not nationally determined	Good
Care Quality Commission (National Treatment Agency)	Number of drug users in effective treatment	Threshold not yet published	89%
Non Patient Related			
Care Quality Commission	Management of Resources	Not nationally determined	Excellent
Monitor	Financial Risk Rating	4	4
Care Quality Commission (Connecting for Health)	Information Governance Toolkit	Not nationally determined	88%
Internal	Reduce overall sickness levels of staff	5%	5.15%

Some of these targets use external sources of data to assess performance. For more information see the 'performance against key targets' section in the Annual Report 2009/10 page 52, or contact the Trust at infocwp.nhs.uk.

The Trust reports performance to the Board of Directors and to regulators throughout the year. Actions to address any areas of under performance are in place. In November 2009, the Trust made its mid-year declaration in respect of the core standards for the full year of 2009/10. The Trust declared full compliance with all core standards.

The Trust has also made its declaration on the Trust's website in relation to Delivering Same Sex Accommodation (DSSA) as mandated for all Trusts. The Trust's declaration is as follows:
"We are proud to confirm that mixed sex accommodation has been virtually eliminated in our Trust. Patients who are admitted to any of our hospitals will only share the room where they sleep with members of the same sex, and same sex toilets and bathrooms will be close to their bed area. Sharing with members of the opposite sex will only happen by exception based on clinical need."

3.5 An explanation of who we have involved

We have involved the following groups and bodies when developing these Quality Accounts:

Internally

- Senior Clinicians and Managers;
- Patient and Public Involvement Representatives;
- Council of Governors.

Externally

- Commissioners;
- Joint Overview and Scrutiny Committee for Cheshire and Wirral;
- Local Involvement Networks.

Specific involvement has included discussions with commissioners, taking into account quality priorities outlined within contracts, views from service users, carers and the public gauged via consultations, presentations and discussion forums held with senior clinicians, managers and patient and public involvement representatives. We will continue to work with the above groups to monitor these Quality Accounts throughout 2010/11.

Annex - Statements from Primary Care Trusts, Local Involvement Networks (LINks), and Overview and Scrutiny Committees

Statement from Commissioners

We are committed to commissioning high quality services from our providers and take very seriously our responsibility to ensure that patients' needs are met by the provision of safe high quality services and that the views and expectations of patients and the public are listened to and acted upon.

We welcome the Trust prioritising improving the "Serious Untoward Incident" process by introducing systems to monitor repeatable themes to ensure remedial actions have been effective. We are also pleased to see that the Trust has benchmarked the number of patient falls and will be taking action to investigate the relatively high numbers of 'no' or 'low' harm category falls.

We note the data submitted by the Trust in 2009/10 to the National Confidential Inquiry into Suicide and Homicide by People with Mental Illness. We are informed that the Confidential Enquiry Annual Report (July 2009) shows that, when benchmarked against other Trusts in the North West, Cheshire and Wirral Partnership Trust has reported significantly lower incidence of suicide and homicide.

We are reassured that the Trust Board has reviewed service risks following reported NHS failures such as the Francis Report into Mid Staffordshire Hospital Trust and the West London Mental Health Trust Independent Inquiry in order to learn lessons from other organisations. We are pleased that Board members are undertaking 'Patient Safety Walk Rounds' and would encourage the Trust to invite senior staff from Primary Care Trusts to participate in these 'Walk Rounds'.

We congratulate the Trust on its performance against the quality metrics and CQUIN schemes in the 2009/10 contract. We welcome the focus in 2010/11 on developing integrated care pathways and look forward to seeing significant improvement in the communication between the Trust and primary care clinicians to support seamless care. As commissioners we have prioritised care planning, risk assessment and transfer of care within the quality schedule of the contract as we particularly wish to see improvement in these areas over the coming year.

We are very pleased that the local element of the 2010/11 CQUIN scheme has been used to promote evidence – based pathways of care in areas prioritised by commissioners. We are interested to see the impact of the Advancing Quality dementia metrics and how the measurement of this data will support the CQUIN dementia goals.

We have been particularly keen to promote the capture of real time patient experience data and look forward to seeing the results of the local patient experience CQUIN in 2010/11.

We have a close working relationship with Cheshire and Wirral Partnership Trust and meet regularly to receive reports, which demonstrate the Trust's performance against a range of quality measures and discuss and agree remedial action where this is deemed necessary.

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 2010/11.

Kathy Doran
Chief Executive
NHS Wirral

Helen Bellairs
Chief Executive
NHS Western Cheshire

Mike Pyrah
Chief Executive
NHS Central & Eastern Cheshire

Statement from 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 Accounts.

The document is written in clear and easily understandable language, not always the case with such documents.

The Cheshire East LINk welcomes and supports the Trust's three priorities for improvement, patient safety

- clinical effectiveness
- patient experience

and considers the structure of:

- rationale for priority
- how improvement will be measured and
- how improvement will be monitored

to be clearly laid out and easily understood.

We would also support the issues identified under each main heading and the methodology proposed for addressing them.

One comment, where percentages are quoted, as for example the reduction of falls by 10%, we feel that these are meaningless unless actual figures are also quoted. We note that under patient feedback figures are given as well as percentages.

We would like to congratulate the Trust on its registration with the Care Quality Commission with no conditions. We note that at the last visit from the CQC which was in October of 2009 and was a ' Visit to monitor the care of people whose rights are restricted under the Mental Health Act', the CQC made three recommendations for the Trust to consider. We would support the actions taken by the Trust to address these recommendations and note the progress made.

Under 3.2 Seeking your views, we would like to commend the 'Meet the Service Events' held across the Trust which served to inform the public (and hopefully helped to reduce stigma) on such conditions as Bi Polar disorder and Dementia.

3.4 Performance against National Priorities and National Core Standards- We noted the Trust's good performance.

Overall comment:
A comprehensive and easily understandable document. The Trust is to be congratulated.

Statement from Wirral LINk

Firstly, Wirral LINk appreciated the opportunity to comment on the Trust's Quality Accounts 2009/2010. The LINk is aware of the timescales imposed upon the Trust in relation to these Accounts this year however, in future years, would recommend and appreciate ongoing involvement throughout the year in this process, to ensure an informed response can be provided.

Wirral LINk agrees that the Trust is widely regarded as a well-performing mental health provider trust with a particularly good record for innovation and for involvement of service users and their carers.

Wirral LINk has visited the refurbished and extended facilities at CWP's Springview hospital in Wirral and believes that the facilities and environment are a commendable example of what commissioners and providers can achieve together.

However, Wirral LINk is starting to realise some of the limitations of the Quality Accounts

Performance Targets process, especially as regards responding to the key statement in the Royal College of Psychiatrists' (RCP) Position Statement that ***"Ageing is the major global challenge which UK health and social care services will have to address*** *(particularly since)* ***two thirds of acute medical beds are occupied by older people, two thirds of whom will have some form of mental disorder".***

Wirral LINk has started to analyse how best to respond to this challenge in the context of how to get more effective care for the same or less money and has suggested a three part package to CWP and NHS Wirral :
a) some form of ***Mental Health Intermediate Care Team for Older People*** (MHICT) such as the Lancaster model, which both delivers intensive support in their own homes to people who otherwise would have needed expensive inpatient care and which also helps to "increase the skill and competence of staff in the public, private and voluntary sector to deal with challenging behaviour in a person centred way";
b) using the RCP initiative ***Accreditation of Inpatient Mental Health Services*** (AIMS) to improve the consistency and effectiveness of the Acute Care Model first tried by CPW in Wirral and which is the key to achieving savings from reduction in beds to help facilitate resource transfer from acute care to community care and from adult to older people's mental health services;
c) improve the effectiveness of the mental health pathway for older people from health through to social care by selecting "best buy" proven innovations from the £60M Department of Health funded initiative ***Partnerships for Older People Projects*** (POPP).

Wirral LINk looks forward to continuing to work closely with the Trust over the coming year with regard to the Quality Accounts for 2010-2011.

Statement from Cheshire West and Chester LINk

The introductory "Statement on Quality" makes clear the purpose of the document which is helpful and the CWAC LINk welcomes the clear commitment to seek feedback from service users, carers and the public to learn to improve and partnership working to ensure the trust is responsive to the changing needs of the population. However, this report will be very challenging for most service users, carers and members of the public to understand including members of the LINk. Readers will require a reasonably well developed understanding of the mental health system and its language and the general approach to quality assurance that most people are unlikely to possess to appreciate the achievements of the Trust in 2009/10. As such the report is a missed opportunity and more thought needs to be given to the audience for this important piece of work and consideration of developing a differentiated approach to sharing the key messages in this report more accessibly is required. The Trust shares a responsibility with other key stakeholders including the LINk for demystifying the mental health system and a glossary of key terms and a concise explanation of the purpose and expected framework for Quality Accounts reports in the health service would help understanding.

It is important to note that in West Cheshire the relationship between the Trust and the LINk is at present under developed. In a worsening budgetary context and an emerging expectation of "more for less" it will be important to ensure that changes/developments in policy, practice and provision are understood particularly by service users, carers and wider public. The LINk has a potentially key role to play in this context and it welcomes the opportunity to contribute to ensuring the Trust's priorities, improvements and the impact of changes in provision are monitored carefully during 2010/11.

The CWAC LINk is only one year old and recognises that it needs to improve its understanding of the mental health system, the roles of key players and the range and quality of existing provision to be able to both challenge and support the system effectively. The LINk hopes that the Trust will contribute to enabling it to become fit for purpose in 2010/11 by being willing to share information about its strategic priorities, existing provision and the key developmental issues it faces in the coming year.

The LINk is particularly keen to enable the development of a public health approach to improving mental health and well being in Western Cheshire which encourages all who can to contribute and to take collective responsibility together for tackling stigma and prejudice and promoting good mental health. It is reasonable to expect the Trust to offer leadership to the development of such an approach and therefore to continue to develop high quality working relationships with commissioners, the local authority and the third sector in, all it does, in 2010/11.

The priorities for improvement identified in Part 2 focused on patient safety, clinical effectiveness and the patient experience make clear the Trust's commitment to making improving quality integral to all it does and the LINk as an external scrutiny group hopes that the Trust will keep it informed of progress through making available the quarterly reports that are to be prepared and shared with key stakeholders. Will this be possible please?

The LINk is reassured to note the Trust will be carefully monitoring the impact of the merger of the Assertive Outreach Service into Community Mental Health teams on service users and their carers. This reorganisation of a valued service raised a range of concerns about what service provision would be lost and the impact on already vulnerable adults. Consultation was also late and ineffective, and service users and carers felt let down by decisions taken before they had been consulted. In this context it is crucial that assertive outreach service users and their carers receive the level of care and support they need. LINk looks forward to receiving the regular external reporting about this policy issue during the year.

The LINk notes the challenging programme of internal audits undertaken during 2009/10 and is particularly pleased to read the Trust achieved all its 2009/10 CQUINs agreed with commissioners. Could you please send the LINk the further details of the goals agreed for 2010/11(page 17)?

The retrospective review of the Trust's quality performance in Part 3 of the report is more accessible, readable and informative for the lay reader and in the LINk's view more clearly shares and celebrates the Trust's quality assurance achievements during 2009/10 than other parts of the report. It will be important in coming months to ensure that the need and rationale for difficult decisions about service provision, in a worsening budgetary context, are understood as widely as possible. The LINk is willing to do all it can to enable the development of such an understanding, to support efforts to tackle health inequalities and improve mental health and well being in West Cheshire. It looks forward to beginning to develop a productive and mutually supportive relationship with the Trust in 2010/11.

Statement from Overview and Scrutiny Committee

Cheshire and Wirral Councils' Joint Scrutiny Committee – 25 May 2010

Resolution relating to Cheshire and Wirral Partnership NHS Foundation Trust Quality Account
RESOLVED: That

1) the draft Quality Account for 2009/10 be received, and the information provided on the quality of care and services be welcomed;

2) the Trust's priorities for improvement for 2010/11 be endorsed, and progress be reviewed if necessary in year and as part of the consideration of the draft Quality Account for next year;

3) the format of the Quality Account, although prescribed, does not make it easy to focus attention on any areas of particular concern and it would be better if a "traffic lights" approach or similar could be adopted to highlight specific performance issues. Although the Trust was working to provide in future a "discretionary" summary to help, the issue should be drawn to the attention of the Department of Health, to consider altering the format of the Quality Account reports;

4) attention be drawn to the following issues:

a) reducing inpatient falls remains a priority area for the Trust as despite a number of initiatives the incidence level is 180 falls each quarter, although 97% are in the no or low harm category. The target of a 10% reduction in the number of preventable falls over the next year is welcome, and it would be helpful for the actual figures to be included in the report in future;

b) the wording of the Account could be appropriately strengthened in places, for example on page 8 the reference to integrated care pathways should be changed from "who would like to see seamless care between primary and secondary care" to "who are endeavouring to achieve seamless care.....";

c) the proposal on page 9 for surveys on the implementation of the Assertive Outreach changes to be reported in year to the Joint Committee is welcome so that the impact of the new arrangements can be monitored;

d) the availability of out of hours outreach support for carers (page 11) is viewed as an important element of the service, and further information on how this support will be communicated to carers should be included;

e) that the Trust performs well in responding to complaints, generally achieving 100% of response targets. The Trust has also introduced rigorous quality assurance reviews, focussing in particular on the more complex complaints, which are overseen at Board level;

f) the Trust has developed a systematic approach to safeguarding for adults and children, but it would be worth saying more in the Quality Account about staff training in safeguarding, and the overlap with the local authority for patients in receipt of social care, and staff awareness of the Council's procedures for safeguarding;

g) the Committee is concerned about the number of suicides involving people with mental illness, and is of the view that more work should be done to address this. Whilst recognising that the Trust has in place extensive risk assessment procedures, including the provision of a safe environment for inpatients, and a prevention strategy for patients in primary care, the Committee requests further information and data on the Trust's suicide prevention strategy;

h) the Trust's success in reducing staff sickness absence levels to just under 5.1%, which compares favourably with the national average of 6%. The Committee has requested more detailed information on the management of staff sickness absence;

i) good performance by the Trust in diagnosing dementia by a specialist within 13 weeks of referral, which accords with national best practice. Further comment on the participation of GP's in the referral process should be included in the Account;

j) there is welcome recognition in the Account of the importance of physical health wellbeing for patients with mental illness, and the Trust's contribution towards promoting healthy lifestyles, particularly targets for improving the percentage of inpatients receiving a physical health examination (79%) and having their Body Mass Index measured (83%) are important and should be kept under review.

5) these comments be forwarded to the Partnership Trust for inclusion in their Quality Account and to the three Primary Care Trusts and Wirral and Cheshire Local Involvement Networks for information.

Changes to Quality Account following commentary from commissioners, LINks and Overview and Scrutiny Committee.

Following receipt of the commentaries, the following section was added to the Quality Account:

Inclusion of a statement in relation to complaints within section 2.1, as per request from Trust commissioners:

The Trust manages its complaint/concerns via the Trust Complaints Management process. Any themes and remedial actions are reported quarterly to the Board of Directors and externally to commissioners. Copies of these reports are available on request from the Trust's Complains Department at the Trust Board Offices http://www.cwp.nhs.uk/1/Pages/contactus.aspx.

Inclusion of a statement in relation to numbers of falls within section 2.2.1, as per request from Overview and Scrutiny Committee LINks and Trust commissioners:

The Trust has on average 180 falls incidents reported each quarter. The last report from the NRLS showed the Trust to have a higher rate of falls compared to other mental health Trusts, however the NRLS data and Trust incident data shows that the majority of Trust falls (97%) were in the 'no' or 'low' harm category, which is an indication that in the majority of cases the Trust is actively managing the risk of falls. This will be investigated further.

Change to wording within section 2.2.2 following request from Overview and Scrutiny Committee (change in bold italics)
This has been highlighted as a priority with commissioners, staff within the Trust and also service users/carers, who see seamless care between primary and secondary care as a must do for improving quality of care.

Change to wording within section 2.2.3a following request from Overview and Scrutiny Committee (change in bold italics)
CWP recognises the need to support carers in terms of knowledge, guidance and understanding of their needs, including provision of out of hours support.

Reference to other contractual requirements in addition to CQUINs and outlined in section 2.3.4, as per request from commissioners.
The Trust also has goals agreed in other 'schedules' of the Trust's contracts, which will be monitored through the contract monitoring process, with the aim to improve quality of care.

Inclusion of the following statements in relation to Trust response to Mid Staffordshire and West London reports, the Delivery Same Sex Accommodation (DSSA) agenda, and the Trust's pending Infection Prevention and Control inspection, as per request from commissioners.

The Trust has also benchmarked its performance against a number of national reports, namely the Care Quality Commission's investigation reports into Mid Staffordshire NHS Foundation Trust and West London Mental Health Trust. Each clinical service area was asked to give the Board of Directors assurance that there were no major areas of concern within the Trust, based on what the Care Quality Commission had found in the two organisations that they had investigated.

This report is available on request from the Trust's Clinical Governance Department at the Trust Board Offices http://www.cwp.nhs.uk/1/Pages/contactus.aspx

The Trust has also made its declaration on the Trust's website in relation to Delivering Same Sex Accommodation (DSSA) as mandated for all Trusts. The Trust's declaration is as follows:

"We are proud to confirm that mixed sex accommodation has been virtually eliminated in our Trust. Patients who are admitted to any of our hospitals will only share the room where they sleep with members of the same sex, and same sex toilets and bathrooms will be close to their bed area. Sharing with members of the opposite sex will only happen by exception based on clinical need."

The Trust will also be receiving its Infection, Prevention and Control inspection from the Care Quality Commission in 2010/11 to assess if the trust is adequately protecting patients, works and others from healthcare associated infection. The Trust has a dynamic Infection, Prevention and Control programme in place and a sound system of assurance led by the Trust's Director of Infection Prevention and Control, who reports internally to the Board of Directors and externally to commissioners, Health Protection Agency (HPA) and the Care Quality Commission.

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 in some cases. 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 disorders services and occupational health. As in previous years over 91% of the NHS foundation trust's income comes from contracts with the following NHS bodies, Central and Eastern Cheshire PCT, Western Cheshire PCT, Wirral PCT, NW Specialist Commissioners and Cheshire East Unitary Authority.

The directors are pleased to provide the reader with a fair review of the foundation trust's principal activities during the financial year. In its second full year as a foundation trust, CWP has sought to build further on the benefits this status brings to improve the quality of health care provided. We recognise that there are always many things we could do, so it is important that we remain focussed on the things we said we would deliver in our annual plan and report to you on what we delivered and where we might have either gone beyond this, or where circumstances have prevented us achieving what we set out to do.

Business review (management commentary / operating and financial review)

Key improvements

As planned, the Trust has continued to invest significantly in its capital (building) programme, utilising the surpluses built up as an FT - delivering better community and inpatient facilities for service users, carers and staff. The capital expenditure for the year was £7.2m (2008/09 £4.6m), which is a significantly higher level of investment when compared to previous years.

There have been a number of significant projects completed during the year. These included the £3.3m Greenways project to develop the Rosemount site at Macclesfield for the benefit of people with learning disabilities in the Trust's care and the £2.8m project to further develop Trust-occupied facilities at Springview Hospital, Clatterbridge, for adult and older people's services. Work also commenced both on developing new inpatient facilities for people with eating disorders and a £5m investment in a new low secure inpatient service for adults with mental health problems.

The most significant change to the Trust's operating area in 2009/10 was its expansion to deliver increased child and adolescent mental health acute assessment and treatment beds through the opening of Maple Ward, Bowmere Hospital with an increase in the contract with specialist commissioners of £2.8m. The Trust has also engaged in the competitive tendering process to provide services to nearby commissioners, with the successful award of a £1m contract to provide specialist learning disability services to Trafford Primary Care Trust (PCT), £283k contract to provide community eating disorders service to Warrington and Halton PCTs, and £1.2m contract to provide community drug services to Trafford Council.

Further developments in 2009/10, by service area, are listed below:

Adult mental health

- Completion of the implementation of the acute care approach to all areas of the Trust (which improves patient care by providing more rapid consultant psychiatrist response when needed and by freeing up nursing staff for more 1:1 care and other therapeutic interventions);
- The first Trust in the country to achieve all 75 standards in the Star Wards initiative across all inpatient areas of the Trust – "Absolute Monty" (see page 14 for more information);
- Refurbishment of Crewe Mental Health resource centre enabling clinical and administrative staff to be co-located;
- New front entrance and reception area in Millbrook Unit in Macclesfield;

- Provision of seven step-down (rehabilitation) beds at Limewalk House in Macclesfield, for people previously cared for in low secure services.

Child and adolescent mental health

- Development of a multi-systemic team in Wirral (a team that works in close partnership with the young person's family and community) in partnership with the youth offending service, following investment from Wirral PCT;
- Development of Tier 2 services for primary care mental health workers.

Learning disabilities

- Successfully part of the secure services framework, following competitive tender by specialist commissioners;
- Refurbishment of Mary Dendy Unit, Macclesfield;
- Completion of the green light toolkit with a green rating for all 12 areas (the green light toolkit describes what good mental health support services for people with learning disabilities look like, and gives a way of assessing how well local services measure up to it);
- Establishment of three health facilitator posts in mental health services;
- Establishment of the Intensive Re-enablement Team in Wirral to proactively support clients with complex needs in the community and reduce inpatient admissions.

Drug and alcohol

- Successful in being awarded the contract for provision of drug services in Trafford in partnership with Addiction Dependency Solutions (ADS);
- Wirral drug service has received national praise for its work on recovery and hosted a recovery event (for more information see page 16).

Occupational health

- The service was successful in being appointed as one of the contracted occupational health support teams to the North West Ambulance Service.

Performance against key targets

The Trust had a number of targets to achieve in 2009/10. 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
Patient Related			
Monitor	Admissions to inpatient services had access to crisis resolution home treatment teams	90%	100%
Monitor, also a Care Quality Commission indicator	100% Enhanced Care Programme Approach (CPA) patients receiving follow up contact within seven days of discharge from hospital	95%	98%
Monitor	Minimising delayed transfers of care	<=7.5%	2.16%
Monitor	Maintain level of crisis resolution teams set in 03/06 planning round (or subsequently contracted with PCT)	4	4
Care Quality Commision	Quality of Services	Not nationally determined	Good[1]
Care Quality Commission (National Treatment Agency)	Number of drug users in effective treatment	Threshold not yet published	89%
Non Patient Related			
Care Quality Commission	Management of Resources	Not nationally determined	Excellent
Monitor	Financial Risk Rating	4	4[2]
Care Quality Commission (Connecting for Health)	Information Governance Toolkit	Not nationally determined	88%[3]
Internal	Reduce overall sickness levels of staff	5%	5.15%

Some of these targets use external sources of data to assess performance. For more information contact the Trust at information@cwp.nhs.uk

[1] Please refer to the commentary in the chairman's foreword on page 5 regarding the background to this rating. Despite dropping from excellent to good, the Trust met all of the core standards - and external benchmarking showed that regulatory confidence in CWP performance on these standards rose well above average for the country. The 'good' rating occurred because of issues in relation to three out of the 11 specific national indicators (all others were met): Delayed transfers of care - underachieved (not quite good enough); Completeness of Mental Health Minimum Data set (MHMDS) – failed (performed poorly); Green light toolkit – underachieved (not quite good enough). All issues relating to the three specific indicators have been addressed and, in November 2009, the Trust made its mid-year declaration in respect of the core standards for the full year of 2009/10. The Trust declared full compliance with all core standards. On 1 April 2010, the Trust was successfully registered with the Care Quality Commission 'without conditions'.

[2] See next page (page 53) for more information on the financial rating.

[3] The highest possible score available to the Trust in the submission was 98% due to two of the items not being applicable. The Trust actual score, and receipt of confirmation from Connecting for Health confirms this is 92%. However due to an error with reporting the score the Trust is reported as 88% on national reporting.

Regulatory ratings

Commentary

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.

Throughout this year, as in 2008/09, the Trust achieved and maintained a positive financial risk rating. There were minor adverse variances (£59k and £4k) against the 'underlying performance' element of the plan for quarters 1 and 3, which resulted in a quarterly financial risk rating of 3. However this did not adversely affect the Trust's overall final financial risk rating for 2009/10 which was a 4.

The **governance rating** is determined by an assessment of five elements of each NHS foundation Trust's governance arrangements:

- legality of constitution;
- growing a representative membership;
- appropriate Board roles and structures;
- effective risk and performance management; and
- co-operation with NHS bodies and local authorities.

The Trust achieved and maintained the highest rating of green for the full year. This is an improvement over 2008/09 where the Trust rated amber all year due to the delayed transfer of care target not being met. During both last year and this, the Trust has invested significant time and effort, whilst working closely with partner organisations, to ensure that this area of underachievement was addressed and resolved. The Trust therefore achieved the expected performance set out in its annual plan for 2009/10.

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 2009/10.

	Annual Plan 2008/09	Q1 2008/09	Q2 2008/09	Q3 2008/09	Q4 2008/09
Financial risk rating	4	3	4	5	5
Governance risk rating	●	●	●	●	●
Mandatory services	●	●	●	●	●

	Annual Plan 2009/10	Q1 2009/10	Q2 2009/10	Q3 2009/10	Q4 2009/10
Financial risk rating	4	3	3	3	4
Governance risk rating	●	●	●	●	●
Mandatory services	●	●	●	●	●

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

Governance risk rating

Red - concern that issue(s) significantly breaches authorisation
Amber - concerns about one or more aspects of governance
Green - governance arrangements comply with authorisation

Mandatory services risk rating

Red - concern that issue(s) significantly breaches authorisation
Amber - concerns about one or more aspects of mandatory services
Green - mandatory services comply with authorisation

Sustainability/climate change

Commentary

The UK Government is committed to taking action on climate change and has introduced the Climate Change Act 2008, with legally binding targets for greenhouse gas emission reductions - through action to cut carbon emissions by at least 80% by 2050, with a minimum reduction of 26% by 2020.

The NHS has a carbon footprint of 18 million tonnes of CO2 per year. This is composed of energy (22%), travel (18%) and procurement (60%).

The Act introduced powers for government to require public bodies to carry out their own risk assessment and make plans to address those risks. In addition there is a new requirement for annual publication of a report on the efficiency and sustainability of the government estate. The NHS, Europe's biggest employer, has a role to play in responding to this challenge of carbon reduction and sustainable development - by adapting to the effects of climate change and by mitigating or minimising its impact through changes to services and human behaviour.

The NHS needs to consider this in the light of two key elements:

- The financial impact of rising fuel costs and carbon taxation, which means that NHS organisations will need to consider carbon reduction as part of their business processes;
- Climate change threatens the health of the public, so NHS organisations need to act to protect the health and future well-being of the population they serve.

In August 2008, the then Healthcare Commission requested that the NHS Sustainable Development Unit (NHS SDU) evaluate the data currently available to support the introduction of carbon reduction monitoring into the assessment of NHS organisations. The report "Carbon Reduction Metrics for Healthcare Regulation" published in March 2009 identifies this is a key first step in developing carbon reduction metrics for the NHS and ensuring that sustainable development is embedded within the regulatory framework.

Sustainable strategy

CWP is committed to be a leading sustainable and low carbon organisation. The Trust also accepts and recognises that our activities within wider geographical areas have potential impacts on the wider environment, for example increased car travel.

CWP has developed and improved our sustainable and environmental performance since May 2008 by implementing a sustainable strategy over time that ensures that our activities reduce risks to the health of the local population and reduce damage to the wider environment.

The Trust has an overall Sustainable Development Management Strategy 2010-12 which addresses the challenges of climate change and sustainable development. The key principles outlined in the strategy included a commitment to achieve 10% carbon reduction - proposed in the NHS Carbon Reduction Strategy for England: "Saving Carbon, Improving Health" published in January 2009. We have undertaken to incorporate and consider environmental sustainability in all our future plans and strategy in relation to energy and carbon management, travel, transport, design of our buildings, water, waste, partnerships and networks, and staff engagement.

CWP has examined all the areas highlighted in the national NHS Strategy and has developed actions and plans for where we can make improvements and progress. In addition the Trust fully embraces the ethos of sustainable development in all its forward planning by taking into consideration the impacts of climate change on the future needs of our service users, staff and local communities - as well as preparing for a longer term sustainable future.

Governance processes to support the management and reporting of sustainability performance for the current year include ensuring that the Sustainable Development Management Strategy 2010-12 is Board approved and led. Planning is monitored and supported by senior management input at bi-monthly strategy meetings. Monitoring and measuring mechanisms in place include an Energy Action Plan with carbon measurement tool, an Environment Action work plan, and a Waste Management Strategy with annual targets for waste reduction and

minimisation. Targets for annual carbon reduction are set within the Sustainable Development Management Work Plan reviewed annually and reported through data currently submitted by all trusts to the Department of Health, as part of The Estates Returns Information Collection (ERIC).

Summary performance

This year CWP has achieved a greater level of commitment to sustainable development by building on the partnerships with other Trusts in the area and being actively involved in planning for the future. This has been achieved by working together on sustainable projects with staff, local government in our geographical remit, communities, and services such as police and education. We have involved staff in smarter driver training and encouraged them to become 'Eco-reps' for their areas and buildings to help to spread the message that if we act as individuals we can collectively effect an overall change in our carbon footprint.

Area		Non-financial data (applicable metric) 2008/09	Non-financial data (applicable metric) 2009/10		Financial data (£000) 2008/09	Financial data (£000) 2009/10
Waste minimisation and management	**Absolute values for total amount of waste produced by the trust.**	General waste 349.3 tonnes 65% recycled	General waste 397.9 tonnes 90% recycled	**Expenditure on waste disposal**	**64**	**75**
	Methods of disposal (optional)	Healthcare waste 24.7 tonnes high temp disposal	Healthcare waste 25 tonnes high temp disposal			
Finite Resources	**- Water**	115,400 cu m	109,500 cu m	**- Water**	**171**	**167**
	- Electricity	1,847.1 tonnes CO2	1,204.6 tonnes CO2	**- Electricity**	**466**	**549**
	- Gas	2,326.7 tonnes CO2	2,439.2 tonnes CO2	**- Gas**	**518**	**561**

Key initiatives this year have included:

- Video conferencing for meetings
- Switch off! messages - IT equipment
- Network printing for teams
- Membership of 'Motorvate'
- Walk to Work Week - staff participation
- Recycling increased by 95% from levels in 2007
- Re-use of assets - office furniture and desks
- Reduction of waste – segregation scheme
- Paper, card and ink cartridge recycle schemes
- Energy awareness poster campaign
- Energy Savings Trust event
- Boiler replacement scheme in place
- Energy efficient lighting replacement
- Smart meter monitoring
- Eco reps – staff engagement spreading the message
- Bike user group – alternative transport and travel
- Local procurement - contracts and services
- Community engagement – 'Fair Trade'
- Collaborative working – local government and services projects
- NHS partnerships and networking

Future priorities and targets

The key areas of focus and development for CWP in 2010/11 are:

- Energy and carbon management: targets have been set within the Sustainable Development Management Plan of 10% reduction of Co2 from a base year level of 2007, by 2015 - in line with the NHS Carbon Reduction Strategy. This will take a stepped approach of percentages set over the five year period;
- Waste reduction and increased recycling projects;
- Adaptation to climate change by examining our performance in our built environments;
- Greener transport planning by use of alternative transport;
- Building on our partnerships and networks established to work together on sustainable planning for the future;
- Raising awareness by developing our staff 'Eco reps', getting them involved in campaigns and events that actively encourage sustainable and responsible behaviour towards better managing of our resources;
- Expansion of the new telephone system to enable free calls across Trust sites, which will also enable conference calls across all sites, saving travelling costs and time;
- Progression of a range of other initiatives including the government bike guarantee scheme, salary sacrifice scheme for staff bike purchase, bottled water review, and green transport group.

The priorities for the coming year are contained within the Sustainable Development Action Plan, progress against which will be monitored through the Sustainable Environment Strategy Group, which reports annually through the Operational Board.

Staff engagement (staff survey)

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. A number of committees and local joint meetings are in place which ensure that the views of staff at all levels of the organisation can influence decision making.

Rewarding staff is seen as key to staff engagement and supports the outcome of previous feedback from staff that they would value more formal recognition and praise. In 2009 the first annual staff achievement awards were held, also featuring the annual learning and long service awards – and a new monthly 'going the extra mile' award was launched, for more information see page 17.

Improving access to training has been a key theme this year. Management training has been delivered in partnership with Aston Business School and vocational learning in partnership with West Cheshire College. Funding secured via a Union Learn project has allowed the Trust to take forward its objective to improve basic numeracy and literacy skills for staff and a restructuring of mandatory training arrangements resulted in a significant increase in attendance at annual learning programmes.

In addition to conducting the NHS Staff Survey, the Trust took part for the first time in the Sunday Times 'best companies to work for' assessment (which ranks companies based on staff views of working there). Across both surveys 80% of staff were given the opportunity to provide feedback on working at CWP and thereby help shape future staff engagement work. The results of the staff survey have been presented to the Operations Board, Workforce and Organisational Sub-Committee, and Consultation, Negotiation, Partnership Committee and Local Medical Negotiating Committee. Further presentations – including to the Board of Directors – are scheduled for the start of the new financial year once the results of the best companies' survey have been fully analysed.

Several other surveys have been conducted throughout the past year to support a range of initiatives, including a survey on use of technology and remote working; and the 'Count me in' survey to better understand the mental health needs of staff within the trust. The 'CWP for Staff' Group led on this work and has continued to raise the profile of mental health issues and challenging stigma in the workforce. Over the next 12 months the group's focus will be on developing a mental health pathway 'well-being pool' for staff to access support from within the Trust and further support the well-being agenda.

Summary of performance – results from the NHS staff survey

	2008/09		2009/10		Trust Improvement
Response rate	**Trust**	**National Average**	**Trust**	**National Average**	
	54%	56%	56%	53%	Increase in 2% points

Summary of how the four scores in which CWP received the highest ratings from the 2008 survey have either improved or deteriorated in the 2009 survey:

	2008/09		2009/10		Trust Improvement / Deterioration
Top 4 Ranking Scores	**Trust**	**National Average**	**Trust**	**National Average**	
Question KF7 % of staff working in a well structured team environ-ment	46%	41%	44%	41%	2% deterioration, but above national average
Question KF23 – Fairness and effectiveness of	3.46	3.40	3.47	3.42	Improvement of 0.01 / above

procedures for reporting errors, near misses or incidents					national average
Question KF20 Availability of hand washing materials	4.54	4.47	69%	59%	Increase in % points / above national average
Question KF25 % of staff experiencing physical violence from staff in last month	2%	2%	1%	2%	1% improvement / below national average

Summary of how the four bottom ranked scores from the 2008 survey have either improved or deteriorated in the 2009 survey:

Bottom 4 Ranking Scores					Trust Improvement / Deterioration
Question KF19 % of staff suffering work related stress in last 12 months	35%	30%	31%	30%	4% improvement / closer to national average level
Question KF12 % of staff receiving job relevant training, learning or development in last 12 months	77%	81%	73%	81%	4% deterioration
Question KF10 % of staff using flexible working options	68%	72%	72%	72%	4% improvement / at national average level
Question KF21 % of staff witnessing potentially harmful errors, near misses or incidents in last month	34%	31%	26%	29%	8% improvement / below national average

Summary of the top and bottom ranked scores from the 2009 survey:

Top 4 ranking scores	Trust	National average
KF20 - % of staff saying hand washing materials are always available	69%	59%
KF3 - % of staff feeling valued by their work colleagues	82%	79%
KF2 - % of staff agreeing that their role makes a difference to patients	92%	90%
KF23 – Fairness and effectiveness of incident reporting procedures	3.47	3.42
Bottom 4 ranking scores		
KF12 - % of staff receiving job-relevant training, learning or development in last 12 months	73%	81%
KF22 - % of staff reporting errors, near misses or incidents witnessed in the last month	96%	97%
KF33 - % of staff able to contribute towards improvements at work	65%	68%
KF13 - % of staff appraised in last 12 months	70%	75%

Key areas of improvement:

- Staff training – generally, results were improved against those of 2008 (on 5 questions by more than 10%);
- Numbers of staff indicating that they have experienced stress related illness fell from 35% in 2008 to 31% in 2009;
- Rating for care for patients being a top priority consideration of managers rose from 47% in 2008 to 57% in 2009;
- The number of staff receiving equalities training increased by 11%;
- The number of staff receiving infection control training increased by 11%;
- The number of staff receiving training on handling patient information increased by 22%;
- The number of staff receiving training on how to give medication increased by 11%.

Areas of concern and action plans to address:

- The number of staff who felt they had experienced discrimination on the grounds of their age increased 22% - from 6% in 2008 to 28% in 2009;
- The number of staff who considered that the Trust had made adequate workplace adjustments to enable them to do their job properly reduced from 72% in 2008 to 47% in 2009;
- The number of staff who believe their manager encourages team working reduced by 5%;
- The number of staff who believe they can make improvements locally reduced by 5%.

Each of these factors will be considered in work looking at CWP's values, and behaviours linked to delivering those values, during the next year.

Future priorities and targets

- Both building on the improved performance shown in 2009 in respect of the numbers of staff undertaking essential skills training and improving the quality of that training experience;
- Taking forward work on values by focusing on the core behaviours which staff and managers should consistently display within the workplace - one part of which will focus on the key importance of employee appraisal;
- Looking to improve workforce well-being by building on the work undertaken during 2009 – for example, in following through the results of the 'Count me in' census;
- Refreshing the approach taken internally to mainstreaming equality and diversity in workforce management;
- A continued focus on ensuring the widest realistic engagement of trust staff (including recognised trades unions and professional bodies) in workforce related plans and projects.

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.

Equality and diversity

Commentary

The Equalities and Human Rights Group continued to meet throughout 2009/10, focusing its work on addressing specific needs of disadvantaged staff and service users through a work plan. It was chaired throughout by a senior operations manager. Reporting to a parent Workforce and Organisational Development Sub-committee, the group's performance was monitored against an approved work plan.

Statutory publication scheme responsibilities (which are the publication duties the Trust has to comply with for equality and diversity data) were met – the scheme being published on the Trust's internet site. Follow up work will be undertaken during 2010/11 on particular aspects of the Trust's working practices as a result.

Considerable further work was done under the Mindful Employer ® brand (see reference on page 14 for more information), including the conducting of a 'count me in' census and speaking at a number of conferences to promote the importance of focusing on how people with experience of mental ill health can contribute significantly in the workplace.

The Trust's overall workforce continues to have a higher number of black and minority ethnic employees than are present in our service area population. For the first time, the number of employees declaring themselves to have a disability exceeded 1% of the total workforce (doubling in number from 2008/09).

How performance is monitored

The Equalities and Human Rights Group reports to the Workforce and Organisational Development Sub-committee, with performance monitored against an approved work plan.

Action plans and timeframe to address any shortfalls

Over the course of the last 12 months, the Trust has:

- Continued to co-ordinate and monitor developments and initiatives within equality and diversity through an Equalities and Human Rights Group, reporting to the Workforce and Organisational Development Sub-Committee. The group has an action plan which gives a focus to its work;
- Continued to meet its statutory obligation to publish (annually) a range of information about the make up and performance of its workforce – the summary can be seen on the Trust's website;
- Attracted a diverse field of applicants for the role of chief executive during the autumn of 2009;
- Commenced a stakeholder review of the way in which people with disabilities are able to access employment within the Trust – with a review team comprising of patient and public involvement (PPI) representatives only;
- Become a member of a Local Employment Partnership, a scheme organised by Job Centre Plus with the primary aim of enabling longer term unemployed people to get back into employment;
- Continued our support of the Mindful Employer ® initiative including leading the regional Mindful Employer network – see page 14 for more information;
- As part of the process of improving the quality of equality impact assessments, commissioned training from an external provider to run a course for managers. The first round of service equality impact assessments was subsequently completed;
- Completed a substantial self assessment process run by the Strategic Health Authority – showing that the Trust was in a 'developing' position with regard to driving forward equality and diversity initiatives.

Summary of performance – workforce statistics

Set out below is a summary of the equality statistics published in line with the Trust's publication duties. The total number of staff employed by CWP in 2009/10 was 2697. As shown below the majority of staff are over the age of 22 and 75% are female. The ethnic background of the workforce is more than representative of the local population in respect of ethnic minority staff. For the second year running, the Trust has doubled the number of staff who have declared that they have a disability (albeit to a total of only just over 1% of the whole of the workforce). For a summary of membership statistics see the membership section on page 20.

	Staff 2008/09	%	Staff 2009/10	%		Member-ship 2008/09 (excluding staff members)	%	Member-ship 2009/10 (excluding staff members)	%
Age					**Age**				
0-16	0	0	0	0	**0-15**	269	2.81	166	1.4
17-21	12	0.4	9	0.3	**16-25**	2318	24.2	3061	25.92
22+	2739	99.6	2688	99.7	**26+**	6556	68.45	7023	59.46
					Not specified	435	4.54	1561	13.22
Ethnicity					**Ethnicity**				
White	2615	95%	2566	95.1	**White**	8864	92.55	10954	92.74
Mixed	16	0.6%	18	0.7	**Mixed**	68	0.71	85	0.72
Asian or Asian British	46	1.7%	42	1.5	**Asian or Asian British**	169	1.76	186	1.57
Black or Black British	20	0.7%	22	0.8	**Black or Black British**	74	0.77	93	0.8
Other	54	2%	49	1.8	**Other**	403	4.21	493	4.17
Gender					**Gender**				
Male	694	25.2	663	24.5	**Male**	3580	37.38	4292	36.34
Female	2057	74.8	2034	75.4	**Female**	5998	62.62	7519	66.66
Trans-gender	0	0	0	0	**Trans-gender**	0	0	0	0
Recorded Disability	20	0.73	36	1.33	**Recorded Disability**	933	7.9	1191	10.1

Priorities and targets going forward

Statement of key priority areas - key priority areas for 2010/11 will be:

- Completion of review of trust wide single equality scheme and follow through implementation – including the adoption of a three years action plan;

- Following through the results of the equality impact assessment work carried out in 2009/10 – in particular increasing the involvement of Trust staff from disadvantaged groups in ensuring that the priorities adopted in action plans are closely tied in to feed back in the staff survey;

- Using some of the information from the statutory publication scheme as the basis for further investigation of possible trends in the workplace.

For a summary of membership priorities see the membership section on page 20.

Measuring outcomes and monitoring arrangements

All significant projects will continue to have specific anticipated outputs and outcomes and 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. Progress on and outcomes of membership initiatives will be monitored through the Council of Governors' Communications, Membership and Patient and Public Involvement Strategy sub-group.

The position of the Trust at the end of March 2010 –

The Trust ended the year with a surplus of £1,999,000 and an existing rating by the Health Care Commission of 'good' for quality of services and 'excellent' for use of resources.

The main trends and factors underlying the development, performance and position of the Trust during the last 12 months can be summarised as follows;

- At the beginning of 2009/10 the Trust knew that it was facing some challenges with regard to meeting the Government's efficiency targets and the medium term position in respect of some of our inpatient facilities. These two issues led CWP to initiate two key public consultations, the outcome of which when complete will be taken forward in 2010/11. The Trust achieved its efficiency targets in year, although some elements were addressed non-recurrently. The challenge is to ensure that these targets are achieved permanently.

- The Trust put in place robust plans to prepare for the impact of a flu pandemic, and in particular this year, swine flu. The planning and response was robust and the issues arising through the summer / autumn had minimal impact on service delivery. This year CWP was well placed to assist with the greater pressure arising in the acute sector, thus providing beds on occasion as part of the local health economy emergency response.

- Contracts with the Trust's main commissioners were renewed by the year end ensuring security of Trust funding. This is not to say that the position will not be subject to change in the next 12 months as further funding pressures experienced by commissioners impact on the services CWP provides.

- Throughout the year the Trust reinforced its integrated governance systems, in the latter months recruiting an Associate Director of Compliance, Quality and Assurance to strengthen the already comprehensive arrangements in place. The Board and Council of Governors have also reviewed the Francis Report into Mid Staffordshire Foundation Trust, and subsequently the Trust has worked through a process of assurance regarding the issues and learning points arising from this.

- The gaining of new contracts and careful use of resources meant that the Trust over-achieved its planned EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) margin with a return of £8,449,000. Excluding an unpredicted charge for the impairment of property values of £2,032,000 the Trust would also have over-achieved its planned surplus margin of £3,509,000. The Trust's financial risk rating was assessed at the year end as a level 4. The Trust's performance on the relevant financial metrics can be demonstrated in the table below:

Financial criteria	Metric	Performance	Rating
Achievement of Plan	EBITDA achieved	130.0%	5
Underlying Performance	EBITDA margin	6.4%	3
Financial Efficiency	Return on Assets (ROA)	10.3%	5
Financial Efficiency	Income and Expenditure (I&E) surplus margin	3.3%	5
Liquidity	Liquidity ratio	48.1 days	4
Overall rating			**4**

Statement on income

The Trust outlined in its 2009/10 Annual Plan that it anticipated its commissioners would invest approximately £4.3m in expanded or new services. 90% of this income was achieved in the current financial year.

Statement on running costs

Every year the Trust's running costs increase in line with inflation and other NHS related cost pressures. In addition, where the Trust expands or takes on new services, pay and non pay costs increase proportionately. Employee costs for the year included a 2.4% national pay award increase.

Statement on assets

At the end of the year the Trust's professional valuers reviewed and updated the modern equivalent asset (MEA) valuation for Trust property (land and building assets) using the depreciated replacement cost method for specialised operational property and existing use value for non-specialised operational property. This resulted in a net impairment of £2.3m. Brought forward revaluation reserves were insufficient to absorb the full impairment and £2.0m of the impairment was consequently taken as an impairment loss to the Statement of Comprehensive Income. The net book value of property, plant and equipment has increased by £3m during the year from £53.7m to £56.7m. Of this, £7.2m related to capital additions which were offset by depreciation of £1.9m and the above-mentioned impairment of £2.3m.

Statement on cash

The Trust ended the year with a cash equivalent balance of £18.1m. This was a £1.4m decrease over cash and bank investments held at the end of the previous year and primarily reflected the larger capital expenditure programme which was undertaken. It should be noted that in respect of the land sold at its West Cheshire site, the Trust awaits the receipt of the net final instalment of £2.2m in 2010.

Going concern

Through its financial statements and financial performance indicators, the Trust demonstrates a strong underlying and improving financial position. The 2010/11 Annual Plan shows ongoing surpluses. The directors' view therefore is that the Trust is a going concern and they 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

The Trust dealt with various risks in the year, with the most significant of these being:

- **Possibility of flu pandemic that would impact on all Trust services –** this was a risk faced by all Trusts in 2009/10. The Trust has a Preparedness Policy on Pandemic Influenza developed for a potential flu pandemic, which was activated at this time. The Trust held weekly meetings with representatives from all areas to share regular communications from the Department of Health, Strategic Health Authority and NHS Gold Cheshire (Western Cheshire Primary Care Trust takes on the lead role 'gold command' for Cheshire NHS Trusts during emergencies). A vaccination programme was rolled out across the Trust and sickness rates were monitored daily.

- **Potential risk of self harm and risk of increased infection to service users due to damaged beds within the Trust -** this risk was identified during a routine infection control audit. The Trust contacted the manufacturers and also reported the issue to the Medicines and Healthcare Products Regulatory Agency, so that other Trusts could be notified. A report was submitted to the Trust's Operational Board and a replacement programme was agreed.

- **Possible failure to achieve cost improvement plan -** this is a financial risk that the Trust monitors very closely, as any failure to achieve the required cost improvement target within 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 help produce efficiencies without reducing quality.

- **Risk to timeliness of data collection due to lack of capacity and capability of host Trusts -** during the year the Trust has reviewed the Service Level Agreements in place which has set out standards and monitoring for timeliness of data provision.

- **Risk relating to some unsuitable child and adolescent mental health (CAMHS) accommodation -** this was elevated from the CAMHS services due to concerns regarding observation and absconding. The Trust undertook a series of risk assessments at a number of locations and put in immediate safety measures. There is an also an ongoing capital programme in place within the Trust which ensures that these measures are maintained. The service line has also ensured that staff training and awareness of policies have been heightened. Scoping is underway for alternative accommodation for the service.

- **Land sale proceeds –** The risk that the land sale may not generate as much income as anticipated remains moderately high on the Trust's risk register and is kept under continual review. See also Note 1.3 to the Accounts on page 116.

The Trust dealt with these risks in a pragmatic and appropriate manner, where actions could be taken to control and reduce the level of risk. The Trust acted to ensure that none of the above impacted upon the quality and continuity of service delivery. Some of these risks remain for the next financial year, particularly those arising from 'World Class Commissioning' (which is a relatively new approach to commissioning - for Primary Care Trusts - that aims to deliver a more strategic and long-term approach). The Trust will also be considering the financial position of its commissioners and local authority partners, which will be impacted upon by the general condition of the economy.

Other trends and factors underlying the development, performance and position of the Trust in the future can be summarised as follows:

- Pressures on the budgets of health and social care commissioners due to the current and emerging national and global financial position.

- The Trust aligned its services into service units / lines in early 2010 (as part of service line management / reporting this approach aims to have greater clinician and service manager involvement in decision making, whilst improving the information that is available to make those decisions). This will be a key driver for how the Trust further develops its services over the next 12 months.

- The provision of Improving Access to Psychological Therapies (IAPT) scheme remains a challenge for the Trust, working with its commissioners. This is due to some start-up problems when the service was established and also issues in relation to commissioning budgets. Despite this some excellent achievements have been made by the service – see page 14. The Trust will be working with commissioning to redesign the service, and the pathways into the service.

- The Trust launched a number of consultations during the year including two public consultations as referred to on page 64.

- The Trust also ran a consultation at the end of 2009 on assertive outreach services being provided by community mental health teams, as opposed to stand alone teams. This new model commenced in February 2010 and will be closely monitored to ensure that any risk is identified and managed.

Pensions and other retirement benefits

The Trust's accounting policies for pensions and other retirement benefits for staff can be found in Note 1.16 to the Accounts. Details of the remuneration and pension benefits of senior managers can be found in the Remuneration Report on page 68.

Patient and staff surveys

See page 9 for patient surveys and page 58 for staff surveys.

Complaints handling

During the reporting period a total of 216 complaints were received by the Trust, which is a decrease of 7.3% on last year's figure. In response to the Department of Health's "Making Experiences Count" consultation, the precursor to the new complaint regulations now in operation in England, the Trust established a triage system for managing complaints, namely red, amber and green. 78% of complaints received by the Trust were triaged as green, requiring a local level of intervention for resolution. 18.5% of complaints received were triaged as amber, requiring an investigation and letter of response from the general manager of the service. 3.5% of complaints received were triaged as red, which require an investigation and response from the Chief Executive.

The main themes of complaints fell into the following five categories in respect of the care which CWP provides: aspects of clinical treatment, communication, staff attitude, privacy and dignity, and outpatient appointment delays or cancellations. These themes account for 75% of all complaints. CWP did not receive any complaints relating to military personnel needs or breaches of single sex accommodation guidance. See page 9 for more information on learning from feedback.

Significant partnerships and alliances entered into by the Trust

The Trust works 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 also engaged with third sector providers in terms of service developments such as Addiction Dependency Solutions (ADS) with whom the Trust won a contract to deliver drug services in Trafford. The Trust and ADS see this as a key strategic partnership and have committed to work together on further service developments. 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.

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. CWP is also working in alliance with Wirral University Hospitals Trust to enable staff in the eating disorders service to develop skills and competencies in physical healthcare to ensure a smooth pathway for people with additional physical health care needs.

The Trust is committed to delivering health care in its broadest sense and has developed two projects in the period to provide for improved employment support for mental health service users in the Wirral. One project aimed at improving the awareness of local employers was successfully undertaken with local unions, and a second project funded by the European Social Fund was targeted at enabling over 100 people with mental health problems to access employment (for more information see Work and well-being on page 14). CWP is now working in partnership with the Richmond Fellowship to develop individual placement and support services for people with severe and enduring mental illness to support them in the workplace.

Looking forward

CWP will be aiming to continue to sustain and improve the quality of the services it provides, ensuring the delivery of value for money. This will be critical as the Trust operates in an increasingly more challenging economic environment over the next few years. CWP will be working closely with commissioners and local health and social care organisations to improve people's experience of services across care pathways. In addition the Trust will continue to look for opportunities to develop and expand existing services, for example adult attention deficit hyperactivity disorders and eating disorder services. Change to the legislation on private income for mental health trusts presents new opportunities for service development and CWP's plans will ensure the Trust maximises the benefits for re-investing earned income in services for NHS patients. CWP has recently been notified that it has been awarded the contract to provide drug services in Trafford and is looking forward to working more with Trafford commissioners in the future. For further details as to the Trust's firm plans and further aspirations please refer to the Annual Plan for 2010/11.

Remuneration Report

Tables showing the remuneration and the pension benefits of senior managers have been audited and are at the end of this report.

- Ms S Cumiskey, formerly Chief Executive of Trafford Primary Care Trust was appointed Chief Executive of the foundation trust from 22 February 2010. She replaced Mr P Cubbon who left on 16 August 2009 to become Chief Executive of West London Mental Health Trust.
- For the period 17 August 2009 to 21 February 2010, Dr I Davidson, Medical Director, was appointed to the position of Interim Chief Executive and Dr M. Wilkinson, Consultant Psychiatrist, was appointed to the position of Acting Medical Director (see reference A.3.2 on page 85 of the Code of Governance: 'the post of Medical Director is shared by two people').
- Mr A Styring, who took up the post of Acting Director of Operations in January 2009, was appointed Director of Operations on 18 May 2009.
- Dr V Sharma, formerly Associate Medical Director, was appointed Medical Director with responsibility for: Compliance, Risk and Research and Development also with effect from 18 May 2009 (see reference A.3.2 on page 85 of the Code of Governance: 'the post of Medical Director is shared by two people').
- Mr J Short, Chief Operating Officer, who went on secondment to Leicestershire Partnership NHS Trust on 4 January 2009 accepted a permanent position with that Trust in April 2009.

The Remuneration Committee (Remuneration and Terms of Service Committee) 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 this Committee. 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 Committee (Remuneration and Terms of Service Committee) comprises the Chair and all Non-Executive Directors. It met on three occasions during the year. Attendance is detailed in the table below. The Associate Director of Workforce Development, Mr R Nielsen, provided advice to the Committee on each occasion. At the Committee's invitation and in accordance with its terms of reference, the Chief Executive also attended part of the April 2009 and March 2010 meetings in an ex-officio capacity.

Non-Executive Directors	Attendance		
	April 2009	September 2009	March 2010
D Eva (Chair)	√	√	√
F Clark	√	√	√
G Hope-Terry	√	√	√
R Howarth	√	√	√
C Kirk	x	√	√
S McAndrew	√	x	x
G Owen	√	√	√

Note 3.5 Audited Remuneration of Senior Managers	31 March 2010			31 March 2009		
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (rounded to the nearest £100)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in Kind (rounded to the nearest £100)
	£000	£000	£00	£000	£000	£00
S Cumiskey - Chief Executive (from 22/2/10)	15-20	0	0	0	0	0
P Cubbon - Chief Executive (to 16/8/09)	55-60	0	0	145-150	0	0
R Preen - Director of Finance	105-110	0	53	100-105	0	62
Dr I Davidson - Medical Director (Interim Chief Executive 17/8/09 - 21/2/10)	45-50	160-165	0	45-50	140-145	0
Dr M Wilkinson – Acting Medical Director (17/8/09 – 21/2/10)	15-20	45-50	0	0	0	0
Dr V Sharma – Medical Director: Compliance, Risk and Research and Devlop't from 18/5/09 (Associate Medical Director 1/4/09 – 17/5/09)	35-40	180-185	0	15-20	170-175	0
A Devaney - Director of Nursing, Therapies & Patient Partnership	85-90	0	58	80-85	0	58
A Styring – Director of Operations from 18/5/09 (Acting Director of Operations 5/1/09 – 17/5/09)	90-95	0	0	20-25	0	0
D Eva – Chairman	40-45	0	0	35-40	0	0
F Clark – Non Executive Director	10-15	0	22	10-15	0	33
G Hope-Terry - Non Executive Director	15-20	0	0	10-15	0	0
R Howarth - Non Executive Director	10-15	0	0	10-15	0	0
C Kirk - Non Executive Director (from 1/1/09)	10-15	0	0	0-5	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

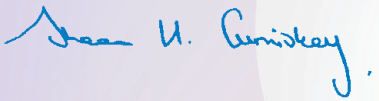
Note Benefits in kind are in respect lease cars and childcare provided by the NHS foundation trust.

Audited Pension Benefits of Senior Managers	Real increase in pension at age 60	Real increase in lump sum at age 60	Total accrued pension at age 60 at 31 March 2010	Lump sum at age 60 related to accrued pension at 31 March 2010	Cash Equivalent Transfer Value at 31 March 2010	Cash Equivalent Transfer Value at 31 March 2009	Real Increase in Cash Equivalent Transfer Value
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)			
	£000	£000	£000	£000	£000	£000	£000
S Cumiskey - Chief Executive	0-2.5	0-2.5	40-50	130-135	762	687	4
P Cubbon - Former Chief Executive	2.5-5.0	7.5-10.0	25-30	75-80	547	437	88
R Preen - Director of Finance	0-2.5	0-2.5	20-25	60-65	294	256	25
Dr I Davidson - Medical Director	0-2.5	0-2.5	70-75	220-225	1,708	1,638	0
Dr M Wilkinson – Acting Medical Director	0-2.5	0-2.5	15-20	55-60	0	0	0
Dr V Sharma - Medical Director: Compliance, Risk and Research and Development	0-2.5	0-2.5	60-65	190-195	1,491	1,356	68
A Devaney - Director of Nursing, Therapies & Patient Partnership	0-2.5	5.0-7.5	25-30	85-90	483	407	55
A Styring - Director of Operations	0-2.5	5.0-7.5	45-50	135-140	1,003	868	92

Note 1) Non-Executive Directors do not receive pensionable remuneration.

Note 2) 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. CETVs are calculated

within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. Real Increase in CETV: this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accumulated pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Sheena Cumiskey, Chief Executive **3 June 2010**

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 – 5 (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 (from February 2010)
Fiona Clark	1 July 2008	3 years – to 30 June 2011	Peter Cubbon – chief executive (to August 2009)
❖Geoff Hope-Terry	1 November 2006	❖To 31 October 2010	*Ian Davidson – medical director & deputy chief executive
❖Ron Howarth	1 June 2006	❖❍To 31 October 2010	Avril Devaney – director of nursing, therapies & patient partnership
Carol Kirk	1 January 2009	3 years – to 31 December 2011	Ros Preen – director of finance
Stephen McAndrew - deputy chair & senior independent director	1 July 2008	3 years – to 30 June 2011	**John Short – chief operating officer (to January 2009)
❖Grahame Owen	1 June 2006	❖❍To 31 October 2010	***Vimal Sharma – medical director
♦Previous term of appointment was 1 December 2005 – 30 November 2009 ❖Non-executive directors whose initial appointment was made pre-Foundation Trust status for 4 year terms of office. As per the Trust constitution the initial Chair and Non-executive directors were appointed for the unexpired period of their term of office ❍Appointment lengths extended from 31 May 2010 to 31 October 2010 by Council of Governors in February 2010			****Andy Styring – director of operations *****Maureen Wilkinson – medical director

*Dr Ian Davidson is the Trust's medical director and deputy chief executive. From August 2009 to February 2010 he was interim chief executive.
**John Short was the Trust's chief operating officer who went on secondment to another trust in January 2009. He subsequently left the employ of the trust mid 2009.
***Dr Vimal Sharma was acting medical director until May 2009. He was appointed as medical director (compliance, risk, research and development) in May 2009.
****Andy Styring was acting director of operations until mid 2009. He was appointed as director of operations in May 2010.
*****Dr Maureen Wilkinson was the Trust's acting medical director from August 2009 to February 2010 whilst Dr Ian Davidson was interim chief executive.

The Council of Governors is responsible for the appointment and removal of non-executive directors. Non-executive appointments may be terminated if they become ineligible to hold the position during their term of office, details of which are set out in the trust's constitution (annex 7).

Based on the criteria cited in the code of governance the Board of Directors considers that all of its non-executive directors are independent.

During 2009/2010 the Board of Directors met monthly excepting August. At least four of its meetings per annum have been held in public since authorisation as a foundation trust and from December 2009 the Board has held a meeting in public each month.

Directors' attendance at meetings during the year – possible and actual – is shown below:

Director	Board of Directors	Audit committee	Governance and risk management committee	Finance, performance and planning committee
Fiona Clark	11 out of 13		6	
Peter Cubbon	5 out of 5		0 out of 2	2 out of 2
Sheena Cumiskey	2 out of 2		1 out of 1	1 out of 1
Ian Davidson (deputy chief executive & medical director)	6 out of 7			
Ian Davidson (interim chief executive)	5 out of 6		4 out of 4	2 out of 3
Avril Devaney	12 out of 13		7 out of 7 (of which one was attended by a nominated deputy)	
David Eva	13 out of 13			
Geoff Hope-Terry	13 out of 13	7 out of 7		
Ron Howarth	12 out of 13		6 out of 7	5 out of 6
Carol Kirk	12 out of 13			6 out of 6
Stephen McAndrew	13 out of 13	3 out of 7		
Grahame Owen	11 out of 13	7 out of 7		
Ros Preen	12 out of 13		4 out of 7 (of which three were attended by a nominated deputy)	5 out of 6
Vimal Sharma	10 out of 13		3 out of 7	
Andy Styring	12 out of 13			4 out of 6
Maureen Wilkinson	4 out of 6			

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

David Eva	Chairman appointed to former NHS Trust April 2002, reappointed December 2009
Experience	• North West Regional Manager, Union learn • Curriculum Manager, Knowsley Associates • Member of North West Regional Employability Group • Member of Liverpool City Region Employment and Skills Board • North West Apprenticeship Champion • Member of the Greater Manchester Employment and Skills subgroup • Member of Cheshire and Warrington Economic Alliance Skills subgroup • Former Reviewer with Healthcare Commission (predecessor to Care Quality Commission) • Former Chairman of Wirral and West Cheshire NHS Trust • Former Non-Executive Director of Wirral Community NHS Trust and Member of Wirral District Health Authority • Former Member of NHS National Training Authority
Qualifications & Memberships	• Physiology and Biochemistry BSc, MSc • Postgraduate Diploma in Regeneration

Sheena Cumiskey	Chief Executive - appointed February 2010
Experience	• 26 years experience in the NHS, 14 years at Chief Executive level • Former Chief Executive of both commissioning and provider organisations • Worked at strategic and operational levels within the NHS
Qualifications & Memberships	• BA Hons • General Management Training Scheme graduate • Member of the Institute of Health Service Managers

Peter Cubbon	Chief Executive - appointed July 2006 to August 2009
Experience	• 31 years experience in the NHS, of which 18 years at Board Level • Former Acting Chief Executive of North Cheshire Health Authority • Former Chief Executive of Trafford South Primary Care Trust • Former Chief Executive of Eastern Cheshire Primary Care Trust • Former Chief Executive of Future Healthcare Project for Eastern Cheshire
Qualifications & Memberships	• Diploma in Podiatric Medicine • General Management Training Scheme graduate • Post Graduate Diploma in Strategic Health Management

Fiona Clark	Non-Executive Director - appointed March 2004, reappointed July 2008
Experience	• Specialist Advisor – The Tuberous Sclerosis Association • Disability Qualified panel member for Tribunal Service hearing appeals against Disability Living Allowance and Attendance Allowance • Member – Employment Tribunals • 13 years experience in NHS as a senior nurse, midwife and clinical manager • 10 years experience working at senior management and strategic level in both large and small voluntary sector organisations
Qualifications & Memberships	• Registered General Nurse • Registered Midwife • BA (Dual Hons) Human Resource Management and Business Administration (First Class) • MA Medical Ethics (Keele)

Ian A. Davidson	Consultant Psychiatrist & Medical Director/Deputy Chief Executive - appointed Medical Director August 2002 (interim Chief Executive, August 2009 – February 2010)
Experience	• Extensive medical management experience over 20 years including local and regional contributions such as Clinical Director and lead for Information Management &Technology and Research & Development amongst others • Extensive educational experience including at University, Deanery and regional levels • National and international profile for medical and clinical engagement including Chair of the NW Mental Health group of NHS Next Steps (Darzi review) • Local, regional and national level recognition for developing and delivering governance and innovation • Over 7 years experience at Trust executive level including two periods as acting Chief Executive and currently also Deputy Chief Executive • Recognised for turnaround skills, as someone who can promote and deliver sustained success and service change using integrated models • Previously Clinical Director in Liverpool and in Wirral and West Cheshire Community NHS Trust
Qualifications & Memberships	• MB BCh BAO • MRCPsych 1984 (FRCPsych 2001) • MA Medical Ethics and Law 2006

Avril Devaney	Director of Nursing, Therapies and Patient Partnerships - appointed January 2003
Experience	• 27 years experience working in Mental Health and Drug and Alcohol Services • Eight years experience at Board level • Initiated funding bids, secured income and established new and innovative interagency services • Received the Queen's Nursing Institute award for Innovation in 1999 in recognition of work • Led the development of Patient and Public Involvement and established productive relationships with partner organisations • Worked with local and national media including TV, radio and press

	• Member of three local safeguarding children's boards • Lead for North West Mindful Employer ® Network
Qualifications & Memberships	• Registered Nurse (Mental Health) • Diploma in Counselling • MSc in Health and Social Care (research subject was Nurse Leadership and Organisational Change)

Carol Kirk	**Non-Executive Director, appointed January 2009**
Experience	• Specialist in structuring and delivering new business ideas • Managing Director, Branza Limited (UK) – Business Initiatives • Head of Communications and Consultation – the Co-operative Group Eco-Town Bid • Former Board member – Co-operative Legal Services • Former President and Board member – Amicus Financial Internet Bank (Canada) • Former Vice President – Electronic banking Ventures, Canadian Imperial Bank of Commerce (CIBC) • Former Vice President – Finance Initiatives, CIBC
Qualifications & Memberships	• BA Business Administration (with computer science and maths options), (Canada 1984) • MSc Management (UK 1986) • Certified Management Accountant (Canada 1992) • Rotary scholar

Geoffrey Hope-Terry	**Non-Executive Director, appointed November 2006**
Experience	• Trained as an accountant in the private sector in the 1970s • First Finance Director role with Morganite Thermal Ceramics, part of the international Morgan Crucible Group, in 1986 • Held Finance Director roles in a range of private and public sector organisations • Retired as Director of Finance at the University of Manchester in December 2006

Qualifications & Memberships	• Gained wide experience of Non-Executive Director roles in a number of companies over the last 11 years • Currently leading a national group looking at procurement strategy in the Higher Education sector • Other Directorships are: Finalysis Ltd (banking; treasury and debt specialists) and NWUPC Ltd (a purchasing consortia for universities) • Fellow of the Association of Chartered Certified Accountants (FCCA) since 1986

Ron Howarth	**Non-Executive Director - appointed June 2006**
Experience	• Retired Commercial Banker. Latterly a Director of Corporate Banking RBS / NatWest group North West Region • Non-Executive Director and Chair of the Audit group, Cheshire Area Probation Board • Former Non-Executive Director and Chair of Finance, Liverpool & Manchester Design Initiative Limited (a Registered Charity promoting local design capability) • Former Independent member – Birkenhead and Wallasey Primary Care Trust NHS Agenda for Change Implementation Project Team
Qualifications & Memberships	• ACIB (Associate of the Chartered Institute of Bankers) • Associate member, Globecon (International Corporate Finance and Capital Markets training organization)

Stephen McAndrew	**Non-Executive Director, Deputy Chair & Senior Independent Director - appointed April 2004, reappointed July 2008**
Experience	• Strategic Development Director, Serco Health • Managing Director, Health Care Risk Resources International Limited • General Manager, Lister BestCare Limited • Head of International Marketing and Logistics, KeyMed (Medical and Industrial Equipment) Limited • Director – GSTS Pathology LLP • Extensive publications and presentations on risk management in healthcare

Qualifications & Memberships	• Member of the International Society for Quality in Healthcare • Fellow of the Royal Society of Arts • Fellow of the Royal Society of Medicine • BA Psychology

Grahame Owen	**Non-Executive Director - appointed June 2006**
Experience	• 30 years experience in the Information Technology industry, including project and contract management • Former school governor • Former Trustee of a local children's charity • Former member of East Cheshire Patient and Public Involvement Forum • Committee member of the General Social Care Council and • Lay member of the Nursing and Midwifery Council
Qualifications & Memberships	• Master of Business Administration • MSc Control Systems • BSc Electrical Engineering

Ros Preen	**Director of Finance - appointed May 2006**
Experience	• Director for the Trust for the past 4 years • 20 years experience in Finance in the NHS. • Worked in most sectors of the NHS - both provider and commissioner • Former Acting Directorships at Wolverhampton Healthcare and Mersey Care NHS Trust • Former Research Accountant for Developing NHS Costing and HRG Development (forerunner to Payment by Results) • School Governor. • Member of Healthcare Financial Management Association (HFMA) • Chair of the HFMA Mental Health Faculty
Qualifications & Memberships	• Chartered Management Accountant (CIMA) since 1997

Vimal Sharma	Consultant Psychiatrist & Medical Director (Compliance, Risk, Research & Development) – appointed May 2009
Experience	• 25 years experience as NHS consultant with significant contribution to service innovation and development • Served as Clinical Director to Wirral adult mental health services, associate Medical Director (modernization), deputy Medical Director and Director of Effective Practice • Extensive experience of research with over 30 peer reviewed published papers. Deputy Lead of North West Hub, Mental Health Research Network. HTA-TPP (Department of Health) panel member 2004-2008. Honorary Senior Lecturer, Liverpool University. PI of the National EDEN research project (Evaluation of Early Intervention in Psychosis) • Developed a standardised assessment and diagnostic interview – the Global Mental Health Assessment Tool (GMHAT) translated into various languages and used in many countries • Significant contribution to education and training through the Royal College of Psychiatrists and Liverpool University
Qualifications & Memberships	• MBBS 1977 • MD 1980 • MRCPsych 1984 (FRCPsych 1997) • PhD 1993

Andy Styring	Director of Operations - appointed May 2009
Experience	• Lifelong in living with and alongside people with learning disabilities • Professional 35 years as nurse, teacher and senior manager in services for children and adults with learning disabilities • Several senior clinical posts in children's and adults' learning disability services spanning career • Board level posts at acting and substantive level in mental health and learning disability services • Former Healthcare Commission associate • Member of local Safeguarding Children Boards • Member of Learning Disability Partnership Boards • Member of executive commissioning group for mental health and learning disability services across Cheshire and Wirral • Wide ranging expertise in strategic service development and change management

Qualifications & Memberships	• Former staff governor • Passionate about partnerships and team building • Registered nurse (learning disabilities)

Maureen Wilkinson	**Acting Medical Director, August 2009 – February 2010**
Experience	• 26 years as Consultant Psychiatrist in adult mental health in Liverpool, Africa and Aylesbury. Includes 6 years as the only Psychiatrist for Malawi – population 10 million • Consultant Psychiatrist with CWP since 1999 • Clinical Tutor and Clinical Director, Wirral before becoming Associate Medical Director (Medical Workforce) – Planning and Performance • Lecturer in Mental Health for Developing Countries at Liverpool and London Schools of Tropical Medicine and University of Copenhagen
Qualifications & Memberships	• MBChB, Bristol 1972 • DObst RCOG, Liverpool 1973 • DTM&H, Liverpool 1974 • MRCPsych, 1979 • FRCPsych, 2004

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:

- Early in 2010 the whole Board participated in an assessment exercise relating to the strengths and weaknesses of the corporate Board and the skills of its directors
- Individual appraisal and performance development planning (executive and non-executives)
- Preparation of annual reports by key governance committees (received by the Board of Directors)

The chair's other significant commitments are detailed in the pen portrait shown on page 74 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.

Directors can be contacted by e-mail via details on the Trust's website www.cwp.nhs.uk, or via the company secretary on 01244 391408.

• Audit committee

During the year, the chair of the audit committee was non-executive director Geoff Hope-Terry. Its other members were non-executives Stephen McAndrew and Grahame Owen. The attendance of audit committee members at its meetings is shown in the table above.

The 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 check 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 Janet Abbott, Wendy Jones, Tina Long, Chris Teggin, Nigel Watson and Peter Wilkinson. Directors' attendance at this committee is shown on page 83.

  During 2009/2010 the committee met on 5 occasions. At 3 of its meeting its purpose was to oversee the appointment of the Trust's chair. David Eva did not therefore chair those meetings. It was instead chaired by non-executive director Stephen McAndrew, the Board's deputy chair and senior independent director.

- 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 met four times during 2009/10.

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

Director	Nominations committee – NEDs	Nominations committee – executive directors
Fiona Clark		3 out of 3
David Eva	2 out of 2	4 out of 4
Geoff Hope-Terry		3 out of 3
Ron Howarth		3 out of 3
Carol Kirk		3 out of 4
Stephen McAndrew	3 out of 3	3 out of 4
Grahame Owen		3 out of 3
Peter Cubbon	3 out of 3 (ex-officio)	1 out of 1
Sheena Cumiskey		1 out of 1

The nominations committee of the Council of Governors oversaw the appointment of the chair during the year. It took the following approach:

- The incumbent chair was invited to re-apply for the position, based on a job description and person specification prepared by the committee and approved by the Council of Governors. Neither the services of an external search consultancy nor open advertising was deemed necessary for this approach.
- Following a rigorous and transparent process, David Eva was subsequently recommended for reappointment. Following approval by the Council of Governors his further three year term of office commenced on 1 December 2009.

The committee also began work to appoint three non-executive directors to the Board with effect from November 2010.

Remuneration committee

Under remuneration report, page 68.

Code of governance

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
A.1 – the Board of Directors	**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**	
A.1.1	• The Board meets monthly excepting August • 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 • Matters reserved for the Board are included in the Trust's corporate governance manual • The roles and responsibilities of governors is contained in the Trust's constitution • The Council of Governors' standing orders includes a statement relating to the handling of disputes	**Comply**
A.1.2	• 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 • Records are kept of the number of meetings of the Board of Directors and its committees, and directors' attendance.	**Comply**
A.1.3	• The chair meets regularly with non-executive directors without executives present • The non-executive directors meet annually without the chair • A process for evaluating the chair's performance has been agreed with the Council of Governors	**Comply**
A.1.4	• The Trust's objectives are stated in its annual plan	**Comply**
A.1.5	• The Board reviews the Trust's performance at each of its monthly meetings based on a corporate performance report and other reports from directors • Reports from 'external' bodies are also routinely reviewed	**Comply**
A.1.6	• Board directors receive annually a clinical governance annual report • The Board's clinical governance plans are prepared by the Trust's clinical standards subcommittee • 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 2010	**Comply**
A.1.7	• Board meetings are comprehensively and accurately minuted	**Comply**

Code ref	Code requirement – Trust position	Comply or Explain
A.1.8	• The chief executive is fully aware of his responsibilities as accounting officer and follows the procedure as set out in the NHS foundation Trust accounting officer memorandum	**Comply**
A.1.9	• The Trust's corporate governance manual includes the Board's code of conduct which is based on the spirit of the Nolan Principles	**Comply**
A.1.10	• The Trust's corporate governance manual includes the Board's code of conduct and code of practice on openness	**Comply**
A.1.11	• Appropriate insurance is in place to cover the risk of legal action against directors	**Comply**
A.2 – Chairman and chief executive	**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**	
A.2.1	• 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	**Comply**
A.2.2	• The chair meets the independence criteria	**Comply**
A.3 - Balance and independence of the Board of Directors	**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 chairman having a second costing vote on those occasions where a decision is tied.**	
A.3.1	• 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	**Comply**
A.3.2	• 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	**Comply**
A.3.3	• 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	**Comply**
A.3.4	• The annual report gives a description of each director's expertise and experience • It also makes a statement about its balance, completeness and appropriateness to the Trust's requirements	**Comply**
A.3.5	• The constitution prevents an individual holding office as both director and governor at the same time	**Comply**
B.1 – The Board of Governors	**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**	

Code ref	Code requirement – Trust position	Comply or Explain
B.1.1	• The Council of Governors meets formally at least three times per annum	**Comply**
B.1.2	• There are 35 members of the Council of Governors • The Council of Governors regularly reviews its structure, composition, roles and procedures	**Comply**
B.1.3	• The annual report identifies governors, their constituency or organisation they represent, whether they were elected or appointed and the duration of their appointment • A record is kept of governors' attendance at meetings	**Comply**
B.1.4	• 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	**Comply**
B.1.5	• Governors routinely received information in respect of the Trust's performance in order to enable it to discharge its duties. Discussion is ongoing with governors to refine and develop this information, particularly in the light of events at Mid Staffordshire NHS foundation Trust	**Comply**
B.1.6	• The Council of Governors has issued a standing invitation to the chief executive to attend its meetings • Other executives and non-executive directors are invited to attend Council meetings as appropriate and frequently attend as observers	**Comply**
B.1.7	• The Council of Governors' standing orders includes a statement relating to the handling of disputes. A separate policy is in preparation for engagement with the Board of Directors when governors have concerns about the Board's performance, compliance with its terms of authorisation or welfare of the Trust • 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)	**Comply**
B.1.8	• The Council of Governors is clear about its role and that of the Board of Directors • The Council has to date expressed no concerns that would warrant escalation to Monitor	**Comply**
C.1 – Appointments to the Board	**The 2003 Act (now 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. 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**	

Code ref	Code requirement – Trust position	Comply or Explain
C.1.1	• 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 •The Nominations Committee will regularly review the policy (at least three-yearly)	**Comply**
C.1.2	•The Trust has two nominations committees – one for executive and one for non-executive directors • 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 took full account of a Board assessments to help evaluate the balance of skills, knowledge and experience of Board members	**Comply**
C.1.3	• The Trust's chair is chair of both nominations committees	**Comply**
C.1.4	• The 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 • The Council of Governors in 2009 re-appointed the Trust's chair	**Comply**
C.1.5	• 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	**Comply**
C.1.6	• The nominations committee oversaw the re-appointment of the Trust's chair in 2009. It prepared a job specification to meet the requirements of the post • The chair's other significant commitments are shown in the annual report	**Comply**
C.1.7	• Non-executive director terms and conditions of appointment are available for inspection • 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 • Other significant appointments on the part of those recommended for non-executive directorship are made known to governors prior to appointment	**Comply**
C.1.8	• The annual report describes the process followed in relation to non-executive director appointments	**Comply**
C.1.9	• During 2009/2010 three executive appointments were made, that of chief executive, medical director (compliance, risk, research and development) and director of operations	**Comply**
C.1.10	• 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. This happened during 2009/2010	**Comply**

Code ref	Code requirement – Trust position	Comply or Explain
C.1.11	• No full-time executive director holds such non-executive directorships	**Comply**
C.1.12	• The annual report describes the work of the nominations committees	**Comply**
C.2 – Re-election	**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**	
C.2.1	• A chief executive and two executive directors have been appointed since authorisation, all during 2009. The nominations committee agreed in 2009 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	**Comply**
C.2.2	• The constitution states the terms of office and re-appointment arrangements of non-executive directors, by the Council of Governors	**Comply**
C.2.3	• The constitution provides for regular elections for public, service user/carer and staff governors • Governors seeking re-election are advised to include prior performance information in their election addresses	**Comply**
D.1 – Information and professional development	**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**	
D.1.1	• An induction programme for new governors is in place • A core induction programme for new directors is in place which is tailored to meet the needs of directors appointed	**Comply**
D.1.2	• Convention exists that independent advice may be sought by the Board of Directors as appropriate • Directors undergo annual appraisal and have access to training courses and/or materials consistent with identified personal development needs • Committees are supported by the relevant executive director, senior manager/s and Trust staff • The Council of Governors is supported by the Company Secretary	**Comply**
D.1.3	• The Board of Directors reviews Trust performance information on a monthly basis • The Council of Governors receives appropriate supporting information to enable it to fulfil its role. This will continue to be a work in progress as governors' role matures and their information needs develop	**Comply**

Code ref	Code requirement – Trust position	Comply or Explain
D.2 – Performance evaluation	**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**	
D.2.1	• At the beginning of 2010 the Board participated in assessment exercise related to the strengths and weakness of the corporate Board and the skills of individual directors. This is being used to help inform three non-executive appointments due in 2010 • Individual appraisal and performance development planning is undertaken at least annually • Preparation of annual reports by key governance committees is routinely undertaken	**Comply**
D.2.2	• The Council of Governors has adopted a set of key performance indicators for implementation from April 2010 to help assess their collective performance • The Council is currently reviewing the user/carer and public constituencies of its composition policy	**Comply**
D.2.3	• The constitution sets out the arrangements for the removal of a Governor from the Council	**Comply**
E.1 – Director remuneration	**Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the NHS foundation Trust successfully, but an NHS foundation Trust should avoid paying more than is necessary for this purpose**	
E.1.1	• The Trust does not currently operate a performance related pay scheme or make provision for annual bonuses	**Comply**
E.1.2	• 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	**Comply**
E.1.3	• 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	**Comply**
E.1.4	• The remuneration committee will consider what compensation commitments directors' term of appointment would entail in the event of early termination on an individual basis	**Comply**

Code ref	Code requirement – Trust position	Comply or Explain
E.2 – Procedure	**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**	
E.2.1	• The Board of Directors' remuneration committee is composed of all non-executive directors • The committee's terms of reference are available	**Comply**
E.2.2	• The remuneration committee has delegated responsibility for setting all executive director and senior manager remuneration	**Comply**
E.2.3	• 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	**Comply**
F.1 – Accountability and audit	**The Board of Directors should present a balance and understandable assessment of the NHS foundation Trust's position and prospects**	
F.1.1	• The annual report explains directors' responsibility for preparing the accounts • The annual report also includes a statement by the auditors about their reporting responsibilities	**Comply**
F.1.2	• The annual report contains a statement from directors that the foundation Trust is a going concern	**Comply**
F.1.3	• 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 • 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	**Comply**
F.1.4	• The Trust has an established annual planning cycle that includes governor involvement • At minimum the Board of Directors presents information, both quantitative and qualitative, of the trust's business and operations to the Council of Governors	**Comply**
F.2 – Internal control	**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**	
F.2.1	• The Board of Directors conducts an annual review of effectiveness of its system of internal control, supported by its internal auditors • A statement of internal control is included in the trust's annual report which is available to members	**Comply**

Code ref	Code requirement – Trust position	Comply or Explain
F.3 – Audit committee and auditors	**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**	
F.3.1	• The Trust's audit committee comprises three independent non-executives and is chaired by a non-executive director with recent and relevant financial experience	**Comply**
F.3.2	• The audit committee's terms of reference are regularly review (at least annually) and clearly set out its main role and responsibility	**Comply**
F.3.3	• The audit committee's terms of reference are available on request • The annual report describes the audit committee's work	**Comply**
F.3.4	• 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 • The counter fraud plan includes raising fraud awareness throughout the trust. In 2009/2010 this has been via direct training presentations to staff, newsletters, intranet development and the hosting of fraud awareness month • Staff are made aware via the corporate govern nce manual and staff handbook how to raise, in confidence, concerns about possible improprieties	**Comply**
F.3.5	• In February 2009, following a competitive tendering process, the Council of Governors appointed the Trust's external auditors with effect from April 2009 • The audit committee worked alongside governors in respect of this work	**Comply**
F.3.6	• The Trust's auditor's appointment has not ended in disputed circumstances to date. However should this occur then Monitor would be informed • The Trust ensures the independence of its external auditors	**Comply**
F.3.7	• The Trust's auditor provided non-audit services (consultancy) in this year in respect of a cost allocation review and VAT negotiations with HM Revenue and Customs • In respect of this non-audit work the Trust ensured the auditors' independence.	**Comply**
G.1 – Relations with stakeholders	**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**	
G.1.1	• The Trust has in place a membership strategy	**Comply**

Code ref	Code requirement – Trust position	Comply or Explain
G.1.2	• 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 • 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. 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 • 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	**Comply**
G.1.3	• The chair routinely reports to the Board of Directors on the work of the Council of Governors • The chair provides the Council of Governors with regular reports on the work of the Board of Directors. The chair also sends a weekly news bulletin to governors • Non-executive directors, including the senior independent director, regularly attend meetings of the Council of Governors	**Comply**
G.1.4	• The Council of Governors has in place a programme of member engagement activities • The Trust's website and annual report and its regular members' newsletter provides details of how members can contact their governor	**Comply**
G.1.5	• The annual report describes how non-executive directors have developed their understanding of the views of governors and members	**Comply**
G.1.6	• The Board of Directors receives regular reports on how representative the Trust's membership is • Member engagement work is reported to the Board of Directors in context e.g. member engagement during the annual planning process	**Comply**
G.2 – Cooperation with third parties with roles in relation to NHS foundation Trusts	**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**	

Code ref	Code requirement – Trust position	Comply or Explain
G.2.1	• 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)	**Comply**
G.2.2	• 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 • The Board has not yet reviewed the effectiveness of these process and relationships	**Comply**

Council of Governors

The Council of Governors is responsible for fulfilling its statutory duties (of appointing, removing and deciding the terms 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 auditors, receiving the annual report and accounts and auditor's report, and expressing a view on 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 below 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 held and individual attendance by governors at those meetings.

Between April 2009 and March 2010 the Council of Governors met on six occasions and attendance is indicated on the table below.

Public governors (elected)	Area	*Tenure	From	To	Council of Governors' meetings attended April 2009 – March 2010
Caswell, John	Cheshire West & Chester	3 years	2007	2010	6 out of 6
Bentley, Sally	Wirral	3 years	2008	2011	2 out of 6
Baker, Susan	Cheshire East	3 years	2008	2011	3 out of 6
Evans, Paul	Cheshire West & Chester	3 years	2008	2011	5 out of 6
Griffin, Julie	Wirral	3 years	2009	2012	4 out of 6
Jones, Wendy (assumed September 2009)	Wirral	3years	2007	2010	2 out of 3
Patel, Mehboob (assumed April 2009 – January 2010)	Out of area	3 years	2008	2011	3 out of 5
Smith, Jean	Cheshire East	3 years	2008	2011	5 out of 6
Torbet, Brian	Cheshire West & Chester	3 years	2008	2011	3 out of 6
Watson, Nigel	Cheshire East	3 years	2007	2010	6 out of 6
Service user & carer governors (elected)					
Abbott, Jan		3 years	2007	2010	4 out of 6
Allen, David		3 years	2009	2012	3 out of 3
Bailey, Arthur		2 years	2007	2009	3 out of 3
Edge, Gavin (to December 2009)		3 years	2008	2011	4 out of 5
Hough, Sylvia		3 years	2009	2012	2 out of 3
Jones, Brenda		3 years	2009	2012	2 out of 3
Lee, Tong Hing		3 years	2007	2010	4 out of 6
Monkhouse, Chris (assumed from August 2008)		3 years	2007	2010	5 out of 6
Shaw, Michael		2 years	2007	2009	2 out of 3
Usherwood, Anna		3 years	2008	2011	5 out of 6

Wilson, David (to January 2010)		3 years	2008	2011	0 out of 5
Woodiwiss, Anthony (assumed January 2009)		2 years	2007	2009	1 out of 3
Staff governors (elected)	**Class**				
Cox, Debbie	Therapies	3 years	2007	2010	4 out of 6
Edwards, Ken	Nursing	3 years	2007	2010	4 out of 6
Forthergill, Neil	Clinical psychology	3 years	2008	2011	4 out of 6
Marks, Lynne (assumed for January 2009)	Non-clinical	3 years	2008	2011	4 out of 6
Sharratt, Sue	Nursing	3 years	2009	2012	2 out of 3
Tremblay, Micheline	Medical	3 years	2008	2011	6 out of 6
Wilkinson, Peter	Nursing	2 years	2007	2009	1 out of 3
Partnership governors (appointed)	**Organisation**				
Dowding, Brenda	Cheshire West & Chester Council	3 years	2009	2012	4 out of 6
Gibson, Maire	Western Cheshire Primary Care Trust	3 years	2007	2010	5 out of 6
Holland, Tony	Staff side	3 years	2007	2010	6 out of 6
Knowles, Andrew (commenced term May 2009)	Cheshire East Council	3 years	2009	2012	1 out of 5
Lloyd, Anne (commenced term end April 2009)	Cheshire & Wirral Drug & Alcohol Action Teams (assumed Apr 09)	3 years	2009	2012	5 out of 5
Long, Tina	Wirral Primary Care Trust	3 years	2007	2010	5 out of 6
Piercy, Anne (assumed from September 2008)	Council for Voluntary Services	3 years	2008	2011	3 out of 6
Teggin, Chris (served from November 2007 to July 2009)	Wirral Metropolitan Borough Council	3 years	2007	2010	2 out of 2
Wilson, Ken	Universities	3 years	2007	2010	2 out of 6

*Tenures begin and end at the annual members' meeting – held in 2009 as part of the Trust's events to mark world mental health day – 10 October.

Governor elections were held during the year in respect of six seats that became vacant at the conclusion of the 2009 annual members' meeting. These were in respect of 2 public seats for Wirral, 3 service user/carer seats and 1 nursing staff seat. All of the seats were filled following contested elections.

A by-election was also held during the year in respect of the public out-of-area governor seat. This was elected to on an uncontested basis.

All public, service user/carer and staff governors were elected by members in their constituency, by secret ballot (the Electoral Reform Service acted as returning officer) for a 3 year term of office. The exception is the public out-of-area seat which was for the remainder of the original term, to October 2011.

Partnership governors were appointed by their nominating organisation.

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 and 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. Non-executive directors also meet regularly with governors on a geographical basis.

Directors' attendance at meetings of the Council of Governors during 2009/10 is shown below:

Director	Council of Governors' meetings attended April 2009 – March 2010
Non-executive	
Clark, Fiona	3 out of 6
Eva, David (chair)	4 out of 6
Hope-Terry, Geoff	5 out of 6
Howarth, Ron	5 out of 6
Kirk, Carol	2 out of 6
McAndrew, Stephen (deputy chair and senior independent director)	5 out of 6
Owen, Grahame	4 out of 6
Executive	
Cubbon, Peter (chief executive to August 2009)	2 out of 2
Davidson, Ian (deputy chief executive & medical director between April and August 2009)	1 out of 2
Davidson, Ian (interim chief executive from August 2009 to February 2010)	2 out of 4
Devaney, Avril	3 out of 6
Preen, Ros	2 out of 6
Sharma, Vimal	2 out of 6
Styring, Andy	2 out of 6
Wilkinson, Maureen (interim medical director from August 2009 to February 2010)	0 out of 4

The Trust maintains registers of interests for governors which is available at www.cwp.nhs.uk.

Public interest disclosures

Information to and consultation with employees

The Trust takes its responsibilities for informing and consulting with staff very seriously. Arrangements for internal communication were reshaped during the course of the year and the trust deliberately sought to work closely with its recognised trades unions and professional bodies, making full use of the partnership agreement refreshed after lengthy joint discussions in 2008/09.

With the shared key emphasis on realising the benefits of real partnership working, in addition to the cycle of formal meetings on both general and clinical management matters, a routine of informal meetings was successfully introduced. A number of challenging projects were delivered smoothly during the year as a result, including temporary ward closure and TUPE transfers of staff.

Equalities and disabled employees

The Equalities and Human Rights Group continued to meet throughout 2009/10, focusing its work on addressing specific needs of disadvantaged staff and service users through a work plan.

Statutory publication scheme responsibilities were met and follow up work will be undertaken during 2010/11 on particular aspects of the Trust's working practices as a result.

CWP operates a recruitment procedure which complies with equalities legislation. In addition we hold the 'disability symbol' which means that we have a positive approach to employing disabled people. We are particularly supportive of encouraging people with mental health issues to apply for posts. Existing staff with disabilities are supported in line with our managing attendance policy and procedures and in line with legislation and good practice.

Considerable further work has been done under the Mindful Employer ® brand (see page 14 for more information), including the conducting of a 'count me in' census and speaking at a number of conferences to promote the importance of focusing on how people with experience of mental ill health can contribute significantly in the workplace.

The Trust's overall workforce continues to have a higher number of black and minority ethnic employees than are present in our service area population. For the first time, the number of employees declaring themselves to have a disability exceeded 1% of the total workforce (doubling in number from 2008/09).

For more information see page 61.

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.

CWP has a Trust-wide Health, Safety and Welfare group that is attended by staff side representatives in order for consultation to take place in respect of health and safety matters. Reports of the Trust's performance in respect of health and safety issues is monitored by this group which reports to the Workforce and Organisational Development subcommittee which in turn reports to the Finance, Performance and Planning Committee of the Board.

The Occupational Health Department has responsibility for the following:

- Monitoring the health of employees and undertaking health screening for prospective employees.
- Developing health promotion initiatives for the workforce in conjunction with the Health at Work Group.
- Ensuring that health surveillance is carried out as determined locally in accordance with relevant legislation.
- Liaising with and supporting managers in relation to staff health at work.

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 2009/10 financial year, which were investigated in accordance with the Trust's Counter Fraud Policy and Response Plan. The Trust's counter fraud plan for 2009/10 has included work across the seven generic areas of counter fraud activity as designated by the NHS Counter Fraud Service. The Trust actively encourages its staff to use its whistle blowing policy where they have concerns.

The Trust's Local Counter Fraud Service was formally tendered in December 2009 and following due process a contract for three years starting in April 2010 was awarded to MIAA.

Better payment practice code – measure of compliance

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 goods or a valid invoice, whichever is later.

In the year ended 31 March 2010:

Item	Number	£000
Total non-NHS trade invoices paid in period	23,170	26,632
Total non-NHS trade invoices paid within target	21,636	25,126
Percentage of non-NHS trade invoices paid within target	93%	94%
Total NHS trade invoices paid in the period	1,346	12,211
Total NHS trade invoices paid within target	1,226	11,613
Percentage of NHS trade invoices paid within target	91%	95%

In the year ended 31 March 2009:

Item	Number	£000
Total non-NHS trade invoices paid in period	23,951	20,510
Total non-NHS trade invoices paid within target	21,085	18,340
Percentage of non-NHS trade invoices paid within target	88%	89%
Total NHS trade invoices paid in the period	1,424	15,241
Total NHS trade invoices paid within target	1,300	14,765
Percentage of NHS trade invoices paid within target	91%	97%

Consultations

During this period the Trust carried out two level three public consultations and three level two consultations (as determined by the Overview and Scrutiny Committee, the level of consultation reflects the number of people affected by the change and therefore the type of consultation exercise appropriate – with level 3 the most comprehensive). The two public consultations covered inpatient mental health services in central and eastern Cheshire; and the efficient design of trustwide services. The former was managed by CWP on behalf of Central and Eastern Cheshire Primary Care Trust. The consultation periods ran from 1 December 2009 to 9 March 2009

and the outcome is expected at the start of April; after this reporting period ends. The three level 2 consultations covered changes to the assertive outreach service, low secure services in Macclesfield and respite services in central and eastern Cheshire.

Patient and public involvement
Please see page 16.

Sickness absence data
Sickness absence performance in 2008/09 is referred to in the table on page 52.

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 requirements 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 of confidential data during the year.

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 series of public events to challenge stigma each year. In addition CWP hosts the North West Mindful Employer ® Network (see page 14 for more information), visits school to raise awareness of mental health issues and services, and is involved in the Special Olympics. Members of staff also act as ambassadors for the Trust in sharing knowledge about mental health with other partners such as the Police (see page 13) and with the wider public through our membership activities (see page 19). A range of environmentally friendly initiatives support both our sustainability strategy (see page 55) and also aim to support initiatives that distribute equipment and supplies to good causes (see page 15).

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Foreword to the Accounts

These accounts for the year ended 31 March 2010 have been prepared by the 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.

Date: 3 June 2010

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 Officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed the 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 the 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.

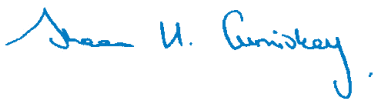
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Annual Reporting Manual and in particular to:

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

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable 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: 3 June 2010

Statement on Internal Control 2009/10

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Cheshire and Wirral Partnership NHS Foundation Trust's ('the FT') 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 FT 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 the FT, 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 31st March 2010 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 role of the Chief Executive in relation to Risk Management. Through membership of the Governance and Risk Management Committee and support of integrated clinical and non-clinical risk management the Chief Executive has delegated the operational responsibility to the Medical Director (as lead for Integrated Governance). The Audit Committee has overarching responsibility for the management of risk systems and processes within the organisation. Working with the Finance, Performance and Planning Committee, the Governance and Risk Management Committee embraces strategic issues and risks, operationalises the integrated governance framework and monitors the progress against action plans as outlined in the assurance framework. It also monitors the assurance framework and risk register and reports directly to the Board.

The FT has reviewed and embedded an assurance framework at corporate level and is continuing to embed these processes across all clinical services of the organisation. The corporate assurance framework identifies those risks deemed as strategically significant to the delivery of the FT's strategic goals and specific strategic objectives, the controls in place to manage / mitigate these risks and the assurances received by the FT. The cascading of these processes to divisional level has ensured that these principles are being embedded across the organisation.

This assists with the development of an organisation wide risk aware and risk sensitive culture. This enables risk management decision-making to occur as near as practicable to the risk source and for those risks that cannot be dealt with locally to be elevated upwards to the appropriate level.

The FT 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. This training was developed with the

National Patient Safety Agency (NPSA) and runs four times within each financial year. The FT also links with partner organisations, including Social Services and PCTs, to provide appropriate education and training in this area.

4. The risk and control framework

The risk management framework 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.
- A commitment to create a suitable environment for staff and to operate an open and just culture, which encourages and supports the reporting of errors so that learning and improvement can take place.
- Strategic objectives
- Philosophy
- Designated responsibilities within the FT
- Risk management processes that include identification, evaluation, analysis, risk control, review and follow up.
- Dissemination to key stakeholders
- Governance structure chart
- Committees terms of references

Risk assessment processes are included within the following FT wide policies which are systematically reviewed:

- Incident Reporting, Management and Review Policy
- Risk Management Policy
- Environmental Risk Policy for Ligature Points
- Policy for the Safe Manual Handling of People and Loads, including safe use of bed rails
- Bed Management Policy
- Management of Slips, Trips and Falls (including falls pathway and staff guidance)
- Operational Policy for Liaison Psychiatry
- Electro Convulsive Therapy Policy
- Community Mental Health Team Operational Policy

There has been a major review of the FT's policies within 2009/2010 as a component of the NHSLA Level 2 assessment, achieved in November 2009. There has also been a process introduced by which all FT policies are publicly available on the FT's website.

An Assurance Framework has been debated and agreed at Board level which covers the following:

- main activities of the organisation;
- specific strategic objectives, key performance indicators and targets which the FT is striving to achieve;
- identification of the risks to the achievement of specific objectives, key performance indicators and targets;
- identifies and examines the system of internal control in place to manage the risks;
- assurances upon which the Board places reliance.

Other related activities include:

- Divisional review and further embedding of the assurance framework has continued in 2009/2010, to ensure systematic mapping of risks to objectives throughout the organisation. This reflects the divisional structures and a significant amount of work has been undertaken to introduce integrated governance development plan documentation. These plans bring together the previous documents of clinical governance development plans and the clinical assurance frameworks.

- The Internal Audit Agency has concluded that the systems and processes in place regarding the assurance framework are designed and operated to meet the requirements of the Statement on Internal Control and provide significant assurance.

- The FT has continued to assess compliance against all core standards and submitted its mid year declaration to the Care Quality Commission in October 2009. The FT achieved 'Good' for quality of service and 'Good' for 'Use of Resources' in the 2009/2010 Annual Healthcheck ratings. Internal audit have also provided significant assurance regarding the systems and processes underpinning the Standards for Better Health declaration. The FT also completed its registration process with the Care Quality Commission in January 2010. The FT has had no restrictions placed on its registration and has commenced work assessing compliance with the new 'Essential Standards of Quality and Safety' published by the Care Quality Commission in March 2010.

- The integrated governance framework was revised and approved most recently in April 2009 and a co-ordinated system to capture and monitor assurances is in place, which will be subject to ongoing review. This has been achieved by the assignment of a rolling Board business programme with clear work plans for committees, sub-committees and groups within the governance structure. This is supported by the development of key performance indicators. Further enhancement of the process is underway to ensure utilisation of the framework from the Board via the committee structures and the management team.

- The FT achieved accreditation at Clinical Negligence Scheme for Trusts (CNST) and Risk Pooling Scheme for Trusts (RPST) level 1 in 2004/05 and took part in the NHSLA Risk Management standards in 2007/2008. Building on these achievements, the FT was assessed in November 2009 at Level 2 of the NHSLA Combined Risk Management Standards for Mental Health & Learning Disabilities Trusts and succeeded in achieving Level 2 status.

- The assurance framework is utilised to identify gaps in assurance and control, to allow the Board to prioritise and implement appropriate actions. Any gaps identified in 2008/09 have been subsequently addressed. These include assurance gained from NHSLA compliance and additional service user involvement in the FT business and committees. Continued progress has also been made in respect of information systems and the development of the Corporate Performance Report which is provided at every Board meeting. Significant work has been undertaken in respect of Service Level Agreements and work with partner organisations.

- The FT has participated in risk based audit assessments with Internal Auditors including: The Assurance Framework: Review of Assurances, Directorate Locality Financial Systems, Fundamental Financial Systems, Clinical Governance, IM&T Data Security and ESR HR and Payroll Services. These audits provided the FT with assurance and or advice and guidance.

- Formal management of information governance is exercised through the FT Records & Information Governance Group which reports via the Informatics Sub-Committee and the Finance Performance and Planning Committee to the Board. Key roles in aspects of information governance are included in job descriptions. The FT monitors its performance against the NHS Connecting for Information Governance Toolkit and has delivered year on year improvement in its annual assessment. The final assessment for 2009/10 scored 88%. The FT has nominated a Senior Information Risk Owner which is the Medical Director.

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 FT's obligations under equality, diversity and human rights legislation are complied with. This is exercised through the Equality and Human Rights Group that reports via the Workforce and Organisational Development Sub Committee and the Finance Performance and Planning Committee to the Board.

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

5. Annual Quality Report

The Directors are required under the Health Act 2009 and the NHS (Quality Accounts) Regulations 2010, 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 FT in relation to Quality;
- Views of commissioners, Local Involvement Networks (LINks) and the joint Overview and Scrutiny Committee have been sought and comments are included within the FT'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 financial accounts i.e. the FT has commissioned its external auditors to undertake a formal audit of the Quality Account as per the regulations;
- The audit conducted by external auditors will include a review of the FT'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 will be ongoing reports to the Board and other internal groups within the FT. The FT will also report progress to commissioners, LINks and the Overview and Scrutiny Committee on delivery of the priorities identified

within the Quality Account. Any risks to delivery of these priorities will be identified and managed as per the processes outlined within the FT's integrated Governance Framework. The ongoing review will also help to identify and review the FT's quality priorities throughout the year, as there is an appreciation that these may change. This will ensure that delivery of the Quality agenda is a dynamic process.

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

The Board reviews the financial position of the FT 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 are also part of this process (principally the Audit and the Finance, Performance and Planning Committees). The FT uses indicators such as the Care Quality Commission Annual Health Check rating for use of resources, and in addition where the Trust is accountable to its Independent Regulator, Monitor, key ratios such as the financial risk rating.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the FT who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Governance and Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head 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. The assurance framework itself provides me with evidence, that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives has been reviewed. My review is also informed by reports from the Audit Committee, the Governance and Risk Management Committee, the Clinical Risk Review Sub Committee, the Clinical Standards Sub Committee, Serious Untoward Incident Group, Health, Safety and Welfare Group, Policy Review Group, Patient Experience Group, Emergency Planning Group and Infection Control Group. Additionally, the organisation's Standards for Better Health declaration and integrated governance framework incorporate actions and targets in relation to risk management issues and these are regularly monitored. Other relevant assessments to which the FT responds include NHSLA Risk Management Standards, Improving Working Lives, Investors in People, Mental Health Act Commission, relevant Care Quality Commission reviews, PEAT assessments, National Confidential Inquiries and Ombudsman's reports.

I have been advised, on the implications of the result of my review of the effectiveness of the system of internal control, by the Committees detailed above. The Assurance Framework, the Declaration against Standards for Better Health and NHSLA Level 2 achievement have been focused to ensure that continuous improvement of the system is achieved. These are monitored through risk management, internal audit and ultimately Board reviews.

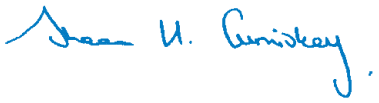
In addition I am aware of the importance of the roles and responsibilities of the following:

- The Board's role is to provide active leadership of the FT within a framework of prudent and effective controls that enable risk to be assessed and managed.
- The Audit Committee, as part of the integrated governance structure, is pivotal in advising the Board on the effectiveness of the system of internal control.
- The Governance and Risk Management Committee provides strategic direction, ensuring a comprehensive and coherent framework of integrated governance that brings together the elements of quality, risk and performance.

- Internal Audit provides quarterly reports to the Audit Committee and full reports to the Director of Finance and to the Executive Team. The Audit Committee also receives details of any actions that remain outstanding following the follow up of previous audit work. The Director of Finance also meets with the Audit Manager.
- External Audit provides an annual audit letter and progress reports throughout the year.
- Other explicit review / assurance mechanisms include the Assurance Framework processes and a range of other independent assessments against key areas of control (see above).
- Any significant internal control issues would be reported to the Board via the Audit Committee.

There have been no significant internal control issues identified during the period April 2009 to March 2010. Strategically significant risks are always highlighted and monitored through the assurance framework processes.

Signed



Sheena Cumiskey
Date 3 June 2010

(On behalf of the Board by the Chief Executive)

Independent Auditor's 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 ("the NHS Foundation Trust") for the year ended 31 March 2010 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 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Respective responsibilities of the accounting officer and auditors

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant statute, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (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(5) 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.

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, of the state of the NHS Foundation Trust's affairs as at 31 March 2010 and of its income and expenditure and cash flows for the year then ended; and
- ❒ have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual.

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; 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

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:

- ❒ adequate accounting records have not been kept, or returns adequate for our audit have not been received from locations not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Statement on Internal Control does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual or is misleading or inconsistent with information of which we are aware from our audit; or
- 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.

Certificate

We certify that we have completed the audit of the accounts 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.

Greg Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
Date: 7 June 2010

Note regarding inclusion of this audit opinion on the Cheshire and Wirral Partnership NHS Foundation Trust website:

(a) The maintenance and integrity of the Cheshire and Wirral NHS Foundation Trust 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 2010

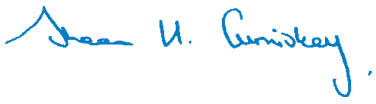
	NOTE	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Operating income from patient care activities	3	**123,683**	117,720
Other operating income	4	**7,522**	7,874
Operating expenses	5	**(126,677)**	(121,127)
OPERATING SURPLUS		**4,528**	4,467
Finance income - bank interest		**227**	1,003
Finance expenses	8	**(373)**	(373)
Other (losses) / gains	9	**(249)**	1,509
Public Dividend Capital dividends payable	10	**(2,134)**	(2,450)
SURPLUS FOR THE YEAR		**1,999**	4,156
Other Comprehensive Income			
Net loss on revaluation of property, plant and equipment		**(228)**	(9,031)
Reduction in the donated asset reserve due to depreciation		**(9)**	(4)
TOTAL COMPREHENSIVE INCOME / (EXPENSES) FOR THE YEAR		**1,762**	(4,879)

The notes on pages 115 to 139 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	NOTE	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
NON-CURRENT ASSETS				
Property, plant and equipment	12	**56,739**	53,688	61,027
CURRENT ASSETS				
Inventories	13	**124**	122	127
Trade and other receivables	14	**6,998**	6,327	2,844
Other financial assets	15	**0**	13,000	0
Cash and cash equivalents	16	**18,149**	6,544	13,942
Total Current Assets		**25,271**	25,993	16,913
Non-current assets held for sale	17	**0**	285	9,330
TOTAL ASSETS		**82,010**	**79,966**	**87,270**
CURRENT LIABILITIES				
Trade and other payables	18	**(10,021)**	(9,695)	(8,997)
Tax (PAYE) and Social Security payables		**(1,930)**	(1,858)	(1,844)
Borrowings	19	**(340)**	(340)	(349)
Deferred income	20	**(363)**	(365)	(5,844)
Provisions	21	**(293)**	(265)	(445)
Total Current Liabilities		**(12,947)**	(12,523)	(17,479)
NET CURRENT ASSETS / (LIABILITIES)		**12,324**	13,470	(566)
TOTAL ASSETS LESS CURRENT LIABILITIES		**69,063**	**67,443**	**69,791**
NON-CURRENT LIABILITIES				
Borrowings	19	**(1,974)**	(1,966)	(1,975)
Deferred income	20	**(1,374)**	(1,400)	0
Provisions	21	**(2,815)**	(2,939)	(1,924)
		(6,163)	(6,305)	(3,899)
TOTAL ASSETS EMPLOYED		**62,900**	61,138	65,892
FINANCED BY TAXPAYERS' EQUITY:				
Public dividend capital	25	**35,819**	35,819	35,694
Revaluation reserve		**8,987**	9,618	25,161
Donated asset reserve		**3**	12	16
Retained earnings		**18,091**	15,689	5,021
TOTAL TAXPAYERS' EQUITY		**62,900**	61,138	65,892

The financial statements on pages 111 to 139 were approved by the Board on 3 June 2010 and signed on its behalf by Sheena Cumiskey, Chief Executive.

Signed:  Date: 3 June 2010

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Public Dividend Capital	Revaluation Reserve	Donated Asset Reserve	Retained Earnings	Total
	£000	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2008	35,694	25,161	16	5,021	65,892
Total Comprehensive Income for 2008/09:					
Retained surplus for the year	0	0	0	4,156	4,156
Net loss on revaluation of property and plant	0	(9,031)	0	0	(9,031)
Reduction in the donated asset reserve due to depreciation	0	0	(4)	0	(4)
Transfer of realised profits to retained earnings in respect of assets disposed of	0	(6,789)	0	6,789	0
Transfer of the excess of current cost depreciation over historical cost depreciation to retained earnings	0	(266)	0	266	0
Public Dividend Capital received	125	0	0	0	125
Other transfers between reserves	0	543	0	(543)	0
Taxpayers' Equity at 31 March 2009	35,819	9,618	12	15,689	61,138
Total Comprehensive Income for 2009/10:					
Retained surplus for the year	**0**	**0**	**0**	**1,999**	**1,999**
Net loss on revaluation of property and plant	**0**	**(228)**	**0**	**0**	**(228)**
Reduction in the donated asset reserve due to depreciation	**0**	**0**	**(9)**	**0**	**(9)**
Transfer of realised profits to retained earnings in respect of assets disposed of	**0**	**(161)**	**0**	**161**	**0**
Transfer of the excess of current cost depreciation over historical cost depreciation to retained earnings	**0**	**(242)**	**0**	**242**	**0**
Taxpayers' Equity at 31 March 2010	**35,819**	**8,987**	**3**	**18,091**	**62,900**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

	NOTE	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
OPERATING SURPLUS		**4,528**	4,467
Depreciation	12	**1,889**	1,866
Impairments	12	**2,032**	1,002
Transfer from donated asset reserve		**(9)**	(4)
(Increase) / decrease in inventories		**(2)**	5
(Increase) in trade and other receivables		**(876)**	(3,455)
(Decrease) / increase in trade and other payables		**(25)**	3,499
(Decrease) in other current liabilities		**(277)**	(5,479)
(Decrease) / increase in provisions		**(118)**	812
NET CASH INFLOW FROM OPERATING ACTIVITIES		**7,142**	2,713
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**224**	975
Purchase of other financial assets		**0**	(13,000)
Sale of other financial assets	15	**13,000**	0
Payments for property, plant and equipment		**(6,758)**	(5,226)
Proceeds from disposal of property, plant and equipment		**287**	9,815
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		**6,753**	(7,436)
CASH FLOWS FROM FINANCING ACTIVITIES			
Public dividend capital received		**0**	125
Interest element of finance leases		**(351)**	(350)
Public dividend capital dividend paid		**(1,939)**	(2,450)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(2,290)**	(2,675)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**11,605**	(7,398)
CASH AND CASH EQUIVALENTS AT 1 APRIL		**6,544**	13,942
CASH AND CASH EQUIVALENTS AT 31 MARCH	16	**18,149**	6,544

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES AND OTHER INFORMATION

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2009-10 issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The Cheshire and Wirral Partnership NHS Foundation Trust Charitable Funds balances have not been consolidated in these Accounts 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 2011/12.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the NHS foundation trust's accounting periods beginning on or after 1 April 2010 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.

- IAS 27 (revised) Consolidated and separate financial statements
- IAS 32 Financial Instruments: Presentation on classification or rights issues
- IAS 39 Eligible hedged items
- IFRIC 14, IAS 19 Prepayments of a minimum funding requirement
- IFRIC 17 Distribution of non-cash assets to owners
- IFRIC 18 Transfer of assets from customers
- IFRIC 19 Extinguishing financial liabilities with equity instruments
- IFRS 2 (amendments) Group cash-settled share-based payment transactions
- IFRS 3 (revised) Business combinations
- IFRS 9 Financial instruments (to be applied from 1 April 2013)
- IFRS Annual Improvements 2009 and 2010. Note that the amendment in 2009 to IFRS 8 in relation to the disclosure of total assets by segment has been adopted early. As a result, total assets are not reported in these accounts by operating segment.

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, inventories 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 period 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 1.7 below is the basis that the NHS foundation trust has applied in valuing its Property, Plant and Equipment as at 31 March 2010.
- Determination of an appropriate carrying value for an outstanding receivable that the NHS foundation trust has in respect of land that was sold in the previous year.
- Determination of an appropriate value for the NHS foundation trust's provisions. These are set out in Note 21 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.
- Failure to recover the outstanding property receivable.
- Conditions or circumstances used in determining the NHS foundation trust's provisions proving to be incorrect.

1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of income for the NHS foundation trust is under contracts from 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 received which relates to capital expenditure in future financial years is likewise deferred and subsequently released to the operating income account over the life of the asset on a basis consistent with the depreciation charge for that asset. 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.

1.5 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.

1.6 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 South 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.

1.7 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.

Note 1.7 continues on next page

1.7 Property, Plant and Equipment (continued)

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 losses. 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 now 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 order to determine the fair value of the land and buildings of the NHS foundation trust, a revaluation using the MEA valuation basis was carried out at 31 March 2010 by DTZ, qualified valuers (MRICS). A prior year revaluation on the same basis was carried out by DTZ at 31 March 2009. 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.

Property in the course of construction is carried at cost, less any impairment loss. Such property is 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.

Note 1.7 continues on next page

1.7 Property, Plant and Equipment (continued)

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 (see Note 1.8 below). 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 - 7 to 10 years

Revaluations and Impairments

Increases in property, plant and equipment values arising from revaluations are recognised in the revaluation reserve, except where they reverse an impairment previously recognised in operating expenses, in which case, they are credited to operating expenses to the extent of the charge previously made there.

At the end of each financial year the NHS foundation trust reviews its property, plant and equipment assets for indications of impairment. If an impairment is identified, the asset is written down to its recoverable amount, and the impairment is charged to the revaluation reserve to the extent that there is an available balance on the reserve for the asset concerned and thereafter the remainder of the impairment is charged to operating expenses.

Where an impairment loss 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 assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated assets are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are taken to the donated asset reserve and, each year, an amount equal to the depreciation charge is released from the donated asset reserve to offset the expenditure. On sale the net book value of donated assets is transferred from the donated asset reserve to retained earnings.

1.8 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.

1.9 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.

Leases of Land and Buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease as it is said to have an indefinite life.

1.10 Inventories

Inventories are valued at the lower of cost and net realisable value using the FIFO basis. This is considered to be a reasonable approximation to fair value due to the high turnover of inventory. Partially completed contracts for patient services are not accounted for as inventory work-in-progress.

1.11 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 1.9 above).

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.

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.

Note 1.11 continues on next page

1.11 Financial Assets and Financial Liabilities (continued)

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 balance sheet 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 and backdated pay.

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 the Treasury's discount rate of 2.2%.

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.

1.12 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. 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 account belonging to patients (see Note 1.19 Third Party Assets). Cash balances with the Government Banking Service (GBS) currently comprise bank accounts with OPG, 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.

1.13 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. 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.

1.14 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. The NHS foundation trust does not include in its financial statements amounts in respect of these cases but the total value of the clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at Note 21.2 below.

1.15 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.

1.16 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 Business Services Authority - Pensions Division website at www.pensions.nhsbsa.nhs.uk. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies or indeed the NHS foundation trust 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' pension cost contribution to the Scheme for the accounting period. These are charged to operating expenses as and when they become due. The total employer contributions payable in the year can be found in Note 7.1 below.

The Scheme is subject to a full actuarial investigation every four years (until 2004, every five years) and an accounting valuation every year. An outline of these is as follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the Scheme (taking into account recent demographic experience), and to recommend the contribution rates to be paid by employers and Scheme members. The last such valuation, which determined current contribution rates, covered the period 1 April 1999 to 31 March 2004 and was published in December 2007. The conclusion of this valuation was that the Scheme had accumulated a notional deficit of £3.3bn against notional assets at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions should continue at the existing rate of 14% of pensionable pay. On advice from the Scheme actuary, contributions may be varied from time to time to reflect the changes in the Scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

b) Accounting valuation

A valuation of the Scheme liability is carried out annually by the Scheme actuary as at the end of the reporting period by updating the results of the full actuarial valuation. Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme actuary. At this point the assumptions regarding the composition of the Scheme membership are updated to allow the Scheme liability to be valued. The valuation of the Scheme liability as at 31 March 2010, is based on detailed membership data as at 31 March 2008 (the latest midpoint) updated to 31 March 2010 with summary global member and accounting data. The latest assessment of the liabilities of the Scheme is contained in the Scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account which can be viewed on the NHS Business Services Authority - Pensions Division website at www.nhsbsa.nhs.uk/pensions. Copies can also be obtained from The Stationery Office.

Note 1.16 continues on next page

1.16 Pension Costs (continued)

c) Scheme provisions

In 2008/09 the NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

Annual Pensions
The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service for the 1995 section and 1/60th 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.

Lump Sum Allowance
A lump sum normally equivalent to 3 years pension is payable on retirement.

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. The full amount of the liability is charged to the statement of comprehensive income at the time the NHS foundation trust commits itself to the retirement, regardless of the method of payment.

Compensation for Early Retirement
Where a member of the Scheme is made redundant, they may be entitled to early receipt of their pension plus enhancement, at the employer's cost.

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. On death a pension of 50% of the member's pension is normally payable to the surviving spouse.

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.

Transfer between Funds
Scheme members have the option to transfer their pension between the NHS Pension Scheme and another scheme when they move into or out of NHS employment.

Preserved Benefits
Where a Scheme member ceases NHS employment with more than two years service they can preserve their accrued NHS pension for payment when they reach retirement age.

1.17 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 financial year 2009/10.

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.

1.18 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, monetary items 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.

1.19 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 24 of these financial statements.

1.20 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.

The PDC dividend for the year payable to the Department of Health was £2,134,000 (2008/09 £2,450,000). 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 Office of the Paymaster General and 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. Prior to 2009/10 the PDC dividend was determined using forecast average relevant net assets.

1.21 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 11 below.

1.22 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.

1.23 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of 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 22 below.

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 the levels shown below.

	Operating Income	Operating Expenses	Non-operating Income and Expenditure	Surplus
Directorates	**£000**	**£000**	**£000**	**£000**
Adult Mental Health and Older Peoples Services (AMH/OPS)	-	68,363	-	-
Learning Disabilities Services (LD)	-	22,608	-	-
Child and Adult Mental Health Services (CAMHS)	-	10,340	-	-
Interface Services (Drug and Alcohol, Liaison Psychiatry and other Primary Care Services)	-	21,445	-	-
	131,205	122,756	6,450	1,999

Note 1 - Non-operating Income and Expenditure comprises interest received, finance expenses, losses on disposal, depreciation, impairment and PDC dividend payable.
Note 2 - Corporate service and overhead costs including depreciation and impairment costs have been allocated pro rata to operating expenses across the service directorates.
Note 3 - Operating income is mainly received on a block contract basis and cannot be apportioned across service directorates.
Note 4 - As this is the first year that this information is monitored in this format and is required to be disclosed, comparative information could not readily be provided and as future changes to segments are imminent, subsequent analysis is expected to change.

3. Operating Income from Patient Care Activities

Income is almost totally from the supply of services and is classed by source below. Income from the sale of goods is immaterial.

	Year ended 31 March 2010	Year ended 31 March 2009
	£000	£000
NHS Foundation Trusts	**268**	443
NHS Trusts	**7**	44
Strategic Health Authorities	**97**	42
Primary Care Trusts	**111,051**	105,511
Local Authorities	**11,665**	11,181
Non-NHS Other	**595**	499
	123,683	117,720

Note - 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 £123,335,000 (year ended 31 March 2009, £117,075,000) is derived from the provision of protected services and £348,000 (year ended 31 March 2009, £645,000) is in respect of non-protected services and includes income from occupational health, psychology and staff support services.

4. Other Operating Income

	Year ended 31 March 2010	Year ended 31 March 2009
	£000	£000
Research	**301**	237
Education and training	**2,470**	2,750
Transfer from donated asset reserve	**9**	4
Non-patient care services to other bodies	**2,778**	2,842
Other income	**1,964**	2,041
	7,522	7,874

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 2010	Year ended 31 March 2009	Base Year 2002/03
	£000	£000	£000
Private patient income	**75**	0	0
Total patient related income	**123,683**	117,720	78,568
Proportion (as percentage)	**0.06%**	0.00 %	0.00 %

Note 1 - Private patient income for 2009/10 is included in Note 3 above under Non-NHS other income.
Note 2 - Pursuant to Section 44 of the National Health Service Act 2006 and Condition 10 of the NHS foundation trust's Terms of Authorisation, the proportion of total income which the NHS foundation trust (as a mental health trust) derives from private charges in any financial year shall not be greater than 1.5% (£117,800) of the base year total patient related income or the actual private patient income of that year whichever is the greater.

5. Operating Expenses

Operating expenses comprise:

	Year ended 31 March 2010	Year ended 31 March 2009
	£000	£000
Services from NHS Foundation Trusts	2,510	3,089
Services from NHS Trusts	979	2,498
Services from other NHS bodies	1,036	1,059
Employee expenses - Executive directors	590	607
Employee expenses - Non-executive directors	128	119
Employee expenses - Staff	98,259	93,325
Drug costs	2,958	3,016
Supplies and services - clinical	1,269	711
Supplies and services - general	939	1,003
Establishment	4,134	4,723
Research	236	192
Transport	266	236
Premises	6,874	5,877
Increase (decrease) in bad debts provision	14	(7)
Depreciation on property, plant and equipment	1,889	1,866
Impairments of property, plant and equipment (Note 1)	2,032	1,002
Reversal of impairments of property, plant and equipment	0	(54)
Impairments of assets held for sale	0	54
Internal audit	53	52
Statutory auditors' fees (Note 2)	46	58
Statutory auditors' taxation services	12	5
Other statutory auditors' services (Note 3)	13	6
Clinical negligence	100	71
Legal fees	221	147
Consultancy services	365	170
Redundancy costs	49	37
Training	827	595
Insurance	262	119
Other	616	551
	126,677	121,127

Note 1 - Impairments of property, plant and equipment and assets held for sale are losses arising on revaluation which could not be offset against the revaluation reserves

Note 2 - Further details in respect of statutory audit arrangements including auditor liability is shown on page 82 of the Annual Report.

Note 3 - Other statutory auditors' services include contract and IFRS review services.

6 Operating Leases

These primarily comprise leases for office equipment, premises and transport which are charged to operating expenses in Note 5 above.

6.1 Payments recognised as an expense

	Year ended 31 March 2010	Year ended 31 March 2009
	£000	£000
Minimum lease payments	1,075	1,161

6.2 Total future minimum lease payment commitments

	Year ended 31 March 2010		Year ended 31 March 2009	
	Land and Buildings	Other Leases	Land and Buildings	Other Leases
	£000	£000	£000	£000
Payable :				
Within 1 year	115	148	70	118
Between 1 and 5 years	2,011	736	2,129	686
After 5 years	853	0	1,131	0
	2,979	884	3,330	804

7. Employee Costs and Numbers

7.1 Employee costs

	Year ended 31 March 2010	Year ended 31 March 2009
	£000	£000
Salaries and wages	81,444	76,984
Social Security costs	5,724	5,363
Employer contributions to NHS Pensions Scheme	9,266	8,649
Agency / contract staff	2,625	3,073
	99,059	94,069

Note 1 - Key management are the executive directors whose remuneration is disclosed in the Remuneration Report, see page 68 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 1.16.

7.2 Average number of employees

	Year ended 31 March 2010	Year ended 31 March 2009
	Number	Number
Medical and dental	139	140
Administration and estates	512	481
Healthcare assistants and other support staff	140	116
Nursing, midwifery and health visiting staff	1,256	1,214
Scientific, therapeutic and technical staff	454	386
Social care staff	10	11
Bank and agency staff	129	176
	2,640	2,524

Note - The average number of employees is shown on a whole time equivalent basis and of these over 97% have permanent contracts with the NHS foundation trust.

7.3 Retirements due to ill-health

During the year there were 6 (year ended 31 March 2009,1) early retirements from the NHS foundation trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £427,000 (year ended 31 March 2009, £48,000). 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 2010	Year ended 31 March 2009
	£000	£000
Unwinding of discount on provisions	22	23
Finance leases	351	350
	373	373

9. Other (Losses) / Gains

	Year ended 31 March 2010	Year ended 31 March 2009
	£000	£000
(Loss) Gain on disposal of land and buildings	(249)	1,509
	(249)	1,509

Note - The net loss on disposal of land and buildings primarily relates to a prior year capital disposal and does not impact in-year cash movement.

10. 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 Office of the Paymaster General and the Government Banking Service. The NHS foundation trust's public dividend capital dividend charge for the year was £2,134,000 (year ended 31 March 2009, £2,450,000).

11. 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 2010 the NHS foundation trust had 98 (year ended 31 March 2009, 109) separate losses and special payments totalling £107,000 (year ended 31 March 2009, £66,000). Most of these were in relation to damage and losses in respect of buildings and property.

12. Property, plant and equipment

12.1 2009/10

	Land	Buildings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2009	9,665	41,439	2,621	852	137	720	371	55,805
Additions purchased	0	255	6,618	8	0	125	194	7,200
Reclassifications	0	6,137	(6,137)	0	0	0	0	0
Impairments	0	(2,594)	0	0	0	0	0	(2,594)
Other revaluations	28	(98)	0	0	0	0	0	(70)
Cost or Valuation at 31 March 2010	**9,693**	**45,139**	**3,102**	**860**	**137**	**845**	**565**	**60,341**
Depreciation at 1 April 2009	0	874	0	520	115	463	145	2,117
Charged during the period	0	1,532	0	96	6	222	33	1,889
Impairments	0	371	1,661	0	0	0	0	2,032
Other revaluations	0	(2,436)	0	0	0	0	0	(2,436)
Depreciation at 31 March 2010	**0**	**341**	**1,661**	**616**	**121**	**685**	**178**	**3,602**
Net book value								
Purchased at 1 April 2009	9,665	40,558	2,621	330	20	257	226	53,677
Donated at 1 April 2009	0	7	0	2	2	0	0	11
Total at 1 April 2009	9,665	40,565	2,621	332	22	257	226	53,688
Purchased at 31 March 2010	9,693	44,798	1,441	244	13	160	387	56,736
Donated at 31 March 2010	0	0	0	0	3	0	0	3
Total at 31 March 2010	**9,693**	**44,798**	**1,441**	**244**	**16**	**160**	**387**	**56,739**

Note - Further information on the impairments can be found in the statement on assets on page 65 of the Annual Report.

12.2 Protected and Non-protected assets at 31 March 2010

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 2010		31 March 2009	
	Land	**Buildings**	Land	Buildings
	£000	**£000**	£000	£000
Protected assets	**9,355**	**34,540**	9,344	32,368
Non protected assets	**338**	**10,258**	321	8,197
	9,693	**44,798**	9,665	40,565

12.3 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 2010	31 March 2009
	£000	£000
Buildings	**1,595**	1,659

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 2010	31 March 2009
	£000	£000
Buildings	**61**	60

12.4 Net book value of land and buildings

	31 March 2010	31 March 2009
	£000	£000
Freehold	**52,577**	47,801
Long leasehold	**1,855**	2,231
Short leasehold	**59**	198
TOTAL	**54,491**	50,230

12.5 Capital Commitments

Commitments under capital expenditure contracts at 31 March 2010 were £908,000 (31 March 2009, £4,707,000).

12. Property, plant and equipment

12.1 Prior year 2008/09

	Land	Buildings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2008	17,182	42,408	429	767	137	675	371	61,969
Prior period adjustments	0	984	0	0	0	0	0	984
Cost or Valuation at 1 April 2008 re-stated	17,182	43,392	429	767	137	675	371	62,953
Additions purchased	350	1,418	2,728	85	0	45	0	4,626
Reclassifications	0	536	(536)	0	0	0	0	0
Impairments	(7,843)	(5,005)	0	0	0	0	0	(12,848)
Other revaluations	23	1,250	0	0	0	0	0	1,273
Transfer to non-current assets held for sale	(47)	(64)	0	0	0	0	0	(111)
Disposals	0	(88)	0	0	0	0	0	(88)
Cost or Valuation at 31 March 2009	**9,665**	**41,439**	**2,621**	**852**	**137**	**720**	**371**	**55,805**
Depreciation at 1 April 2008	0	86	0	435	109	375	112	1,117
Prior period adjustments	0	809	0	0	0	0	0	809
Depreciation at 1 April 2008 re-stated	0	895	0	435	109	375	112	1,926
Charged during the period	0	1,654	0	85	6	88	33	1,866
Impairments	25	977	0	0	0	0	0	1,002
Other revaluations	(25)	(2,573)	0	0	0	0	0	(2,598)
Transfers to non-current assets held for sale	0	0	0	0	0	0	0	0
Disposals	0	(79)	0	0	0	0	0	(79)
Depreciation at 31 March 2009	**0**	**874**	**0**	**520**	**115**	**463**	**145**	**2,117**
Net book value								
Purchased at 1 April 2008	17,182	42,488	429	328	25	300	259	61,011
Donated at 1 April 2008	0	9	0	4	3	0	0	16
Total at 1 April 2008	17,182	42,497	429	332	28	300	259	61,027
Purchased at 31 March 2009	9,665	40,558	2,621	330	20	257	226	53,677
Donated at 31 March 2009	0	7	0	2	2	0	0	11
Total at 31 March 2009	**9,665**	**40,565**	**2,621**	**332**	**22**	**257**	**226**	**53,688**

12.2 Protected and Non-protected assets at 31 March 2009

Protected property is land and buildings required for the purposes of providing either the mandatory goods and services or the 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 2009		1 April 2008	
	Land	**Buildings**	Land	Buildings
	£000	**£000**	£000	£000
Protected assets	9,344	32,368	16,680	34,229
Non protected assets	321	8,197	502	8,268
	9,665	**40,565**	17,182	42,497

12.3 Assets held under finance leases

The net book value of assets held under finance leases is as follows.

	31 March 2009	1 April 2008
	£000	£000
Buildings	**1,659**	220

The total amount of depreciation charged to the statement of comprehensive income in respect of assets held under finance leases is as follows.

	31 March 2009	1 April 2008
	£000	£000
Buildings	**60**	39

12.4 Net book value of land and buildings

	31 March 2009	1 April 2008
	£000	£000
Freehold	**47,801**	57,256
Long leasehold	**2,231**	2,225
Short leasehold	**198**	198
TOTAL	**50,230**	59,679

12.5 Capital Commitments

Commitments under capital expenditure contracts at 31 March 2009 were £4,707,000 (31 March 2008, £224,000)

13. Inventories

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Raw materials and consumables	124	122	127

Note - No inventories were written down or recognised through operating expenses during the year.

14. Trade and other receivables - current

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
NHS receivables	1,609	1,318	1,212
Non-NHS trade receivables	2,044	1,594	652
Provision for impairment of receivables	(4)	(5)	(72)
Prepayments	807	645	585
Accrued income	2,315	2,497	174
VAT receivables	227	278	293
TOTAL	6,998	6,327	2,844

Note - There were no non-current trade and other receivables.

14.1 Receivables past their due date but not impaired

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
By up to three months	1,848	1,873	1,226
By three to six months	81	724	189
By more than six months	195	209	283
TOTAL	2,124	2,806	1,698

14.2 Provision for impairment of receivables

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Balance at 1 April	5	72	112
Amount written off during the year	(15)	0	(7)
Amount recovered during the year	0	(60)	(44)
Increase / (decrease) in receivables impaired	14	(7)	11
Balance at 31 March	4	5	72

15. Other financial assets

Other financial assets comprise surplus cash invested for a fixed period greater than three months with a UK sovereign commercial bank.

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Balance at 1 April	**13,000**	0	0
Net change in year	**(13,000)**	13,000	0
Balance at 31 March	**0**	13,000	0

16. Cash and cash equivalents

Cash with banks is held in instant access accounts. Current investments comprise short-term (less than three months) money market investments or fixed interest accounts denominated in sterling. 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 2010	31 March 2009	1 April 2008
	£000	£000	£000
Balance at 1 April	**6,544**	13,942	313
Net change in year	**11,605**	(7,398)	13,629
Balance at 31 March	**18,149**	6,544	13,942
Made up of -			
Cash with the Office of HM Paymaster General (OPG) and the Government Banking Service (GBS)	**430**	1,994	8,746
Commercial banks and cash in hand	**719**	550	196
Current investments	**17,000**	4,000	5,000
Cash and cash equivalents as in Statement of Financial Position and Statement of Cash Flows	**18,149**	6,544	13,942

Note - All customers of OPG are required to migrate to the GBS service. The NHS foundation trust completed this operational cutover in March 2010 and its OPG account will therefore be closed in 2010/11.

17. Non-current assets held for sale

	31 March 2010		31 March 2009		1 April 2008	
	Land	**Buildings**	Land	Buildings	Land	Buildings
	£000	**£000**	£000	£000	£000	£000
Balance at 1 April	**98**	**187**	8,923	407	8,848	252
Assets classified as held for sale in year	**0**	**0**	45	64	75	155
less assets sold in year	**(98)**	**(187)**	(8,848)	(252)	0	0
less impairment of assets held for sale	**0**	**0**	(22)	(32)	0	0
Balance at 31 March	**0**	**0**	98	187	8,923	407

Note 1 - Three minor properties were disposed of during the year producing a cash inflow of £287,000
Note 2 - Further information on Non-current assets held for sale can be found above in Note 1.8.

18. Trade and other payables - current

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
NHS payables	**5,426**	4,793	3,507
Other trade payables - revenue	**1,107**	1,897	1,541
Other trade payables - capital	**803**	360	960
Other payables	**599**	740	629
Accruals	**2,086**	1,905	2,360
TOTAL	**10,021**	9,695	8,997

Note - There are no non - current trade and other payables balances.

19. Borrowings - current

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Obligations under finance leases	**340**	340	349

19.1 Borrowings - non-current

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Obligations under finance leases	**1,974**	1,966	1,975

Note - The finance lease obligation relates to a property from which the NHS foundation trust delivers AMH/OPS services and is disclosed in accordance with the requirements of IFRS reporting. The lease has a termination date of 2036 and an implicit interest rate of 15.23%.

19.2 Finance lease obligations

Amounts payable under finance leases: minimum lease payments

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Within one year	**340**	340	349
Between one and five years	**1,360**	1,360	1,379
After five years	**12,787**	13,127	13,467
Less future finance charges	**(12,173)**	(12,521)	(12,871)
Present value of minimum lease payments	**2,314**	2,306	2,324
Included in:			
Current borrowings	**340**	340	349
Non-current borrowings	**1,974**	1,966	1,975
	2,314	2,306	2,324

19.3 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 five 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.

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

In 2009/10 the NHS foundation trust had a Prudential Borrowing Limit of £25,700,000 (2008/09, £24,900,000). The NHS foundation trust has not yet borrowed against this limit.

In 2009/10 the NHS foundation trust had a working capital facility limit approved by Monitor of £10,000,000 (2008/09 £10,000,000). The actual working capital facility arranged by the NHS foundation trust was £10,000,000 for the period April to June 2009 and £5,000,000 from July 2009 to March 2010. (2008/09 £10,000,000). The NHS foundation trust had no requirement to draw on this facility during the year.

The five ratio tests and the NHS foundation trust's performance against them is set out below:

Financial ratios	**Actual 2009/10**	**Approved 2009/10**	Actual 2008/09	Approved 2008/09
Maximum Debt / Capital Ratio	**nil**	**<15%**	nil	<15%
Minimum Dividend Cover	**4.0**	**>1**	3.6	>1
Minimum Interest Cover	**n/a**	**>3**	n/a	>3
Minimum Debt Service Cover	**n/a**	**>2**	n/a	>2
Maximum Debt Service to Revenue	**n/a**	**<3%**	n/a	<3%

Note - Until such time as the NHS foundation trust draws down a loan only the Minimum Dividend Cover ratio is relevant. The NHS foundation trust was within the approved limit of this ratio.

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Deferred income	**363**	365	5,844

20.1 Deferred income - non-current

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Deferred income	**1,374**	1,400	0

Note - Deferred income - non-current relates to Primary Care Trust funding for a capital asset which is being amortised over the life of that asset.

21. Provisions - current

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Pensions relating to other staff	**90**	94	95
Legal claims	**89**	57	51
Other	**114**	114	299
TOTAL	**293**	**265**	**445**

21.1 Provisions - non-current

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Pensions relating to other staff	**923**	927	954
Legal claims	**5**	0	20
Other	**1,887**	2,012	950
TOTAL	**2,815**	**2,939**	**1,924**

21.2 Movement of Provisions

	Pensions	Legal claims	Other	**Total**
	£000	£000	£000	**£000**
At 1 April 2008	1,049	71	1,249	**2,369**
Arising during the year	25	49	877	**951**
Utilised during the year	0	(38)	0	**(38)**
Reversed unused	(76)	(25)	0	**(101)**
Unwinding of discount	23	0	0	**23**
At 31 March 2009	**1,021**	**57**	**2,126**	**3,204**
Arising during the year	**54**	**81**	**90**	**225**
Utilised during the year	**0**	**(27)**	**0**	**(27)**
Reversed unused	**(84)**	**(17)**	**(215)**	**(316)**
Unwinding of discount	**22**	**0**	**0**	**22**
At 31 March 2010	**1,013**	**94**	**2,001**	**3,108**
Expected timing of cash flows:				
Within one year	90	89	114	**293**
Between one and five years	523	5	1,887	**2,415**
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 - Other provisions for liabilities and charges brought forward and arising in the period primarily relate to the ongoing implementation of agenda for change and the NHS wide pay structure.
Note 4 - At 31 March 2010 £569,000 is included in the provisions of the NHSLA in respect of clinical negligence liabilities of the NHS foundation trust (31 March 2009, £637,000).

22. Contingent Liabilities

At 31 March 2010 the NHS foundation trust has a contingent liability in respect of clinical negligence claims with the NHS Litigation Authority (NHSLA) of £50,000 (31 March 2009, £26,000).

23. 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 2010	31 March 2009	1 April 2008
	£000	£000	£000
Financial Assets			
Loans and Receivables -			
NHS receivables	**1,609**	1,318	1,212
Non-NHS trade receivables (net of provision for impaired receivables)	**2,040**	1,589	580
Accrued income	**2,315**	2,497	174
Other receivables	**227**	278	293
Other financial assets	**0**	13,000	0
Current investments	**0**	4,000	5,000
Cash at bank and in hand	**18,149**	2,544	8,942
	24,340	**25,226**	**16,201**
Non-current assets held for sale -	**0**	285	9,330
TOTAL	**24,340**	25,511	25,531
Financial Liabilities			
Other Financial Liabilities -			
NHS payables	**5,426**	4,793	3,507
Other trade payables - revenue	**1,107**	1,897	1,541
Other trade payables - capital	**803**	360	960
Other payables	**599**	740	629
Accruals	**2,086**	1,905	2,360
Finance lease obligations	**2,314**	2,306	2,324
TOTAL	**12,335**	12,001	11,321

Note - The fair value of financial assets and liabilities shown above is not considered to be significantly different from book value.

23.1 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 16 above. 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.

23.2 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. 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 six 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, less than 7% of income is from non-NHS customers.

23.3 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 19.3.

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 period. The NHS foundation trust is currently not exposed to significant liquidity risk.

24. Third Party Assets

At 31 March 2010 the NHS foundation trust held £19,529 cash at bank and in hand (31 March 2009, £28,092) which relates to monies held on behalf of patients. This has been excluded from cash and cash equivalents figures reported in these financial statements.

25. Movement in Public Dividend Capital

	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Public Dividend Capital at 1 April	**35,819**	35,694	30,784
New Public Dividend Capital received	**0**	125	4,910
Public Dividend Capital at 31 March	**35,819**	35,819	35,694

Note - Further information on public dividend capital can be found above in Note 1.20.

26. Related Party Transactions

Cheshire and Wirral Partnership NHS Foundation Trust is a public benefit body authorised by Monitor, the Independent Regulator of NHS Foundation Trusts.

During the period none of the Board Members or members of the key management staff or parties related to them or members of the Council of Governors has undertaken any material transactions with Cheshire and Wirral Partnership NHS Foundation Trust. Note that details of senior management remuneration are shown in the Remuneration Report on page 68 of the Annual Report.

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. The Annual Report and Accounts for the charitable funds (Registered Charity No. 1050046) are available on request from the NHS foundation trust.

The NHS foundation trust has had transactions with the following related party organisations.

		Year Ended 31 March 2010		**31 March 2010**	**31 March 2010**
	Relationship	**Income**	**Expenditure**	**Receivables**	**Payables**
		£000	**£000**	**£000**	**£000**
Cheshire East UA	Member of Council of Governors	10,462	161	1,496	5
Cheshire West and Chester UA	Member of Council of Governors	148	194	26	53
Merseycare NHS Trust	Member of Council of Governors	51	1,932	0	265
Metropolitan Borough of Wirral	Member of Council of Governors	1,229	322	150	123
Arch Initiatives	Member of Council of Governors	0	76	0	0
Local Comprehensive Network	Member of Council of Governors	136	0	0	0
Royal College of Psychiatrists	Member of Council of Governors	0	44	0	0
Union Learn	Member of Council of Governors	26	0	8	0
University of Liverpool	Member of Council of Governors	63	494	36	35
Western Cheshire PCT	Member of Council of Governors	34,323	178	528	296
Wirral PCT	Member of Council of Governors	42,536	1,107	314	248
Wirral University Teaching Hospitals NHSFT	Member of Council of Governors	48	1,502	46	299

		Year Ended 31 March 2009		31 March 2009	31 March 2009
	Relationship	Income	Expenditure	Receivables	Payables
		£000	£000	£000	£000
Cheshire County Council	Member of Council of Governors	10,623	331	655	9
Merseycare NHS Trust	Member of Council of Governors	46	1,833	0	70
Metropolitan Borough of Wirral	Member of Council of Governors	1,287	391	694	200
Royal College of Psychiatrists	Member of Council of Governors	0	27	0	1
Union Learn	Member of Council of Governors	28	0	6	0
University of Liverpool	Member of Council of Governors	93	618	5	116
Western Cheshire PCT	Member of Council of Governors	30,128	88	416	164
Wirral PCT	Member of Council of Governors	41,560	1,147	211	726

		Nine Months Ended 1 April 2008		1 April 2008	1 April 2008
	Relationship	Income	Expenditure	Receivables	Payables
		£000	£000	£000	£000
Alternative Futures Group	Member of Council of Governors	12	0	2	0
Central and Eastern Cheshire PCT	Member of Council of Governors	23,373	450	77	5,603
Cheshire County Council	Member of Council of Governors	7,868	121	247	0
Knowsley PCT	Member of Council of Governors	132	0	0	0
Merseycare NHS Trust	Member of Council of Governors	0	1,375	0	355
University of Liverpool	Member of Council of Governors	110	397	35	127
Wirral Drug & Alcohol Action Team	Member of Council of Governors	118	0	0	0
Wirral PCT	Member of Council of Governors	28,120	928	157	443

27. Intra-Government and Other Balances

	Current Receivables £000	Current Payables £000
Balances with other Central Government Bodies	1,550	4,442
Balances with Local Authorities	1,887	182
Balances with NHS Trusts and Foundation Trusts	290	2,914
Intra Government Balances	3,727	7,538
Balances with Bodies External to Government	3,271	4,413
At 31 March 2010	6,998	11,951

Note - There were no Non-Current Intra-Government Receivables or Payables.

Balances with other Central Government Bodies	1,363	4,117
Balances with Local Authorities	1,363	211
Balances with NHS Trusts and Foundation Trusts	233	2,534
Intra Government Balances	2,959	6,862
Balances with Bodies External to Government	3,368	4,691
At 31 March 2009	6,327	11,553

Note - There were no Non-Current Intra-Government Receivables or Payables.

Balances with other Central Government Bodies	980	3,880
Balances with Local Authorities	497	133
Balances with NHS Trusts and Foundation Trusts	464	1,579
Intra Government Balances	1,941	5,592
Balances with Bodies External to Government	903	5,249
At 1 April 2008	2,844	10,841

Note - There were no Non-Current Intra-Government Receivables or Payables.

28. Transition to International Financial Reporting Standards (IFRS)

	Revaluation Reserve £000	Donated Asset Reserve £000	Retained Earnings £000
Taxpayers' equity at 31 March 2009 under UK GAAP	6,209	12	19,745
Adjustments for IFRS changes:			
Transfer of negative revaluation reserve balances	3,120	0	(3,120)
Revaluation of finance lease asset	289	0	0
Adjustments for depreciation, rental and interest on finance lease	0	0	(936)
Taxpayers' equity at 1 April 2009 under IFRS	9,618	12	15,689

	£000
Surplus for 2008/09 under UK GAAP	4,229
Adjustments for depreciation, rental and interest on finance lease	(73)
Surplus for 2008/09 under IFRS	4,156

Note - The UK GAAP 2008/09 cash flow statement included a net outflow of liquid resources of £6,398,000. This net movement is included in the bottom line cash and cash equivalents figure in the 2009/10 statement of cash flows under IFRS.

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