

Annual Report & Accounts

2018/2019

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



The Countess of Chester Hospital NHS Foundation Trust

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The Performance Report



1. Performance Report

1.1 Performance Overview

Statement from the Chairman & Chief Executive

Welcome to the 2018/19 Annual Report of the Countess of Chester Hospital NHS Foundation Trust. This has been a year of change for the Trust and a year of challenge but also achievement.

In my new role as Chief Executive Officer of The Countess of Chester Hospital NHS Foundation Trust I look forward to working hard with staff and partners to deliver the consistently high standards of care to which we all aspire and which our patients deserve. I am delighted and extremely proud to be in this role.

Of key importance for 2019/20 will be the implementation of the Trust's new clinical strategy which will set out our priorities to clearly inform the decisions we make as an organisation for the next five years. It will define our objectives and provide the framework for improvement.

The clinical strategy will be closely followed by a new Trust-wide corporate strategy.

Over the last 12 months we have continued to experience rising levels of demand for all of our services. This is unlikely to change given the demography of our local population unless we work together with partners across the system in the transformation of services. We are therefore pleased to report increasing levels of engagement with the Integrated Care Partnership priorities for delivery of improved outcomes and experiences for our population. With this in mind it was especially pleasing last summer to see West Cheshire identified as one of the "most improved" areas for one-year cancer survival.

We delivered a significant improvement in the urgent care pathway in June, when we created a new 51 bedded Acute Medical Unit. With daily consultant review, the

unit is designed to reduce the number of admissions to medical wards, reduce bed occupancy and length of stay, and improve patient flow overall. This is an important component of our plans to effectively respond to the levels of demand facing us.

In July, we opened our Older Persons' Assessment Unit, with a new multi-disciplinary team created to see older patients before a crisis point is reached, as well as those at risk of readmission. Where needed, the Emergency Geriatrician is on hand to give advice, and offer alternative management strategies to avoid the need for attendance at the Emergency Department.

The autumn provided us with an opportunity to highlight more good practice when we won a national Nursing Times Award for use of technology and data in nursing. Benefits provided by the Trust's Co-ordination Centre were at the heart of the nomination with the daily use of real-time patient flow and e-rostering software having a significant positive impact on the safe and effective treatment of patients and staff at the hospital.

In spite of the increasing demands on our teams, we continue to receive much positive feedback from our patients and their relatives, including a grandmother writing to the Queen herself to praise the care she received at The Countess last summer.

Our Countess midwives were also praised for the care they provide in the NHS Maternity Survey, with 97% of respondents saying they

were confident in the care provided to them and 98% of women felt they were treated with dignity and respect.

We continue to promote an open, honest and transparent culture and are pleased to have appointed a dedicated freedom to speak up guardian who joins us in June. We celebrate staff and recognise their achievements through initiatives such as our monthly "Countess Gems" recognition awards and have improved engagement with staff through the introduction of a weekly "What's Brewing" Executive drop-in session and quarterly senior leadership summits.

In February 2019 we honoured our staff at our yearly Celebration of Achievement Awards. This was a truly inspiring and uplifting occasion with many staff acknowledged for going above and beyond in the delivery of excellence.

The work we have undertaken to create an inclusive workplace was recognised in the autumn when we were ranked 24th in a list of the Inclusive Top 50 UK Employers List. We know we have more to do and we are committed to promoting all strands of diversity including age, disability, gender, LGBT, race, faith and religion.

Our staff survey results were disappointing as they have been for the past few years. We will be working hard together over the coming months to improve in the areas

where we fall short of the standard to which we aspire. Of particular concern was staff did not feel that we have a strong safety culture. This is a basic fundamental of healthcare that we simply must get right. Results showed that there was a 3% drop in members of staff who said they would know what to do if they were concerned about unsafe clinical practice. Whilst our overall result for this question is in line with the national average, we are committed to the creation of a "patient safety first" culture throughout the organisation.

In December we were inspected by the Care Quality Commission as part of their Well Led review process, with their final report being published on 17th May 2019. Further detail is provided later in this report.

We recognise our civic responsibility, especially as one of the biggest employers in Chester and the Flintshire border, to help local partners address the wider determinants of health in the community for our population and I will ensure the Trust plays its part at both local and regional level to best serve the needs of our patients.

Sir Duncan Nichol CBE
Chairman

Dr Susan Gilby
Chief Executive Officer

21st May 2019



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 Ellesmere Port Hospital, a rehabilitation, intermediate care and outpatient facility. The Trust was authorised as a Foundation Trust by Monitor in 2004.

The Trust employs over 3,600 whole time equivalent staff and provides acute emergency and elective services, primary care direct access services and obstetric services to a population of approximately 264,000 residents mainly in Chester and surrounding rural areas, Ellesmere Port and Neston and also to patients from the Deeside area of Flintshire which has a population of approximately 152,000. There are more than 500,000 patient attendances at the hospital every year, ranging from a simple outpatient appointment to major cancer surgery.

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

Foundation Trusts are established as public benefit corporations and 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 Foundation Trust 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. Our Trust provides acute emergency and elective services, primary care direct access services and obstetric services to our local population. The Trust works closely with our local health system partners in the Wirral and Cheshire area and our local communities.

The Trust is arranged into three clinical Divisions: Urgent Care, Planned Care and Diagnostics and Pharmacy, plus support services which include Estates and Facilities.



Strategic Context

Our vision at The Countess of Chester Hospital NHS Foundation Trust is to deliver NHS care locally that makes our staff and our community proud.

Over the next ten years the Trust is facing a significant challenge in West Cheshire because of the continued growth in our aged population. This is impacting currently on our emergency service delivery, and waiting times targets for our patients. Demographic analysis of our population projects another 7,000 people within our locality, with 6,000 of those living beyond the age of 80 years, an increase of 41%. Including Flintshire (our North Wales catchment) the total population will increase by over 13,000 people. This increase in demand, particularly with the elderly, will place significant additional pressure on all of our services, therefore we are exploring new ways of working, both locally and more widely.

Cheshire & Mersey Health & Care Partnership (STP)

In addition to the key objectives of the Long Term NHS Plan, the challenge of transforming a complex group of organisations and services across such a large and diverse footprint across Cheshire & Merseyside (C&M) is a real one. To transform our services and become sustainable, we need to mitigate demand, unwarranted variation, duplication, and cost. To achieve this we will be supporting the strategic work streams across Cheshire & Mersey. These are -

- **Acute Sustainability**
Defining a single aggregated vision and model of care for C&M acute services
- **Mental Health & LD Sustainability**
New pathways and models of crisis care, CAHMS, and integrated physical & MH services
- **Carter at Scale**
Designing sustainable back office and clinical support services with reduced duplication and increased efficiencies
- **Population Health**
Focus on reducing high blood pressure, alcohol related harm, and a reduction in prescribed antibiotics

- **GP Networking**
To co-design new generic models for the future of Primary Care

The strategic workstreams are in addition to the locality 'Place Based' integrated care programmes across Cheshire & Merseyside, and a number of other cross cutting and enabling workstreams supporting overall delivery.

Cheshire West Integrated Care Partnership

We are working with our health and social care partners in West Cheshire to create a new Integrated Care Partnership (CW ICP), hosted by the Countess of Chester Hospital, to transform how services are delivered to our most complex and demanding patients. CW ICP will deliver a Transformation Plan and Programme for 2019/20 building on the work in 2018/19. Based on the Large Scale Change (NHSE) social system model for change methodology, the CW ICP Transformation Plan will include activities (test for change) that support realisation of the following six transformation goals -

1. Understand and actively mobilise the population
2. Actively promoting self-care, self-service and developing community assets
3. Actively divert people to the most effective and efficient access points
4. Support and encourage the flow of people to the right resources
5. Support and encourage people with multiple conditions and complex needs through multiagency teams
6. Support community professionals with resources from the acute

CW ICP will focus on the following programmes to deliver the vision, outcomes and deliverables of the CW ICP Transformation Plan. The programmes are clinically sponsored, have senior management programme leads, and involve representatives from all partner organisations –

- **Care Communities**
We will develop nine Care Communities across Cheshire West to deliver our Model of Care.
- **Intermediate Care**
We will develop Intermediate Care

services which take away services that don't need to be delivered in an acute setting into community.

- **Long Term Care**
We will support people living with Long Term Care needs to receive the right services in their community.
- **Healthy Lives**
We will support people to enjoy Healthy Lives in their communities.

We have a shared ambition for a more aligned strategic focus to support organisations to achieve strategic priorities and benefiting from the synergies that

undoubtedly exist by bringing workforce and estate into a more collaborative operating model. Variations in our outcomes and efficiency will be reduced at a faster pace by working together under the new leadership model.

Finally, we are developing our Trust Clinical Strategy which, in the context of the pressures and developments above, will describe clinically the direction and shape of our services over the next five years. This will be supported by a five-year business plan, which will determine our operational plans which will be refreshed annually.

Principal Risks Faced by the Trust

The following table shows the Trust's 2018/19 strategic risks from our assurance framework-

Strategic Risk in 2018/19	Board Committee	Risk score at quarter 4*
Failure to maintain and enhance the quality and safety of the patient experience and ensure regulatory compliance	Quality, Safety and Patient Experience	4x3=12
Unable to meet demand for services within available resources	Finance and Integrated Governance	4x4=16
Failure to collaboratively innovate and transform the Trusts clinical services	Finance and Integrated Governance	4x3=12
Failure to deliver the Trusts culture, values and staff engagement plan	People and Organisational Development	4x3=12
Failure to deliver in year financial plan and manage consequences of delivering a deficit budget	Finance and Integrated Governance	4x5=20
Failure to comply with Compliance Framework	Finance and Integrated Governance	4x4=16
Failure to maintain robust corporate governance and overall assurance	Finance and Integrated Governance	3x4=12
Failure to maintain Information Governance standards	Finance and Integrated Governance	3x4=12
Failure to provide appropriate informatics infrastructure, systems and services that affect high quality patient care in-line with the business objectives of the Trust	Finance and Integrated Governance	3x4=12
Failure to recruit, train and retain professional staff.	People and Organisational Development	4x4=16

* The risk score is formed based on 'likelihood' and 'severity/impact rating' as follows -

- Severity/Impact: 5-Catastrophic, 4-Major, 3-Moderate, 2-Minor, 1-Insignificant
- Likelihood: 5-Almost certain, 4-Likely, 3-Possible, 2-Unlikely, 1-Rare
- The grading bands of risks are: 1-5 Very low, 6-8 Low, 9-15 Moderate, 16-25 High

The Quarter 4 score is subject to agreement by the Board of Directors in May 2019. 2018/19 has been a demanding year for the Trust, as we have operated below the emergency standards access measure of four hours. Acute patient flow, with slow

development of capacity outside the hospital with the exception of the Intermediate Care Partnership beds at Ellesmere Port, continues to be a risk and concern into 2019/20. This is having an impact on a number of strategic risks. Financial plan risks along with financial

and recovery plans have been a high risk in 2018/19 and will continue into 2019/20.

During the year, the Board has been updated in public session on the national expectations on Trusts related to the United Kingdom leaving the European Union. The

Trust has complied with all relevant national requirements. The Board has reviewed the potential risks, and has concluded that this is not a significant strategic risk for the organisation given the matters being dealt with directly by NHS central bodies and HM Government.

1.2 Going Concern Overview

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the NHS Foundation Trust's ability to continue as a going concern.

In accordance with the Department of Health and Social Care Group Accounting Manual the financial statements have been prepared on a going concern basis as we do not either intend to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of the services to another entity, or consider that this course of action will be necessary.

The Trust's performance in-year showed a pre-impairment deficit of £8.1m after the receipt of £2.8m additional 'incentive' Provider Sustainability Funding, which is an adverse variance to the original plan submitted to NHS Improvement at the start of the year. During the year, the Trust required £6.7m interim revenue loans from the Department of Health and Social Care to support the revenue cash position.

The current 2019/20 forecasts show a (pre-impairments) planned break even position, including £8.0m of PSF funding. To achieve this, the Trust will need to deliver cost reductions of £9.4m (equivalent to 3.7% of turnover), which includes £5.9m that has currently been classified as high risk.

In addition, the Trust will apply for an interim capital loan to finance its 2019/20 capital program. The Trust finished the year with £7.4m cash balance to support the £4.4m of outstanding capital creditors and the ongoing revenue position. The latest operating and cash flow forecasts currently show that the Trust will require net additional interim revenue support of £1.3m

to cover the cash lag in the timing of the incentive payments received, although this is dependent on the successful delivery of its financial plan and there will be a revenue cash requirement in the early part of the year due to phasing of cost reduction schemes. The Trust has drawn down £3.4m of interim revenue loans up to May 2019. Further capital financing will be required for 2020/21 and beyond. As with any Trust placing reliance on the DHSC for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Due to the significant reduction in capital funding available to the sector, NHS Improvement will review the interim capital loan application, to ensure that it meets its requirements of being 'urgent and necessary' only. It is possible that not all of the required capital loan will be approved, in which case the relevant capital expenditure would need to be deferred until a later date, when funding would be reapplied for.

Contracts for 2019/20 have been agreed with all major English commissioners, and the overarching funding issues with Flintshire have been resolved.

Based on these indications the directors believe that it remains appropriate to prepare the accounts on a going concern basis. However, the matters referred to above represent a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern, that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.3 Performance Analysis

The Board receives the Integrated Performance Report each month, structured round Safe, Kind and Effective care which include detailed exception reports, and performance against key quality indicators.

This includes actions being undertaken to address any risks and uncertainties. The Board receives quarterly updates on cancer performance, a winter resilience plan during quarter three and ad hoc reports pertaining to specific areas of operational risk.

Key Performance Indicators, by Quarter, 2018/19

	Target	Q1	Q2	Q3	Q4
<i>Infection Control Targets</i>					
Clostridium Difficile	23	9	7	4	10
MRSA	0	1	0	2	0
<i>Waiting Times</i>					
Total time in A&E	95%	81.2%	86.6%	82.2%	81.9%
Diagnostic 6 week target	99%	90.4%	91.0%	95.0%	95.3%
% RTT incomplete Pathway	92%	88.6%	87.8%	86.1%	83.9%
<i>Cancer Targets</i>					
14 days - all cancers	93%	98.5%	98.3%	97.7%	98.1%
14 days - breast symptomatic	93%	98.6%	99.7%	100%	100%
31 day - decision to treat to treatment	96%	100%	99.7%	99.0%	99.3%
31 days - subsequent surgical treatment	94%	98.0%	94.7%	94.6%	86.1%
31 days - subsequent non-surgical treatment	98%	100%	100%	100%	100%
62 days - first treatment from urgent GP referral	85%	88.5%	82.0%	81.9%	82.2%
62 days - first treatment from screening referral	90%	100%	98.2%	95.4%	96.2%

Infection Control

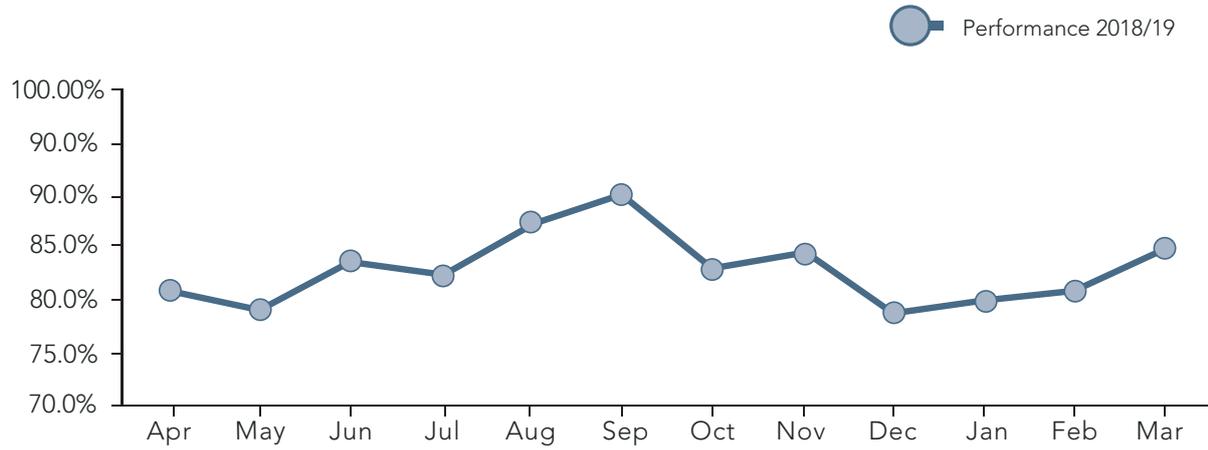
The Trust did not achieve the Clostridium difficile infection objective of no more than 23 cases within the year. 30 cases of Clostridium difficile infection were reported during 2018/19. There were three cases of avoidable MRSA bacteraemia infections last year also, an increase of two on the previous year.

Emergency Department / A&E Access Measure

This access measure is to achieve a maximum wait time of four hours in A&E from patient arrival to admission, transfer or discharge. Performance has remained below the 95% target all year. Along with other trusts nationally, we have found this a challenging time, due to increasing demand, higher patient acuity and an ageing population. The Trust has been working with the Emergency Care Improvement Programme, building on our own improvement work streams with the aim of improving performance against this measure.

The Trust has focused on developing an Urgent Treatment Centre and other ambulatory care streams to support alternatives to the use of a Type 1 A&E.

A&E 4 Hour Wait Performance



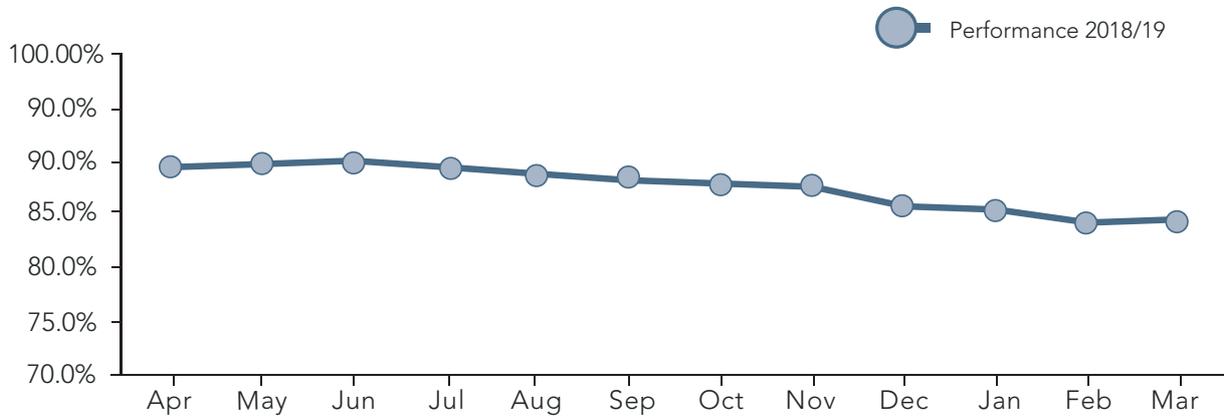
18 Weeks Referral to Treatment (RTT)

The threshold for this target is 92% and monitors the percentage of incomplete pathways for English patients within 18 weeks of referral to treatment. We did not achieve this threshold during 2018/19. Increases in demand, particularly for suspected cancer referrals, coupled with high bed occupancy from pressures in urgent and emergency

pathways, have required close monitoring and intervention throughout the year. The Trust is working to reduce the number of cancelled or missed appointments, to improve utilisation and continue to improve the productivity in theatres through improved patient communication via text messaging services.

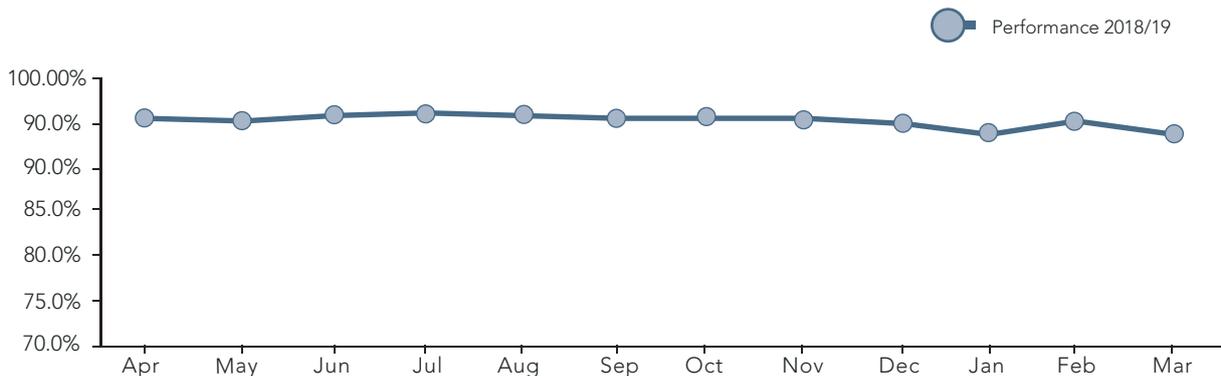
The following graph shows the English referral to treatment performance by month.

English 18 Weeks RTT - Incomplete



The RTT target in Wales of 26 weeks is different to the English target and Welsh patients are normally seen within the contractual target. The graphs showing the Welsh target performance for admitted and non-admitted patients, by month, can be seen as follows.

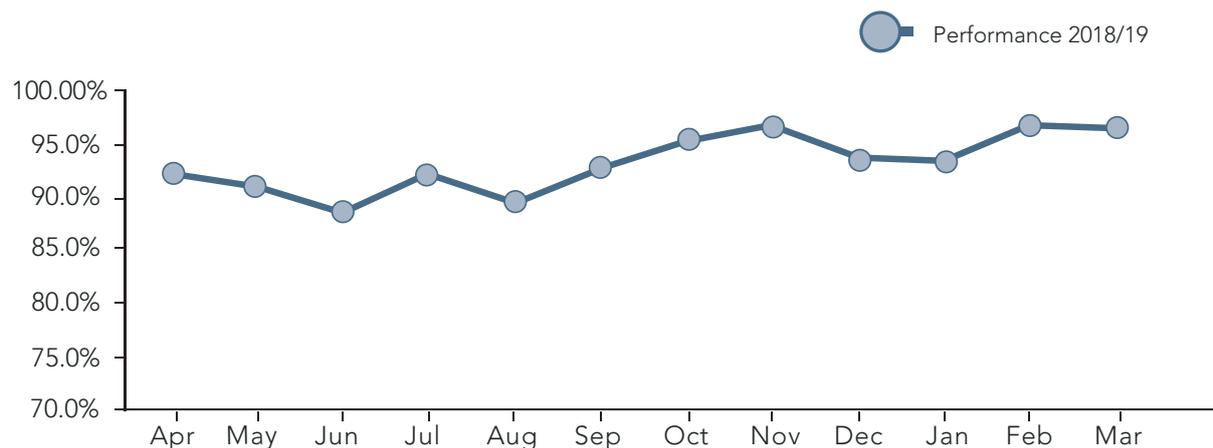
Welsh 26 Weeks RTT - Incomplete



Diagnostics Six Week Standard

This standard is for diagnostic tests to be carried out within six weeks of the request being received. We did not achieve the 99% threshold during 2018/19. Nationally there are workforce challenges for sonographers, which has resulted in capacity pressures for certain modalities. The Trust has prioritised those diagnostics related to cancer resulting in some challenges to delivering the 6 week standard for routine tests.

Diagnostics Within 6 Weeks



Cancer 62 Day Standard

The 62 Day Cancer standard continues to be a challenge, although the Trust is working collaboratively with primary care to improve patient pathways. Certain specialities have been prioritised and we are monitoring outcomes against agreed actions. The Trust has seen some in year improvements but further work is required to deliver performance on a quarterly basis.

Activity

2018/19 saw a further significant increase in A&E attendances, with a subsequent impact on increased non-elective admissions also. Outpatient activity continues to reduce in line with our commissioner's plans to move activity closer to home.

	2016/17	2017/18	2018/19	% change
Elective Inpatients	4,900	4,905	4,690	-4.4%
Elective day case patients (same day)	32,834	32,902	37,395	13.7%
Non-elective (urgent) inpatients	31,916	31,991	32,682	2.2%
Outpatients - first attendance	69,243	67,767	65,142	-3.9%
A&E	69,254	70,743	75,645	6.9%

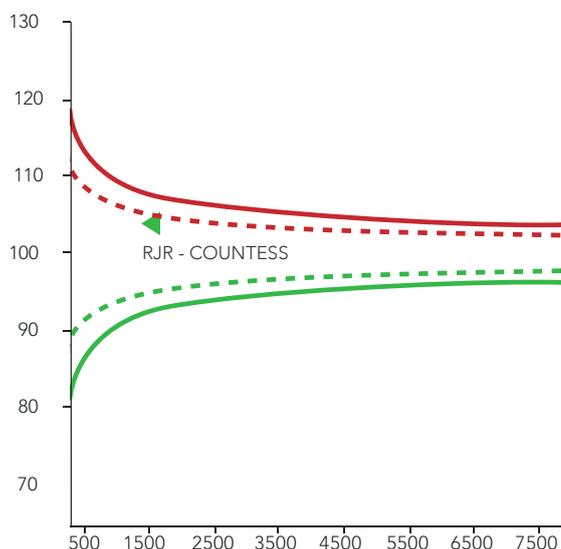
Summary Hospital Mortality Indicator (SHMI)

The SHMI quarterly values for 2018/19 were -

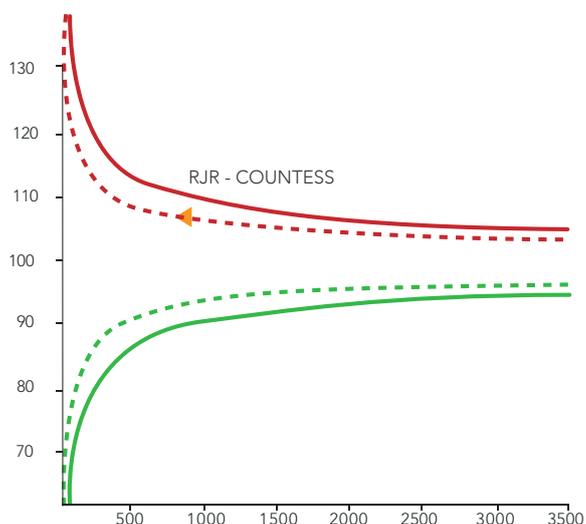
Year	COCH SHMI	Best Trust	Worst Trust	Outlier Alert Level
April 17 - March 18	1.04	0.70	1.23	Band 2 As expected
July 17 - June 18	1.04	0.70	1.25	Band 2 As expected
October 17 - September 18	1.07	0.70	1.27	Band 2 As expected
January 18 - December 18	1.07	0.70	1.23	Band 2 As expected

Both SHMI and the Hospital Standardised Mortality Ratios (HSMR) indicators are analysed and reviewed within the Trust on a monthly basis, via the Learning from Death's Group.

SHMI Ranking



HSMR Ranking



SHMI - The Trust is at Alert Level GREEN for SHMI relative to peers /
HSMR - The Trust is at Alert Level AMBER for HSMR relative to peers

Equality, Diversity and Human Rights

We have a well-developed and award winning equality governance framework, which includes patients and third sector organisations from across the full range of protected characteristics.

We undertake a significant number of inclusion and engagement activities with protected groups which are overseen by our Equality, Diversity and Human Rights Strategy Group, and the equality sub-groups that report into it.

The following achievements in 2018/19 are a consequence of our transparent, inclusive and engaging equality, diversity and human rights agenda and we are proud to have achieved the following -

- Delivered system changes and reasonable adjustments to meet the Accessible Information Standard for Health and Social Care (AIS).
- NHS Equality Delivery System 2 (EDS2) rating in 2018/19 scored the Trust at Achieving status across fourteen of the eighteen EDS2 outcomes, the remaining four being rated as Excelling following assessment by stakeholder groups from the protected characteristics and Health Watch.
- Published our fourth annual NHS Workforce Race Equality Standard (WRES) submission for the year 2018/19
- Facilitated forum and consultation events to for staff who are disabled or have a long term condition, in preparation for the NHS England Workforce Disability Equality Standard (WDES).
- Retained the Navajo Charter Mark in May 2017 for commitments to Staff and Patients who identify as Lesbian, Gay Bisexual, Trans and Intersexed, which stands for the period 2017-19.
- Attained Disability Confident Employer (Level 2) status accreditation in February 2019, for policies, support and development opportunities for disabled employees.
- Co-facilitated multi-agency health and wellbeing forums with stakeholder groups representing the protected characteristics, including an event for

people with mental health problems and those who face economic and health inequalities.

- Continued to facilitate stakeholders from across the protected characteristics to be involved, and in some cases chair, the Trust's equality groups, the equality governance framework and joint working initiatives.
- Co-facilitated events in partnership with statutory and 3rd sector organisations e.g. One World Week and Chester LGBT Pride.
- Enhanced the governance and accessibility of the Health Passport and Reasonable Adjustments for disabled people and carers.
- Set in place preparations for the new NHS Sexual Orientation Monitoring Standard, as an NHS Employer pilot site, launched in July 2018.
- Came number 24 in UKs Top 50 Most Inclusive Employers Award.
- Joined Stonewall as a Stonewall Champion Employer.
- Undertook staff focus groups, and as a result set up virtual staff networks for LGBT+, BME, carers and staff with disabilities.

Looking ahead, the Trust will look to develop even further its engagement and collaboration with stakeholder groups within our community, and across our members of staff representing the protected characteristics.

Health & Safety

Health & Safety training and policies have continued to be developed throughout the year. In particular, there has been a focus on enhancing and embedding health and safety risk assessment processes across the Trust.

Modern Slavery Statement

The Trust is committed to ensuring there is no modern slavery or human trafficking in any part of our business activity. Our commitment to social and environmental responsibility is covered by our approach to modern slavery and human trafficking, which is part of our safeguarding strategy and arrangements.

Safeguarding

Our commitment to ensure no modern slavery or human trafficking is reflected in a number of our policies and procedures. These include our Safeguarding and Promoting the Welfare of Children, Safeguarding Adults Policy and Safeguarding Strategy, which have been developed and maintained within the national and local safeguarding children governance and accountabilities frameworks. It includes guidance on initial contact with a suspected

human trafficking victim and the National Referral Mechanism.

Training and Promotion

Our safeguarding training includes role relevant modern slavery awareness and resources to promote understanding of the Department of Health's project around Provider Responses, Treatment and Care for Trafficked People (PROTECT).

1.4 Progress against our Sustainable Development Plan

Introduction

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we will continue to improve health both in the immediate and long term. We will do this even in the context of the rising cost of natural resources. The Trust ensured that the social and environmental impacts embedded in the legal requirements of the Public Services (Social Value) Act (2012) were met.

Our Sustainable Development Management Plan has been refined which will outline the Trust's vision for sustainability over the next 5 years. This will ensure that the Trust continues to meet all legislative, contractual and mandatory responsibilities relating to sustainable development. It will ensure that sustainable developments are aligned to the strategic objectives of the Trust.

Economic Contribution

The Trust employs over 3,600 whole time equivalent staff. Over the last four years the Trust has made a major contribution to the economic growth of the community and the prosperity of its people. Year on year the Trust makes a significant contribution to the training and development of doctors and nurses. It has strong links with Chester and Liverpool Universities. During 2018/19, the Trust has been heavily focused on its support for the Widening Participation and Apprenticeship agenda, with over 60 apprentices being recruited to the Trust during the year in a range of multi-disciplinary posts.

Good Corporate Citizenship (GCC)

One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the Good Corporate Citizenship (GCC) self-assessment tool. The last time we used the tool we scored 53%. In 2016 the Trust's reporting was graded as poor by the NHS's Sustainable Development Unit and we were placed in twenty first position in our peer group of 37 Small Acute Trusts. The Trust aims to improve on its poor rating and progress to excellent within the next five years; achieving, at least, a minimum rating this year.

Travel

In partnership with Cheshire West and Chester Council we introduced a more accessible direct bus route (20,000 passengers per year) and a 'park & ride' option to encourage more staff and patients to use public transport.

However, there has been little shift away from car use by patients and staff at the hospital. The travel action plan therefore includes the following objectives for the next three years -

1. To reduce the proportion of single occupancy car use by promoting car sharing
2. To increase the proportion of staff using public transport including the new Park & Ride
3. To increase levels of walking and cycling amongst staff
4. Cut staff travel to meetings by making greater use of teleconferencing, webinars and the like.

The Trust has installed a number of charging points for electric cars and is expanding the number of electric vehicles within the fleet. In line with Government policy on the reduction of both diesel and petrol vehicles over the coming year demand for electric vehicle charging points is predicted to continue

to increase. To meet this demand we are planning to install more car charging points at the Countess in the coming year.

Catering

The Trust buys as much fresh food as possible on a daily basis and all its main food items, such as fresh meat, bread, dairy products, fruit vegetables and frozen and chilled items are sourced locally. Tuna is responsibly fished and the Trust offers an excellent range of fair trade products. Craig Hough, head of catering, maintains: "We believe using high-quality local products offers our patients the best quality food. It also helps us to work with our suppliers to cut down on transport, saving cost and reducing air pollution. Our ingredients cost just under £3 per patient per day due to our waste being very low at around 3% - we

monitor all our food and waste continually. The 3% waste is collected and converted to Bioenergy."

Procurement

The Trust has sustainability principles within the procurement process so that they have become an integral part of all relevant contracts, at pre-tender, tender and post-contract award stages (including monitoring and evaluation), through to the end of the life of the contract and including any disposal of equipment. The Supplies Team manage the recycling of toner cartridges used by Trust. All Procurement staff carry out Ethical and Sustainability training to ensure awareness of sustainability issues. Procurement Staff work with suppliers to reduce packaging and deliveries in addition to questioning the need for new items. In



addition Procurement staff encourage small and medium enterprises (SMEs) and local suppliers to bid for appropriate work through relevant frameworks. Lastly, Procurement works with the local University to provide work placements and where appropriate take on apprentices and provide a robust training plan.

Waste Management

We recycle 100% of refuse waste either through RDF (refuse derived fuel) or cardboard recycling. Batteries, mobile phones, computers and light fittings are all recycled as the Trust's drive to reduce land fill continues. Proactive management of clinical waste and appropriate waste streaming has also reduced the level of incineration by 27% over the last two years.

Energy Management

As a key component of our Environmental Strategy, the Trust has continued to promote responsible Energy Management. We are committed to operate in the most energy efficient manner possible in our use of buildings, plant and equipment wherever this is cost-effective. The Trust monitors energy and water consumption on a daily basis to ensure waste is minimised. We have a CHP (Combined Heat and Power plant) on site which supports the optimisation of energy consumption.

We have gained more control over energy consumption through review and improvement of purchasing, operating,

motivation and training practices. We have invested in a rolling programme of energy saving measures to generate returns for reinvestment in further Eenergy management activities. We have commenced a lighting replacement programme to convert all lighting units to LED.

The Countess of Chester Country Park

The Countess of Chester Country Park is now a thriving 29 hectare public space having been transformed from a derelict brownfield site. The Trust continues to work with partners, led by the Land Trust, to sustain and enhance the Country Park through appropriate maintenance whilst maximising opportunities for community engagement through a range of health and wellbeing, educational and environmental initiatives.

Long Term Climate Change

The Trust has worked with partners to understand how climate change may impact on the hospital and has included appropriate provisions in contingency planning and major incident responses.

In the long term, summers may get hotter. The hospital has emergency plans to address the extremes of both summer and winter conditions. There may also be impacts from floods due to more extreme weather fluctuations. The hospital is built on relatively high ground. The risk of high water levels causing building damage is, therefore, low.



1.5 Financial Review for 2018/19

Overview

The Countess of Chester Hospital NHS Foundation Trust reported a deficit position of £8.1m (before impairment) at the end of the 2018/19 financial year, being £11.1m worse than the NHS Improvement (NHSI) agreed plan for the year, predominantly due to the net loss of Provider Sustainability Funding (£2.75m) and non-achievement of efficiency schemes (£5.8m).

Delivery of NHSI's compliance regime and associated financial metrics are summarised below -

Use of Resource Rating	Q3 2018/19		Q4 2018/19	
	Metric	Rating	Metric	Rating
Capital Service Cover	- 0.43	4	-0.37	4
Liquidity	-17.41	4	-15.64	4
I&E Margin	-3.70%	4	-3.40%	4
I&E Margin Variance from Plan	-2.90%	4	-4.70%	4
Agency	-0.57%	1	-0.83%	1
<i>Overall weighted average</i>		3		3

This will keep the Trust in NHS Improvement's Finance Segment 3: Providers Offered Targeted Support.

In accordance with the Department of Health and Social Care Group Accounting Manual the financial statements have been prepared on a going concern basis as we do not intend to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of the services to another entity, or consider that this course of action will be necessary.

Income and Expenditure

The following summary table shows a pre-impairment deficit position of £8.1m. The Trust's total income for 2018/19 was £238.2m. The majority of income comes from our main commissioner NHS West Cheshire Clinical Commissioning Group (CCG) at £149.4m, with £24.9m received from Betsi Cadwaladr University Health Board (BCUHB), and £8.5m from NHS England.

In 2018/19 the Trust continued on a block contract arrangement with its main commissioner, Western Cheshire CCG, fixing our income to facilitate system wide working. It should be noted that under PbR rules (payment based on actual activity), our contract with West Cheshire CCG would have over-performed by £2.9m - this was driven by an increase in our outpatient activity and high cost drugs prescribed.

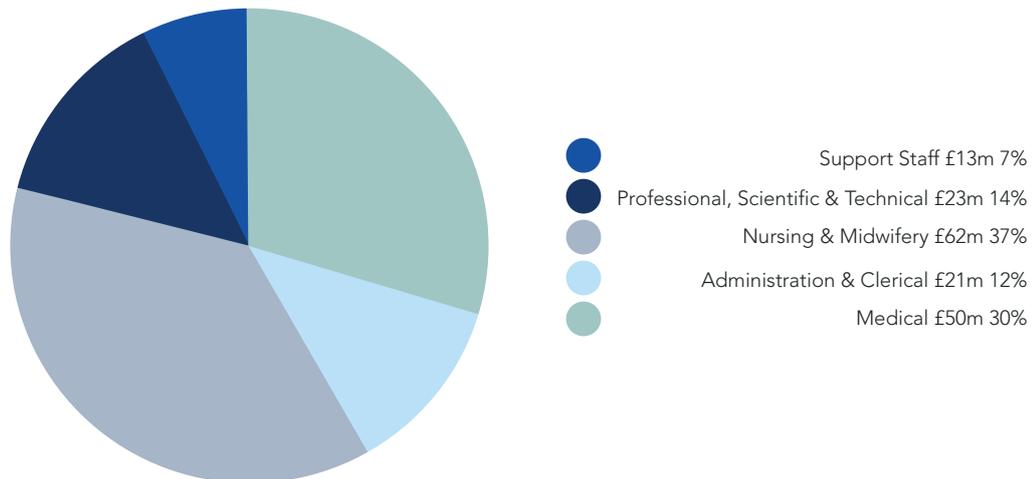
The Trust experienced a number of expenditure pressures on its budget during the year, with both medical and nursing pay spend exceeding planned levels. The consequent spend on medical agency was £3.3m for the year, however overall we were still below the agency cap set by NHS Improvement in 2018/19 (£4.843m). Consumable costs were generally in line with the increased demand.

Income & Expenditure	2016/17 £m	2017/18 £m	2018/19 £m
Income	230.2	238.2	238.2
Expenses (before net impairment & re-organisational costs)	(228.5)	(230.87)	(240.4)
<i>EBITDA</i>	1.7	7.5	(2.2)
Interest, depreciation & dividend	(5.3)	(5.7)	(5.9)
<i>Surplus/(Deficit) prior to exceptional items</i>	(3.6)	1.8	(8.1)
Impairments & re-organisation costs	3.9	12.1	(5.1)
<i>Surplus/(Deficit) for the year</i>	0.3	13.9	(13.2)

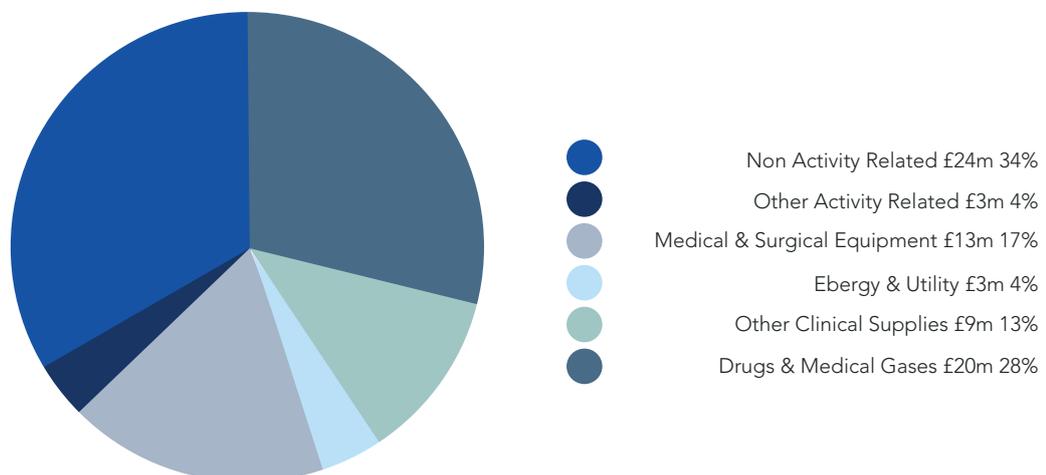
The majority of Trust expenditure is spent on clinical care, with our staff representing the largest proportion of spend at £168m.

The following charts summarise income and expenditure by category -

Breakdown of Pay Expenditure 2018/19



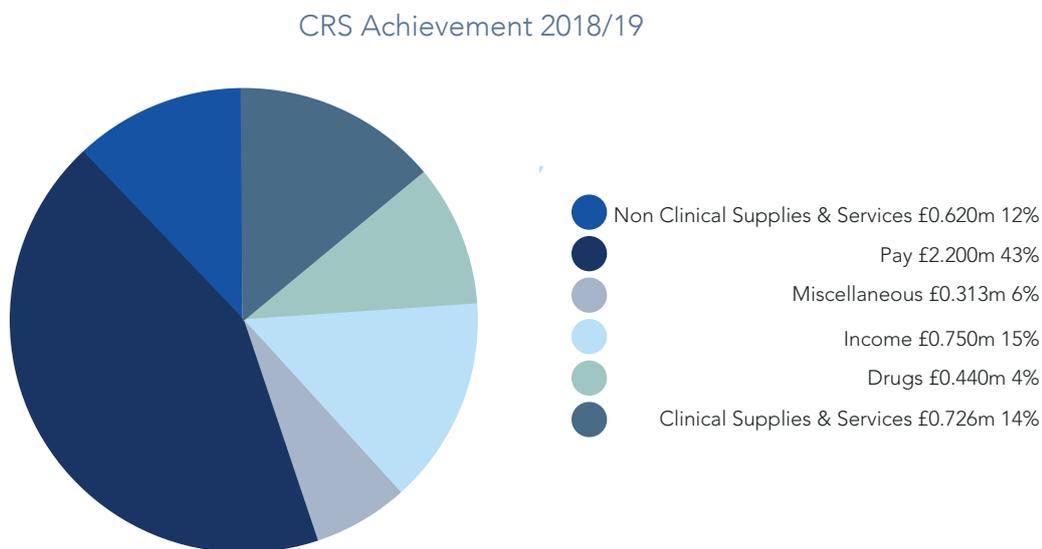
Breakdown of Non-Pay Expenditure 2018/19



Cost Reduction and Efficiency (CRS)

The Trust's efficiency target for 2018/19 year was £10.7m, however, only £5.1m savings (48%) were achieved (16% on a recurrent basis), resulting in a financial pressure of £9m being carried forward into 2019/20.

The following chart shows the breakdown of where the savings have been delivered during the year -



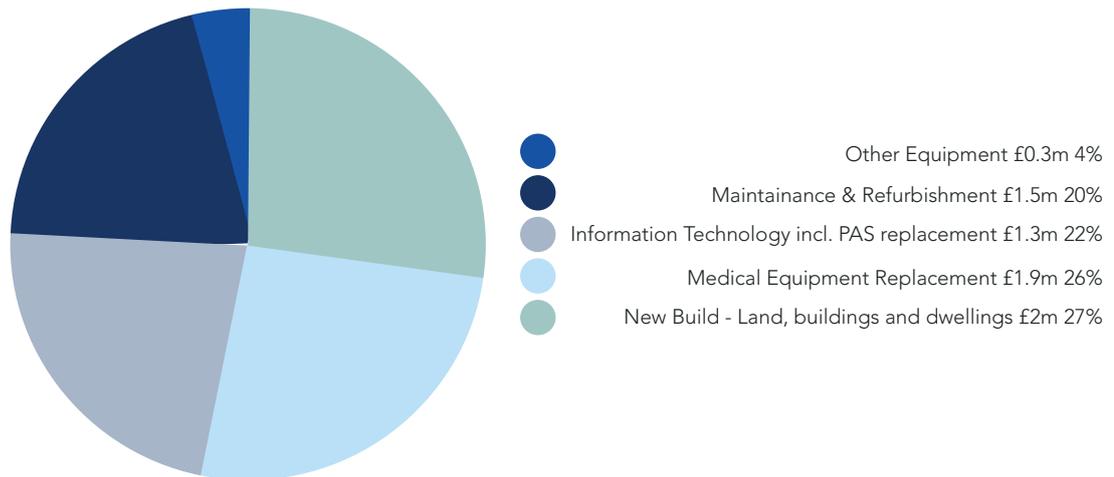
The Trust will be required to continue to deliver significant savings annually for the foreseeable future. This can no longer be achieved in isolation due to an ageing population with increased demands, yet less funding available. We will need the continued support of our commissioners, along with partnership working to continue to reconfigure and transform services within the local health system, so that we can continue to care for our patients on a timely basis, in the most appropriate setting.

Capital Investment

Being a Foundation Trust allows us to manage our finances so that we can invest in the infrastructure and estate of the hospital.

Capital resources amounting to £7.4m were spent during 2018/19 in the areas shown in the chart below -

Capital Expenditure 2018/19



The Trust will seek approval for additional capital spend during 2019/20 from NHS I & E.

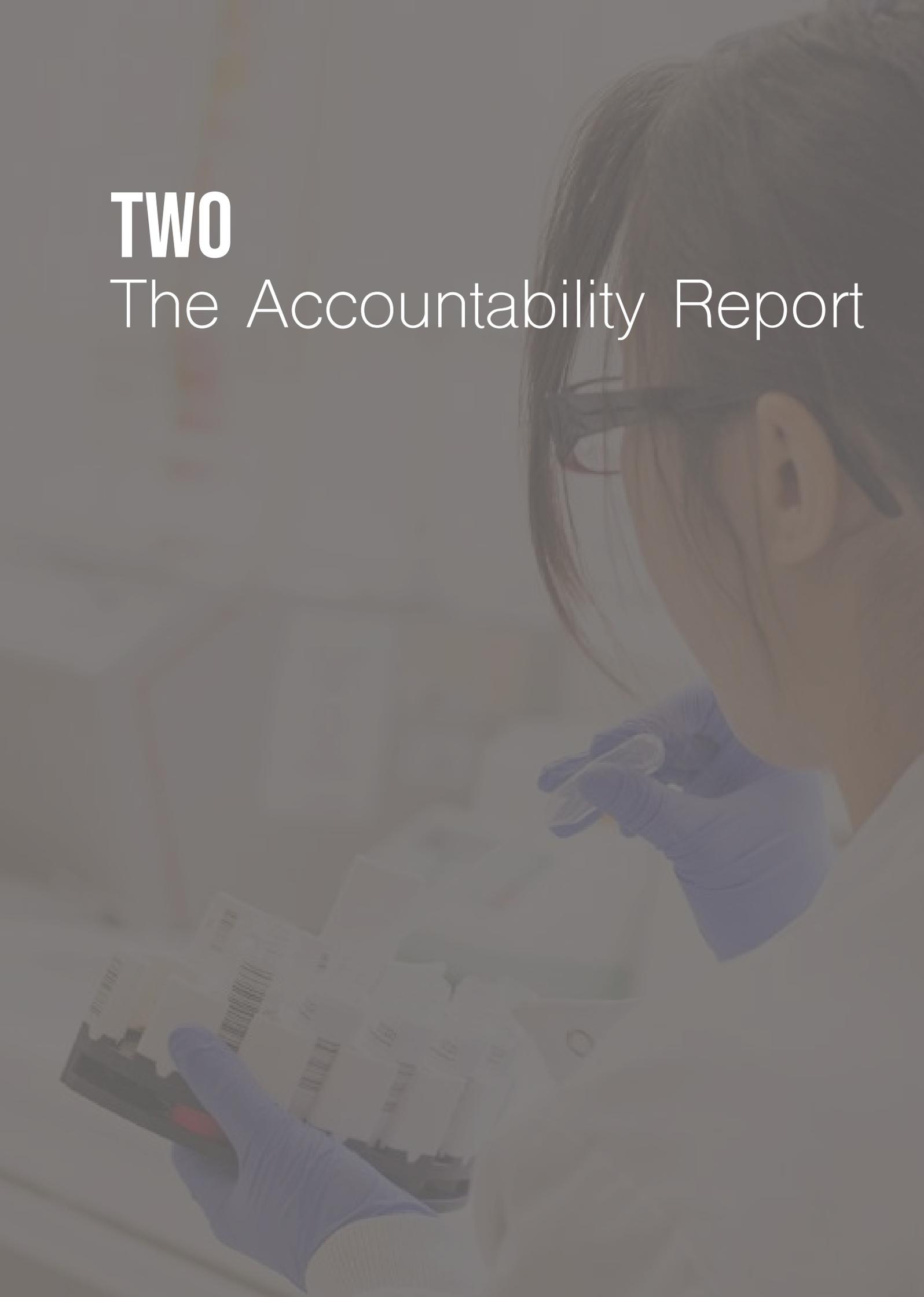
Signature

Dr Susan Gilby
Chief Executive Officer

21st May 2019

TWO

The Accountability Report



2. The Accountability Report

2.1 Directors' Report 2018/19

Quality Governance and Governance Structures

The Trust has structures and processes in place at and below Trust Board level which enables the Board to assure the quality of care it provides. Maintaining an effective quality governance system supports the Trust's compliance against national standards. The Trust is committed to the continuous improvement of these systems and achieving compliance against NHS Improvement's Well Led Framework for governance.

The Trust governance structures ensure that the Trust Board has an overarching responsibility through its leadership and oversight, to ensure and also be assured that the organisation operates with openness, transparency and candour in relation to its patients, staff and the wider community. The Board holds itself to account through a wide range of stakeholders for the overall effectiveness and performance of the organisation.

Robust quality governance includes our values and structures in conjunction with the supporting processes that enable the Board to discharge its responsibilities for quality. Our responsibilities include ensuring essential CQC Key Lines of Enquiry based on their framework of Safe, Effective, Caring, Responsive and Well-led for quality and safety is met. We strive for continuous quality improvement and ensuring that the leadership, management and governance of the organisation assures the delivery of high-quality and person-centred care, supports learning and innovation, and promotes an open and fair culture by ensuring that every member of staff that has contact with our patients is motivated and enabled to deliver safe, kind and effective care. We monitor key quality standards and receive assurance on them via the Quality, Safety and Patient Experience Committee and the line of accountability through the committees that feed into it. This key scrutiny committee requests assurance that high standards of care are provided by the Trust

and ensures that there are adequate and appropriate governance structures, processes and controls in place across the organisation. We also report to our Commissioner on quality standards such as CQUINs and Clinical Audit. We seek and use feedback from patients via the Friends and Family Test, along with national surveys, and the outputs from our Patient Experience & Involvement Strategy. To support staff engagement, the Trust has a number of well embedded formal and informal systems including a programme of Executive 'walk-rounds', a weekly 'What's Brewing' question & answering briefing session.

In order to review and strengthen the Trusts' current governance systems and processes, an external Governance Review was undertaken which commenced in quarter 4 of 2018/19. The Trust will be implementing the recommendations to this review, in addition to those from the CQC 'Well Led' inspection during 2019/20.

By well-led, we mean that

Our quality of care is incorporated into the national Single Oversight Framework that the Trust is assessed against by NHS Improvement (NHSI). The framework looks at five themes -

The framework looks at five themes -

- Quality of care
- Finance and use of resources

- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Our quality reporting also forms part of our Trust Board integrated performance report which triangulates quality and safety, workforce and operational and financial indicators and gives the Board visibility of all key areas of performance. This report is produced and reviewed monthly, with the metrics of the report structured across the headings Safe, Kind & Effective in 2018/19, with a plan to change the report to be structured around the CQC Domain headings of Safe, Effective, Caring, Responsive and Well Led, in 2019/20. The details of the quality and safety metrics are presented and discussed in more detail at the Trust's Quality, Safety and Patient Experience Committee.

The Board has continued to promote the development of its culture across the organisation which supports open dialogue and includes directors and senior managers personally listening to complaints, concerns and suggestions from partners, patients and staff.

The three sub-committees of the Board of Directors, which comprise the Finance and Integrated Governance Committee, the Quality, Safety and Patient Experience Committee, and the People and Organisational Development Committee, have continued to focus on the quality agenda. All three are chaired by a Non-Executive Director and clinical and managerial representatives make up the membership. The Audit Committee is a statutory committee of the Trust which reports to the Board, chaired by a Non-Executive Director and the composition includes two further Non-Executive Directors. The Board receives the minutes of each of the sub-committees. To further support the Board, each of the sub-committees receive regular updates and minutes from operational groups who are chaired by a named Executive Director. There is an opportunity at each meeting for the relevant group's minutes to be questioned and where needed, further details can be requested

and clarified. In 2019/20 it is planned that governance will be strengthened by reviewing the overall structure of Board sub-committees and reporting arrangements into sub-committees.

The Board and its sub-committees have oversight of the Trust's performance through the integrated performance report. This enables challenge of the control systems in place and, where appropriate, seeking further intelligence on the current trend analysis with the Trust's performance indicators. Feedback is also received from the Council of Governors and their links with members of the public, patients and staff. The Trust has a Risk Management Strategy in place and supporting procedures set out the key responsibilities for managing risk within the organisation, including ways in which the risk is identified, evaluated and controlled. Leadership from managers at all levels is in place to ensure risk management is a part of an integrated approach to quality, corporate and clinical governance, performance management and assurance.

Further detailed information on the Trust's risk management system and risk training is detailed within the Annual Governance Statement section of this annual report. The Trust received feedback from its external governance review at the end of the year that further focus is required in the area of risk management and linking this to the Board Assurance Framework and this work will be undertaken during early 2019/20. Work will also be undertaken to better connect the governance framework of the organisation to its real risks, and reflect this in performance reporting and assurance.

The Trust self-assesses each year the validity of its Corporate Governance Statement that it is fully compliant with the requirements of the NHS Improvement Provider License. The Foundation Trust is registered with the Care Quality Commission (CQC) to provide care, treatment and support, without compliance conditions. Further information on the CQC 'Well Led' inspections can be found within the Annual Governance Statement section of this Annual Report. In respect of quality, safety and patient experience, further details of aspects

focused upon during the year can be found in the Quality Report section of the Annual Report.

Focusing on Governance

The NHS Foundation Trust Code of Governance

The Board of Directors places emphasis on ensuring governance is effective and robust and is reflective of best practice. The NHS Foundation Trust Code of Governance provides the Trust with the structure to support the many aspects of an effective Board. The Code of Governance is adopted on a 'comply or explain' basis and any variation from the best practice within the Code is detailed within the Disclosures section of this Annual Report.

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 Council of Governors has a duty to hold the non-executive directors individually and collectively to account for the performance of the Board of Directors and are also responsible for representing the interests of the Trust's members and the public and staff in the governance of the Trust. Governors are responsible for regularly feeding back information about the Trust, its vision and its performance to members and the public and the stakeholder organisations that either elected or appointed them.

The Council of Governors holds the Non-Executive Directors and 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 month, which the Chairman and Director of Corporate and Legal Services 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.

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.
- 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 External 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.
- To agree the Trust's membership strategy, and its policy for the composition of the Council of Governors.

Composition of Council of Governors

Area	Number of Governors
Chester & Rural Cheshire	8
Ellesmere Port & Neston	4
Flintshire	3
Out of area	1
Staff	5
Partnership Organisations	8
<i>Total</i>	<i>29</i>

There are two vacancies to be filled in respect of Partnership Organisations and Ellesmere Port and Neston Constituency.

The membership of the Council of Governors during 2018/19, for both elected and appointed, and their length of tenure, is as follows -

Governor	Term of Office
<i>Public - Chester & Rural Cheshire</i>	
Mr Thomas Bateman (Lead Governor)	Term of Office Expired October 2018
Mrs Helen Clifton (Deputy Lead Governor)	Term of Office Expired October 2018
Ms Caroline Stein	Re-elected for 2nd term of office for 3 years until October 2020
Ms Sue McClelland-Sheldon	Re-elected October 2016 for 3 years until October 2019
Mr Roger Howells	Elected October 2016 for 3 years until October 2019
Ms Karen Newbury	Elected October 2016 for 3 years until October 2019
Mr John Jones	Elected October 2017 for 3 years until October 2020
Mr Hems de Winter	Elected October 2018 for 3 years until October 2021
Ms Brenda Southward	Elected October 2018 for 3 years until October 2021
Ms Jennifer Gill	Elected October 2017 for 3 years until October 2020
<i>Public - Ellesmere Port & Neston</i>	
Ms Sue Bagby	Term of office expired October 2018
Cllr Brian Jones	Re-elected for a 2nd term of office for 3 years until October 2021
Mr Peter Folwell (Lead Governor)	Elected October 2016 for 3 years until October 2019
<i>Public - Flintshire</i>	
Ms Fran Parry	Elected October 2018 for 3 years until October 2021

Governor	Term of Office
Mr Russell Jackson	Re-elected for 2nd term of office for 3 years until October 2019
Ms Ruth Overington	Elected October 2016 for 3 years until October 2019
<i>Partnership Organisations</i>	
Mr Michael Hemmerdinger Voluntary Services	Appointed January 2018
Prof Dorothy Marriss University of Chester	Appointed February 2011
Mr Keiran Timmins Western Cheshire CCG	Appointed August 2016
Cllr Eleanor Johnson Cheshire West and Chester Council	Appointed June 2017
Mr Michael Boyle Flintshire Community Health Council	Appointed September 2016
<i>Staff</i>	
Dr Ian Benton	Re-elected October 2017 for 3 years until October 2020
Mrs Chris Price	Elected October 2016 for 3 years until October 2019
Ms AnneMarie Lawrence	Stood down January 2019
Ms Lisa Myers	Elected October 2016 for 3 years until October 2019
Mr Steve Bridge	Re-elected October 2017 for 3 years until October 2020

Election of Council of Governors

Notice of elections were published in July 2018 in the following public constituencies -

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

An election was held in September 2018 in the Chester & Rural Cheshire, Ellesmere Port & Neston and Flintshire Constituencies.

The election turnout was as follows -

- Chester and Rural Cheshire – Uncontested
- Ellesmere Port & Neston – Uncontested
- Flintshire – Uncontested
- Chester & Rural Cheshire - 2 Governors elected
- Ellesmere Port & Neston - 1 Governor re-elected,
- Flintshire - 1 Governor elected

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

Attendance at Council of Governors' Meetings

There have been four Council of Governors' meetings held during 2018/19 and the attendance by Governors is shown below, along with expenses of Governors and Directors -

No of meetings held in 2018/19	4	Expenses 2018/19
<i>Council of Governors attendance</i>		
Mr Thomas Bateman	2/2	
Mrs Helen Clifton	1/3	
Mr Peter Folwell (Lead Governor)	3	£478.00
Ms Karen Newbury	4	£65.40
Mr John Jones	3	
Ms Jennifer Gill	4	
Cllr Brian Jones	1	
Ms Sue Bagby	1/2	
Mr Michael Hemmerdinger	1	
Prof Dorothy Marriss	4	
Ms Sue McClelland-Sheldon	1	
Ms Ruth Overington	3	£88.00
Ms Fran Parry	1/2	
Cllr Eleanor Johnson	3	
Mr Michael Boyle	0	
Mr Kieran Timmins	0	
Mr Russell Jackson	4	
Dr Caroline Stein	4	£211.20
Hems de Winter	0/2	
Dr Ian Benton	0	
Mr Steve Bridge	2	
Brenda Southward	2/2	
Roger Howells	3	
Chris Price	3	
AnneMarie Lawrence	0/3	
Lisa Myers	0	
<i>Board of Directors attendance at Council of Governors' meetings</i>		
Sir Duncan Nichol, Chairman	3	£294.74
Mr Tony Chambers, Chief Executive	2/2	-
Dr Susan Gilby, Chief Executive	1/2	
Mrs Alison Kelly, Director of Nursing and Quality	3	£191.58
Mr Ian Harvey, Medical Director	2/2	
Dr Darren Kilroy, Interim Medical Director	1/2	
Mrs Sue Hodgkinson, Director of People & Organisational Development	2	-
Ms Lorraine Burnett, Chief Operating Officer	2	£452.02
Mr Stephen Cross, Director of Corporate and Legal Services	4	-
Mr Simon Holden, Director of Finance	3	£642.76
Ms Chris Hannah, Non-Executive Director	1	£1,433.08 *includes expenses claimed as ICP Chair

No of meetings held in 2018/19	4	Expenses 2018/19
Mrs Ros Fallon, Non-Executive Director	2	-
Mrs Rachel Hopwood, Non-Executive Director	2	-
Mr Andrew Higgins, Non-Executive Director	1	-
Mr Ed Oliver, Non-Executive Director	2	-

Summary of Declaration of Interests of Governors

The register of Declaration of Interests is held by the Director of Legal and Corporate Services and will be available on the Trust website in 2019/20. Anyone requiring a copy of the register should contact the Interim Trust Secretary at Debbie.bryce@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 Board and Council of Governors.
- Regular attendance at Governors' Quality Forum meetings and receipt of reports.
- Discussion at Annual Members' Meetings.
- Receipt of reports from the Director of Corporate and Legal Services at each of the Board of Directors' meetings.
- Joint presentations to and feedback from organisations in the local community.

Board of Directors

The composition of the Board of Directors during 2018/19 was as follows -

Non-Executive Directors (Independent)

Sir Duncan Nichol CBE
Chairman

Re-appointed 1st November 2018 for a further 3 year term of office.

Mr Andrew Higgins
Senior Independent Director

Re-appointed 1st November 2017 for a 2 year term of office.

Mrs Rachel Hopwood
Deputy Chairman

Re-appointed 1st December 2017 for a 3 year term of office.

Mr Ed Oliver

Re-appointed 1st September 2016 for a 3 year term of office.

Mrs Ros Fallon

Appointed 1st May 2016 for a 3 year term of office.

Mrs Chris Hannah

Appointed 1st April, 2018, for a 3 year term of office. Also appointed as Chair of Cheshire West Integrated Care Partnership, hosted by the Countess of Chester Hospital NHS Foundation Trust, for a two year term of office.

Executive Directors

Mr Tony Chambers

Chief Executive

(stood down September 2018).

Dr Susan Gilby

Medical Director (August 2018)

and Acting Chief Executive (September 2018 to March 2019).

Mr Ian Harvey

Medical Director/Deputy Chief Executive (retired August 2018).

Mrs Alison Kelly

Director of Nursing & Quality (& Deputy Chief Executive during 2018/19).

Mr Simon Holden

Director of Finance.

Mrs Sue Hodkinson

Director of People and Organisational Development.

Ms Lorraine Burnett

Chief Operating Officer.

Mrs Alison Lee

Managing Director,

Cheshire West Integrated Care Partnership, of which the Countess of Chester is the host (since September 2018).

Attendance at Board of Directors and Board Committee Meetings

	Board of Directors	Audit Committee	Finance & Integrated Governance Committee	Quality, Safety & Patient Experience Committee	People & Organisational Development Committee	Charitable Funds
<i>No of Meetings held for 2018/19</i>	6	5	3	10	5	3
Sir Duncan Nichol	6	-	3	4	-	2
Tony Chambers	2/2	-	2/3	-	-	1/1
Susan Gilby	3/3	-	-	1	-	-
Ian Harvey	2/2	-	2/2	3/4	2/2	1/1
Darren Kilroy	3/4	-	2/2	5/5	0	-
Alison Kelly	6	-	2	10	5	-
Sue Hodgkinson	3	-	1	3	2	-
Lorraine Burnett	6	-	3	-	3	-
Simon Holden	6	-	3	-	-	3
Stephen Cross	5	-	2	-	-	2
Andrew Higgins	6	4	3	9	-	-
Rachel Hopwood	6	4	3	5	-	-
Ed Oliver	5	5	3	-	5	3
Ros Fallon	6	-	3	8	5	-
Chris Hannah	6	-	1	-	-	-

Background of the Board Members



Sir Duncan Nichol - Chairman

Sir Duncan was re-appointed as Chairman on 1st November 2018 for a third 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 Non-Executive Director of Steris, Deltex Medical Ltd and UKAS.



Tony Chambers - Chief Executive (stood down September 2018)

Since being appointed as Chief Executive in December 2012 his focus was to work with West Cheshire Health and Care partners to make the Countess of Chester Hospital one of the first High Reliability Organisations within the NHS, and an ambition to be fully transparent in providing care using live, real time information and therefore one of the 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 and was the Senior Responsible Officer for the Operational

Productivity work stream (Carter at Scale) for the Cheshire and Mersey Health and Care Partnership. 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 several 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.



Dr Susan Gilby - Medical Director (August 2018 to September 2018) & Acting Chief Executive (September 2018 to March 2019)

Dr Susan Gilby joined The Countess on 1 August, 2018, as Medical Director before becoming Acting Chief Executive in September 2018 and then the substantive Chief Executive in April 2019.

Dr Gilby, who first had a spell at The Countess during her specialist training, has previously worked as Medical Director at Wirral University Teaching Hospital NHS Foundation Trust and Wye Valley NHS Trust and as Associate Medical Director at Mid Cheshire Hospitals NHS Foundation Trust.



Dr Ian Harvey - Medical Director/Deputy Chief Executive (retired August 2018)

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.



Dr Darren Kilroy - Interim Medical Director (from September 2018)

Darren trained in Emergency Medicine in the North West as well as Australia and, following an initial subspecialty interest in medical education, worked in several leadership roles in Greater Manchester alongside his consultant post. He holds a Masters in Healthcare Business Administration from Keele Business School, and his PhD thesis examined the sociological aspects of medical training in the UK. He sits on NHS Employers' Medical Workforce Forum and advises NHS Improvement in relation to bank and agency pay in healthcare. Darren joined The Countess full-time in April 2018 after working between The Countess of Chester and East Cheshire NHS Trust, where he was Deputy Medical Director.



Simon Holden - Director of Finance

Simon joined the Board in January 2016, and is an experienced senior NHS leader, having held both Chief Executive & Director of Finance posts, with a number of different NHS organisations. He is financially qualified with a successful track record of delivery and achievement. Simon is a Fellow Member of the Association of Chartered Certified Accountants (FCCA), and also a Fellow of the Royal Institution of Chartered Surveyors (FRICS) and has held a number of senior roles during his 36 years within the NHS. Simon has previously been the Chief Executive of NHS Property Services Limited (2012 to 2015), Director of Finance for Bedfordshire CCG (2015 to 2016),

and has previously been the Director of Finance for NHS Cheshire, Warrington and Wirral. He is also Treasurer of the Cheshire Centre for Independent Living (CCIL), a user led charitable organisation empowering disabled people to have independence, and also Chairman of the Pear Tree Primary School Academy Trust in Nantwich, Cheshire.



Alison Kelly - Director of Nursing and Quality (& Acting Deputy Chief Executive 2018/19)

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 background in critical care nursing and also has a wide range of experience as a senior nurse in managerial, educational and clinical positions in a number of Trusts in the North West, including Salford, Blackpool and East Cheshire. She is particularly interested and passionate about driving the patient experience agenda and identifying how patient feedback can enhance service development and improvement. Alison was appointed as the Governing Body Nurse at Salford CCG (up until March 2019), which gives an important wider view on the role of nursing across a health system and also contributes income for the Corporate Nursing budget at the Countess.



Sue Hodkinson - Director of People & Organisational Development

Sue joined the Countess in February 2011 and was appointed to the post of Director of People & Organisational Development in November 2014. Having worked in a number of senior HR posts in the NHS for over 10 years and as a Chartered Member of the Chartered Institute of Personnel Development (CIPD), she brings extensive healthcare and private sector HR experience & knowledge to the Executive Team.

Sue works very closely with other members of the executive team to focus on the staff experience and culture 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.hrwb.com), which the Trust operates in conjunction with Wirral University Teaching Hospital NHS Foundation Trust. Sue has recently joined the Board of Governors at Upton Westlea Primary School, as the Local Community Governor.



Lorraine Burnett - Chief Operating Officer

Lorraine joined the Countess in March 2013 as the Divisional Director for Urgent Care and was substantively appointed as Director of Operations from May 2016. She started her career as a paediatric nurse at the Royal Manchester Children's Hospital in 1990 and later spent 8 years as a nurse specialist. She has since held senior management roles in community services before moving to hospital management in 2011.



Alison Lee - Managing Director, Cheshire West Integrated Care Partnership (from 1st September 2018)

Alison was previously the Chief Executive of NHS West Cheshire Clinical Commissioning Group. She now leads the Integrated Care Partnership (ICP), which means she is now an employee of The Countess but works across local NHS organisations and Cheshire West and Chester Council.

Alison started her working life in Marks and Spencer, in financial accounts and then the food division in their London HQ.

After graduating from the University of Kent with a degree in Industrial Relations and Human Resource Management she joined the NHS Graduate Management Training Scheme. She has worked in the NHS for over 25 years, with most time spent working with General Practice in both Merseyside and Cheshire.

Alison has also worked as part of a national "turnaround" team focusing on improving performance in NHS organisations including the ambulance service. Her personal ambition is to help everyone feel part of the NHS and for the 360,000 people in Cheshire West to live the best life possible.



Andrew Higgins - Non-Executive Director/Senior Independent Director

Andrew joined the Board in November 2011 and was re-appointed for a 3rd term of office with effect from November 2017 for 2 years. Andrew 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 experience of working with a variety of commercial and not-for-profit organisations, with particular emphasis on the financial services and housing sectors. From 2008 to 2010 Andrew 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 pursues a variety of interests including a Non-Executive Director post with a West Midlands building society.



Rachel Hopwood - Non-Executive Director/Deputy Chairman

Rachel joined the Board in December 2011 and was re-appointed for a 3rd term of office with effect from December 2017 for 3 years. Rachel was appointed as Deputy Chair at the Board of Directors meeting in July 2016. 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 risk, management and financial consultancy services in the region.



Ed Oliver - Non-Executive Director

Ed joined the Trust in September 2013 and was re-appointed for a 2nd term office with effect from 1st September 2016. He is 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. He 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.

Ed has always during his business career been involved in outside agencies, 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 – 2014 Liverpool Business Improvement District Co. He founded the business in 2003 and was Chairman of the Exec Board. Non-Executive Director, Alder Hey Children's Hospital NHS Foundation Trust. 2004 – 2013. Current Chairman of the CH1 Chester City BID Co.



Ros Fallon - Non-Executive Director

Ros joined the Trust in May 2016 and was appointed for a 3 year term of office with effect from 1st May 2016, which was recently extended for a further 12 months in early 2019/20. Ros Fallon was born in Liverpool and qualified there as a Registered Nurse in 1980. Ros then moved to Manchester to work in cardiothoracic surgery and subsequently qualified as a Registered Midwife. Ros practiced as a clinical midwife for 17 years in Manchester, Cheshire and Warrington before undertaking an MSc in Health Informatics and moving into strategic leadership roles. Ros has experience of whole system strategic planning, operational delivery and performance improvement. Ros has led transformational change programmes both locally and nationally and has held executive director positions in the NHS in Cumbria and Liverpool. Ros retired from permanent NHS employment in 2013, however, she still undertakes some ad hoc improvement assignments within the NHS.



Mrs Chris Hannah - Non-Executive Director

Chris joined the Trust on 1st April 2018 as Non-Executive Director and also as Chair of Cheshire West Integrated Care Partnership. Chris has over three decades of experience in NHS management, holding a number of chief executive positions. She was Chief Executive of Cheshire and Merseyside Strategic Health Authority from 2002 – 2006. Chris is also chair of Alternative Futures Group, a charity providing supported living and independent treatment/recovery services to people with learning disabilities and mental health issues. For 12 years, she chaired Skills for Health and Justice, a charity and company limited by guarantee which works with employers across the majority of public services in the U.K. focusing on improving workforce skills and productivity.

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.

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 Board have held a number of workshops, as required, to aid Board development and progress the Trust's vision.

Summary of Declaration of Interests of Directors

The register of Declaration of Interests is held by the Director of Corporate and Legal Services and will be available on the Trust website in 2019/20. Anyone requiring a copy of the register should contact the Interim Trust Secretary at Debbie.bryce@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 -

- Non-Executive Director of Steris
- Non-Executive Director of Deltex Medical Ltd
- Non-Executive Director of UKAS

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

Audit Committee

The Audit Committee consists of three independent Non-Executive Directors, two of whom are qualified accountants, of whom one is the Audit Committee Chair (Mrs Rachel Hopwood). Executive Directors and senior staff are regularly invited to attend the Committee to answer questions and inform content. Internal and external auditors are also present at meetings. The overall purpose of the Trust's Audit Committee is to provide independent assurance to the Board in matters including monitoring the integrity of the financial statements, reviewing the

internal financial controls and reviewing the Trust's system of internal control. Private meetings with either the internal or external auditors are held after each committee meeting, when required.

Audit Committee Attendance 2018/19 is included within the previous meeting table. 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 Head of Internal 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 the significant issues for the Trust;
- 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 Trust's annual financial statements and recommended their adoption to the Board of Directors;
- Reviewed the effectiveness of the Committee using an independent framework;
- Approved tender waivers;
- Reviewed the data quality of the Quality Account;
- Reviewed any significant issues that the Committee considered in relation to the financial statements, operations and compliance, and how these issues were addressed;
- Reviewed the effectiveness of the external audit process and the approach taken to the reappointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted;
- Reviewed the effectiveness of internal audit process; and
- Reviewed scope of external auditor providing non-audit services, the value of

the non-audit services provided and an explanation of how audit objectivity and independence are safeguarded.

The Audit Committee has considered significant issues in respect of the following -

- The Countess of Chester Hospital NHS Foundation Trust reported a deficit position of £8.1m (before the reversal of impairments) at the end of the 2018/19 financial year, being £11.1m worse than the NHS Improvement (NHSI) agreed plan for the year predominantly due to the net loss of Provider Sustainability Funding (£2.75m) and non-achievement of efficiency schemes (£5.8m);
- The areas of significant judgement in respect of the preparation of the annual accounts;
- The recognition and treatment of the PSF funding due;
- Principles and approach to valuation of the Trust property;
- Provisions for impairment of receivables; and
- Other Provisions, including Permanent Injury Benefits and legal claims.

The Audit Committee were satisfied that the significant issues considered were addressed by the evidence presented to them by the Directors of the Trust, and further assurance gained from MIAA internal audit reports. Any work agreed outside the audit plan is subject to approval by the Audit Committee in accordance with the non-audit services policy, and all additional work provided in year was undertaken in accordance with this policy.

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

There has been no change in-year to the external audit provider which is KPMG.

The Directors acknowledge their responsibility for preparing the annual accounts for the organisation.

Governors' Nominations Committee
Non-Executive Directors including the Chair are appointed by the Council of

Governors for the specified terms subject to re-appointment thereafter at intervals of no more than three years, and are subject to the 2006 Act provisions relating to the removal of a director.

Expressions of interest from Governors to serve on the Nominations Committee were invited from Governors, and the Nominations Committee met twice during 2018/19. The Nominations Committee met on 26th October 2018 to receive feedback and observations on the proposed re-appointment of Sir Duncan Nichol as Chairman of the Trust.

The Committee had the opportunity to review the Chair's recent 360 appraisal, and to discuss areas of challenge including his thoughts on the future direction of the Trust and the work with the Integrated Care Partnership.

The Committee received feedback from Mr Higgins, Senior Independent Director, Mr Cross, Director of Corporate and Legal Services on behalf of the Executive Team, and Mr Bateman, Lead Governor. The Nominations Committee recommended to the Council of Governors that Sir Duncan Nichol should be re-appointed as Chair of the Countess of Chester Hospital NHS Foundation Trust with effect from 1st November 2018. At the Council of Governors meeting on 26th October 2018, Sir Duncan was unanimously approved as Chair of the Trust for a three year term of office with effect from 1st November 2018. The Nominations Committee met on 22nd March 2019 to receive feedback and observations on the proposed re-appointment of Ros Fallon as Non-Executive Director of the Trust. Feedback was received from Sir Duncan Nichol, Chairman, and Stephen Cross, Director of Corporate Legal Services, and input was also received from Mr Folwell, Lead Governor.

The Nominations Committee recommended to the Council of Governors that Mrs R Fallon should be re-appointed as a Non-Executive Director at the Countess of Chester Hospital NHS Foundation Trust with effect from 1st May 2019. At the Council of Governors

meeting on 22nd March 2019, Mrs Fallon was unanimously approved as a Non-Executive Director at the Trust for a one year term of office with effect from 1st May 2019.

The attendance at the Governors' Nominations Committee meeting by its members was as follows in 2018/19 -

Date	26.10.18	22.03.19
Russell Jackson (Chester)	✓	✓
Peter Folwell	✓	✓
Karen Newbury	✓	✓
Caroline Stein	✓	x
Steve Bridge	✓	x
Michael Hemmerdinger	✓	x

Board of Directors' Nominations Committee
There was no requirement for the Board of Directors' Nomination Committee to meet during 2018/19.

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 staff groups

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;
- 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 2019/20 are shown in the following table –

Constituency	Last year (2018/19)	Next year (2019/20 estimated)
<i>Public</i>		
At year start	6,556	6,357
New Members	4	200
Members Leaving*	203	100
At year end	6,357	6,457
*The figures now include those members who are deceased or whom have moved away.		
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 2019/20		
<i>Staff</i>		
At year start	4,754	4,887
New Members	916	200
Members Leaving*	783	200
At year end	4,887	4,887

Membership Strategy

The 2018/19 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 2018/19. It is the Trust's intention to continue to maintain public membership at its current levels and review its strategy in 2019/20.

The Trust changed the provider of the membership database in 2017/18, which gives a greater oversight and interaction for Governors and members. This includes the ability for new members to register online and interact over social media, therefore, enhancing the engagement and communication with the wider membership.

Membership Review

The mechanism by which the Board reviews membership plans, growth and engagement during the year is by a report of the Director of Corporate & Legal Services as appropriate at a Board meeting. These reports are also provided to Council of Governors' meetings.

Current and Future Engagement with Members

The Trust has engaged with its members via the following -

- Countess Matters magazine
- Local newspaper articles
- Patient interest groups
- Surveys
- Trust website
- Participating in Governor elections
- Drop in sessions for potential candidates
- Data validation project with membership
- Increased awareness via social media

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.

Other Information

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the Health Service in England must be greater than its income from the provision of goods and services for any other purposes. The Trust met this requirement in 2018/19.

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.

Better Payment Practice Code

Revised Better Payment Practice Code		2017/18		2018/19	
		NHS	Non NHS	NHS	Non NHS
% Payment within 30 days of receipt of undisputed invoices - target 95%	Volume	91.30%	97.90%	95.90%	98.30%
	Value	96.70%	96.50%	99.70%	98.60%

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

Cost Allocation & Charging Requirements

The Trust can confirm that it has complied with the cost allocation and charging requirements set out in HM Treasury - Managing Public Money, July 2013.

Signature

Dr Susan Gilby
Chief Executive Officer

21st May 2019

2.2 Remuneration Report 2018/19

The Remuneration Committee is responsible for the appointment of the Chief Executive Officer (CEO) and, together with the CEO, Executive Directors who form part of the Board of Directors.

The Committee reviews and recommends the terms and conditions of service for Very Senior Managers (VSMs) who are not subject to Agenda for Change terms and conditions. It supports the review of performance of colleagues on an annual basis, conducted by the CEO, and has oversight of the Trust's senior management pay framework.

The Committee is chaired by the Chairman of the Trust and includes attendance from all Non-Executive Directors. The Chief Executive Officer, Director of People and Organisational Development and Director of Corporate and Legal Services attend by invitation to ensure the Committee is appraised of relevant internal or external advice, data or information. It is important to note that the CEO would not be present where discussions related to their appraisal, terms and conditions or appointment. The Remuneration Committee is 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.

The Committee meets as and when is required and is comprised of the following members -

- Sir Duncan Nichol, Chair
- Andrew Higgins, Non-Executive Director
- Rachel Hopwood, Non-Executive Director
- Ros Fallon, Non-Executive Director
- Ed Oliver, Non-Executive Director
- Chris Hannah, Non-Executive Director

The Remuneration Committee met once in year on 22nd May 2018 to consider the salary for the substantive Chief Finance Officer and the Medical Director. The Committee also discussed the updated "Guidance on

pay for very senior managers in NHS trusts and foundation trusts" (NHS Improvement - March 2018) and considered the option of earn-back and its potential application. In addition, the Committee met virtually in March 2019 following the communication that was issued to all Trusts by Ian Dalton, NHS Improvement Chief Executive, in December 2018, detailing a recommendation from ministers regarding the 2018/19 annual pay increase for very senior managers (VSMs). For VSM staff, providers were recommended to pay a flat rate uplift of £2,075 pa, backdated to 1st April 2018. This was commensurate with the cash value of the 2018/19 award applied to agenda for change staff at the top of pay bands 8c, 8d and 9. The Committee agreed to support this recommendation.

In considering the Executive Directors remuneration the Committee takes 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 the Remuneration Committee. Executive Directors are subject to annual appraisal by the CEO who is in-turn appraised by the Chairman. Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality and with the skills and experience required to the Countess of Chester Hospital NHS Foundation Trust successfully.

The contracts of employment of all Executive Directors, including the CEO, are permanent and are subject to six months' notice of termination. Earn-back is only in place with the CEO as per national guidelines

and no other performance-related pay scheme (e.g. pay progression or bonuses) is currently in operation within the Trust. 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.

There are two executives who were paid more than £150,000 in 2018/19, when the remuneration is considered on a pro-rata basis for the whole year. For the purposes of this disclosure, pay is defined as salary and fees, all taxable benefits and any annual or long term performance related bonuses, of which there were none during the year. The Trust is satisfied that the remuneration is reasonable, following scrutiny by the

Remuneration Committee.

Council of Governors' Remuneration Committee

There was no requirement for the Council of Governors' Remuneration Committee to meet during 2018/19.

The remuneration tables are included on the following pages.

Signature

Dr Susan Gilby
Chief Executive Officer

21st May 2019

Salary and Pension Entitlements of Senior Managers

Name and Title	Salary	Other taxable remuneration	Benefits in kind	Pension related benefits	Total	Normal retirement age	Salary	Other taxable remuneration	Benefits in kind	Pension related benefits	Total
	(bands of £5,000)	(to nearest £100)	(to nearest £100)	(bands of £2,500)	(bands of £5,000)		(bands of £5,000)	(to nearest £100)	(to nearest £100)	(to nearest £100)	(bands of £2,500)
	2018/19						2017/18				
	£000	£	£	£000	£000		£000	£000	£	£000	£000
Mr Tony Chambers - Chief Executive (to 20.9.18)	75-80	-	-	-	75-80	67	155-160	-	900	75-77.5	235-240
Dr Susan Gilby - Medical Director (from 1.8.18 to 20.9.18)	25-30	-	-	-	25-30	na	-	-	-	-	-
Dr Susan Gilby - Acting Chief Executive (from 21.9.18)	100-105	-	-	-	100-105	na	-	-	-	-	-
Mr Simon Holden - Director of Finance	140-145	-	-	-	140-145	na	140-145	-	-	-	140-145
Mr Ian Harvey - Medical Director (to 21.8.18)	65-70	-	-	-	65-70	60	170-175	-	-	32.5-35	205-210
Dr Darren Kilroy - Acting Medical Director (from 25.9.18)	65-70	18,700	-	42.5-45	130-135	60	-	-	-	-	-
Mrs Susan Hodgkinson - Director of People & Organisational Development	95-100	-	200	35-37.5	130-135	67	90-95	-	300	45-47.5	140-145
Mrs Alison Kelly - Director of Nursing & Quality	100-105	-	-	20-22.5	120-125	60	95-100	-	-	20-22.5	120-125
Ms Lorraine Burnett - Operations Director	105-110	-	-	32.5-35	135-140	67	100-105	-	-	52.5-55	155-160
Mr Stephen Cross - Director of Corporate and Legal Affairs	85-90	-	6,300	20-22.5	110-115	60	85-90	-	6,300	22.5-25	115-120
Alison Lee - Integrated Care Pathway Managing Director (from 1.9.18)	30-35	-	700	20-22.5	55-60	60	-	-	-	-	-
Sir Duncan Nichol - Chairman	45-50	-	-	-	45-50	-	45-50	-	-	-	45-50
Mr Andrew Higgins - Non-Executive Director	10-15	-	-	-	10-15	-	10-15	-	-	-	10-15
Mrs Rachel Hopwood - Non-Executive Director	10-15	-	-	-	10-15	-	10-15	-	-	-	10-15
Mr Ed Oliver - Non-Executive Director	10-15	-	-	-	10-15	-	10-15	-	-	-	10-15
Mrs Ros Fallon - Non-Executive Director	10-15	-	-	-	10-15	-	10-15	-	-	-	10-15
Mrs Chris Hannah - Non-Executive Director (from 1.4.18)	10-15	-	-	-	10-15	-	-	-	-	-	-
<i>Total Directors Remuneration</i>	<i>1040-1045</i>	<i>18,700</i>	<i>7,200</i>	<i>177.5-180</i>	<i>1225-1230</i>		<i>975-980</i>	<i>-</i>	<i>7,500</i>	<i>255-257.5</i>	<i>1235-1240</i>
<ul style="list-style-type: none"> 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. Alison Lee and Chris Hannah are employed by this Trust but 55% of their salaries are recharged to other organisation. Alison Lee is Managing Director of the ICP and Chris Hannah is the Chair of the ICP, and therefore are funded on a cost sharing basis. The cost above is the element that is charged to the Countess of Chester Hospital. Alison Kelly currently works for Salford CCG as a Governing Body Nurse on a part time basis. Her salary is shown net of the recharge, the pension remains unchanged. Other taxable remuneration for Darren Kilroy relates to payments outside of his role as Medical Director. 											
		2019						2018			
Band of Highest Paid Director's Remuneration		195-200						170-175			
Median Total Remuneration		26,619						25,023			
Ratio		7.40						6.99			
<ul style="list-style-type: none"> The total remuneration includes salary and benefits-in-kind, it does not include employer pension contributions and the cash equivalent transfer value of pensions. Pension related benefits figures show the amount of annual increase in the future pension entitlement at the normal retirement age, in accordance with the HRMC method. The source information is provided by the NHSBSA. 											

Name and Title	Real Increase in pension at age 60	Real Increase in pension lump sum at age 60	Total accrued pension at age 60 at 31 March 2019	Lump sum at age 60 related to accrued pension at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	Real Increase in Cash Equivalent Transfer Value
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(to nearest £1,000)	(to nearest £1,000)	(to nearest £1,000)
Pension Benefits	2018/19					2017/18	2018/19
	£000	£000	£000	£000	£000	£000	£000
Mr Tony Chambers - Chief Executive (to 20.9.18)	-	-	35-40	75-80	662	1080	-
Dr Susan Gilby - Medical Director (from 1.8.18 to 20.9.18)	-	-	-	-	-	-	-
Dr Susan Gilby - Acting Chief Executive (from 21.9.18)	-	-	-	-	-	-	-
Mr Simon Holden - Director of Finance	-	-	-	-	-	-	-
Mr Ian Harvey - Medical Director (to 21.8.18)	-	-	-	-	-	1,802	-
Dr Darren Kilroy - Acting Medical Director (from 25.9.18)	0-2.5	-	45-50	105-110	840	700	119
Mrs Susan Hodkinson - Director of People & Organisational Development	0-2.5	-	15-20	35-40	290	227	56
Mrs Alison Kelly - Director of Nursing & Quality	0-2.5	2.5-5	40-45	125-130	867	734	111
Ms Lorraine Burnett - Operations Director	0-2.5	-	35-40	85-90	666	554	95
Mr Stephen Cross - Director of Corporate and Legal Affairs	0-2.5	2.5-5	10-15	35-40	-	-	-
Alison Lee - Integrated Care Pathway Managing Director (from 1.9.18)	0-2.5	-	40-45	105-110	860	720	119

Name and Title	Salary	Other Taxable Remuneration	Benefits in kind	Pension related benefits	Total
	(bands of £5,000)	(to nearest £100)	(to nearest £100)	(bands of £2,500)	(bands of £5,000)
Other Arrangements	2018/19				
	£000	£	£	£000	£000
Mr Tony Chambers - (from 20.9.18)	80-85	-	-	52.5-55	135-140
Mrs Dee Appleton Cairns- Acting Director of People & Organisational Development (from 1.8.18 to 31.10.18)	20-25	-	-	12.5-15	35-40
Mrs Alison Hall HR Solutions by Design - Acting Director of People & Organisational Development (from 5.11.18 to 28.2.19)	30-35	-	-	-	30-35

- Susan Hodkinson (Director of People and Organisational Development) had a period of sickness during the financial year. As the position is a key board member it was decided to provide interim cover for the period of absence. The disclosure above relates to two people who have provided interim cover for the role of Director of People and Organisational Development and the period to which they relate.
- Tony Chambers stood down as Chief Executive of the Trust on 20th September 2018. He continued to be employed by the Trust for a further 6 months.
- The benefit in kind is for a lease car scheme and a home technology scheme which is open to all members of staff. It is a scheme whereby the employer agrees to reduce their salary for the full cost of the benefit. If an employee withdraws from the scheme this will have an effect of increasing their pay as they are not then sacrificing it for a benefit.
- 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 to 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 individual has transferred to the NHS pension scheme.
- They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. 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 and end of the period.

2.3 Staff Report 2018/19

The Trust's key priorities for 2018/19 were based around our values of -



Safe

Delivering safe services by reducing clinical variation



Kind

Delivering kind and compassionate care by building on our high performance culture



Effective

Delivering effective services by reducing process variation

Delivering safe services by reducing clinical variation through the 'Model Ward' programme

We focused on getting it right first time for all our patients to ensure the right care and treatment is started at the right time in the patient's journey.

Delivering kind and compassionate care by building on our high performance culture

We focused on creating a culture within the Countess that fosters the values and behaviours that patients, the public and staff expect, one where staff come to work, to do their work and improve their work and getting the right number of nursing staff, with the right skills, to the right patient at the right time.

Delivering effective services by reducing process variation

We focused on the way in which we work to ensure we improve the safety, quality and experience of our patients.

One of the key areas of focus has been around how we engage with our staff and develop a high performance culture, which requires collective leadership at every level and inspiring everyone to be the best they can be. The Trust's People & Organisational Development Strategy will be refreshed as a key enabling strategy in 2019/20.

The current strategy is illustrated in the diagram below, which supports the themes of Organisational Culture, Organisational Excellence, and Organisational Renewal, and is intended to address the workforce challenges the Trust is facing.



Organisational Culture

We want to be one of the most clinically led and engaged organisation in the NHS, with our clinicians leading improvements and innovation activities. In looking at our values and behaviours, we re-energized what our values and behaviours mean for all of our staff as well as exploring personal accountability in delivering change. This has led to further embedding our Behavioural Standards and our staff shaping what each of those Behavioural Standards mean, supported through our Barometer Group.



We have strengthened our Leadership Framework to build on the successes of recent initiatives such as our Master Classes and a bespoke leadership programme that's helped us with the development of a new performance framework. The new framework is linked to our behavioural standards, and encourages supportive development conversations between line managers and the people they are responsible for, and will be piloted further into 2019/20.

Compliance with mandatory training and core skills has been made clearer for our staff but we still have more work to do on the quality of appraisal conversations, as our staff have described to us in the results of the most recent Staff Survey (2018). This will link with the pilot work we are undertaking in 2019/20. Partnering arrangements with the University of Chester and other educational providers remain a priority with new career development pathways established to prepare staff to take on promotion opportunities. This work

has included a growth in apprenticeships at all levels and increased utilisation of the apprenticeship levy.

Reward and recognition remains at the heart of how we work and value our people. There are award and celebration events, with an emphasis on increased frequency and support for more informal team-led recognition activities.

Our policies and procedures continue to be reviewed and developed, drawing on the feedback from our Staff Partnership Forum, and Local Negotiating Committee (LNC). During times of significant organisational change, we recognize the contribution from staff representatives to help us get the engagement and communication with our workforce right.

Organisational Excellence

We know there is more to do with the introduction of new systems or use of technology. We have delivered specific changes in the following areas -

- Developing our acuity based workforce, which has enabled improved matching of staffing levels to meet patient need.
- Supporting the implementation of E-rostering for Nursing & Midwifery colleagues to enable a demand driven approach and a reduction in costs associated with temporary staff.
- A regional collaborative task group to address variable pay, with new controls, guidance and policies to help the Trust achieve its cost improvement plans in this area.
- Recruitment to values has revamped our recruitment processes to ensure the right behaviours are at the heart of how we

attract, recruit and retain our staff.

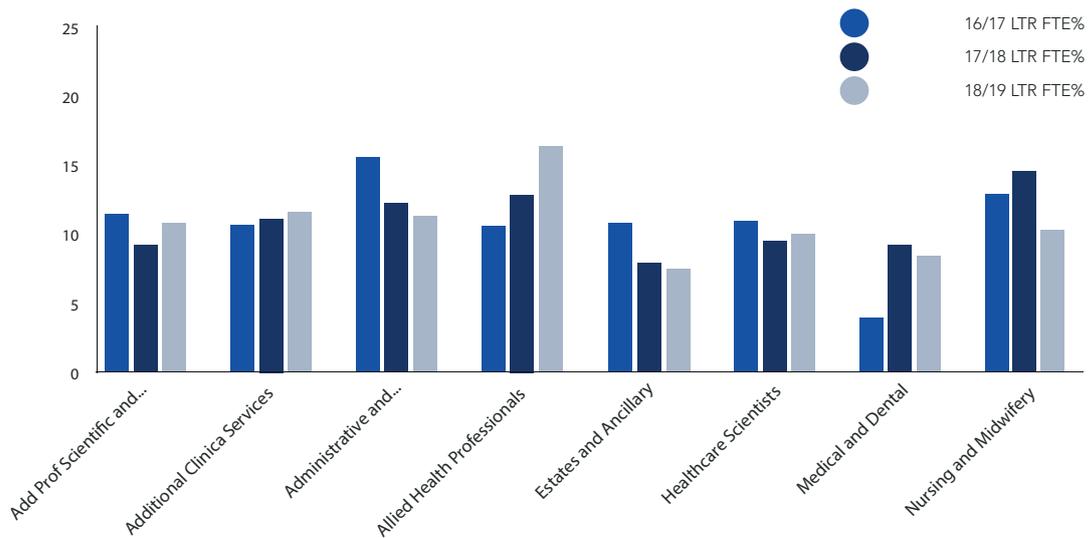
- The implementation of a weekly payroll, to support our bank colleagues being paid more frequently, following their feedback.

The Countess approach to equality and diversity has been locally and nationally recognised, with a key achievement this year being our inclusion in the list of Top 50 Most Inclusive Employers, which was our first opportunity to apply for this national recognition. Alongside this we have refreshed our approach to Equality, Disability and Inclusion and whilst continuing our Disability Equality Group, Age Equality and Adult Safeguarding Group, Culture Faith and Belief Group and Gender and Sexual Equality Group, we have made some of our meetings virtual and established a Black and Ethnic Minority (BAEM) virtual group.

Retention of Staff

Whilst the Trust recognises the need to retain staff and skills wherever possible, it acknowledges that circumstances and opportunities can arise that result in staff leaving. The Trust utilises an exit interview process where it captures the reasons for staff leaving. Where patterns indicate potential concerns, the Equality and Diversity Manager, with support from Human Resources and Staff Side, will investigate. We have also been working with NHS Improvement in Cohort Four of the Recruitment and Retention work stream, to assess and implement further actions to improve the retention of nursing and midwifery staff particularly. As such, our labour turnover is as follows -

Labour Turnover for Full Time Equivalents % by Year & Staff Group



Attendance Management

Supporting staff attendance remained high on our list of priorities in terms of close monitoring and effective processes to support and address any issues, as well as practical options to keep people fit and healthy –

- Stress management courses, mindfulness courses, resilience sessions and counselling services remain available to everyone working at the Countess.

- The 2018/19 staff flu campaign was another success with over 82% of frontline staff vaccinated, exceeding the national target of 75%, and with the Trust being recognised as was one of the top 20 achieving Trusts nationally.

Whilst we did not achieve our Trust target for sickness absence, we have instigated further actions to support staff attendance into 2019/20, including the implementation of an Employee Assistance Programme.

Trust Target	FTE-Days Lost to Sickness Absence	Average % Over 12 Months (Jan 2019 to Dec 2018)
3.65%	32,008	4.15%

Organisational Renewal

Staff Health and Wellbeing

Supporting the wellbeing of our staff to enable safe, kind and effective care is delivered by the Trust's Safe Effective Quality Occupational Health Service (SEQOHS) accredited Occupational Health & Wellbeing Department, enabled through the Health & Wellbeing Strategy. The Trust has a Health and Wellbeing Steering Group who meet quarterly to review this plan.

Staff physical and mental wellbeing is supported by offering opportunities for all of our staff to join physical exercise classes and a range of mental health initiatives particularly focusing on resilience and mindfulness. During 2018, two Occupational Health Nurses trained as Mental Health First Aid (MHFA England) instructors. We now deliver courses internally and externally to become qualified Mental Health First Aid Trainers, to understand the impact of supporting mental health and to develop the skills to look after our own, and others mental health and wellbeing.

Recognising the need for staff to be able to access counselling and health advice in a timelier manner, in early 2019, we will introduce an Employee Assistance Programme which provides a 24 hour confidential telephone helpline, face to face counselling within five working days, an online health portal, and mobile phone health e-Hub App.

Employee health and wellbeing influences whether staff are able to work at their peak, and are critical success factors for individual and organisational performance, and improved patient outcomes.

Equality & Diversity

We have built on our regionally and nationally recognised programme of work to support Equality and Diversity within the Trust and we are now recognised as an Equality and Diversity Alumni Partner by NHS Employers. We have also been successful in achieving number 24 in the Top 50 Most Inclusive Employers. This recognition is due to our delivery against six measurable criteria –

- improving patient access and experience
- empowered, engaged and well supported staff
- inclusive leadership at all levels
- better health outcomes for all
- demonstration of commitment to the partners programme and benefits the organisation will receive from taking part

We pride ourselves in communicating with stakeholders both internally and as part of our wider community in work around Equality and Diversity, our robust governance structure is headed up by the Equality Diversity and Human Rights Strategy Group, which reports into the People and Organisational Development Committee. Two key areas that the Strategy Group focus on relate to the assessing delivery against the Workforce Race Equality Standard (WRES), and the Equality Delivery System 2 (EDS2).

The Workforce Race Equality Standard (WRES) was implemented by NHS England in July 2015. The WRES is a set of key indicators outlining how the Trust can demonstrate data and engagement evidence on how Black and Minority Ethnic (BME) members of staff

are represented in recruitment, HR formal procedures and leadership & development. It also sets standards to outline actions the Trust will undertake to improve ESR and training data capture and engagement with its BME staff. The Trust continues to meet all of its WRES objectives and has published a 2018 WRES report. It has introduced a BME staff network, and improvements in data analysis of the access to non-mandatory training and personal development.

The Equality Delivery System 2 (EDS2) is an equality performance assessment framework introduced in January 2012 by NHS England. It covers 18 outcomes around the patient care, quality, safety, workforce and leadership domains. The Countess has attained recurrent high grading from assessors, with 15 outcomes being rated as 'Achieving' and the remaining three outcomes being rated as 'Excelling' in 2018/19.

Equality and Diversity – Gender Breakdown

Gender - Employee	16/17	17/18	18/19
Female	3,224	3,219	3,312
Male	741	758	770
<i>Total</i>	3,965	3,977	4,082

Gender - Directors	16/17	17/18	18/19
Female	3	4	5
Male	3	3	3
<i>Total</i>	6	7	8

Staff Cost Analysis

	Total 2018/19	Permanently Employed	Other	Total 2017/18
	£000	£000	£000	£000
Employee Expenses				
Short term employee benefits - salaries and wages	135,680	120,579	15,101	130,086
Post employee benefits social security costs	12,103	10,951	1,152	11,483
Apprenticeship levy	638	576	62	605
Post employee benefits employer contributions to NHS Pensions Agency	15,239	13,788	1,451	14,433
Other Employment Benefits	-	-	0	3
Termination Benefits	-	-	0	-
Agency/contract staff	4,422	-	4,422	4,373
<i>Total</i>	<i>168,082</i>	<i>145,894</i>	<i>22,188</i>	<i>160,983</i>
Average number of persons employed				
Medical and dental	466	195	271	444
Ambulance Staff	1	1	-	-
Administration and estates	719	662	57	711
Healthcare assistants & other support staff	846	802	44	820
Nursing, midwifery & health visiting staff	981	906	75	1,004
Nursing, midwifery & health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	443	412	31	430
Healthcare Scientists	132	121	11	128
Bank Staff	207	-	207	159
<i>Total</i>	<i>3,795</i>	<i>3,099</i>	<i>696</i>	<i>3,696</i>

The Trust spent £75,000 on consultancy during 2018/19 (2017/18 - £140,000).

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, our regulators, our commissioners and others to assess our performance. In partnership with our trade union colleagues, operational and medical representatives, with governance from the People and Organisational Development (POD) Committee, we have developed an action plan to address areas of concern. Our results are published nationally on our website. In addition, to this we also monitor the views of our staff on a quarterly basis against key indicators via the national Staff Friends and Family Test.

This year, we changed our approach to the NHS Staff Survey by undertaking a sample survey, instead of a survey of all our staff. This was due to the feedback we had received from many of our staff that who wished us to adopt a different approach. As such, we surveyed a random sample of 1,250 of our staff (excluding bank & agency workers). The key headlines from the survey were as follows -

- The response rate for the Trust was 36%.
- Around 448 members of staff completed the survey.
- The Trust response rate was below the national average (40%)

The level of response rate was disappointing, and is recognised as a key area of improvement for future surveys. We also undertake other local surveys to test the temperature of the organisation, as well as

feedback being asked from staff to shape and inform our High Performance Culture Workstream.

The main change in the format of this year's survey is a reduced number of summary indicators, and instead the questions have been presented in the form of ten main themes -

- equality, diversity & inclusion
- health and wellbeing
- immediate managers (which includes providing support and feedback)
- morale (a new area for 2018)
- quality of appraisals
- quality of care
- safe environment - bullying and harassment
- safe environment - violence
- safety culture
- staff engagement.

The Trust performed better than the acute average in three indicators as follows (all scores are marked out of 10) -

Higher than the acute average in three indicators

- Equality Diversity & Inclusion - 9.2 v 9.1
- Health & Wellbeing – 6.1 v 5.9
- Safe Environment Bullying & Harassment 8.1 v 7.9

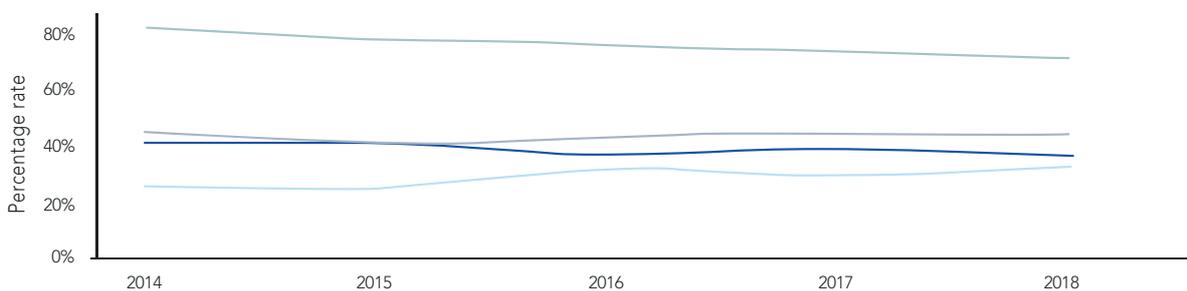
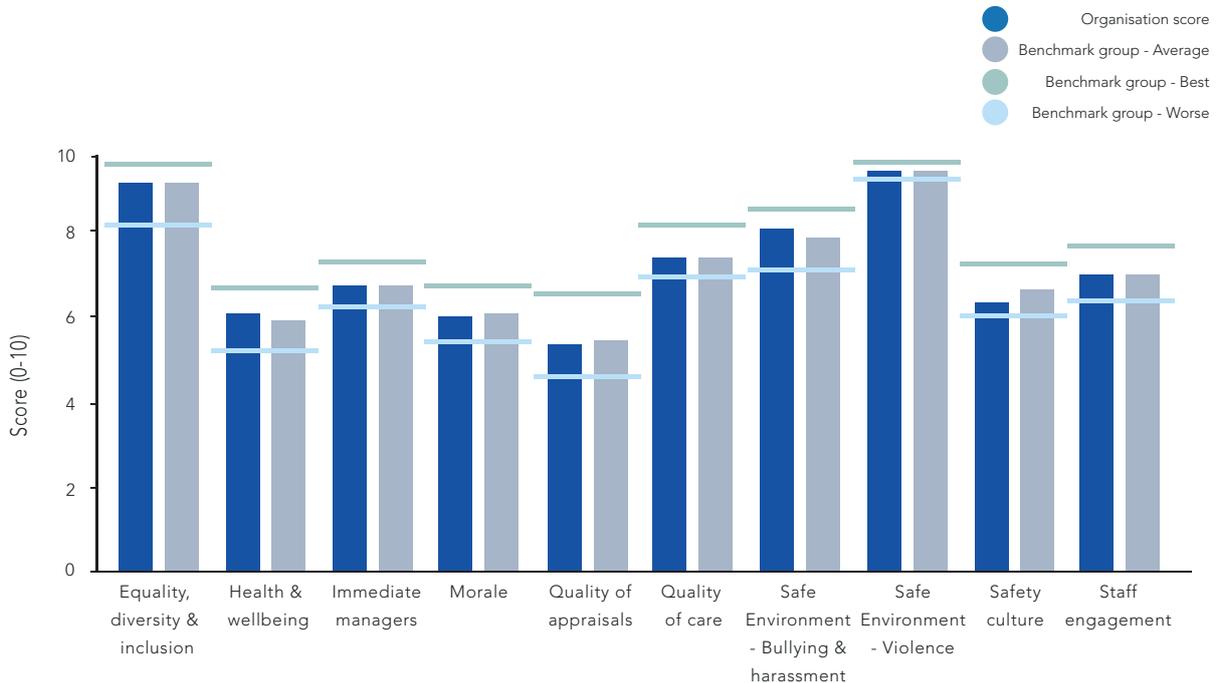
Equal to the acute average in three indicators

- Immediate managers – 6.7
- Quality of care – 7.4
- Safe environment violence – 9.4

Lower than the acute average in four indicators

- Morale – 6.0 v 6.1
- Quality of appraisals – 5.3 v 5.4
- Safety Culture – 6.3 v 6.6
- Staff engagement – 6.9 v 7.0.

The key domain showing a lower than acute average score which, whilst not statistically significant, showing the largest gap is: Safety Culture – 6.3 v 6.6.



	2018/19		2017/18		2016/17	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity & inclusion	9.20	9.06	na	na	na	na
Health and wellbeing	6.05	5.85	na	na	na	na
Immediate managers	6.70	6.72	3.75	3.74	3.67	3.73
Morale	5.98	6.06	na	na	na	na
Quality of appraisals	5.37	5.39	3.04	3.11	3.05	3.11
Quality of care	7.51	7.35	3.85	3.92	3.96	3.96
Safe environment - bullying and harassment	8.05	7.88	na	na	na	na
Safe environment - violence	9.37	9.44	20%	15%	15%	15%
Safety culture	6.32	6.53	3.57	3.65	3.63	3.65
Staff engagement	6.93	6.93	3.75	3.79	3.77	3.81

Overall Staff Engagement

Following additional effort on staff engagement, improvements were made in areas of Advocacy and Motivation; however there was a decline in Involvement -

	2018 score	2017 score	Diff	Sector score	Diff
Advocacy	6.95	6.74	+0.21 (not sig)	6.80	+0.15 (not sig)
Motivation	7.26	7.16	+0.10 (not sig)	7.26	-0.01 (not sig)
Involvement	6.59	6.70	-0.10 (not sig)	6.73	-0.14 (not sig)
Overall Staff Engagement	6.93	6.87	+0.05 (not sig)	6.93	-0.00 (not sig)

Bottom Five Ranking Scores 2018

1	11g	Have you put yourself under pressure to come to work?	95%
2	4g	There are enough staff at this organisation for me to do my job properly	25%
3	9d	Senior managers act of staff feedback	27%
4	9c	Senior managers here try to involve staff in important decisions	31%
5	5g	(How satisfied are you with) My level of pay	33%

The survey results have been shared with the Board, and the People and Organisational Development Committee (which is sub-committee of the Board), and have also been shared across the organisation. What our staff have told us as a result of the NHS Staff Survey in 2018 is that we need to improve in many aspects of the key themes, and particularly in the area of involving them in decisions around patient care, or those that may affect their area of work.

The NHS Staff Survey also shows that our staff are telling us that the Trust is struggling to provide the level of care they and we aspire to against the increasing levels of demand and activity, which is comparable with the national results. However, it is pleasing to note that some of the actions identified in the results of the 2017 survey, particularly in relation to the reporting in the numbers of staff experiencing violence and knowing how to report it, has improved due to our increased focus in this area. Looking

ahead, we have to do more to focus on our Safety Culture, particularly the reporting of near misses, staff engagement, the pressure colleagues put themselves under to attend work, the quality of our appraisals, the communication and involvement of colleagues across the Trust regarding decisions that affect their work, and to continue to create an environment free from discrimination, bullying and harassment.

An action plan is in place to address the areas of concern, and a communication plan has been developed to ensure that

all members of staff are fully briefed on the results, and the actions required. Each section of the action plan has an executive lead and a service lead to ensure progress and monitoring against the planned actions - with regular reports to the People and OD Committee. Reports will also be made to the Staff Partnership, and the Culture and Engagement Steering Groups. Where we are able, we are also sharing the detailed results with individual areas to encourage ownership of the results, and to empower our front line colleagues.

Staff Consultations

	1	2	3	4	5	6	7	8	
Reason/ name	Review of shift pattern for the Clinical Support Workers to introduce two shift patterns 4pm to 12am, and 8pm to 8am. At this stage there are informal conversations to be arranged with the staff to discuss their thoughts and to decide whether formal consultation is required	Review of Porters Shift patterns – Moving to a mix of shift patterns including rotational shifts - to enable more efficient, cost effective service. Creating more substantive roles to avoid over reliance on bank workers.	Critical Care Outreach rotational post and 24:7 working. The provision of Critical Care Outreach Services (CCOS) recommends each hospital should be able to provide a Critical Care Outreach or Rapid Response service that is available 24 hours per day 7 days per week. Currently at the Countess of Chester Hospital	Ward 40 closing as a result of SAU moving to Ward 40 and the decrease in service needs following the introduction of ESSU	Rotation of 1 x Radiology Support Worker between EPH and COCH who currently only works in one location	Trust On Call payments/ Senior Manager On Call and other departmental local arrangements (3)	Contract Refresh – Transition of the Band 1 into a Band 2 position in line with the national pay deal	Contract Refresh – Pay Progression as per national agreement	
Staff Groups	Clinical Support Workers	Porters	Nursing	Nursing, HCAs, Care & Comfort and Housekeeper	Clinical Support Worker	All A4C	Band 1's across all Divisions	All A4C staff	
Number of staff	3	38	5		1	Approx 10	360		
Start Date	April 2019	Jan 2019	April 2019	March 2019	April 2019	May 2019	January 2019	April 2019	
End Date	TBC	March 2019	May 2019	April 2019	TBC	Sept 2019	May 2019	May 2019	
Outcome		Formal consultation period completed. Final decisions and allocation to shift patterns about to be completed in order for new rotas to commence.	CCOT on rotational post with Critical Care Staff	Relocate staff to other areas within the Trust	Not started yet	Agreement of new harmonised pay for out of hours services	Band 1 staff will either transition to a Band 2 position or remain as a Band 1	New Trust policy / process for pay step change	

Equal Opportunities Policy

The Trust has policies in place to facilitate fair and non-discriminatory consideration for employment applications from disabled people and with regard to access to training, career development and promotion. The Trust sets this out in the Equal Opportunities Policy and in the Disability Equality Policy. Reasonable adjustment options with regard to learning and development are identified within the Learning and Development Strategy. The Trust also publishes detailed data on its disabled employees and job applicants within its annual Workforce Equality Analysis Report, as per the specific duties of the Equality Act (2010).

Countering Fraud & Corruption Policy

The Countess of Chester Hospital NHS Foundation Trust does not tolerate fraud, corruption or bribery within the NHS. The Trust has an overarching Anti-Fraud, Corruption and Bribery Policy and Response Plan in place, produced by the Trust's Anti-Fraud Specialist, which has been reviewed in 2018/19. The aim is to eliminate all NHS fraud, corruption and bribery as far as possible, freeing up public resources for better patient care.

NHS Protect is a business unit of the NHS Business Services Authority. It has responsibility for all policy and operational matters relating to the prevention, detection and investigation of fraud, corruption and bribery and the management of security in the NHS. All instances where fraud, corruption and bribery is suspected are properly investigated until their conclusion,

by staff trained by NHS Protect. Any investigations will be handled in accordance with the NHS Counter Fraud and Corruption Manual.

Ill Health Retirements

During 2018/19 (prior year 2017/18) there was 1 (4) early retirement from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £40,000 (£203,000). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division. This information was supplied by NHS Business Services Authority - Pensions Division.

Off Payroll Engagements

Off-payroll engagements are arrangements where an individual provides their services to the Trust, but, under HMRC rules, they are not paid through the Trust payroll. Typically, this is because the individual is working through a temporary staffing agency, or they are legitimately in business in their own right, and the legal nature of the arrangement between the Trust and the off-payroll individual is a commercial business arrangement, rather than one of employment.

The Trust makes use of off-payroll engagements in a number of circumstances -

- when there is a short term need that cannot be met from internal staffing resources, including bank staff
- when specialist expertise is required that is not available internally
- when there is difficulty recruiting to a post

Off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 March 2019	12
Of which, the number that have existed:	
for less than one year at time of reporting	11
for between one and two years at time of reporting	0
for between two and three years at time of reporting	0
for between three and four years at time of reporting	0
for four or more years at time of reporting	1

New off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	14
Of which,	
Number assessed as within the scope of IR35	14
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to trust) and are on the Trust's payroll (the rest are on the payroll of the temporary staffing agency)	1
Number of engagements reassessed for consistency/assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	0

Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements.	16

A mutually agreed resignation scheme was open to all staff whereby they could apply to leave. These relate to actual departures during the financial year.

Exit Package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
<£10,000	-	-	15	13	15	13
£10,000-25,000	-	-	1	6	1	6
£25,000-50,000	-	-	2	4	2	4
£50,000-100,000	-	-	1	2	1	2
£100,000-150,000	-	-	-	-	-	-
<i>Total number of exit packages by type</i>	-	-	19	25	19	25

Exit Packages: Non-Compulsory Departure	2018/19		2017/18	
	Agreements Number	Agreements Number	Agreements Number	Agreements Number
		£000		£000
Mutually agreed resignations (MARS) contractual costs	4	161	15	374
Non-compulsory payments in lieu of notice	15	30	9	36
Exit payments following Employment Tribunals or court orders	-	-	1	25
Non-contractual payments requiring HMT approval	-	-	-	-
<i>Total</i>	<i>19</i>	<i>191</i>	<i>25</i>	<i>435</i>

Trade Union Facility Time

Relevant Union Officials – Total Number of Employees who were relevant union officials during the relevant period

Number of employees who were relevant union officials during reporting period	Full-time equivalent employee number
25	23.56

Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	0
1-50%	25
51-99%	0
100%	0

Percentage of Pay Bill Spent on Facility Time

Total Cost of Facility Time	£177,179
Total Pay Bill	£168,175,000
Percentage of the Total Pay Bill Spent on Facility Time (calculated as total cost of facility time/ total pay bill x 100)	0.11%

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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2.4 The Disclosures

The Countess of Chester Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. Disclosures are included within the 2018/19 Annual Report on the 'comply or explain' basis.

The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code.

Code Provision	Disclosure
B.1.2	The Board intend to redress the balance between Executive Directors and Non-Executive Directors, since the 1st September, 2018. This is referenced within the Annual Governance Statement.
B.6.2	The Trust commissioned an external evaluation of its governance in December 2018. The external review was undertaken by Facere Melius Ltd. The Managing Director and employees of Facere Melius Ltd had no other connections to the Trust.
D.1.3	The Director of Nursing & Quality is released by the Trust to act as the Governing Body Nurse at Salford CCG, as outlined within the Director's Report. The Director of Nursing & Quality does not retain the earnings from this role and it is received as income to the Trust. This CCG appointment ceased on 31st March 2019.

The Accountability Report provides further disclosures including the composition of the Board and Council of Governors, members of Nominations, Audit and Remuneration Committees; the Chair's other significant commitments, the work of the Audit Committee, and the work of the Nomination Committee.

The Annual Governance Statement includes how the Board of Directors has conducted a review of the effectiveness of its system of internal controls.

2.5 NHS Improvement's Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs.

The framework looks at five themes -

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability

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

The Trust is in NHS Improvement's Segment 2: Providers Offered Targeted Support – Support needs identified in finance, use of resources and operational performance.

This segmentation information is the Trust's position as at the 2nd May 2019.

Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and Use of Resources

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

A table outlining the finance and use of resources scores for the Trust can be seen in the Financial Review section of the Performance Report.

2.6 Statement of Accounting Officer's Responsibilities

Statement of the chief executive's responsibilities as the Accounting Officer of the Countess of Chester Hospital NHS Foundation Trust.

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require the Countess of Chester Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Countess of Chester Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care's Group Accounting Manual and in particular to -

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting

standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements

- confirm 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 NHS Foundation Trust's performance, business model and strategy
- assess the Foundation Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Foundation Trust without the transfer of its services to another public sector entity.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer is also responsible for ensuring that the use of public funds complies with the relevant legislation, delegated authorities and guidance.

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

Signed:

Dr Susan Gilby,
Chief Executive Officer
21st May 2019

2.7 Annual Governance Statement 2018/19

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Countess of Chester Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Countess of Chester Hospital NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

As the Chief Executive, I am responsible for overseeing risk management across all organisational, financial and clinical activities. I have delegated the executive lead for risk

management to the Director of Nursing & Quality who in turn is supported by an Associate Director of Risk & Safety who manages the Risk & Safety Team.

At the beginning of the year the Trust had a Risk & Performance Committee in place in which all risk matters were discussed. However, further to a change in leadership, and the acknowledgement that a more effective process was required, this was reviewed during the year. In light of this, a revised structure of how risks are discussed via an Executive Risk Review meeting has been put in place. This is chaired by the Director of Nursing & Quality, and provides an environment whereby the clinical Divisions and corporate teams are constructively challenged on their risks, as well as supported to take forward actions to mitigate these.

The Board draws assurance from the Quality, Safety and Patient Experience Committee (QSPEC), Finance and Integrated Governance Committee (FIGC), and the People and Organisational Committee (POD), which are all sub committees of the Board of Directors. There is purposeful interaction between the risk management function and the Trust's Audit Committee. The Audit Committee is a key statutory Committee through which a sub-set of the Trust's Non-Executive Directors bring independent judgement to bear on issues of risk management and performance. This interface supports the effectiveness of the Trusts systems of internal control.

The Trust has a Risk Management Strategy in place which outlines the Trust's approach to risk and provides a framework for managing risk across the organisation. The roles and responsibilities of all staff in relation to the identification and management of risk are identified in this and other related policies, e.g. Incident Reporting Policy. The Strategy sets out the role of the Board of Directors

and relevant committees. Risk management is supported in the following ways -

- A centralised Risk and Safety Team is led by the Trusts Associate Director of Risk & Safety; and
- A team of Risk & Safety Leads support the Divisions and corporate teams.

All Divisions manage their operational risks at a local level through their Divisional Governance Boards, and each Manager is responsible for overseeing the management of their risk registers. They can escalate or request to de-escalate risks accordingly through the regular Executive Risk Review, or Corporate Leaders Group if an issue is particularly urgent, to ensure a timely acknowledgment, discussion and planning regarding management of any new high scoring risks. The Divisional Governance Boards are chaired by the Divisional Medical Director; they have responsibility for providing leadership to, and provide oversight of, the achievement of the Division's objectives through the mitigation of risk and review of relevant assurance. Each Division is supported by a dedicated Risk and Safety Lead Manager (as articulated above), who facilitates relevant discussion and provides specific reports as required.

In addition to the risk training articulated below, bespoke risk management training has been provided in year to all Ward Managers; this was a workshop facilitated by Mersey Internal Audit (MIAA). An external facilitator also provided Root Cause Analysis training for approximately 15 senior clinical leaders (including consultants) to support serious incident investigation within the Trust. The Trust has further developed its processes for learning during the year with the 'Lessons Learned' weekly communication which is sent to all staff across the Trust. The 'Lessons Learned' communication recognises that we do not always get things right and shares the learning as part of our supportive learning culture development. This follows the Serious Incident Panel meeting each week.

The Serious Incident Panel is chaired by the Director of Nursing & Quality, with representatives from the Legal, Patient Experience and Risk teams. Relevant themes and trends are shared via reports and reviews

at the Quality, Safety & Patient Experience Committee which is chaired by a Non-Executive Director. In addition to weekly 'Lessons Learned', a Quality Newsletter is shared monthly with key learning and topics communicated in respect of quality governance. Both these communications have had positive feedback from individuals and teams. Patient experiences and stories are shared in various forums across the Trust, including the Board of Directors meeting. The Trust encourages patients and families to become involved in sharing their stories directly with teams and in addition, being involved in quality improvements where appropriate.

The Trust Serious Incident Panel meets weekly and reviews all significant incidents, complaints, inquest learning and claims. When an event is deemed significant enough to be formally investigated, in line with the Serious Incident Framework; these are reported externally to StEIS (the National Framework for Reporting and Learning from Serious Incidents requiring Investigation). These incidents, the quality of the review and report, and its subsequent action plan, are monitored internally via a monthly report to the Quality, Safety & Patient Experience Committee, and via the monthly Clinical Commissioning Group (CCG) serious incident meeting. Externally we report via a six-monthly report of incidents, complaints, claims and HM Coroner's inquests.

All serious incidents are reported to our commissioners and to other bodies in line with current reporting requirements. Whilst we recognise there may always be human factors at play, we continue to revisit our systems and processes to ensure learning, and any necessary changes identified become business as usual. Serious incidents are reported through the Quality, Safety & Patient Experience Committee, and Divisional Governance boards. In addition, lessons learnt are fed back through to nursing teams at Ward Managers' meetings and safety briefs at a local level to ensure information reaches relevant staff groups. Medical staff have presented their findings at whole hospital rolling half days. Medicines related incidents and meetings to support monitoring have been refreshed during the

year. The Trust has a robust clinical audit programme which includes subsequent audit on selected incidents ensuring changes made as a result of an investigation have been effective.

The Trust underwent a Care Quality Commission (CQC) 'Well Led' inspection in December 2018. The review findings were that we did not have fully effective systems for managing risk, that the risk management system did not connect to the Board Assurance Framework, that committee reporting accountabilities were not clear, and that some issues raised in the last inspection have not been addressed in a timely manner, with gaps in governance and safety issues. The Trust received a rating of 'Requires Improvement' in the final report published on the 17th May 2019.

Prior to the inspection, it was identified by the then acting Chief Executive, that a robust external review was required of the Trust's governance processes, with the purpose of deepening the organisation's understanding of its leadership and governance arrangements and identifying key development actions. This was commissioned before the CQC 'Well Led' inspection.

Key recommendations from the external governance review included -

- Developing a long-term strategy for the organisation;
- Making better use of the Board Assurance Framework (BAF) to drive the Board agenda and aligning the BAF to the Trust's risk management system;
- Implement a development programme for board members and senior operational leaders to improve knowledge around assurance and use of data;
- Review and refresh organisational structures;
- Improve systems and processes; and
- Embed leadership, culture and behaviours.

It is recognised going forward, a new model of integrated governance will be implemented in response to the recommendations of the external

governance review. This will provide oversight and realignment of all governance and risk processes, including quality governance, clinical governance, financial governance, information governance and staffing/people governance, and will also provide an opportunity to review the current reporting mechanisms and committee structures.

Risk Training

All new members of staff receive an overview of the Trust's risk management processes as part of the corporate induction programme, supplemented by local induction organised by line managers. Further education is provided with cyclical mandatory training undertaken by both clinical and non-clinical staff; the risk content for this programme was updated in year and is continually reviewed in light of any changes. Any learning from incidents is integrated into training throughout the year. There is a robust appraisal process which facilitates the identification of individual staff training needs. These are reviewed as part of the member of staff's annual performance and development appraisal. All relevant risk policies are available to staff via the Trust's document management system including -

- Risk management policy
- Incident reporting including serious incidents; and
- Complaints policy.

The Trust aspires to be a learning organisation, using a range of mechanisms including clinical supervision, reflective practice, individual and peer reviews, performance management, continuing professional development, clinical audit and the application of evidence based practice. The revalidation process that a number of health professionals now have to do further supports learning and development.

Work continues to support the realisation of the Trust's vision, to further embrace the culture of embedding positive attitudes. Lessons learned and good practice is shared throughout the Trust via mechanisms such as the Quality, Safety & Patient Experience Committee, the Corporate Leadership Group, alongside the monthly 'Safe, Kind

and Effective' bulletins and Sharing our Learning from incidents in the weekly 'Lessons Learned' communication and the recent introduction of a monthly Quality Newsletter.

As above, in response to the external governance review, the Trust recognises that further work is required to strengthen risk training at all levels in the organisation in order to facilitate an improved risk management system.

The risk and control framework

The Foundation Trust has not published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance, however, this has been raised in a recent internal audit, and we are currently in the process of addressing this.

The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. Risk management requires participation, commitment and collaboration from all staff. The process starts with the systematic identification of risks via structured risk assessments. Identified risks are documented on risk registers. These are held within the Trust's 'Datix' system; the Trust's electronic system of collating risks, incidents, complaints, clinical audit and claims.

All risks are assessed and scored using a Trust approved scoring matrix which takes into account the likelihood and severity of each risk. This results in each risk being awarded a score of between 1 (very low) to 25 (high). The potential consequence and likelihood of the risk occurring are scored along with the effectiveness of existing control measures. It is the sum of these scores which determine the level in the organisation at which the risk is reported and monitored to ensure effective mitigation. The risk scoring bandings will be reviewed in 2019/20, following the external

governance review which found that they are not in line with industry norms.

Following a risk assessment, if the risk score is significant, the risk is entered onto the Datix Risk Register System and the owner of the risk (ward/department manager) is identified on the form. The Datix Risk Register System will then automatically generate a confirmation email to notify the identified risk owner of the added risk. Low scoring risks are managed by the area in which they are found whilst higher scoring risks are managed at progressively higher levels in the organisation. High scoring risks are presented at the Executive Risk Review meeting (see previous section) for confirm and challenge purposes.

The Trust seeks to reduce risk as far as possible, however, it is understood that delivering healthcare carries inherent risks that cannot be completely eradicated. The Countess of Chester Hospital NHS Foundation Trust, therefore, pursues assurance that controls continue to be implemented for risks that cannot be reduced any further.

The Trust's Board Assurance Framework (BAF) sets out the strategic risks that could impact on the delivery of the Trust's objectives. The BAF has ten strategic risks, which should be reviewed quarterly at the Board of Directors meeting. Each of these has an executive lead. The risks are as follows -

- Failure to maintain and enhance the quality and safety of the patient experience and ensure regulatory compliance
- Unable to meet the demand for services within available resources
- Failure to collaboratively innovate and transform the Trust's clinical services
- Failure to deliver the Trust's culture, values and staff engagement plan
- Failure to deliver in year financial plan and manage consequences of delivering a deficit budget
- Failure to comply with Compliance Framework
- Failure to maintain robust corporate governance and overall assurance
- Failure to maintain Information Governance standards

- Failure to provide appropriate Informatics infrastructure, systems and services that effect high quality patient care in-line with the business objectives of the Trust
- Failure to recruit, train and retain professional staff.

The work plan of committees should be aligned to the strategic risks where relevant so that the Trust is assured that there is an aligned independent and executive focus on strategic risk and assurance. It is recognised, however, that this requires further consideration following the findings of the external governance review. A review of the Board Assurance Framework was undertaken by the Trust independent auditors in March 2019 and was given a 'Moderate' rating. Internal Audit found that the Board Assurance Framework had only been reviewed twice by the Board in 2018/19. The annual programme of internal audit aligns to the Trusts most significant risks.

At the time of this report the Foundation Trust remains fully compliant with the registration requirements of the Care Quality Commission. As described above the Trust had an unannounced inspection of three core services (urgent & emergency services, medical and surgical) during its 'Well Led' inspection in November 2018. This was followed up by a formal 'Well Led' inspection in December 2018, resulting in an overall 'Requires Improvement' rating as described above.

Recommendations for action in relation to the final 2018/19 CQC report will be received by the Board, with future assurance being provided through the designated Board committee on quality and risk. A Trust-wide plan supported by the Trust's Quality Improvement Strategy will be implemented.

In respect of ensuring that quality and safety are considered in the context of the Cost Reduction Schemes (CRS), a robust Quality Impact Assessment (QIA) is undertaken for all schemes. The documentation is then reviewed and signed off accordingly by the Medical Director and Director of Nursing & Quality. The process of tracking the impact of schemes via metrics is monitored via the Divisional Governance Committees with oversight provided at the Risk & Performance

Committee (with a detailed review taking place at the weekly CRS meeting).

Incident reporting continues to be encouraged at all levels of the organisation. 'Excellence Reporting' has continued throughout the year also as a method of recognition of quality – this promotes the reporting of positive events, such as excellent team work, individual performance or delivery of care as examples. This is proving a positive way for staff in gaining feedback on their contribution to services for patients. There is a process whereby these reports feed into the Trust's staff recognition awards and support staff groups that requires feedback as part of their professional revalidation.

Involving patients is vital in ensuring the Trust's services meet the needs of patients. Throughout the year, work has continued following the launch of a revised Patient Experience & Involvement Strategy supported by the Patient Experience Operational Group.

The Trust's Governors play an essential part in providing feedback about how services can improve; Governor Rounds are formally in place, facilitating Governors to undertake independent reviews of departments and clinical areas. Findings are shared in real time with the relevant leader at the time. A six-monthly report of findings is also collated which is shared at the Quality, Safety & Patient Experience Committee. Monthly 'Clinical Rounds' are also in place, whereby, clinical and non-clinical staff, Non-Executive Directors and Governors participate in auditing a department or clinical area. This audit is based on the CQC inspection model.

There are numerous ways in which patients provide feedback to the Trust so that improvements can be made, in particular when a significant clinical incident has occurred or a complaint is received, patients and/or their families are approached (if it is deemed appropriate at the time) to be involved in making improvements or sharing their experiences to support lessons learned. Some of these stories have been shared at the Board of Director's meeting during the year, including staff stories.

The Board receives the Integrated Performance Report each month centred round Safe, Kind and Effective care which includes detailed exception reports and performance against key quality indicators. This also includes actions being undertaken to address any risks and uncertainties. The Trust's compliance with the constitutional targets has been challenging throughout the year. Emergency Department performance has been compromised during 2018/19 due to continued increases in demand, complexity of patients and high bed occupancy levels.

The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust is fully compliant with Emergency Preparedness, Resilience & Response (EPRR) standards within the Civil Contingency requirements. An EPRR Committee is in place chaired by the Chief Operating Officer as Executive Board lead. This Committee provides oversight of Major Incident procedures and Business Continuity processes (including BREXIT). A Health and Safety Committee is in place which reports to the EPRR Committee.

Foundation Trust Governance

The Foundation Trust governance structures should ensure that the Board has an overarching responsibility through its leadership and oversight, to be assured that the organisation operates with openness, transparency and candour, particularly in relation to its patients, the wider community and staff. The Board holds itself to account through a wide range of stakeholders and the overall effectiveness and performance of the organisation.

In December 2018, an external governance review was commissioned by the acting Chief Executive to assist the Board of Directors to review the relationship and responsibilities of the Board sub-committees, and resilience

across the organisation. The findings of which are articulated above within the 'Capacity to Handle Risk' section.

The CQC 'Well Led' review indicated that leadership and culture within the organisation needed to be improved, as Executive visibility was reported as low and staff morale on medical wards was poor. This will be a key area of focus in 2019/20 for the Board, along with the focus to address the gaps in governance and safety issues.

The Governors play a significant role in holding the Board, and in particular the Non-Executive Directors, to account in a challenging but constructive way. The Council of Governors meets quarterly and a meeting of the Governor's Quality Forum is held monthly. Governors are represented across a wide range of Trust organisational committees.

The Board is currently reviewing and recommissioning all of its sub-committees, with a view to redesigning the spread of assurance across each. The Audit Committee is a significant statutory committee of the Board and has a key role in ensuring the system of internal control, which is covered later in this statement.

The Board receives the minutes of each of the sub-committees to gain further assurance and it has been recognised that individual reports from Committees to Board are required moving forwards, following the external governance review. To further support the Board, each of the sub-committees receive regular updates and minutes from the operational groups which are chaired by the Executive Directors.

The Board and its sub-committees are responsible for leadership and oversight of the Trust's performance and aim to formulate an effective strategy for the organisation in 2019, following the publication of the NHS Long Term Plan, and whole system approaches to integrated care. Work has already begun on this in 2018/19 through the development of an overarching clinical strategy for the organisation, which is due to be issued in early 2019/20, following robust consultation during its development.

Work has progressed in 2018/19 in the development of the Cheshire West Integrated Care Partnership (ICP). As part of this development a governance programme is considering the governance challenges ahead and how these can be addressed. The Trust will host the ICP in 2019, with a number of strategic and enabling programmes in place to support it. An ICP Integration Agreement has recently been approved by provider Partner Boards, with an effective date of 1st April, 2019, and it is expected that governance arrangements will be agreed in Summer 2019 to establish an Integrated Care Partnership Board, which will function on an aligned decision making model with our provider partners.

The Audit Committee will consider the validity of the Corporate Governance Statement submission as required under NHS Foundation Trust condition 4(8)(b), prior to Board approval.

People, Organisational Development & Workforce Planning

The Trust continued its delivery of the 2016-18 People and Organisational Development Strategy & Delivery Plan, including embedding the Trust's behavioural standards. These standards, the learning from our 2018 staff survey, and the results of a cultural review that we will undertake during 2019, will be used to help create the right organisational culture for clinical engagement and continuous improvement, which in turn will help to deliver the Trust's strategic work programmes and vision.

The Trust launched a new monthly recognition scheme for colleagues to

nominate a 'Countess Gem' and introduced an interactive 'Thank You Wall' on our intranet. Both of these activities complement the range of reward and recognition schemes the Trust has in place to recognise the outstanding work our members of staff undertake to support our patients and each other. These schemes include our annual Celebration of Achievement Awards, Apprenticeship Awards, Foundation Doctor Awards and Long Service Recognition.

The Trust further embedded the processes for junior doctors to transition over to the new contract, including the Guardian of Safe Working and the process for exception reporting. During 2018/19 the Trust reviewed its resources to support Freedom to Speak Up, and undertook a recruitment exercise to appoint a substantive Guardian who will take up post in late Spring 2019. A key objective going forward will be establishing a network of Freedom to Speak Up Champions across the Trust, as well as a revised policy to support any member of staff in knowing how to raise concerns on a timely basis.

The Trust has a number of well embedded formal and informal systems including a programme of Executive 'walk-rounds' that take place on the first day of the month, alongside other impromptu visits. The use of safety briefings, huddles and executive presence within the Trust induction process for all new starters are all important elements of keeping our teams informed, at the same time providing opportunity for feedback. To support this process further, a weekly "What's Brewing" session with members of the Executive team was established alongside the launch of a Leadership Summit, which takes place at regular points throughout the year. This supports our leaders across the organisation



to have further development and time out to discuss organisational challenges and opportunities for improvement. We also have a Staff Barometer Group which we use to gain feedback on new initiatives the Trust is considering, which complements our engagement with staff side and union colleagues.

Lastly, supporting the wellbeing of our staff to enable them to provide Safe, Kind and Effective care to our patients has been an area of key focus. We have introduced additional Occupational Health & Wellbeing clinical capacity, resilience awareness sessions, health and wellbeing events held at both the Countess and Ellesmere Port Hospitals. We have also promoted the awareness and reporting of incidents of violence that our members of staff are subject to. This was highlighted as a key concern in our NHS Staff Survey findings in 2017 and as such we have improved the methods of reporting incidents on Datix, seen improved levels of reporting of incidents, established the review of incidents by the Trust's Adult Safeguarding Strategy Board, and established additional support mechanisms for colleagues from our Occupational Health and Wellbeing Teams.

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

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

With current work streams relating to E-Roster and Job Planning, Variable Pay and improvements in data quality, the Trust is compliant with the Developing Workforce Safeguards Document issued by NHS Improvement in October 2018 and a full

analysis of the compliance was provided to the Divisional Board in April 2019. Additional information regarding this compliance will be provided to the relevant Board sub-committee in quarter one 2019.

A significant part of the guidance is about scheduling the "right staff, right skills, right place, right time" and NHS Improvement is promoting the agenda for rostering and job planning for all of the workforce and not just select groups. The Countess is ahead of this as E-Roster has already been implemented for all nursing and midwifery staff, and is about to be piloted for medical and dental staff. The latter is being done in conjunction with improvements in e-job planning.

The Countess workforce planning process is a joint task between Workforce and Finance colleagues. Year-end base line data is added to staffing developments and risks identified by Divisional senior managers and collated into a single plan. This plan then informs the establishment for staffing across the Trust. The Trust uses e-Roster to monitor safer staffing levels across most areas of the organisation. All safer staffing issues brought by the professional judgement of service leads, and the information generated from our e-Roster/job planning systems influence the Trust Risk Register and Board Assurance Framework so that any staffing risks are clearly escalated and monitored across the organisation. Safe Staffing reports are also provided to the Board and relevant sub-committees on the required timelines.

The medium and long-term workforce plans of the Trust are currently in development, however include the increased use of new roles, including Physicians Associates and the recruitment of the first cohort of Nursing Associates, as well as expanding the use of apprenticeships, particularly clinical apprenticeships. Continued development of the Integrated Care Partnership will see additional workforce developments and system wide workforce planning, particularly in intermediate care, and closer working with other partners across the local system and across the Cheshire & Merseyside Health Care Partnership.

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

The Trust's resources are managed within a sound financial governance framework defined in the Corporate Governance Manual and Standing Financial Instructions. The Trust is committed to ensuring value for money and continued with a challenging Cost Reduction Strategy whilst implementing its long-term programme of service transformation. The Trust's Planning Team helps co-ordinate and facilitate the delivery of these schemes.

Overall performance is monitored by the Board of Directors, supported by the Finance and Integrated Governance Committee, QSPEC and the other sub-committees. The Board of Directors receive monthly integrated performance reports which provide data in respect of financial, quality, national and locally agreed contractual target performance. Any areas of risk are highlighted through the use of a Red, Amber, Green (RAG) rating.

The performance of individual divisions and wards is measured and monitored through budgetary control and service-line reporting systems, and a performance management framework which is linked to the delivery of operational plans. These plans incorporate financial as well as quality, efficiency and productivity targets. All plans are subject to scrutiny and monitoring on a monthly basis (via the Cost Releasing Savings meeting and Executive Directors Group).

The Trust had originally forecast a deficit, before Provider Sustainability Fund (PSF) monies, of £4.34m for 2018/19 (with PSF monies being allocated of £7.3m), giving a control total of £2.96m surplus if the Trust was successful in achieving 100% of its Provider Sustainability Fund metrics. This position being very much based upon the Trust delivering £10.7m of Cost Reduction Savings (CRS).

The Trust achieved an actual deficit of £8.1m, a deterioration of £9.9m against the previous year. This was predominantly due to the

net loss of Provider Sustainability Funding monies of £2.75m and non-achievement of CRS £5.8m.

The Board approved the Board Assurance Statement regarding the in-year change to the financial forecast required by NHS Improvement following an updated forecast in September 2018. The change in forecast reflected changes to the strategic and national efficiency schemes identified in the plan and expenditure pressures relating to workforce shortages and increased non elective demand.

Following the deterioration of the Trust's financial forecast an internal turnaround programme was instructed, reporting to the Board that has mitigated further risks in 2018/19 and identified further opportunities for 2019/20.

During the year, the Trust applied for interim revenue support from the Department of Health and Social Care (DHSC) totalling £6.7m to support its revenue cash position - within this figure is also £1.9m to cover the current shortfall in capital payments pending the approval of the loan by DHSC, as advised by NHS Improvement. In 2019/20, the financial plan is to meet its control total of breakeven with a stretching efficiency target of £9.4m.

The Trust has continued to progress its own improvement programme which has seen the implementation of the Trust Coordination Centre, and the further roll out of our acuity based staff rostering system, which have provided greater operational transparency and a central location for managing the hospital.

We continue to work with our health and social care partners in West Cheshire to create a new Integrated Care Partnership (Cheshire West ICP), hosted by the Countess of Chester Hospital, to transform how services are delivered to patients in a collaborative way across the local health system. We have a responsibility to the local health and social care system, and are committed to working with our partners and playing into the West Cheshire transformation plans.

The Trust’s internal and external auditors provide assurance in respect of the internal control environment and the use of the Foundation Trust’s resources. Audit findings and recommendations are monitored and reported through the Audit Committee and the Foundation Trust’s Audit Tracker.

- Process Reviews
- Responding to Incidents
- Continuity Planning
- Unsupported Systems
- IT Protection
- Accountable Suppliers.

Information Governance

The Trust is required to undertake a mandatory annual Data Security and Protection Toolkit (DSPT) self-assessment (Previously IG Toolkit). The Data Security and Protection Toolkit draws together legislation and relevant guidance and presents them in a single standard as a set of requirements. The assessment enables the Trust to measure its compliance against National Data Guardian data security standards to provide assurance to the organisation, patients and staff that information is handled correctly and protected from unauthorised access, loss, damage and destruction.

The Data Security and Protection Toolkit has increased the spectrum since last year and now assesses compliance against the following areas -

- Personal Confidential Data
- Staff Responsibilities
- Training
- Managing Data Access

The Data Security and Protection Toolkit assessment provides an overall compliance score with each standard measured requiring multiple evidence standards to be met. The Trust’s most recent DSPT submission to NHS Digital in October 2018 returned a Moderate Assurance identifying two areas of concern: Supplier Assurance and IT Security. An action plan is in place to address these gaps and to ensure full ongoing compliance with the General Data Protection Regulations (GDPR). There is still further improvement required regarding Data Security even though NHS Digital has positively recognised the work undertaken to date. However, this is high on the informatics agenda and a key focus for the coming year. An improvement plan is in place which is monitored by the Information Governance Committee. The outcome for the Data Security and Protection Toolkit 2018/19 is still awaited from NHS Digital.

Information Governance Incident Report

Summary of serious incident(s) requiring investigations involving personal data as reported to the information commissioner’s office in 2018/19				
Date of Incident (month)	Nature of Incident	Nature of Data Involved	Number of data subjects potentially affected	Notification Steps
March 2019	Laptop stolen from GPU	No data involved	None	Notified to ICO and police. ICO returned an answer on notification that, because all data was encrypted and the Trust was able to track a full audit trail of log-on attempts up until the theft and could prove the device was not logged on at the time, this was not notifiable to the ICO – we have retained this notice and the incident number. Cheshire police are still investigating the theft.
Further Action on information risk	No risk on this occurrence. IT team to add into A&E weekly checks that all laptops are physically checked to ensure bolts are not loose.			

Summary of other personal data related incidents in 2018/19		
Category	Breach Type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in Error	86
C	Lost in Transit	33
D	Lost or stolen hardware	1
E	Non-secure Disposal – hardware	0
F	Non-secure Disposal – paperwork	22
G	Uploaded to website in error	1
H	Technical security failing (including hacking)	0
I	Unauthorised access/disclosure	28
J	Other	67

Regular communication is shared on themes and trends regarding incidents. Learning is fed into training and a programme of audit is in place to monitor compliance, this takes place across all areas of the Trust.

The Trust continues a resilient approach to GDPR. All existing sharing agreements are not required to be updated with GDPR details unless there is a significant change, but, as a matter of diligence, the Trust is updating them as and when required. All new agreements are validated with full reference to GDPR and Data Protection Act 2018 before being approved.

Annual Quality Report

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

Steps which have been put in place to assure the board that the Quality Report presents a balanced view and that there are appropriate controls in place to ensure the accuracy of data is set out below -

- Lead roles for quality and the production of the Quality Accounts have been assigned. The Foundation Trust has

an overarching Quality Improvement Strategy which articulates key priorities and links with the national quality and safety agenda.

- The Foundation Trust QSPEC is a sub-committee of the Board, chaired by a non-executive director, supported by the Director of Nursing and Quality. This Committee is charged with overseeing the production of the majority of the data and information relating to the Annual Quality Accounts and has non-executive board membership.
- The content of the quality report reflects both internal and external sources of information to ensure the consistency and accuracy of reported data. The priorities of safety, experience and effectiveness are derived from public and service users and from areas of concern that have been highlighted. Using Governors, social media and Healthwatch, the public has also been asked to give views of what the Trust should be prioritising.
- The Board of Directors review safety and quality performance indicators monthly as part of the monthly Integrated Performance Report. This report provides trend as well as cumulative performance information and exception reports are provided on metrics/ indicators requiring improvement. The metrics have been reviewed in year and will give further assurance that improvements are being made or areas for improvement are being monitored.
- The Board of Directors also receive more

detailed qualitative and quantitative information through specific reports in respect of quality related areas such as complaints, patient experience, infection, prevention and control, safeguarding, clinical audit, clinical benchmark and mortality reports.

- The report accurately reflects the position and performance of the quality performance using nationally agreed metrics and standards. Some of the standards and metrics are subject to external audit in year. Three of the national indicators are audited at year end, two of which are mandated and the third is chosen by the Governors.
- Views of the completed Quality Accounts come from the public by way of the Overview and Scrutiny group as well as our commissioners.

Quality and Accuracy of Elective Waiting Time Data Assurance

The Trust's Access Policy provides the operational framework for the management of patients who are waiting for elective treatment. The policy reflects national guidance and is reviewed annually and agreed by NHS West Cheshire CCG.

The Trust produces routine elective waiting time data (both inpatient and outpatient), which is subject to review and analysis in-line with good standards of corporate governance.

Individual staff who are involved with the collection and recording of this data are made aware of their responsibilities and receive annual mandatory training.

The Trust has developed an operational management tool using Qlikview software to better support the management and analysis of patients on an elective pathway.

The Operational Data Quality Group is established to oversee key aspects of data quality. Reporting bi-annually to the Trust Informatics Board, the group monitors, analyses and addresses issues in relation to data quality, escalating issues as appropriate.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee, the Quality, Safety & Patient Experience Committee, Finance & Integrated Governance Committee, People and OD Committee, the external governance review, along with the Executive Risk Review Meeting, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework has been subject to some review at Board and Executive Director level. The Board Assurance Framework provides the Board with assurances on the way it manages the organisation at a strategic level and high level potential risks have been documented and assurances identified. However, the external governance review has identified that further work is required on the Board Assurance Framework to link further with the risk management system and driving the Board agenda.

The Board has risk identification and risk management processes to deliver its annual plan, comply with its registration and compliance with the terms of its licence. The Corporate Directors Group reviews the significant risks as escalated by the divisions through this forum; these in turn inform the Executive Risk Register that is aligned to the Board Assurance Framework.

Following their independent assessment of the Trust Board Assurance Framework, our internal auditors concluded that – “The organisation’s Assurance Framework is structured to meet the NHS requirements, could be more visibly used by the Board and clearly reflects the risks discussed by the Board’. The Board, in association with the findings of the external governance review, intend to consider in early 2019/20 how the Board Assurance Framework can be more visibly used and direct the agenda of the Board of Directors.

There have been some changes to the Board composition this year, which are outlined in the Annual Report, however, these include the appointment of an acting Chief Executive (since made substantive), an acting Medical Director, the replacement of one of the Non-Executive Directors who is also the Chair of the Cheshire West Integrated Care Partnership (since 1st April 2018) and the appointment of an Executive Director as the Managing Director of the Cheshire West Integrated Care Partnership. The Board intend to redress the number imbalance between Executive Directors and Non-Executive Directors, since 1st September, 2018.

The Audit Committee focus is to seek assurance that financial reporting and internal control principles are applied and to maintain an appropriate relationship with the Trust’s auditors, both internal and external. Where risks are identified across the Board Assurance Framework and audit report outcomes to the Audit Committee, relevant executive directors and senior managers are called to account by attending the Audit Committee meetings.

The Audit Committee is positioned as an independent source of assurance to the Board and its independence is paramount, with a clearly defined challenge and scrutiny role. The Audit Committee have reviewed risks and gained assurance on the effectiveness of controls through the work of the internal and external auditors. This Committee has undertaken a review of its effectiveness, with facilitation from the internal audit.

The Director of Internal Audit (MIAA)

provides me with an annual opinion, substantially derived from the conduct of risk based reviews within the internal audit plan, generated from and aligned to the risks identified in the Trust’s Assurance Framework. The overall opinion for the period 1st April 2018 to 31st March 2019 provides, “*Moderate Assurance that there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some of the organisation’s objectives at risk*”.

I have received **Substantial** internal audit assurance on the systems and processes operated for -

- Financial Systems, Integrity & Reporting
- Referral Management
- ESR/Payroll; and
- Take Home Medicines (TTO).

I have received **Moderate** internal audit assurance on the systems and processes operated for -

- Data Security & Protection Toolkit Assurance
- Locums and Variable Pay; and
- E-Rostering.

I have received **Limited** internal audit assurance on the systems and processes operated for -

- Quality Spot Checks; and
- Safeguarding.

Actions have been taken by my executive team to address the recommendations made in the **Moderate** and **Limited** opinion audit reports, to improve the control environment and these will be independently followed up in year by the Internal Audit team. In particular, the two high risk recommendations and two out of three of the moderate risk recommendations within the Adult Safeguarding review have been completed which included a review of resources within the team; and all of the recommendations from the Quality Spot Checks review have been completed during the year. All audit recommendations are tracked by the Trust and monitored by the Audit Committee to satisfactory completion and the Head of Internal Audit informs me that good progress has been

made with regards to implementation of recommendations.

Areas where internal audit have supported the organisation in strengthening arrangements in respect of governance, risk management and internal control include two Risk Management workshops sessions in Quarter 3, where a total of 92 members of staff within the Trust attended the sessions. The purpose of the sessions was to reinforce the roles and responsibilities of Risk Management and to provide greater understanding of risk, control and assurance. Audit advice and support has also been provided in-year in relation to the Model Hospital programme of work.

Conclusion

During the year, no significant internal control issues have been identified. It is recognised that moderate assurance was provided on the system of internal control and actions are in place or have been identified or completed to address the limited assurances received. There are a number of significant risks and challenges facing the Trust and these have been outlined within the content of this statement and are under consideration by the Board. In particular, the Board intend to fully review their governance structures and reporting arrangements in early 2019/20 following consideration of the findings of the external governance review, and the CQC report. A long-term strategy for the organisation will also be developed, and better use made of the Board Assurance Framework.

The Board of Directors remain committed to developing a supportive learning culture for quality governance, continuous improvement and enhancement of the system of internal control as and when issues are identified.

The Board, like other organisations across the NHS, is facing a number of challenging issues and wider organisational factors. The key challenges for Trust performance targets are in the area of 62 day cancer target, C-difficile cases, Referral to Treatment 18 weeks, 6 weeks diagnostics, A&E waiting times and rates of sickness absence, and these remain an area of Board focus. The Board recognises the deterioration in the financial position in 2018/19 and has also submitted a financial plan for 2019/20 that allows us to accept our NHS I control total and have access to the Financial Recovery Fund.

The Board takes account of how it can work with its health system partners to address the current challenges the organisation faces and this is a driving factor in the development of the Cheshire West Integrated Care Partnership.

Signed:

Dr Susan Gilby
Chief Executive Officer
21st May 2019