Countess of Chester Hospital NHS
NHS Foundation Trust

Annual Report and Accounts

2013/2014

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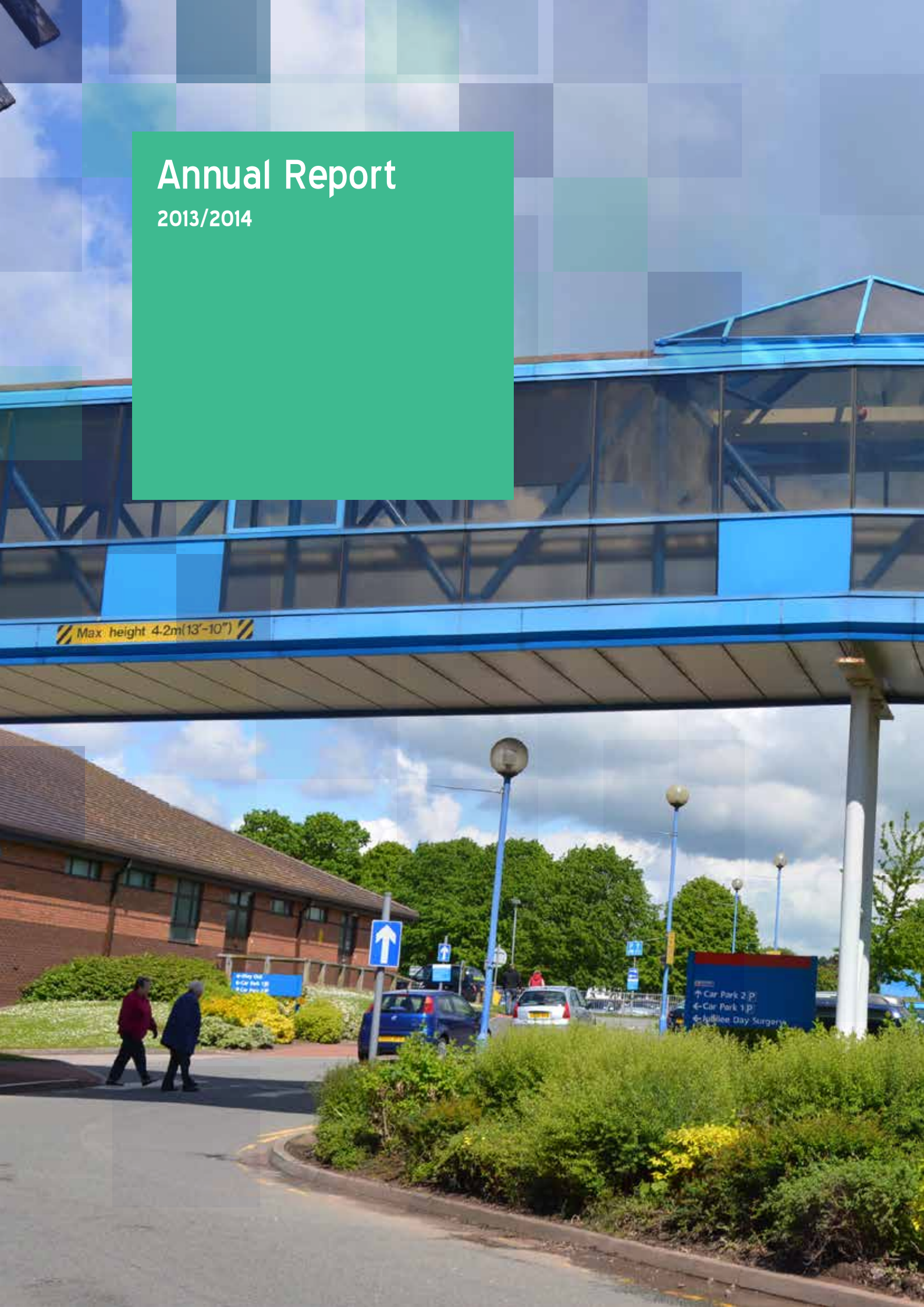
Annual Report

2013/2014



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Chairman's Statement

Welcome to the 2013/14 Annual Report of the Countess of Chester Hospital NHS Foundation Trust.

This year was my first full year at the Trust and I want to share my reflections of the hospital and its achievements during this time.

Firstly, our staff, who continue to demonstrate the level of care, respect, and energy that our patients expect. This year brought its share of challenges and problems that were tackled effectively through the professionalism and dedication of everyone who works at the Countess and Ellesmere Port Hospital. We maintained and improved the quality of care that we provide, whilst meeting all the demands of running an organisation such as ours. I have continued to try and meet as many members of staff as I can this year, and listen to both their concerns and achievements.

Secondly, this year we have delivered successfully, on time, and to the highest quality our new intensive care and endoscopy unit. At a cost of £15m this unit provides modern state-of-the-art clinical facilities for our most critically ill patients in intensive care, as well as significantly expanding our endoscopy capacity to meet the future demands on this service. This was a project two years in completion, involving over 200 Countess staff in its delivery, and its success is a credit to everyone who played a part. It will be officially named and opened later in 2014.

The next big project that we delivered this year was the creation of the South Mersey Arterial Centre (SMArt) at the Countess, in partnership with both Wirral and Warrington Hospitals. From the 1st April 2014 all inpatient vascular surgery, emergency and elective, will be performed at the Countess, to ensure our patients receive the highest levels of

consistent care by bringing clinical expertise together in one place. This was a project spanning over three years and involving over 300 staff from the three organisations.

The Francis Report published in February 2013 encouraged all NHS organisations to reflect and learn from its recommendations. Even the best organisations can aim higher, and accordingly last year we reviewed all of our nursing skill-mix and structure, and consequently implemented enhanced nurse staffing levels. This will ensure our patients continue to receive the best care 24 hours a day, seven days a week.

We are of course looking to the future, and the challenges we will face. We know that locally we have an ageing population with higher clinical needs and complex co-morbidities. Accordingly we are working in partnership with all of our social and healthcare partners to redesign and make sustainable the care we provide for our elderly and emergency patients with long-term conditions.

The NHS faces even greater financial challenges in the future with flat funding and increasing demand. Therefore in conjunction with our partners, we are reviewing all of the services we provide to ensure they are operating as efficiently and effectively as possible. In this way we can ensure our services and the quality of care they provide are sustainable and safe for the future, and exceed the expectations of our patients.

The year ahead is one of anniversary celebrations for us. 2014 marks 100 years of Ellesmere Port Hospital, 30 years of the Countess of Chester Hospital, and 10 years as a Foundation Trust. To mark these milestones we will be holding a number of special events, starting with a service of Thanksgiving and Celebration at Chester Cathedral in May.

In conclusion I would like to thank again all of our staff for the real achievements of the last twelve months, and look forward to building on these successes in the future.

Sir Duncan Nichol CBE
Chairman

About The Countess of Chester Hospital NHS Foundation Trust

The Trust comprises the Countess of Chester Hospital, a 600 bed hospital, providing the full range of acute and a number of specialist services, and also uses Ellesmere Port Community Hospital, a 70-bed rehabilitation and outpatient facility. The Trust has over 3,500 employees and provides acute emergency and elective services, primary care direct access services and obstetric services to a population of approximately 250,000 residents mainly in Chester and surrounding rural areas, Ellesmere Port and Neston and the Deeside area of Flintshire. More than 425,000 patients attend the hospital for treatment every year – ranging from a simple outpatient appointment to major cancer surgery.

We are the main Trust serving Western Cheshire and provide services to approximately 30% of the population covered by Betsi Cadwaladr University Local Health Board in Wales. Welsh patients represent approximately one fifth of the workload of the Trust.

The Trust also provides a full complement of Accident and Emergency, outpatient and direct access services. All main specialities are supported by a comprehensive range of clinical services in therapies, pharmacy, pathology, radiology, and cardio-respiratory. We lead the SMART (Vascular) centre, based in Chester and providing elective and emergency arterial surgery services to patients from the North and South of Cheshire, and Wirral areas. We provide facilities to other Trusts for Neurology, Psychiatric Liaison, Community Dental Services and Oncology. The renal dialysis and outpatients service at the Countess of Chester Hospital is currently provided on a joint basis linked to the inpatient service at Wirral University Teaching Hospital NHS Foundation Trust.

The Trust was authorised as a Foundation Trust by Monitor in 2004, and this year celebrates its 10th anniversary.

Strategic Report

The Trust provides a comprehensive range of acute hospital services with some associated community services primarily to the populations of West Cheshire and the Deeside area of North Wales.

2013/14 was another busy year for the Trust, which built on its outstanding record of success. It was also a period of significant change, new developments and new opportunities - all of which will be described later in this report.

Construction work finished on our new build which houses both our critical care and endoscopy units, and is a key component of the Trust's wider Site Strategy. We also opened the South Mersey Arterial Centre in April 2014, in partnership with Wirral and Warrington hospitals.

In 2012/13 the Trust was pleased to achieve the top Level 3 standard in both the Clinical Negligence Scheme for Trusts (maternity), and NHS Litigation Authority (all other services) assessments. During 2013/14 the Trust built on this success and maintained these standards and quality of care provided for our patients.

The Trust's vision can be summarised as:

Integrated Care at its Best
Quite simply we want to deliver the best possible
care to our patients, in the most appropriate location.

Strategic Objectives:

Providing the best patient experience

We believe in providing the best clinical outcomes and highest quality care in a safe, friendly environment where a patient's dignity is fully respected. We will continuously improve patient experience and reduce the incidence of harm.

Efficiency & Quality in delivering services

We will deliver streamlined, accessible services to patients, where it is most convenient to them, with the lowest waiting times and seek to continuously improve our operational efficiency, whilst maintaining and improving where possible our clinical care and outcomes.

Listening to our patients

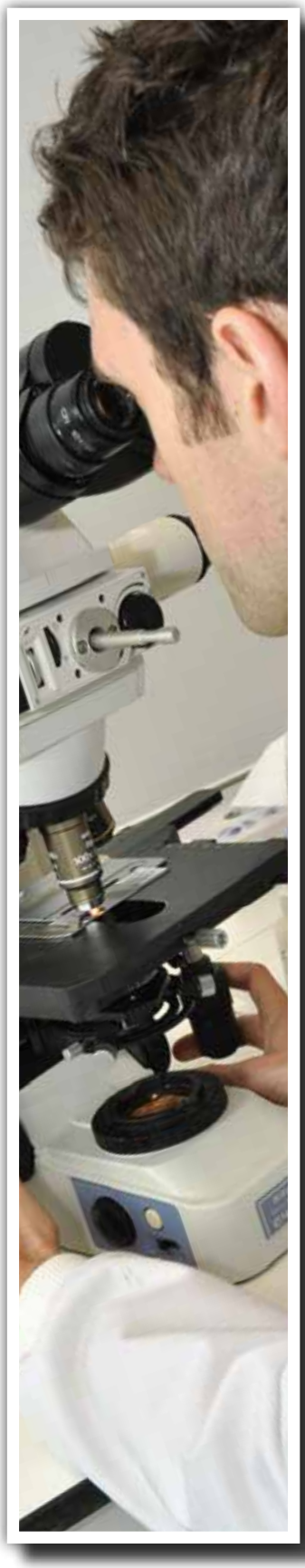
We listen to our patients, their carers and their family about the care we provide. Recognising the importance of our close partnership with General Practitioners who refer them and care for them holistically, we will be responsive to the needs of both GPs and the bodies that commission our services. By using their feedback and by working in partnership with our commissioners and Healthwatch we will continuously improve the services we provide.

Pushing Boundaries
We will continue to change things for the better, expanding the scope and range of services, from the application of the very best clinical practice, through process transformation and use of the latest technology.

People at their best
Our staff are key. By engaging, empowering and recognising our people we will make sure they can give their best and continuously improve care.

At the heart of delivering this vision are our values. These are the principles that determine the way we behave and what we believe in. They help bring us together as a family, giving us a common culture.

Business Review for 2013/14



Delivering the best possible care to our patients means we need to continuously make things better, and in 2013/14 we made significant improvements across the Trust in a range of areas, against a backdrop of the really tough challenges facing us and the rest of the NHS.

Improving the patient experience and the quality of patient care

It has been a very busy year and we have achieved further improvements for our patients during 2013/14. Highlights have included, being awarded the Advancing Quality award for most improved Trust during the past five years, having an MRSA free year with no reported cases and achieving the target for Clostridium Difficile (34 cases vs a target of 36), this is the first time we have achieved this and we are very proud of this. Further achievements can be viewed within the Quality Account.

We have also seen a number of changes in respect of the introduction of a new governance reporting structure, in particular the development of the Quality, Safety and Patient Experience Committee. This is a sub-committee of the Board and is chaired by one of our Non-Executive Directors and receives assurance on quality, safety and patient experience related items – the development of this committee and the clinical engagement demonstrated has provided the opportunity to strengthen the clinical effectiveness agenda and further develop an organisational culture of greater openness, transparency and candour. Quality, safety and patient experience reports have been regularly presented to the Board including patients stories which have illustrated both good practice and areas for further improvement.

In response to a number of national reports, i.e, Francis, Berwick and Keogh, we undertook a number of reviews and improvements. The Nursing and Midwifery Strategy was developed and launched at the Board in December 2013. This is underpinned by the 6C's, Care, Compassion, Competence, Communication, Courage and Commitment. A nurse staffing review was undertaken resulting in £1 million of investment into recruiting more nurses. We reviewed our processes for reviewing grade 3 and 4 pressure ulcers and also reviewed the associated training to support the detection and management of these, although we recognise that there is further work required to maximise patient safety. Likewise, a considerable amount of work has been undertaken in reducing falls and we have seen a 10% reduction of falls with harm in year.

We reviewed our risk management processes and implemented a new electronic risk system to aid managers (clinical and non-clinical) and practitioners identify risks more effectively and articulate these in a more meaningful way. The organisational risk register has been reviewed and the further development of the Board Assurance framework has enhanced our risk management and assurance processes. A review of how incidents are reviewed was also introduced with a weekly incident review panel, providing more rigour in how incidents are classified and reported externally (more detail on this can be found in the Quality Account). By analysing incidents, an external review of maternity was commissioned – this did not demonstrate any significant safety issues but did highlight areas for improvement e.g, education, teamwork, workforce and service development.

Under the new CQC intelligence monitoring process, we were placed in Band 5 during the last quarter of 2013/14 highlighting us as a low risk organisation – we continue to prepare for the new inspection regime recognising the importance of staff engagement and continuing to develop relationships with our patients and key stakeholders.

Reporting Quality Governance

The quality measures agreed with our commissioners for 2013/14 were all achieved within the year (with the exception of one element of the Safety Thermometer – pressure ulcer incidences, also see narrative above). We aim to be even better during next year with a focus on developing our patient pathways, particularly regarding the frailty agenda and further development of more integrated care with our community, mental health and social care partners. Further detail on specific priorities for 2014/15 can be viewed in the Quality Account.

We have seen the transition of critical care services move into the new intensive care unit providing a state of the art environment to facilitate great care for our patients and facilities for their families. We have also seen a significant amount of work undertaken in preparation to commence the running of the South Mersey Arterial service supporting patients from Warrington and Wirral as well as Chester.

The Clwyd/Hart review was published during the year and in response to this we have undertaken a review of our complaints process, implementation of actions from this review will feature during 2014/15 to ensure complaints are responded to in an open and transparent way.

Developing new and better services in better facilities

We continuously strive to enhance the way we deliver services to patients, and the environment within which we deliver their care.

Transforming Care

- New Intensive Care Unit opened on time and to budget
- Increasing our endoscopy and daycase capacity to facilitate the re-design of elective surgery provision.
- Planned and commenced SMART (Vascular) centre, based in Chester and providing elective and emergency arterial surgery services to patients from the North and South of Cheshire, and Wirral areas
- Cancer 62 day root and branch review and improvements made
- Delivered e discharge
- Re-design of the acute medicine pathway and emergency services.
- Launch and development of Ambulatory Care Service
- Appointment of two new geriatricians
- Early Supported Discharge caring for 90 plus patients daily
- Children's 'Hospital-at-Home' service meaning more children can be cared for at home
- System wide integrated health record developed
- Production of West Cheshire Way document

Patient Experience & Quality

- Nursing and Midwifery review resulting in significant investment into additional nurses
- VRE issue in April and May 2013 resolved
- Delivered Cdiff target for first time

Staff Engagement & Leadership

- One of highest staff flu jab uptakes in country
- Staff survey results
- Building improved staff partnership forum relationships

Driving greater efficiency in delivering services

By maximising our operational efficiency and productivity and redesigning service provision we can make sure our patients receive their appointments, care, and treatment in the timeliest fashion and at their greatest possible convenience. At the same time by eradicating variation and waste, inefficiency and delay we can ensure that every pound we spend is spent well.

Our cost reduction and efficiency programme continued during 2013/14, utilising the new Programme Management Office (PMO) to co-ordinate and centralise these activities. Alongside this we continued with our Electronic Casenote Programme – to digitise all our patient case-notes so that over the next few years we can eliminate paper-based patient records and significantly improve the speed and effectiveness by which our clinicians can treat patients.

Changes at the top

Building on the changes in 2012/13, Debbie O'Neill was appointed as our Chief Financial Officer. We will be appointing to the substantive role of Director of Human Resources in 2014/15.

Also the changes that had begun to the Non-Executive members of the board were completed in 2013. Our thanks go to Laura Carstensen for her service and we welcomed three new Non-Executive Directors namely, Elaine McMahon, Ed Oliver and James Wilkie.

Hospital activity and waiting times in 2013/14

The year saw both A & E attendances and overall emergency admissions reduce. However the age and morbidity of the patients we are seeing has increased dramatically, reflecting the predicted population and demographic trends for this locality. This has put pressure on our beds and ability to discharge patients. We continue to work with our health and social care partners to redesign patient pathways and minimise unnecessary hospital attendances and admissions.

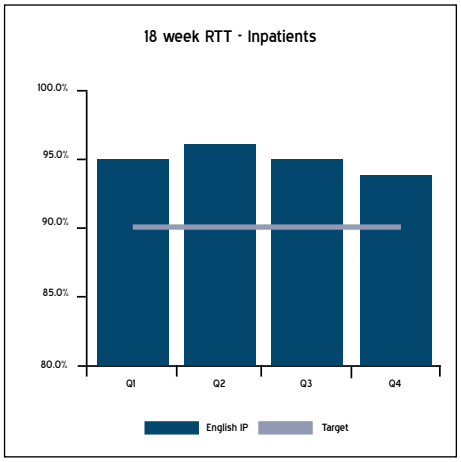
Activity

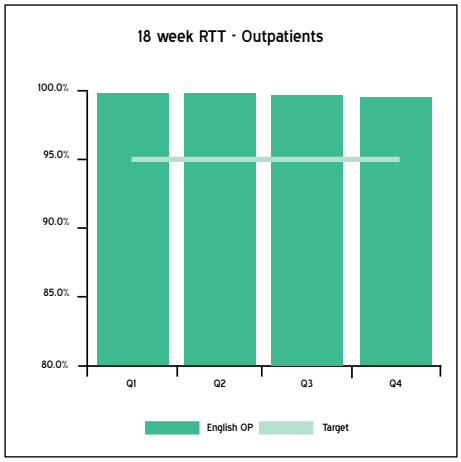
Note that the 2012/13 figures are different to those we published last year, due to changes in counting practice in 2013/14, therefore we have restated the previous year's figures.

Waiting Times

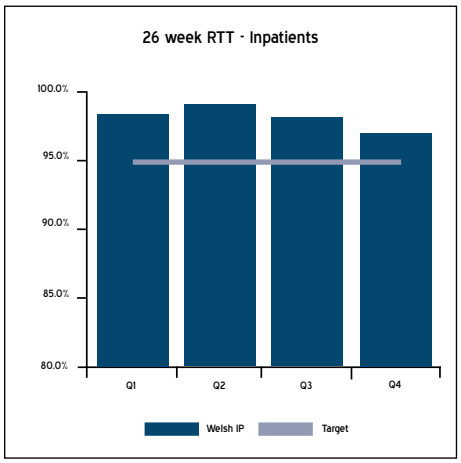
Activity	2012/13	2013/14	% Change
Elective Inpatients	5,518	5,016	-9%
Elective Day Case Patents (Same Day)	29,652	30,754	4%
Non-Elective	29,619	29,269	-1%
Outpatients - First	74,938	70,160	-6%
A&E	68,914	68,190	-1%

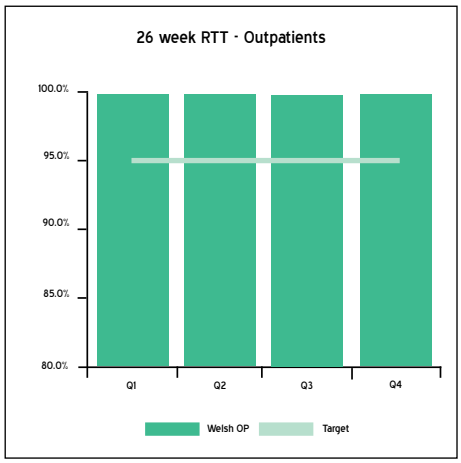
The Trust continued to meet the 18 week target for English GP registered patients and remains one of the best performing trusts.





The Welsh Assembly waiting time targets are not the same as those in England, and they expect all patients to receive their first treatment no longer than 26 weeks from referral.





Mortality

As described in last year's Annual Report, the Trust formed a Mortality Review Group (MRG) in 2013/14. The purpose of this Group is to review every in-hospital death at the Trust, to identify any areas of poor practice and any areas of failure that might have contributed to death, and to learn from these and change practice to avoid repeat. A quarterly report will go to the Board from the MRG.

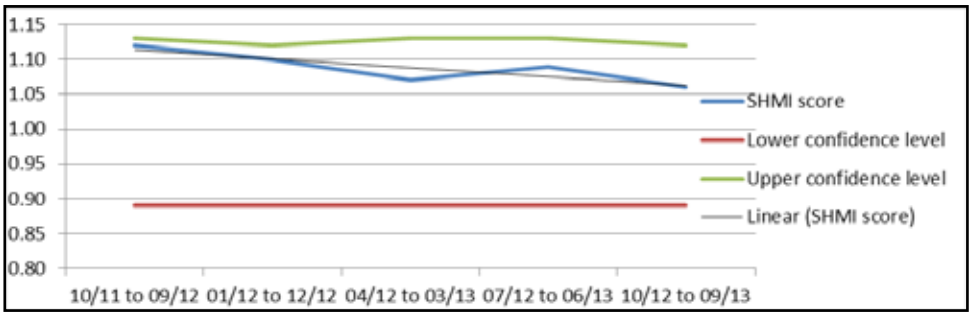
Initially 5 teams were formed, comprising a Consultant and a Senior Nurse, including the Medical Director and the Director of Nursing and Quality; a further 3 teams have been subsequently added in the latter part of the year.

The review process was initially based on the 3x2 matrix tool developed by the NHS Modernisation Agency (A Matter of Life and Death; improving hospital mortality rates and end of life care. NHS Modernisation Agency. 2004) as used by the Medical Director for an initial retrospective audit of deaths in January 2013.

In year the process evolved; it became apparent that whilst the matrix tool was a good starting point, it did not specifically address many of the issues arising from mortality ratios or from our own early reviews. The tool has, therefore been revised so that it will also allow easier, and quicker, review of the results but also comprehensively covers the areas of concern. It is envisaged that this process will continue to evolve. To date we have not identified any cases where there has been a failure of care that has contributed to the death of a patient. The major finding to date has been the need to develop palliative care and end of life strategy across the whole West Cheshire health economy.

Summary Hospital Mortality Indicator (SHMI)

The most recent SHMI for the Trust, published by the HSCIC, for the period October 12 – September 13, was 1.06, a small decrease, 0.03, on the previous period and remaining within the "as expected" range.



The trend for the past year has been downwards. Our recent dashboards from NHS (North Region) for SHMI and the Hospital Standardised Mortality Ration have shown:

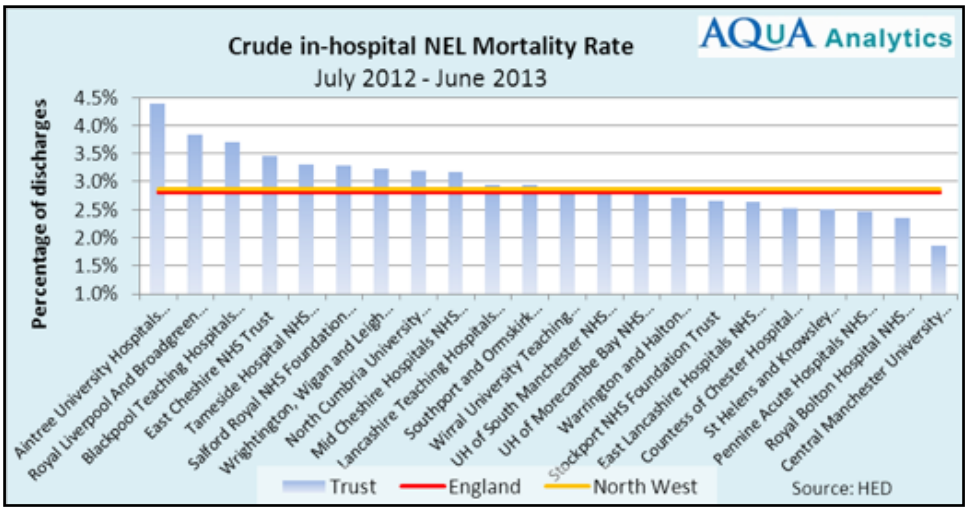
Period	SHMI score
Jan 12 - Dec 12	110.00
June 12 - May 13	108.76
Jul 12 - Jun 13	107.79
Aug 12 - Jul 13	107.56
Sep 12 - Aug 13	106.80

Period	HSMR	HSMR (weekend)
Apr 12 - Mar 13	108.00	124.30
Jul 12 - Jun 13	103.70	119.80
Aug 12 - Jul 13	103.90	117.70
Aep 12 - Aug 13	104.70	125.10
Oct 12 - Sep 13	100.60	122.40

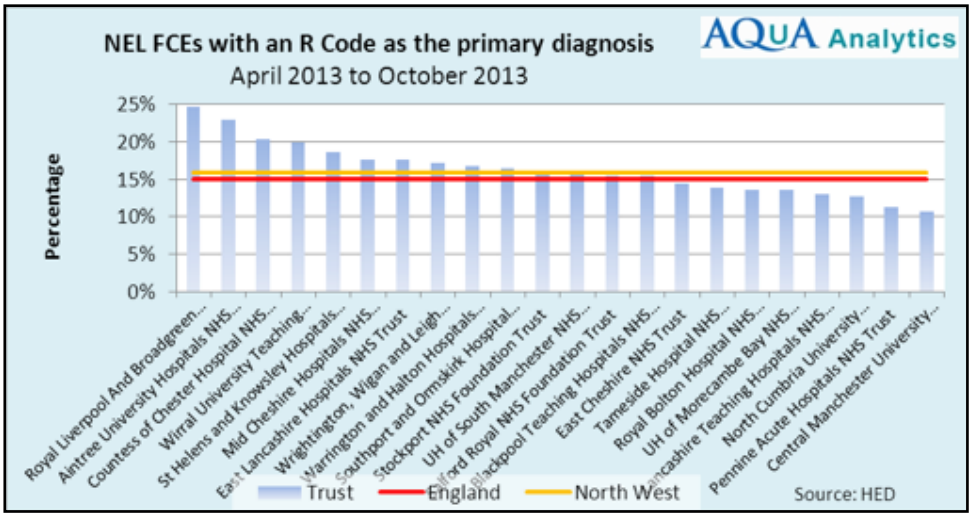
- Above expected
- As expected
- Below expected

The mortality review process has specifically reviewed weekend admissions and no failures of care were identified. Further work is being done to investigate the causes for the higher weekend HSMR.

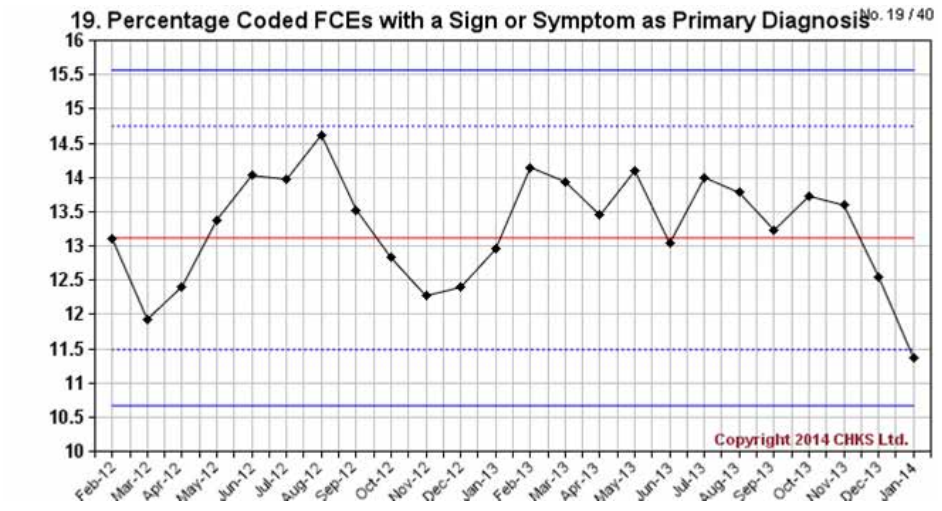
Our crude in-hospital mortality, as reported by AQuA, is below expected:



The disparity between crude mortality and standardised mortality ratios might, at least in part, be influenced by the failure to record a diagnosis in the first two episodes of care i.e. signs and symptoms are being recorded. Whilst we remain an outlier for the use of R codes (the recording of signs and symptoms instead of a diagnosis):



Recent changes, including coders challenging the records with the clinicians on the Ambulatory Care Unit (now being introduced onto MAU also), have had an effect:



It is anticipated that this will positively influence future standardised mortality ratios.

Achieving national targets and meeting regulatory standards

Monitor updates its Compliance Framework each year. The purpose of the Framework is to assess the compliance of NHS Foundation Trusts against their terms of authorisation and to ensure they make the best use of their freedoms whilst protecting the interests of patients and the public and ensuring national health targets are delivered. The Trust's performance against financial and governance risk ratings for the last two years is summarised opposite -

	Annual Plan	Q1	Q2	Q3	Q4
2012/13					
Financial Risk Rating	3	3	3	3	3
Governance Risk Rating	Amber/green	Amber/green	Amber/green	Amber/red	Amber/red
2013/14					
Financial Risk Rating	3	3	3	4*	4*
Governance Risk Rating	Amber/green	Green	Amber/green	Green	Green

* During the year Monitor introduced a new Risk Assessment Framework, which replaced the Compliance Framework from the previous year. The earlier risk rating is therefore not directly comparable with the new risk rating.

The Trust's two-year Plan sets out the operational and financial plans to ensure continued delivery of core objectives and targets and to remain fully compliant with our terms of authorisation. In-year performance is reported internally on a monthly basis and quarterly to Monitor through templates, narrative and formal Board declarations. Monitor issues in-year risk ratings on the basis of these returns.

The Trust achieved a Financial Risk Rating of 4 as planned as it ended the year in surplus, and maintains strong levels of liquidity. The table below demonstrates the Trust's performance against Monitor's non-financial compliance targets –

Monitor Compliance Performance by Quarter - 2013/14

Indicator	Target	Q1	Q2	Q3	Q4
Referral to treatment time, 18 weeks in aggregate, admitted patients	90%	94.90%	96.20%	95.20%	94.2%
Referral to treatment time, 18 weeks in aggregate, non-admitted patients	95%	99.80%	99.80%	99.80%	99.7%
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	92%	96.10%	95.90%	94.50%	93.3%
A&E Clinical Quality - Total Time in A&E under 4 hours	95%	95.91%	97.08%	95.10%	94.4%
Cancer 62 Day Waits for 1st treatment (from urgent GP referral)	85%	85.50%	84.46%	79.40%	86.2%
Cancer 62 Day Waits for 1st treatment (from NHS Cancer Screening Service)	90%	100.00%	100.00%	91.70%	92.7%
Cancer 31 Day Wait for 2nd or subsequent treatment - surgery	94%	99.00%	99.40%	97.70%	95.2%
Cancer 31 Day Wait for 2nd or subsequent treatment - drug treatments	98%	100.00%	100.00%	100.00%	100.00%
Cancer 31 Day Wait from diagnosis to 1st treatment	96%	99.30%	98.70%	98.70%	98.6%
Cancer 2 week (all cancers)	93%	98.00%	98.50%	98.20%	97.3%
Cancer 2 week (breast symptoms)	93%	97.70%	100.00%	97.80%	97.1%
Infection Control - Clostridium Difficile	36	3	7	11	13
Infection Control - MRSA	1	0	0	-	-

The Trust has had particular areas of challenge in maintaining Monitor Compliance and national target achievement in two areas –

- Cancer 62 day – We achieved the target in Q1 but missed the target in Q2 (84.5%) and Q3 (79.4%). The Q4 target was achieved.
- Emergency Department (ED) overall 95% four hour access target for year. We achieved the target in Q1, Q2 and Q3 but narrowly failed in Q4.

Cancer 62 day target – due to the multiple causes of variation that can occur within cancer pathways the Trust carried out a root and branch review of our cancer services. This has involved our local audit service, and the national cancer Intensive Support Team (IST) as well as the cancer strategy group hosted by the CCG.

This review included assessment of the efficiency of the patient pathways within priority tumour groups with a view to achieving the first diagnostic test by day seven of the relevant patient pathway. Cancer performance is discussed at every Operational Delivery Committee, every Board of Directors and in February the Board hosted a wider debate involving members of the responsible management team.

It is accepted that due to the small numbers of patients that are required to breach before the compliance target is failed that every single cancer patient is micromanaged through their pathway by an enhanced group of cancer trackers and that a robust escalation mechanism is embedded to ensure that barriers and bottlenecks can be removed.

Emergency Department 95% - performance was maintained throughout the first three quarters of the year. In Q4 performance has been compromised by the number of medically optimised patients in the hospital thus impacting on medical bed availability and non-elective patient flow. To assist routine in-patient electives were cancelled in a planned manner for the two weeks over Christmas 2013.

The Trust has engaged with its partners in the health economy to redesign parts of the non-elective care system. Significantly the Ambulatory Care service has improved patient experience and relieved some pressure on the ED department by delivering rapid diagnostics and senior review, thus meaning many patients are able to go home.
We are confident in returning to sustainable performance during 2014. No formal interventions were made by Monitor during the year.

Principle risks faced by the Trust

As a medium sized general and acute trust, the risks facing the Countess are both operational (in-year) and strategic (3-5 years) and as such the risks identified below are framed on this basis. We have consulted widely in relation to the future challenges, and during 2014 significantly refreshed and strengthened the Board Assurance Framework in light of the Francis Report. We will monitor both the operational and the strategic risks through our robust governance framework.

Key Risk
Operational Delivery • Changing commissioning landscape • Speed of community service response • Number of medically optimised patients in hospital • Pressure on Emergency Department and delivery of current admission avoidance & discharge schemes • Compliance target delivery • Number of cancellations • 62 day Cancer delivery • Wales – cross border issues and management of demand • IM&T - maintaining effective informatics systems & services • Aging infrastructure (eg W&C Building) and backlog maintenance
Clinical Sustainability • 7 day working • Medical staffing numbers to sustain 24/7 rotas as recommended by Royal Colleges and other national bodies • Junior doctor's rotas and availability • Skilled workforce availability, sustainability and flexibility (incl impact of demographic changes). • Ability to meet NHS England's specialised service specifications and relevant public health functions • Catchment and demographics • Patient volume/demand
Financial Sustainability • Impact of demographic changes (older, sicker population) not reflected in resources • Impact of better care fund in 2015/16 • In ability to take out cost due to fixed overheads • CRS / efficiency delivery • Long term contractual & commissioning intentions – cross border & geo/political systems • External tendering of services • Move of commissioning responsibilities from CCG to local authority (e.g. sexual health services) • Lack of clarity on specialised commissioning intentions, expectation of increasing provider requirements and restrictions • Competition and costly tendering processes • Medical pay • Emergency care demand • Impact of 7 day working • Impact of IM&T requirements
Quality, Safety & Patient Experience • Delivery of CQUIN, quality measures & implementing Francis Report recommendations • Clinical engagement & leadership • Culture and morale • Resistance and capacity to deliver change • Communication challenges. • System-wide quality improvement strategy • Access to quality data & information • Patient experience feedback • Infection control • Trust values & behaviours • Information Governance risks

Actions by the Trust
• Continue integrated working with local partners • Enhance our focus on building an internal performance assurance culture through new framework • Ensure sufficient escalation capacity • Board development programme • Early identification of variances • Robust monitoring, performance review, and action plans where required • Delivery of 18 week backlog in Q1 14/15 • Cancer, carve out 7 day diagnostic, micro management of PTL, improved tracking, revised access policy, close collaboration with CCG and primary care • IM&T on BAF and Trust reviewing PAS replacement • Regular condition surveys to inform backlog maintenance stratified risk assessment
• Partnership working with other NHS acute providers including joint rotas and clinical collaboration • Close liaison with Deanery • Undertake detailed service reviews • Develop integrated planning arrangements across the local health economy and deliver the 'West Cheshire Way' • Development of a Trust Recruitment & Retention Strategy, as part of the revised People Strategy
• Finance & Integrated Governance Committee (exec, non-exec & senior operational/clinical managers) • Quality Value and Delivery Team function with greater focus on benefits realisation • Refreshed medium term financial plan and ensure effective cost efficiency strategy • Integrated service, quality, workforce & capital planning • On-going engagement with Betsi Cadwaladr UHB re their commissioning intentions • Positive contractual agreement • Greater understanding of service line reporting in context of system wide Long Term Financial Model (LTFM) • Pursuing transitional support from commissioners
• Quality, Safety & Patient Experience Committee established and chaired by a non-executive director • Francis Report action plan monitoring • Governors Quality Forum • Refreshed Leadership Development & Staff Engagement & Experience Programme • Developing new quality & performance dashboards and integrated ward-to-board reporting • Review and major investment in nursing workforce • Clinical leadership development programme • Real time patient experience • Positive values and behaviours are encouraged • Enhanced infection prevention and control practices • Speak out safely adopted • Communications team enhanced • External Maternity Review • Refreshed IM&T governance structures and arrangements

Future Plans

The Trust's plan for 2014-2016 reflects the on-going requirement to achieve a circa 5% reduction in our cost base each year and to meet the needs of the commissioning bodies in England and Wales. We are committed to working in partnership with the West Cheshire Clinical Commissioning Group (CCG), Cheshire and Wirral Partnership NHS Foundation Trust, and Cheshire West and Cheshire Local Authority to manage and re-design patient services and pathways to ensure all of our patients are seen and treated at the right time and in the right place. We will also continue to work closely with our welsh partner in Betsi Cadwaladr University Health Board.

We are in discussion with local NHS acute partners to explore how clinical services can be improved and overhead costs reduced. An example of this is the SMART (Vascular) centre which from April this year will be based at Chester and provide elective and emergency arterial surgery services to patients from the North and South of Cheshire, and Wirral areas.

Internally we are looking at how we can streamline the services we provide, whilst maintaining services and quality. We are looking at both the planned and unplanned care models across the Trust, and the key themes below summarise our plans for the future.

Strategic direction

Our longer term strategic direction is built on three key programmes of work:

- **West Cheshire Way** working with our local healthcare and other related partners to drive service re-design and integrate care for the residents of Western Cheshire.
- **Integrated Specialist Services** providing the right services to meet the needs of our patients, either as part of clinical network or as a specialist centre in our own right.
- **Countess 20:20** reviewing our core services to ensure they deliver the health outcomes and quality that our patients deserve.

The three aims are supported by key enablers in the areas of:

- Technology making best use of medical and information technology available.
- Clinically led to make ourselves the most clinically led and engaged organisation in the NHS.
- Research, Education & Innovation to utilise the learning and creativity that exists within our organisation to ensure the delivery of quality outcomes, efficiency and sustainability.

In considering the strategy and with a particular focus on the period 2014-2016, five key themes have emerged from our work to shape our plans and feature throughout this document:

- Patient experience and quality: including embedding the learning from the Francis, Keogh and Berwick reports and continuing with detailed reviews of our key services to ensure long term sustainability and quality of care.
- Staff engagement and leadership: ensuring we work towards delivering our ambition of being the most clinically led and engaged organisation in the NHS.
- Transforming planned care: by increasing our endoscopy and day case capacity to facilitate the redesign and deliver the improved productivity opportunities that are available.

- Transforming urgent care services: through the development of an acute 'hub' as part of the implementation of the recommendations from The Royal College of Physicians Future Hospital Commission and as part of a new offering to our commissioners in partnership with our colleagues in community services, primary and social care. This includes the further development of out of hospital care, building on Early Supported Discharge, Clinical Streaming and Children's Hospital at Home services.
- Focussing on how we use the opportunity of transitional financial support: to transform our services in preparation for the financial pressure facing us now and in the future.

Financial Review for 2013/14

The Trust continued to perform well financially, reporting in 2013/14 a surplus of £766k (before impairments), whilst also delivering strongly against Monitor's compliance regime. The financial metrics are summarised below –

Continuity of Service Risk Rating	2012/13		2013/14	
Liquidity Ratio	-	-	(4)	18.4
Capital Servicing Capacity	-	-	(4)	2.64
Overall Weighted Average	(3)*		(4)	

* During the year Monitor introduced a new Risk Assessment Framework, which replaced the Compliance Framework from the previous year. The prior year risk rating is therefore not directly comparable with the new risk rating.

Income and Expenditure

The summary table below shows a surplus of £766k before net impairments of £9,884k. The Trust's income increased in 2013/14 to £200.7m which was mainly attributable to increased demand along with transitional funding support from Western Cheshire Clinical Commissioning Group (CCG). The majority of our income comes from our main commissioner Western Cheshire CCG at £131m, with £25m received from Betsi Cadwaladr University Health Board (BCUHB). Elective activity from BCUHB reduced further in 2013/14 reflecting their repatriation plans.

Although income increased from 2012/13, the Trust was unable to deliver its planned inpatient activity and subsequent income levels. This was due to bed capacity constraints in April 2013 as a result of an infection outbreak; and further bed pressures during the winter due to the increased emergency demand, and lack of available nursing home beds both in Cheshire and Deeside.

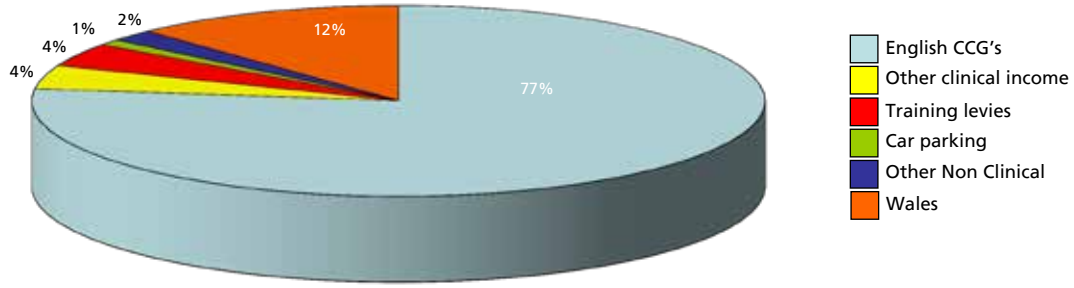
The Trust experienced a number of expenditure pressures on its budget in year with medical pay continuing to exceed planned levels for the second year running. This was due to high levels of sickness and maternity leave, along with the continuing pressure of rota gaps for those junior medical staff in training due to lack of trainees allocated to the Trust, however the spend on medical agency to cover these gaps reduced in 2013/14. There were also other pay pressures in relation to nursing expenditure not only to meet the increased activity demand over the winter period, but also to manage the more complex frail elderly patients that are being admitted to the hospital. Consumable costs were generally in line with the increased demand, however there were further pressures in diagnostic services. This was in relation to increased demand to obtain more rapid diagnosis to enable speedier discharge from hospital, and also increased demand for MRI scans from GP's.

In December 2013 the Trust Board approved additional funding for nursing after a review undertaken in-year following the publication of the Francis report. £850k is to be invested in 2014/15 for wards, emergency department and critical care with some of these costs being incurred in 2013/14 as recruitment commenced. Nursing levels within maternity services are also to be reviewed in 2014/15.

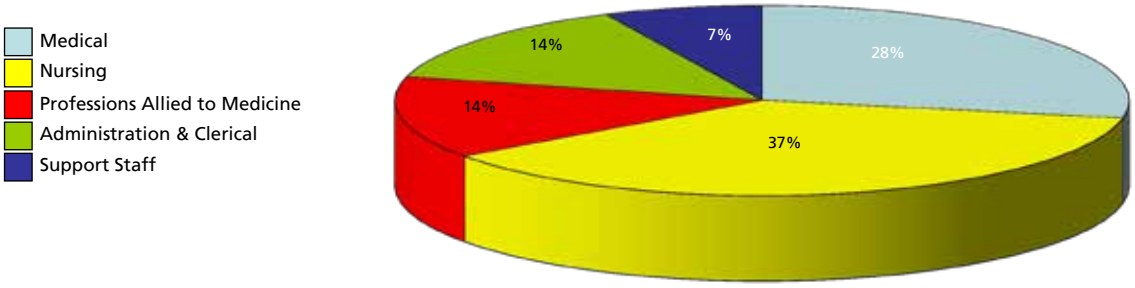
Income and expenditure	2009/10 £m	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m
Income (Before reversal of impairment)	171.9	179.0	185.5	193.2	200.7
Expenses (Before impairment & re-organisation costs)	(160.2)	(168.7)	(176.6)	(185.3)	(193.6)
EBITDA	**11.7**	**10.3**	**8.9**	**7.9**	**7.1**
Interest, depreciation, dividend	(6.9)	(7.5)	(7.1)	(7.1)	(6.3)
Surpls Prior to impairment & reorganisation costs	**4.8**	**2.8**	**1.8**	**0.8**	**0.8**
Impairment & Reorganisation costs	(4.7)	(4.3)	(2.4)	(6.8)	(9.9)
Surplus/(Deficit) for the year	**0.1**	**(1.5)**	**0.6**	**(6.0)**	**(9.1)**

The majority of Trust expenditure is spent on clinical care with staff representing the largest proportion at £106m. The charts below summarise income and expenditure by category -

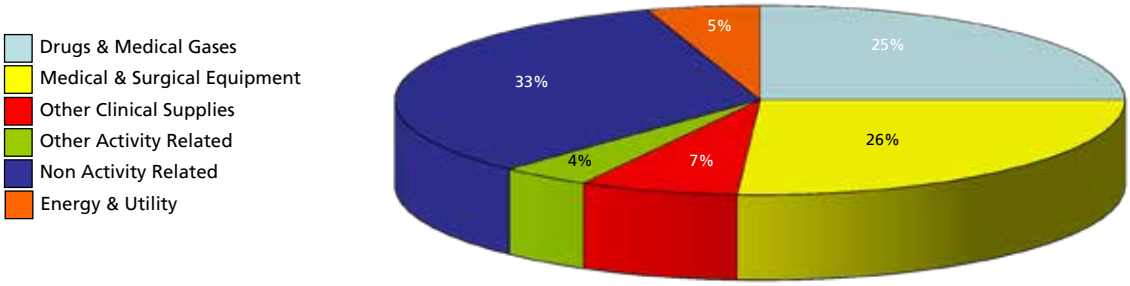
Where our money comes from:-



Break-down of Pay Expenditure:-



Break-down of Non Pay Expenditure:-



Cost Reduction and Efficiency

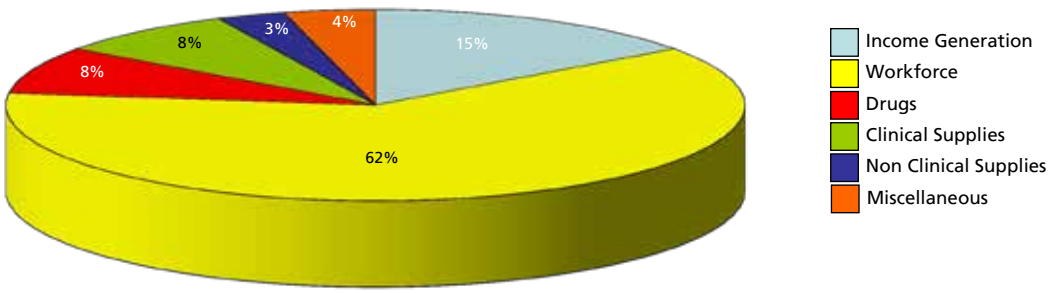
The efficiency target for 2013/14 was £7.4m. Savings plans were delivered in full in-year with transitional relief from our commissioner Western Cheshire CCG, however only £5.9m savings were achieved on a recurrent basis, resulting in £1.5m being carried forward to 2014/15.

The Trust implemented a Program Management Office function in 2013/14 to support the delivery and implementation of cost reduction schemes, introducing robust documentation, quality impact assessments and monitoring to improve the governance processes.

The main schemes delivered in 2013/14 included:

- Rationalisation of hospital beds resulting in closure of a ward
- Reduction in contract price for drugs
- Improved productivity inpatients and outpatients
- Procurement savings

Cost Reduction Savings 2013/14

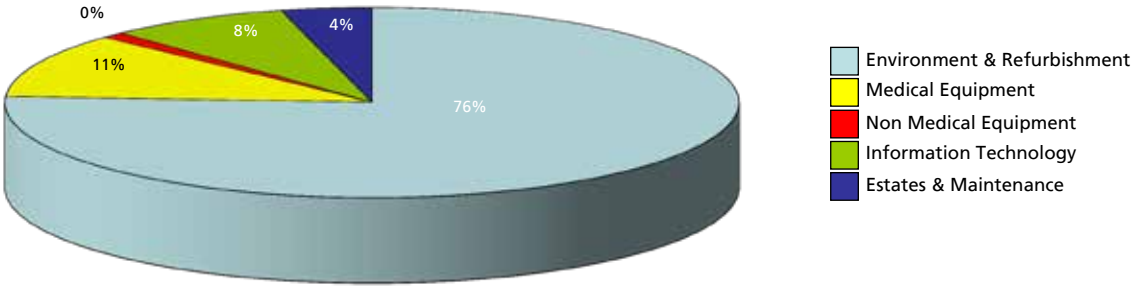


The Trust will be required to continue to deliver savings between 4-5% (c£9m per annum) for the foreseeable future, and this can no longer be achieved in isolation due to an aging population with increased demands yet less funding available. We will need the continued support of our commissioners, along with partnership working to continue to reconfigure services within the local economy, so that we can care for our patients in the most appropriate setting.

Capital Investment

Being a Foundation Trust allows us to reinvest the cash generated from our operating surplus back into the infrastructure and estate of the hospital.
£18.8m was spent during 2013/14 in the following areas -

Capital Investment



During 2013/14 we continued with our three year Site Strategy which aims to address specific operational needs within the Trust. These are summarised below -

- New Build (£15m over two years) - To provide a 21 bedded critical care facility and a five room endoscopy suite and recovery area. The additional critical care beds are required for the new SMART centre. Endoscopy demand is growing on a yearly basis and will continue to do so for the foreseeable future. This was operational from April 2014.
- 2nd MRI Scanner (£2m) - to address growing demand we have reached a stage where a 2nd diagnostic scanner is required. This was operational from January 2014.
- 4th Daycase Theatre (£2m) - to facilitate the movement of patients from an inpatient to a daycase setting. This theatre will be operational during 2015.
- Ward Refurbishment (£1.5m) - to refurbish the two wards vacated when Critical Care moves into the new build.

Other major areas of capital expenditure during 2013/14 included a £300k investment in the new SMART Centre, refurbishment of other key hospital infrastructure (backlog maintenance) at a cost of £830k, and an investment of £400k in our hospital telecommunications systems.

All of the capital schemes above demonstrate that the Trust is committed to maintaining its current services, and investing also for the future.

Accounting Policies

The Trust prepares the financial statements under direction from Monitor in accordance with NHS Foundation Trust Annual Reporting Manual 2013/14 which is agreed with HM Treasury. The accounting policies follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to NHS Foundation Trusts.

Going Concern

Through the financial statements and financial performance indicators the Trust can demonstrate a strong underlying financial position with good liquidity and year-on-year surplus. The Board is aware of the economic challenges and reductions to commissioners purchasing allocations over the coming years and has been prudent in forecasting income.

Through a robust and effective short and medium term cost reduction and efficiency strategy we will reduce our cost base and improve productivity and performance to mitigate the risk of rising costs and reduced tariff income. We will deliver a minimum surplus to support capital investment. The Trust will see a fall in its risk rating from a 4 to a 3. This is a planned decrease consistent with the increase in our debt servicing, as a result of the significant capital investment over the last two years.

After making enquiries the Directors have a reasonable expectation that the Countess of Chester Hospital NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

The Trust has disclosed all facts relevant to the Companies Act in preparing the annual accounts and the annual report for 2013/14. Other than its commissioners, the Trust has no other related parties that are material to its business.

Other than its contract and other NHS income, the Trust receives no other income that is material to its accounts. The Directors Report includes all details concerning pensions, retirement policies, and senior directors' remuneration.

Our People

At the Countess of Chester Hospital NHS Foundation Trust, we employ more than 3,500 people, which equates to over 3,100 whole time equivalents. With our vision being to provide "Integrated Care at its Best" by delivering the best possible care to our patients, in the most appropriate location, we need "People at Their Best". Our staff are key, and by engaging, empowering and recognising them we will make sure they can give their best, and continuously improve care.

At the heart of delivering this vision are our values. These are the principles that determine the way we behave and what we believe in. They help bring us together as a family, giving us a common culture. It is about delivering the best clinical outcomes, exceeding the expectations of our patients in terms of the experience they receive, using all of our resources at our disposal well and supporting our staff to deliver this by being a valued employer and moving from providing a 'good' patient and staff experience to a 'great' experience.

Our ability to deliver high quality, safe services to patients rests with our workforce and engaging, empowering and recognising our people will make sure they can give their best and continuously enable improvement in the delivery of our services. We need to have competent, capable people, with the right attitude, and our revised People Strategy aims to recruit, retain, and develop the workforce we need both now and in the future. Five themes underpin that strategy and have been the focus of our development:

- Workforce Strategy and Planning
- Leadership Development
- Skills Development
- Performance and Recognition
- Staff Engagement & Experience

Workforce Strategy and Planning

We aim to have an appropriately skilled, engaged and empowered, flexible and affordable workforce who can deliver patient-centred services when and where they are required, both now and in the future. We have carried out a major organisation redesign around patient pathways, supported the workforce needs to deliver our new intensive care unit; the SMART (Vascular) centre and the investments in safe staffing to support our Nursing & Midwifery Strategy. We have also undertaken a number of skill-mix and service reviews across the Trust. We have joined up our workforce and pay bill planning and produce monthly reports to the Board, as part of the Integrated Performance Report, on our workforce numbers and pay bill.

We continue to undertake detailed analysis of our workforce demographics to enable us to plan better and consideration of the workforce demographics and challenges has been a key part of our planning for our 2 year and 5 year operational plans. We have completed a thorough analysis of the workforce identifying potential hotspot areas where there is a shortage of skilled clinicians in some areas and where there are age clusters that could potentially cause shortages in the near future and in the coming year we will focus on our recruitment & retention strategies across all staff group. This will include the focus on the

opportunities and challenges presented by providing NHS services seven days a week and delivering services across a health system, whilst working alongside our partners.
This year we successfully extended our international recruitment into Europe and we have recruited a number of clinicians, including a number of nurses from Spain. Although we are at an early stage, this campaign has proven successful and we will be considering whether this is a strategy we want to pursue further in the future, given the national workforce challenges. We have further extended e-job planning for doctors, and we continue to try to make best use of the skills of our clinical staff.

Leadership Development

An important part of the People Strategy, which underpins our transformation programme, is our approach to leadership development. We aim to have capable and confident leaders at all levels, who live our values, and who act in line with our leadership behaviours and cultural aspirations. This applies from Board level through to our first line managers. We have refreshed our Leadership Development programme, entitled "Countess 20:20", taking this further through the organisation, in addition to having our Clinical Leadership Development Programme. Work has commenced on the development of the Nursing Education Strategy, in conjunction with the Director of Nursing & Quality, and this will continue into 2014/15.

The development through these programmes is on-going and our senior leaders have taken part in master-classes to support, sustain and refresh their skills with new and challenging thinking from external speakers, which will continue into the coming year. This complements the internal learning which has already been carried out, and the theoretical background which colleagues have already received on leadership issues. We will focus on developing self-awareness amongst our leaders, and provide them with the same tools and techniques which were used on the main programme to enable them to facilitate change, make difficult decisions and to empower their own staff.

Furthermore, as an Executive Team we have undertaken Executive Development Workshops and as a Board, we have placed increased focus on the delivery and performance of the Trust Appraisal process with revised, challenging targets being adopted. Recognised as a key staffing indicator in the Francis and other national reports, we have recently achieved our highest-ever performance of this indicator and going forward, a multi-disciplinary team are focusing on refreshing the process to support how our leaders support our workforce.

Skills Development

We aim to have skilled, flexible and talented staff who are able to adapt to our future needs. We have already introduced successful leadership and management development programmes. We have a number of our workforce involved in the national NHS Leadership Academy programmes, such as the Nye Bevan Programme, and we will continue to focus on the involvement of our teams in such programmes to strengthen our multi-disciplinary and inter-professional approaches to learning.

The Trust, in line with NHSLA requirements, revised the compliance levels of Induction and Mandatory Training to 95%; a great deal of work was done over the year resulting in much improved results and our focus will be to maintain and indeed improve our compliance across the Trust. We have also moved our appraisal compliance level to this standard. Over the year we have developed some alternate methods of learning, for example, our new paper based

programme on Equality and Diversity. This complements the e-learning package but is targeted at staff who do not regularly access a computer. We continue to develop our e-learning offerings as they are a more flexible means of learning, which enables staff to spend more time with their patients and less in a classroom.

We continue to enhance our clinical leadership and managerial skills. For example, our clinical skills programme which increases opportunities for simulation and provides support to both staff and students. We continue to develop our medical workforce to enable them to become stronger clinical leaders and have added the Senior Clinicians Role Profile tool into the Leadership Programme for additional support. Furthermore, we have developed our "Who Cares" Customer Service skills programme, which has been rolled out to a large number of patient and staff-facing departments across the Trust. Lastly, our apprenticeship scheme continues to grow and this will be further developed in 2014/15.

Performance and Recognition

We aim to have people who provide a high quality and consistent service which is valued by our patients, their relatives, and others who come in to contact with us. Our people can make this happen, supported by the right culture and mechanisms for supporting performance and recognising success.

We are recognised as a high performing safe organisation, which has been evidenced by our achievement of NHSLA Level 3. Our corporate services also have a strong performance record, with a number of them (Finance, HR and Organisational Development) having either been shortlisted or winning national awards, e.g. the Health Service Journal (HSJ), the Healthcare People Management Association (HPMA) and the Chartered Institute of Personnel and Development (CIPD) and Payroll World.

The Francis Report highlights the importance of having a robust appraisal system in place, one that is afforded a high priority, which supports regular engagement with our staff and recognises the role of performance management. In order to support participation, the appraisal recording process has been simplified, the guidance modified and high profile monthly communication put in place to encourage staff, along with their managers, to take responsibility for ensuring that their appraisal is up-to-date and takes place regularly. As mentioned earlier, this has delivered our highest performance to date on appraisal compliance, and will continue to be a high focus area for the Trust into the coming year.

We have continued to embed formal and informal recognition activities across the Trust. These include the Long Service Awards and the giving of corporate recognition cards, saying 'Thank You', 'Well Done' and 'Congratulations'. Our corporate recognition scheme, the 'Outstanding Achievements Award' (OAA) continues to recognise outstanding staff achievement on a regular basis and has had a refreshed promotion programme. Nominations are on a rolling programme throughout the year. All winners

of an OAA go forward as finalists in the annual 'Employee / Team of the Year' award at the Celebration of Achievement Awards (CoA). All nominees attend the CoA to celebrate their nomination and receive a signed 'Thank You' card from the Chief Executive. The categories include, Outstanding Individual/Team Achievement of the Year, Volunteer of the Year, Governor of the Year, Patient Choice Award for Exceptional Care, Lifetime Achievement Award and Inspirational Leadership. Looking ahead, we are considering new award categories and we are planning for our next event in the summer of 2014.

Health & Wellbeing

Strong evidence shows that NHS organisations that support the health and well-being of their staff achieve a range of positive outcomes. The level of health and well-being of the workforce is a key indicator of organisational performance and patient outcomes. The evidence makes it clear that cultures of engagement, mutuality, caring, compassion and respect for all – staff, patients and the public – provide the ideal environment within which to care for the health of the local population. When we care for our staff, they provide outstanding professional care for our patients.

Our vision is for staff health and wellbeing needs to be met as part of an organisation and system-wide approach to improving health in the workplace. This in turn provides staff with satisfaction in their day-to-day employment by ensuring that they feel valued and supported which will create the best environment for high quality patient care. Therefore, as part of our People Strategy, our Health & Wellbeing Strategy - "Healthy Staff, Care at its Best" is being developed to focus on the five High Impact Changes for Health and Well-being, as identified in the Boorman Review (2009). A multi-disciplinary team, including representatives from our Staff Partnership forum, meets on a monthly basis to develop the strategy and our key focus looking ahead is the promotion of the strategy and the coordination of health and wellbeing events across the organisation.

One key element of the Strategy is the provision of Occupational Health support to managers and members of staff. At the Countess, we have an Occupational Health Service which has received national accreditation through the SEQOHS (Safe Effective Quality Occupational Health Service) assessment. The Service has continued to receive excellent feedback through this assessment and during 2013/14, increased its visibility within the Trust by undertaking regular Occupational Health nurse ward and department visits, with OH nurses being in uniform. This has promoted members of staff feeling able to raise concerns and talk about their own Health & Wellbeing and complements the achievement of the Trust-wide sickness absence target and a number of "Stress-Buster" sessions being provided for staff.

We have undertaken a highly successful Flu Fighter Vaccination Campaign, being recognised as one of the highest performing Trusts in the country, with 80.3% of our frontline staff being vaccinated. In addition, with our multi-disciplinary approach to the campaign, which included joint Executive and Staff Partnership Forum walkabouts, we were shortlisted as Team of the Year in the National NHS Flu Fighter Awards, coordinated by NHS Employers. Sickness absence for 2013/14 was 3.55%.

Transactional Services

Our HR and Wellbeing Business Service, the transactional service which is a joint collaboration between ourselves and the Wirral University Teaching Hospital NHS Foundation Trust, continues to perform strongly. Hosted by the Countess of Chester, the service is approaching its third year of operation and has enabled significant cost savings for both organisations. Providing a transactional service to the Countess and a number of other clients, the Service focuses on the delivery of recruitment & flexible staffing solutions, payroll & pensions services, Occupational Health support and service development; which includes the delivery of projects to clients outside of the geographical area. The Service has launched a successful website for all clients, managers and staff for support around processes and frequently asked questions.

In addition, after being shortlisted two years concurrently, the Service was nationally recognised by winning the Healthcare People Management Association (HPMA) Award in the use of the Electronic Staff Record (ESR) in 2013. Furthermore, it was shortlisted in two further national awards coordinated by Personnel Today and Payroll World and has enabled the Trust and the Service to be featured in national publications such as the Health Service Journal (HSJ) and People Management magazine .

Medical Education: The Countess Way

At the Countess, as well as striving to provide the best clinical care for our patients, we are also responsible, each year, for the educational development of over eighty medical undergraduates from the University of Liverpool and two hundred and fifty doctors in training most of whom are on Mersey Deanery rotations, following postgraduate educational curricula set and regulated by the General Medical Council. All doctors in the UK are now required to undergo Revalidation on a five yearly basis. This makes Medical Education a key element of our Trust's core business.

Life as a doctor is a continuous process of personal and professional development. The Medical Education Faculty at the Trust aims to provide education through the hospital as a continuous process of nurturing medical professionals to continue to live and grow and so become a better kind of professional. We do this because we believe that this underpins safe patient care.

In line with our philosophy, and responding to the fact that young doctors now spend fewer hours each week in clinical practice and so require better clinical teachers, we have embarked over the last four years, on a unique multidisciplinary educational leadership programme. The Director of Medical Education, strongly supported by the Trust Board, the University of Chester and an expert educator has established a new Master's in Education for Postgraduate Medical Practice. The first six Master's students graduated this year, with three members of the Trust Board in attendance, three more have diplomas and 27 have postgraduate certificates. The Deanery Annual Assessment Visit (DAAV) in January 2014 highly commended this programme along with our new Professional Support Group as Notable Practice. Evaluations of this programme are beginning to show a change in culture with respect to Medical Education across the organisation.

Furthermore, we are only one of two hospitals in the Mersey region who have a non-executive board member dedicated to medical education and for this we were complimented at the DAAV. The strong Board support for education is essential to maintaining our position as a popular place for medical graduates to want to come and learn.

Staff Engagement & Experience

The Trust is fully committed to and places a high priority on ensuring effective staff engagement, understanding the potential impact it can have on morale, productivity, organisational performance and patient experience. The emphasis on staff engagement has only been heightened by the publication of the various government reports, such as Francis, Berwick, Cavendish and Keogh which all have contain consistent themes. We know that staff engagement is only part of this, the foundation that underpins this is all about culture, 'the way we do things around here' aiming for the best possible care for patients and service users and delivering the best possible service in all clinical and non-clinical areas. Our aim is to be the most clinically led and engaged in the NHS by focusing on the culture of the organisation and having motivated staff where their positive staff experience will support a positive patient experience. We are committed to openness, transparency and candour enabling all staff to feel able to raise concerns about patient care safely and without fear of victimisation.

We understand that staff engagement is not about a single initiative or bright idea; it's about improving on what we do, linking the patient and staff experiences to affirm what we do, celebrating what we do well and communicating what we are achieving to everyone both internally and externally. This Trust is proud to have a good reputation and track record for staff engagement and experience, as can be evidenced from our Staff Survey results and participation in staff engagement research and case studies. Over the year, we have built on what we have in place already and improved it; ensured we have a joined-up strategy for taking things forward along with a governance structure to support it; which has enhanced our successes and contributed to improved organisational effectiveness and capability.

Current areas of Staff Engagement

- *Clinical engagement*

High Quality Care Costs Less, The West Cheshire Way.

- *All staff engagement*

Monthly Leadership briefings, Countess 20:20 Leadership Development Programme, 'Who cares' Customer Service, bespoke front line team building programmes.

- *Speak Out Safely (SOS) Campaign*

As a Trust, we have signed up to the Nursing Times "Speak Out Safely" (SOS) Campaign to support all of our members of staff, especially the largest cohort of our workforce being Nurses, to raise concerns around Patient Care safely. This was jointly presented to the Board by the Acting Director of HR & OD and our Staff Side Chair, who is a Critical Care Nurse and Royal College of Nursing (RCN) Representative.

- *The Involvement and Participation Organisation (IPA)*

Working with the Healthcare People Management Association (HPMA) and NHS Employers, have been commissioned to undertake research in relation to staff engagement. We have been asked to take part as a case study in 'engaging for success'

- *What does transformational engagement look like and how do you get it?*

We have been approached to take part in some research by David MacLeod and Nita Clarke, who are currently working with a consortium of eighteen organisations to take an in-depth look at the differences between transactional and transformational engagement; culminating in a major report later this year, and will be a significant contribution to taking thinking on employee engagement further.

- *Staff Friends and Family Test*

This is a simple feedback tool which asks respondents to what extent they would recommend a particular service or organisation to their friends and family. Its primary purpose is to encourage improvements in service delivery and the results should be used alongside the patient Friends and Family test results, and other local intelligence, to drive improvement.

- *Health and Well Being Board*

The terms of reference for this group is to agree an action plan from the Health & Wellbeing Strategy, to set objectives in line with the Strategy, to agree and implement future actions and Health and wellbeing initiatives. Communicate Health & Wellbeing activities using multi-media and review organisational and staff Health and Wellbeing against agreed measures and key indicators.

- *Enhancement of internal communications*

- *Triangulation of the patient experience and staff experience*

- *Development of a master class programme for 2014*

- *Anniversary Celebrations*

10 years as a Foundation Trust, 30 years of The Countess of Chester Hospital NHS Foundation Trust and 100 years of Ellesmere Port Hospital

- *NHS Change Day 3.3.14*

The Trust supported this campaign, with high profile and widespread participation, with over 130 Pledges being including two Organisational pledges on behalf of all staff. Examples of pledges included the Renal Unit acted as "patient for the day" and took part in the Renal Diet and are now making huge changes to patient care as a result of their experiences and our Chief Executive spending a day as a Nursing Assistant at Ellesmere Port Hospital.

- *Monitor Annual planning*

Are Trust staff able to explain the ambitions and initiatives of the Trust and do they know what they must to do deliver these.

- *Visual imagery around the organisation to celebrate achievements*

- *Celebration of achievement awards and annual ceremony*

Staff Survey

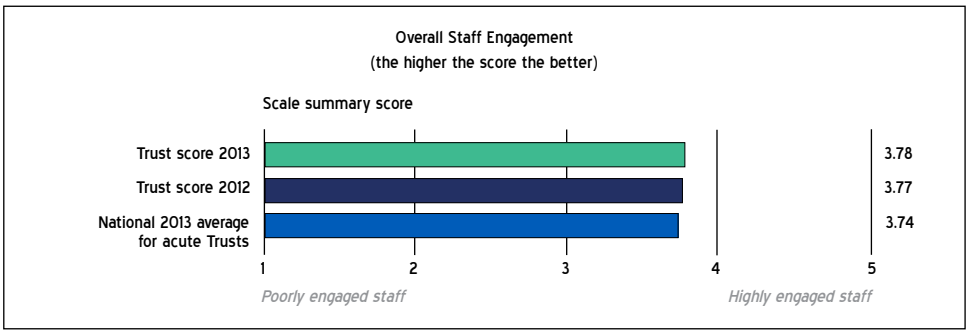
One way that we monitor staff engagement is through the national NHS Staff Survey which is conducted each year by the Trust, the results of which are used by the Care Quality Commission (CQC), our Commissioners and others to assess our performance. In partnership with our Trade Union colleagues, operational colleagues and medical representatives, we have developed an action plan to address areas of concern. Our results are published nationally on the website: www.nhsstaffsurveys.com/Page/1006/Latest-Results/2013-Results/

For the third year running, we surveyed all of our staff, rather than a random sample. Our response rate for 2013 was 53% (an increase of 8% on 2012) and matched our highest previous level of response. The overall picture is that of consistency with the 2012 results:

- In 51 of the 95 questions, we had improved or were consistent with response rates in 2012;
- 63 of the 95 questions, we were above the national average for an acute trust and in four areas we were in the best 20% of acute trusts.

Our overall indicator for staff engagement for the Trust taken from the 2013 survey is detailed below. It shows a further improvement from last year (2012) and is above the national average for acute trusts.

Overall Staff Engagement



This overall indicator of staff engagement has been calculated using the questions that make up Key Findings 22, 24 and 25. These Key Findings relate to the following aspects of staff engagement:

- staff members' perceived ability to contribute to improvements at work (Key Finding 22);
- their willingness to recommend the Trust as a place to work or receive treatment (Key Finding 24);
- and the extent to which they feel motivated and engaged with their work (Key Finding 25).

The Survey results have been shared with the Board of Directors, the Staff Partnership Forum, and the Divisions, as well as our staff across the organisation. A multi-disciplinary working group has been set up with an action plan in place to address areas of concern from a corporate perspective. In addition, each Division is tasked with developing action plans in their own areas to address local issues. A communications plan has been

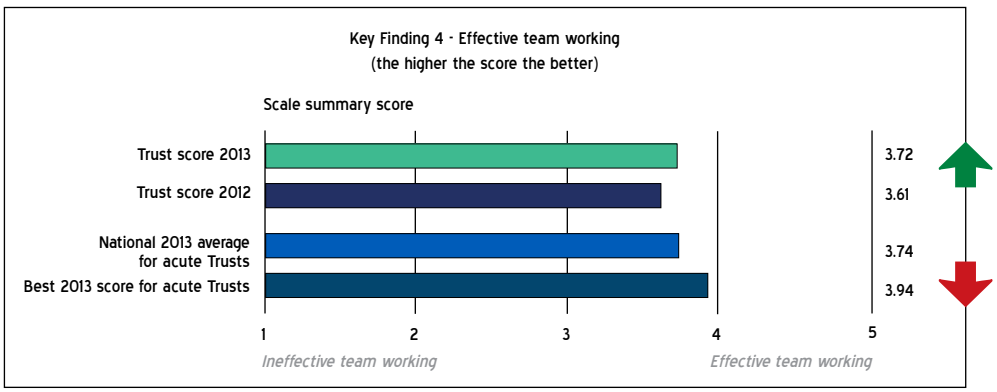
developed to ensure that all members of staff are fully briefed on the results; the actions intended and 'you said we did' briefings are part of our strategy.

In addition, the Friends and Family Test for Staff will be in place for 2014/15 providing staff with a further avenue for feedback. Update briefings on the progress against the action plans will continue to be provided to the Board of Directors, Staff Partnership Forum and People and Organisational Development Committee on a quarterly basis.

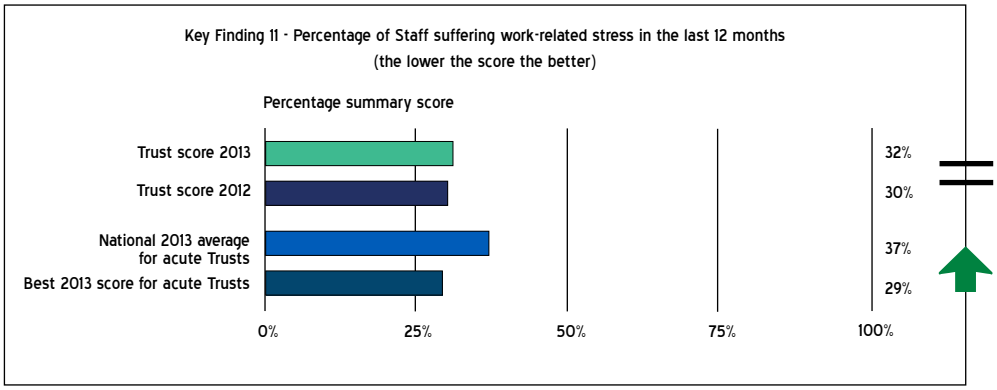
Response Rate compared with 2012

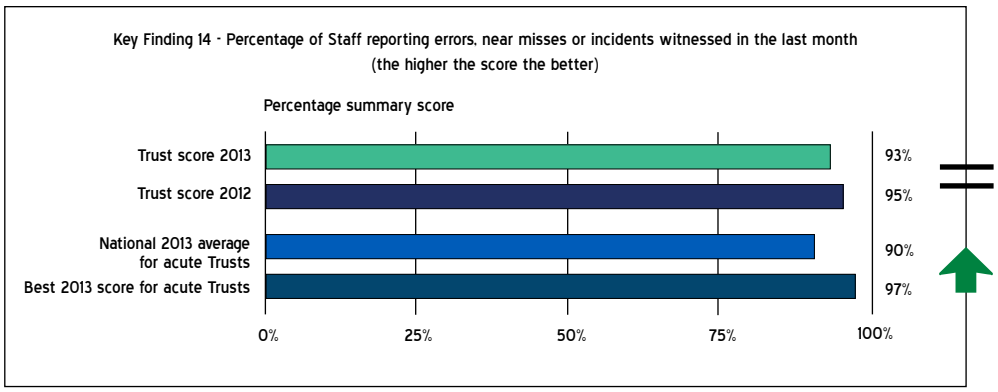
	2012		2013		Change
	Trust	National Average	Trust	National Average	
Response Rate	45%	49%	53%	49%	+8%

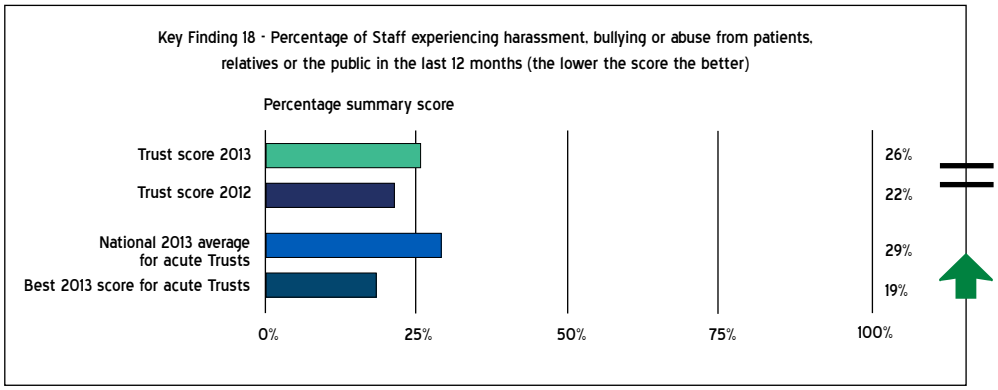
Areas of Improvement and Positive Findings indicated in the best 20% of Acute Trusts
There has been one statistically significant positive change in the Key Findings since the 2012 survey where staff experience has improved:-

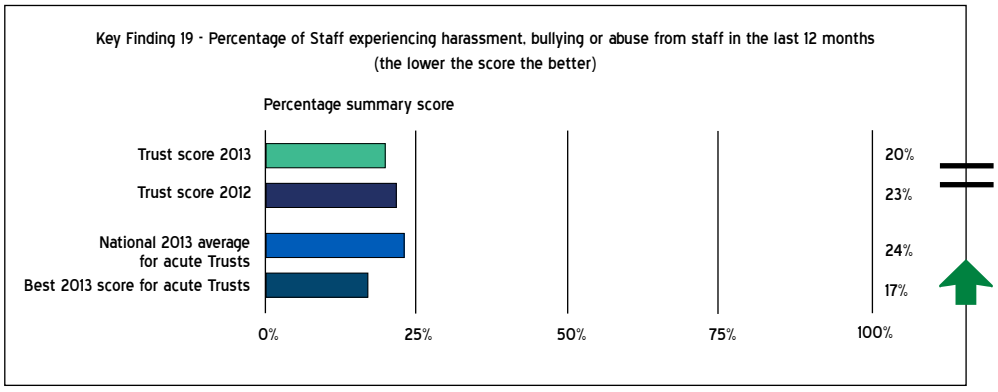


There are four areas where we have positive findings indicated in the best 20% of Acute Trusts. Otherwise there have been no statistically significant changes in any other Key Findings since the 2012 survey.




Key Finding 14 - Percentage of Staff reporting errors, near misses or incidents witnessed in the last month
(the higher the score the better)
Percentage summary score
Trust score 2013
Trust score 2012
National 2013 average for acute Trusts
Best 2013 score for acute Trusts
93%
95%
90%
97%
0%
25%
50%
75%
100%


Key Finding 18 - Percentage of Staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months (the lower the score the better)
Percentage summary score
Trust score 2013
Trust score 2012
National 2013 average for acute Trusts
Best 2013 score for acute Trusts
26%
22%
29%
19%
0%
25%
50%
75%
100%


Key Finding 19 - Percentage of Staff experiencing harassment, bullying or abuse from staff in the last 12 months
(the lower the score the better)
Percentage summary score
Trust score 2013
Trust score 2012
National 2013 average for acute Trusts
Best 2013 score for acute Trusts
20%
23%
24%
17%
0%
25%
50%
75%
100%

Areas where staff experience has deteriorated compared to 2012

There were no areas with negative findings with a statistically significant negative change in the Key Findings since the 2012 survey. Neither were there any areas where the Trust had negative findings indicating they were in the worst 20% of acute trusts.

Top 5 ranking scores	2013		2012		Changes since 2012 survey	Ranking compared with all Acute Trusts 2013	Change
	Trust	National Average	Trust	National Average			
* KF19: Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	20%	24%	23%	24%	Decrease (better than 2012)	Lowest score (best) 20%	-3%
* KF11: Percentage of staff suffering from work related stress in last 12 months	32%	37%	30%	37%	! Increase (worse than 2012)	Lowest score (best) 20%	+2%
KF14: Percentage of staff reporting errors, near misses or incidents witnessed in the last month	93%	90%	94%	90%	! Decrease (worse than 2012)	Lowest score (best) 20%	+1%
*KF18: Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months	26%	29%	18%	15%	! Increase (worse than 2012)	Lowest score (best) 20%	+8%
*KF5: Staff working extra hours	68%	70%	64%	70%	! Increase (worse than 2012)	Average score	=4%

Positive finding, e.g. better than average. If a ✓ is shown the score is in the bext 20% of acute trusts.

Negative finding, e.g. worse than average. If a ! is shown the score is in the worst 20% of acute trusts.

Average

Summary of the top 5 ranking scores for 2013 and how they compare against the national average

Bottom 5 ranking scores	2013		2012		Changes since 2012 survey	Ranking compared with all Acute Trusts 2013	Change
	Trust	National Average	Trust	National Average			
*KF16: Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months	17%	15%	18%	15%	Decrease (better than 1012)	Average score	-1%
KF7: Percentage of staff appraised in the last 12 months	81%	84%	77%	84%	Increase (better than 2012)	Average score	+4%
*KF13: Percentage of staff witnessing potentially harmful errors, near misses or incidents witnessed in the last month	35%	33%	38%	34%	Decrease (worse than 2012)	Average score	-3%
KF22: Percentage of staff able to contribute towards improvements at work	67%	68%	69%	68%	! Decrease (worse than 2012)	Average score	-2%
KF21: Percentage of staff reporting good communication between senior management and staff	28%	29%	30%	27%	! Decrease (worse than 2012)	Average score	-2%

Public Consultations

There has no requirement in year to consult with local groups and organisations, including the overview and scrutiny committees of local authorities covering the membership areas.

Staff Consultations

The following consultations took place during 2013/14.

Reason / Name	Staff Groups	No of staff	Start Date	End Date	Outcome
Patient Administration Redesign	Administrative & Clerical in Urgent and Planned Care	85	March 2013	September 2013	New Administrative Structures with Two Divisions
Ward Redesign (Ward 48)	Nursing, Additional Clinical Support Staff, Administrative & Clerical	40	July 2013	September 2013	Closure of Ward
Ward Redesign (Wards 52/53)	Nursing, Additional Clinical Support Staff, Administrative & Clerical	70	August 2013	October 2013	Ward reconfiguration and 5 day ward
South Mersey Arterial Centre	All staff groups (M&D, Nursing, Clinical Support Staff, Administrative & Clerical	37		April 2014	New South Mersey Arterial Centre based at the Countess of Chester Hospital NHS Foundation Trust
Rapid Response Team (Early Discharge)	Nursing, Allied Health Professionals, Clinical Support Staff	13	October 2013	November 2013	Weekend working and new on-call arrangements
Transforming Patient Care - Introduction of Frailty Pathway and impact on Bed Base at Ellesmere Port	Nursing, Additional Clinical Support Staff, Administrative & Clerical	34	April 2013	Ongoing	Ongoing - looking at potential Ward closure and new pathways of care

The following consultations are currently pending –

Reason / Name	Staff Groups	No of staff	Start Date	End Date	Outcome
Sexual Health Services Tender - Cheshire West and Chester Council	All staff groups (M&D, Nursing, Clinical Support Staff, Administrative & Clerical	65	Pending		TUPE of Staff to new provider if necessary
Infection Control Tender	Nursing, Administrative & Clerical		Pending		TUPE of Staff to new provider if necessary
Minor Eye Condition Service Tender	Nursing, Additional Clinical Support Staff, Administrative & Clerical		Pending		TUPE of Staff to new provider if necessary

Equality & Diversity

In April 2011, the Public Sector single equality duty was created, which replaced the previous equality duty for race, disability and gender. This new equality duty covers all of the nine protected characteristics, defined under the Equality Act 2010.

The Trust has undertaken a number of steps in working towards its commitment to equality diversity and human rights and in demonstrating how it is adhering to the statutory obligations of the Equality Act 2010:

- Partnership working with neighbouring Trusts and statutory agencies with the sharing of E & D knowledge and expertise.
- Establishment of an equality governance framework and equality analysis toolkit.
- The Board of Directors and Governors undertake training with regard to the public sector equality duty and the NHS Equality Delivery System 2.
- The Trust has published annual workforce equality analysis reports and single equality duty assurance reports since January 2012, in line with the specific duties of the Equality Act 2010.
- The Trust undertakes a range of engagement activities with 3rd sector bodies and organisations across the range of protected characteristics, including bespoke health and wellbeing forums, in partnership with other public sector bodies.
- The Countess attained a rating of "achieving" across all four goals of the NHS Equality Delivery System 2, from internal and external stakeholders and Cheshire West and Chester Health Watch in March 2014. It attained "achieving" grades in 17 out of the 18 individual EDS2 outcomes and "excelling" in the one remaining EDS2 outcome. This Trust has held one of the highest ratings for three consecutive years, across the North West region and nationally.
- The Trust won a national award for Health People Management Awards in 2013 and was shortlisted for the Chartered Institute of Personnel & Development (CIPD) awards in 2012.
- In March 2014, the Trust was awarded the Navajo Charter mark for its commitment to Patients, Carers and Staff who identify as Lesbian Gay Bisexual and Trans (LGBT), which is awarded for the next 2 years.
- The Trust attained the Two ticks: Positive about Disabled people accreditation for its fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; training, policies and career development for disabled employees; – References -10(3)(a) Sch7, 10(3)(b) Sch 7 and 10(3)(c) Sch 7.
- Engagement with protected groups consisting of Staff, Carers, 3rd sector agencies and patient representatives continued through the equality groups and committees in the equality governance framework. In partnership with other statutory organisations, the Trust has continued to facilitate its programme of Health and Wellbeing forums to directly involve patients, staff and carers from across a wider range of the protected groups on matters of concern to them and has an equality analysis interface programme, to consult on potential impacts that may concern them and to facilitate inclusion on decisions that may affect them; - References 11(3) (a) Sch 7 and 11(3) (b) Sch 7.

Training has been reviewed to ensure standards are appropriate and the workforce has opportunity to access equality and diversity training from all areas and locations of the Trust. The Trust continues to work to facilitate training options for disabled Hospital Volunteers and to support its Equality Local Champions Programme through training opportunities which arise to support their development and capacity to advise and support the Trust.

Sustainability

Sustainability is a key theme for the NHS as it has become apparent locally, nationally, and globally that the way we live now is having a detrimental effect on the quality of our lives and the environment we live in. To ensure a better quality of life now and for future generations, we need to look seriously at the way we use the earth's resources, operate our businesses and live our lives. A sustainable approach recognises the broader impacts of our actions and aims to minimise any adverse effects. The Department of Health has declared that it is now mandatory for all NHS Trusts to report on sustainability as part of their annual reporting process. The Countess of Chester Hospital NHS Foundation Trust uses the Good Corporate Citizen Assessment Model which was developed by the Sustainable Development Commission in 2006 and revised in 2009. The Model enables the Trust to identify their current contribution to sustainable development in six key areas -

- Travel
- Workforce
- Procurement
- Facilities
- Community Engagement
- Buildings.

Sustainable Procurement

The Countess of Chester Hospital Procurement Department leads on Corporate Social Responsibility which includes Sustainability. There is much work still to be done on sustainable development within the Trust, and the integration of sustainability considerations into the procurement cycle has now become an integrated part of the procurement process. These include looking at Whole Life Costing, minimising waste, working with suppliers regarding packaging, reducing the number of delivery vehicles onto the site, and ensuring the products are made where possible from sustainable sources.

When making a purchasing decision, it is about looking at what the product is made of, where it has come from and who has made it. Ultimately the aim is to minimise the environmental and social impacts of the purchases that we make. Today we know that this initial purchase price outlay may not be the largest expense. The cost of energy and water are likely to rise, and therefore the whole life cost has to be taken into consideration. Whole Life Costing is the responsibility of both the producer (ensuring that goods are sourced sustainably, that they are energy efficient during use and can be recycled at the product's end of life. However, it is the Procurement Department's responsibility to buy these goods in the first place and to ensure that they are used and disposed of as they were intended.

The main environmental impacts of products occur at different times throughout their lifecycle. From some products, such as plastic chairs, the main impacts arise in the production and the disposal whereas a fridge, which uses electricity, has impacts all the way through its life. All the different factors now need to be taken into consideration. Our Procurement staff are trained in sustainable procurement methodologies.

Carbon Management

The Countess of Chester Hospital NHS Foundation Trust has always been strong in managing its environmental impact and the Trust has in place a Carbon Management Plan which was developed and approved by the Board of Directors in 2010. This plan formalises projects and targets that the Trust is currently pursuing, and the challenging target of a 25% reduction in CO^2 emissions will deliver substantial carbon savings and reduce energy costs, allowing the Trust to use the savings to invest in services for the benefit of our patients.

The Trust has reduced its carbon emissions from last year's Carbon Reduction Commitment (CRC) figure of 9,833 tCO2 to 9,158 tCO2 : this saving has been achieved with the added pressures of an increase in clinical episodes and increased consumption due to large building projects including a new MRI Suite and a new ICU and Endoscopy Building. Despite power capacity increases the decreased emissions is largely due to energy saving initiatives achieved with the help of Trust staff and from within the Estates function. Initiatives such as the fine tuning of controls related to mechanical and electrical plant/ equipment, and making sure that controls are set to control at a level that allows little or no waste.

More can be done - this year the Trust will be introducing more innovative approaches to energy saving as we go forward, to help keep the Trust in line with national and NHS targets on reducing emissions.

The Trust is making good progress in achieving the target and is continuing to invest in the services infrastructure through a backlog maintenance programme. This programme which involves the replacement of outdated and obsolete equipment has the combined advantage of reducing the risk of mechanical and electrical services failure and at the same time giving the Trust an opportunity to replace with energy efficient alternatives. In the last twelve months the Trust has invested in several areas including for example in the Building Management System; thereby improving control of heating and ventilation systems and as a consequence reducing energy consumption. There are many more examples of energy initiatives including low loss transformers, energy saving lighting and variable speed drives which help bring down the overall power consumption.

The Trust has an annual spend on Gas and Electricity for 2013/14 of approximately £1.6m and with consumption for next year expected to increase, the Trust will do all it can to reduce its consumption - some of the actions planned for the coming twelve months include -

- Lighting renewal and lighting control schemes that will offer both savings in energy and maintenance.
- Ventilation set-back, the power consumed by large fans driving ventilation systems can be set back when the occupancy is either low or not unoccupied.
- Consideration will again be given to PC auto-shutdown software, installed on the main server to auto shutdown PCs when not in use.
- Thermal insulation installed/replaced on heating pipes throughout the Trust.
- Replacement of old equipment with new more efficient air handling ventilation plant.


STEPUP
VINCI
396
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391

Below is a table summarising the performance of the Trust in relation to Greenhouse Gas emissions and this information is in line with reporting requirement of the 2013/14 HM Treasury Sustainability Reporting Guidance for the Public Sector.

In summary the Trust has a capital programme that will incorporate replacement of major parts of the infrastructure. In replacing this infrastructure The Trust will take advantage of new technology to save carbon.

Area	Type	Non-Financial Information	2013/14 Perfomance	Financial Information
Greenhouse Gas Emissions	Sope 1: Direct (GHG)	All Scope 1 emissions: Electrical and Gas Consumption and Emissions from Trust Vehicles	9158 tonnes of CO^2	• Total cost of Trust's Energy **£1.6m** • Carbon Reduction Commitment EES Estimated Budget £118k • Business Travel expenditure **£200,797**
	Scope 2: Indirect	Scope 2: N/A in this Trust	N/A	
	Scope 3: Official Business Travel	Scope 3	1.3 tonnes of CO^2	

The Trust is developing a communications strategy that will allow Trust staff, visitors and patients to understand and contribute to the progress of the Carbon Management Plan.

Other themes -

- The Trust has developed an Environmental Policy.
- Is registered for and is developing a strategy to deal with the requirements of The Carbon Reduction Commitment Energy Efficiency Scheme (CRC EES).
- The Trust has in place a Carbon Management Team that will be responsible for implementing this programme.
- The Trust is committed to a low carbon vision.

Travel Plan

During the last year travel surveys have been undertaken on staff habits, from this personal travel plans were drawn up by the iTravelsmart team (part of Chester and Cheshire Wirral Council), to show staff best way to work, including public transport, walking and cycling. As a result the Countess of Chester Hospital NHS Foundation Trust is working closely with the Council to improve facilities on site. In addition CCTV has been installed across the site on the cycle shelters.

Other Initiatives

Over the last financial year, work has continued on Corporate Social Responsibility within the Trust. Below is a list of the achievements:

- Worked with Catering for Fairtrade Fortnight 24th Feb to 9th March 2014 and continued to attend the Fairtrade Steering Group, held by the local council.
- Maintained the Sustainability Awareness Notice board, outside Catering which is used to promote activities for staff and raise awareness on Sustainability.
- NHS Sustainability Day - 27th March 2014 - Space at front of Hospital secured plus

Sustrans coming on site. Special NHS discounts with two cycle shops gained.

- Project carried out on our Suppliers, and which are classed as Small Medium Enterprises (SMEs), project to continue this year
- Bike Week – June 2013 – Travel Surveys sent to all staff, Smoothie Challenge and Dr Bike on site
- Travel Plan work carried out with local council and with other areas within Trust on improving travel facilities
- Attended the Merseyrail Cycle Forum
- Completed survey for Good Corporate Citizenship

Public Interest Disclosures

Counter Fraud

The NHS Counter Fraud and Security Management Service provide the Trust with a framework to minimise losses through fraud. The Trust's legally binding contract with the PCT requires us all to take necessary steps to counter fraud affecting NHS funded services. The Chief Finance Officer is nominated to ensure these requirements are fulfilled and commissions the local Counter Fraud Specialist through Mersey Internal Audit Agency.

The Trust's approach to countering fraud is through a proactive fraud awareness culture supported by a counter fraud plan signed off by the Trusts' Audit Committee. The plan is aimed at deterrence, prevention and awareness and is subject to regular review and update to the Audit Committee.

Better Payment Practice Code

The Trust aims to treat suppliers ethically and maintains compliance with the code as follows -

		2009/10	2010/11	2011/12	2013/13	2013/14
% Payment within 30 days of receipt of undisputed invoices - target 95%	Volume	97.5%	97.2%	98.7%	99.1%	98.7%
	Value	99.2%	98.7%	99.3%	99.4%	98.7%

No interest was paid to suppliers under the Late Payment of Commercial Debts (Interest) Act 1998.

Ill Health Retirements

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. There were 3 retirements, at an additional cost of £84,000.

Off Payroll Engagements

During 2013/14 the Trust engaged two individuals who met the 'Off Payroll' criteria.

Off-payroll engagements as of 31 March 2014, for more than £220 per day and that last for longer than six months	No of People
No. of existing engagements as of 31 March 2014	2
of which	
No. that have existed for less than one year at time of reporting	0
No that have existed for between one and two years at time of reporting	0
No that have existed for between two and three years at time of reporting	0
No that have existed for between three and four years at time of reporting	0
No that have existed for four or more years at time of reporting	2

All of the above arrangements have been subject to a risk based assessment as to whether assurance needs to be sought that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

New off-payroll engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014, for more than £220 per day and that last for longer than six months	No of People
No. of new engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014	1
No of the above which include contractual clauses giving the Trust the right to request assurance in realation to income tax and National Insurance obligations	1
No. for whom assurance has been requested	1
Of which:	
No. for whom assurance has been received	1
No. for whom assurance has not been received	0
No. that have been terminated as a result of assurance not being received	0

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2013 and 31 March 2014	No of People
No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	0
No. of individuals that have been deemed 'board members and/or senior officials with significant responsibility' during the financial year. This figure should include both off-payroll and on-payroll engagements.	16

Cost Allocation and Charging Requirements

The Trust can confirm that it has complied with the cost allocation and charging requirements set out in HM Treasury and office of public sector information guidance.

Protecting Patient Information

Information governance and information risks are managed and controlled via the information governance toolkit submissions. The Trust's information governance assessment report overall score for 2013/14 was 65 per cent and therefore unfortunately graded as 'un-satisfactory'.

Throughout 2013/14 we have continued to develop and strengthen the information governance reporting structure and culture within the Trust, with the implementation of a more robust framework and appointment to key governance roles including most recently the Trusts Senior Information Risk Owner (SIRO).

Together the Trusts Senior Information Risk Owner (SIRO), and Caldicott Guardian with the support of the Information Governance and Calidcott Panels oversee the compliance with and progress against the toolkit and information governance agenda.

An Information Governance Manager is in post to support the Senior Information Risk Owner (SIRO), and in 2014/15 the Trust will be undertaking a risk based approach to the toolkit requirements and implementing appropriate action plans to ensure improvement of currently unsatisfactory areas with a priority focus to improve the Trusts current information asset register and associated framework.

The Information Governance Assurance Programme provides assurance to the Board on the management of information risk. During 2013/14 one serious incident relating to data security was reported –

Summary of serious untoward incidents involving personal data as reported to the Information Commissioners Officer in 2013/14

Date of incidents (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification Steps
September 2013	Loss of inadequately protected paper documents outside secured NHS premises	Name, Unit number, date of birth, reason for visit, estimated discharge date and bed location	15	Individuals notified by telephone and media release
Further action on information risk	The organisation will continue to monitor and assess its information risks, in light of the events noted above, in order to identify and address any weaknesses and ensure continuous improvement of its systems. The member of staff responsible for this incident has been dealt with via the Trusts disciplinary procedure.			

Summary of other personal data related incidents in 2013/14*

Category	Breach Type	Total
A	Corruption or inability to recoved electronic data	
B	Disclosed in Error	3
C	Lost in Transit	
D	Lost or stolen hardware	
E	Lost or stolen paperwork	1
F	Non-secure Disposal – hardware	
G	Non-secure Disposal – paperwork	1
H	Uploaded to website in error	
I	Technical Security failing (including hacking)	
J	Unauthorised access/disclosure	1
K	Other	

*Incidents classified at severity level 1

Other Information

The accounts are independently audited by KPMG as our external auditors in accordance with the NHS Act 2006 and Monitors' Code of Audit Practice.

Accounting Information

As far as the Directors are aware all relevant audit information has been fully disclosed to the auditors and no relevant audit information has been withheld or made unavailable nor have any undisclosed post balance sheet events occurred.

The management of risk is a key function of the Board; the Trust seeks to minimise all types of service, operational and financial risk through the Board Assurance Framework which is subject to regular review and audit.

The Trust as a Legal Entity

The Trust was established as one of the first ten Foundation Trusts. Foundation Trusts operate as independent public institutions which are not subject to direction by the Secretary of State for Health or the performance management requirements of the Department of Health. As a FT we set our own strategy within the framework of contracts with our commissioners and other regulatory regimes to continually improve the quality and safety of patient care.

Accounting Statement

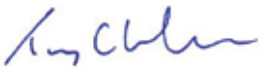
Accounting policies for pensions and retirement benefits are set out in note 1.4 to the accounts and details of senior employees remuneration can be found on page 67 (of printed version) in the remuneration report.

Companies Act Disclosures

Disclosure Requirement	Statutory Reference
The Trust received no political donations during 2013/14.	3&4 Sch 7
There have been no important events since the end of the financial year affecting the NHS Foundation Trust.	7(1)(a) Sch 7
Future Developments are described in the Strategic Report.	7(1)(b) Sch 7
There have been no new significant activities during 2013/13 at the Trust in the field of Research and Development.	7(1)(c) Sch 7
The Trust has no branches outside of the UK.	7(1)(d) Sch 7
This requirement is referenced in the section on Equality & Diversity.	10(3)(a) Sch 7
This requirement is referenced in the section on Equality & Diversity.	10(3)(b) Sch 7
This requirement is referenced in the section on Equality & Diversity.	10(3)(c) Sch 7
This requirement is referenced in the section on Equality & Diversity.	11(3)(a) Sch 7
This requirement is referenced in the section on Equality & Diversity.	11(3)(b) Sch 7
The Trust holds monthly leadership briefings to which all staff are invited, at which the current financial performance and economic situation is presented. The Trust's performance report is a public document available to all employees.	11(3)(c) Sch 7
The Trust holds monthly leadership briefings to which all staff are invited, at which the current financial performance and economic situation is presented. The Trust's performance report is a public document available to all employees.	11(3)(d) Sch 7
	6 Sch 7

Health & Safety

A full review of the Trust's Health and Safety Policies has been undertaken during 2013/14. These have been amended and approved across the Trust and the Chief Executive and will be included with the Trust's employee hand book.



Tony Chambers
Chief Executive

19th May 2014

Director's Report

This report has been prepared in accordance with Sections 415 to 418 of the Companies Act 2006, and Regulation 10 and Schedule 7 of the Large and Medium-sized Companies and Groups Regulations 2008.

The composition of the Board of Directors during 2013/14 was as follows:-

Non-Executive Directors

- Chairman - Sir Duncan Nichol CBE
- Andrew Higgins
- Rachel Hopwood
- James Wilkie
- Dr Elaine McMahon
- Mr Ed Oliver (appointed September 2013)
- Laura Carstensen (left the Trust August 2013)

Executive Directors

- Tony Chambers - Chief Executive
- Mr Ian Harvey - Medical Director
- Alison Kelly - Director of Nursing & Quality
- Debbie O'Neill - Chief Finance Officer (formally appointed September 2013)
- Tim Lynch - Director of Operations (On secondment to another Trust from October 2013)
- Mark Brandreth - Deputy Chief Executive / Director of Operations and Planning (Appointed May 2013)
- Susan Young - Director of Human Resources and Organisational Development (Left the Trust August 2013)
- Sue Hodkinson - Acting Director of Human Resources and Organisational Development (Appointed September 2013)

Attendance at Board of Directors and Board Committee meetings

Attendance at the seven Board meetings held during 2013/14 and various Board Committees was as follows:

	Board of Directors	Audit Committee	Finance & Integrated Governance Committee	Remuneration Committee	Quality, Safety & Patient Experience Committee	Charitable Funds	Directors Expenses 2012/13	Directors Expenses 2013/14
No. of Meetings held for 2013/14	**7**	**3**	**4**	**2**	**10**	**3**	**-**	**-**
Sir Duncan Nichol	7	-	4	2	8	3	£0	£1235.44
Tony Chambers	7	-	3		4/7	3	£110.10	£267.35
Debbie O'Neill	7	-	4	-	-	2	£780.68	£295.76
Ian Harvey	5	-	3	-	7	-	£93.30	£259.80
Alison Kelly	6	-	4		9	-	-	£95.80
Tim Lynch*	3/3	-	2/2	-	-	-	£345.08	£0
Mark Brandreth**	7	-	3	-	-	-	-	£480.51
Susan Young***	3/3	-	2/2		-	-	£320.20	£270.75
Sue Hodkinson****	4/4	-	2/2	1/1	-	-	-	£0
Andrew Higgins	7	3	-	2	9	-	£0	£0
Laura Carstensen*****	3/3	-	2/2	-	-	-	£0	£0
Rachel Hopwood	7	3	-	1	7/9	-	£0	£0
Elaine McMahon	6	3	-	1	7/9	-	-	£0
James Wilkie	7	-	4	2	-	-	-	£0
Ed Oliver	3/4	-	0/2	2	-	3	-	£0

* On secondment to another Trust from October 2013
** Appointed May 2013
*** Left the Trust August 2013
**** Appointed September 2013
***** Left the Trust August 2013
****** Appointed September 2013

Background of the Board Members

Sir Duncan Nichol - Chairman

Sir Duncan was appointed as Chairman on 1st November 2012 for a three year term of office. He spent most of his NHS managerial career in the North-West of England, becoming CEO of the NHS in 1989, before his appointment as Professorial Fellow at the University of Manchester. Since then he has divided his commitments between the public and private sectors, formerly as chairman of the Parole Board; HM Courts Service and deputy chairman of the Christie NHS FT and currently as chairman of Synergy Health and Skills for Justice.

Tony Chambers - Chief Executive

Tony was appointed as Chief Executive in December 2012. His main interest has been to work with West Cheshire Health and Care partners to make the Countess of Chester Hospitals one of best and safest organisations within the NHS. He led the successful reorganisation of regional vascular services which saw the South Mersey Arterial Network operate at the Countess from April 2014.

From starting his career as a student nurse in Bolton in 1985 he has worked in a variety of clinical and management roles in a range of sectors and has been a Director in the NHS for over 12 years; most recently as the Director of Planning in South Wales. Prior to this he held Director roles in hospitals in Greater Manchester and West Yorkshire.

Mr Ian Harvey - Medical Director

Ian commenced his role as Medical Director on 1st July 2012. Ian qualified in Medicine in Liverpool and, after completing specialist training in Sheffield, Liverpool and Wrightington, took up a post as Consultant Trauma and Orthopaedic Surgeon with an interest in upper limb and hand surgery in the Trust in August 1994. Prior to becoming Medical Director, Ian was Divisional Medical Director for Planned Care and his other managerial roles in the Trust have included Lead Clinician for Orthopaedics and Clinical Director for Orthopaedic and Plastic Surgery and Rheumatology.

Mr Harvey was one of the first surgeons in the Mersey Region to perform arthroscopic surgery of the shoulder. He also performs arthroscopic surgery of the wrist and elbow and upper replacement surgery. Mr Harvey is a Fellow of the Royal College of Surgeons of Edinburgh, the British Society for Surgery of the Hand (BSSH) and British Shoulder Elbow Society (BESS).

Debbie O'Neill - Chief Finance Officer

Debbie joined the Board in May 2011. Debbie started her career in the NHS at Wirral straight from school and moved into the world of finance in 1982 before moving to Chester in 1989. She undertook a number of roles within the finance department, but took a break in her studies after starting a family and finally qualified in 2003. Debbie was appointed as Assistant Director of Finance in 2007 and in May 2011 was subsequently appointed as Acting Director of Finance following the secondment of the previous post holder to NHS North West. Debbie was permanently appointed in August 2013.

Alison Kelly – Director of Nursing and Quality

Alison joined the Countess in March 2013 having previously been the Deputy Chief Nurse at the University Hospital of South Manchester since 2008. Alison has a wide range of experience as a senior nurse, such as work on practice development in a number of trusts in the North West, including Blackpool and East Cheshire. She is particularly interested in driving the patient experience agenda and identifying how patient feedback can enhance service development and improvement.

Mark Brandreth – Deputy Chief Executive / Director of Operations and Planning

Mark is Director of Operations & Planning and the Deputy Chief Executive. He joined the Countess in May 2013 having worked in a number of NHS management posts over the last 20 years. His first Board Director appointment was in Liverpool where he went on to be Assistant Chief Executive in the Primary Care Trust before he was invited to work in a national role at the Department of Health. Mark has experience of designing significant improvements for patients through his leadership of community health services as part of an integrated care system in Trafford. Most recently Mark's last role was working with an integrated care organisation in Wales in a role that encompassed the operational responsibility for four hospitals and commissioning responsibility for the population.

Mark has a track record of transforming health systems and is recognised as an authority on patient experience and patient engagement. Mark was part of a national learning set studying the application of integrated care systems into the UK and has worked with the Nuffield Trust tracking the development of integrated care approaches.

Tim Lynch – Director of Operational Services
(On secondment to another Trust from October 2013)

Tim joined the Trust in October 2008. His NHS career began in 1982 and Tim has held various operational, training and managerial roles within ambulance, acute and community settings. He achieved his first Board level post in 1997 and prior to joining the Countess had been an Ambulance Trust Chief Executive for four years.

Susan Young - Director of Human Resources & Organisational Development
(Left the Trust August 2013)

Susan Young joined the Countess as Director of Human Resources & Organisational Development in October 2010. She has been an HR Director in the Civil Service for 8 years, most recently at the Department for Business, Innovation and Skills. Susan has held a variety of HR roles in the public sector, including Deputy Chief People Officer for HM Revenue and Customs, HR Director at the Office for National Statistics and Assistant Director of Personnel at Hertfordshire County Council. Susan was also the Programme Implementation Director for the Civil Service wide "Next Generation HR" Programme. Susan has an MBA from Cranfield University and is a Fellow of the Chartered Institute of Personnel and Development.

Sue Hodkinson – Acting Director of Human Resources & Organisational Development (Appointed September 2013)

Sue joined the Countess in February 2011 and is currently acting up into the post of Director of Human Resources & Organisational Development. Having worked in a number of HR management posts in the NHS for nearly 10 years, she brings extensive healthcare and private sector HR experience & knowledge to the Executive Team.

Sue is passionate about taking the Trust's People Strategy forward, with particular emphasis on staff engagement, partnership working and workforce development. She works very closely with other members of the executive team to focus on the staff experience within our Trust and the links to improving the patient experience. Sue is executive lead for staff health & wellbeing, in addition to being the Chair of the collaborative HR & Wellbeing Business Service (www.hrwbs.com), which the Trust operates in conjunction with Wirral University Teaching Hospital NHS Foundation Trust.

Andrew Higgins – Non-Executive Director/Senior Independent Director

Andrew joined the Board in November 2011 and is a chartered accountant with a background in audit and advisory services. In 2010 he retired from KPMG, a major accounting and advisory firm, after a career spanning 33 years in the UK and overseas. Andrew has expertise in all aspects of audit and corporate governance, and has advised on a wide range of corporate transactions. From 2008 to 2010 he worked in Japan in an international liaison role and advised US and European multi-nationals with interests in the Far East. Now settled south of Tarporley, Andrew is a Non-Executive director and Chair of Audit for the Tipton & Coseley Building Society, and a director and Treasurer of Stockport Credit Union.

Laura Carstensen – Non-Executive Director (Left the Trust August 2013)

Laura joined the Board in December 2011. Laura had a long and distinguished career in City law as a partner in Slaughter and May. She is a Member (and former Deputy Chairman) of the Competition Commission and a Commissioner of the Equality & Human Rights Commission. She is a Member of the Co-operation & Competition Panel for NHS-Funded Services, a Trustee of National Museums Liverpool and a Board Member with Chester Renaissance. She was educated at Withington Girls School in Manchester, read English at St. Hilda's College, Oxford and was admitted as a solicitor in 1987. She lives with her husband Peter and six children in Flintshire, on Hope Mountain.

Rachel Hopwood – Non-Executive Director

Rachel joined the Board in December 2011. Rachel is a chartered accountant, qualifying with Ernst & Young, a major accounting and advisory firm. After a career in finance and investment banking in the City of London, latterly as an Executive Director at ABN AMRO, she relocated with her family back to Cheshire in 2008. Prior to joining the Board, Rachel was a Non-Executive Director of Western Cheshire PCT and Lay Advisor to West Cheshire Clinical Commissioning Group. She is also a Director in a company providing management and financial consultancy services in the region. Brought up locally, Rachel was educated at The Queen's School, Chester. She now lives in Clotton with her husband and two children, the youngest of whom was born at the Countess of Chester Hospital.


Lansoprazole
Warfarin
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James Wilkie – Non-Executive Director

James retired following a long career in local government. He worked for several local authorities and held a series of senior management positions, including that of Chief Executive. James has experience of managing many aspects of local authority activity and has a particular interest in regeneration and economic development.
James has lived in Neston for many years, and is married with two grown daughters.

Elaine McMahon – Non-Executive Director

Elaine has extensive experience of working in further and higher education in the UK and USA and for the last 12 years has been Chief Executive and Principal of several Colleges of Further Education. Elaine has a strong commitment to working closely with communities facing development and renewal and has represented education and training on a number of regional and national committees. In 2009 Elaine was awarded the CBE for services to local and further education. She has a Doctorate in Philosophy from Lancaster University; an Honorary Doctorate from the University of Lincoln and an MBA from the OU Business School.

She has been involved in developing productive partnerships between education and health and considers it a privilege to now work as a Non-Executive Director for the Countess of Chester Hospital NHS Foundation Trust.

Ed Oliver – Non-Executive Director

Ed joined the Trust in September 2013 and has been a Graduate Electrical Engineer from the University of Strathclyde, Glasgow. Following this he had a 28 year career with Marks and Spencer before retiring in 2000 as the Regional Manager for Merseyside. Joined a family business in 2001 called Tops Estates who owned a number of Shopping Centres around the UK. This was to develop the operational side of the business, before finally retiring in 2009.

He has always during his business career been involved in outside agency's such as: Prince's Trust on Merseyside - Vice Chairman 1991-2000; Liverpool Chamber of Commerce and Industry - Vice Chairman and Chairman 2001 – 2010; Ronald McDonald Family House, Alder Hey Children's Hospital, Liverpool - Board member and Chairman; 1994 – present Liverpool Business Improvement District Co. - Founded the business in 2003 and currently Chairman of the Exec Board. Non-Executive Director, Alder Hey Children's Hospital NHS Foundation Trust. 2004 – 2013. Ed is married with 3 children and main interests are travelling, golf and watching most sports.

The Trust recognises that the Board of Directors has to provide a portfolio of skills and expertise to reflect the patient care and experience and the Trust's sustainable clinical services to ensure a high performing and effective organisation. The Board members provide a breadth of public and private sector expertise which has been refreshed in year in the new appointments of both Non-Executive and Executive Directors which also provides a mix of gender and age profiles.

The Board of Directors have developed a robust review process for evaluating its committees. The Chair of each committee prepares an annual evaluation of the work undertaken during the year end, and review attendance at each meeting; additionally the terms of reference are reviewed annually and updated to reflect changes in the operating environment and best practice. These reviews are presented to the Board of Directors. The process for evaluating the performance of the Board of Directors has been developed, drawing on a number of models used in the private and public sectors. A full and robust review of the Trust Governance Framework for the Board and its committees was undertaken and the new arrangements became effective from 1st April 2013. The Board sub-committees were reviewed and a new committee structure has been launched across the Trust and now forms part of the Trust's Corporate Governance Manual.

The Directors of the Board undergo an annual performance assessment, reviewing performance against agreed objectives, personal skills and competencies and progress with personal development plans. In year the Executive Team have had three development days to support how they work collectively as a team and a further full Board development day will held in summer 2015 to support effective unitary working of the Board of Directors.

Summary of Declaration of Interests of Directors

The register of Declaration of Interests is held by the Director of Corporate and Legal Affairs and can be accessed by contacting Mr Stephen Cross.

Telephone - 01244 365816 or email stephen.cross1@nhs.net

The Board of Directors have individually signed to confirm that they meet the fit and proper persons test.

The Chairman has the following other significant commitments:

- Chairman of Synergy Health
- Chairman of Skills for Justice

These two other significant commitments do not in any way impact on his role as Chairman of the Trust.

Accounting Information

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

As far as the Directors are aware all relevant audit information has been fully disclosed to the auditors and no relevant audit information has been withheld or made unavailable, nor have any undisclosed post balance sheet events occurred.

The management of risk is a key function of the Board; the Trust seeks to minimise all types of service, operational and financial risk through the Board Assurance Framework which is subject to regular review and audit.

The NHS Foundation Trust Code of Governance

The Board of Directors places much emphasis on ensuring our governance is effective and robust and is reflective of best practice; the Code of Governance provides the structure to support the many aspects of an effective Board. During the year the Trust Secretary reviews our compliance against the Code taking action as required to confirm ongoing compliance.

Council of Governors

The foundation for effective relationship building between directors and Governors is a clear understanding by both groups of the responsibilities and boundaries of their respective roles. The Board of Directors provide active leadership of the Trust within a governance framework of prudent and effective controls which enables risk to be assessed and managed. The Governors act in the best interests of the Trust and adhere to its values and code of conduct. The Council of Governors hold the Board of Directors to account by analysis of the integrated performance reports that they receive, challenging assumptions and raising questions as appropriate. In addition to the formal quarterly meetings of the Council of Governors and the Annual Members' meeting the Governors hold a Governors' Quality Forum meeting every three weeks, which the Chairman and Director of Corporate and Legal Affairs attend on every occasion. Non-Executive Directors and Executive Directors attend these meetings on a regular basis. At these meetings the Governors receive an update on Trust matters in relation to quality and operational information and have the opportunity to raise any issues on behalf of the Trust membership.

There is a standing agenda item at all Board of Directors' meetings for the Director of Corporate and Legal Affairs to report on any Council of Governors matters. At the Council of Governors' meetings which are also attended by members of the Board of Directors, there are interactive sessions where Governors hold the Board to account and provide feedback from the membership on the quality of our services received by members.

The types of decision taken by each of the Boards together with any delegated powers are set out below:

The Board of Directors may delegate any of its powers to a Committee of Directors or to an Executive Director. The Board has reserved the issues set out in its Scheme of Reservation and Delegation and further guidance on the operation of the Trust is set out in the Standing Orders and Standing Financial Instructions. The main decisions taken by the Board of Directors include those relating to:

- Strategic direction and policy determination.
- The Quality agenda.
- Actions required to address significant performance issues.
- Governance and compliance arrangements.
- Major business cases for capital or revenue investment.
- The annual plan, financial strategy and annual report.
- The acquisition, disposal or change of land or buildings.
- Private Finance Initiative proposals.
- Major contracts.
- Risk, clinical governance standards and policies.
- The constitution, terms of authorisation and working arrangements of its committees.
- Approval of standing orders, standing financial instructions and schemes of reservation and delegation.
- Arrangements for the Trust's responsibilities as a corporate trustee for its charitable funds.

The types of decisions taken by the Council of Governors include:-

- Appoint and if appropriate remove the Chair.
- Appoint and if appropriate remove the other Non-Executive Directors.
- Decide the remuneration and allowances, and the other terms and conditions of office, of the chair and the other Non-Executive Directors.
- Approve the appointment of the Chief Executive
- Appoint and, if appropriate, remove the NHS Foundation Trust's Auditor.
- Decide on a quality of care issue to be reviewed for the Quality Account.
- Determine a local quality measure for auditing internally and externally for the Quality Account; and
- To agree the Trust's membership strategy, and its policy for the composition of the Council of Governors.

Composition of Council of Governors

The total number of Governors is 29 as follows:

Area	No of Governors
Chester & Rural Cheshire	8
Ellesmere Port & Neston	4
Flintshire	3
Out of Area	1
Staff	5
Partnership Organisations	8
Total	**29**

There are two vacancies to be filled in respect of the Partnership Organisations. A full review of the Trust's Constitution was undertaken during 2013/14 to reflect the Health and Social Care Act 2012.

The membership of the Council of Governors during 2013/14, whether they were elected or appointed and their length of tenure, is as opposite:-

Governor	Term of Office
Public - Chester and Rural Cheshire	
Mr Thomas Bateman	Re-elected for 2nd term of office until October 2015
Mrs Elizabeth Bott	Re-elected for 2nd term of office - 3 years until October 2014
Mrs Helen Clifton	Elected October 2012 for 3 years until October 2015
Mrs Sue Elphick	Re-elected for a 2nd term of office - 3 years until October 2014
Mrs Marilyn King	Re-Elected for a 2nd term of office - 3 years until October 2016
Mr George Potter	Re-elected for a 3rd term of office - 3 years until October 2015
Mr Barry Ravenscroft	Stood down from Council October 2013
Mr Geoffrey Lloyd	Elected October 2012 for 3 years until October 2015
Mr Richard Taylor	Term of office expired - October 2013
Public - Ellesmere Port and Neston	
Mrs Pat Clare	Term of office expired - October 2013
Mr Stan France	Re-elected for a 3rd term - 3 years until October 2015
Miss Sue Kettle	Re-elected for a 3rd term - 3 years until October 2015
Mr Alan Moore	Elected October 2011 for 3 years until October 2014
Mr Brian Ellingham	Elected October 2013 for 3 years until October 2016
Public - Flintshire	
Mr Gordon Donaldson	Term of office expired - October 2013
Mr Russell Jackson	Elected for 3 years until October 2016
Mr Andrew Gunnion	Stood down from Council – October 2013
Mrs Eleanor Hornsby	Re- elected for 2nd term of office - 3 years until October 2014
Mrs Liz Kevan	Elected for 3 years until October 2016
Youth Governors (Three youth members job share the role of Youth Governor)	
Mr William Kirk	Appointed October 2011
Miss Pippa Wright	Appointed October 2012
Mr Nathan Brown	Appointed October 2013
Partnership Organisations	
Mr Michael Hemmerdinger - Voluntary Services	Re-appointed for 3rd term of office until December 2014
Mrs Dorothy Marriss - University of Chester	Appointed February 2011
Ms Fran Parry - Flintshire CHC	Appointed September 2010
Dr Huw Charles Jones - Western Cheshire PCT	Appointed September 2013
Cllr Adrain Walmsley - Cheshire West & Cheshire Council	Appointed April 2013
Staff	
Dr Richard Nelson	Re-Elected for 2nd term of office - 3 years until October 2016
Mr Roger Howells	Stood down from Council – December 2013
Dr Chris Green	Elected December 2013 for 3 years until October 2016
Ms Naomi Cawley	Elected October 2013 for 3 years until October 2016
Mr Arthur Rhodes	Elected October 2011 for 3 years until October 2014
Mr Keith Broadbent	Elected October 2011 for 3 years until October 201

Election of Council of Governors

Notice of elections were published in June 2013 in the following public constituencies:-

- Chester & Rural Cheshire
- Flintshire
- Ellesmere Port & Neston

An election was held in July 2013 in the Chester & Rural Cheshire and Ellesmere Port & Neston Constituencies.

The election turnout was as follows:-

- Chester and Rural Cheshire – 16.5%
- Ellesmere Port & Neston – 19.7%

Area	Elections	Re-elections
Chester & Rural Cheshire	2	1
Ellesmere Port & Neston	1	0
Flintshire*	2 (unopposed)	0

* No elections were required in this constituency as the Governors were elected unopposed.

The Board confirm that elections are held in accordance with the election rules stated in the Trust constitution and undertaken by Electoral Reform Services.

Attendance at Council of Governors' Meetings

There have been five Council of Governors' meetings held during 2013/14 and the attendance by Governors are given below:-

Name	Number of meetings attended in 2013/14 (of 5 held)	Governors Expenses for 2012/13	Governors Expenses for 2013/14
Council of Governors			
Mr Thomas Bateman	4	Nil	£164.60
Mrs Elizabeth Bott	4	Nil	Nil
Mrs Pat Clare	3/3*	£529.20	£326.15
Mrs Helen Clifton	5	£39.60	£56.70
Mrs Sue Elphick	4	£60.00	£52.40
Mrs Marilyn King	5	£60.80	£40.40
Mr Gordon Donaldson	3/3**	£230.00	£120.00
Mr Stan France	2	Nil	Nil
Mr Andrew Gunnion	0/3**	Nil	Nil
Mr Michael Hemmerdinger	4	£72.80	£60.60
Cllr Adrian Walmsley	4	Nil	Nil
Mrs Eleanor Hornsby	5	Nil	Nil
Miss Sue Kettle	3	Nil	Nil
Mrs Dorothy Marriss	4	Nil	Nil
Mr Alan Moore	1	Nil	Nil
Ms Sue Sheldon	2/2*	Nil	Nil
Ms Fran Parry	4	Nil	Nil
Mr George Potter	2/4*****	Nil	Nil
Mr Barry Ravenscroft	0/3**	Nil	Nil
Mr Richard Taylor	0/3**	Nil	Nil
Dr Richard Nelson	0	Nil	Nil
Mr Roger Howells	2/4***	Nil	Nil
Dr Chris Green	1/1******	Nil	Nil
Mr Arthur Rhodes	0	Nil	Nil
Mr Keith Broadbent	5	Nil	Nil
Dr Huw Charles-Jones	0/2****	Nil	Nil
Mrs Liz Kevan	2/2*	Nil	Nil
Mr Brian Ellingham	2/2*	Nil	Nil

Mr Geoffrey Lloyd	2/2*	Nil	Nil
Mr Russell Jackson	2/2*	Nil	Nil
Ms Naomi Cawley	1/2*	Nil	Nil
Mr William Kirk	3	Nil	Nil
Ms Pippa Wright	3	Nil	Nil
Mr Nathan Brown	2/2*	Nil	Nil

* Elected October 2013
** Term of office expired October 2013
*** Term of office expired December 2012
**** Appointed September 2013
***** Deceased March 2014
****** Elected December 2013

Board of Directors attendance at Council of Governors' meetings			
Sir Duncan Nichol, Chairman	5	N/A	N/A
Mr Tony Chambers, Chief Executive	5		
Mr Mark Brandreth, Deputy Chief Executive/Director of Operations and Planning	5*		
Mrs Alison Kelly, Director of Nursing and Quality	3		
Mr Ian Harvey, Medical Director	4		
Mrs Debbie O'Neill, Chief Finance Officer	4		
Mr Tim Lynch, Director of Operational Services	3/3**		
Mrs Susan Young, Director of Human Resources & Organisational Development	2/2***		
Mrs Sue Hodkinson, Acting Director of Human Resources & Organisational Development	3/3****		
Mr James Wilkie, Non Executive Director	4		
Dr Elaine McMahon, Non Executive Director	3		
Mrs Rachel Hopwood, Non Executive Director	2		
Mrs Laura Carstensen, Non Executive Director	1/3*****		
Mr Andrew Higgins, Non Executive Director	5		
Mr Ed Oliver, Non Executive Director	0/2******		

* Appointed May 2013
** On secondment to another Trust October 2013
*** Left the Trust August 2013
**** Appointed Septembe 2013
***** Stood down from the Trust August 2013
****** Appointed September 2013

Summary of Declaration of Interests of Governors

The register of Declaration of Interests is held by the Director of Legal and Corporate Affairs, and can be accessed by contacting Mr Stephen Cross.

Telephone - 01244 365816 or email stephen.cross1@nhs.net

The Council of Governors have individually signed to confirm that they meet the fit and proper persons test. The Board of Directors have received information on the views of the Governors and Members about the Trust and its services in the following ways:

- Regular attendance at the Council of Governors meetings.
- Joint workshops of the two Boards
- Regular attendance at Governors' Quality Forum meetings.
- Discussion at Annual Members' Meetings.
- Receipt of reports from the Director of Corporate and Legal Affairs at each of the Board of Directors' meetings.
- Joint presentations to and feedback from organisations in the local community.
- Receipt of reports from the Governors' Quality Forum.

Audit Committee

The Audit Committee consists of three independent Non-executive Directors, two of whom are qualified accountants and one of whom is Chair (Rachel Hopwood) of the Audit Committee. Other Executive Directors and senior staff regularly attend the committee as do the internal and external auditors. The overall purpose of the Trust's Audit Committee is to review the organisation's effectiveness and maintenance of the Trust's system of internal control and risk management. Private meetings with either the internal or external auditors are held after each committee meeting.

Audit Committee Attendance 2013/14

Date of meeting	Chair of Audit Committee Mrs R Hopwood	Non Executive Director Mr A Higgins	Non Executive Director Mrs E McMahon
18.04.13	✓	✓	✓
24.05.13	✓	✓	✓
18.11.13	✓	✓	✓
16.12.13	✓	✓	✓

During the year the Audit Committee undertook the following in discharging its responsibilities:

- Reviewed the Annual Governance Statement and supporting assurance processes in conjunction with the audit opinion.
- Approved a risk based internal audit plan and actively reviewed the findings of all audits.
- Approved the plan and reviewed the work of the Trust's local counter fraud specialist.
- Reviewed and approved the updated corporate governance manual covering standing orders, standing financial instructions and scheme of delegation.
- Agreed the nature and scope of the external audit plan and reviewed the reports, recommendations and management responses.
- Reviewed the effectiveness of external audit through the use of best practice checklists.
- Reviewed the Trusts annual financial statements and recommended their adoption to the Board of Directors. Significant issues considered were –
    - Provisions for impaired receivables
    - Provisions for legal claims
    - Revaluation of property assets
    - These areas were reviewed in detail and discussed with Trust management and the external auditors to ensure that the accounting treatment was appropriate.
- Reviewed the effectiveness of the Committee using an independent framework.
- Approved bad debt write offs and contract extensions/tender waivers.
- Review the data quality of the Quality Account.

There were no significant issues in relation to the Trust operations or compliance that needed to be addressed by the Audit Committee during the year.

The external audit firm (KPMG) provided some advisory and review work during the year. Any work agreed outside the audit plan is subject to approval by the Audit Committee in accordance with the non-audit services policy, which specifically excludes the types of work that might compromise objectivity and independence.

KPMG were appointed through a tender exercise for the 2011/12 financial year. The contract is for three years, which may be extended by a further two years.
The external audit fee for the annual accounts audit was £48k and other regulatory reporting amounted to £18k. The audit was carried out in accordance with Monitor's Audit Code.

There has been no change in year to the internal audit provider which is MIAA.

The Directors acknowledge their responsibility for preparing the Annual Accounts for the organisation.

Governors' Nominations Committee

Expressions of interest from Governors to serve on the Nominations Committee were invited from Governors, and the Nominations Committee met once in 2013/14.

Following Laura Carstensen standing down from the Trust with effect from 31st August 2013, the Nominations Committee met to agree the process for the appointment of a new Non-Executive Director. The Trust advertised in local papers. The process was run in house having regard to the expertise available within the Trust following previous recruitment processes together with the obvious cost savings that could be made to the Trust.

The Nominations Committee held an extensive interview process on 15th July 2013 to consider the appointment of a new Non-Executive Director. The Nominations Committee recommended to the Council of Governors that Mr Ed Oliver should be appointed as the new Non-Executive Director of the Trust. At the Council of Governors meeting on 30th August 2013 Governors unanimously approved Mr Ed Oliver should be appointed as the new Non-Executive Director of the Trust for a 3 year term of office with effect from 1st September 2013.

Attendance at Nominations Committee meeting on 02.07.13 was as follows:

Attendees	Attendance
Mrs Pat Clare (Chair)	✓
Mrs Sue Elphick	✗
Mr Gordon Donaldson	✓
Mr George Potter	✓
Ms Elizabeth Bott	✓
Mr Tom Bateman	✓
Mr Michael Hemmerdinger	✓

Board of Directors' Nominations Committee

There was no requirement for the Board of Directors' Nominations Committee to meet during 2013/14.

Foundation Trust Membership

The members of the Foundation Trust are those individuals whose names are entered in the register of members. Every member is either a member of one of the public constituencies or a member of one of the classes of staff constituency. Membership is open to any individual who is over sixteen years of age.

Public Membership

There are four public constituencies:

- Chester & Rural Cheshire
- Ellesmere Port & Neston
- Flintshire
- Out of Area

Membership of a public constituency is open to individuals:-

- Who live in the relevant area of the Foundation Trust;
- Who are not a member of another public constituency, and
- Who are not eligible to be members of any of the classes of the staff constituency.

Staff Membership

The staff constituency is divided into four classes as follows:

- Doctors
- Nursing and midwifery
- Allied healthcare professionals and technical/scientific
- Other

Membership of one of the classes of the staff constituency is open to individuals:

- Who are employed under a contract of employment by the Foundation Trust and who either:
- Are employed by the Foundation Trust under a contract of employment which has no fixed term or a fixed term of at least 12 months, or
- Who have been continuously employed by the Foundation Trust or the NHS Trust for at least 12 months; or
- Who are not so employed but who nevertheless exercise functions for the purposes of the Foundation Trust and who have exercised the functions for the purposes of the Foundation Trust for at least 12 months. For the avoidance of doubt, this does not include those who assist or provide services to the Foundation Trust on a voluntary basis.

A person may not become a member of the Foundation Trust if within the last five years they have been involved as a perpetrator in a serious incident of violence at the Hospital or its facilities or against any of the Foundation Trust's employees or other persons who exercise functions for the purposes of the Foundation Trust, or against registered volunteers.

Membership size and movements

Membership changes in the previous year and those estimated for 2014/15 are shown below:-

	Last Year (2013/14)	Next Year (2014/15) estimated
Public Constituency		
At year start	7,765	7,603
New members	255	200
Members leaving	417	100
At year end	7,603	7,703
It is the Trust's intention to maintain public membership at its current levels. The Trust will focus on developing a quality membership by diversity, age and gender for 2014/15.		
Staff Consituency		
At year start	4,395	4,431
New members	715	200
Members leaving	679	200
At year end	4,431	4,431

Membership Strategy

The 2013/14 target to maintain current levels of membership was achieved. The Trust is committed to ensuring the quality of data for the membership and therefore, a thorough data cleanse of membership information was undertaken during 2013/14. It is the Trust's intention to continue to maintain public membership at its current levels. The strategy will focus on under-represented parts of our population during 2014/15.

Membership Review

The mechanism by which the Board review membership plans, growth and engagement during year is through the integrated performance report and a report of the Director of Corporate & Legal Affairs at each Board meeting. These reports are also provided to each Council of Governors' meetings.

Current and Future Engagement with Members

The Trust has engaged with its members via the following:-

- Governor roadshows in each constituency
- Countess Matters magazine – 3 times per year
- Local newspaper articles
- Patient interest groups
- Email surveys to members
- Surveys
- Trust Website
- Presentations to community organisations
- Recruitment sessions
- Participating in Governor elections
- Drop in sessions for potential candidates

Contact for members to communicate with Governors and Directors is available on the website and contact details are also available in the Foundation Trust's 'Countess Matters' magazine circulated to all members three times per year.

Remuneration Report

The remuneration committees are required to ensure levels of remuneration are sufficient to attract, retain and motivate directors of the quality required to run the organisation successfully, but to avoid paying more than is necessary.

Remuneration and conditions of service of the Chief Executive and Executive Directors are determined by the Remuneration Committee, which comprised of the following members:

- Chair – Sir Duncan Nichol
- Andrew Higgins, Non-Executive Director
- Rachel Hopwood, Non-Executive Director
- James Wilkie, Non-Executive Director
- Elaine McMahon, Non-Executive Director
- Ed Oliver, Non-Executive Director

The Remuneration Committee meets as and when required and the Director of Corporate and Legal Affairs is in attendance. The Remuneration Committee agreed that for the 2013/14 year, the Executive Directors and the Chief Executive would not receive an inflationary pay increase in line with the national pay freeze relating to most other NHS staff.

The Remuneration Committee met twice in year to discuss the remuneration of the Chief Executive, Chief Finance Officer, Medical Director, Director of Operations & Planning and Director of Nursing & Quality. The attendance at each meeting is as follows:

Attendees	03.09.13	04.03.14
Sir Duncan Nichol	✓	✓
Mr Andrew Higgins	✓	✓
Mrs Rachel Hopwood	✗	✓
Mr James Wilkie	✓	✓
Ms Elaine McMahon	✓	✓
Mr Ed Oliver	✗	✓

In considering the Executive Directors remuneration the Committee take into account the national inflationary uplifts recommended for other NHS staff, any variation in or change to the responsibility of Executive Directors and relevant benchmarking with other NHS and public sector posts. The performance of Executive Directors and the Chief Executive is discussed at Remuneration Committee. Executive Directors are subject to annual appraisal by the Chief Executive who is himself appraised by the Chairman.

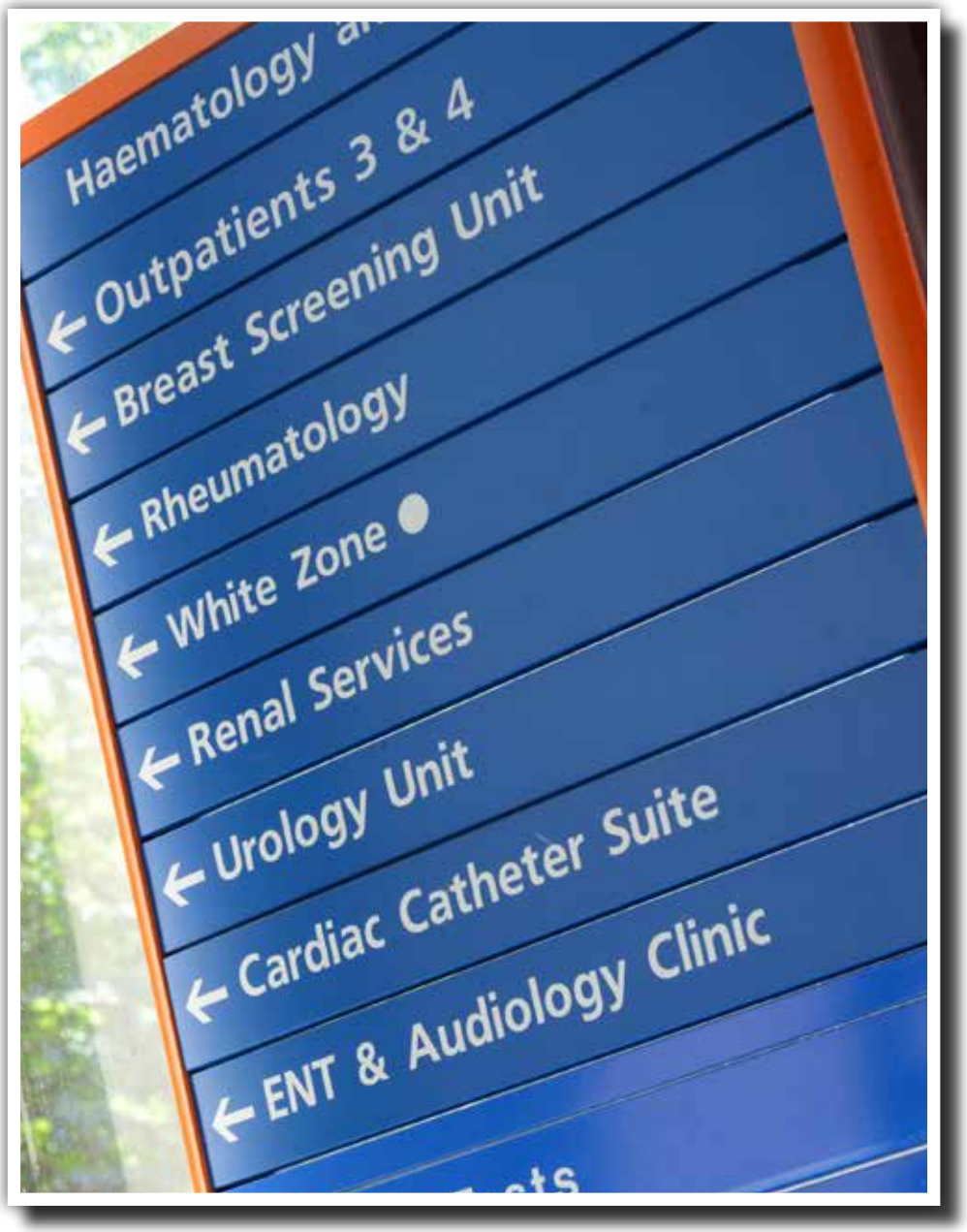
The contracts of employment of all Executive Directors, including the Chief Executive, are permanent and are subject to six months' notice of termination. No performance-related pay scheme (e.g. pay progression or bonuses) is currently in operation within the Trust and

there are no special provisions regarding early termination of employment.

All other senior managers are subject to Agenda for Change pay rates, terms and conditions of service, which are determined nationally.

Tony Chambers
Chief Executive

19th May 2014



Salary and Pension Entitlements of Senior Managers

Name and Title	Salary (bands of £5,000) 2013/14 £000	Other Remuneration (bands of £5,000) 2013/14 £000	Benefits in kind (to nearest £100) 2013/14 £	
2013/14				
Mr Tony Chambers Chief Executive	130 - 135	-	13,300	
Mrs Debbie O'Neill Chief Finance Officer	110 - 115	-	-	
Mr Ian Harvey Medical Director	125 - 130	30 - 35	4,100	
Mrs Susan Young Director of Human Resources and Organisational Development (to 8th September 2013)	45 - 50	-	-	
Mrs Susan Hodkinson Acting Director of Human Resources (from 1st September 2013)	40 - 45	-	4,400	
Mrs Alison Kelly Director of Nursing & Quality	95 - 100	-	-	
Mr Mark Brandreth Director of Planning, Partnerships & Development (from 7th May 2013)	90 - 95	-	-	
Mr Tim Lynch Director of Operational Services (to 30th September 2013)	50 - 55	-	2,000	
Mr Stephen Cross Director of Corporate and Legal Affairs (from 1st October 2013)	30 - 35	-	11,100	
Sir Duncan Nichol Chairman	45 - 50	-	-	
Mrs Laura Carstensen Non-Executive Director (to 31st August 2013)	5 - 10	-	-	
Mr Andrew Higgins Non-Executive Director	10 - 15	-	-	
Mrs Rachel Hopwood Non-Executive Director	10 - 15	-	-	
Mr Ed Oliver Non-Executive Director (from 1st September 2013)	5 - 10	-	-	
Mr James Wilkie Non-Executive Director (from 1st April 2013)	10 - 15	-	-	
Dr Elaine McMahon Non-Executive Director (from 1st April 2013)	10 - 15	-	-	
Total Directors Remuneration	840 - 845	30 - 35	34,900	

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

	2014	2013
Band of highest Paid Director's Total Remuneration	160 - 165	145 - 150
Median Total Remuneration	£24,620	£24,372
Ratio	6.60	5.99

The total remuneration includes salary and benefits-in-kind, it does not include employer pension contributions and the cash equivalent transfer value of pensions. The annualised Medical Director's salary is the highest paid Director

Pension related benefits (bands of £2,500) 2013/14 £000	Total (bands of £5,000) 2013/14 £000	Normal retirement age	Salary (bands of £5,000) 2013/14 £000	Other Remuneration (bands of £5,000) 2013/14 £000	Benefits in kind (to nearest £100) 2013/14 £	Pension related benefits (bands of £2,500) 2013/14 £000	Total (bands of £5,000) 2013/14 £000
(12.5) - (15)	131 - 135	60	45 - 50	-	900	10 - 12.5	55 - 60
47.5 - 50	160- 165	60	105 - 110	-	-	-	-
90 - 92.5	215 - 220	60	30 - 35	125 - 130	4,100	107.5 - 110	215 - 220
20 - 22.5	90 - 95	65	95 - 100	-	5,000	30 - 32.5	130 - 135
82.5 - 85	130 - 135	60	-	-	-	-	-
25 - 27.5	120 - 125	60	5 - 10	-	-	5 - 7.5	10 - 15
67.5 - 70	170 - 175	60	-	-	-	-	-
40 - 42.5	95 - 100	60	100 - 105	-	3,900	(15) - (17.5)	90 - 95
5 - 7.5	70 - 75	60	-	-	-	-	-
-	40 - 45	-	15 - 20	-	-	-	15 - 20
-	5 - 10	-	10 - 15	-	-	-	10 - 15
-	10 - 15	-	10 - 15	-	-	-	10 - 15
-	10 - 15	-	10 - 15	-	-	-	10 - 15
-	5 - 10	-	-	-	-	-	-
-	10 - 15	-	-	-	-	-	-
-	10 - 15	-	-	-	-	-	-
340 - 342.5			760 - 765	125 - 130	15,100		

Pension Benefits

Name and Title	Real Increase in Pension at age 60 (bands of £2,500) £000	Real Increase in Automatic Lump Sum age 60 (bands of £2,500) £000	
Mr Tony Chambers Chief Executive	0 - (2.5)	0 - (2.5)	
Mrs Debbie O'Neill Chief Finance Officer	0 - 2.5	5 - 7.5	
Mr Ian Harvey Medical Director	2.5 - 5.0	10 - 12.5	
Mrs Susan Young Director of Human Resources and Organisational Development (to 8th September 2013)	0 - 2.5	N/A	
Mrs Susan Hodkinson Acting Director of Human Resources (from 1st September 2013)	0 - 2.5	5 - 7.5	
Mrs Alison Kelly Director of Nursing & Quality	0 - 2.5	2.5 - 5	
Mr Mark Brandreth Director of Planning, Partnerships & Development (from 7th May 2013)	2.5 - 5	7.5 - 10	
Mr Tim Lynch Director of Operational Services (to 30th September 2013)	2.5 - 5	10 - 12.5	
Mt Stephen Cross Director of Corporate and Legal Affairs (from 1st October 2013)	0 - 2.5	0 - 2.5	

The benefit in kind is for a lease car scheme which is open to all members of staff. It is a scheme whereby the Employee agrees to reduce their salary for the full cost of the car.

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individuals transferred to the NHS pension scheme.

Total accrued pension at age 60 at 31 March 2014 (bands of £5,000) £000	Total Related Lump sum at 31 March 2014 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2014 (bands of £1,000) £000	Cash Equivalent Transfer Value at 31 March 2013 (bands of £1000) £000	Real Increase om Cash Equivalent Transfer Value (to nearest £1,000) £000
40 - 45	125 - 130	702 - 703	677 - 678	9 - 10
40 - 45	125 - 130	735 - 736	662 - 663	58 - 59
40 - 45	120 - 125	859 - 860	738 - 739	104 - 105
5 - 10	N/A	77 - 78	46 - 47	12 - 13
5 - 10	25 - 30	121 - 122	367 - 368	(147) - (148)
30 - 35	90 - 95	613 - 614	453 - 454	149 - 150
25 - 30	75 - 80	381 - 382	317 - 318	51 - 52
40 - 45	130 - 135	850 - 851	740 - 741	93 - 94
0 - 5	15 - 20	-	-	-

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the institute and Faculty of Actuaries. The NHS Pension scheme will not make a cash equivalent transfer once a member reaches the age of 60 and is then therefore, not applicable.

Real increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start of the period.

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