

ANNUAL REPORT AND ACCOUNTS 2015/2016

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paragraph 25(4) (a) of the National Health Service Act 2006.**

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Chairman's Introduction

Welcome to the Trust's Annual Report & Accounts for 2015/16 and I sincerely hope that the content will provide readers with a good appreciation of our performance over what, at times, was a particularly challenging year. At the outset, I must commend all of our staff who have worked throughout the year in a compassionate, enthusiastic and dedicated manner to deliver good quality services to our patients. Despite some challenging circumstances, the efforts of our staff have allowed us to further progress partnership developments, take opportunities to make service improvements and achieve good results in key clinical areas.

If I were to use a literary reference to describe 2015/16 I would have to choose Dickens and say that 'It was the best of times, it was the worst of times'. Best of times because there has been much to celebrate, such as the Trust's selection as the fourth specialist hospital site in Greater Manchester as part of the Healthier Together programme, and the Performance Report will show that we achieved the majority of national performance standards for the year, delivered our financial plan and realised a range of quality improvements as detailed in the Annual Quality Report 2015/16. We also implemented an ambitious Five Year Strategic Plan and achieved the associated Year One milestones. Our strategy is based on a vision for the Trust to be nationally recognised for our specialism in the care of older people and as an organisation that provides excellent cancer care. Successful delivery of this strategy is of paramount importance to the long term sustainability of the Trust.

We know that we cannot deliver our strategy in isolation and we will need to work proactively with key stakeholders and health economy partners in order to realise our ambitions. Our strategy will also need to be flexible in order to 'fit' with emerging local and regional developments and achieve consistency with the aims and benefits of these wider programmes. Much work has been completed during 2015/16 to progress effective partnership working and no more so than in our work on the 'Stockport Together' programme in conjunction with Stockport Clinical Commissioning Group, Stockport Metropolitan Borough Council, Pennine Care NHS Foundation Trust and Viaduct (a federation of Stockport General Practitioners). The groundwork was completed during 2015/16 to work towards establishment of a Multi-Specialty Community Provider (MCP) model which will feature service delivery by multi-disciplinary teams across the eight Stockport neighbourhoods. Enhanced ability to treat people closer to home and reduce hospital referrals will benefit both patients and the Trust.

Of course, these developments are taking place in the context of Devolution in the Greater Manchester conurbation, with much preparatory work undertaken during 2015/16 prior to implementation from 1 April 2016. The Trust has been fully engaged in this key strategic programme and has been well placed to do so through the Trust's membership of the Strategic Partnership Board and the Chief Executive being the Chair of the NHS Trusts 'Provider Federation Board' which is an integral part of the governance arrangements.

However, from a performance perspective, 2015/16 was a disappointing and frustrating year as we failed to achieve the national performance standard for four hour-waiting in A&E and performance against the 18-week referral to treatment target became increasingly challenging as the year progressed. Factors affecting performance are explained in the Performance Report but clearly we will need to increase our efforts to both achieve and sustain performance in these areas in 2016/17. Our failure to meet the A&E standard

meant that we remained in significant breach of our provider licence and the regime of performance review meetings with the independent regulator, Monitor, continued during 2015/16. Monitor has been supportive in encouraging the local health economy developments which are pivotal to achieving a sustainable solution to this challenge. That is not to say that there are no actions that we can make as a Trust to improve the situation and, towards the end of the year, the Board identified the need to provide additional Executive-level capacity to enhance focus on delivery of operational efficiencies.

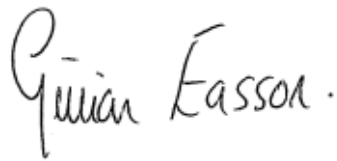
In addition, like many other Provider organisations, the Trust is operating in an increasingly challenging financial environment. While we delivered our financial plan in 2015/16, this resulted in a deficit position of £13.1m despite achieving a cost improvement programme of £11.8m. The position is even more challenging in 2016/17 where we have planned a deficit of £16.9m after a cost improvement programme of £17.5m which is the highest in-year efficiency programme which the Trust will have faced. While we are confident that our plan for 2016/17 will be achieved, it is clear that the deficit position is not sustainable and that there is a pressing need to develop plans and take actions to return the Trust to a sustainable breakeven position at the earliest opportunity. For this reason, we were pleased to have the opportunity to be involved in a national Financial Improvement Programme which will be coordinated by NHS Improvement. The programme, which will provide the Trust with expert consultancy support and resource to develop plans and deliver financial savings, will also result in the appointment of a Financial Improvement Director. Meeting the financial challenge will not be easy and will undoubtedly necessitate some difficult decisions during 2016/17.

Whatever the nature of the challenge, our commitment to providing safe, good quality of care has never wavered and the question of 'what is in the best interests of patients' continues to be the first question asked in planning our response to challenging situations. The importance of this approach is underlined by the positive outcomes for the Friends and Family Test during 2015/16 which indicate a high degree of satisfaction despite the challenges faced by the Trust. Details of Friends and Family outcomes and performance against other quality indicators can be found in the Annual Quality Report 2015/16 on page 97. The Trust was subject to a planned inspection by the Care Quality Commission in January 2016 and this was our first experience of a review carried out under the new Chief Inspector of Hospitals inspection regime. At the time of writing, the report detailing inspection outcomes had yet to be received. However, no immediate areas of concern were identified at the time of the inspection, apart from the Accident & Emergency 4-hour access standard, and naturally the Board is fully committed to addressing any resultant recommendations.

With regard to the Board, there have been a number of changes in Board composition and we said goodbye to two long serving Non-Executive Directors in Les Wilcock and Carol Prowse who completed their terms of office on 30 June 2015 and 31 March 2016 respectively. I would like to take this opportunity to thank both Les and Carol for their dedicated service to the Trust. We welcomed capable replacements in Catherine Anderson, who was appointed with effect from 1 January 2016, and Angela Smith who joined the Trust on a designate basis from 1 January 2016 with her substantive appointment effective from 1 April 2016. There was one change in the composition of the Executive Directors, with Feroz Patel joining the team as Director of Finance with effect from 1 August 2015. Feroz replaced Kevin Howells who had served on an interim basis until 31 July 2015. Our Council of Governors continues to play an important role in reflecting views of members and the public on the Trust's plans and our governors have made an excellent contribution through their work in the community, on Council committees and with our Board of Directors. Governors work on a completely voluntary basis

and we greatly appreciate the commitment and the time that they give on behalf of their members.

Our focus for 2016/17 and beyond is on building a sustainable future for delivery of our services to the public of Stockport and the High Peak. We will need to do this in the context of an operating environment characterised by increasing complexity and continuing pressure on available resources. It will be difficult. However, we will approach these difficulties with a sense of shared purpose and optimism and an unflinching commitment to do our utmost for our patients and community. Finally, I would like to thank our governors, volunteers, members and supporters for the difference they make to the life and work of our Trust. We would also like to thank the staff for their exceptional commitment and professionalism. It is their skill and dedication which allows us to provide the highest quality care to our patients.

A handwritten signature in black ink that reads "Gillian Easson." The signature is written in a cursive, flowing style.

Gillian Easson
Chairman

26 May 2016

Performance Report

Overview

The overall performance of the Trust has been good. This may appear to be a bold statement in view of our continued difficulties in achieving the 4-hour emergency department standard, but, it is my firm belief that non-attainment of this standard alone should not colour perception as to the overall performance of the organisation during 2015/16. Yes, it has been a difficult year, and none more so than during an extremely challenging winter period despite unseasonably mild weather, but we have also enjoyed many successes. We achieved all of the national performance standards, with the exception of the 4-hour standard, delivered our financial plan for the year, made significant progress with implementation of the Trust's Five-Year strategy and engaged proactively with the Stockport Together and Greater Manchester Devolution strategic change programmes. Most pleasing for me personally has been our continued delivery of high quality patient care and the positive feedback received from patients and carers as evidenced in Friends and Family test outcomes together with the staff engagement work around accountability, transparency and involvement as evidenced in the 2015 staff survey.

A summary of key achievements during 2015/16 is included below:

- Selection of the Trust as the fourth specialist hospital site in Greater Manchester as part of the Healthier Together programme
- 90% of Commissioning for Quality & Innovation (CQUIN) schemes were delivered in 2015/16
- External reports on mortality rates show that the Trust has maintained its position in achieving one of the lowest rates in the region
- Introduction of robotic surgery for Urology patients
- Uptake of flu vaccinations by staff continued to be positive with 66.2% of our front line staff receiving the vaccination in 2015/16
- Our annual staff survey results were excellent and an improvement on 2014/15 outcomes with a high percentage of staff recommending the organisation as a place for treatment and to work
- We were among the first trusts in the region to appoint a Freedom to Speak Up Guardian in February 2016.

These and other achievements will be covered in more detail later in this report and, in particular, in the Annual Quality Report section of the report. So, generally a successful year with much to celebrate while ever mindful of the need to achieve a consistent and sustainable solution for delivery of the 4-hour emergency department target. The Trust remains subject to an additional licence condition in this area and, despite our emphasis on patient safety and quality of service during times of pressure, continued non-attainment is not meeting the expectations of our patients.

Resolving this issue is a complex and intractable problem and is not one that is peculiar to our Trust. However, the fact that we are not alone in struggling to achieve the standard is of no comfort to the Executive Team and the Board and is certainly of no comfort to our patients. I am certain that a sustainable solution is reliant on fundamental change in the local health and social care economy which will necessitate the active participation of our partners at Stockport Clinical

Commissioning Group (CCG), Stockport Metropolitan Borough Council, primary care (Viaduct federation) and Pennine Care NHS Foundation Trust. Successful implementation and further development of the Stockport Together programme will be key in achieving the necessary change. That is not to say that there are no initiatives that we can make independently to achieve improvement. There are, and we have welcomed support from Monitor during the year and the Emergency Care Improvement Support Team (ECIST) in assisting to identify areas for improvement. The Board has also acknowledged the need for additional capacity at Executive-level to drive internal improvement and towards the end of the year we appointed an Interim Chief Operating Officer to provide this additional operational capacity.

The Performance Report which follows and the content of the Annual Report generally expands on overall performance during 2015/16 and I trust that having read the report, the reader will reach a similar conclusion to myself.



Ann Barnes
Chief Executive

Brief History of Stockport NHS Foundation Trust

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

We employ over 5,700 staff working across hospital and community premises. Our major hospital is Stepping Hill Hospital situated on the A6, south of Stockport town centre. We also provide services from the Meadows, Swanbourne Gardens, the Devonshire Centre and in peoples' homes and the community within Stockport.

The Trust is licensed to provide the following mandatory services (more information can be found in our Terms of Authorisation):

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

These services are delivered through our Business Groups which are led by a 'triumvirate' comprised of, a Business Group Director, an Associate Medical Director (AMD) and a Head of Nursing. Our Business Groups during 2015/16 were:

- Child and Family
- Community Services
- Diagnostic & Clinical Support Services
- Medicine
- Surgical & Critical Care

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

Key Issues & Risks

The Board of Directors has identified its strategic objectives and associated principal risks in a Board Assurance Framework which is subject to regular monitoring and review by the Board. The key issues and risks that could affect the Trust in delivering its objectives are detailed in the Annual Governance Statement 2015/16 which can be found on page 88 of the report.

Performance Measurement

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

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

- **Clinical** - Patient Experience, Dementia FAIR, Clinical Correspondence, Falls, Pressure Ulcers, Clostridium Difficile and CQUIN
- **Access** - Outpatient Waiting List, 4-hour Emergency Department Standard, Diagnostic Tests, Cancelled Operations, Cancer, Discharge Summary and Referral to Treatment (RTT) performance
- **Quality** - Mortality & preventable deaths, Quality of Life in Long Term Conditions, Helping Patients Recover, Positive Experience of Care and Avoidable Harm & Complications
- **Partnership & Efficiency** - Financial Sustainability, Cost Improvement Programme, Capital Programme, In-Year Financial Performance, Workforce Quality and Workforce Efficiency

The Chief Operating Officer presents the IPR to the Board under cover of a Compliance Report which details performance against the key metrics used by Monitor to assess compliance with the indicators set out in the Risk Assessment Framework.

Summary Performance

The table below summarises performance against key Risk Assessment Framework metrics during 2015/16:

Metric	Standard	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Maximum time of 18 weeks from point of referral to treatment	92%	93%	93%	92.4%	91.8%
Maximum waiting time of 4 hours from arrival to admission / transfer / discharge	95%	93.5%	93%	80.6%	73%
All cancers – 62 day wait for first treatment	85%	85.9%	89.4%	87.9%	86.4%
All cancers: 31 day wait for second or subsequent treatment; surgery	94%	100%	100%	100%	100%
All cancers: 31 day wait for second or subsequent treatment; anti-cancer drug treatments	98%	100%	100%	100%	100%
All cancers: 31 day wait from diagnosis to first treatment	96%	98.1%	97.9%	97.8%	98.2%
Two week wait from referral to date first seen, comprising: all urgent referrals (cancer suspected)	93%	96.6%	95.9%	97%	97.5%
Two week wait from referral to date first seen, comprising: for symptomatic breast patients (cancer not initially suspected)	93%	96.7%	96.1%	95%	98.1%
Meeting the C. Difficile objective < 17 in year due to lapse in care	Deminimis applies = 17	0	3	1	3

Analysis of Performance

Emergency Department - 4-hour Standard

Our performance against the 4-hour standard during Quarter 1 and Quarter 2, despite falling short of the 95% target, was relatively strong, consistent and performance levels were good in comparison with other trusts in the Greater Manchester area. However, we experienced a significant downturn in performance in November 2015 and this deterioration continued for the remainder of Quarter 3. A further deterioration in performance was experienced throughout Quarter 4 with performance of 73.5%, 72.8% and 72.6% in January, February and March 2016 respectively.

The deterioration in performance correlated with an early onset of significant winter pressures characterised by a significant increase in attendances compared with the previous year. This was a trend which was experienced nationally and was not an issue which was specific to the Stockport locality. However, our ability to manage performance and ease pressures in the Emergency Department was impaired by an increase in delayed discharges for patients with a social care need. These cases are known as Delayed Transfer of Care (DTOC) and we experienced a significant increase in such instances during Quarter 3 and Quarter 4. This was consistent with challenges experienced by Stockport Metropolitan Borough Council in managing social care within an economy of reduced capacity. Performance, increased attendance and discharge delays are illustrated in charts 1 - 3 below.

Chart 1 – A&E Performance 2015/16

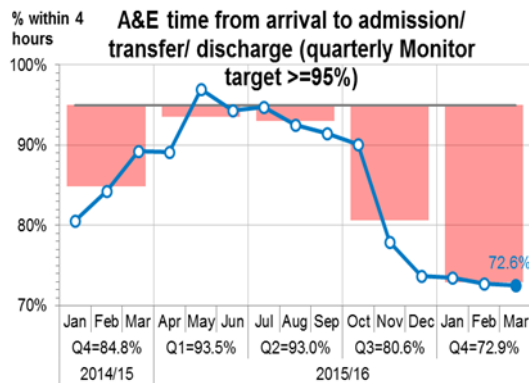


Chart 2 – Delayed Discharge 2015/16

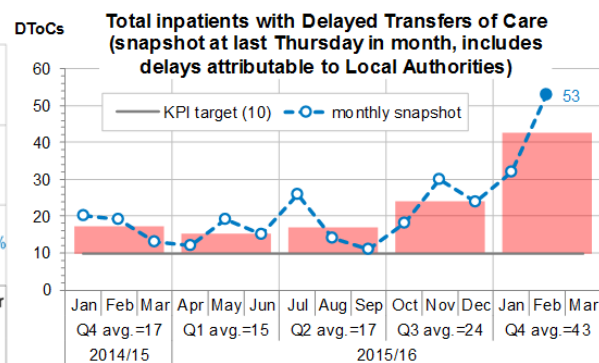
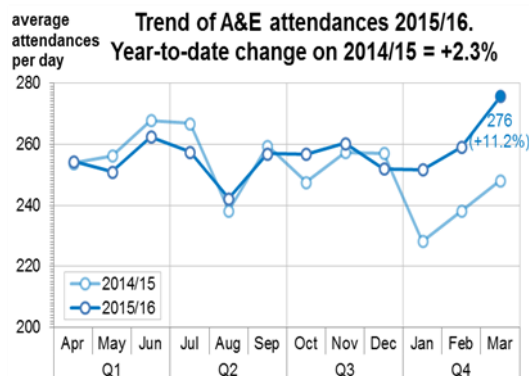


Chart 3 – A&E Attendance Levels

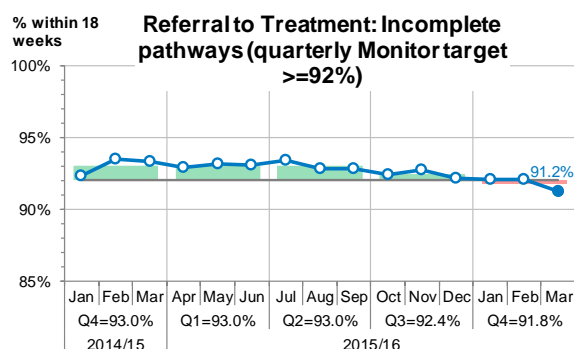


A sustainable solution to emergency department performance is a Stockport Health and Social Care system-wide issue, and the Trust is working proactively with senior leaders from Stockport Metropolitan Borough Council and Stockport Clinical Commissioning Group to develop long term, sustainable solutions to patients' increasing reliance on the Urgent Care system.

18 Week Referral to Treatment

The 92% Referral to Treatment (RTT) target for patients on an incomplete pathway was achieved in each month during 2015/16 with the exception of March 2016. A single month failure results in a default failure for the relevant Quarter. On the face of it, performance during the year appears to be fairly positive. However, attainment of the 92% standard proved to be increasingly difficult during the second half of the year with the standard was only narrowly achieved on a month by month basis during the period October 2015 – February 2016. The downturn in performance is illustrated in Chart 4 below:

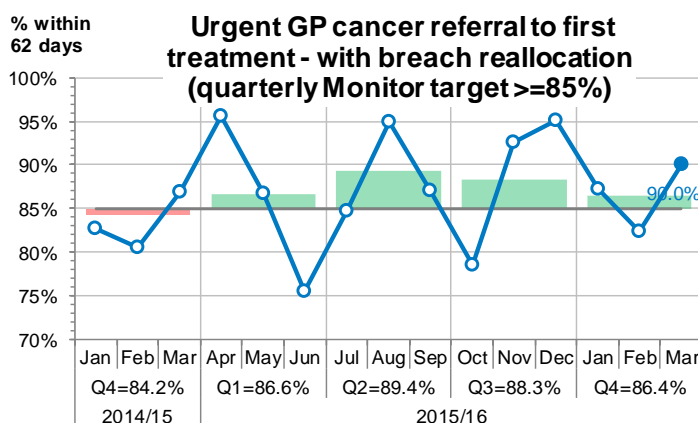
Chart 4 - RTT Performance 2015/16



The difficulty in achieving the performance standard has been caused by increased waits for elective surgery. As a result of sustained high level demand for emergency medicine, a decision was reluctantly taken to cancel elective activity in order to maximise emergency capacity. Whilst cancer and urgent elective cases have been prioritised, there was a consequent impact on the routine waiting list. The situation was exacerbated during the final Quarter of the year as a result of cancellations to mitigate the impact of industrial action taken by junior doctors as part of a national contract dispute. We anticipate that compliance with the incomplete RTT 92% standard will prove to be extremely challenging in 2016/17.

Cancer

Performance against all of the Cancer standards was strong throughout the year and resulted in full compliance against each of the required standards in 2015/16. We fully expect this level of performance to be maintained in 2016/17. Of particular note is the achievement of the 62 day standard in each Quarter of this year, which followed a period of 2 consecutive failures in Quarters 3 and 4 of 2014/15. This was achieved despite the significant challenge of reduced bed capacity during the extended winter bed pressure period.



Challenges to meeting national service standards in 2016/17

The Board of Directors has declared a forward risk of non-compliance with the Emergency Department 4-hour standard in 2016/17 as part of its governance declaration to Monitor. As indicated above, we have also identified that there is a significant risk to continued achievement of the RTT incomplete standard due to an increase in the number of patients waiting for surgery as a result of cancelled elective activity during the winter period. Recovery trajectories have been put in place by the relevant Business Groups to address backlog activity as soon as practicable.

Any new or significantly revised services

No new services commenced during 2015/16. However, early in 2015/16 the Board of Directors took the decision to cease provision of community services in the Tameside & Glossop area. This decision was consistent with both the strategic direction set by the Board in approving the Trust's Five-Year Strategy in April 2015 and the planned transition to provision of services in Tameside by an Integrated Care Organisation (ICO). Following detailed due diligence work involving all affected parties, services were formally transferred to Tameside Hospital NHS Foundation Trust on 1 April 2016. The Trust continues to provide a comprehensive community service in Stockport and to work in partnership with Tameside Hospital NHS Foundation Trust on its integrated care programme as part of the Healthier Together programme.

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

The Trust has been actively involved in both regional and local strategic partnerships and alliances within the Health and Social Care (H&SC) system throughout 2015/16.

Regional

At a regional level, the Trust has been actively engaged in two strategic work programmes. The first, which superseded the South Sector partnership described in 2014/15 annual report and is now referred to as the South East Sector Partnership, is a collaboration of acute providers within the South East of Greater Manchester (GM) formed to deliver the published Healthier Together (HT) ambitions across the conurbation. Stockport NHS Foundation Trust was selected as the fourth Specialist Hospital site in Greater Manchester in July 2015, although this decision was subject to a judicial review which delayed implementation of the programme. The outcome of the judicial review, which upheld the decision taken in July 2015, was announced on 7 January 2016 and preparatory work with our partners in terms of planning new patient flows, revised clinical pathways and estate developments was progressed during Quarter 4 2015/16 for implementation during 2016/17.

The second programme is the hugely significant Greater Manchester Devolution Plan (GM Devo) where local government continues to lead the collective efforts to deliver an ambitious public service reform agenda and secure economic growth. The Greater Manchester strategic plan *'Taking Charge of Our Health and Social Care'* outlines the vision for health and social care development for 2015-2020 and was endorsed by all 37 participating organisations in 2015/16. In considering the document on 28 January 2016 the Board agreed that the key areas of Greater Manchester focus are aligned with both the Trust's Five-Year Strategy and the Stockport Locality Plan (see below), particularly in relation to reduced length of stay benefits and opportunities and the multidisciplinary neighbourhood team approach to service reform.

'Taking Charge of our Health and Social Care' outlines the vision for Greater Manchester and focuses on four key areas:

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

The plan for Greater Manchester identifies the need for radical upgrade in population health prevention, transforming community-based care and support, standardising acute and specialist care, standardising clinical support and back office services and enabling better care. The Trust is fully committed to working with partners across the Greater Manchester conurbation to achieve delivery of the aims and objectives set out in *'Taking Charge of our Health and Social Care'*. Our Chief Executive is the Chair of the Greater Manchester NHS Provider Trust Federation Board and is the Federation Board's representative at a number of meetings. Our Chairman participates as a

member of the Greater Manchester Trusts' Chair's Group and our Executive Directors are active involved in the various work streams which contribute to the strategic change programme.

Local

Within the Stockport locality, a Multi-Specialty Community Provider (MCP) Vanguard new model of care has been accelerated as a central part of the Stockport Together programme in which the Trust is an active participant. The Stockport Together programme is led by the Chief Officers of organisations responsible for Health & Social Care in Stockport to take forward an ambitious redesign of services within the Borough. The MCP is a model outlined in the '*NHS five year forward view*' document and the Trust and its partners are part of the national pilot. Stockport was selected as an NHS Vanguard site to test the MCP model and Stockport is one of 15 areas nationwide that are working with this model, which will inform the national agenda and aid learning regarding the reliability of the model. Locally, there has been high level endorsement of the partnership work to date.

The Stockport Together participants view the next five years as a challenging but pivotal period for the development of reformed and effective health and social care services in the borough. The partner organisations in the programme are; the Trust, Stockport Clinical Commissioning Group, Stockport Metropolitan Borough Council, Pennine Care NHS Foundation Trust and Viaduct (a federation of Stockport GPs). During 2015/16 the Trust worked closely with its partners to establish a Shadow Provider Board for the programme and, on 31 March 2016, the Board of Directors approved a formal Memorandum of Understanding to progress joint provider working in 2016/17.

The headline benefits expected to accrue from the Stockport Together programme are; Healthier People, Quality Services and a Sustainable System. The Stockport Together participants will need to collectively address a number of key challenges in 2016/17 and beyond including system financial sustainability, high inequality gaps across the borough and the urgent care system issues that manifest as performance issues in the Trust's Emergency Department. Development of the programme to date, as indicated below, suggests that all participants are fully committed to addressing these challenges.

Progressive actions that had been taken as at 31 March 2016 are as follows:

- A Memorandum of Understanding was agreed
- Stockport CCG and Stockport MBC established pooled budget arrangements for the over 65 year olds
- Eight integrated teams were established running MDTs using the 6,000 most vulnerable adults in neighbourhood populations as basis for their work
- Additional funding of circa £3m was agreed for community support and funding including mental health liaison posts
- Every care home in Stockport now has weekly GP-led MDT and one set of common protocols in place with Advanced Nurse Practitioners to support these arrangements
- A 'Consultant Connect' system was launched across 5 specialities to reduce hospital referrals for advice
- A team was established to work on GP referral behavior with agreed action plans in place for the 10 highest referring practices
- Significant improvements to IT infrastructure, staff across partners talking and working together differently, relationships rather than referrals being established and community in-reach team and principles protected;
- Joint development sessions with GPs and Trust consultants have taken place

Consultation with Local Groups and Organisations

The Trust has not made any material changes to its service provision, estate or any other aspect of its establishment and operation that required formal consultation during 2015/16. However, Executive Directors regularly attend meetings of the local Health Overview & Scrutiny Committee at Stockport Metropolitan Borough Council to brief Committee members on developments at the Trust. Briefing subjects in 2015/16 included actions to address Emergency Department pressures and presentation of the Trust's draft Annual Quality Report 2015/16. In addition, quarterly meetings are scheduled with Stockport Healthwatch to share information on Trust developments and address any issues that may be identified by Healthwatch representatives.

Important events since the end of the Financial Year

With the exception of our participation in the national Financial Improvement Programme, see page 25, there have been no events since the end of the financial year affecting the Trust.

Overseas Operations

The Trust did not conduct any overseas operations during 2015/16. However, Trust management did conduct business overseas in relation to the international recruitment of nursing staff and carried out recruitment activities in Spain and India. The Trust is committed to reducing Registered Nurse (RN) vacancies and thereby reducing reliance on agency nurse staffing. Both local and international recruitment events for Registered Nurses have proved successful in 2015/16 with relevant vacancy levels in wards and departments being reduced by over 50%. This activity has also had a beneficial financial impact in reducing agency costs from autumn 2015 and we expect this trend to continue in 2016/17.

In total, 126 Registered Nurses were recruited from the European Union during 2015/16. All newly recruited international nurses receive an extensive induction package and are also offered additional English lessons should these be required. Our induction package is modelled around each individual to ensure that personal requirements are supported prior to staff working as part of the clinical teams. Our turnover of international nurses remains low and has been commended by external bodies such as Monitor. The Trust has been asked to share its good practice in this area with other hospitals and has featured in national publications.

Vision, Strategic Priorities and Trust Strategy

Following considerable preparatory work completed during 2014/15, the Board of Directors endorsed a Five-Year Strategic Plan (5YSP) for the Trust in April 2015. Therefore, 2015/16 constitutes Year One of the Strategic Plan. The 5 YSP clearly articulates the Trust's vision to be nationally recognised for our specialism in the **care of older people** and as an organisation that provides **excellent cancer care**.

Strategic priorities are set out under the four domains of; Quality, Partnership, Integration and Efficiency as follows:

Strategic Priority 1: Quality

- patients health and wellbeing is supported by quality, safe and timely care
- patients and their families feel cared for and empowered

Strategic Priority 2: Partnership

- the Trust is an effective member of a modern and innovative health care community

- effective and efficiently run services across organisational boundaries

Strategic Priority 3: Integration

- patients' lives are easier because they receive their treatment closer to home
- patients receive better quality services through seamless health and social care

Strategic Priority 4: Efficiency

- the Trust is able to demonstrate to Governors, local residents, partner Trusts and regulators that it makes the best use of resources
- Trust staff are enabled to deliver their best care within a high quality environment

Key themes over the lifetime of the 5YSP are as follows:

2015/16 – Innovate

2016/17 – Reconfigure

2017/18 – Consolidate

2018/20 – Advance & Excel

The central thrust of our strategy is that, over the course of the 5YSP, the Trust will directly manage fewer services but will deliver these services in innovative new ways, in order to excel in our chosen areas of focus; care of older people and as an organisation that provides excellent cancer care. We plan to move away from the traditional district general hospital model of providing 'everything to everyone' as such an approach is no longer sustainable. This means that we will aim to provide fewer services directly, whether they are in hospital or the community. This does not necessarily mean that services will no longer be available from the Stepping Hill Hospital site but it may be that responsibility for provision of certain services may lie with third party providers.

The 5YSP was based on key analysis that included understanding the health needs of our population, and identifying service lines that are strategically important to the Trust. The 5YSP is based on segmentation of our population to assess future care requirements with the population segmented into 8 groups:

1. Healthy	5. Chronic condition stable but serious disability
2. Maternal and infant Health	6. Short period of decline and dying
3. Acutely ill but curable	7. Limited reserve and exacerbations
4. Chronic condition but self-managed	8. Frail

The following segments were identified as the key focus for the Trust:

- Segment 5: patients with long-term conditions, with severe disability (e.g. stroke patients)
- Segment 6: patients who are poorly for a short period of time and pass away (e.g. Cancer patients)
- Segment 7: patients who are poorly and need a lot of care for quite a long time (e.g. serious heart condition)
- Segment 8: frail and elderly patients who do not have any serious medical conditions but may be suffering from mental health issues (e.g. dementia)

In addition, in order to support the strategic direction of services, particular service lines were identified for innovation and improvement. These service lines were determined through analysis of relative financial strength, competitive advantage, market attractiveness, environment stability testing and degree of alignment to the Trust's strategic plan. The analysis determined that the

following service lines remain strategically important:

- Geriatric Medicine
- Breast Surgery
- Ophthalmology
- General Medicine
- General Surgery
- Orthopaedics
- Accident and Emergency

As part of the capability and strategic positioning analysis, a number of services were identified as 'non-core' to the provision of services in pursuing the selected strategic focus. For these services, the Trust recognises the need to identify new ways of service delivery which could potentially include trading services with other Providers. This does not mean cessation of services on the Stepping Hill site but adoption of different organisational models as outlined in the NHS Five Year Forward View and the Dalton Review. An in-depth exercise to validate and determine a way forward for 'non-core' services will be undertaken during 2016/17.

The 5YSP was launched during the summer of 2015/16 and involved extensive communication with both internal and external stakeholders and, in addition to access to briefings, all staff were provided with a summary strategic plan document. The success of this internal engagement was borne out by the positive response to a specific question which we included in our annual staff survey relating to awareness of the Trust's strategy. Implementation of the 5YSP in 2015/16 included a strong focus on our Innovation Programme. This concentrates on cross-cutting problems that we aim to address in order to improve patient experience, efficiency and performance. The Innovation Programme will be a continuous cycle of design thinking improvements to be implemented by the Trust and will operate in parallel with a series of transformational Sustainability Projects.

These initiatives are consolidated in an Integrated Delivery Plan (IDP) which is monitored by a Senior Management Group with scrutiny and assurance reporting via the Strategic Development Committee. The initiatives are based on analysis and validation completed by the Trust's strategic planning team during the period November 2015 - March 2016 and there is a high degree of confidence that projects and programmes identified for 2016/17 will be delivered as planned. Delivery is imperative as the associated recurrent efficiency savings account for circa £13m of the Trust's £17.5m cost improvement programme in 2016/17.

Financial Review

The Trust ended 2015/16 with a deficit of £12.9m which represented a marginal improved outcome against a planned deficit of £13.1m. However, this was after the impact of the Trust-wide building and land revaluation, which resulted in a £0.4m impairment benefit. The underlying revenue position was a deficit of £13.3m, £0.2m behind plan. The annual accounts present the consolidated Trust financial position as a group, which includes the Charitable Funds and the Trust's wholly owned subsidiary, Stepping Hill Healthcare Enterprises Ltd which provides the Pharmacy Shop services. Further detail on both of these elements is provided in the annual accounts section of the report. The accounts also present the Trust position excluding both consolidations, and the following section of this report covers only the Trust position.

Monitor, the independent regulator of NHS Foundation Trusts, measure whether there is a significant risk to the financial sustainability of a Trust. The revised Financial Sustainability Risk Rating

(FSRR) is scored from 1 to 4, and the Trust's financial position in 2015/16 resulted in a FSRR of 2. The table below details our performance against key financial performance indicators during 2015/16:

	2015/16 Plan		2015/16 Actual		2015/16 Variance	Result
<i>Financial Metrics (FSRR)</i>	<i>Metric</i>	<i>Rating</i>	<i>Metric</i>	<i>Rating</i>		
Capital Service Cover (times)	0.04	1	0.05	1	0.02	✓
Liquidity (days)	11.7	4	11.2	4	(0.49)	✓
I&E Margin	-4.2%	1	-4.2%	1	0.00	✓
I&E Margin Variance From Plan	1.5%	4	-0.1%	3	-1.6%	✓
Financial Sustainability Risk rating		2		2		

<i>Key Financial Metrics</i>				
EBITDA Achieved (%)	100%	-252%	-352%	x
EBITDA Margin (%)	0.0%	-0.1%	-0.1%	✓
I&E Surplus Margin (%)	-4.3%	-4.2%	0.1%	✓

2015/16 financial position includes delivery of a Cost Improvement Programme (CIP) with a total value of £11.8m. However, while delivery of this level of savings was an achievement in an extremely challenging financial environment, a large proportion of the savings were delivered on a non-recurrent basis which has a consequent impact on the level of savings required in 2016/17. The coming year will undoubtedly be even more financially challenging than 2015/16. All cost improvement schemes are assessed for the impact they may have on the quality and safety of the services we provide, to ensure that risks are identified and mitigated in order to reduce costs safely. The Trust has also continued to periodically run Mutually Agreed Resignation Schemes (MARS) and a number of staff left the organisation under such schemes during 2015/16.

Despite the difficult financial climate, the Trust has continued to invest to improve services for patients, both in terms of improving the quality and safety of our services and investing in buildings and equipment. Total investment through the Capital programme was £16.2m and included expenditure of £11.6m on property and estates schemes, £3.2m on equipment schemes and £1.4m on information management and technology projects. Major investments during 2015/16 included continuation of work on a £20m new-build project to provide a state-of-the-art theatre and ward complex and investment of £1.5m to procure a Urology Robot to significantly enhance the delivery of urology services with improved patient experience.

Going Concern

The Trust is required to assess its ability to continue as a going concern over the next 12 months, and into the future, as part of preparing the Annual Accounts and as required by International Accounting Standard 1 (IAS 1). This is done by considering the information available about the future prospects of the Trust as at 31 March 2015, including the Trust's assessment of the future cost and productivity improvements required to enable it to manage through the very difficult economic climate facing it in the foreseeable future. The Financial and Governance risks assessed by Monitor are also examined as well as additional operational risks such as potential loss of key personnel.

A detailed report covering all the risks and opinion drawn from this analysis was considered by the Board of Directors on 28 April 2016. The Board concluded that, whilst 2016/17 will be even more challenging than 2015/16, and despite considerable risks related to deliverability of planned savings

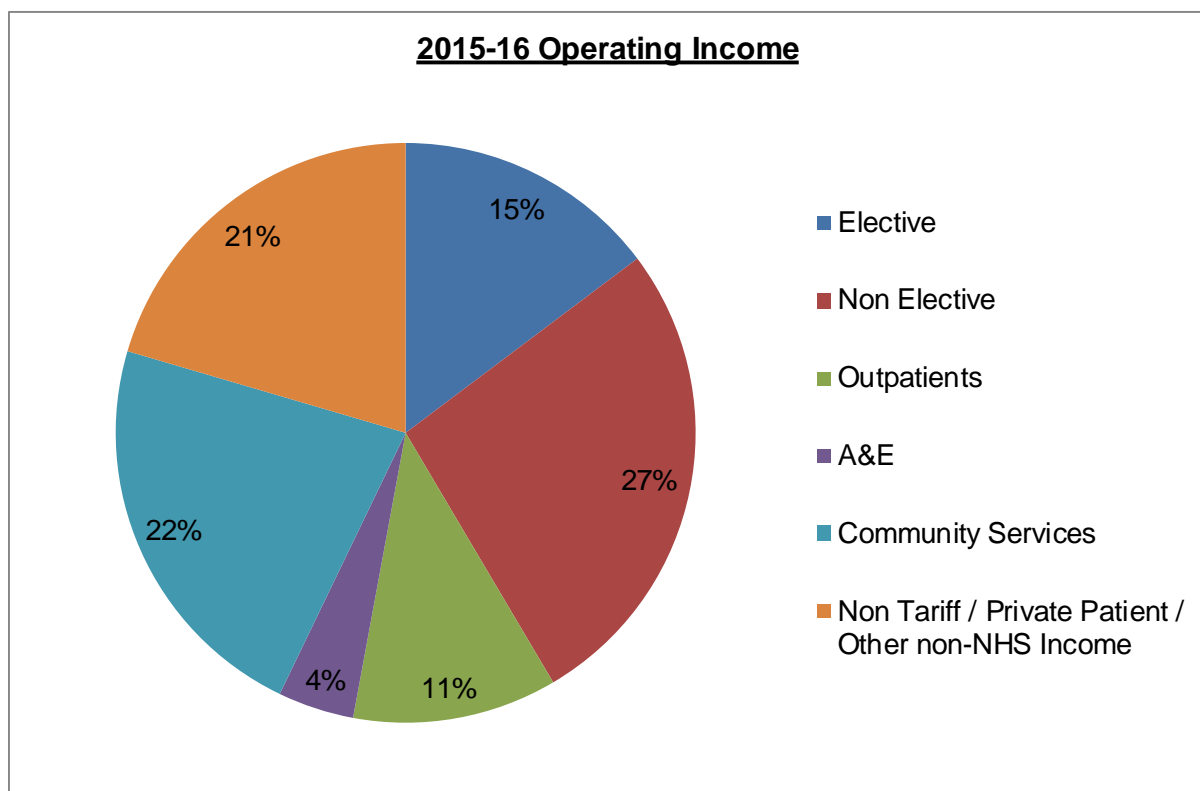
and the Trust's overall cash position, the Trust is a going concern and the Board has taken steps to ensure that this remains the case for at least the next 12 months. The Trust will regularly review this position throughout 2016/17. The anticipated continuation of the provision of Trust services in the future, as evidenced by inclusion of financial provision for those services in published documents, is also evidence that the Trust considers it is a going concern.

After making enquiries, the Directors have a reasonable expectation that Stockport NHS Foundation Trust has adequate resources to continue its operations on an on-going basis for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the accounts.

Income and Expenditure

In 2015/16 our overall income was £307.7m (£302.2m in 2014/15). The Trust did not receive any political donations in 2015/16.

Our operating income for 2015/16 was £271.5m and is indicated by source in the chart below:

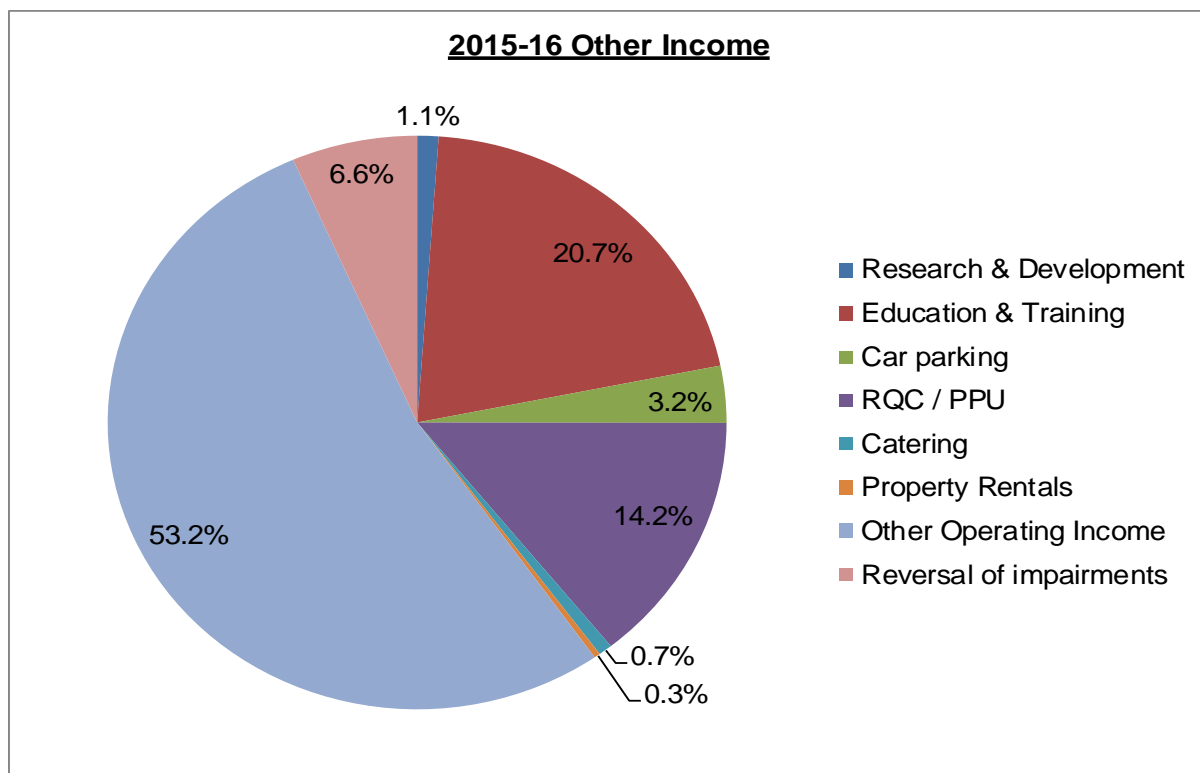


Clinical income was marginally below planned levels during 2015/16 due to cancellation of theatre capacity to allow for additional emergency activity during the winter period. The Trust has seen a continued increase in the level of emergency activity including A&E attendances during the year.

The Trust confirms that income from the provision of goods and services for the purposes of the health service in England was greater than its income from the provision of goods and services for any other purpose.

The Trust's breakdown of £38.7m Other Income is shown below. As an Associate Teaching Hospital the Trust continues with its medical and other clinical education programmes including links with other countries. The specialist pharmaceutical services within the Trust have continued to trade

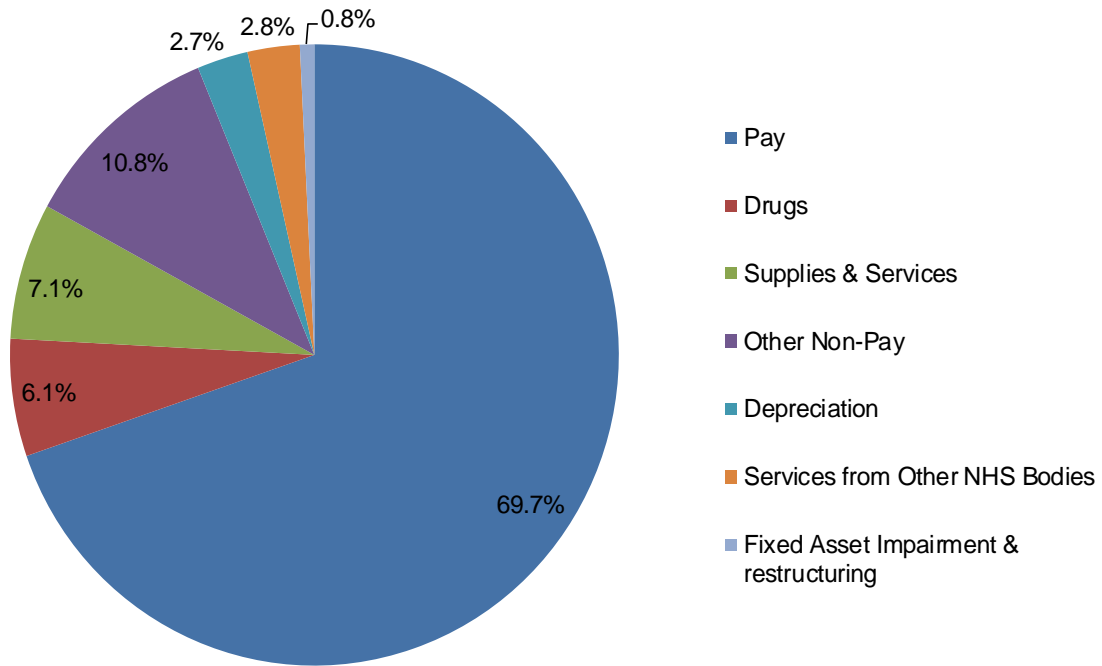
and generate income, offset by manufacturing costs. Within operating income there are a number of areas where costs are incurred as a direct result and these include project funding for developments.



Operating expenditure was £318.5m (£299.1m in 2014/15). There has been an increase in pay costs of £11m in 2015/16 which reflects the national pay award, an increase in employers' superannuation costs of 0.3%, as well as additional investment in nursing staff. The Trust has continued to use agency staff at premium rates to support the level of activity in the hospital where there is not permanent staffing available. Investment has been made during the year in an international recruitment programme to fill gaps in key staff shortage areas and this will continue into 2016/17. The clinical negligence costs increased for all trusts throughout the country in 2015/16 and the impact for Stockport was an additional £2.8m.

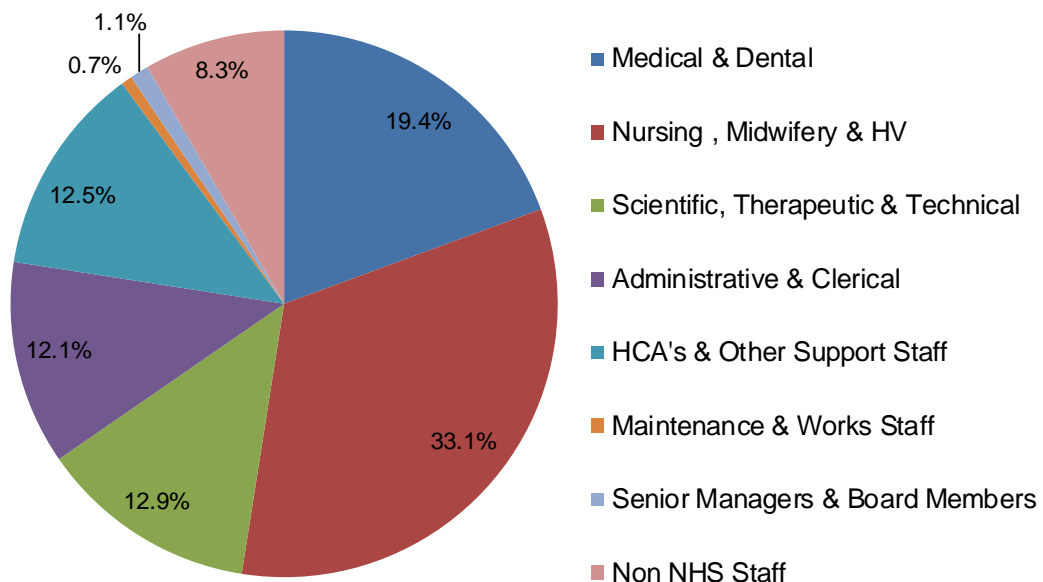
The Trust's costs are divided over the following areas:

2015-16 Operating Expenses

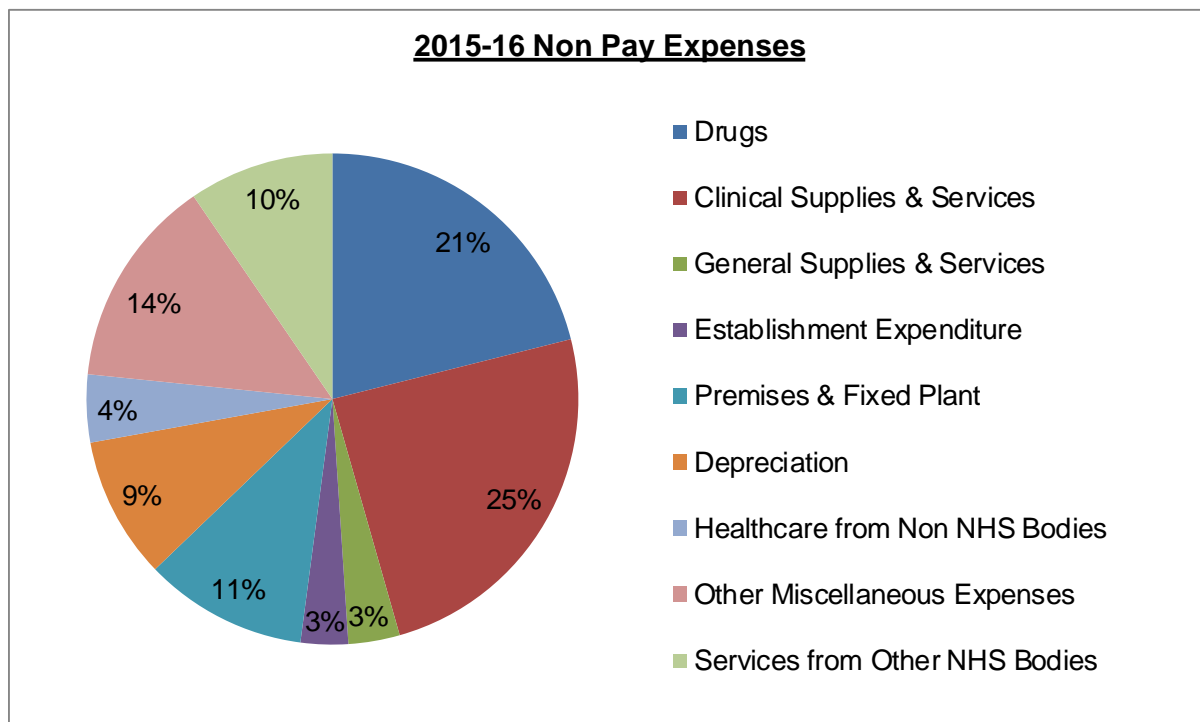


Pay costs account for 70% of our operating expenses, and our pay spend is split over the following categories:

2015-16 Pay Costs



Completing the picture, non-pay spend was incurred as follows:



Balance Sheet

The regulations relating to calculation of the Public Dividend Capital and current commercial interest rates mean that it is more beneficial for the Trust to keep bank balances in the government bank account. Therefore we only earned £0.1m interest during 2015/16, which is similar to that earned in 2014/15. Our year-end cash balance was £31.4m, which represents 28 days liquidity. This is a decrease from our opening cash position of £44.6m.

Charitable Funds

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

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

In 2015/16, Charitable Funds income was £352,000 with total expenditure of £848,000. The Trust is extremely grateful for donations of £99,000, legacies of £165,000 and fundraising of £32,000 which have been given to the Trust during the year. The Trust also received income of £55,000 from its investment of funds.

Following a legacy received in 2014/15, the Charitable Funds has invested in a new CT scanner, a spinal microscope and drill system and other small items of medical equipment at a total cost of

£545,000 this year. Charitable Funds were also used to improve patient welfare at a cost of £181,000 and included new portering chairs, improvements to the Stroke Garden and improvements to the children's patient lounge. £75,000 was spent on staff welfare and this included a development post in Radiology.

Financial Outlook

The last few years have been challenging financially, the Trust has commenced the last two financial years with planned deficits and significant cost improvement targets to meet. In 2015/16 we delivered a deficit of £12.9m which was a marginal improvement against a planned deficit position of £13.1m. While we successfully delivered a planned cost improvement target of £11.8m, a significant proportion of this total was non-recurrent which therefore adds to the challenge in 2016/17.

The scale of the financial challenge in 2016/17 cannot be overstated. The Trust has an underlying financial deficit of £34.4m, before cost improvement savings of £17.5m, which results in a planned deficit of £16.9m in 2016/17. Delivery in full of the cost improvement programme on a recurrent basis is imperative and progress with delivery will be closely monitored by the Board of Directors. The challenging financial environment is reflected in the Trust's cash position which historically been healthy. However, the need for continued investment in significant capital schemes to improve patient care and manage the deficit position, means that our cash balance will come under increasing pressure during 2016/17 with a planned year-end cash balance position of £10m.

The Trust plans to deliver the £17.5m cost improvement programme through a combination of Sustainability Projects (£13m) derived from implementation of the Trust's Five-Year Strategy and 'Business as Usual' schemes (£4.5m) which require all Trust Business Groups and Corporate Service departments to identify and deliver savings of between 1% and 4% of budgets. The Trust also expects to deliver a further significant level of efficiency savings through participation in the NHS Improvement Financial Improvement Programme. All NHS Foundation Trusts and NHS Trusts were invited to express an interest in participating in this national programme during Quarter 4 of 2015/16. The Board concluded that, in view of the challenging financial position, it would be in the Trust's interest to participate.

We were pleased to be subsequently selected as one of the first wave of trusts to undertake the programme which is planned to commence in May 2016. The Trust will be supported by a team from KPMG LLP to complete a three phase programme as follows:

- Phase 1 - Focus on identification of efficiencies and delivering quick wins (2-4 weeks)
- Phase 2 - Support the Trust to rapidly deliver material benefits (up to 3 months)
- Phase 3 - Targeted support for continuation of Phase 2 initiatives if appropriate

We anticipate that the FIP will result in the identification of savings significantly greater than the cost of the programme and which are over and above the efficiency schemes already identified by the Trust.

The Trust's financial plans for the next three years focus on securing quality and sustainability. However, our plans only include proposals for new developments or investments where there are distinct funding streams, where they enable further efficiency schemes or there are direct links to safety and quality of patient care. We firmly believe that long term financial sustainability can only be achieved through closer working with our partners in the Stockport health economy through the Stockport Together programme, and through participation in the transformational

change which will result from the Greater Manchester devolution programme.

Capital Planning 2016/17

We are planning capital expenditure of circa £10m in 2016/17, compared to £16.2m in 2015/16. A summary of planned investments is as follows:

CAPITAL	Trust Annual Plan 2016/17 £k
Surgical Centre	5,000
Building	3,740
Furniture & Fittings	600
Medical Equipment (partly donated)	660
Electronic Patient Record (EPR)	1,673
Purchased Software	598
Estate enabling works	55
Software finance lease	1,020
Medical Ward Refurbishments	250
Medical Equipment	1,339
Facilities Equipment	135
IT Hardware	504
IT Software	299
Estates - Backlog Maintenance	125
Estates - Other	710
Total Capital Plan	10,035

Environmental Matters

Environmental sustainability can be impacted by personal lifestyle choices and the approach taken by organisations to the way in which they conduct their business. The Trust recognises its responsibility in this area and we are committed to taking all reasonable steps to minimise our impact on the environment and to demonstrate progress on climate change adaptation, sustainable development and carbon reduction.

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

- Reduced energy use through rationalisation and efficient design
- Implementation of a Green travel plan through provision of low carbon travel, transport and access
- Increased local procurement
- Reduction of waste levels and increased recycling of waste
- Reduction in water use and associated waste
- Organisational and Workforce Awareness and Development

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

1. Continued use of enzymatic food waste digestion and we increased our capacity in 2015/16 by installing a second unit - saving around 12,000 cubic metres of mains water per annum and reducing the level of food waste previously discharged to the mains sewer by circa 180 tonnes
2. Installation of evaporative cooling systems within our IT server rooms and other critical IT systems. This initiative has resulted in a considerable reduction in gas consumption.
3. Installation of carbon dioxide sensors – designed to minimise the actual air changes needed whilst being fully compliant with patient need

We recognise that sustainability goes far beyond compliance with legislation and we believe that the development of sustainable practice is a fundamental corporate responsibility. The Trust employs a full-time Environmental Manager and has a Sustainable Development Management Plan (SDMP) in place in accordance with the NHS Carbon Reduction Strategy 2009. This plan sets out the Trust's commitments and actions to achieve NHS-wide carbon emission reduction targets. We achieved the target of a 10% reduction by 2015 and further carbon reduction strategies and projects are in place to achieve the target of a 24% reduction in energy use and carbon emissions by 2020. The main actions being taken to achieve this goal are summarised below.

Carbon and Energy Management

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

AMR is supported by a dedicated energy monitoring and targeting software tool which allows the Trust to assess building specific energy performance and compare performance with similar buildings and nationally recognised benchmarks. The information provided by these systems allows our Property Services team to produce energy performance league tables which are used to prioritise the investigation and elimination of energy waste.

During 2015/16 our Property Services team implemented a range of energy efficient initiatives which included:

- Installation of a voltage optimisation system to reduce energy consumption
- Replacement of aging inefficient gas boiler systems with appropriately designed efficient improved systems
- Next generation technology upgrades to Building Management Software providing automatic control and monitoring of environmental conditions and energy efficiency within buildings.
- Replacement of aging inefficient calorifier heating systems
- Installation of a Photo Voltaic (PV) solar panel array on the new Surgical Centre
- Replacement of external lighting columns with LED equivalents
- Replacement of internal lighting with LED equivalent in office and clinical environments
- Installation of lighting control devices i.e. Presence/absence detectors

Energy and Water Consumption

The Trust's consumption of energy and water during 2015/16 is summarised in the table below along with comparative performance in 2014/15 and 2013/14. While the data shows a significant reduction in the level of gas consumption during 2015/16, this was balanced by a sharp increase in electricity consumption which emphasises the importance of measures to reduce consumption in this area during 2016/17.

	ELECTRICITY (kWh)	GAS (kWh)	WATER m³
2013 - 2014	12,153,809	32,844,819	130,931
2014 - 2015	12,071,258	31,211,406	136,006
2015 - 2016	12,572,918	28,398,836	142,777

Water consumption also increased in 2015/16, at a similar rate to the increase experienced during the previous year. We actively work to minimise water consumption and cost through the use of water efficient technology across the estate such as installation of low flush WCs, reduced flow showers and sensors and flow restrictors on taps to detect when they are not in use. We have also undertaken a pipe work infrastructure survey to identify and repair leaks in system. Reduction of consumption will continue to be an area of focus during 2016/17. However, we are conscious of the need to balance water efficiency initiatives with the need to maintain robust infection control regimes and to guard against the risks of legionella contamination of water systems by regular flushing of water outlets.

Waste

The Trust has a Waste Management Policy to ensure both best use of resources and compliance with relevant environmental legislation. The policy aims to minimise waste and to maximise recovery, re-use and recycling rates. The Trust has 17 different waste streams and continues to recycle a range of items including general waste, batteries and oil from the kitchens. Monitoring of waste contracts, and generation of revenue through recycling, serves to both reduce costs and the Trust's impact on the environment.

An external audit carried out by STCS during 2015/16 confirmed compliance with current waste legislation and quarterly carriage of dangerous goods audits continue to demonstrate good waste management practice. A number of recommendations were made to further improve our disposal of waste and our environmental impact. Our environmental strategy is based on the following principles:

1. Elimination of waste where possible
2. Reduction of the waste we create
3. Reusing materials until they cannot be used again
4. Recycling the waste
5. Disposal of residual waste to landfill when all other routes are exhausted

Smoke-free Hospitals

We want to look after the health of everyone who uses our hospital and the trust is committed to providing a clean and healthy environment for patients, visitors and staff. A complete smoking ban has been in place on Trust property since 2005 and during 2015/16 we worked to strengthen the effectiveness of this policy with a direct and honest poster campaign supplemented by security officers politely reminding people of our non-smoking policy.

In October 2015 the Trust supported the 'Stoptober 28-day stop smoking challenge', where everyone quits together, supported by employers, communities, charities and other partners, as well encouraging each other. Advice and information to support smokers in giving up the habit was available from promotion stands throughout the hospital.

Electric Vehicle Charging Points

A significant proportion of the Trust's CO2 emissions are related to vehicles used by staff, service users and suppliers. To help address this and to enable stakeholders to consider low carbon alternatives, the Trust is installing a number of publicly accessible electric vehicle charging points across the estate. This technology will help support the operational and financial viability of electric vehicles whilst also reducing the level of CO2 emissions attributable to the Trust.

Procurement

The Trust recognises that it has an influential role in furthering sustainable development through the procurement of buildings, goods, and services. Sustainability, environmental and social principles are embedded in our procurement processes to ensure that a balanced consideration of social, ethical, environmental and economic factors is undertaken as part of the procurement evaluation process.

Directors' Report

Board of Directors and Board Committees

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

The Board of Directors takes decisions with regard to:

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

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

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

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

- Whether the individual has served on the Board of the Trust from more than six years from the date of their first appointment
- Whether the individual is an appointed representative of the Trust's university, medical or dental school.

During 2015/16 the Board of Directors met on eight occasions. Details of individual directors and their attendance at meetings are as follows:

Gillian Easson - Chairman

Re-appointed on 01.11.2015 until 31.10.2018.

Attendance: 8/8

Background

Following graduation from Cambridge University, Gillian Easson qualified as a solicitor in Stockport and became one of the North West's first female prosecuting solicitors. In 2000, she was appointed a Non-Executive Director of the Christie Hospital, a governor of UMIST and in 2004, a founder governor of the University of Manchester, becoming the first Deputy Chair in 2007. In 2012 she was appointed as Pro-Chancellor of the University of Manchester and in July 2014 she became a member of the NHS Providers Board. Gillian has over a decade's public sector experience in both the NHS and higher education sectors, together with significant experience of regulation and strategic oversight of organisational risk and change. Gillian was appointed as a Non-Executive Director of Stockport NHS Foundation Trust on 1 January 2007 and was also Deputy Chairman until 31 October 2012. She was initially appointed as Chairman of the Trust on 1 November 2012. The Chairman does not have any other significant commitments.

Mike Cheshire – Non-Executive Director

Appointed on 01.09.2013 until 31.08.2016

Attendance: 8/8

Background

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

Carol Prowse – Non-Executive Director (Deputy Chairman & Senior Independent Director)

Re-appointed on 01.04.2015 until 31.03.2016.

Attendance: 8/8

Background

Carol Prowse works with the High Peak Theatre Trust in the position of Chairman and also works with the Kinder Children's Choirs of the High Peak. Carol Prowse worked for a number of years for the High Peak Borough Council. For five years she was a Non-Executive Director on the High Peak and Dales Primary Care Trust Board and was their appointed Governor with this Trust.

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

Re-appointed on 01.07.2014 until 30.06.2017.

Attendance: 7/8

Background

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

John Schultz – Non-Executive Director

Appointed on 01.09.2013 until 31.08.2016

Attendance: 8/8

Background

John Schultz CBE was Chief Executive of Stockport Council for 16 years until his retirement in 2010. Under his leadership, the Council reached the Audit Commission's top performance category. John was instrumental in setting up the Greater Manchester Health Commission, and jointly chaired the Greater Manchester Public Health Network. He is currently the independent chair of an NHS board overseeing the development of integrated care in Trafford (the Trafford Clinical Commissioning Group's Integrated Care Redesign Board). John also assists with the governance of a number of educational establishments and charities, as well as carrying out management consultancy work. He was recognised for services to local government and appointed CBE in 2010.

Malcolm Sugden – Non-Executive Director

Re-appointed on 01.04.15 until 31.03.18.

Attendance: 8/8

Background

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

Leslie Wilcock – Non-Executive Director

Re-appointed on 01.07.2012 until 30.06.2015.

Attendance: 2/2

Background

Leslie Wilcock graduated with an honours degree in Computer Science and holds diplomas in marketing and management studies. He is the Managing Director of Opening Doors, a full service marketing agency based in Congleton. He has been with the company for ten years and previously

also held a senior position at professional services, KPMG. But it is the four years he spent with a fire and flood restoration company with responsibility for the Stockport, High Peak and East Cheshire area that Les feels really benefits him in his role as a Non-Executive Director of Stockport NHS Foundation Trust.

Catherine Anderson

Appointed on 01.01.16 until 31.12.18

Attendance: 3/3

Background

Catherine Anderson has held senior management roles with General Electric Company, the University of Liverpool and Manchester Metropolitan University. As Head of Customer Services at Manchester Metropolitan University she established the largest department in the university by transforming and merging 10 departments.

Catherine now runs her own consultancy which helps businesses to improve their performance.

Ann Barnes – Chief Executive

Attendance: 7/8

Background

Ann Barnes has worked in the NHS since 1979 and during the past 36 years has worked both at regional and hospital level across the full spectrum of district general hospital service provision.

James Catania – Medical Director

Attendance: 7/8

Background

James Catania has been a Medical Director for the last 14 years and is a specialist in the care of older people. He has worked as a consultant physician for the last 23 years and has been involved in management for over 20 years.

Feroz Patel – Director of Finance (from 1 August 2015)

Attendance: 6/6

Background

Feroz Patel joined the Trust on 1 August 2015, having previously worked as Deputy Director of Finance at Blackpool Teaching Hospitals NHS Foundation Trust. Feroz is an ex-Financial Management Trainee and has been a qualified member of the Chartered Institute of Public Finance & Accounting (CIPFA) since 2003. He has worked in senior finance roles across the NHS including both the Provider and Commissioning sectors.

Kevin Howells – Interim Director of Finance (until 31 July 2015)

Attendance: 2/2

Background

Kevin Howells has a wealth of experience, having worked at both director of finance and chief executive level at a number of NHS organisations. These include Leeds Teaching Hospitals, Leeds CCG, United Lincolnshire Trust and Nottinghamshire Healthcare Trust.

Judith Morris – Director of Nursing & Midwifery

Attendance: 8/8

Background

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

Jayne Shaw – Director of Workforce & Organisational Development

Attendance: 7/8

Background

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

James Sumner – Chief Operating Officer / Deputy Chief Executive

Attendance: 7/8

Background

James Sumner joined the NHS in 1999. James started at our Trust as Associate Director on 1 September 2009. His background is a mix of primary, secondary care and service improvement work. Prior to starting here, James was General Manager for the Surgical Care Group at St Helens & Knowsley NHS Teaching Hospitals Trust. He was Acting Director of Operations and Performance from November 2012 before being appointed as Chief Operating Officer with effect from 13 September 2013.

Balance, Completeness and Appropriateness of the Membership of the Board

With the exception of the Director of Finance position and one of the Non-Executive Director positions, there have been no changes to the composition of the Board of Directors during 2015/16. The Board considers that the skills and experience of the Non-Executive Directors (see below), aligned with the skills and experience of the Executive Directors, provides a Board of Directors which is balanced, complete and appropriate.

Skill	Responsible Non-Executive Director
Clinical	Mike Cheshire
Financial Acumen	John Sandford / Malcolm Sugden
Marketing / Commercial	Leslie Wilcock / Catherine Anderson
Legal	Gillian Easson
Transformational	John Schultz
Patient Advocate	Carol Prowse

In accordance with statutory requirements, the Trust maintains a register of interests of the Board of Directors which is available upon request for inspection by members of the public (please contact the Company Secretary on tel no 0161 419 5164 or e-mail paul.buckingham@stockport.nhs.uk if you wish to have access to the register).

Performance Evaluation

Six-monthly development sessions for the Board of Directors are scheduled in April and October of each year. These sessions provide the opportunity for Board members to reflect on the collective performance of the Board and undertake development activities aimed at enhancing Board and individual effectiveness. During 2015/16 these have focused on issues such as:

- Future Vision & Strategic Priorities
- Corporate Risk Management
- Developing the Board Assurance Framework
- Assessment against the CQC Well-Led Domain
- Board Effectiveness

The Board of Directors completed a self-assessment of its effectiveness during 2015/16 and outcomes were considered during a Board Development session held on 29 April 2016. Outcomes of the assessment will inform both changes in Board practice and development activities during 2016/17.

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

Engagement with Governors

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

Audit Committee

The Trust has an Audit Committee which meets at least five times a year. The membership of the committee is as detailed below. Attendance at meetings during 2015/16 is shown in brackets.

- John Sandford (Chair of the Audit Committee) - Non-Executive Director (attendance 6/6)
- Malcolm Sugden (Deputy Chair of the Audit Committee) - Non-Executive Director (attendance 6/6)
- John Schultz - Non-Executive Director (attendance 4/6)
- Leslie Wilcock - Non-Executive Director (attendance 5/6)

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

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

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

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

- Reviewed the outcomes of internal audit reports
- Reviewed the Head of Internal Audit Opinion
- Received follow-up reports on internal audit recommendations to provide assurance that actions had been completed
- Reviewed losses and compensation payments and instances where standing financial instructions have been waived
- Approved the internal and external audit plans for the coming year
- Received technical updates and information relating to the health sector from both internal and external audit
- Completed an annual self-assessment of Committee effectiveness
- Considered assurance processes for compliance with registration requirements of the Care Quality Commission
- Reviewed assurance reports on the effectiveness of the risk management system
- Reviewed and, where appropriate, approved the Annual Accounts, Annual Governance Statement and Annual Report for 2015/16
- Reviewed compliance with the NHS Foundation Trust Code of Governance
- Received management assurance reports on areas where Internal Audit Work had resulted in an assessment of limited assurance
- Obtained assurance on delivery of the Clinical Audit programme.

The External Audit plan for audit of the financial statements for 2015/16 was considered and approved by the Audit Committee on 1 March 2016. The plan identified a number of significant audit risks as follows:

- Recognition of NHS Revenue
- Management override of Controls; and

- Full revaluation of land and buildings

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

The Audit Committee met on 1 March 2016 to consider significant issues and key accounting judgements related to the financial statements for 2015/16. These were:

- The overall year-end financial position;
- Consolidation of Pharmacy Shop and Charitable Funds statements;
- District Valuation of Land & Buildings;
- Surgical Centre Valuation;
- Restructuring Provision;
- Tameside & Glossop Community Services Transfer, and
- Claims against the Trust

Internal Audit

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

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

MIAA deliver a risk-assessed audit plan, which is approved each year by the Audit Committee. This is delivered by appropriately qualified and trained Internal Auditors led by a nominated Audit Manager. The Internal Audit plan was fully delivered during 2015/16.

Countering Fraud and Corruption

During 2015/16 the Trust's Anti-Fraud Specialist and the Anti-Fraud service was provided by Mersey Internal Audit Agency (MIAA). The Trust's Anti-Fraud and Corruption Policy supports our strong anti-fraud culture and the annual work plan, agreed by the Director of Finance and approved by the Audit Committee, covered areas such as enhancing the anti-fraud culture, deterring, preventing and investigating fraud. The Anti-Fraud Specialist regularly attends Audit Committee meetings to provide updates on the progress of the annual work plan and investigations.

The Trust has in place a Raising Concerns at Work Policy which outlines how staff can raise concerns, including those that may be related to fraud. Staff are reminded of their responsibility to report such matters at induction and mandatory training. The policy was supplemented during 2015/16 by the appointment of a Freedom to Speak Up Guardian in response to a recommendation arising from the Francis Report.

External Audit

External Audit services were provided throughout 2015/16 by Deloitte LLP following appointment as the Trust's External Audit provider by the Council of Governors with effect from 1 October 2014 following a competitive tender process. Non-audit work during the year was completion of a governance review, the scope of which was agreed with Monitor, at a cost of £39,300. The cost of the External Audit service totalled £66,900 comprised of £50,200 for the Trust accounts, £11,900 for audit work on the Quality Report and £4,800 for Charitable Funds. All figures are inclusive of VAT.

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

Directors' responsibility for preparing accounts

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

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

Accounting Policies

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

The accounting policies for pensions and other retirement benefits are set out in note 1.3 to the accounts, and details of senior managers' remuneration can be found in the Remuneration Report on page 54. Note 7.1 to the Accounts provides further information about employees who have retired early on ill-health grounds during the year. The Trust has complied with the cost allocation and charging mechanisms set out in HM Treasury and Office of Public Sector Information guidance.

Better Payment Practice Code

The Trust aims to comply with The Better Payment Practice Code which requires us to pay all valid non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, which ever is later. No significant interest was paid under the Late Payments of Commercial Debts (Interest) Act 1988. Our performance against the Better Payment Practice Code in 2015/16 was as follows:

	2015/16	2014/15
Total number of invoices within 30 days	85.21%	83.67%
Total value of invoices within 30 days	83.06%	79.86%

The Trust improved its performance against the Code during 2015/16 and will continue work to

further improve the timeliness of payments in 2016/17.

The Trust is an accepted signatory of the Institute of Credit Management's Prompt Payment Code. Further details about this code can be found on the Institute of Credit Managements website www.promptpaymentcode.org.uk. The Trust takes its responsibility to assist smaller organisations seriously and has a procedure in place whereby small and medium sized (SME) businesses can apply to be eligible for faster payment terms, to support these businesses in maintaining their cash flow.

Review of the Effectiveness of the System of Internal Control

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. The Annual Governance Statement on page 88 describes how this is undertaken.

Nominations Committee

The Trust has a Nominations Committee for the appointment of the Chairman and Non-Executive Directors. The Committee has a standing membership of five Governors, including the Lead Governor, the Chairman, Chief Executive and the Senior Independent Director. The Chairman of the Trust is Chairman of the Committee. Membership during 2015/16 was as follows:

Name	Position
Gillian Easson	Chairman
Les Jenkins	Public Governor (Lead Governor)
Eve Brown	Public Governor
Chris Wrigley	Public Governor
Gerry Wright	Public Governor
Kay Wiss	Staff Governor (to 8 October 2015)
Ron Catlow	Public Governor (from 10 December 2015)
Ann Barnes	Chief Executive
Carol Prowse	Non-Executive Director (Senior Independent Director)

The Committee's business during 2015/16 included; review of a Non-Executive Director skills matrix, recruitment of Non-Executive Directors, review of the Procedure for Appraisal of the Chairman and Non-Executive Directors, consideration of the outcomes of the Chairman's appraisal, completion of a periodic review of Non-Executive Director remuneration and consideration for the appointment of a Deputy Chairman and Senior Independent Director.

The Committee commissioned the services of Veredus Ltd to support the search and recruitment process for the appointment of two Non-Executive Directors.

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

Arrangements for any potential termination of appointment of either the Chairman or other Non-Executive Directors fall within the remit of the Council of Governors, in accordance with paragraph 13.6 of the Constitution of the Stockport NHS Foundation Trust.

Council of Governors

The Council of Governors presently has 28 places, of which 24 represent the public (20) and staff (4) and are elected by our Members. The remaining 4 are appointed by partnership

organisations which include the Stockport Metropolitan Borough Council, the voluntary sector and the education sector. The Council of Governors meets formally four times per year. Ad hoc meetings of the Council are called as required.

The responsibilities of the Council of Governors include:

- The appointment / removal of the Chairman and other Non-Executive Directors.
- The approval of the appointment (by the Non-Executive Directors) of the Chief Executive.
- Approval of the remuneration and allowances and the other terms and conditions of the Non-Executive Directors.
- The appointment / removal of the Trust's External Auditor.
- Receiving the Annual Accounts, any report of the External Auditor on the Annual Accounts and the Annual Report.
- The provision of views to the Board of Directors when the Board of Directors is preparing the document containing information about the Trust's forward planning.
- Responding as appropriate when consulted by the Board of Directors in accordance with the Constitution.
- Undertaking such functions as the Board of Directors shall from time to time request.
- Preparing and reviewing the Trust's Membership Development Strategy, its policy for the composition of the Council of Governors and of the Non-Executive Directors.

The Council of Governors has established three Committees, each of which meets on a bi-monthly basis:

- Governance Committee
- Membership Development Committee
- Patient Safety and Quality Standards Committee.

These Committees have met throughout 2015/16 and provide reports and recommendations to the Council of Governors at their quarterly meetings.

The Council of Governors works closely with the Board of Directors and during 2015/16 Directors have routinely attended meetings of the Council of Governors. The Governors have not exercised their power under paragraph 10.C of Schedule 7 of the NHS Act to require one or more Directors to attend a Governors' meeting. The Council of Governors receives at each of their meetings reports from the Chief Executive on current performance and operational issues and also on strategic issues. The Trust ensures that Governors are provided with opportunities to develop their skills and knowledge and Council members are regular attendees at the North West Governors' Forum.

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

- a) The Trust produces a newsletter for all its members which is circulated three times per year. The publication provides members with details of what is happening within the Trust with regard to developments in services and other topical issues such as infection control. The newsletter also provides details of Governors and how they can be contacted and has a section that invites members to contact the Trust if they have any issues or comments that they wish to raise with us.
- b) The Trust's internet site provides details of Governors and how they can be contacted. The website also provides information about developments within the Trust and provides a link for members to communicate either with the Governors or with the Trust. Board papers are also posted on the Trust's internet site.
- c) Receiving feedback from Trust members who have become involved with the Trust at local level including attendance at the Annual Members' Meeting, participation in member information sessions and membership recruitment activities.

Governors operate on a non-paid voluntary basis but the Trust does reimburse travel expenses. In 2015/16, Governors were reimbursed a total of £984 (£1.2k in 2014/15).

Elections 2015/16

Elections were held in 2015/16 in the following constituencies. The outcomes of the elections are shown in brackets:

Public:

- Tame Valley & Werneth (four Governors elected unopposed)
- High Peak & Dales and Tameside & Glossop (three Governors elected)
- Outer Region (one Governor elected unopposed)
- (By-election) Heaton & Victoria (one Governor elected unopposed)

Staff:

- Community Staff (no Governors elected, leaving one vacancy)
- Other Staff (three Governors elected).

Results of these elections, which were held under the independent scrutiny of Electoral Reform Services, were announced at the Annual Members' Meeting in October 2015.

Membership of the Council of Governors

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

Name	Constituency	Elected Until	Attendance at formal Governors' meetings
Stuart Clensy	Community Staff	Annual Members' Meeting 2015	2/3
Jean Rogers	Other Staff	Annual Members' Meeting 2015	0/3
Kay Wiss	Other Staff	Annual Members' Meeting 2015	3/3
Sharan Arkwright	Other Staff	Annual Members' Meeting 2018	1/1
Yvonne Banham	Other Staff	Annual Members' Meeting 2018	1/1
Russell James	Other Staff	Annual Members' Meeting 2018	1/1
Robert Cryer	Public – Bramhall & Cheadle	Annual Members' Meeting 2016	4/4
Charles Galasko	Public – Bramhall & Cheadle	Annual Members' Meeting 2016	2/4
Maureen Harrison	Public – Bramhall & Cheadle	Annual Members' Meeting 2016	4/4
Tony Johnson	Public – Bramhall & Cheadle	Annual Members' Meeting 2016	4/4
David White	Public – Tame Valley & Werneth	Annual Members' Meeting 2015	1/3
Linda Appleton	Public – Tame Valley & Werneth	Annual Members' Meeting 2018	1/1
Roy Driver	Public – Tame Valley & Werneth	Annual Members' Meeting 2018	2/4
Alan Gibson	Public – Tame Valley & Werneth	Annual Members' Meeting 2018	1/1
Roy Greenwood	Public – Tame Valley & Werneth	Annual Members' Meeting 2018	1/1
Lesley Auger	Public – Heatons & Victoria	Annual Members' Meeting 2017	4/4
Eve Brown	Public – Heatons & Victoria	Annual Members' Meeting 2017	4/4
Neal Jones	Public – Heatons & Victoria	Annual Members' Meeting 2017	1/1
Gerald Wright	Public – Heatons & Victoria	Annual Members' Meeting 2017	2/4

Ronald Catlow	Public – Marple & Stepping Hill	Annual Members' Meeting 2016	4/4
Les Jenkins (Lead Governor)	Public – Marple & Stepping Hill	Annual Members' Meeting 2016	3/4
Carole Normington	Public – Marple & Stepping Hill	Annual Members' Meeting 2016	4/4
Chris Wrigley	Public – Marple & Stepping Hill	Annual Members' Meeting 2016	4/4
Tim Norton	Public – High Peak	Annual Members' Meeting 2015	1/3
Lance Dowson	Public – High Peak	Annual Members' Meeting 2018	1/1
Lynne Woodward	Public – High Peak	Annual Members' Meeting 2018	4/4
Barbara Vaughan	Public – Tameside	Annual Members' Meeting 2019	0/1
Terence Moore	Public – Outer Region	Annual Members' Meeting 2015	0/3
Raees Khan	Public – Outer Region	Annual Members' Meeting 2018	1/1

Appointed Governors

Name	Appointed By	Appointed Until	Attendance at formal Governors' meetings
John Pantall	Stockport MBC	Annual Members' Meeting 2016	4/4
Anand Dutta	Stockport Community and Voluntary Services	Annual Members' Meeting 2016	4/4
Fiona Fox	Stockport College	Annual Members' Meeting 2015	1/2

In accordance with the statutory requirements, we keep a register of interests of the Council of Governors which is available upon request for inspection by members of the public (please contact Paul Buckingham, Company Secretary, on 0161 419 5164 or paul.buckingham@stockport.nhs.uk if you wish to have access to the register). The same contact point can be used for members wishing to communicate with Governors.

Membership

Eligibility Requirements

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

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

Public Constituencies

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

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

The areas of the Trust are as detailed below.

Four areas covered by Stockport Metropolitan Borough Council as follows:

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

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

- 5) **High Peak and Dales and Tameside and Glossop – which covers the following wards**
 - **The wards that fall within the Metropolitan Borough Council of Tameside**
 - **The following wards in High Peak:**
Barms, Blackbrook, Burbage, Buxton Central, Chapel East, Chapel West, Corbar, Cote Heath, Hayfield, Limestone Peak, New Mills East, New Mills West, Sett, Stone Bench, Temple, Whaley Bridge, Dinting, Gamesley, Hadfield North, Hadfield South, Howard Town, Old Glossop, Padfield, Simmondley, St John's, Tintwistle, Whitfield.

One area covering a wider district around our hospital:

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

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

Staff Constituency

The Trust has adopted an “opt-out” membership system for the staff constituency which is divided into the following classes:

- Community Staff
- Other Staff.

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

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

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

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

shall become members of that class.

The Secretary makes the final decision about the class to which an individual is eligible to be a member.

Membership Numbers

Public Members by Constituency (as at 31 March 2016)

Area	No. of Members
Bramhall and Cheadle	2,834
Tame Valley and Werneth	2,164
The Heaton and Victoria	2,294
Marple and Stepping Hill	2,873
High Peak and Dales and Tameside and Glossop	1,485

Outer Region	765
Total	12,415

Staff Members by Constituency (as at 31 March 2016)

Staff constituency	No. of Members
Community staff	1,176
Other staff	4,344
Total	5,520

Membership Development & Involvement

One of our key objectives is to build and maintain a vibrant and engaged membership. In 2012/13 we set out our five-year membership development strategy, recognising that the process of building meaningful membership structures takes a serious commitment to time and resources. In 2015/16 we continued to work to this strategy, and have developed a full plan detailing a number of objectives, the implementation of which is led and monitored by the Council of Governors through the Membership Development Committee.

The Membership Development Committee oversees:

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

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

Some of the guiding principles of the Membership Strategy are that:

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

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

- Engaged ambassadors who will support the Trust through good and not so good times.
- The future workforce could be found within a strong young person membership.
- Future governors will be found here.

- Through listening to our members in local constituencies, we can ensure we have plans to satisfy their perceptions of what it means to be a good neighbour and to contribute to the community.

During 2015/16 events for members which took place in the Trust included:

- 'Dying matters' health talk about end of life care on 23 March 2015
- 'Come dine with us' tour of our new kitchens on 14 July 2015
- 'As good as new' health talk about hip and knee replacement on 15 September 2015
- 'Staying out, not staying in' talk about community healthcare on 19 November 2015
- The Annual Members' Meeting held on 8 October 2015

During 2016/17 we intend to:

- Continue to focus on under-represented groups, including members from socio-economic groups (specifically C2, D, & E).
- Socio-economic groups C2, D & E. We recognise that membership should be seen as relevant to all sections of the community. We will seek to ensure that our membership is socially inclusive and our aim is to increase the number of members in these groups to 1,700 by 31 March 2017.
- Younger people. Three new youth ambassadors will be appointed from September 2016. We will work closely with our youth ambassadors, seeking to ensure that their views are incorporated into younger member communications using social media and online mediums.
- We will seek to segment our membership database, to identify levels of engagement within our database, and improve engagement levels where possible.
- We will run a 'membership week' during week commencing 3 October 2016, when we will focus on membership activities such as recruitment drives and membership social media.
- Host an open day for members and the public to join us for entertainment and information, and tours of the hospital.

Our communication with members will include:

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

Events planned to take place during 2016/17 include:

- '24 hours in Accident & Emergency' - virtual tour of our emergency department – 7 June 2016
- 'Superheroes' Open Day - 9 July 2016
- Operation! - tour of our operating theatres - 15 September 2016
- Annual Members' Meeting - 6 October 2016
- Think FAST - health talk about stroke - 10 November 2016

Performance indicators have been set for all of our engagement and these will be used by the Membership Development Committee to evaluate the success of our activities during 2016/17.

Quality Governance Reporting

The Trust has systems and processes in place to ensure the robust governance of service quality which are consistent with Monitor's quality governance framework. A formal reporting structure ensures that indicators of service quality, including performance against national targets, financial metrics, workforce metrics and patient safety measures, are monitored at Business Group prior to Executive-level review at Performance & Planning Board meetings. These arrangements will be strengthened in 2016/17 through the implementation of a Performance Management Framework which clarifies responsibilities and accountabilities together with options for remedial action to address poor performance. Current Performance & Planning Board arrangements will be replaced by Executive-level Performance Review Meetings (PRM) with individual Business Groups which will allow Executive Directors to more effectively hold Business Groups to account for their performance.

Assurance on progress is reported to the Quality Assurance Committee which reports directly to the Board of Directors by means of a Key Issues Report following every Committee meeting. The Board of Directors also receives a monthly compliance report which highlights any exceptions to achievement of national and local quality targets and this is supported by detailed quality performance data included in the Integrated Performance Report. The Board of Directors considers a 'Patient Story' and a Safe Staffing Report at each meeting.

In addition to the arrangements described above, improvements in the quality of healthcare and progress against targets are monitored by 'topic-specific' groups such as the Infection Prevention Committee, which is chaired by the Medical Director, and the Strategic Heads of Nursing Group which is chaired by the Director of Nursing & Midwifery and monitors improvements to quality of care and leadership on wards, and harm-free care via a nursing dashboard.

Quality Improvement Strategy

In 2014/15, the Board of Directors approved a Quality Improvement Strategy 2015-2020 and the Year One delivery plan was progressed by the Trust during 2015/16. Progress against the objectives set out in the Quality Improvement Strategy are monitored by the Quality 2015/16 has also been the first year of the delivery plan of the Trust Quality Improvement Strategy 2015-20 and progress towards the objectives are monitored by a Quality Governance Committee which reports to the Quality Assurance Committee. Information on progress to date can be found in the Trust's Annual Quality Report 2015/16 on page 97.

Clinical Audit

Clinical Audit is a recognised way of monitoring quality improvements and the Trust engages in a full annual programme of both local and national audits. Outcomes from the audit programme serve to identify areas where further improvements can be made. Clinical Audit results are shared with Business Groups at quarterly audit days and are considered by a Clinical Audit Steering Group prior to reporting through the quality governance reporting structure described above. Further information on the Trust's 2015/16 Clinical Audit programme can be found in the Annual Quality Report 2015/16 on page 97.

Care Quality Commission Reviews

The Trust is fully registered with the Care Quality Commission (CQC) for all its services and locations and was not subject to any enforcement actions during 2015/16. The CQC conducted two reviews during 2015/16; an unannounced responsive review at Shire Hill Hospital in the autumn of 2015 and an announced planned review of the Trust in January 2016. This was the Trust's first review under the new Chief Inspector of Hospitals inspection regime and, as the report detailing outcomes of the review has yet to be published, the Trust does not have a current CQC rating to display.

Responsive Review of Shire Hill Intermediate Care Unit

Shire Hill Hospital is a 36-bedded intermediate care unit located in Glossop. It comprises two 18-bedded wards, and cares for patients who require further rehabilitation support from a range of professionals, including nurses, physiotherapists and occupational therapists, prior to their discharge. Responsibility for the unit transferred to Tameside Hospital NHS Foundation Trust on 1 April 2016 as part of the transfer of Tameside & Glossop Community Services.

The CQC carried out an unannounced responsive review of the Shire Hill Intermediate Care Unit during the late evening of 22 September 2015. The review was undertaken in response to concerns raised by a member of staff relating to nurse staffing levels. These concerns were known to the Trust at the time as a result of a comprehensive staffing review which had been undertaken in April 2015. A consultation process with staff had been undertaken with the aim of improving Registered Nurse staffing levels overnight. However, staffing issues were compounded in early autumn 2015 as a result of increased sickness absence levels. In order to ensure that safety was maintained, some beds were temporarily closed at Shire Hill whilst additional staffing was secured. Safe staffing fill rates from October 2015 onwards have been consistently improved and safe.

The responsive review also identified concerns relating to equipment checks, storage of records, monitoring of patient observation levels and some delays in administration of pain relief. A comprehensive action plan was immediately put in place and an unannounced follow-up review undertaken on 18 November 2015 reported several improvements including:

- Timely and appropriate care
- Improved Registered Nurse staffing levels
- Storage of patient records
- Improved administration of pain relief

All actions agreed in response to the review were completed and monitoring to ensure that standards were maintained continued up to the transfer of services on 31 March 2016.

Planned Review of Stockport NHS Foundation Trust

The CQC completed a planned review of the Trust from 19-22 January 2016, with further unannounced visits taking place over the following two weeks. The report detailing outcomes of this review and an associated rating for the Trust has yet to be published and, consequently, the Trust has not been in a position to formally respond to any recommendations which may arise from the review. Correspondence received from the CQC immediately following the review provided us with some key headlines, which included evidence that the Trust provides good compassionate care for patients and their families, and good support for patients whose circumstances make them vulnerable, for example, those living with dementia.

Members of the review team advised that the Trust had a number of effective systems and processes in place to keep patients safe and prevent harm, namely incident reporting, infection prevention and safeguarding adults and children. They advised that there was improved staff engagement and in the main, a positive culture throughout the Trust and a good strategic focus. Our performance against the 4-hour Emergency Department standard was identified as an area of concern together with the Trust's financial position and longer term sustainability. We anticipate that the report of the review will be published in June / July 2016 and the Board of Directors is fully committed to addressing any resultant recommendations.

Commissioning for Quality & Innovation (CQUIN)

A proportion of the Trust's income in 2015/16 was conditional on achieving quality improvement and innovation goals agreed with Commissioners through the Commissioning for Quality and Innovation payment framework (CQUIN). The level of income associated with these goals in 2015/16 was £6.2m which equates to 2.5% of income in accordance with national rules. The CQUIN programme for 2015/16 included a wide range of indicators at a national, Greater Manchester and local level, from implementing 'care bundles' for specific medical conditions to improving communication across primary, secondary and community care services. Significant progress was made against all CQUIN indicators to improve care during 2015/16 and full details can be found in the Trust's Annual Quality Report 2015/16 on page 97.

Other Quality Initiatives

During 2015, a team comprised of members of the Board of Directors and representatives of the Stockport CCG Governing Body participated in a *Making Safety Visible* programme. This programme, which included participants from across Greater Manchester and the North West was sponsored by the Health Foundation and was facilitated by Haelo in partnership with the Greater Manchester Academic Health Sciences Network. Making Safety Visible workshops were held in February, May and July 2015 with a final summit meeting on 7 October 2015.

The programme was based on the Framework for Measuring and Monitoring Safety developed by Prof Charles Vincent, and the Trust's team used this framework to look at means of reducing emergency readmissions with a particular focus on those patients with chronic obstructive pulmonary disease (COPD) who are frequently readmitted to Stepping Hill Hospital. As a result, we have expanded the existing community-based COPD team who will work proactively with these patients to avoid readmission to hospital wherever possible. We believe that learning from this initiative will be used in assessing other complex care pathways within Stockport Together programme.

Service improvements following staff or patient surveys

Patient and family experience continues to be a key quality driver for the Trust and during 2015/16 we continued to develop and enhance systems and processes already in place which enable our patients and service users to provide valuable feedback on the care and services delivered by the Trust. Developments have included a new initiative in which all wards are now able to undertake additional iPad surveys to supplement those administered on a monthly basis by volunteers. This allows ward managers and their teams to be involved in gathering specific feedback about their ward and taking appropriate actions.

We continue to use patient stories as a regular feature at Board of Directors' meetings but these are now also widely used in staff training. From November 2015, patients who attend the Emergency Department (ED), and who are contacted via their landline as part of the Friends and Family Test, can now leave a two-minute verbal message about their experiences in ED. This has been very well received and messages are listened to by ED staff and shared in order to drive service improvement and celebrate good practice. Work is currently underway to extend this facility to other departments.

The results of three national CQC surveys were published during 2015/16; "The National Children and Young People's Inpatient and Daycase Survey 2014", "The National Adult Inpatient survey 2014" and the "Survey of Women's Experiences of Maternity Services 2015". Each of these surveys has proved to be a source of valuable feedback, not only on where improvement is needed, but also on where good practice can be further embedded.

Examples of service improvements undertaken as a result of feedback during 2015/16 include:-

- The interview room in the ED has had artwork painted on the walls by 'Arts and Recovery', a voluntary organisation that offered assistance to improve the room for patients and their carers.
- Following negative patient feedback about a lack of storage and poor general appearance on the 'balcony' area of ward B6, work has been completed which has improved this area for patients.
- A delay in receiving discharge medications continued to be a theme from patient feedback. The Trust's Pharmacy now has a dedicated 'runner' to deliver medication to wards as soon as they are ready, which helps to improve patient discharge.
- A multi-professional task and finish group has worked to improve the identification, rapid specialist assessment, appropriate treatment plan and post treatment journey for Metastatic Spinal Cord Compression (MSCC) patients.
- As a result of feedback about communication on wards, the Matron for Patient Experience undertook a change management project to improve the shift handover on a number of wards with the aim of promoting effective team communication, which also promotes involving patients in care decisions.
- Regular audits are undertaken by the night nursing team to monitor noise levels in patient areas and look at ways to help promote a restful environment. As a result complaints about excessive noise have reduced.
- The neonatal unit introduced an 'electronic ear' that changes colour if noise levels increase; it has been found to be an effective visual reminder of any noise generated during a shift.
- A multi professional team has been working to improve staff understanding of pain control. Actions undertaken include a review of staff training including prescribing, administration and monitoring of analgesia, a link nurse for every ward, and a review of patient survey questions relating to pain control.

- Dementia care has been improved for patients on wards through the introduction of music, which promotes a positive mood change. CD players have been introduced in ward bays playing a variety of music from different eras, and the Matron for Dementia has also invited professional musicians to come into the wards to play for patients.
- Dementia care in the Emergency Department (ED) is particularly challenging for staff due to the nature of the environment. A recent complaint highlighted the need for increased awareness for those patients with dementia. Actions as a result of the complaint include nursing patients diagnosed with dementia in a calm area, where possible, with a CD player to provide music. Activity mitts are also available in the ED if needed, and vigilance in the waiting room has been increased by the triage nurse for any waiting dementia patients.
- Wards regularly use hearing amplifiers for hard of hearing patients who do not wish to wear hearing aids. Positive feedback from relatives has been received resulting in some purchasing hearing amplifiers for their own use. One lady said that this was the "first proper conversation with her mother for years".
- Following informal complaints and patient feedback regarding the length of wait for a routine assessment, the Adult Community Therapy Team undertook a review of their triage system. As a result teams meet weekly to review all routine referrals waiting, ensure target timescales are met and that the workload is shared. This has resulted in reduced average waiting times from 4.8 weeks to 3.3 weeks.

Improvements in patient / carer information

A number of developments to improve patient and/or carer information were undertaken during 2015/16 ranging from enhancement of information leaflets to Trust-wide improvement initiatives. Following a complaint relating to appointment notification service, the patient information leaflet "How we use your personal information" was reviewed and amended to make clear to the reader that some of our processes may be carried out by third parties, as this had not been clearly articulated in the original leaflet.

Some services have held specific events in order to improve information to patients, carers and families. Stockport Intermediate Care Services hold a regular residents' forum and invite residents, families and carers to provide feedback, which is then shared via notice boards in residential homes using a 'You said, We did' approach. Following concerns raised by local residents about parking at our Swanbourne Gardens Children's Respite Unit, residents were invited to visit the unit and meet with staff, with the aim of improving communication and reassuring residents that their concerns were being listened to.

A much wider forum was a Dementia Carers' event held on 12 August 2015, where we invited members of the public, carers and staff to tell us what kind of service they would like us to deliver for people with a diagnosis of dementia. We used information gained from this event to develop and re-launch our dementia strategy, focusing on the needs and views of people who use our service.

Providing information to patients, carers and families can take a variety of forms. The volunteer service has now relocated to the Carers' Information Point based in Stepping Hill Hospital and work was undertaken to make the area more welcoming to carers and the public, with the addition of patient information stands displaying a variety of information leaflets. On the wards, permanent staffing boards are now in place to allow nursing and midwifery staff to display their 'planned' and 'actual' staffing numbers for the information of patients and visitors in response to national staffing guidance.

Complaints Handling

The Trust received 787 formal complaints in 2015/16 compared with 773 formal complaints in 2014/15 and 706 formal complaints in 2013/14. The main themes of complaints continue to be:

- Treatment;
- Communication;
- Appointment / Admission;
- Complaints about Staff; and
- Complaints about Nursing Care

Themes are monitored by means of a quarterly Patient Experience & Complaints Report which is reviewed by the Quality Governance Committee and includes details of planned improvements to practice as a result of poor patient experience.

Two significant enhancements were made to the complaints handling process during 2015/16. Firstly, we introduced three levels of response times to help ensure that robust and timely responses are provided to complainants. Performance in this area for 2015/16 i.e. the percentage of responses provided within the timescale agreed with complainant, was 87.6% which represents a significant increase on the rate of 76.6% achieved in 2014/15. Secondly, we have further improved the quality of written responses to complainants through the introduction of a template response letter. This ensures that the response highlights any apology where appropriate and clearly identifies where we have changed practice as a result of the complaint.

In 2015/16 there was one complaint referred to the Parliamentary & Health Service Ombudsman (PHSO) which was fully upheld and five complaints which were partly upheld. In all cases, apologies were issued by the Trust and action plans were developed by the relevant Business Group to mitigate the risk of reoccurrence. All action plans are shared with the PHSO through to completion.

Remuneration Report 2015/16

Remuneration and Terms of Service Committee

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

Chairman's Statement

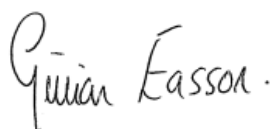
The Remuneration and Terms of Service Committee met on three occasions during the reporting period to consider the following business:

- Inflationary Pay Award 2015/16
- Chief Executive & Executive Director Appraisals
- Executive Director & Very Senior Manager Pay Policy
- Executive Coaching Report
- Recruitment and Appointment of a Medical Director

In determining and reviewing remuneration for Executive Directors, the Committee takes into account relevant benchmarking with other NHS and public sector organisations, guidance from Monitor, national inflationary uplifts recommended for other NHS staff, and any variation or change to the responsibilities of Executive Directors. The one major decision taken by the Committee in respect of senior managers' remuneration during 2015/16 was to agree that the Executive Directors and other senior managers covered by the Committee would not receive an inflationary pay award for the period April 2015 to March 2016. There were no substantial changes relating to senior managers' remuneration made during the year. All Executive Directors are subject to an annual appraisal which is completed with the Chief Executive. The appraisal for the Chief Executive is completed with the Chairman. As with all other staff in the organisation, performance against agreed objectives is discussed at appraisal meetings together with objectives for the forthcoming year.

Membership of the Committee and attendance at meetings is detailed in the table below:

Name	Title	Attendance
Mrs G Easson	Chairman	3/3
Mrs C Prowse	Deputy Chairman	3/3
Mr J Sandford	Non-Executive Director	2/3
Mr M Sugden	Non-Executive Director	2/3
Dr M Cheshire	Non-Executive Director	3/3
Mr J Schultz	Non-Executive Director	3/3
Mrs C Anderson (from 1 Jan 16)	Non-Executive Director	2/2



Gillian Easson
Chairman

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

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

A small number of other senior staff, Business Group Directors for example, are employed on a local pay scale agreed by the Remuneration Committee. All other terms and conditions reflect those set out in Agenda for Change. All other staff are employed on national terms and conditions or terms that mirror Agenda for Change.

Business Expenses

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

The expenses paid to Directors during the year were:

	2015/16	2014/15
Total number of Directors in office	16	15
Number of Directors receiving expenses	9	9
Aggregate sum of expenses paid to Directors	£4,735	£6,442

Off-Payroll Arrangements

As part of the remuneration report, we are required to present the following tables showing the numbers of staff employed through other means than the payroll, classed as off-payroll staff. These are staff that are paid the equivalent of more than £220 per day and have an engagement lasting longer than six months. It is Trust policy that employees are paid via the Trust's payroll and therefore these arrangements apply to staff contracted through an agency which then pays the individual via their own personal service company or via the agency payroll. The arrangements apply to a number of interim managers but not to medical agency staff.

Table 1

	2015/16	2014/15
No of existing arrangements as of 31 March 2016	Nil	6
Of which:		
Less than one year at time of reporting	-	1
Between one and two years at time of reporting	-	5

Between two and three years at time of reporting	-	-
Between three and four years at time of reporting	-	-
Four or more years at time of reporting	-	-

Table 2

	2015/16	2014/15
No of new engagements, or those that reached 6 months duration, between 1 April 2015 and 31 March 2016	8	6
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	8	6
Number of whom assurance has been requested Of which:	1	1
Number for whom assurance has been received	1	-
Number for whom assurance has not been received	-	-
Number that have been terminated as a result of assurance not being received	-	-

Table 3

	2015/16	2014/15
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	Nil	Nil
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	16	14

Exit Packages

Redundancy and other departure costs are paid in accordance with the provisions of the NHS Scheme and Trust policies. Any exit packages exceeding contractual amounts, and outside the terms of the normal pension scheme provisions, require Treasury approval before they are offered. The Trust has continued to offer the Mutually Agreed Resignation Scheme in 2015/16 although the numbers of staff applying for this scheme has reduced in year. The following tables show the exit packages for 2015/16 and comparator to 2014/15:

2015/16

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	1	-	1
£10,001 - £25,000	1	3	4
£25,001 - £50,000	2	-	2
£50,001 - £100,000	1	-	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	5	3	8
Total resource cost	£167,000	£57,000	£224,000

	2015/16		2014/15	
Exit packages: other non-compulsory departure payments	Payments agreed number	Total value of agreements £000	Payments agreed number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS contractual costs	1	10	18	380
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	2	47	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	3	57	18	380

2014/15

For the non-compulsory elements this can be further broken down in the following table:

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	2	4	6
£10,001 - £25,000	-	7	7
£25,001 - £50,000	-	6	6
£50,001 - £100,000	1	1	2
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	3	18	21
Total resource cost	£74,000	£380,000	£454,000

Consultancy Costs

The Trust purchases expert advice in order to deliver key projects where the Trust does not have internal expertise or in some circumstances may not have the capacity. The consultancy costs for 2015/16 are summarised as follows:

Consultancy area	£000
Strategy: The provision of objective advice and assistance relating to corporate strategies, appraising business structures, value for money reviews, business performance measurement, management services, product design and process and production management	1,064*
IT/IS: The provision of objective advice and assistance relating to IT/IS systems and concepts, including strategic studies and development of specific projects. Defining information needs, computer feasibility studies and making computer hardware evaluations. Including consultancy related to e-business	54

Human Resource, training and education: The provision of objective advice and assistance in the formulation of recruitment, retention, manpower planning and HR strategies and advice and assistance relating to the development of training and education strategies	133*
Programme and Project Management: The provision of advice relating to ongoing programmes and one-off projects. Support in assessing, managing and or mitigating the potential risks involved in a specific initiative; work to ensure expected benefits of a project are realised	26
Property and Construction: The provision of specialist advice relating to the design, planning and construction, tenure, holding and disposal strategies. This can also include the advice and services provided by surveyors and architects	62
Technical: The provision of applied technical knowledge. To aid understanding, this can be sub-divided into: - Technical Studies: Research based activity including studies, prototyping and technical demonstrators	44
Total cost 2015/16	1,369

* The Trust has received additional income to fund this consultancy work. With regards to Strategy, the Trust procured consultancy services of £686k on behalf of the Stockport Together (Vanguard) project. With regards to Human Resources, a joint project was commissioned with two other NHS Trusts and the Trust received income of £59k in relation to this.

Fair pay multiple / Median pay

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Stockport NHS Foundation Trust in the financial year 2015/16 was £170k-£175k (2014/15 £170k-£175k). In 2015/6 this was 7.2 times the median remuneration of the workforce which was £24,055. This is marginally lower than 2014/15 when the fair pay multiple was 7.3 times and the median remuneration was £23,596.

In 2015/16 10 employees (2014/15 5 employees) received remuneration in excess of the highest paid director, all of these employees were senior doctors. The remuneration ranged between £175,000 and £225,511. The Trust has two directors who are paid in excess of £142,500 which is the threshold used by the Civil Service as a comparison to the Prime Minister's ministerial and parliamentary salary. The Remuneration Committee has satisfied itself that the salaries are reasonable and in line with other Foundation Trusts of a similar size.



Ann Barnes
Chief Executive

26 May 2016

Salary and Pension Entitlements of Senior Managers

Name	Start Date of Office	Salary and allowances (in bands of £5,000) 2015/2016	Salary and allowances (in bands of £5,000) 2014/2015	Pension Related Benefits (in bands of £2,500)	Real increase/decrease during the reporting year in the pension at pension age (in bands of £2,500)	Real increase/decrease during the reporting year in related lump sum at pension age (in bands of £2,500)	Value at the end of the reporting year of the accrued pension at pension age (in bands of £5,000)	Value at the end of the reporting year of related lump sum at pension age (in bands of £5,000)	Value of cash equivalent transfer value at the beginning of the reporting year (to the nearest £1,000)	Real Increase/Decrease in Cash Equivalent Transfer Value during the reporting year (to the nearest £1,000)	Value of the cash equivalent transfer value at the end of the reporting year (to the nearest £1,000)	Employer's contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors												
Mrs A Barnes	01.03.2013	165 - 170	165 - 170	2.5 - 5.0	0.0 - 2.5	2.5 - 5.0	75 - 80	235 - 240	1,777	0	0	
Dr J Catania	02.04.2002	170 - 175	170 - 175	5.0 - 7.5	0.0 - 2.5	2.5 - 5.0	75 - 80	225 - 230	1,721	0	0	
Mrs J Morris	01.07.2008	110 - 115	110 - 115	2.5 - 5.0	0.0 - 2.5	2.5 - 5.0	40 - 45	130 - 135	919	31	960	
Mrs J Shaw	01.01.2013	100 - 105	95 - 100	47.5 - 50.0	2.5 - 5.0	7.5 - 10.0	35 - 40	115 - 120	656	56	720	
Mr J Sumner	26.11.2012	120 - 125	105 - 110	82.5 - 85.0	2.5 - 5.0	5.0 - 7.5	20 - 25	65 - 70	257	48	308	
Mr M Patel	03.08.2015	75 - 80	0	67.5 - 70.0	0.0 - 2.5	3.0 - 3.5	20 - 25	60 - 65	244	24	293	
Mr K Howells (interim Director of Finance)		90 - 95	50 - 55									0.0 - 2.5
Non Executive Directors												
Mrs G Easson		45 - 50	45-50									
Mrs C Prowse		15 - 20	15 - 20									
Mr LWilcock		0 - 5	15 - 20									
Mr J Sandford		15 - 20	15 - 20									
Mr M Sugden		10 - 15	10 - 15									
Mr J Schultz		10 - 15	10 - 15									
Dr M Cheshire		10 - 15	10 - 15									
Ms A Smith	01.01.2016	0 - 5										
Mrs C Anderson	01.01.2016	0 - 5										

In 2015-16 the Trust had an interim Director of Finance; Mr K Howells until 31st July 2015. On 3rd August 2015 Mr M Patel was appointed as Director of Finance. There is no prior year Executive Director comparator for Mr M Patel. The above table reflects the remuneration in their relative periods of office.

For Mrs A Barnes and Dr J Catania no cash equivalent transfer value (CETV) is shown at the 31st March 2016 as this is no longer applicable on reaching pension age in the 1995 scheme.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report. Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

Staff Report

Our Workforce

We recognise the valuable contribution of our workforce who provide a range of clinical and non-clinical services across the hospital and community sites as well as in patient's homes. We are committed to engaging with our workforce and ensuring that they feel valued through our on-going dialogue, this has been further enhanced through a range of opportunities including the introduction of a Freedom to Speak Up Guardian in February 2016. We have continued with the implementation of our Health & Wellbeing Strategy to support our staff with their work-life balance and resilience. The wellbeing programme of initiatives is complemented by an emerging coaching culture which further assists us to ensure openness, transparency and candour across the Trust, providing strong leadership and supporting the development of a performance culture.

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

Staff category	Average number of employees			
	Permanent number	Other number	2015/16 Total staff	2014/15 Total staff
Medical & Dental	424		424	403
Administration & Estates	864		864	892
Healthcare assistants & other support	1,076	137	1,213	1,170
Nursing, Midwifery & Health Visiting	1,902	45	1,947	1,881
Scientific, Therapeutic & Technical	763		763	749
Agency & contract staff	-	157	157	125
Bank staff	-	16	16	18
TOTAL	5,029	355	5,384	5,238

Our workforce of 5,029 whole time equivalent staff relates to a headcount of 5,913 staff as at 31 March 2016 and the profile of these staff can be shown as follows:

The breakdown by gender of our 5,913 staff is as follows:

- 82% Female; and
- 18% Male

Gender Headcount	Male	Female
Directors	7	6
Other Senior Managers	8	7
Other Employees	1,034	4,855

In 2015/16 we appointed 33 Consultants (31.60 WTE) and 324 Qualified Nurses (302.49 WTE). Our increase in nursing numbers is a result of investment following the Keogh and Francis reports on safe ward staffing.

Recruiting and retaining our people

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

Employing over 5,900 staff in extremely diverse roles, we aim to ensure that there are opportunities for career development in each and every part of the business. This is important in retaining the skills that our staff bring to us. We have an average staff turnover rate of approximately 10%. During Q4 of 2015/16 the Board of Directors approved a Recruitment & Retention Strategy. The strategy sets out the many challenges facing the Trust in achieving its aim of recruiting and retaining a workforce with the requisite skills, within an environment which supports flexible and healthy working practices and professional development to make us an employer of choice.

We have experienced difficulties in recruiting suitable candidates to a number of consultant vacancies, very much reflecting the national position and the affected specialties include Radiology, Emergency Department and Acute physicians. As a result we are continuing to explore alternative recruitment options including international recruitment and the use of specialist recruitment consultants. Whilst the challenges are significant, we are confident that with the participation and commitment of every member of staff at every level, the Trust will achieve and maintain a skilled and dedicated workforce representative of the local community, and capable of delivering high quality and compassionate patient care to the people of Stockport and beyond.

In summary our strategy covers both recruitment and retention and the short, medium and long term objectives of the Trust, in relation to how it attracts, develops and retains our workforce. Plans have been reviewed and refined in the context of recruitment challenges which we anticipate will have a positive impact in 2016/17. We have also continued with our international recruitment programme for nurses expanding to outside of the EU. We will also maintain our commitment to support the recruitment of local people in order to encourage growth and prosperity in Stockport.

Workforce Health and Wellbeing

Our commitment to the Health and Wellbeing of our staff is an area of priority and focus. We believe that the way to provide the best experience for our patients is to provide the best experience for our staff. We know that **Healthy Staff = Better outcomes for our patients**.

As a NHS Trust, health and wellbeing applies as much to our employees as it does to our patients, their carers and families and our local population. We want to do as much as we can to support our staff to enable them to be at their best, be energised, be motivated and committed to their work and to reach their full potential.

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

- Engaging all staff to identify, develop and improve their health and wellbeing, including; physical activity, smoking cessation, alcohol consumption, weight management and mental health;
- Encouraging staff to better recognise their physical and emotional needs and to feel more resilient, committed and able to contribute to the development of the Trust; in support of this resilience training for all staff is underway
- Improving the Health and Wellbeing of staff by promoting the benefits of a healthy and supportive working environment;
- Recognising the importance of wellbeing and ensuring assistance is provided to help staff to remain and return to work;
- Ensuring that the Organisational Development agenda and people management plans are totally aligned to support managers to lead, and staff to “self-lead” to remain, healthy, motivated and able to do their jobs

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

- Programme of health and wellbeing campaigns
- Spiritual and pastoral care
- Preventive interventions e.g. stress risk assessments and facilitated team working
- Coaching and guidance for managers
- Personal Resilience and Mindfulness workshops
- Staff benefits and incentives

We have an Occupational Health Service, designed to maximise the physical, psychological and social health of all staff and supporting managers by undertaking health interventions and providing advice on medical issues. In addition to core services of new employee health assessments, management referrals and immunisation / vaccination programmes, other services offered to staff include fast track physiotherapy, counselling, and lifestyle health advice.

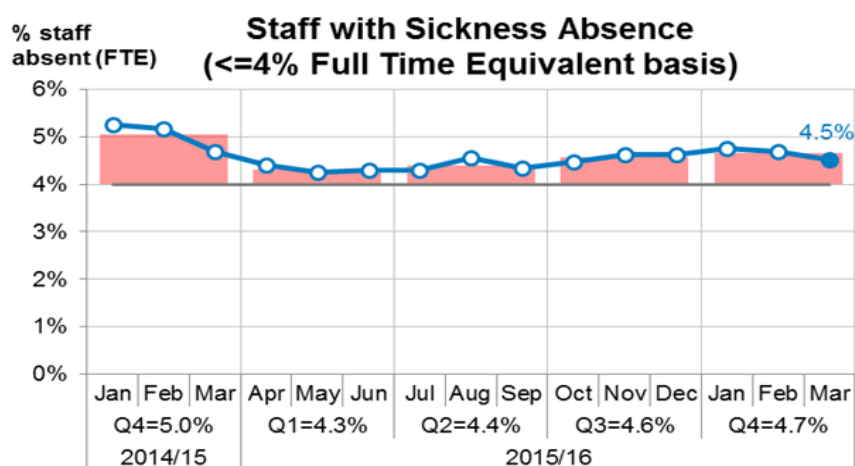
A range of health promotion support services are provided for staff including smoking cessation and raising awareness to prevent workplace incidents, such as sharps injuries. Vaccinating health care staff against potential workplace infections will protect staff from infection and mitigate the risk of transfer to patients. The OH services leads on the delivery of the staff flu vaccination each autumn with the assistance of many link nurses and achieved an uptake at the end of January 2016 of 66% in 2015/16, which compares positively with the national average of 49% and the Greater Manchester average of 51%. Uptake of vaccine this year compared to last has been 5-9% less on average across the country and it was 2% down in Stockport. Plans are in place to promote better uptake for 2016/17.

The occupational health service is active in providing comprehensive care for the employees of the Trust but also in offering specialist services to other employers in Stockport and further afield. For example, we work with NHS partners in occupational health to provide a comprehensive region-wide service to North West Ambulance Service NHS Trust. Our service continues to be successful in retaining accreditation of the national quality assurance scheme called SEQOHS (Safe,

Effective, Quality OH Service) giving an assurance of quality and effectiveness and allowing the service to continue to bid for new OH work in the region and wider afield. The Trust continues to explore potential service reconfiguration of OH services with local Trusts to maintain and enhance the services provided for NHS staff.

Sickness Absence Data

The chart below details our sickness absence performance during 2015/16.



We have reviewed our sickness absence policy and supporting procedures, in partnership with our trade union colleagues, to enable staff and managers to better address the challenges presented by staff ill health. This review will be further supported by 'seasonal' trend analysis and regular reporting of trends and issues will continue to the Workforce & Organisational Development Committee and Board of Directors.

Progress towards a revised internal target of 4.5% absence will continue to be a key objective for the Trust during 2016/17 (the revised target is based on an anticipated increase as a result of additional work being undertaken to ensure that absence recording is robust). There will be an intensive programme of work on sickness absence over the next 12 months in line with the Carter Review outcomes and therefore it is anticipated that this target will subsequently be reduced for 2017/18.

Working in Partnership

We recognise the importance of working in partnership with staff side colleagues and well established consultation and negotiation mechanisms are in place. Meetings are attended by Executive Directors, senior managers and staff side representatives. We continue to work in partnership with staff side colleagues on a number of areas particularly developing our employment policies and reviewing our consultation approach to ensure full engagement with union partners at the earliest opportunity during periods of organisational change.

Staff Engagement - Team Brief and Start the Year

The Trust has a comprehensive cascade communication system which is initiated through a monthly Team Brief by the Chief Executive. Key messages are shared with all staff across the organisation. It is designed to ensure that all staff are aware of the very latest developments and are kept abreast of the Trust's performance across all areas. Staff are encouraged to feed

information back up the organisation using the normal management channels which include a monthly 'drop-in' session with the Chief Executive which was introduced during 2015/16.

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

Equality and Diversity

Ensuring that everyone in our community receives the same high quality of care when they use our services and that we recruit and retain the very best talents regardless of personal characteristics such as gender, race, disabilities, age, religion or sexual orientation makes good moral and business sense. It also helps improve the quality of our outcomes. Over the last twelve months we have made substantial progress in embedding equality, diversity and human rights into core business activity. We are committed to ensuring that Equality & Diversity is central to business planning, workforce experience, service delivery and patient outcomes, particularly at a time of transformation and change.

Equality Delivery System

The Equality Delivery System (EDS) was introduced in July 2011 and was officially launched on 10 November 2011. The objective of EDS is to assess health inequalities and provide better working environments, free of discrimination, for people who use and work in the NHS. EDS2 is a part of our commissioning contract and we are required to submit regular update returns to commissioners during the year. The Care Quality Commission (CQC) also monitors the equality aspects of our service delivery. The 2015 EDS2 audit results are published on our website along with our Equality Objectives for 2016/17.

Workforce Race Equality Standard (WRES)

We publish our Workforce Race Equality Standard (WRES) metrics which are underpinned by an action plan to address areas where improvements can be made. A particular focus in 2015/16 was the introduction of a reciprocal mentoring scheme. The reciprocal mentoring programme aims to mobilise the expertise and skills of our most senior leaders at Executive Director level in order to offer their mentorship, advice and guidance to mentees from BME backgrounds wishing to become future senior leaders within the NHS.

Equality Impact Assessments

All new or revised policies are subject to an equality impact assessment which helps to ensure that our policies support the advancements of equality and do not have any negative effects upon any particular groups. Completion of the assessments also helps us to ensure that we comply with our duties under the Equality Act 2010. Our business planning template includes a section around equality and diversity considerations.

Raising the profile of Equality, Diversity and Human Rights

The Trust undertakes its duty as a public body to promote diversity through events and projects throughout the year.

In September 2015 the Trust hosted the biggest ever transgender equality event in the UK for NHS staff. Chairman Gillian Easson introduced the event, which brought together around 150 doctors, nurses and other NHS staff. The master class helped staff to learn more about the health challenges faced by the trans-community. The conference included a wide range of speakers on the topics of: identity; legal rights; health inequalities; sexual health; pan-sexuality; supporting patients; children & younger trans people; and supporting older trans people.

During 2015 we also introduced a Supported Internship Programme for young people with learning disabilities. Our first cohort of trainees arrived in October 2015 and are now undertaking their work experience placements. The main aim of the project is to secure paid work either with the Trust or with an external employer. The course accommodates 10 people on 3 rotational placements throughout an academic year. The Trainees have classroom based activity at the beginning and end of the day and by the end of the 12 months will gain a City and Guilds Entry 3 qualification – 'Personal progression through employment'.

In addition we have been working with our partners at Job Centre Plus to support the sector-based work academy care programme. The six week course is delivered partially at the Trust with staff dipping into teaching sessions. The students gain a BTEC Level 1 – certificate in preparing to work in Adult Social Care and the experience of working in a hospital setting.

In 2015 the Trust won a Stockport Young Stars award in the category of 'Working with Young People' in the annual awards presented by Stockport Metropolitan Borough Council. We were recognised for our volunteering opportunities, career events, cadetships, and apprenticeship schemes, which allow young people to train while working on the job in both the hospital and the community health settings.

Equality and Diversity Training

We continued to embed Equality and Diversity training into our existing courses during 2015/16. The interactive equality and diversity one hour slot delivered on corporate welcome and essentials training continues to receive positive feedback and has resulted in a greater understanding around unconscious bias, fair access to services and employment, communication barriers, health inequalities and chaplaincy services.

During 2015/16 two full day deaf awareness training sessions were delivered to the Dignity and Respect Champions. Supporting resources were provided to enable the delegates to cascade the training to teams and colleagues. A similar structure will be used in 2016/17 to cascade Learning Disability Awareness training.

Equality and Diversity in Employment

We have an on-going programme of work that aims to ensure that equality is central to all employment activities and our work spreads across all areas of the Directorate – Recruitment, Workforce Planning, Learning & Education, Occupational Health and the day to day management of staff.

Our employment policies reflect the employment law provisions in relation to discrimination and advocate best employment practice when managing equality based issues in the workplace. We have a series of specialist policies that cover Equal Opportunities in Employment, Disability, Special Leave, Flexible Working, Maternity, Paternity & Adoption Leave, Transgender Support Policy and Dignity at Work (Bullying & Harassment). Our employment policies are subject to regular review and update, in partnership with our staff side colleagues, to ensure that they continue to reflect best practice.

Following the launch of a Reasonable Adjustment Policy in 2013, the number of staff using Access to Work to gain workplace assessments has increased, with a far better understanding of the Employer role in the process. In particular, we have seen a more open disclosure around dyslexia. The subsequent software and equipment recommended by Access to Work has made a substantial difference to the staff members' ability to perform in their job roles.

Equality Networks

We support three staff networks; Black and Minority Ethnic (BME), Disability and Lesbian, Gay, Bisexual and Transgender (LGBT) whose aim is to support staff from different equality groups and to enable us to gain a better understanding of issues faced by staff in the workplace.

Summary of Workforce Statistics 2015

There are several minority ethnic groups within our workforce which are noticeably larger than others and differ slightly from the local profile. These are: Indian; Other Asian; 'Other White'; and Black African. This does reflect the ethnic profile of NHS staff nationally. In common with most health organisations, women make up the majority of our workforce with 83% of our employees being female. At present, approximately 25% of our staff are aged 35 years or under.

The 1.4% of staff who have declared their sexuality as lesbian, gay or bisexual appears low and could be due to false declaration or a real absence of lesbian, gay and bisexual individuals within the Trust workforce. Our staff profile shows that 3% of our staff have declared a disability. We will be increasing awareness and support for staff to declare their disability. Monitoring figures for religion / belief show Christianity as the most declared (52%) followed by Atheism (8%). Whilst there are still some gaps in the personal information staff provide we anticipate that this will improve following our roll-out of ESR Employee Self Service, allowing staff direct access to update their personal details.

2015 National Staff Survey

The annual staff survey is a vital component in finding out the views of staff and helping to identify where improvements can be made at corporate, business group and staff group levels to improve the staff experience and further enhance engagement and staff satisfaction. In 2015, all staff were invited to complete a staff survey and a blended approach was adopted for ways to complete the survey, either on-line or a paper copy. In total, 1,856 staff completed the survey, a response rate of 34%. This is a 5% increase from the 2014 survey and compares with a national average of 41% for combined acute and community Trusts.

Of the 32 key findings in the survey, the Trust scored better than the national average in 11 areas, average in 19 areas and worse than the national average in 2 areas. The two areas where the Trust scored worse than the national average were; percentage of staff having had an appraisal

(78%) and staff satisfaction with the quality of work and patient care they are able to deliver (3.90 out of 5). The staff engagement score increased from 3.75 in 2014 to 3.82 in 2015. This compares well against the national average of 3.75. The only key finding to deteriorate in relation to 2014 outcomes was the percentage of staff having appraisals. This had dropped from 89% in 2014 to 78% in 2015. The national average for this element was 86%.

This year we took the opportunity to ask some additional questions related to awareness of the Trust's Strategy and how personal objectives are aligned to the Trust's strategic direction. Over 70% of respondents confirmed their awareness of our strategy and the alignment with their personal objectives.

The tables below provide a summary of the main findings from the 2015 survey together with the Top Ranking and Bottom Ranking scores.

Key Findings	2015		2014
	Our Trust	National Average	Our Trust
Care of patients is my organisation's top priority	76%	73%	69%
My organisation acts on concerns raised by patients	73%	72%	71%
I would recommend my organisation as a place to work	61%	58%	56%
If a friend or relative needed treatment, I would be happy with the standard of care provided by the Trust	73%	67%	65%
Staff recommendation of the organisation as a place to work or receive treatment	3.79 (out of 5)	3.71	3.67

Top 5 Ranking Scores for 2015

Five questions we scored BEST in	2015	
	Our Trust	National Average
% of staff experiencing harassment, bullying or abuse from patients, relative or the public in the last 12 months (the lower the score the better)	22%	27%
% of staff experiencing harassment, bullying or abuse from staff in the last 12 months (the lower the score the better)	21%	24%
% of staff experiencing discrimination at work in the last 12 months (the lower the score the better)	7%	10%
Effective use of patient feedback	3.75 (out of 5)	3.65
% of staff experiencing physical violence from patients, relatives or the public in the last 12 months (the lower the score the better)	11%	14%

Bottom 5 Ranking Scores for 2015

Five questions we scored WORST in	2015	
	Our Trust	National Average
% of staff appraised in the last 12 months	78%	86%
Staff satisfaction with the quality of work and patient care they are able to deliver	3.90 (out of 5)	3.94
% of staff 'reporting' most recent experience of violence	50%	52%
Staff motivation at work	3.90 (out of 5)	3.92
% of staff agreeing that their roles makes a difference to patients	90%	91%

An action plan to address outcomes of the staff survey has been developed and progress against identified actions will be monitored by the Workforce & Organisational Development Committee. The areas of focus in the action plan are:

- Developing a performance culture to improve quality of care.
- Strengthening leadership capability through the implementation of the Trust's Leadership Strategy.
- Continuing to improving the health, well-being and resilience of staff through a comprehensive programme of activities and support.
- Further enhancing staff engagement through leadership development and improved communication

Values-based Behaviours Framework

We continued to embed our Trust values and behaviours framework during 2015/16. Our values are more closely aligned with our strategic priorities; specifically in the areas of collaborative working, teamwork, staff health and wellbeing, innovation and improving the quality of patient care.

The values-based behaviours are designed to underpin our values, provide a clear framework for 'living our values' and to support development of our organisational culture. This supports the overall aim of our engagement and culture programme to strengthen our 'culture of caring' through fully engaging our workforce to consistently deliver safe and high quality care; through continuous learning, improvement and 'putting patients at the heart of everything we do'.

Our values are now fully embedded into a new performance appraisal framework, recruitment processes, Pride of Trust Awards, leadership development programmes and in team development sessions. Our values-based behaviours framework will continue to be promoted at every opportunity to all staff as a guide for how we expect one another to behave in all that we do.

Leadership Development

In order to meet the challenges facing the Trust and to achieve our vision, we need leadership of

the highest calibre. To help us achieve this, a leadership strategy has been developed. The aim of the leadership strategy is to create a leadership culture in which staff are fully engaged at all levels, accepting responsibility for outcomes, create opportunities for others to learn and lead, create space for innovation and share best practice supporting a culture of continuous high quality compassionate care. To achieve this requires leadership behaviours and attitudes of the highest order, where leadership is supported and enabled at all levels of the organisation, both individually and collectively. This means developing a leadership culture that supports new ways of sharing power, thinking, being and doing and by working closely with one another to collectively achieve goals and objectives. It means that distribution and allocation of leadership power to wherever expertise, capability and motivation sits within our Trust. The leadership strategy is one of the five key deliverables of the Trust's Organisational Development Strategy.

A comprehensive development plan will support implementation of the leadership strategy and will include:

- A Board Development Plan and Executive Leadership Programme
- In-house Leadership Development Programme for our senior leaders
- Consultant Foundation Programme for newly appointed consultants
- A Leadership Programme for middle level operational managers
- Introduction to Management Programme for newly appointed managers and supervisors.
- An Aspiring Leadership Programme for those individuals who would like to know more about being a manager and leader

Coaching Academy

Since the launch of the Trust's Coaching Academy in 2014, the development of a coaching culture through one to one coaching and coaching conversations has gone from strength to strength. The Trust now has a cadre of qualified coaches who are able to support and work with leaders and managers at all levels to improve individual and team performance. In addition to the intensive one to one support offered by our internal coaches, the spread of coaching conversations has been further reinforced through the attendance of over 100 managers on a two day Coaching Skills Workshop. Developing a coaching culture across the Trust is recognised as a key enabler to successfully delivering our strategic priorities. It will also support us in continuing to respond to the key themes of increasing openness, transparency and candour across the Trust; providing strong support for leadership roles and creating a level playing field for accountability.

In 2016/17 we will continue to embed the Trust's Coaching Strategy through delivering Coaching Conversations workshops together with a range of Continuous Professional Development interventions and supervision to further develop the knowledge, skills and experience of our existing coaches.

Apprenticeships

Apprenticeships provide an invaluable first step on the employment ladder for young people and are also a great way of developing existing employees. The Trust has an Apprenticeship Scheme that during 2015/16 significantly increased the number of apprenticeship opportunities from 18 in 2014/15 to 55 in areas such as business administration, health and social care, customer services and management.

The government has a core manifesto commitment to create and support three million apprenticeships by 2020. It also wants to give employers greater involvement, control and investment and to ensure apprenticeships become integral to the education and development of the workforce. We participate in an Apprenticeship Framework which provides relevant training which is tailored to meet the demands of our roles. The learner is supported throughout the programme, both on and off the job, and the scheme provides staff with the opportunity to earn while they learn.

The programme contributes to improved retention and productivity and the opportunity to 'grow' a highly committed, skilled and competent workforce. The outcomes and implications of the proposed changes to the Apprenticeship Scheme in 2017 will be monitored closely by the Trust to ensure full advantage is taken of opportunities that will ensure the continued improvement of attracting and developing the very best talent.

NHS Foundation Trust Code of Governance

The NHS Foundation Trust Code of Governance (the Code of Governance) was first published in 2006 and was most recently updated in July 2014. The purpose of the Code of Governance is to assist NHS Foundation Trust Boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The Code is issued as best practice advice but imposes some disclosure requirements. Stockport NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

NHS Foundation Trusts are required to provide a specific set of disclosures to meet the requirements of the NHS Foundation Trust Code of Governance which should be submitted as part of the Annual Report (as referenced in the NHS Foundation Trust Annual Reporting Manual). Schedule A to the Code of Governance specifies everything that is required within these disclosures. Schedule A is divided into six categories and the disclosures being made by the Trust for each of these categories are detailed below:

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

Reference	Statutory requirement:
A.2.2	The roles of chairperson and chief executive must not be undertaken by the same individual. <i>The Trust complies with this requirement.</i>
A.5.10	The council of governors has a statutory duty to hold the non-executive directors Individually and collectively to account for the performance of the board of directors. <i>The Board of Directors and the Council of Governors comply with this requirement.</i>

A.5.11	<p>The 2006 Act, as amended, gives the council of governors a statutory requirement to receive the following documents. These documents should be provided in the annual report as per the <i>NHS Foundation Trust Annual Reporting Manual</i>:</p> <ul style="list-style-type: none"> (a) The annual accounts; (b) Any report of the auditor on them; and (c) The annual report. <p><i>The Trust complies with this requirement.</i></p>
A.5.12	<p>The directors must provide governors with an agenda prior to any meeting of the board, and a copy of the approved minutes as soon as is practicable afterwards. There is no legal basis on which the minutes of private sessions of board meetings should be exempted from being shared with the governors. In practice, it may be necessary to redact some information, for example, for data protection or commercial reasons. Governors should respect the confidentiality of these documents.</p> <p><i>The Trust complies with this requirement.</i></p>
A.5.13	<p>The council of governors may require one or more of the directors to attend a meeting to obtain information about performance of the trust's functions or the directors' performance of their duties, and to help the council of governors to decide whether to propose a vote on the trust's or directors' performance.</p> <p><i>The Trust is aware of this requirement. This situation did not arise during 2015/16.</i></p>
A.5.14	<p>Governors have the right to refer a question to the independent panel for advising governors. More than 50% of governors who vote must approve this referral. The council should ensure dialogue with the board of directors takes place before considering such a referral, as it may be possible to resolve questions in this way.</p> <p><i>The Trust is aware of this requirement. This situation did not arise during 2015/16.</i></p>
A.5.15	<p>Governors should use their new rights and voting powers from the 2012 Act to represent the interests of members and the public on major decisions taken by the board of directors. These are outlined in full at A.5.15.</p> <p><i>The Trust complies with this requirement.</i></p>
B.2.11	<p>It is a requirement of the 2006 Act that the chairperson, the other non-executive directors and – except in the case of the appointment of a chief executive – the chief executive, are responsible for deciding the appointment of executive directors. The nominations committee with responsibility for executive director nominations should identify suitable candidates to fill executive director vacancies as they arise and make recommendations to the chairperson, the other non-executives directors and, except in the case of the appointment of a chief executive, the chief executive.</p> <p><i>The Trust complies with this requirement.</i></p>
B.2.12	<p>It is for the non-executive directors to appoint and remove the chief executive. The appointment of a chief executive requires the approval of the council of governors.</p> <p><i>The Trust complies with this requirement.</i></p>

B.2.13	<p>The governors are responsible at a general meeting for the appointment, re-appointment and removal of the chairperson and the other non-executive directors.</p> <p><i>The Trust complies with this requirement.</i></p>
B.4.3	<p>The board has a duty to take steps to ensure that governors are equipped with the skills and knowledge they need to discharge their duties appropriately.</p> <p><i>The Trust complies with this requirement.</i></p>
B.5.8	<p>The board of directors must have regard for the views of the council of governors on the NHS foundation trust's forward plan.</p> <p><i>The Trust complies with this requirement.</i></p>
B.7.3	<p>Approval by the council of governors of the appointment of a chief executive should be a subject of the first general meeting after the appointment by a committee of the chairperson and non-executive directors. All other executive directors should be appointed by a committee of the chief executive, the chairperson and non-executive directors.</p> <p><i>The Trust complies with this requirement.</i></p>
B.7.4	<p>Non-executive directors, including the chairperson should be appointed by the council of governors for the specified terms subject to re-appointment thereafter at intervals of no more than three years and subject to the 2006 Act provisions relating to removal of a director.</p> <p><i>The Trust complies with this requirement.</i></p>
B.7.5	<p>Elected governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years.</p> <p><i>The Trust complies with this requirement.</i></p>
D.2.4	<p>The council of governors is responsible for setting the remuneration of non-executive directors and the chairperson.</p> <p><i>The Trust complies with this requirement.</i></p>
E.1.7	<p>The board of directors must make board meetings and the annual meeting open to the public. The trust's constitution may provide for members of the public to be excluded from a meeting for special reasons.</p> <p><i>The Trust complies with this requirement.</i></p>
E.1.8	<p>The trust must hold annual members' meetings. At least one of the directors must present the trust's annual report and accounts, and any report of the auditor on the accounts, to members at this meeting.</p> <p><i>The Trust complies with this requirement.</i></p>

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

Reference	Statutory requirement:
A.1.1	<p>The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the Boards and which are delegated to the executive management of the Board of Directors.</p> <p><i>See Annual Report page 30 and page 40.</i></p>
A.1.2	<p>The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.</p> <p><i>See Annual Report pages 31, 35, 39 and 54.</i></p>
A.5.3	<p>The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.</p> <p><i>See Annual Report page 42.</i></p>
FT ARM	<p>The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.</p> <p><i>See Annual Report page 42.</i></p>
B.1.1	<p>The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.</p> <p><i>See Annual Report page 30.</i></p>
B.1.4	<p>The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.</p> <p><i>See Annual Report page 34.</i></p>

FT ARM	<p>The annual report should include a brief description of the length of appointments of the non-executive directors and how they may be terminated.</p> <p><i>See Annual Report pages 31 and 39.</i></p>
B.2.10	<p>A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.</p> <p><i>See Annual Report page 39.</i></p>
FT ARM	<p>The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.</p> <p><i>See Annual Report page 39.</i></p>
B.3.1	<p>A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.</p> <p><i>See Annual Report page 31.</i></p>
B.5.6	<p>Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.</p> <p><i>See Annual Report page 46.</i></p>
FT ARM	<p>If, during the financial year, the Governors have exercised their power under paragraph 10C of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.</p> <p><i>See Annual Report page 40.</i></p>
B.6.1	<p>The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.</p> <p><i>See Annual Report page 35.</i></p>
B.6.2	<p>Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.</p> <p><i>No external evaluation was undertaken during 2015/16.</i></p>

C.1.1	<p>The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).</p> <p><i>See Annual Report pages 38 and 88.</i></p>
C.2.1	<p>The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.</p> <p><i>See Annual Governance Statement on page 88.</i></p>
C.2.2	<p>A trust should disclose in the annual report:</p> <ol style="list-style-type: none"> If it has an internal audit function, how the function is structured and what role it performs; or If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. <p><i>See Annual Report page 37.</i></p>
C.3.5	<p>If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.</p> <p><i>This situation did not arise during 2015/16.</i></p>
C.3.9	<p>A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. <p><i>See Annual Report page 35.</i></p>
D.1.3	<p>Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.</p> <p><i>This situation did not arise during 2015/16.</i></p>

E.1.5	<p>The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non- executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.</p> <p><i>See Annual Report page 35.</i></p>
E.1.6	<p>The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.</p> <p><i>See Annual Report page 46.</i></p>
FT ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> • A brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • Information on the number of members and the number of members in each constituency; and • A summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership including progress towards any recruitment targets for members. <p><i>See Annual Report page 44.</i></p>
FT ARM	<p>The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.</p> <p><i>See Annual Report pages 35 and 43.</i></p>

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

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

The information detailed below is available on request from the Company Secretary and will also be placed on the Trust's website.

Reference	Statutory requirement:
A.1.3	The board of directors should make available a statement of the objectives of the NHS foundation trust showing how it intends to balance the interests of patients, the local community and other stakeholders, and use this as the basis for its decision-making and forward planning.
B.1.4	A description of each director's expertise and experience, with a clear statement about the board of director's balance, completeness and appropriateness.
B.2.10	The main role and responsibilities of the nominations committee should be set out in publicly available, written terms of reference.
B.3.2	The terms and conditions of appointment of non-executive directors.
C.3.2	The main role and responsibilities of the audit committee should be set out in publicly available, written terms of reference.
D.2.1	The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board of directors. Where remuneration consultants are appointed, a statement should be made available as to whether they have any other connection with the NHS foundation trust.
E.1.1	The board of directors should make available a public document that sets out its policy on the involvement of members, patients and the local community at large, including a description of the kind of issues it will consult on.
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website.

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

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

There were no instances of Non-Executive Directors seeking re-appointment during 2015/16. Relevant information was provided to the Council of Governors by the Senior Independent Director in relation to re-appointment of the Chairman with effect from 1 November 2015.

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

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

This information is included within the election material circulated to members by Electoral Reform Services who manage governor elections on behalf of the Trust.

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

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

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

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

Provision	Summary:
A.1.4	<p>The board should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust's effectiveness, efficiency and economy as well as the quality of its health care delivery</p> <p><i>The Trust is declaring compliance.</i></p>
A.1.5	<p>The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance</p> <p><i>The Trust is declaring compliance.</i></p>
A.1.6	<p>The board should report on its approach to clinical governance.</p> <p><i>The Trust is declaring compliance.</i></p>
A.1.7	<p>The chief executive as the accounting officer should follow the procedure set out by Monitor for advising the board and the council and for recording and submitting objections to decisions.</p> <p><i>The Trust is declaring compliance.</i></p>
A.1.8	<p>The board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life.</p> <p><i>The Trust is declaring compliance.</i></p>
A.1.9	<p>The board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility.</p> <p><i>The Trust is declaring compliance.</i></p>
A.1.10	<p>The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.</p> <p><i>The Trust is declaring compliance.</i></p>
A.3.1	<p>The chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chairperson of the same NHS foundation trust.</p> <p><i>The Trust is declaring compliance.</i></p>
A.4.1	<p>In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director.</p> <p><i>The Trust is declaring compliance.</i></p>
A.4.2	<p>The chairperson should hold meetings with the non-executive directors without the executives present.</p> <p><i>The Trust is declaring compliance.</i></p>

Provision	Summary:
A.4.3	<p>Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.</p> <p><i>The Trust is declaring compliance.</i></p>
A.5.1	<p>The council of governors should meet sufficiently regularly to discharge its duties.</p> <p><i>The Trust is declaring compliance.</i></p>
A.5.2	<p>The council of governors should not be so large as to be unwieldy.</p> <p><i>The Trust is declaring compliance.</i></p>
A.5.4	<p>The roles and responsibilities of the council of governors should be set out in a written document.</p> <p><i>The Trust is declaring compliance.</i></p>
A.5.5	<p>The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate.</p> <p><i>The Trust is declaring compliance.</i></p>
A.5.6	<p>The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns.</p> <p><i>The Trust is declaring compliance.</i></p>
A.5.7	<p>The council should ensure its interaction and relationship with the board of directors is appropriate and effective.</p> <p><i>The Trust is declaring compliance.</i></p>
A.5.8	<p>The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board.</p> <p><i>The Trust is declaring compliance.</i></p>
A.5.9	<p>The council should receive and consider other appropriate information required to enable it to discharge its duties.</p> <p><i>The Trust is declaring compliance.</i></p>
B.1.2	<p>At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.</p> <p><i>The Trust is declaring compliance.</i></p>
B.1.3	<p>No individual should hold, at the same time, positions of director and governor of any NHS foundation trust.</p> <p><i>The Trust is declaring compliance.</i></p>

Provision	Summary:
B.2.1	<p>The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non- executive directors.</p> <p><i>The Trust is declaring compliance.</i></p>
B.2.2	<p>Directors on the board of directors and governors on the council should meet the “fit and proper” persons test described in the provider licence.</p> <p><i>The Trust is declaring compliance.</i></p>
B.2.3	<p>The nominations committee(s) should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate.</p> <p><i>The Trust is declaring compliance.</i></p>
B.2.4	<p>The chairperson or an independent non-executive director should chair the Nominations committee(s).</p> <p><i>The Trust is declaring compliance.</i></p>
B.2.5	<p>The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non-executive directors.</p> <p><i>The Trust is declaring compliance.</i></p>
B.2.6	<p>Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors.</p> <p><i>The Trust is declaring compliance.</i></p>
B.2.7	<p>When considering the appointment of non-executive directors, the council should take into account the views of the board and the nominations committee on the qualifications, skills and experience required for each position.</p> <p><i>The Trust is declaring compliance.</i></p>
B.2.8	<p>The annual report should describe the process followed by the council in relation to appointments of the chairperson and non-executive directors.</p> <p><i>The Trust is declaring compliance.</i></p>
B.2.9	<p>An independent external adviser should not be a member of or have a vote on the nominations committee(s).</p> <p><i>The Trust is declaring compliance.</i></p>
B.3.3	<p>The board should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity.</p> <p><i>The Trust is declaring compliance.</i></p>
B.5.1	<p>The board and the council of governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.</p> <p><i>The Trust is declaring compliance.</i></p>

Provision	Summary:
B.5.2	<p>The board and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.</p> <p><i>The Trust is declaring compliance.</i></p>
B.5.3	<p>The board should ensure that directors, especially non-executive directors, have access to independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.</p> <p><i>The Trust is declaring compliance.</i></p>
B.5.4	<p>Committees should be provided with sufficient resources to undertake their duties.</p> <p><i>The Trust is declaring compliance.</i></p>
B.6.3	<p>The senior independent director should lead the performance evaluation of the chairperson.</p> <p><i>The Trust is declaring compliance.</i></p>
B.6.4	<p>The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.</p> <p><i>The Trust is declaring compliance.</i></p>
B.6.5	<p>Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.</p> <p><i>The Trust is declaring compliance.</i></p>
B.6.6	<p>There should be a clear policy and a fair process, agreed and adopted by the council, for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.</p> <p><i>The Trust is declaring compliance.</i></p>
B.8.1	<p>The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.</p> <p><i>The Trust is declaring compliance.</i></p>
C.1.2	<p>The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary.</p> <p><i>The Trust is declaring compliance.</i></p>

Reference	Statutory requirement:
C.1.3	<p>At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.</p> <p><i>The Trust is declaring compliance.</i></p>
C.1.4	<p>a) The board of directors must notify Monitor and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS foundation trust.</p> <p>b) The board of directors must notify Monitor and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in:</p> <ul style="list-style-type: none"> i. The NHS foundation trust's financial condition; ii. The performance of its business; and/or iii. The NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS foundation trust. <p><i>The Trust is declaring compliance.</i></p>
C.3.1	<p>The board should establish an audit committee composed of at least three members who are all independent non-executive directors.</p> <p><i>The Trust is declaring compliance.</i></p>
C.3.3	<p>The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.</p> <p><i>The Trust is declaring compliance.</i></p>
C.3.6	<p>The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust.</p> <p><i>The Trust is declaring compliance.</i></p>
C.3.7	<p>When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to Monitor informing it of the reasons behind the decision.</p> <p><i>The Trust is declaring compliance.</i></p>

C.3.8	<p>The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.</p> <p><i>The Trust is declaring compliance.</i></p>
D.1.1	<p>Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels.</p> <p><i>The Trust did not have a performance-related element of remuneration for Executive Directors during 2015/16.</i></p>
D.1.2	<p>Levels of remuneration for the chairperson and other non-executive directors should reflect the time commitment and responsibilities of their roles.</p> <p><i>The Trust is declaring compliance.</i></p>
D.1.4	<p>The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.</p> <p><i>The Trust is declaring compliance.</i></p>
D.2.2	<p>The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.</p> <p><i>The Trust is declaring compliance.</i></p>
D.2.3	<p>The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.</p> <p><i>The Trust is declaring compliance.</i></p>
E.1.2	<p>The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.</p> <p><i>The Trust is declaring compliance.</i></p>
E.1.3	<p>The chairperson should ensure that the views of governors and members are communicated to the board as a whole.</p> <p><i>The Trust is declaring compliance.</i></p>
E.2.1	<p>The board should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to co-operate.</p> <p><i>The Trust is declaring compliance.</i></p>
E.2.2	<p>The board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.</p> <p><i>The Trust is declaring compliance.</i></p>

Regulatory Ratings

The Trust is rated quarterly by Monitor, the NHS Foundation Trust regulator, on two aspects, each of which is allocated a risk rating in accordance with the Risk Assessment Framework. These are:

- Financial Sustainability Risk Rating
- Governance Risk Rating.

The tables below identify the Trust's performance against our planned risk rating performance in 2015/16, with 2014/15 outcomes shown as a comparison. It should be noted that the previous Continuity of Services Risk Rating was replaced by the Financial Sustainability Risk Rating from Quarter 2 2015/16. Further details of the criteria used to determine these risk ratings can be found in the Risk Assessment Framework, on Monitor's website www.gov.uk/government/organisations/monitor.

	Annual Plan 2015/16	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16
Financial Sustainability Risk Rating (from Q2 2015/16)	2	N/A	2	2	2
Continuity of Service Risk Rating	3	3	N/A	N/A	N/A
Governance Rating	RED	RED	RED	RED	RED
	Annual Plan 2014/15	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15
Continuity of Service Risk Rating	3	3	3	4	4
Governance Rating	RED	RED	RED	RED	RED

On the 24 April 2013 the Trust signed Enforcement Undertakings with Monitor in relation to the Trust's breaches of the A&E 4 hour target and potential weaknesses in Governance processes. Monitor's concerns were such that this was superseded on 4 August 2014 by imposition of an additional licence condition under section 111 of the Health and Social Care Act 2012 (a copy of which is available on Monitor's website).

The licence condition stipulated additional governance requirements relating to functioning of the Board and its committees, the need to address concerns arising from the independent governance review completed by Deloitte LLP in May 2014 and actions necessary to ensure compliance with the A&E 4-hour waiting time standard. Much work was completed during 2014/15 to address identified weaknesses in governance arrangements and the outcomes of a follow-up review reported by Deloitte LLP in March 2015 provided independent assurance that necessary actions had been taken. Consequently, the element of the additional licence condition relating to Board effectiveness and governance was formally rescinded by Monitor on 1 June 2015.

However, sustainable delivery of the A&E 4-hour waiting time standard has continued to be a major challenge, despite the considerable efforts made by the Trust to achieve this target. This will

continue to be a feature of the Trust's regular progress review meetings with Monitor and our aim in 2016/17 is to take the necessary actions to provide Monitor with assurance that the Trust is returning to full and sustainable compliance with the terms of its licence. This has been identified by the Board as a strategic objective for the Trust in 2016/17.

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

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

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

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

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

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

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



Ann Barnes
Chief Executive

26 May 2016

Annual Governance Statement 2015/16

Scope of Responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Stockport NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stockport NHS Foundation Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

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

The risk and control framework

The Trust has a Board-approved Risk Management Strategy which sets out our approach to the management of risk and the system which assists in the identification, assessment, control and monitoring of risk. Risk management is recognised as a fundamental part of the Trust's culture and is firmly embedded in our philosophy, practices and business plans.

Our risk assessment process, incident reporting and investigation and matters arising from complaints and claims are the principal sources of risk identification. The Trust has an open and accountable reporting culture and staff are encouraged to identify and report incidents by means of an online incident reporting tool. The Trust's Incident Reporting and Management Policy aims to ensure that when a serious event or incident occurs, there are systematic measures in place for safeguarding patients, property, resources and reputation. The policy ensures that a thorough investigation is undertaken and that any lessons learned are disseminated throughout the Trust and, if applicable, to other agencies to reduce the likelihood of a reoccurrence.

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

The Board Assurance Framework details risks associated with delivery of the Trust's principal objectives. Following work with Mersey Internal Audit Agency to review the format and presentation of the Board Assurance Framework, a revised, more concise, version was adopted by the Board of Directors in July 2014. Control measures and sources of assurance are clearly detailed in the Board Assurance Framework, together with details of any gaps in either control or assurance, and each entry has an associated action plan. The Board Assurance Framework is reviewed by the Board of Directors on at least a quarterly basis and the Board considers developments in the external environment in relation to inform Board Assurance Framework content. An Internal Audit assessment completed in March 2016 confirmed that "*The organisation's Assurance Framework is structured to meet the NHS requirements, is visibly used by the Board and clearly reflects the risks discussed by the Board*".

Management capability, in terms of leadership, the availability of knowledgeable and skilled staff and adequate financial and physical resources, to ensure that processes and internal controls work effectively is routinely monitored by the Executive Team. The Board monitors and reviews the system of internal control and, where necessary, will identify improvements to accountability arrangements, processes or capability in order to deliver better outcomes. In 2015/16 this included further development of the Board's Committee arrangements to build on work previously undertaken to address recommendations made during an independent Governance Review conducted by Deloitte LLP.

A fundamental review of Board Committee arrangements resulted in the establishment of four Assurance Committees, each of which is chaired by a Non-Executive Director and report directly to the Board. These Committees are:

- Finance & Investment Committee
- Quality Assurance Committee
- Strategic Development Committee, and
- Workforce & Organisational Development Committee

Reports from the Assurance Committees which detail key issues considered by the Committees and associated risks are presented by the Committee chairs at each Board of Directors meeting.

Key Organisational Risk in 2015/16 and 2016/17

The risks to the principal objectives of the Trust, as identified in the Board Assurance Framework for 2015/16, were:

- Failure to meet all access and other targets resulting in adverse impact on patient experience, reputation, provider licence and contractual payments
- Inability to deliver financial recovery through cost improvement and innovation leading to reduced working capital and therefore an impact on safe and effective services and the ability to fund the strategic investment programme
- Not having the right number of staff who have the right skills and are engaged, developed and motivated to deliver services now and into the future and is affordable
- Failure to deliver the approved strategic plan resulting in a lack of focus on developing the right service changes resulting in a detriment to influence, decision-making, engagement and appropriate utilisation of resources
- Failure to continue to establish, engage and update effectively with, appropriate governance arrangements resulting in loss of influence and effectiveness
- Inability to deliver CQC compliance resulting in poor patient experience, loss of reputation and regulatory intervention
- Failure to maintain and enhance the quality and safety of the patient experience resulting in poor outcomes, loss of reputation, loss of market share and regulatory and commissioner concerns
- Poor planning and execution of infrastructure plans to deliver IT and Estates and Facilities strategies.

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

- 4-hour emergency department waiting time (target breached in all four Quarters during 2015/16)

The Trust remained in breach of its provider licence throughout 2015/16 as a result of failure to achieve the 4-hour Emergency Department target and Board members have continued to meet with Monitor representatives at regular intervals to discuss the effectiveness of measures being taken to address weaknesses in performance. Clearly, the Trust's performance against the 4-hour emergency department standard has continued to be a key area of scrutiny due to non-achievement of the target in any Quarter during 2015/16. Delivery of this standard remains a risk in 2016/17. The Trust implemented initiatives to manage patient flows, which included the provision of additional bed capacity over and above winter plan levels and the outsourcing of activity to create capacity. However, difficulties were experienced in managing the effective discharge of patients with social care needs, particularly at weekends, which had a significant impact on capacity. It has become evident that delivery of the standard on a sustainable basis is reliant on a local health economy approach to ensure that processes are efficient and effective at each point in the patient journey. Monitor recognises the necessity of such an approach and has been supportive in facilitating a series of meetings attended by representatives from NHS England, Stockport CCG, Stockport Metropolitan Borough Council and the Trust during 2015/16 to drive the development of a local health economy resilience plan. This work, and development

of a sustainable, resilient solution through the Stockport Together programme, will continue in 2016/17.

On 31 March 2016, the Board of Directors formally closed the Board Assurance Framework for 2015/16 and approved the opening of a refreshed Framework based on a revised set of strategic objectives and the principal risks to these objectives. The principal risks identified for 2016/17 are:

- Emphasis on day to day operational delivery, in response to environmental pressures, results in lack of focus on strategic change programmes with consequent impairment or failure to deliver the Trust's Five Year Strategy
- Failure to plan, resource and engage effectively with strategic change programme impairs level of control and influence with a consequent detrimental impact on patient services
- Failure to achieve sustainable delivery of the 4-hour A&E target impairs quality of patient care and results in further regulatory intervention
- Inability to maintain and improve compliance with Care Quality Commission standards impairs patient experience, damages Trust reputation and results in regulatory intervention
- Failure to deliver annual cost improvement programmes and realise planned benefits from strategic transformation projects impairs the Trust's financial position, with a consequent impact on patient services, and increases the likelihood of regulatory intervention
- Failure to prepare and deliver effective workforce plans supported by continuous professional development impairs the availability of workforce resources with a consequent impact on the delivery of patient services
- Failure to ensure efficient management of the Electronic Patient Record (EPR) projects results in data loss from current systems and the inability to realise the benefits expected to accrue from implementation of a comprehensive electronic system.

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

Quality Governance Framework

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

- Mortality & preventable deaths
- Quality of life in long term conditions
- Helping patients recover
- Positive experience of care

- Avoidable harm & complications

The Trust is fully compliant with the registration requirements of the Care Quality Commission. Assurance on continued compliance is gained through a system of 'mock' CQC inspections framed around a comprehensive audit programme. The format of the inspections is based on the five domains of safe, well-led, caring, effective and responsive to patients' needs. Action plans are developed to address any identified weaknesses which are followed up during repeat inspections, the frequency of which is determined by the relevant level of compliance. Outcomes of the inspections are monitored by the Quality Governance Committee which is a sub-committee of the Quality Assurance Committee.

The Trust was subject to a Care Quality Commission inspection in January 2016 and this was the first inspection carried out at the Trust under the Chief Inspector of Hospitals inspection regime. At the time of writing, the outcomes of the inspection had yet to be received by the Trust. The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

The Trust identified three Never Events during 2015/16 which were categorised as follows, in accordance with the NHS England Never Events List 2015/16:

- Wrong Site Surgery - Two incidents
- Retained Foreign Object Post-Procedure - One incident

All three incidents were subject to investigation in accordance with the Trust's Incident Reporting & Management Policy and immediate actions were taken to prevent reoccurrence. In addition, the Trust commissioned a comprehensive independent review of Never Events that had occurred in the Trust since December 2012 to determine any systemic weaknesses and to identify learning to mitigate the risk of such incidents. The final report was received on 18 April 2016 and is scheduled for consideration by the Board of Directors on 30 June 2016. The Trust plans to publish the final report to assist wider NHS learning in this area. An action plan will be developed to address recommendations arising from this review. However, the review stated that *"The pattern of Serious Untoward Incidents experienced by the trust is not unusual. Furthermore, following a review of all appropriate documentation, no evidence has been found to suggest that the Trust has an unrecognised systematic patient safety problem. On the contrary, the evidence indicates that the vast majority of the activities undertaken by the Trust, with respect to patient safety meet the highest standards"*.

Information Risks

Specific risks relating to information governance and data quality are co-ordinated by the Information Governance Committee (IGC) and overseen by the Health Informatics Steering Board (HISB). As well as adopting proactive measures to prevent loss of data and improvements in data quality and security, the IGC adheres to specific procedures for detecting, reporting and dealing with any issues of data loss. Other steps taken to safeguard against risks to information include:

- IT security controls for the encryption of all laptops and mobile devices including restriction on the use of removable media.
- On-going review of Information flows of person identifiable data internally and externally within the Trust and ensuring appropriate measures to maintain secure

transfer of data.

- Review and continued focus on security policies and guidance issued around handling and sharing of personal data in compliance with the Data Protection Act.
- Board-level Senior Information Risk Owner (SIRO) with lead responsibility for ensuring that information risk is properly identified, managed and that appropriate assurance mechanisms exist. This role is undertaken by the Deputy Chief Executive.
- All staff are required to complete an Information Governance training session as part of the mandatory training programme.

The overall Information Governance Toolkit self-assessment score for version 13 (2015/16) achieved 71% with all 45 of the requirements met at Level 2 standard or above. Action plans are in place to further improve performance during 2016/17. An Internal Audit review of IG Toolkit evidence resulted in an assessment of Significant Assurance.

The Trust reported four serious IG incidents (level 2) to the Information Commissioner's Office (ICO) during 2015/16 which related to data loss or confidentiality breaches. Each incident was subject to a full investigation, with appropriate action taken to mitigate risk of reoccurrence, and no regulatory action was taken by the ICO as a result of these incidents. A summary of the incidents is included below:

Date of Incident	Nature of Incident
April 2015	Information relating to one individual was disclosed in error. Data subject kept informed.
June 2015	Loss of paperwork relating to 28 individuals. All data subjects kept informed.
August 2015	Information relating to one individual was disclosed in error. Data subject kept informed.
September 2015	Information / correspondence relating to one individual disclosed in error on multiple occasions. Data subject kept informed.

Other risk areas

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

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

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

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

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

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

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

In February 2016 the Trust expressed an interest in participating in a national Financial Improvement Programme (FIP) which is being coordinated by NHS Improvement. The Trust was subsequently selected as a first-wave participant in the programme which is planned to commence in April / May 2016. The Board anticipates that outcomes from the FIP will further contribute to economy, efficiency and the effective use of resources.

Monitor Review of Trust Position

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

However, sustainable delivery of the A&E 4-hour waiting time standard has continued to be a major challenge despite the considerable efforts made by the Trust to achieve this target. This will continue to be a feature of the Trust's progress review meetings with Monitor and our aim in 2016/17 is to take the necessary actions to provide Monitor with assurance that the Trust is returning to full and sustainable compliance with the terms of its licence.

Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust boards on the form and content of

annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

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

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

However, the external testing of mandated indicators, completed by Deloitte LLP to support a limited assurance opinion on the Quality Report, identified weaknesses in data management process and practice relating to the 18-week incomplete Referral to Treatment indicator. The weaknesses resulted in a qualified opinion for this specific indicator. Actions to address the identified weaknesses were implemented during 2015/16 and, while some progress has been made, further action to fully resolve these issues has been initiated and assurance on the effectiveness of this action will be monitored by the Audit Committee.

Review of effectiveness

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

In describing the process that has been applied in maintaining and reviewing the effectiveness of the system of internal control I have detailed below some examples of the work undertaken during 2015/16.

My review has been informed by:

- The Board Assurance Framework which provides the Trust with evidence of the effectiveness of the system of internal controls that manage the principal risks to the organisation's strategic objectives. The Assurance Framework is subject to regular review by the Board of Directors.
- Internal Audit review of the Board Assurance Framework and the effectiveness of the

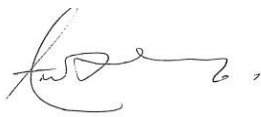
overall system of internal control as part of the Internal Audit plan which is agreed by the Audit Committee

- The Director of Audit Opinion which gave an overall significant assurance opinion on the system of internal control for 2015/16
- The Trust continues to be registered with the Care Quality Commission without conditions
- The process for the follow-up of audit recommendations which is monitored by the Audit Committee
- Committees within the Board's committee structure having a clear timetable of meetings and a clear reporting structure which enables matters to be reported and/or escalated in a timely manner

The Trust has a comprehensive risk-based internal audit programme in place and the programme was delivered in full during 2015/16. Outcomes of the internal audit programme are reported to the Audit Committee and appropriately led action plans are in place to address any audits which result in a limited assurance assessment.

Conclusion

During 2015/16, with the exception of the Never Events detailed above, no significant control issues have been identified by the Trust's systems of internal control. My review confirms that Stockport NHS Foundation Trust has generally sound systems of internal control that support the achievement of its policies, aims and objectives.



Ann Barnes
Chief Executive

Date: 26 May 2016



ANNUAL QUALITY REPORT 2015 - 16

Your Health. Our Priority.

What is a Quality Account?

The Quality Account (Quality Report) is an annual report about the quality of services provided by an NHS healthcare organisation. Quality Accounts aim to increase public accountability and drive quality improvements in the NHS.

Our Quality Account looks back on how well we have done in the past year at achieving our goals. It also looks forward to the year ahead and defines what our priorities for quality improvements will be and how we expect to achieve and monitor them.

This report is presented to parliament as part of our 'Annual Report and Accounts 2015/16' and is a standalone document available on the NHS Choices website and at www.stockport.nhs.uk.

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Part 1

Statement from the Chief Executive

Statement On Quality From The Chief Executive

The Quality Report for 2015/16 sets out our performance against the quality and safety priorities agreed by the Board of Directors and Council of Governors, as part of the Annual Plan.



Given we provide both hospital based acute care and community health care, our priorities and agreed areas of improvement reflect an integrated approach. This report covers the requirements of NHS Improvement and also some local items that we consider demonstrate the positive attitude and approach of our staff, who continuously strive to deliver improvements for our patients. We are particularly proud of the contributions made by the Matron for Dementia.

Each year we are set Commissioning for Quality and Innovation (CQUIN) indicators through a national framework and by our local commissioners. All of these include improvement targets and have a financial penalty if they are not achieved. This report includes our progress against this year's programme and details the indicators in place for 2016/17.

During 2015, a team made up of members of the Board of Directors and Stockport CCG Governing Body took part in the Making Safety Visible programme, run by Haelo in partnership with the Greater Manchester Academic Health Sciences Network and sponsored by the Health Foundation. The programme used the Framework for Measuring and Monitoring Safety, and our team used this framework to look at reducing emergency readmissions, particularly for

people with chronic obstructive pulmonary disease (COPD). As a result we have expanded our community based COPD team to work with these patients to avoid readmission to hospital.

As the media has widely reported, the A&E four hour wait target has proved very challenging for many Trusts. Stockport is especially challenged as the area demographics show a high percentage of elderly people within the population. Whilst working hard to achieve the target through short, medium and long-term plans, our patient safety has remained our top priority. Feedback from patients and carers, in A&E and across the whole organisation, has remained high, with consistently good results through the Friends and Family Test and our own mobile iPad surveys.

This report captures just some of the outstanding work undertaken by staff within our organisation on a day-to-day basis. Most items in the report are where improvement was required and as you will see, has substantially been achieved.

In addition to these improvements, the Stockport Together Vanguard plans were developed. The Stockport Together partnership comprises of our Trust, Stockport Clinical Commissioning Group, Stockport Council, Pennine Care Foundation Trust and the newly formed Viaduct Health (GP Federation). The vision for the new model of care in Stockport builds on a multi-specialty community provider (MCP) model to provide more specialist care in the community.

We were pleased this year that the Healthier Together review chose Stepping Hill Hospital as the fourth 'specialist' site for emergency and planned high risk abdominal surgery in Greater Manchester. Work has started to implement a single service for the Healthier Together south east sector with Tameside, and also in partnership with East Cheshire Trust.

I personally have been heavily involved in Greater Manchester (GM) health and social

care devolution; a first for the country. The five year strategic plan promotes a 'Taking charge' theme and sets out plans to improve the health and wellbeing of the 2.8 million people of Greater Manchester. It also looks at how the region can work towards closing the predicted £2 billion shortfall in health and social care funding by 2021, through transformation initiatives and working together more efficiently and effectively. Ten locality plans, including the Stockport Together locality plan, form part of the five year strategic plan and our Trust strategy is completely aligned to these plans.

More information on the Greater Manchester Health and Social Care Devolution is available at www.gmhealthandsocialcaredevo.org.uk

Finally, I would both like to thank our governors, volunteers, members and supporters for the difference they make to the life and work of our Trust. I would also like to thank the staff for their exceptional commitment and professionalism. It is their skill and dedication which allows us to provide the highest quality care to our patients.



Mrs Ann Barnes
Chief Executive
Stockport NHS Foundation Trust

Declaration:

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

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

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



.....Chief Executive

26 May 2016.....Date

Part 2

Priorities for improvement & statements of assurance from the board

Our Priorities And Statements Of Assurance

Our strategy for 2015-2020 is to provide services in new ways, concentrating on key patient groups whether they are in hospital or in the community.



We looked at a range of information to help us to decide on a new strategy. This included the needs and behaviours of the people in the areas we serve, how well we currently serve them, the future of their healthcare needs, and what they look for in a healthcare provider. We are also aware that our local population is ageing – one in five will be over 65 by 2020.

We looked at what we are good at and where we need to improve, what other providers are doing and where we might work with them to deliver services.

We are in the centre of some exciting system-wide changes. Therefore we also looked at all the things happening in and around Stockport such as Greater Manchester Devolution and the Stockport Together partnership.

Becoming one of the four 'specialist' hospital sites, as part of the Healthier Together review, for emergency medicine and abdominal surgery in Greater Manchester strengthens our strategy. It ensures that we continue to provide excellent services at Stepping Hill Hospital as part of a single service model for the south east sector.

We want to be nationally recognised for our specialism in the care of older people and as an organisation that provides excellent cancer care.

All services delivered at Stepping Hill Hospital and in the community are essential to patients. We want to look at how we can

sustain and enhance these services, working with patients, staff, commissioners and in partnership with other organisations.

Each year our Board of Directors and the Council of Governors agrees a set of priorities which help us improve the quality of care we provide for our patients as part of the Annual Plan.

Any concerns regarding the Trust's performance in 2015/16 against these quality improvement objectives has been reported on a monthly basis to the Board of Directors in the monthly Integrated Performance Report (IPR). The priorities chosen are the Trust objectives for Quality which includes the CQUIN (Commissioning for Quality and Innovation) programme, whose overall aim is to improve patient care and experience through delivering improvements.

This part is split into four sections;

Trust priorities 2015/16

This section looks at what our priorities were during 2015/16 and what progress we have made against them, including performance against the CQUIN indicators.

Page 107

Trust priorities 2016/17

This section looks at what our priorities and objectives are for the year ahead. It also looks at the CQUIN indicators which have been identified for priority in 2016/17.

Page 130

Statements of assurance

These statements of assurance follow the statutory requirements as set out in the National Health Service (Quality Accounts) Regulations.

Page 135

Reporting against core indicators

Using data made available by the Health and Social Care Information Centre (HSCIC), comparative data is shown for previous years, the national average, and the highest and lowest scoring NHS acute trusts and foundation trusts.

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Part 2.1.1

Priorities for improving quality in 2015/16

Priorities For Improving Quality In 2015/16

Below is an overview of our priorities and objectives that form part of our five-year strategy which commenced in 2015/16. The table gives you an at-a-glance view of the work undertaken in the past year of which of our stakeholder groups highlighted as an issue to be addressed. More detail is in the following pages.

Reduce mortality	
1. Sepsis Establish the systems and processes to achieve compliance with sepsis guidelines.	2. Weekend mortality Reduce Trust mortality weekend metrics
Provide harm free care	
1. Pressure Ulcers To ensure that the incidence of avoidable grade 3 and 4 pressure ulcers is reduced: <ul style="list-style-type: none"> Acute: zero, Community: 12 	2. Falls To ensure that the incidence of avoidable serious falls is ≤ 10
3. VTE Reduce by 50% hospital acquired venous thromboembolism (VTE) from 2014/15 baseline	4. Medication errors To work towards reducing medication incidents which cause harm by at least 50% from the 2014/15 baseline
5. Healthcare associated infections To achieve the following targets: <ul style="list-style-type: none"> Zero MRSA bacteraemia Clostridium difficile – ≤ 17 cases due to lapses in care Compliance with VAP (ventilator associated pneumonia) care bundle Reduced device related bacteraemia Reduced catheter urinary tract infections (UTI) 	6. Diabetes To review diabetes care to ensure safe and effective care for all patients with diabetes in hospital
Provide reliable care	
1. Care bundles Achieve full compliance with the Advancing Quality evidence-based care bundles for COPD, sepsis, AKI, ARLD and diabetes	2. Early warning score Reduction in the numbers of cardiac arrests on wards from 2014/15 baseline
3. Reduce hospital readmissions Reduction of 30-day hospital readmission rates for non-elective patients	
Improve the patient experience	
1. Capturing and learning from patient and family feedback To continue to build capacity and opportunity to enable patients and their families to provide feedback on their care, resulting in learning and improvement	2. Providing care with dignity and compassion To utilise every opportunity to improve patients' experience of compassionate dignified care
3. Improve care for patients with dementia To review and re-launch the Dementia strategy using whole health economy stakeholder engagement	4. Complaints management and Duty of candour To continue to improve the complaints process based on patient and family feedback, and take account of any changing national guidance.

Sepsis

Each year in the UK, it is estimated that more than 100,000 people are admitted to hospital with sepsis and around 37,000 people will die as a result of the condition. Sepsis is a time-critical medical emergency, which can occur as part of the body's response to infection.

A patient safety alert was published by NHS England in September 2014. This stage 2 alert was issued to continue to raise awareness of sepsis and to signpost clinicians to a set of resources developed by the UK Sepsis Trust to support the prompt recognition and initiation of treatments for all patients suspected of having sepsis. Stockport NHS Foundation Trust implemented an action plan to address the alert which was completed in October 2014.



Following on from the alert, for 2015/16, NHS England included Sepsis as a topic for one of the National CQUIN's to deliver further improvements in this area. The Trust has improved performance for both the screening and timely administration of antibiotics. Further information on the performance of this CQUIN is referred to on page 120 of this report.

In addition, a Sepsis delivery group was established and a pathway for the Emergency department was implemented. Improvements have also been assisted by an interface between the emergency department and acute medical unit IT systems.

The Trust continues to monitor performance and to address the timing issues that arise from the capacity pressures in the emergency department.

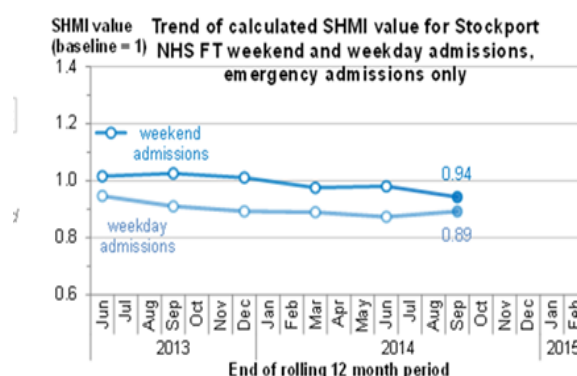
Weekend Mortality

Over the last decade, an increasing number of research studies have examined the association between weekend hospital admissions and poorer patient outcomes including higher rates of mortality. There is significant evidence demonstrating this 'weekend effect'.

To address weekend mortality the Trust continues to introduce changes to support seven day working models where appropriate. A gap analysis has been undertaken and the actions to take this forward are now part of the Stockport Together programme.

The Trust uses SHMI (Summary Hospital-level Mortality Indicator) to measure the ratio between the actual number of patients who die following hospitalisation at the Trust and the number that would be expected to die on the basis of average figures across England, given the characteristics of the patients treated there. It covers all deaths reported of patients who were admitted to a non-specialist acute Trust in England and either die while in hospital or within 30 days of discharge.

The Trust is pleased that it continues to be below the national average for the number of expected deaths.



The gap between the lines represent the difference in the risk of dying (in hospital or within 30 days of discharge) between patients admitted during the week (Monday to Friday) and at the weekend. Lines going downwards over time represent a reduction in the risk of dying following an admission here, relative to other hospitals. The vertical scale is the risk of dying relative to all acute NHS hospitals in

England, where 1 would be the same risk of dying as the national average, adjusted for the relevant characteristics of each patient.

Pressure Ulcers

In 2014 Stockport NHS FT along with the Stockport CCG, the local authority and Community colleagues worked together to identify themes from incident reports and propose solutions for a whole health economy approach. The work highlighted a lack of standardisation of evidence-based care in pressure ulcer prevention and management strategies along with fragmentation in service provision, suggesting many independent agencies, Nursing Homes and Care Homes are working in isolation.

Monthly steering group meetings have taken place with key stakeholders to promote ideas on integration and identify trends.

A collaborative proactive approach was taken to reduce the financial cost to providers and personal cost to the individual patient. This could only be achieved by coordinated evidence based training and on-going support.

A Stockport multi-agency approach, involving the Trust, Stockport CCG and Social Services, identified incident themes and proposed solutions for an approach to pressure ulcer prevention and management. A project known as PURIS (Pressure Ulcer Reduction In Stockport) was the first pressure ulcers reduction and management pathway within the UK inclusive of all care sectors.

With PURIS intervention the following was achieved;

- Healing rates of pressure ulcers significantly improved.
- Improved healing led to reduced treatment costs releasing time to care
- PU prevalence and incidence rates reduced, improving the quality of life for patients by reducing the pain and suffering caused by pressure ulcers.
- Carers stated they had increased job satisfaction due to the positive impact their care delivery had on their patients.
- The PURIS data collection identified non concordance and poor pressure ulcer risk assessments as a common theme in the development of a pressure ulcer. These issues could be reviewed and teams supported to review their practice to ensure the delivery of evidence based care.

The collaborative approach taken delivered results. Education must be on going and standardised, recognising staff turnover and the need to reinforce best practice, in order to reduce the financial burden and pain and suffering to the patient.

A graph indicating the prevalence (one day snap shot) numbers of pressure ulcers identified across multiple years can be found on page 157 of this report.

Falls

Falls are a particular clinical concern because of the frequency at which they can occur and also because of the physical, psychological and social consequences.

Falls are also a key focus within the National Service Framework for Older People with Standard 6 aiming to reduce the number of falls which result in serious injury as well as ensuring effective treatment and rehabilitation for those who have fallen. Patients in hospital may be at risk of falling for many reasons including poor mobility, dementia or delirium, visual impairment, and the effects of their treatment/medication.



The Trust's target during 2015/16 for avoidable falls was ≤ 10 .

To date there have been 39 falls (major and above), out of these 39, as of 5th April 2016;

- 7 are still under review
- 24 are deemed avoidable
- 8 have been deemed as unavoidable

A member of the Trust Falls group has attended a conference to understand the Changes in the NICE (2015) guidance re the Falls Quality Standard with a view to preparing the Trust for changes to falls prevention guidance. Information/ actions are shared at the Hospital Falls group meetings and included in the falls action plan developed to reduce incidence of falls across the Trust.

The Assistant Director of Nursing, who is the lead for falls, will be setting up a focus group for those wards where falls have increased in order to understand issues in relation to patient care, equipment and the environment, particularly the impact of ward layout. This focus group has introduced a "falls pictorial assessment prompt card" in order to ensure all areas of risk are identified for individual patients.

To inform staff, patients identified at risk of falling wear a wristband.

Venous Thromboembolism

Venous thromboembolism (VTE) is an international patient safety issue and a clinical priority for the NHS in England. VTE is a collective term for deep vein thrombosis (DVT) – a blood clot that forms in the veins of the leg; and pulmonary embolism (PE) – a blood clot in the lungs. It affects approximately 1 in every 1000 of the UK population and is a significant cause of mortality, long term disability and chronic ill-health problems. Around half of all cases of VTE are associated with hospitalisation, with many events occurring up to 90 days after admission.

Risk assessments ensure that patients admitted to hospital are assessed for their risk of developing VTE so that appropriate preventative treatment can be given to

improve health outcomes. Compliance against the 95% target for VTE risk assessment within the Trust remains high with the target being met in each month (April 2015 - March 2016).



A hospital acquired VTE is identified for any patient with a confirmed DVT or PE who had a previous admission greater than 24 hours within the last 30 days. During 2015/16 the Trust had 48 hospital acquired VTE's (compared to 44 in 2014/15). A root cause analysis takes place to see if this could have been avoided. Root Cause Analysis is a key performance indicator as agreed with Stockport Commissioners.

The Trust Thrombosis committee meets bi-monthly and reviews cases that were deemed avoidable so that lessons can be learnt.

Medication Errors

This project aimed to work towards reducing medication incidents which cause harm by at least 50% from the 2014/15 baseline during the five years of the Quality Improvement Strategy. During 2015/16 the Trust made a reduction of 30% in major medication errors from 33 in 2014/15 to 22 in 2015/16.



The initial focus was on reducing prescribing and administration errors relating to critical medicines (antibiotics, anticoagulants, anti-Parkinsonian drugs, insulin and controlled drugs). Emphasis has been on promoting and standardising medication error reporting, associated investigation and audit across the Trust.

The Trust continues to engage with staff who prescribe and administer medicines to raise awareness of errors, review their training and promote lessons learned via the Safe Medicines Practice Group.

Healthcare Associated Infections

There are several types of hospital infection, MRSA (meticillin-resistant *Staphylococcus aureus*), *C.diff* (*Clostridium-difficile*), VAP (Ventilator-associated pneumonia), device related UTI. The Trust is pleased to report that it has had no incidents of MRSA during 2015/16 and is compliant with the regionally approved VAP care bundle and CRBSI (Catheter-related bloodstream infection) bundle.

The reporting arrangements for *C.diff* have been changed for this financial year. Trusts are required to identify those cases that have been associated with significant lapses of care and each Trust has a trajectory for these cases. Stockport NHS Foundation Trust was allocated a target 17 or less for 2015-2016. The Trust achieved this target as 7 cases were identified as a result of lapse of care.

The ultimate decision regarding associated lapses of care is taken independently by the Clinical Commissioning Group (CCG) following a root cause analysis.

Stockport NHS Foundation Trust have had a total of 53 cases of hospital acquired *C.Diff* and it is this trend that is giving rise to concern. 41 of the 53 have been fully investigated. 12 cases still require investigation to be completed (as of March 2016). See page 156 for comparative years.

The CCG have reviewed 34 and confirmed they do not have significant lapses in care and do not reach the threshold for reporting.



Diabetes

Diabetes is a lifelong condition that causes a person's blood sugar level to become too high. Type 2 diabetes is a leading cause of preventable sight loss in people of working age and is a major contributor to kidney failure, heart attack and stroke.

This project aimed to review diabetes care to ensure safe and effective care for all patients with diabetes in hospital. Positive changes were made as a result of a Diabetes CQUIN in 2014/15. From the CQUIN and a diabetes project the Trust now has an additional diabetes specialist consultant and specialist nurses.

Education remains a key element of improving care for this cohort of patients and training has been enhanced;

- E-learning module of insulin management has been introduced

- Tool box training for link nurses
- Focused specific training at ward level

The Trust has also;

- Developed a Diabetes microsite to raise staff knowledge and awareness
- Re-launched the 'Think Insulin' campaign
- Introduced an improved process for prescribing in ED
- Reviewed insulin guidelines in the Community

Care Bundles

The Trust participated in the Advancing Quality Programme which is the flagship programme of AQuA (Advancing Quality Alliance), the North West's health care quality improvement body.

By achieving appropriate measures it aims to save lives, reduce the number of people being re-admitted into hospital, reduce complications and decrease the length of time patients have to spend in hospital.

In 2015 new care bundles were introduced for acute kidney infection (AKI), alcohol related liver disease (ARLD), chronic obstructive pulmonary disorder (COPD), diabetes and sepsis.

The Trust achieved compliance with COPD and sepsis care bundles. Compliance with the AKI bundle has improved with the shortfall mainly around patient information leaflets.

The ARLD care bundle has been implemented well with the exception of one measure and progress is being made. The diabetes care bundle has been challenged by clinicians and has been reviewed and amended by AQuA.

For further information on Advancing Quality please refer to page 124 of this report.

Early Warning Score (EWS)

This project aimed to reduce the numbers of cardiac arrests on wards from the baseline of 2014/15. During 2015/16 a reduction had been achieved, but further work is required to look at the different variables involved.

'Patienttrack' is an electronic data capture system, following the successful roll out of Phase 1 of the Patienttrack project, vital signs at the point of patient care are now captured electronically via hand-held devices in all Adult, Maternity and Paediatric clinical areas across the Trust, comprising 41 Wards and 755 Beds.



All patient observations and subsequent early warning scores (EWS) are now remotely accessible to Clinicians from anywhere in the Trust to support staff decision making and facilitate early intervention in the care of the deteriorating patient. Once the time has passed when a patient's observation was due, the system will flash. At a later date, alerting and reporting will be adopted.

Policies and training relating to taking observations and recording on Patienttrack are regularly reviewed.

Reduce Hospital Readmissions

Reducing readmission has been a focus for some time at the Trust. In previous years the Medical Director and local commissioners undertook audits by reviewing cases to identify if any could have been avoided and to see what lessons could be learnt.

During 2015/16 the Trust utilised the innovation work to continually address this issue. Significant progress has been made on the COPD pathway, in the coding for early pregnancy and for readmissions following surgery.



The Innovation project team have introduced more explicit patient information to advise patients of what to expect following surgery. This includes videos, improved patient leaflets and other media styles of sharing information. The purpose is to explain what level of pain a patient may experience, bleeding and wound advice and the next steps for any dressing.

The timing of the patient information leaflets means that the benefits from the innovation work will not be evident until the figures are available for 2016/17.

Measure	2014/15	2015/16
Non-Elective Discharges	52216	42450*
No. of readmissions	6756	5254*
Readmission Rate	12.9%	12.4%*
National HES Peer	11.70%	n/a*

*1 April 2015 to 31 January 2016
Full year's data not available until June 2016

Capturing / Learning From Patient & Family Feedback

Stockport NHS Foundation Trust aims to ensure that improving the patient experience is at the heart of everything we do - "Your Health, Our Priority".

Feedback is important as it allows the Trust to provide assurance that the care provided is being valued by service users, but also helps

the Trust to identify where improvements / changes need to be considered / addressed.

The Trust gathers data on patient experience from a number of sources namely:-

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

For more information on patient and family experience please refer to pages 163-164 of this report.

Providing Care with Dignity & Compassion

Patient-Led Assessments of the Care Environment (PLACE) focuses on the environment in which care is provided, as well as supporting non-clinical services such as cleanliness, food, hydration, and the extent to which the provision of care with privacy and dignity is supported. In 2015, for the first time the assessments considered aspects of the environment in relation to the provision of care to those with dementia.



The results from the 2015 PLACE programme. These self-assessments are undertaken by teams of NHS and private/independent health care providers, and include at least 50 per cent members of the public (known as patient assessors). They focus on the environment in which care is provided, as well as supporting non-clinical services such as cleanliness, food, hydration, and the extent to which the provision of care with privacy and dignity is supported.

In 2015, for the first time the assessments considered aspects of the environment in relation to the provision of care to those with dementia, which includes the availability of signage, clocks and mirrors in ward areas.

Assessments took place between February and June 2015 and will take place again commencing April 2016.

Assessment Area	SHH*	National
Cleanliness	94.03%	97.57%
Food and Hydration	92.90%	88.49%
Organisation Food	90.00%	87.21%
Ward Food	93.50%	90.00%
Privacy, Dignity & Wellbeing	83.53%	86.03%
Condition, Appearance & Maintenance	82.49%	91.97%
Dementia	61.63%	74.51%

**Period: February 04, 2015 to June 30, 2015
SHH = Stepping Hill Hospital*

An action plan was developed to address those areas which are below the national level. Improvements include refurbishment of garden areas, see page 168 for further detail.

Staff are encouraged to adopt the values and behaviours expected by the Trust and these are reviewed at 1-1 meetings and during appraisals.

Improve Care for Patients with Dementia

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

An early diagnosis can help people with dementia get the right treatment and support, and help those close to them to prepare and plan for the future. With treatment and support, many people are able to lead active, fulfilled lives.

Dementia has been a focus area for the past three years and the Trust continues to improve the patient experience and staff awareness through several channels. Dementia has been a topic area for a national CQUIN (see page 121), a Dementia Strategy is in place and the Trust has promoted awareness since the introduction of a Matron for Dementia.

A stakeholder event took place in August 2015 which helped to form the strategy which was then launched in October.

The Trust also signed up to 'John's Campaign' to enable carers to be with their loved ones in hospital, to have carers' passports and to provide reduced parking charges.

For information relating to some of the other improvements in Dementia care please refer to page 167 of this report.

Complaints Management

The Trust continues to improve the complaints process based on patient and family feedback and takes account of any changes to the national guidance.

The template for complaints responses was improved based on recent feedback and emphasises how care has changed as a result, whilst the introduction of three levels of response times has helped to ensure that complainants receive robust and timely responses. We continue to implement complaints training and monitor its effectiveness.

Themes are developed in quarterly patient experience reports and a gap analysis against 'My Expectations' has provided further learning.

Please refer to page 162 for further information on complaints.

Duty of Candour

The Trust has a duty of candour policy and a duty of candour standard operating procedure which were written in line with national guidance from NHS England.

The Trust also has a dedicated microsite for Duty of Candour to support staff and has developed a patient leaflet which is given to patients/relatives in the event of an incident meeting the relevant criteria.



Monitoring of compliance with this policy begins at the notification of an incident and is reviewed at the incident validation meeting; confirmation that the duty of candour is being fulfilled is part of all serious incident action plans. Assurance is then provided via the 6 monthly serious incident report which monitors completion of all actions including duty of candour.

The Trust has introduced a 'Freedom to Speak up Guardian' who reports directly to the Chief Executive. This role is responsible for creating an environment where;

- staff are encouraged to raise concerns
- lessons are learned from concerns identified
- care can be improved as a result of lessons learnt

Participation In CQUIN 2015/16

The Commissioning for Quality and Innovation (CQUIN) programme for 2015/16 was developed and agreed by the Trust and the Commissioners based on data intelligence from varying streams and stakeholders. The indicator goals for the programme were agreed with the Commissioners to address areas identified for improvement and some which are built on the work already undertaken in 2014/15. Progress against CQUINs is shared with the Quality Governance Committee, the Finance Strategy and Investment Committee and forms part of the Integrated Performance Report. All CQUINs are reported to local commissioners on a quarterly basis as part of CQUIN monitoring.

Further information on CQUIN can be found on page 137 of this report.

The table below shows the performance against set milestones for each Stockport Commissioner led CQUIN indicator. CQUIN indicators were also undertaken for Tameside & Glossop CCG, Derbyshire CCG and NHS England (Specialised Services and Dental).

Achievement key:

Full
 Partial
 None
 Not Applicable

NOTE: Quarter 4 results will not be confirmed by Stockport commissioners until the end of May 2016. The information populated for this quarter is the Trust forecast based on evidence submitted.

National Indicators						
Acute Kidney Injury	Value	Q1	Q2	Q3	Q4	Achieved
To improve the follow up and recovery for patients who have sustained AKI	£413,939					70%
Urgent & Emergency Care	Value	Q1	Q2	Q3	Q4	Achieved
To reduce avoidable admissions for specified cohorts.	£923,987	*	*			82%
Sepsis	Value	Q1	Q2	Q3	Q4	Achieved
To screen appropriate patients and rapidly initiate suitable medication	£413,939					85%
Dementia	Value	Q1	Q2	Q3	Q4	Achieved
To improve identification, & referral of patients. To train staff and to support carers.	£461,993					100%

* Milestones for Quarter 3 & 4 only

Greater Manchester Indicators						
Information Management and Technology (IM&T)	Value	Q1	Q2	Q3	Q4	Achieved
Improve technology & Information to support 2020 Vision	£461,993					100%
Mental Health	Value	Q1	Q2	Q3	Q4	Achieved
Develop partnership working	£230,997					TBC

Local Indicators						
Learning Disability	Value	Q1	Q2	Q3	Q4	Achieved
Improve Patient Experience for people with Learning Disabilities	£206,969					90%
Improving Communications	Value	Q1	Q2	Q3	Q4	Achieved
Improve communications across Primary, Secondary and Community services	£206,969					100%
Management of COPD	Value	Q1	Q2	Q3	Q4	Achieved
Work across the Health Economy to improve management of Patients with COPD.	£206,969					95%
Planned Care - Daycase	Value	Q1	Q2	Q3	Q4	Achieved
Improve day case pathway for specified speciality	£206,969					100%
Health Chats	Value	Q1	Q2	Q3	Q4	Achieved
Improve skills of staff to deliver health promotion advice	£206,969					100%
Advancing Quality (AQ)	Value	Q1	Q2	Q3	Q4	Achieved
To deliver care bundles in line with evidenced best practice	£413,939	**	**	**		40%
GM Nursing Standards	Value	Q1	Q2	Q3	Q4	Achieved
To implement Greater Manchester Nursing Standards	£120,136					95%
Patient Experience	Value	Q1	Q2	Q3	Q4	Achieved
To focus on services where scores from Patient Experience data is low	£72,082					100%
Children. Transition to Adults	Value	Q1	Q2	Q3	Q4	Achieved
To improve the transition by introduction of passport	£72,082					100%

** Milestones for end of year target only

Acute Kidney Injury

This National CQUIN focused on the recovery and follow up elements of the patient pathway which are both important elements given over 50% of Acute Kidney Injury (AKI) is currently occurring in primary care. By improving the provision of information to GPs at the time of discharge it aims to begin developing the knowledge base of GPs on AKI and also positively impact on readmission rates for patients with AKI.

The indicator focused on AKI diagnosis and treatment in hospital and the plan of care to monitor kidney function after discharge. This was measured by an audit on the percentage of patients with AKI treated in hospital whose discharge summary included each of four key items of information;

1. Stage of AKI (a key aspect of AKI diagnosis)
2. Evidence of medicines review having been undertaken (a key aspect of AKI treatment)
3. Type of blood tests required on discharge; for monitoring (a key aspect of post discharge care)
4. Frequency of blood tests required on discharge for monitoring (a key aspect of post discharge care)

The audits were undertaken on the discharge summaries of 100 patients each month who were identified as having AKI on admission. The quarter 1 results served as a baseline to which targets of improvement were set for subsequent quarters.

Value	Q1	Q2	Q3	Q4
Target	N/A	25%	50%	90%
Result	22%	25%	59%	75%

The CQUIN Lead led education sessions with clinicians to improve knowledge and awareness. In November 2015 an update was made to the electronic discharge system to prompt responses to questions for patients who had an AKI.

A specialist nurse for AKI was recruited, taking up the post in March 2016.

Management of COPD

30 day readmissions for COPD are recognised as a challenge nationally. Local data suggest that there is scope to improve elements of the COPD pathway and reduce the 30 day readmission rate.



COPD has been a focus of the Trust for the past two years with significant improvements being made. This year the CQUIN was to focus on patients that had frequent readmissions.

The overall aim of this CQUIN indicator was to reduce the number of emergency readmissions and length of stay (LOS) for COPD patients by implementing a process to effectively manage the frequent COPD attenders and to review these patients on a consistent basis through a Multidisciplinary Team (MDT) and management plan approach. The CQUIN aimed to work more closely with GPs, practice nurses, palliative care colleagues, the 'Community Assertive In Reach' (CAIR) team and any other stakeholder to agree a management plan and to improve support to the patient in the community.

Health Chats

'Health Chat', introduced as Essential Public Health in 2009, is the Stockport response to Making Every Contact Count. The impetus to develop this programme came from local research that identified a very low level of confidence among NHS staff to engage in health promotion activity.

A training programme simplified the expectations of staff in relation to health promotion activity and focused on the basic rationale for the importance of lifestyle change. This built the confidence of staff to engage their clients in conversations on lifestyle related topics.

The Health Chat Training re-established a firm level of commitment by the Trust to deliver strong public health preventative advice to its patients.

Public Health, Local Authority and the Trust agreed the cohorts of staff that required this training was widespread covering both clinical and non-clinical patient facing staff in line with the national MECC. The 2015/16 CQUIN focused on clinical staff including; Nursing, Medical, AHP's, Doctors, HCA's and would also include Student nurses and Trust volunteers.

14 ward areas were selected throughout the Trust including those wards whose patient group had a propensity for the highest risk factors associated with poor lifestyle behaviour i.e. smokers on respiratory wards, high risk drinkers on gastroenterology wards etc. The wards with a lower level completion rate were first line priority for the training, second priority were those with <60% compliance and lastly <70%.

Improving Communications

Building on the progress of last year's CQUIN, the Trust hosted and chaired quarterly workshops to improve clinical engagement between primary, community and acute clinicians to ensure the quality and appropriateness of admissions to hospital and effective discharge.

The outcomes and objectives were aligned to the four Programme Boards of the Stockport Together initiative for Planned Care, Proactive Care, Urgent Care and Preventative Care. Progress of the boards was discussed and the group worked together to identify key messages to ascertain areas where clinicians could support implementation of the programmes.

Workshop minutes and outcomes from each workshop were shared with the transformation board and with the relevant programme boards. A summary of the outcomes and other agreed communications were shared through a GP newsletter.

Some of the key outcomes from these workshops included;

Consultant Connect - The Trust looked at ways to improve communication between GPs and hospital consultants. Consultant Connect is a telecoms solution that enables GPs, whilst patients are with them, to make immediate contact with local hospital consultants to obtain advice and guidance, which in turn looks to reduce admissions. The system was demonstrated at the workshops and the Trust agreed to progress with this option.

Standardise a DNACPR (Do not attempt cardiopulmonary resuscitation) form - A DNACPR form was developed and supported by the North West Ambulance Service (NWAS) to standardise policy and documentation across the North West. The Trust agreed to take this to the internal Resuscitation and Palliative Care Committee to approve using the standardised form.



Sepsis

Sepsis is recognised as a significant cause of mortality and morbidity in the NHS, with around 37,000 deaths attributed to sepsis annually. Of these, some estimates suggest 12,500 could have been prevented.



This National CQUIN focused on patients arriving in the hospital via the Emergency Department (ED) or by direct emergency admission to any other unit (e.g. Medical Assessment Unit) or acute ward. The CQUIN was split into 2 elements;

Screening:

This element focussed on total number of patients presenting to emergency departments and other units that directly admit emergencies who met the criteria of the local protocol and were screened for sepsis.

Each month the Trust audited a random sample of 50 sets of patient records who met the criteria.

Value	Q1	Q2	Q3	Q4
Target	N/A	20%	50%	90%
Result	14%	64%	67%	82%

Antibiotic Administration:

This element focussed on the number of patients presenting to emergency departments and other units that directly admit emergencies with severe sepsis, red flag sepsis or septic shock and who received intravenous antibiotics within 1 hour of presenting.

Each month the Trust audited of a random sample of 30 sets of patient records who met the criteria.

Value	Q1	Q2	Q3	Q4
Target	N/A	N/A	50%	90%
Result	N/A	35%	61%	59%

90% was recognised as a stretch target for both of the above measures; therefore a partial payment scale is in place to recognise the achievement level obtained.

Learning Disability

Building on the progress from 2014/15 the Trust continued to establish systems to ensure patients with a learning disability (LD) were identified and had a reasonable adjustment care plan.

Each quarter patient stories were gathered for good and not so good experiences and shared so that lessons could be learnt from these. Any in-hospital deaths of LD patients were also reviewed to allow the Trust to identify learning and build service improvements.

The system for flagging patients with LD was enhanced and the Trust is now able to obtain information for this cohort of patients.

Improving the Day Case Pathway

The CQUIN aimed to deliver an improvement in the day case pathway. Specifically, effective pre-operative planning with regards to support post operatively.

Where patients attend for daycase surgery there is a requirement to provide a bed if the patient has not understood the need for a discharge companion post-surgery, this has a financial implication for the Trust. In addition, The Trust undertook an audit to understand the reason patients did not attend (DNA) for daycase surgery to identify any positive action the Trust can take to reduce the DNA rate.

Gathering data on why patients ring in or re-attend highlighted a lack of understanding in

expectations in relation to pain, wound advice and bruising.

This CQUIN was a catalyst for understanding the process of recording a patients planned care and the national guidelines that do not allow for system record changes even though it has been identified as the appropriate action for the patient. This work has led to improved patient informatics, pre, during and post-operatively.

Patient information leaflets have been produced that provide;

- contact information
- symptoms to expect after surgery
- wound care advice
- systems that require medical advice

Positive feedback has been received. This style of leaflet will roll out to more specialities.

Dementia

Dementia offers an increasing challenge for acute hospitals with an estimated 25% of acute hospital beds in the NHS occupied by people with dementia.

Building on the progress from 2014/15, this national CQUIN aimed to improve the care for patients with dementia or delirium during episodes of emergency unplanned care.

The Trust developed a dementia strategy which supports this CQUIN. The CQUIN is split into three parts;



Find, Assess, Investigate, Refer & Inform (FAIRI):

The FAIRI assessment is undertaken on inpatients over the age of 75, with a stay greater than 72 hours.

- **FIND:** Identify all patients with an existing diagnosis of dementia.
- **ASSESS and INVESTIGATE:** undertake a diagnostic assessment and investigations to determine whether possible dementia is present.
- **REFERRAL:** for a specialist diagnostic assessment by old age psychiatry liaison team or memory service.
- **INFORM:** Inform GP's of outcomes from the assessment.

The introduction of a Matron for Dementia has had a positive impact on increasing dementia awareness and improving experience for dementia patients. The Trust achieved the 90% target from April to October 2015. During October, the process was moved to an electronic system. Teething problems affected the recording of data, not impacting on patients care. This was addressed during Quarter 4.

A new element of the assessment for 2015/16 was the introduction of 'Inform', which aimed to ensure the patients GP is aware of the diagnosis and any follow-up advice required.

Staff Training:

Different levels of dementia training are available. Clinical staff receive mandated training as part of the essentials training programme. Non-clinical staff receive the appropriate training for their role.

During the year the Matron for Dementia contacted various non-clinical areas to arrange training sessions. The Trust has now incorporated dementia training in clinical and non-clinical essentials study days to improve uptake. The Matron for Dementia continues to offer further training in clinical areas, outpatient departments and other non-clinical areas on request.

The Trust has been delivering dementia awareness training since 2013. During 2015/16 training was delivered to 1,320 clinical staff and 281 non-clinical staff.

Supporting Carers:

Monthly surveys are sent to carers of patients with dementia and the results are discussed at the Trust's Dementia Steering Group. The survey aims to ensure carers of people with dementia and delirium feel that they are adequately supported.

The Dementia Carers Survey was amended in April 2015 with an objective of simplifying the survey to encourage an increase in responses.

Measure	2014/15	2015/16
FAIRI*	93.7%	96.97%
Staff Trained	1491	1603

**Identification all patients with an existing diagnosis of dementia.*

Urgent & Emergency Care

Stockport Commissioners and the Trust agreed that the focus for this CQUIN would be linked into the introduction of a '90-day plan'.



The plan aimed to improve the patient flow at admission into the Emergency Department or the Acute Medical Assessment Unit. By doing this it also looked to support the Trust in meeting the national 4-hour A&E waiting time target by using resources more efficiently.

The plan also covered;

- Short Stay Older Patient (SSOP)

- GP Assessment Unit (GPAU) and Ambulatory Care Unit (ACU)
- Clinical Decision Unit (CDU) - Increase capacity to utilise the CDU more effectively, reduce admissions and improve patient experience.

The CQUIN included a reduction to be made in three measures. These were all challenging due to the pressure that is currently in place for all A&E departments nationally. The Trust performed as shown in the table below.

Measure	Target	Result
% Avoidable Emergency Admissions	<23%	22.7%
ED conversion rate	<=28%	29.6%
Avoidable Emergency Admissions (Length of stay 1+ days)	<=1734	1926

Patient Experience

The community and hospital Integrated Specialist Palliative Care Team, which includes Macmillan Nurses, identified a need to create a discrete environment away from the ward areas, where sensitive conversations could be had with people close to patients receiving End of Life Care. There were also times when a person was dying where those close to them needed time away from the person's bedside but still wanted to remain nearby in case they were needed.

A local man who received care from the team left a legacy to the Specialist Palliative Care service and this enabled the team to respond to feedback creating 'The Gilbert Fox Palliative Care Suite' a comfortable, private place for family and friends to make use of.

After patient feedback and informal complaints regarding the length of wait for a routine community adult therapy assessment, the service's triage system was reviewed and changed. The team restructured in order to be able to manage practitioners' workloads more flexibly and as a result the average waiting time was reduced and staff morale improved and stress reduced.

Following two individual complaints to the Podiatry service, highlighting inequities within the service as to how individual staff liaised with patients needing home visits, the department introduced a standard introductory letter. The letter is sent to patients acknowledging that a referral has been received for a home visit. Further information is requested in the letter i.e. if there are any key codes or entry details or if the person wishes the Podiatrist to contact someone on their behalf e.g. family members or carers who manage their appointments or may wish to be present at the time of the visit.

Community health staff worked well in partnership with other organisations to bring about service improvement based on patient and carers' feedback. The Intermediate Care team worked with the staff in Berrycroft and Marbury care homes, who provided the bed based placements for patients needing 24 hour intermediate care.

Once a quarter, service users are asked "If there is one thing which could be done to improve your intermediate care experience, what would it be?"

Forums are held monthly with residents, families and carers. Health staff and care home senior staff host an open discussion led by residents/carers. Feedback is shared with service users via notice boards in the residential homes and at subsequent forums so residents understand they can effect change. Feedback is shared with intermediate care and residential home staff via team meetings. The 'Speech Bubble' posters strap line records the question "You said. We did".

In November 2015, Borough Care awarded Marbury House the 'Service of the Year'.

Ready, Steady, Go Tool (Pilot)

The 'Ready, Steady, Go' programme is designed to help children and young people aged 12 and over with a long term medical conditions and their parents and carers to get involved in the transition process and feel more knowledgeable, confident and happier about moving from children's to adult's health services.

The programme is structured around a series of three questionnaires which health care professionals use to develop a personal health transition plan to support the child and young person as they grow-up and help them to gradually develop the confidence and skills to take charge of their own healthcare.



A cohort of patients with long term medical conditions were agreed and the programme undertaken. Feedback is to be gathered and the pilot reviewed.

GM Nursing Standards

The Greater Manchester Community Nursing Standards and Quality Indicators were agreed in 2014/15 to reflect best practice for nursing care in the community. By implementation of the standards it promotes a culture of learning to help identify areas of service improvements. Each standard consists of a range of quality indicators.



The standards cover;

- Quality and safety
- Wellness and Prevention
- Self-Care, Independence and Choice
- Care planning and Multi-disciplinary care
- Access and Responsiveness

The Trust carried out a baseline exercise to establish the current position against the standards and to create an action plan to address the gaps.

During the year, progress has taken place against the indicators and results reviewed across services to share learning and best practice.

GM Transformation IT & Information

In order to support the agenda for transformative IT and information this CQUIN ran alongside local arrangements aimed at incentivising and focussing Trust's on the aims of the 2020 Vision and other Greater Manchester Strategic Plans. The Trust developed a strategy for how it will deliver to the requests of the National Information Board 20/20 vision.



In addition to the strategy, 3 projects were also undertaken.

Project 1: Secure E-Mail platform: The purpose of this is to have a standardised system across all Trust staff. A local system and a national system were considered. The local system will be the preferred choice due to the functionality and the cost involved. This may be reviewed as part of the strategy at a later date when enhancements have been made to nhs.net2.

Project 2: Provide acute data for viewing from Stockport Health & Care Record (SHCR):

The Stockport health record is completed by GPs and can be viewed by clinicians within the acute setting if necessary. The data set that forms the record was reviewed and updated.

Project 3: Greater Utilisation of the Stockport Health and Care Record (SHCR):

This project was to ensure clinicians and relevant staff had the appropriate access and received training/information on how to use.

The monthly average number of users of the Stockport Health and Care Record during 2015-2016 was 265 compared to 204 in 2014-2015. This shows an increase of 30%.

Advancing Quality

The 'Advancing Quality' programme launched across 24 NHS trusts in the North West of England in 2008. The aim, to give patients a better experience of the NHS by making sure every patient admitted to a North West hospital is given the same high standard of care, no matter which hospital they attend, by improving the standards of healthcare and reducing variation through a process of standardisation.

To determine how well a Trust is performing Advancing Quality monitors the Appropriate Care Score (ACS). The ACS is calculated by counting the number of eligible patients that received a measure divided by the number of eligible patients in total. This measurement ensures that the best clinical processes are being followed and delivered at the same time in the same way for every patient.



During 2015/16 the Trust participated in five measure groups;

- Acute Kidney Injury (AKI)
- Sepsis
- Diabetes
- Alcohol Related Liver Disease (ARLD)
- Chronic Obstructive Pulmonary Disease (COPD)

The Trust challenged AQuA on some of the standards as clinicians disagreed. During 2016/17 the Trust will progress with locally agreed care bundles. See page 159 for progress.



Mental Health

The NHS recognised that Mental Health has been addressed by Mental Health NHS organisations, however, patients with Mental Health entering other parts of the organisation were not having their needs met.

In February 2014, 22 national bodies involved in health, policing, social care, housing, local government and the third sector came together and signed the Mental Health Crisis

Care Concordat.

The Crisis Care Concordat is a national agreement between services and agencies involved in the care and support of people in crisis. It sets out how organisations will work together better to make sure that people get the help they need when they are having a mental health crisis.



The purpose of this CQUIN was to raise awareness throughout Greater Manchester of the requirements of patients with Mental Health. The first step was to understand what support was currently in place, which networks could be linked into and to join local police partnerships to share actions and increase knowledge and understanding. Training was also identified as a key element.

Progress had been made during the year, although it is recognised that so much more is required. Flags in hospital systems will be introduced as part of the electronic patient record (EPR) and training will continue in raising awareness which will form part of the Matron of Dementia and Matron of Safeguarding's objectives.

Sign Up To Safety Campaign

As part of the Trust's commitment to the Sign up to Safety campaign at the end of 2014/15, a Safety Improvement Plan was developed which sets out the organisation's plans for the next three years to reduce avoidable harm by 50%.

Sign up to Safety is a national initiative to help NHS organisations and their staff achieve their patient safety aspirations and care for their patients in the safest way possible.

The Trust already has a Quality Improvement Strategy for 2015-20 which details how we aim to improve the quality of care for patients and families by reducing harm and mortality, providing reliable care, improving the patient experience and outlines the Trust's objectives for each of these. It was developed through discussions with staff and patients, analysis of incidents, current safety data, mortality data and feedback from patients and families and is underpinned by the five domains of the NHS Operating Framework.

The Safety Improvement Plan required by our participation in Sign up to Safety focuses on five of our key objectives from that strategy, which we believe will have the greatest impact on reducing avoidable harm. Areas we have identified as where we could make the most difference consist of Sepsis, Pressure Ulcers, Falls, Medication Incidents and Diabetes.

As the individual workstreams of our Safety Improvement Plan make progress, we will explore the best way to share this with our patients and families through the development of patient safety briefings and use any feedback, alongside the patient stories we currently use at Board of Directors or sub-Board assurance committees.

The target areas identified in this plan also form part of our main quality improvement strategy.

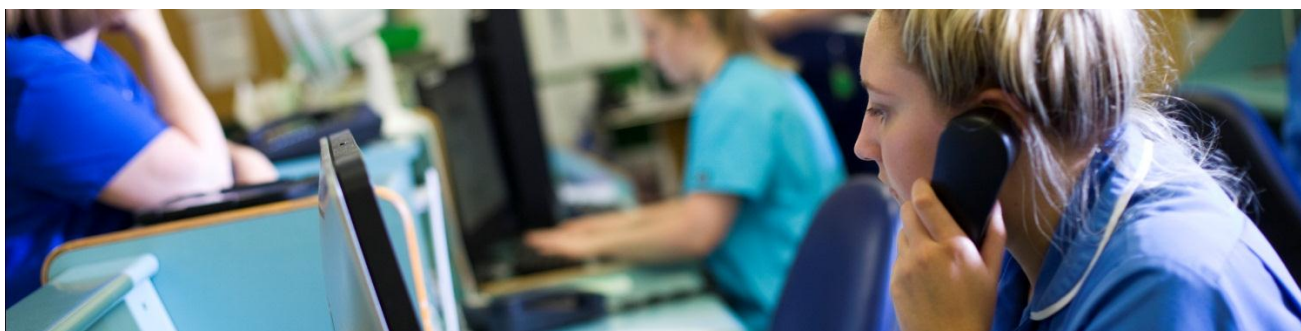
The Trust's Safety Improvement Plan focuses on the key areas of patient care which, if improved, could help us reduce harm by 50% over the next three years. It will be implemented alongside the existing implementation of our Quality Improvement Strategy, sharing much of the same measurement and monitoring of safety as well as the capability, approaches and culture of our staff.

Some progress has already been made, for example with a 30% reduction in medication errors during 2015/16, but further work remains within other areas of harm.



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.....
SAFETY

NHS Staff Survey 2015



The NHS Staff Survey results are predominantly aimed to inform local improvements in staff experience and well-being. Nationally, the NHS Staff Survey results provide an important measure of performance against the pledges set out in the NHS Constitution. The Constitution outlines the principles and values of the NHS in England, setting out a number of pledges that define what staff should expect from NHS employers.

The results are also used by NHS England to support national assessments of quality and safety. The Care Quality Commission use the results to help to decide who, where and what to inspect.

For the purpose of this year's quality report the Trust was required to report on the following questions from the NHS staff survey. The results provide comparison to both the previous year and the national average.

Staff Survey Question	Value	2014	2015
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	Trust score:	92%	88%
	National average:	87%	87%

There has been a reduction in the percentage of staff believing that the organisation provides equal opportunities for career progression or promotion compared to the previous year, though the Trust continues to be above (better than) the national average.

Implementation of the Trust's Talent Management Strategy will provide a structured process for the management and monitoring of career progression through the appraisal process. This will be aligned to the Equality and Diversity Policy.

Staff Survey Question	Value	2014	2015
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months	Trust score:	22%	21%
	National average:	23%	24%

There has been very little change to the percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months compared to the previous year, though the Trust continues to be below (better than) the national average.

Care Quality Commission (CQC) Ratings

At the time of reporting, the Trust is awaiting the final ratings from the CQC inspection which took place during January 2016. For the purpose of this report the Trust is required to provide a self-assessment on the five key questions used by the CQC during their inspections of services;

1. Are they safe?
2. Are they effective?
3. Are they caring?
4. Are they responsive to people's needs?
5. Are they well-led?

Service	1. Safe	2. Effective	3. Caring	4. Responsive	5. Well-led
Urgent and emergency services	RI	G	G	G	G
Medical care <i>including older people's care</i>	RI	G	G	G	G
Surgery	G	G	O	G	G
Critical care	G	G	O	G	G
Maternity and gynaecology	G	G	O	G	G
Services for children and young people	G	G	O	G	O
End of life care	G	G	O	G	O
Outpatients and diagnostic imaging	G	G	O	RI	G

Key:

O = Outstanding

G = Good

RI = Requires Improvement

Part 2.1.2

Priorities for improving quality in 2016/17

Priorities For Improving Quality In 2016/17

Below is an overview of our priorities and objectives for 2016/17. The table gives you an at-a-glance view of the work to be undertaken in the year ahead which our stakeholder groups highlighted it as an issue to be addressed.

Progress against these priorities will be measured against an agreed denominator which may be a baseline, peer or national target. We will monitor the progress through a RAG rated dashboard which will be reported at the Quality Assurance Committee, a sub-committee of the Board, chaired by a non-executive, which reports to the Board.

Reduce mortality	
1. Sepsis To achieve full compliance with sepsis guidelines	2. Weekend mortality To reduce Trust mortality weekend metrics to week day level
Provide harm free care	
1. Pressure Ulcers To continue to work towards achieving zero incidence for acute, and ≤ 10 for community of avoidable grade 3 and 4 pressure ulcers	2. Falls To continue to work towards achieving ≤ 10 avoidable serious falls
3. VTE To continue to work towards a 50% reduction by implementing lessons from VTE RCAs	4. Medication errors To continue with all measures designed to reduce medication incidents which cause harm
5. Healthcare associated infections To achieve both local and national HCAI targets	6. Diabetes To embed the changes made during 2015-16 and achieve zero incidence of diabetes related serious incidents
Provide reliable care	
1. Care bundles To continue to embed evidence-based care bundles to achieve full compliance	2. Early warning score To continue to build on progress made during 2015-16 to further reduce cardiac arrests on wards
3. Reduce hospital readmissions To build on the COPD pathway work through Stockport Together to improve further patient pathways.	
Improve the patient experience	
1. Capturing and learning from patient and family feedback To continue to build on progress made during 2015-16 to enable continued improvements based on feedback	2. Providing care with dignity and compassion To further develop all opportunities to improve patients' experience of compassionate dignified care
3. Improve care for patients with dementia To continue to deliver the dementia strategy, including the introduction of a 'dementia ward'	4. Complaints management and Duty of candour To review the management of complaints against the recommendations of NHS England 'A Quality Framework for Complaints' (2015) and PHSO 'Breaking down the Barriers' (2015) for further improvement, particularly for older people

Participation In CQUIN 2016/17



As in previous years, the Trust will be fully engaged in the CQUIN programme. Below is information on the indicators that the Trust is committed to achieve during 2016/17.

CQUIN Programme 2016/17

National	Local	MCP	Specialised Services	Dental
NHS Staff Health & Wellbeing	Safety Culture	Expert Reference Groups	Two Year Follow-Up For Very Preterm Babies	Referral Management
Sepsis	Nutrition & Hydration	Outcome Measures Data	Pre-Term Babies Hypothermia Prevention	Managed Clinical Networks
Antimicrobial Stewardship	Effective Discharge		Intravenous SACT	
	Care Bundles			

This CQUIN programme was agreed with the Commissioners to address areas identified for improvement. To agree the topics, including expected outcomes and milestones, meetings and workshops were held for each indicator with the commissioners, senior management and speciality leads to create a stretching but achievable indicator.

Benchmark data from 2015/16 was considered for some Indicators to set realistic improvement goals. Other Indicators involve collecting data as part of the early milestones for 2016/17. CQUIN's are risk rated at the start of the year by the CQUIN lead. These are monitored by the business group quality boards. Regular Internal CQUIN meetings take place with the CQUIN Programme lead, CQUIN Executive lead, Finance and Information to monitor progress.

A quarterly report and supporting evidence is submitted to the CCG. Discussion on any queries takes place between the Commissioners and the Trust CQUIN Programme lead. All CQUIN's are monitored monthly and reported to various sub committees of the Board. Any areas of concern are also highlighted within the Integrated Performance Reports which is shared with the Trust Board.

The CQUIN programme for 2016/17 has a value of approximately £5.5 M. Further information on the CQUIN indicators which the Trust has agreed to undertake is in the table below.

National
NHS Staff Health & Wellbeing
<p>Introduction To Initiatives</p> <ul style="list-style-type: none"> The introduction of health and wellbeing initiatives covering physical activity, mental health and improving access to physiotherapy for people with MSK issues. <p>Healthy Food & Drink</p> <ul style="list-style-type: none"> To achieve a step-change in the health of the food offered on the premises. For sugary drinks and foods high in fat, sugar and salt ban; <ul style="list-style-type: none"> price promotions advertisement on NHS premises from checkouts Ensure healthy options are available for staff working night shifts. Submit national data collection returns on existing contracts with food and drink suppliers <p>Flu Vaccinations</p> <ul style="list-style-type: none"> Achieve an uptake of flu vaccinations by frontline clinical staff of 75%
Sepsis
<ul style="list-style-type: none"> Timely identification and treatment for sepsis in emergency department (ED) and inpatient settings <ul style="list-style-type: none"> Screening Antibiotics Antibiotic 3 day review
Antimicrobial Stewardship
<ul style="list-style-type: none"> Reduction in antibiotic consumption per 1,000 admissions Percentage of antibiotic prescriptions reviewed within 72 hours

Local
Safety Culture
<ul style="list-style-type: none"> Development of a robust safety culture (ED & AMU) <ul style="list-style-type: none"> Safety culture assessment tool Establish a baseline. Implement an improvement project Evidence an improvement in safety culture through re-assessment
Nutrition and Hydration
<ul style="list-style-type: none"> To ensure that all patients within the hospital are effectively managed and not put at risk of harm through inadequate nutritional management, this is specifically relevant to elderly and vulnerable groups. Four key areas: Assessment / Management / Transfers of care / Patient experience
Effective Discharge
<ul style="list-style-type: none"> This CQUIN focuses on 3 vital functions to ensure patients are discharged effectively, safely and as soon as they are fit to do so <ul style="list-style-type: none"> Robust discharge planning and communication. Reducing delayed transfers of care through effective planning and a MDT approach. Consideration of the discharge to assess model on a small scale (pilot study) Identifying key challenges utilising the available evidence such as complaints/ incidents and patient experience.

Care Bundles
<ul style="list-style-type: none"> To continue the implementation of the care bundle and to evidence improvement on the previous measures (Sepsis / AKI / ARLD / Diabetes) CPS: 5% improvement quarterly ACS: 2016/17 = 50%

MCP
Expert Reference Groups
<ul style="list-style-type: none"> To pilot the Outcomes Framework to be included in the MCP Contract in April 2017. To be the lead provider in establishing the expert groups, ensuring appropriate people invited. Group to validate and explore Outcome list and advise on available data and what data would be meaningful. Consider what is important to the Patient.
Outcome Measures Data
<ul style="list-style-type: none"> Work with Stockport together analyst, Business Intelligence group, MCP provider board and third party contractors to bring data into one platform and create numerator, denominator and baseline (where possible) by April 2017.

Specialised Services
Intravenous SACT (Systemic Anticancer Therapy)
<ul style="list-style-type: none"> SACT – Standardised banding
Pre-Term Babies Hypothermia Prevention
<ul style="list-style-type: none"> Neo Hypothermia – Temperature within one hour for babies <32 weeks Temperature in range $\geq 36^{\circ}$
Two Year Follow-Up For Very Preterm Babies
<ul style="list-style-type: none"> Babies born <30 weeks followed up at 2 years from due date

Dental (NHS England)
Referral Management
<ul style="list-style-type: none"> To ensure the Trust has the necessary IT infrastructure systems and management process in place to interface with any electronic referral management systems commissioned by NHS England. To receive /process electronic referrals and related dental radiographs in line with NHS Information governance rules
Managed Clinical Networks (MCN)
<ul style="list-style-type: none"> Active Participation in MCNs and clinical engagement groups (expected maximum of 8 occasions per year).

Part 2.2

Statements of assurance from the board

Statements Of Assurance From The Board

The following section includes responses to a nationally defined set of statements which will be common across all Quality Accounts.

The statements serve to offer assurance that our organisation is:

- performing to essential standards, such as securing Care Quality Commission registration
- measuring our clinical processes and performance, for example through participation in national audits
- involved in national projects and initiatives aimed at improving quality such as recruitment to clinical trials

Review of Services

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



During 2015/16 Stockport NHS Foundation Trust provided and/or subcontracted 49 NHS services.

Stockport NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant health services through a variety of methods including Clinical Audit, Business Group

Assurance meetings, and Business Group Quality Boards.

The income generated by the NHS services reviewed in 2015/16 represents 88% of the total income generated from the provision of NHS services by Stockport NHS Foundation Trust for 2015/16.

Participation in Clinical Audit

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

During 1 April 2015 to 31 March 2016, 37 national clinical audits and 7 national confidential enquiries covered NHS services that Stockport NHS Foundation Trust provides.

During that period Stockport NHS Foundation Trust participated in 86% of national clinical audits and 33% (1 of 3, 1 awaiting confirmation of and one not participating) national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Stockport NHS Foundation Trust was eligible to participate in during 2015/16 are as shown in a table on page 139.

The national clinical audits and national confidential enquiries that Stockport NHS Foundation Trust participated in during 2015/16 are as shown in a table on page 139.

The national clinical audits and national confidential enquiries that Stockport NHS Foundation Trust participated in, and for which data collection was completed during 2015/16 are listed in the table on page 139, alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by that audit or enquiry.

The reports of 24 national clinical audits were reviewed by the provider in 2015/16 and Stockport NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided - to share the report with the Medical Director and clinical lead for the specialty for perusal, consideration and sharing with appropriate groups the findings and where appropriate develop local action plans.

The reports of 150 local clinical audits were reviewed by the provider in 2015/16 and Stockport NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

A report and action plan if appropriate is produced for each audit and submitted to the clinical audit team. Business Groups are advised of outcomes and as part of the governance framework an outcomes report is submitted to the Trust Quality Governance Committee to advise of compliance level, risk and escalation requirements.

Clinical Audit has been an integral part of the Trust's CQUIN programme providing evidence information for, Sepsis, Acute Kidney Injury and Advancing Quality care bundles.

This high level of participation demonstrates that quality is taken seriously by our organisation and that participation is a requirement for clinical teams and individual clinicians as a means of monitoring and improving their practice.

Participation in Clinical Research

The number of patients receiving NHS services provided or sub-contracted by Stockport NHS Foundation Trust in the period 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 443.

Participation in clinical research demonstrates Stockport NHS Foundation Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvements. Our clinical staff stays abreast of the latest treatment

possibilities and active participation in research leads to successful patient outcomes.



Stockport NHS Foundation Trust was involved in conducting and/or recruiting to 70 research studies in the following Trust strategic priority areas during the reporting period:

- Cancer – 21
- Musculoskeletal – 12
- Paediatrics and neonatal – 9
- Vascular (Stroke & Cardiology) – 6
- Reproductive Health – 4
- Gastroenterology & Hepatology – 6
- Other - 12

Of these, 64 were National Institute for Health Research portfolio adopted studies.

There were over 40 members of the clinical staff participating in research approved by a research ethics committee at Stockport NHS Foundation Trust during the year. These staff participated in research covering 33 medical specialties

The Trust currently has a further 6 studies in set up, along with 5 more site selection appointments being organised.

Our engagement with clinical research demonstrates Stockport NHS Foundation Trust's commitment to testing and offering the latest medical treatments and techniques.

Information on the use of CQUIN framework

The CQUIN payment framework continues to support the cultural shift towards making quality the organising principle of NHS services by embedding quality at the heart of commissioner-provider discussions.

A proportion of Stockport NHS Foundation Trust's income in 2015/16 was conditional on achieving quality improvement and innovation goals agreed between Stockport NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2015/16 and for the following 12 month period are available on request from cquin@stockport.nhs.uk.

The level of the Trust's income in 2015/16 which was conditional upon the quality and innovation goals was £6.2m. In line with national rules this represented 2.5% of income.

The Trust is currently awaiting confirmation from Stockport CCG for end of year achievement. During 2014/15 the Trust achieved a CQUIN payment of £5.8m, 96% of the £6m available.

Registration with Care Quality Commission

The Care Quality Commission (CQC) is the independent regulator of health and adult social care services in England.



Stockport NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is

'registered'. Stockport NHS Foundation Trust has no conditions on its registration.

The Care Quality Commission has not taken enforcement action against Stockport NHS Foundation Trust during 2015/16. The Trust has participated in a special review by the Care Quality Commission during the reporting period. The CQC undertook an unannounced inspection of Shire Hill Intermediate Care Unit in response to concerns that were raised with them. Shire Hill Intermediate Care Unit is a 36 bedded unit situated in Glossop. The outcome was that the Trust had to review the nurse staffing ratios for the unit but there were no enforcement notices applied.



In addition the Trust has had a formal inspection on the 19th – 22nd January 2016. The Trust has not yet received the final report and no rating has been awarded, however during the course of the inspection, the CQC found evidence that the Trust provides good compassionate care for patients and their families and carers, as well as good support for patients whose circumstances make them vulnerable for example, those living with dementia. The CQC found that the Trust has a number of effective systems and processes in place to keep patients safe and prevent harm. Page 128 shows a table of the Trust self-assessment completed prior to the visit.

Quality of Data

Good quality data underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made.

Stockport NHS Foundation Trust submitted records during 2015/16 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The patient NHS number is the key identifier for patient records. Accurate recording of the patient's General Medical Practice Code is essential to enable the transfer of clinical information about a patient from a trust to the patient's GP.

Percentage of published data which included a valid patient NHS number:	
Admitted Patient Care	99.86%
Out-Patient Care	99.96%
Accident & Emergency Care	99.21%

Percentage of published data which included the patient's valid GP practice code:	
Admitted Patient Care	99.90%
Out-Patient Care	99.97%
Accident & Emergency Care	99.54%

Period: 01 April 2015 to 31 March 2016

1. Upon checking GP Practice codes, all were valid. Those showing as invalid have the default code of "Practice Code is Not Known"

2. NHS Numbers include where patient identity has been withheld - invalid codes relate to "Trace attempted and no Match" or "Trace needs to be resolved"



Stockport NHS Foundation Trust has been and will continue to take the following actions to improve data quality:

- Continue to monitor data quality under a variety of Key Performance Indicators (KPI) and report on these
- Maintain our improved position regarding SUS data quality KPIs – currently in top 5 out of 18 Providers in Lancashire & Greater Manchester
- Continue to undertake spot checks of patient recording activities in clinics and departments

- Review and update procedures for capture and handling of patient activity data
- Update training materials and amend in view of any data quality issues
- Engage a programme of external clinical coding audit, feeding back lessons learned to coding team
- Undertake work to improve timeliness of data recording on Patient Centre on wards
- Continue to further develop procedures and data quality checks for Acute and Community services in Stockport
- Regular contact with consultants to highlight issues that clinical coders encounter, to improve the quality of the information regarding diagnoses and procedures in patient records and therefore continue to improve the quality of clinical coding
- Continue to maintain compliance with all the Information Governance Toolkit requirements including health records and data quality standards
- Embed data quality as a core tenant in the development of EPR systems for both Acute and Community EPRs

Information Governance

Stockport NHS Foundation Trust Information Governance Assessment Report overall score for 2015/16 was 71% (Level 2) and was graded green and satisfactory.

Clinical Coding

Clinical coding translates the medical terminology written by clinicians to describe a patient's diagnosis and treatment into standard, recognised codes. The accuracy of this coding is a fundamental indicator of the accuracy of the patient record.

Stockport NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2015/16 by the Audit Commission.

National Clinical Audits & Confidential Enquiries

The national clinical audits and national confidential enquiries that Stockport NHS Foundation Trust was eligible to participate in and for which data collection was completed during 2015/16 are contained within the table below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Title of National Audit / National Confidential Enquiry		Applicable	Participated	Number/Percentage Of Cases Submitted <small>Includes comments/rationale for non-participation</small>
1	Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	Yes	510 <small>Period: Jan 15 – Dec 15</small>
2	Adult Asthma	Yes	N/A	N/A <small>Audit starts September 2017</small>
3	Adult Cardiac Surgery	No	N/A	
4	Bowel Cancer (NBOCAP)	Yes	Yes	204
5	Cardiac Rhythm Management (CRM)	Yes	Yes	337
6	Case Mix Programme (CMP)	Yes	Yes	100%
7	Child Health Clinical Outcome Review Programme: Chronic Neurodisability	No	N/A	
	Child Health Clinical Outcome Review Programme: Young People's Mental Health	No	N/A	
8	Chronic Kidney Disease in primary care	No	N/A	
9	Congenital Heart Disease (CHD): Paediatric	No	N/A	
	Congenital Heart Disease (CHD): Adult	No	N/A	
10	Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	No	N/A	
11	Diabetes (Paediatric) (NPDA)	Yes	Yes	100%
12	Elective Surgery (National PROMs Programme)	Yes	Yes	99.1%
13	Emergency Use of Oxygen	Yes	No	Resource issue
14	Falls and Fragility Fractures Audit programme (FFFAP): Fracture Liaison Service Database	Yes	Yes	N/A <small>Organisational audit only</small>
	Falls and Fragility Fractures Audit programme (FFFAP): Falls	Yes	Yes	30
	Falls and Fragility Fractures Audit programme (FFFAP): National Hip Fracture Database	Yes	Yes	100%
15	Inflammatory Bowel Disease (IBD) programme: UK IBD Registry	Yes	Yes	92
16	Major Trauma Audit	Yes	Yes	363

Title of National Audit / National Confidential Enquiry		Applicable	Participated	Number/Percentage Of Cases Submitted Includes comments/rationale for non-participation
17	Maternal, Newborn and Infant Clinical Outcome Review Programme: Perinatal Mortality Surveillance	Yes	Yes	100%
	Maternal, Newborn and Infant Clinical Outcome Review Programme: Perinatal mortality and morbidity confidential enquiries (term intrapartum related neonatal deaths)	Yes	Yes	100%
	Maternal, Newborn and Infant Clinical Outcome Review Programme: Maternal morbidity and mortality confidential enquiries (cardiac (plus cardiac morbidity) early pregnancy deaths and pre-eclampsia, plus psychiatric morbidity) Maternal mortality surveillance	Yes	Yes	100%
	Maternal, Newborn and Infant Clinical Outcome Review Programme: Maternal mortality surveillance	Yes	Yes	100%
18	Medical and Surgical Clinical Outcome Review Programme: Acute Pancreatitis	Yes	No	
	Medical and Surgical Clinical Outcome Review Programme: Physical and mental health care of mental health patients in acute hospitals	Yes	Yes	
	Medical and Surgical Clinical Outcome Review Programme: Non-invasive ventilation	Yes	TBC	
19	Mental Health Clinical Outcome Review Programme: Suicide in children and young people (CYP)	No	N/A	
	Mental Health Clinical Outcome Review Programme: Suicide, Homicide & Sudden Unexplained Death	No	N/A	
	Mental Health Clinical Outcome Review Programme: The management and risk of patients with personality disorder prior to suicide and homicide	No	N/A	
20	National Audit of Intermediate Care	Yes	Yes	100%
21	National Cardiac Arrest Audit (NCAA)	Yes	Yes	80%
22	National Chronic Obstructive Pulmonary Disease (COPD) Audit programme: Pulmonary rehabilitation	Yes	Yes	68
	National Chronic Obstructive Pulmonary Disease (COPD) Audit programme: Secondary Care	Yes	Yes	51

Title of National Audit / National Confidential Enquiry		Applicable	Participated	Number/Percentage Of Cases Submitted Includes comments/rationale for non-participation
23	National Comparative Audit of Blood Transfusion programme: Use of blood in Haematology	Yes	Yes	100%
	National Comparative Audit of Blood Transfusion programme: Audit of Patient Blood Management in Scheduled Surgery	Yes	Yes	21
24	National Complicated Diverticulitis Audit (CAD): Acute surgical services	Yes	No	Resource issue
25	National Diabetes Audit – Adults: National Footcare Audit	Yes	Yes	21
	National Diabetes Audit – Adults: National Inpatient Audit	Yes	Yes	100%
	National Diabetes Audit – Adults: National Pregnancy in Diabetes Audit	Yes	Yes	18
	National Diabetes Audit – Adults: National Diabetes Transition	N/A	N/A	
	National Diabetes Audit – Adults: National Core	No	N/A	
26	National Emergency Laparotomy Audit (NELA)	Yes	Yes	143 Period: Dec 14 – Nov 15
27	National Heart Failure Audit	Yes	Yes	505
28	National Joint Registry (NJR): Knee replacement	Yes	Yes	100%
	National Joint Registry (NJR): Hip replacement	Yes	Yes	100%
29	National Lung Cancer Audit (NLCA): Lung Cancer Consultant Outcomes Publication	Yes	Yes	189
30	National Ophthalmology Audit: Adult Cataract surgery	Yes	No	Awaiting management team decision
31	National Prostate Cancer Audit	Yes	Yes	360
32	National Vascular Registry	No	N/A	
33	Neonatal Intensive and Special Care (NNAP)	Yes	Yes	100%
34	Non-Invasive Ventilation - Adults	N/A	N/A	Audit did not run in 2015/2016
35	Oesophago-gastric Cancer (NAOGC)	Yes	Yes	50
36	Paediatric Asthma	Yes	No	The decision not to participate was taken as it was considered that the previous audit was ineffective.
37	Paediatric Intensive Care (PICANet)	No	N/A	
38	Paediatric Pneumonia	No	No	Audit did not run in 2015/2016
39	Renal Replacement Therapy (Renal Registry)	No	N/A	

Title of National Audit / National Confidential Enquiry		Applicable	Participated	Number/Percentage Of Cases Submitted <small>Includes comments/rationale for non-participation</small>
40	Rheumatoid and Early Inflammatory Arthritis: Clinician/Patient Follow-up	Yes	Yes	100% (Estimated as 2 year data collection process)
	Rheumatoid and Early Inflammatory Arthritis: Clinician/Patient Baseline	Yes	Yes	100% (Estimated as 2 year data collection process)
41	Sentinel Stroke National Audit programme (SSNAP): SSNAP Clinical Audit	Yes	Yes	100%
42	UK Cystic Fibrosis Registry: Paediatric	No	N/A	
	UK Cystic Fibrosis Registry: Adult	No	N/A	
43	UK Parkinson's Audit: Occupational Therapy	Yes	No	No dedicated occupational therapy service for Parkinson's in the hospital.
	UK Parkinson's Audit: Speech and Language Therapy	Yes	No	Resource issue at the time of registration.
	UK Parkinson's Audit: Physiotherapy	Yes	Yes	20
	UK Parkinson's Audit: Patient Management, elderly care and neurology	Yes	Yes	40 Period: Jan 15 – Dec 15

Outcomes of Local Clinical Audit

Once an audit has been undertaken it is given a level of assurance by calculating the individual ratings against its standards as follows;

Colour	Standard % measure
	95% and above
	75% to 94%
	74% and below

During 2015/16 reports were submitted to five Quality Governance Committee meetings. The assurance levels reported are highlighted below.

Assurance Level	Calculation of assurance	Number of audits reported
Full	To be used when each standard has achieved a score of 95% or above and is rated Green	29
Significant	To be used when there are only Green and Amber rated findings (although where there are a significant number of Amber rated findings, consideration will be given as to whether in aggregate the effect is to reduce the assurance level given)	29
Limited	To be used when there is a small ratio of Red and Amber to Green rated findings	76
Very Limited	To be used when the ratio of Red rated findings are greater than the Amber and Green	111

The majority of audits are undertaken where it is perceived that there is room for improvement therefore it is anticipated that the level of assurance will often be limited or very limited. Once the assurance level is given the project lead will then advise on the risk level (not all failed measures present a risk)

During the course of the year quarterly outcome reports are submitted to the Trust's Quality Governance Committee (QGC) as part of the governance framework advising on the level of assurance that an audit provided. The report also advises on the risk level and whether action is required by the committee.

Where an audit required the committees input, full details of the measures and compliance were submitted. Following an audit, action plans are put in place to support the delivery of improvements.

Examples of improvements in clinical audit are highlighted at the annual Clinical Audit & Improvement event (see page 166 for further information).

The examples shown on page 144 were judged at this year's event as the 'best clinical audit project' (from those submitted to the poster competition), judged by the Medical Director and the Deputy Director of Nursing and Midwifery.

Project 1: Nasogastric (NG) Tube Placement

The aim of this audit was to determine the compliance with the trust NG insertion standards/policy in line with NPSA recommendations and to compare the results of first and second audit cycles on NG tube placement.

Measure	1 st Audit	2 nd Audit
Reason describing appropriateness and rationale for insertion of NGT in notes	80%	100%
Staff undertaken the procedure had training	100%	100%
Evidence of pH indicator paper used	64%	88%
NEX (nose to ear to xiphisternum) Measurement	0%	56%

There was significant improvement with regards to NEX and pH testing with a scope for improvement for NEX. measurement. Safe practice was adhered to even when pH testing was not done. A recommendation was made to review the NG documentation chart to make NEX measurement a mandatory field.

Project 2: Outpatient Hysteroscopy Services

The aim of this audit was to assess Trust practices against the standards below for referral pathways, compliance with NICE heavy menstrual bleeding audit and outcomes, streamlining outpatient hysteroscopy (OPH) services, separate postmenopausal bleeding (PMB) clinic and menstrual bleeding disorder clinic and explore scope for service improvement.

Measure	Source	Standard	Result
Are referrals appropriate as per guidelines	NICE / DoH	100%	65%
Are they seen within national time frame?	DoH	100%	100%
Do all patients receive leaflets?	BSGE	100%	90%
Access to transvaginal scanning	DoH	100%	50%
Patients offered see and treat	BSGE / CCG	-	26%
How many are listed for GA hysteroscopy?	BSGE	-	72%

Actions taken included the clearer referral pathways for GPs for menorrhagia, presented to the commissioners and the purchase of Myosure resection device for outpatient removal of intrauterine polyps and fibroids.

Project 3: Emergency Department VTE Risk Assessment

The aim of this audit was to assess compliance with VTE risk assessment for patients requiring temporary lower limb immobilisation in the emergency department and assess whether the VTE risk assessments are being completed correctly.

Throughout the audit, the recommendations have surrounded increasing clinician awareness of the VTE risk assessment and simplifying the existing risk assessment tool. As a result, the Trust has been continually educating ED clinicians regarding the existence and importance of this risk assessment using posters, presentations and by targeting staff at department inductions and plaster room training.

Measure	Standard	April 2014	Jun-Aug 2015
VTE risk assessment compliance (in ED)	100%	16%	91%
VTE risk assessment correctly completed (in ED)	100%	75%	100%

ED continued to achieve no higher than 40% compliance with VTE risk assessment in the first 12 months of the audit, in May 2015 the Trust introduced a simplified Royal College of Emergency Medicine (RCEM) compliant assessment tool that is clearer and easier to complete and a prompt in the AdvantisED system that blocks further progress until a VTE risk assessment is completed.

Following the introduction of the new measures there has been a dramatic improvement in ED compliance with VTE risk assessment in patients requiring temporary lower limb immobilisation.

Project 4: Operative Vaginal Delivery

The aim of this audit was to provide evidence that Trust guidelines for operative vaginal delivery are being adhered to and show improvement from the previous audit.

Measure	Standard	1 st Audit	2 nd Audit
An Operator experienced in the chosen instrument should carry out the procedure or directly supervise the procedure.	>75%	100%	100%
Reason for Instrumental delivery must be documented	>75%	100%	100%
Informed consent must be obtained	>75%	73%	100%
Criteria for delivery met (and documented)	>75%	Not Included	91%
The bladder must be emptied with a catheter prior to the procedure	>75%	93%	91%
The reason for use of sequential instruments must be documented. This should only be used in the event of cup slippage once good descent is achieved and the head is crowning.	>75%	100%	90%
Reason for abandoning procedure must be documented (should be abandoned if Blades didn't lock or no descent after 3 pulls)	>75%	100%	75%

The measures met the standard and no further actions were required, though a re-audit will occur in 3 years as per the Trust guideline.

Although verbal informed consent was achieved in 100% of cases, the evidence used for this was a tick in a box – it was recommended that optimal evidence would be to document nature of conversation had with the mother. It was also recommended to ensure good documentation of reasons why, such as the use of sequential instruments, abandoning instrumental delivery and why bladder not emptied.

Part 2.3

Reporting against core indicators

Reporting Against Core Indicators

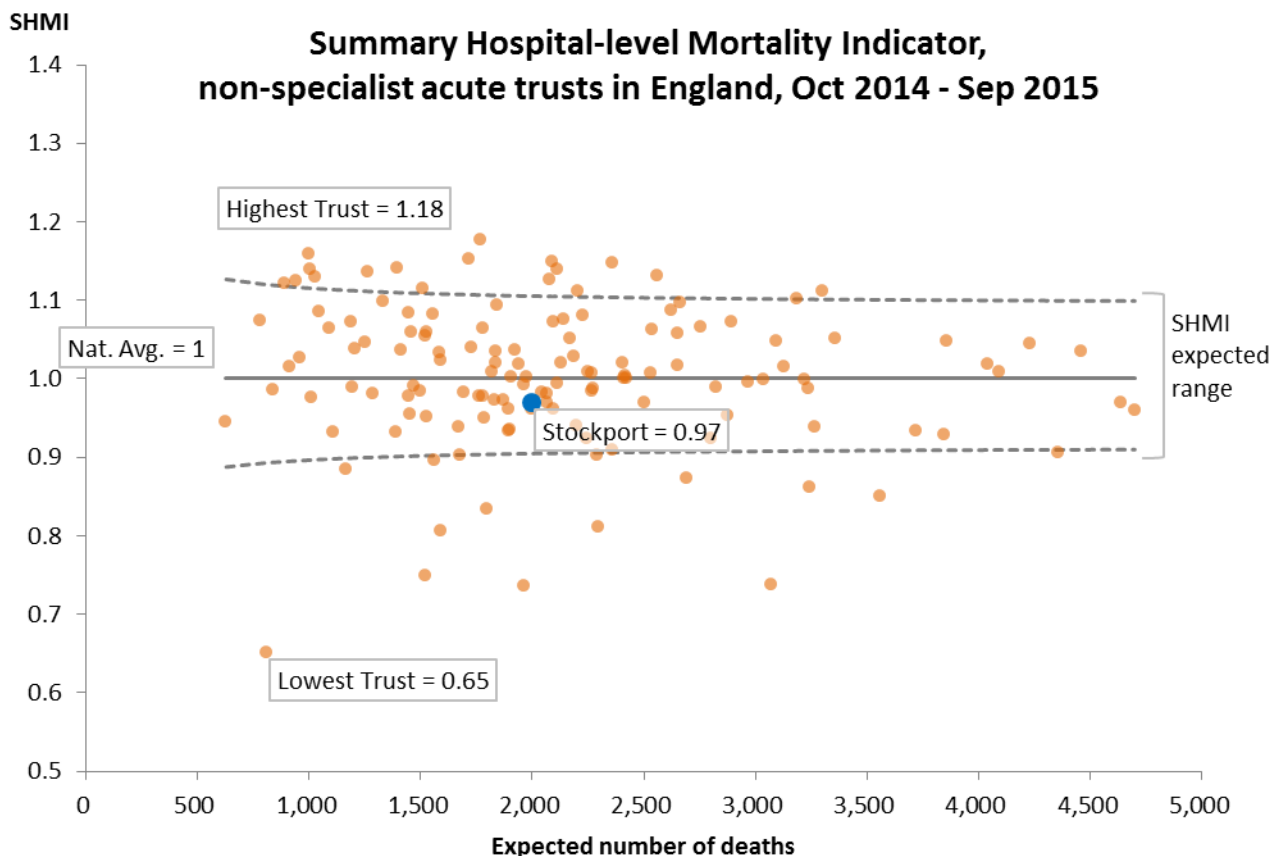
The value and banding of the summary hospital-level mortality indicator (“SHMI”) for the Trust for the reporting period

Stockport NHS Foundation Trust considers that this data is as described for the following reasons this is the latest data available and Stockport are pleased to report they continue to be below the national average (lower is better).

Stockport NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services; Mortality is included in the Trust Quality Improvement Strategy for 2014-19 and our Safety Improvement Plan.

Value	2011/12	2012/13	2013/14	2014/15
Trust score:	0.95	0.93	0.90	0.97
National average:	1.00	1.00	1.00	1.00
Highest national:	1.21	1.19	1.20	1.18
Lowest national:	0.68	0.63	0.60	0.65

*Reporting period is from October to September



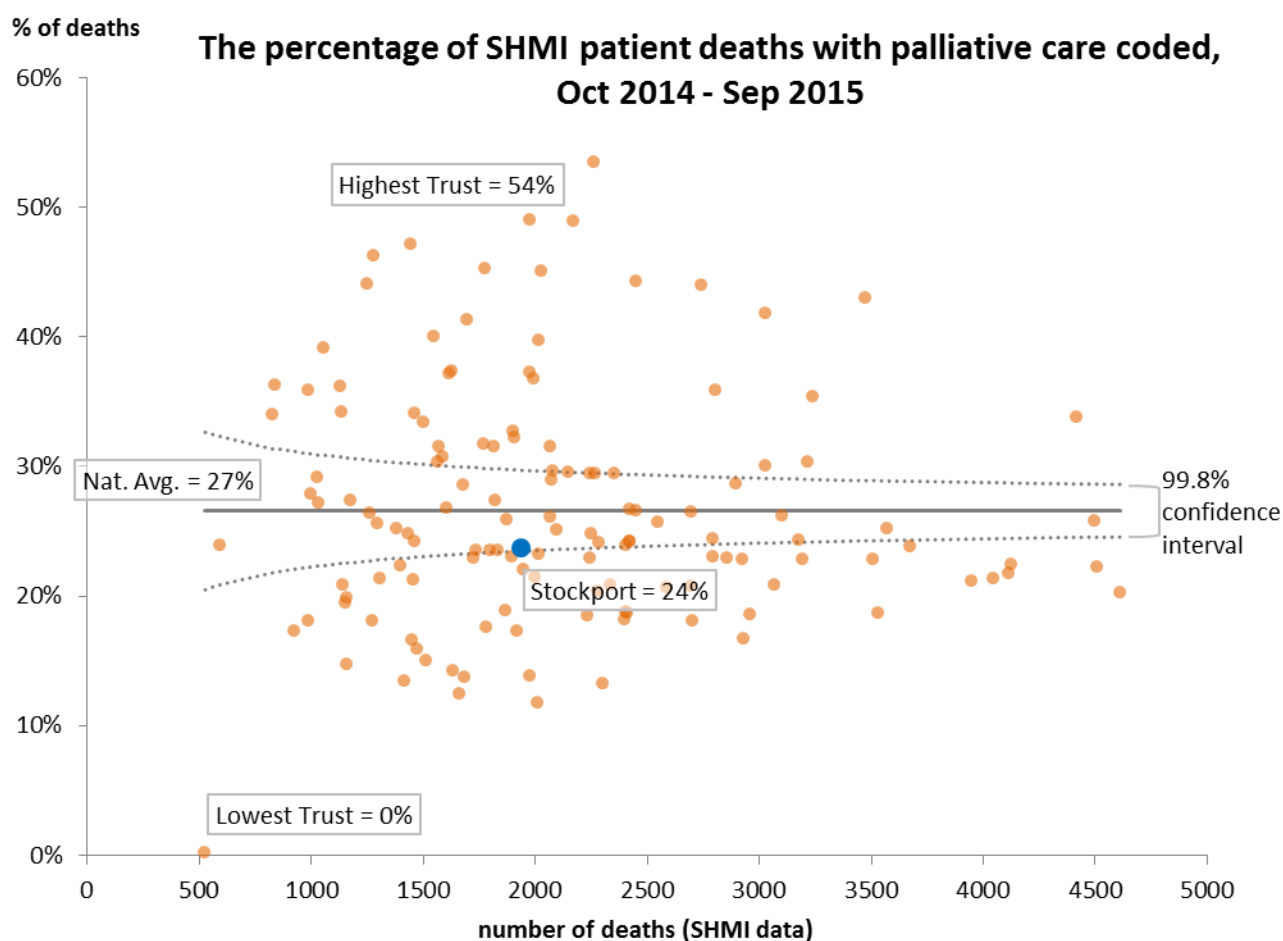
The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust for the reporting period

Stockport NHS Foundation Trust considers that this data is as described for the following reasons: this is the latest data available and Stockport continues to move closer to the national average. The Trust is currently within the expected range and is not an outlier.

Stockport NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services by monthly reviews of deaths, root cause analysis where appropriate, discussions and shared learning at appropriate forums.

Value	2011/12	2012/13	2013/14	2014/15
Trust score:	12%	17%	22%	24%
National average:	19%	21%	25%	27%
Highest national:	43%	45%	49%	54%
Lowest national:	0%	0%	0%	0%

*Reporting period is from October to September



The Trust's patient reported outcome measures scores ("PROMS") for the reporting period

Stockport NHS Foundation Trust considers that this data is as described for the following reasons: this is the latest data available from The Health and Social Care Information Centre as at March 2015, final figures will be available in August 2016. The figures are based on the patients' responses to questionnaires completed before and after surgery, it is the percentage of respondents who had improved health. The EQ-5D Index captures in a single value a range of generic health issues in a broad but clearly defined way.

Stockport NHS Foundation Trust has taken the following actions to improve these scores, and so the quality of its services, by:

Hips and Knees – The Trust continues to review results on a regular basis, along with publishing the figures within and outside the Trust.

Groin Hernia Surgery – The Trust continues to review results on a regular basis.

Measure	Value	2012 / 13	2013 / 14	2014 / 15*
Groin hernia surgery	Trust score:	48.4%	55.6%	51.7%
	National average:	49.4%	49.7%	49.9%
	Highest national:	86%	88%	75%
	Lowest national:	9%	21%	11%
Hip replacement surgery	Trust score:	90.4%	91.8%	91.3%
	National average:	87.9%	87.9%	88.2%
	Highest national:	100%	100%	100%
	Lowest national:	70%	67%	74%
Knee replacement surgery	Trust score:	84.2%	87.9%	85.0%
	National average:	79.7%	80.3%	80.6%
	Highest national:	100%	100%	100%
	Lowest national:	33%	40%	54%

*April 2014 to March 2015 provisional results, published February 2016.

The percentage of patients readmitted to a hospital within 28 days of being discharged from a hospital which forms part of the Trust during the reporting period

Stockport NHS Foundation Trust considers that this data above as described for the following reasons; this is the latest available from Comparative Health Knowledge System (CHKS).

Stockport NHS Foundation Trust along with the commissioners has taken the following actions to improve this percentage, and so the quality of its services. The organisation now has a strategic project to look at all re-attends and readmissions. Monitoring of the project will be managed at Senior Management Board led by the Medical Director; which commenced 18 April 2016.

CHKS Data*	Value	2012 / 13	2013 / 14	2014 / 15	2015 / 16
Patient readmitted to hospital within 28 days of being discharged aged: 0-15	Trust score:	7.9%	8.3%	8.7%	8.5% (April-December)
	National average:	9.3%	9.3%	9.4%	8.9% (April-December)
Patient readmitted to hospital within 28 days of being discharged aged: 16+	Trust score:	7.8%	8.3%	8.8%	8.5% (April-December)
	National average:	6.4%	6.5%	6.9%	7.0% (April-December)

*Variance to data reported in 2014/15 is due to updates within the CHKS system.

The Trust's responsiveness to the personal needs of its patients during the reporting period

This indicator is based on data from the National Inpatient Survey – an average weighted score of 5 questions relating to responsiveness to inpatients' personal needs (Score out of 100).

Stockport NHS Foundation Trust considers that this data is as described for the following reasons; the result shown is calculated as the average of five questions taken from the national inpatient survey.

Stockport NHS Foundation Trust has taken the following actions to improve this weighted score; the matron for patient experience has continued to work with wards and departments in the capturing of patient feedback via iPad surveys and the friends and family test. Expansion into paediatric services and the use of patient voices in ED has built on the capacity and opportunity to enable patients and their families to provide feedback on their care.

Value	2011 / 12	2012 / 13	2013 / 14	2014 / 15
Trust score:	61	63	63	68
National average:	67	68	69	69
Highest national:	85	84	85	86
Lowest national:	57	57	54	59

The percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends.

Stockport NHS Foundation Trust considers that this data is as described for the following reasons it is taken from the results of the national staff survey.

Stockport NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services; As a Trust we are proud of the quality of care we provide for our patients and have won many awards, both national and regional. One of our key values statements include “we deliver safe, high quality compassionate care” and these are promoted extensively throughout our Trust, including Team Brief, posters in all ward and work areas and on key documents. Our annual Pride of Trust Awards promotes and recognises high quality care.

Value	2012	2013	2014	2015
Trust score:	66%	73%	65%	73%
National average:	65%	67%	65%	71%
Highest national:	94%	94%	93%	93%
Lowest national:	35%	40%	38%	46%

The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period

Stockport NHS Foundation Trust considers that this data is as described for the following reason;

- It is captured via the Trust’s IT system.

Stockport NHS Foundation Trust has taken the following actions to improve this percentage (although compliance has been consistently high), and so the quality of its services, by:

- Undertaking root cause analysis within Business Groups in months where the percentage fell.

Value	2012 / 13	2013 / 14	2014 / 15	2015 / 16
Trust score:	94.3%	95.8%	95.9%	95.7%
National average:	94.0%	95.8%	96.1%	95.8% (April-December)
Highest national:	100.0%	100.0%	100.0%	100.0% (April-December)
Lowest national:	80.2%	66.7%	88.6%	61.5% (April-December)

The rate per 100,000 bed days of cases of C.difficile infection reported within the Trust amongst patients aged 2 or over during the reporting period

Stockport NHS Foundation Trust considers that this data is as described for the following reason; as it is captured by the Infection Prevention team. The Infection Prevention Team advised the Trust that for the year 2015/16, it would be prudent to know how many patients with loose stools of any duration and any causation were carrying any C difficile bacteria capable of spreading to others and the environment even if not clinically causing disease in a particular individual. This was done to ensure we knew exactly which patients should be managed with infection prevention precautions including being isolated in side rooms. This was felt to be critical to reducing C difficile disease in the Trust in the long term. This meant that more patients were being tested for carriage of C difficile. It is well known that the more C difficile tests are done the more cases will be found.

Public Health England advised at a national meeting in March 2015 that this proactive approach was good practice. However, it is likely that with such high numbers reported this year that there has been a real increase in C difficile infection in Stockport NHS Foundation Trust in 2015/16

Stockport NHS Foundation Trust continues to progress on actions undertaken last year to improve this rate, and the quality of its services. Every case of C difficile has undergone a root cause analysis and where there have been concerns of possible patient harm as a result of failures in practice an investigation has been undertaken. The lessons learnt from the investigations have been acted on and measures put in place to prevent avoidable harm. The lessons and changes to practice have had wide discussion within the Trust and lessons and changes in practice have been communicated widely throughout the Trust to ensure education.

Value	2012 / 13	2013 / 14	2014 / 15*	2015 / 16
Trust score:	21.9%	14.8%	10.9%	23.6% (April-December)
National average:	17.4%	14.7%	15.1%	15.4% (April-December)
Highest national:	31.2%	37.1%	62.2%	60.6% (April-December)
Lowest national:	0.0%	0.0%	0.0%	0.0% (April-December)

*Variance to data reported in 2014/15 is due full years data becoming available.

The number and, where available, rate of patient safety incidents reported within the Trust the reporting period and the number and percentage of such patient safety incidents that resulted in severe harm or death

Stockport NHS Foundation Trust considers that this data is as described for the following reason; as it is captured in the Trust's Datix system for reporting incidents. The National Reporting and Learning system reports continue to demonstrate that the trust is a high reporter of incidents and that this is a positive indicator of its safety culture, as you cannot learn from incidents unless they are reported. This is reflected in the most recent NRLS report. Stockport reported 5,150 incidents, a rate of 46.47 against the median of 38.25 across 136 Acute (non-specialist) organisations. The Trust's incident numbers are in the top 25% of reporters for safety incidents across the UK acute trusts. NRLS state that organisations which report more incidents usually have a better and more effective safety culture.

Stockport NHS Foundation Trust has taken the following actions to improve this percentage/number, and so the quality of its services. There has been no increase in severity of outcomes, this is the same as previous and the higher rate than nationally is because it includes all cardiac arrests which are reported to ensure robust investigation but do not indicate a failure or inaction.

	October 2013* - March 2014				April 2014 - March 2015**			
Value	Number of patient safety incidents / as a rate per 1,000 bed days		Number resulting in severe harm or death / as a % of all incidents		Number of patient safety incidents / as a rate per 1,000 bed days		Number resulting in severe harm or death / as a % of all incidents	
Trust score:	4,882	44.8	72	1.47%	10,986	49.5	189	1.72%
National average:	3,573	33.2	19	0.54%	7,771	36.1	38	0.49%
Highest national:	12,152	82.9	103	3.77%	24,804	101.5	193	4.18%
Lowest national:	119	5.8	0	0.00%	85	17.4	0	0.00%

*Reporting changed from rate per 100 admissions to 1,000 bed days

**Variance to data reported in 2014/15 is due full years data becoming available.

Part 3

Other information

Overview Of The Quality Of Care



Since Stockport NHS Foundation Trust began its explicit quality improvement strategy in 2008/09, a number of the quality issues covered by our quality goals have remained fairly constant, and were included in the Trust's 2014/15 annual quality report.

This section of the report demonstrates performance over time on indicators across three key areas selected by the board that required continuous improvement.

The indicators for each key area consist of;

1	PATIENT SAFETY	2	CLINICAL EFFECTIVENESS	3	PATIENT & FAMILY EXPERIENCE
1.	Infection Prevention Data Source: Internal	1.	Advancing Quality Data Source: AQUA	1.	Complaints / Serious Events Data Source: Datix
2.	Pressure Sores Data Source: NHS Safety Thermometer	2.	VTE Risk Assessment Data Source: Internal	2.	Friends & Family Data Source: Healthcare Communications
3.	Nursing Care Indicators Data Source: Internal	3.	Mortality Data Source: SHMI	3.	Learning From Patient & Family Experience Data Source: Internal

Patient Safety: Infection Prevention

Our infection prevention nurses work across all the wards and departments in the hospital and at local GP Surgeries and clinics, giving practical advice and support in the fight against health care acquired infections. Prevention of infection practitioners and assistants, work on each ward and department, with up to date knowledge and experience to daily assist their colleagues.

Infection Type	Occurrences	
	2014/15	2015/16
MRSA (Methicillin-Resistant Staphylococcus Aureus)	4	0
C. diff (Clostridium difficile)	24	53

What is Clostridium difficile?

Clostridium difficile is the major cause of antibiotic-associated diarrhoea and colitis, a healthcare associated intestinal infection that mostly affects elderly patients with other underlying diseases. The Trust's Patient information leaflet is available to read [here](#)

What is MRSA (Methicillin-Resistant Staphylococcus Aureus)?

MRSA is a Staphylococcus Aureus, a very common bacteria carried on the skin or in the nose of about 30% of all people. It does not usually cause any ill effects and most people are not aware of its presence - this is known as colonisation. Some strains of the bacteria have, over the years, become resistant to, and cannot be treated by some commonly used antibiotics. These strains are known as MRSA. Sometimes these bacterium can cause infection and because of their resistant nature, the range of antibiotics available for treatment is reduced.

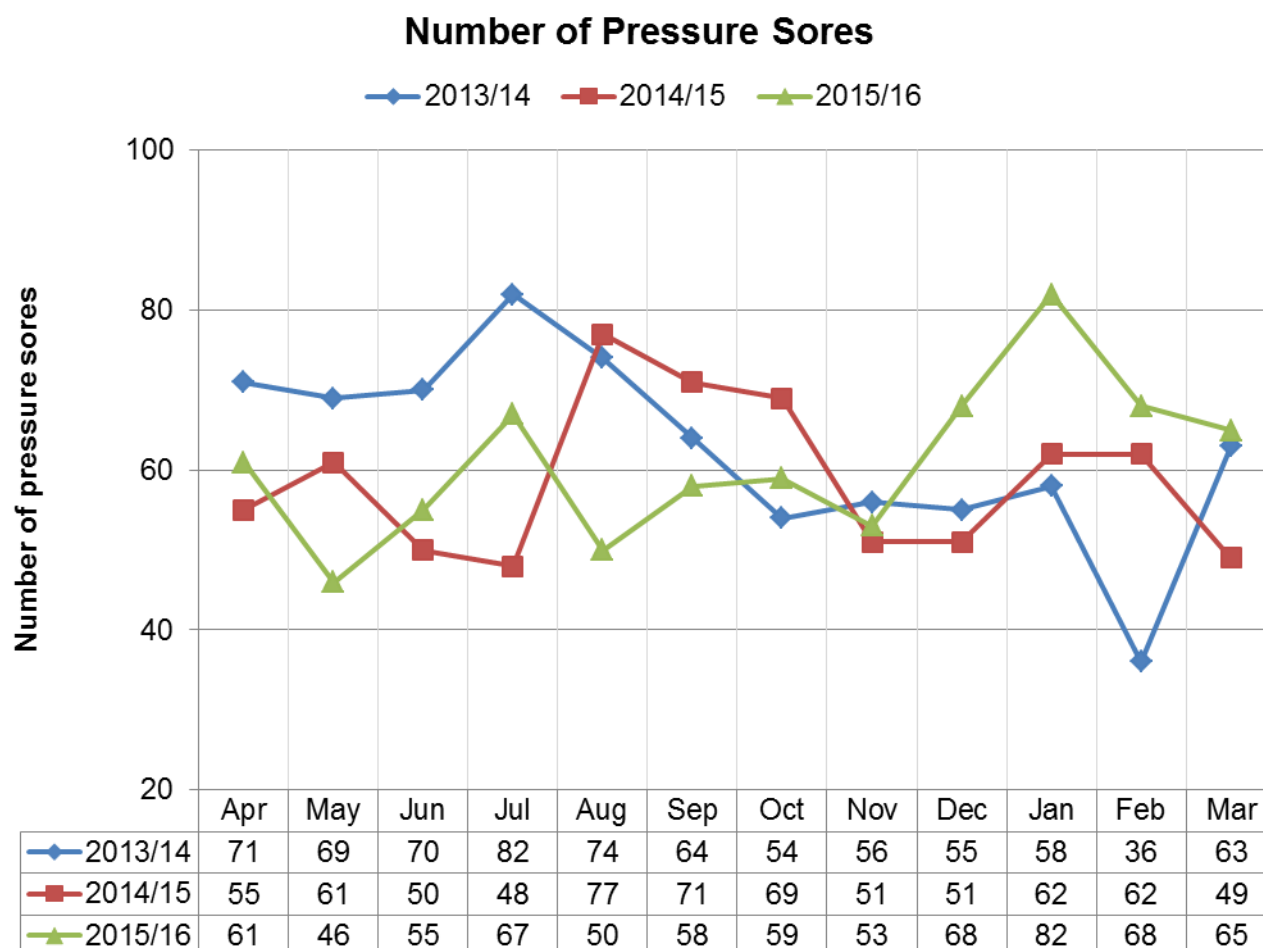
Mandatory MRSA Screening came into effect from 1 April 2009 and affects all patients attending the hospital for elective or emergency admissions. The Trust's MRSA Screening patient information leaflet is available upon request.



For further information on Healthcare Associated Infections please refer to page 111 of this report.

Patient Safety: Pressure Sores (NHS Safety Thermometer)

The table below shows the number of pressure sores identified by the Tissue Viability Team across multiple years. For further information on how the Trust has contributed to delivering improvements please refer to page 108.



This graph is of prevalence information only, this means it is a one day snapshot of pressure ulcers recorded on that day. The increase shown over December to February is consistent with the numbers of overall new pressure ulcer Incidents being reported across the whole health economy. This follows a recent trend, which has seen an increase in tissue viability referrals, an increase in complexity of patients cared for in the community, an increase in the numbers of inherited pressure ulcers from other organisations/patients own home, and an increase in patients attending the hospital, all of which have impacted on the higher numbers of pressure ulcers seen. In addition, Following the PURIS project (see page 109) there is raised awareness across staff on the importance of identifying pressure ulcers. Unfortunately the PURIS project came to an end in November and the support this added across the whole health economy and is no longer in place. This is having an impact on the overall prevalence of pressure ulcers that are currently being reported.

Patient Safety: Nursing Care Indicators

The Trust must account for the quality of care we deliver and that care should be evidence based and appropriate to the needs of the patient. The Nursing Care Indicators (NCI's) are designed to support nurses and midwives in practice to understand how they deliver care, and where improvements are needed.

A mini audit is carried out on a monthly basis where 7-10 clinical nursing indicators are measured by undertaking an audit of 50% of patients' records. The Trust target is that 95% has to be achieved, to date we have achieved that target.

RAG KEY:

<=89%
 90%-94%
 >=95%

Overall results by year

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
13/14	97.1	97.8	97.8	97.8	98.3	98.3	98.9	98.4	99.0	97.5	98.9	98.8
14/15	98.7	99.2	98.1	99.2	98.8	98.6	98.8	98.7	98.4	98.7	97.6	98.5
15/16	88.2	94.9	95.4	96.0	96.6	96.9	94.4	95.8	97.4	94.3	97.2	98.2

Results by indicator (2015/16)

	Falls	Medication	EWS	Tissue Viability	Infection prevention	Nutrition	Pain	Catheter Care	Discharge	Privacy & Dignity
Apr	83.00	98.20	89.60	76.20	96.00	82.20	82.30	90.80	100.00	94.90
May	93.40	94.30	95.60	91.50	97.80	92.30	96.60	97.30	90.10	98.40
Jun	94.80	94.60	97.30	94.50	93.90	94.70	95.50	97.80	91.90	98.10
Jul	92.30	97.00	98.90	92.00	98.60	96.10	98.70	98.20	78.50	98.20
Aug	97.00	94.80	98.20	96.50	97.80	96.30	97.10	93.70	72.60	99.20
Sep	94.80	98.20	95.50	95.10	98.10	95.00	98.20	98.10	91.70	99.80
Oct	93.80	96.90	96.60	90.50	98.00	90.00	88.00	97.10	98.10	98.30
Nov	96.70	94.90	96.00	93.20	97.40	94.80	95.80	97.50	90.70	97.70
Dec	97.30	98.00	98.10	95.70	98.80	95.80	97.90	98.30	83.00	99.10
Jan	93.90	95.90	94.30	93.60	95.70	93.40	93.20	86.70	75.20	96.50
Feb	97.30	95.60	98.00	95.00	99.40	95.80	98.20	94.60	97.40	99.30
Mar	98.60	98.30	98.50	98.20	98.90	97.10	96.70	98.40	97.00	99.00

Each business group or ward can view their own results and can then take any actions if performance against any of the criteria requires improvement.

Clinical Effectiveness: Advancing Quality

The results for each of the Advancing Quality measure groups the Trust participated in during 2015/16 are detailed below. Scores are shown by 'ACS' for the full year and per quarter and by 'CPS' for the full year.

What is ACS?

The 'Appropriate Care Score' is the percentage score given where a patient receives all measures of the care bundle.

What is CPS?

The 'Composite Process Score' is the percentage score of all measures achieved across all patients.

Measure	ACS							CPS
	Target	2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	2015/16	2015/16
COPD	50%	45.58%	80.00%	94.74%	61.54%	55.0%	73.13%	84.01%
AKI	50%	-	5.56%	6.25%	6.06%	-	5.97%	39.69%
ARLD	50%	-	22.73%	0.00%	33.33%	-	19.51%	74.19%
Sepsis	50%	-	42.11%	60.47%	60.42%	30.56%	49.7%	72.34%
Diabetes	50%	-	0.00%	12.0%	10.0%	-	7.04%	41.82%

COPD is the only measure group which was also undertaken in the previous year (2014/15) and end of year results are given for comparison, showing significant improvement.

It was agreed with Stockport Commissioners not to utilise resource to audit 3 of the 5 measures in quarter 4 when it was evident that the Trust would not achieve the target.

Summary

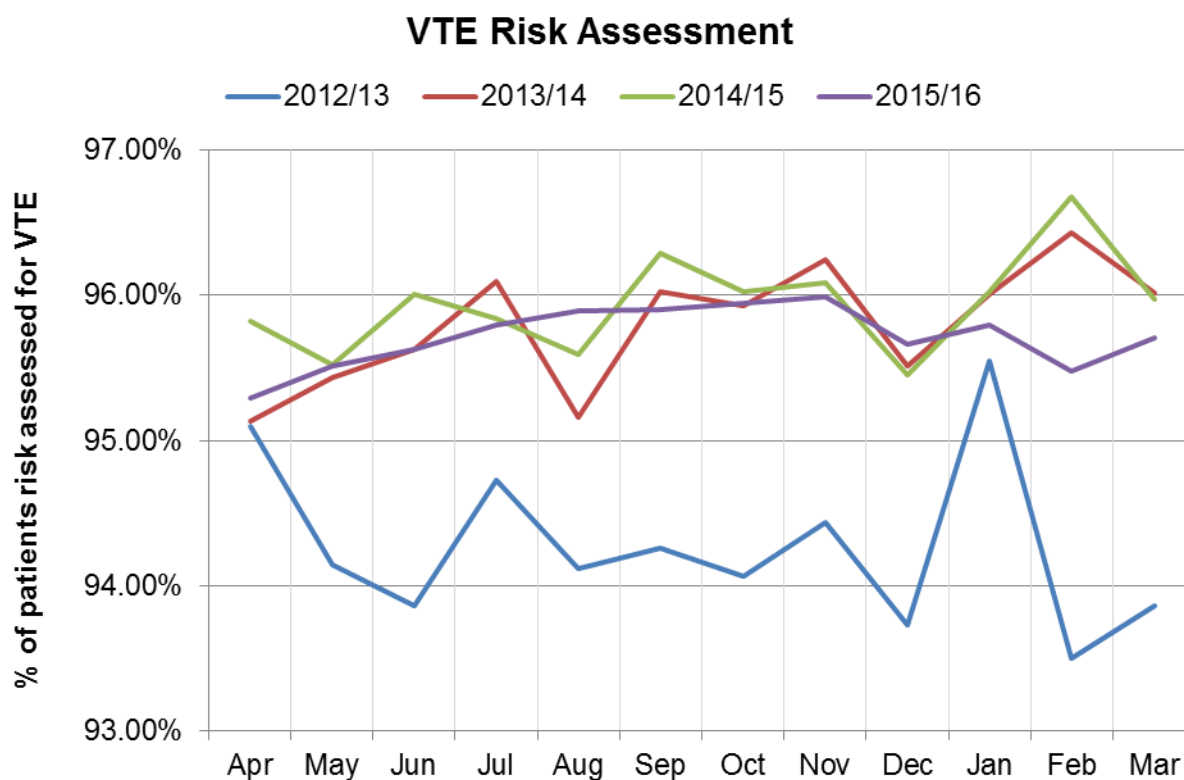
- **COPD:**
The Trust exceeded in meeting the target.
- **AKI:**
The Trust did not achieve the target. A specialist nurse was recruited in March 2016 to support implementation of the local bundle for 2016/17.
- **ARLD:**
The Trust did not achieve the target. This will be a focus in 2016/17.
- **Sepsis:**
The Trust achieved the target however further work in 2016/17 will ensure that progress is embedded and sustainable.
- **Diabetes:**
The measures for this care bundle were not agreed with by Trust clinicians and have been amended to a local bundle for 2016/17.

Clinical Effectiveness: VTE Risk Assessment

The table below shows the Trust's percentage of patients risk assessed for VTE across multiple years.

The Trust continues to be compliant with our national target to ensure that at least 95% of our patients are assessed for their risk of VTE within 24 hours of admission to hospital.

Further information on VTE is referred to on page 110 of this report.



Clinical Effectiveness: Mortality

Data from the Summary Hospital-Level Mortality Indicator (SHMI), as published by the Health and Social Care Information Centre is referred to on page 147 of this report.

Patient & Family Experience: Complaints

In 2015/2016, we received 787 formal complaints. We had received 773 formal complaints in 2014/2015 and 706 formal complaints in 2013/2014. The rise in complaints identified in the last financial year has not continued.



The main subjects of complaints continue to be treatment, communication, appointment/admission, complaints about staff and nursing care. These themes continue to be monitored in the quarterly patient experience and complaints report which is monitored at Quality Governance Committee, which includes changes to practice and improvements to patient experience.

The introduction of three levels of response time in September 2014 continues to ensure that robust and timely responses are provided to complainants. Trust wide in Quarter 1 an average of 89.8% of complaints were responded to within the timescale advised, with 86.8% in Quarter 2 and 86.3% in Quarter 3 (Q4 data not available yet). This gives an overall 87.6% (Quarter 1-3) of complainants responded to in the time we said we would which is an improvement on 2014/2015 which was 76.6% (Full year).

This demonstrates a significant improvement in performance since the last financial year. The Medicine business group continue to work to improve their performance and have this year improved with quarter three now showing all months over 80%. All business groups continue to aim towards 100% compliance. Whilst not all business groups

have maintained 100% performance there have been significant improvements especially with Medicine who have continued to improve their performance against the target and have achieved compliance in 83.8% to date of complaints which is an improvement on last year's performance of 57.5%.

Quality of responses has been further improved with the introduction of a template response letter which ensures that the response highlights apologies and areas where we have changed practice following the investigation of a complaint.

In 2015-2016 there has been 1 complaint fully upheld by the Parliamentary Health Service Ombudsman (PHSO). The complaint was upheld in relation to diagnosis of care and poor complaint handling and actions have been taken to improve both areas.



There have also been 5 complaints partly upheld by the ombudsman in relation to;

- Not receiving correct treatment
- Nursing care
- The trust not providing reasonable care
- Nursing care
- Inadequate consent

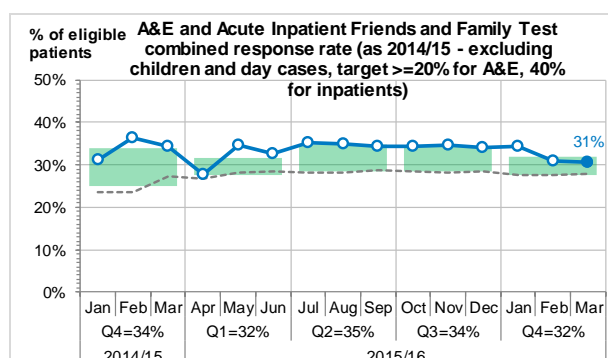
In all of the above cases apologies have been issued and action plans developed by the relevant business group to reduce the likelihood of reoccurrence. All action plans are shared with the PHSO to completion.

Patient & Family Experience: Friends & Family Test

The Trust continues to collate feedback from the Friends & Family Test (FFT). Results are reviewed to monitor trends and are discussed at business group quality boards and at Trust board sub-committees.



During 2015/16 the Trust received a total of 64,177 responses to the Friends and Family Test Question. In line with other Trusts in Greater Manchester, the Trust response rate remains average, with 92% of patients stating they were either 'likely' or 'extremely likely' to recommend Trust services.



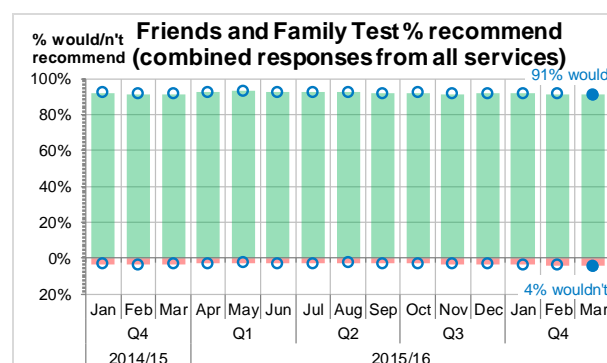
The above graph shows the position of ED and the Acute inpatient wards in relation to the required national response rates for Accident and Emergency (20%) and the Hospital Inpatient wards (40%) which have been achieved for this quarter. Although no longer a CQUIN these remain a key performance indicator for the Trust.

Issues where patients have responded less positively are on waiting times to be seen and a lack of communication and information, especially in the ED (emergency department) and daycase areas. Comments continue to be monitored and reported back to business groups.

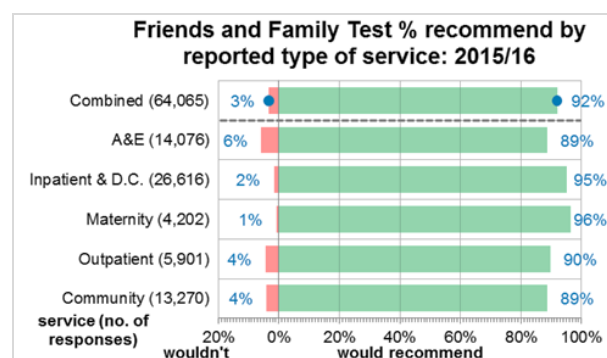
The children's emergency department continues to be a challenge in obtaining FFT feedback. The reception staff in ED now assist in giving out cards to parents / carers at booking to assist in supporting an increase in

the numbers received. There has been a marginal increase in the number of responses and work is ongoing to explore feedback via SMS text messages / IVM (Interactive Voice Message) for this area.

Within the ED patients continue to have the opportunity to leave a 2 minute verbal message (patient voices) about their ED experience. Patient voices, is now expanded to include those patients attending the Out Patients Department and has been positively received. Patients contacted via landline are asked for their verbal feedback at the point of discharge, and comments are available to the Out Patient services manager / business group for review and sharing with staff.



The FFT results in the table above are displayed as a percentage of respondents who would recommend the service to their friends and family. It also shows the combined responses from all services who would recommend.



The table above shows the percentage recommended by type of service over the year. Responses continue to show high levels of patient satisfaction with the care received.

Patient & Family Experience: Learning from Patient & Family Experience



Service improvements following staff or patient surveys / comments and Care Quality Commission reports

Our capacity to capture patient feedback has increased with the expansion of the Friends and Family Test into our Children's services in April 2015.

Since November 2015 patients who attend the Emergency Department, and who are contacted via their landline as part of the Friends and Family Test, can now leave a maximum 2 minute verbal message about their experience in the emergency department. This has been well received and verbal messages are able to be heard by the ED staff and shared, in order to drive forward service improvement and celebrate good practice. A powerful way of hearing our patient feedback, patient voices has also been used within the trust in staff training around the patient experience.

Delays in patients receiving medications continue to emerge via patient feedback. To reduce these delays for our patients, pharmacy now has a dedicated member of staff who delivers TTOs (medicines to take out) as soon as they are completed or soon after.

To promote a restful environment the neonatal unit have implemented an 'electronic ear' that changes colour if noise levels increase. In addition they have introduced wall stickers to remind staff about supporting babies to sleep. The electronic ear has been found to be an

effective visual reminder of any noise generated during a shift. In the adult ward areas stocks of ear plugs are available for patients to support rest and sleep. This is audited frequently as part of the noise at night standards.

To support the care and quality of our dementia patients' experience, music players have been placed in patient bays and these play a variety of music from different eras. Feedback has been positive and staff have noticed a positive mood change with patients when music is playing as they appear to relate to it and enjoy it.

In addition, a carers forum event was held on the 12th August 2015 in Pinewood House Education Centre, Stepping Hill Hospital. At this event we asked the public, carers and staff to state what kind of service they would like to us deliver for people with a diagnosis of Dementia who access our services. We used information gained from this event to develop and re-launch our dementia strategy, focusing on the needs and views of people who use our service.



Learning From Patient and Family Experience

The Trust continues to develop its iPad surveys which are undertaken monthly. These have expanded into paediatric areas, results of the surveys are shared with the wards and the graphs are a good visual aid to support understanding of ward performance and emerging themes and trends.

Patient Experience is a key topic for the Trust and data is gathered from several sources including iPad inpatient surveys, the Friends and Family test, National Inpatient / Cancer surveys and complaints. The collection of patient feedback is continuous and work has been completed to develop this feedback so bespoke surveys can be undertaken for patients in response to concerns and themes that may emerge.

Improvements in patient / carer information

Stepping Hill Hospital has teamed up with Stockport Foodbank to help make sure patients and their families don't go hungry. Nurses and doctors at the hospital's emergency department and maternity departments can now offer vouchers to patients and visitors if they believe they may need food and groceries.

The vouchers can be exchanged for three days' worth of food supplies, plus a variety of hygiene items and nappies for young babies at the Trussell Trust Stockport Foodbank centres based at Reddish, Bredbury, Hazel Grove and Heaton Norris.

The Patient information leaflet provided to pregnant women who are miscarrying has been updated to ensure it reflects the advice given. In addition following the introduction of new miscarriage guidelines training has been reviewed to reflect this.



Swanbourne gardens and the team leader have put together a newsletter for parents and users of the service to share information and items of interest. This has been well received by patients, carers and staff.

Performance Against Other Indicators

The table below provides data against the relevant indicators and performance thresholds set out in the risk assessment framework.

Indicator	Threshold	Q1	Q2	Q3	Q4	2015/16
18 weeks referrals*:						
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway	92%	93.02%	92.97%	92.39%	91.78%	92.53%
A&E waiting times						
A&E: maximum waiting time of four hours from arrival to admission/ transfer/ discharge	95%	93.53%	92.97%	80.65%	72.95%	84.93%
All cancers: 62-day wait for first treatment from pre breach re-allocation:						
Urgent GP referral	85%	89.5%	89.4%	89.9%	89.1%	89.6%
NHS cancer screening service referral	90%	100%	75.0%	100%	83.3%	90%
All cancers: 62-day wait for first treatment from post breach re-allocation:**						
Urgent GP referral	85%	86.6%	88.4%	88.3%	86.8%	87.5%
NHS cancer screening service referral	90%	100%	75.0%	100%	83.3%	90%
All cancers: 31-day wait for second or subsequent treatment, comprising:						
Surgery	94%	100%	100%	100%	100%	100%
Anti-cancer drug treatments	98%	100%	100%	100%	100%	100%
Radiotherapy	94%	n/a	n/a	n/a	n/a	n/a
All cancers: 31-day wait from diagnosis to first treatment	96%	99.1%	97.9%	98.3%	100%	98.4%
Cancer: two week wait from referral to date first seen, comprising:						
all urgent referrals (cancer suspected)	93%	96.6%	95.9%	97.0%	97.5%	96.5%
for symptomatic breast patients (cancer not initially suspected)	93%	96.7%	96.1%	95.9%	98.1%	96.3%
Data completeness: community services, comprising:						
Referral to treatment information	50%	84.60%	82.63%	83.34%	82.59%	83.28%
Referral information	50%	95.05%	96.19%	95.40%	95.67%	95.60%
Treatment activity information	50%	85.19%	87.22%	86.21%	89.67%	87.06%
Clostridium difficile (C. diff):						
C. diff due to lapses in care	< = 17	0	3	1	3	7
Total C. diff (year to date)	<39	6	26	39	53	53

Data source: Open Exeter

*Issues with RTT are acknowledged and the Trust continues to action to improve performance

** The 62Day reallocated scores for Q4/year are "expected outcome subject to network confirmation".

Other Quality Initiatives

There have been a significant number of quality initiatives which have been happening during this year which have been mentioned in this report. This section covers just a snapshot of some of the other great quality initiatives which have happened during 2015/16.

Clinical Audit & Quality Improvement Event 2015



During this year the Trust hosted its 3rd annual clinical audit & quality improvement event. These events aim to showcase the excellent work undertaken and to bring people together to share improvements and provide updates and information about Clinical Audit & Quality Improvement.

A range of presentations were given from a variety of speakers, these included external organisations as well as Trust personnel sharing their successes. Speakers included Professor Danny Keenan (HQIP Medical Director) presenting on National Clinical Audit and Sam Doddridge (AQuA) presenting on Advancing Quality results.

Presentation topics also included; Quality Improvement, VTE, PURIS, Computerised Clinical Decision Support Systems, National Stroke Audit and an overview from the Clinical Audit Department.

A poster competition was also held giving the chance for Trust staff to showcase Clinical Audit & Quality Improvement Projects undertaken during the year. Prizes were awarded for the best posters.

Feedback from the event was largely positive.

“A valuable event”

“Excellent – engaging, fun and informative”

“Raising awareness of the good work carried out at Stockport Foundation Trust”

“Thoroughly enjoyable – excellent speakers”

“Excellent example of audit used to improve care/outcomes”

Dementia

Dementia has been mentioned several times in this report. Our matron of Dementia has gone the extra mile in introducing initiatives that improve the patient experience beyond the clinical care given. These have all been well received by patients, their carer's and staff.



Knit a mitt campaign

Activity mitts, also known as 'Twiddle muffs', are a knitted or crocheted band with items attached that a patient living with dementia can twiddle in their hands during their hospital stay. They provide the patient with sensory stimulation and occupation and can also help calm patients whilst on the wards. We've found them valuable.

Every patient has their own individual mitt which they take home on discharge. As there are 2000 dementia patients that Stepping Hill treats every year, mitts are continually needed. The mitts are made by volunteers including staff and members of the public. A crochet master class was held in December 2015 which was well attended and enjoyed by all. So far, 1,089 mitts have been received and continue to be distributed throughout the hospital.

We are doing lots of work to support patients living with dementia and are working with our partners across the North West to continue that work.

Therapeutic music

Several initiatives have taken place as it is recognised that music is therapeutic for dementia patients.

- CD players in patient bays playing a variety of music from the different eras
- Visiting musicians from the charity Music In hospitals have provided sing along sessions and an opportunity for patients, family and staff to interact socially whilst in hospital.

Feedback has been positive and staff have noticed a positive mood change and signs of wellbeing with patients when music is playing as they appear to relate to and enjoy it.

Memory / reminiscence boxes

Memory boxes are a sensory stimulation/ activity box, used to provide meaningful activity and stimulation to patients living with dementia on the wards to help reduce anxiety, agitation and to keep patients occupied. The boxes contain: Several stimulation balls which can be used to generate group or one to one activities, Reminiscence cards; covering 3 era's 1960's childhood, 1950's household, and seaside holidays; used to stimulate conversation and memories of these periods. Active minds aqua paint cards and paint brushes; used with a little water to produce the most amazing pictures of everyday items and nature.

Stockport college student volunteers

Last year we had level 2 and 3 health and social care students from Stockport College volunteering on wards E2, E3, and C2. These students attended the ward one day and week over a 3 month period and supported patients living with dementia with their dietary intake. They also engaged patients in activities such as card games, reminiscence and spent one to one time communicating and engaging with patients on the ward. These students also had the opportunity to speak to various healthcare professionals about their roles and career opportunities within health and social care

Stroke Unit Sensory Garden



A sensory garden for patients opened on the stroke unit. The garden is a calming and therapeutic environment, specially designed to be accessible to stroke survivors.

Raised garden planters allow all patients to touch and feel the foliage, including those in wheelchairs. Colourful murals and ornaments finish off the garden's attractive look.

The garden is used for therapy sessions, and provides an area for patients and family members to relax, enabling privacy and quality time away from the bedside.

The garden is the result of over two years fundraising efforts from staff, patients and support groups, who together have raised over £12,000 to complete the garden, which was opened by Chief Executive Ann Barnes on World Stroke Day 29th October 2015. The opening was well supported by patients and families past and present.

Children's Play Area

A new play area for young patients at Stepping Hill Hospital opened thanks to a generous £33,249 donation from charity MedEquip4Kids.

The children helped design the new outside area within the Tree House children's unit. It features a bright seafaring theme with bridges, hills, tunnels and a huge model boat for children to play in.

A play area was first constructed on the site 17 years ago, but has been out-of-bounds for the past five years due to disrepair. It is now a welcome space for children on the ward, as well as young users of Pennine Care's disability and mental health services also based on site.

The play area was opened by Stockport NHS Foundation Trust chairman Gillian Easson with CBBC Presenter Katie Thistleton, who lives locally and is a supporter of MedEquip4Kids.

Construction firm Vinci who gave the main donation to MedEquip4Kids for the project were also at the opening, alongside some of the children.



Stockport NHS Foundation Trust Chairman Gillian Easson said, "This play area will make a real difference to the young patients who come here. Being able to play and be outside, whilst in hospital, enables children to continue an important aspect of their normal life. Many thanks to MedEquip4Kids, Vinci, the Swallow Trust and everyone else who generously donated to the project."

MedEquip4Kids Chief Executive Ghazala Baig said "It's been a pleasure to once again support a project at the Tree House children's unit. This play area will benefit so many of the children who use the hospitals services each year.

Improving Care Award

The staff of Stepping Hill Hospital's neonatal unit has been presented with the 'Improving care' award by Bliss, the special care baby charity.



The unit, which provides all levels of care for special care babies, has been commended by the charity for their commitment to improving care for babies and their families, and their dedication to ensuring families are at the heart of their baby's care.

The unit provides a number of services for families, including trained volunteers to provide one to one support and regular family group meetings for parents who have left the unit. The unit also produced their own 'parent passport', where parents can document their

baby's progress and highlight their achievements.

The awards ceremony was attended by Neonatal Unit Manager Denise McTaggart-Richardson and Ward Sister Christine Moss. Denise said: "We were so proud to receive the 'Improving care' award. To be recognised by Bliss who lead in making a difference to babies and their families is an honour, it recognises the hard work and dedication of the team providing care every day on the Neonatal unit. Our philosophy has always been one of putting families at the heart of our work and winning the award helps keep the team motivated by acknowledging they are delivering the care they believe in."

Caroline Davey, Chief Executive of Bliss said: "Having a premature or sick baby in neonatal care can be a very traumatic and lonely time, but the staff at Stepping Hill are fully committed to improving care for babies and their level of support for families is incredible. Congratulations on winning this award."

Bliss is the charity dedicated to improving the outcomes of babies born premature and sick, ensuring they have the best possible chance of survival and of reaching their full potential. They also provide invaluable support to families.

The Equality Delivery System

The aim of the 'EDS' is to improve services for people who belong to vulnerable and protected groups. The objective is to assess health inequalities and provide better working environments, free of discrimination, for people who use and work in the NHS.

In 2015 the Trust compiled a Goals and Outcomes evidence template consulting with patient groups and representative organisations to gather this evidence.

Healthwatch members discussed the evidence and agreed the rating grades as 'Developing' for EDS goals 1 and 2:-

healthwatch
Stockport

Goal 1:

Better health outcomes for all

Goal 2:

Improved patient access and experience

They congratulated the Trust on their comprehensive approach to the audit and the work the Trust had done to achieve the grades. Both partners will work together on the proposed action plan.

Annex 1

Statements from stakeholder organisations

Statement from Stockport CCG

Date: 3rd May 2016

Subsequent to receipt and review of the Annual Quality Report 2015/16, Stockport Clinical Commissioning Group (SCCG) would like to acknowledge Stockport NHS Foundation Trust's (SFT) continued achievements with the quality and safety priorities for improvement. We would like to congratulate the Trust and the continued dedication of the staff on remaining committed to achieving these objectives in a changing environment.

SFT set out their priorities for improvement in 2015/16 and have shown improvements in reducing weekend mortality and cardiac arrests on wards, they have implemented an improvement project for reducing pressure ulcers, have safeguarded patients against harm from hospital acquired thrombosis and reducing medication errors and have shown a significant reduction of MRSA cases.

Patient experience continues to be a priority for the Trust and this is demonstrated with the investment in the friends and family process and the commitment to using patient feedback meaningfully.

The Trust has clearly demonstrated advancements in all areas of the CQUIN scheme and has evidenced specific improvements in reducing hospital readmissions, improving care for dementia, sepsis and kidney injury patients. Similarly, the CCG has seen care for COPD patients and those vulnerable groups of patients with learning disabilities, mental health issues and looked after children improve.

The number of cases of C-Difficile and falls has been above what the CCG would have expected and we would expect to see a reduction in the coming year. However, the Trust has assured the CCG that the amount of CDIFF cases associated with a 'lapse in care' has been minimal. The number of avoidable falls is a concern for both organisations but it is recognised that both parties are determined to understand the underlying issues and ensure patients safety by reducing future numbers.

The Trust remains higher than the national average and has seen an increase on last year, in regards to the number of incidents resulting in severe harm; the CCG would like to support the Trust to ensure continued focus and objective for a reduction to this figure for the coming year. The CCG recognises the Trust's positive culture of reporting incidents and the Trusts enthusiasm for the new CQUIN to continue to improve the safety culture across the organisation.

Stockport CCG recognises the pressures that the emergency department has been under and the failure to consistently achieve the 4 hour A&E performance indicator continues to be a very significant quality challenge. The Trust's commitment to work to identify whole system improvements within the Systems Resilience Group is acknowledged.

SFT have continued to show commitment to working in collaboration with the CCG, prioritising the quality improvement programme of CQUIN within their improvement strategy, whilst employing a broad clinical outcomes programme. Stockport Clinical Commissioning Group wishes to commend the continued engagement with improving patient safety supported by the commitment to change and the priorities within the Trusts strategy. In particular we wish to acknowledge the excellent work completed through the making safety visible process, which has led to improvements in the way we monitor quality across the two organisations. Stockport CCG recognise the achievements made in the last year and look forward to working with SFT to further improve the safety and experience of care for patients in 2016/17 particularly focusing on improvement within the urgent care system, reducing harm from infections, falls and pressure ulcers and improving the safety culture of the organisation.

Statement from Scrutiny Committee

Date: 10th April 2016

The Scrutiny Committee, having had the opportunity to consider the draft Quality Report and to question the Director of Nursing & Midwifery, is satisfied with the Quality Report for 2015/16. The Trust was able to demonstrate that progress and improvement was being made across a range of indicators and that they recognised areas for further work. In particular the Scrutiny Committee commented on improvements in dementia care and on-going work to embed public health standards.

The Scrutiny Committee continue to receive regular updates from the Trust about their on-going efforts to improve performance in relation to waiting times for admissions at the Emergency Department, and broader concerns about pressures on acute care within the Trust. The Scrutiny Committee has been given assurances that the Trust was continuing to work closely with partners in the health economy to address these issues. The Scrutiny Committee had previously acknowledged the efforts made by the Trust in this regard as has welcomed the Trust's commitment to safety and care over target compliance.

Statement from Governors

Date: 9th May 2016

The Council of Governors of Stockport Foundation Trust are pleased to have the opportunity to contribute to and comment on the Quality Report for 2015-2016.

The Governors congratulate the Trust in being chosen as the fourth specialist site for emergency and high risk abdominal surgery in Greater Manchester. Our Chief Executive has been unstinting in her work on the Manchester Devolution Programme whilst, at the same time, serving the Trust in helping to develop the Stockport Together Partnership which envisages placing the people of Stockport at the heart of specialised, multi-disciplinary provision in the Community.

This last year has witnessed unprecedented pressure on A&E services. The Governors are aware of the challenges in achieving imposed A&E targets and we are hopeful that improvements will be made.

The Governors have been impressed with dementia services this last year, particularly with the excellent work undertaken by the Dementia Matron who has raised awareness and improved practice in the hospital and community. The prevalence of Dementia in our ever-increasingly elderly population makes this a hard and long-term task but one we vigorously support.

Some Governors are closely involved in the PLACE inspections and have been pleased to note improvements in non-clinical patient services that are identified in the report. Governors are watchful that patient services remain at the forefront of Governors' focus.

The Governors are dismayed by the figures relating to the treatment of patients with severe sepsis presenting at A&E and other units, who receive antibiotics within the first hour. The figures show that in quarter four, 58.99% reached the set target of 90%. Diabetes is a priority target in the Trust's 5 year strategy which aims to provide safe and effective care for all patients with diabetes. The Governors are pleased that the Trust has an additional specialist consultant and specialist nurses.

Regarding Hospital Readmissions, the Governors note the Innovation project which will hopefully continue to see the decline of non-elective readmissions and we trust the same would apply to elective readmissions for which no figures are available in the report. At the writing of this statement, information on the number of CDiff cases is not yet fully available as 12 cases still await investigation by the CCG. The upward trend is a cause for concern.

The Governors are disturbed by the increase in pressure ulcers in the last year despite the multi-agency work set out to reduce the instances of pressure ulcers. The Quality Report figures do not distinguish between pressure ulcers acquired in hospital or in the community. At the time of submission of this statement it is not clear whether or not there has been a reduction in formal complaints. On 4th February this year the Governors agreed to identify Falls as the local indicator for external audit but we have not yet had the opportunity to see the results of the audit.

The Governors fully support the Trust's aims and objectives and believe that this Quality Report fairly reflects the work of the Trust. It is pleasing to see the additional Quality Initiatives at the end of the report which exemplify the excellent work carried out across the Trust. We are grateful to staff for their considerable dedication and continued hard work in ensuring that Stockport Foundation Trust remains a valued and respected institution.

Statement from Healthwatch

Date: 23 May 2016

Healthwatch Stockport would like to thank all the hardworking staff for achieving many of the internal and external goals in terms of quality and patient experience in very challenging times.

The emergency department standard of admitting or discharging 95% of patients within four hours remains stubbornly illusive and Stockport NHS Foundation Trust continues to be subject to regulatory action.

Whilst Healthwatch Stockport recognises that this is a system wide problem Stockport NHS Foundation Trust has internal issues to resolve. It is also incumbent upon commissioners and all providers to work collaboratively and provide the leadership to solve these complex problems.

Healthwatch Stockport is concerned that as a result of the actions Stockport NHS Foundation Trust has had to take to maintain an emergency department service (particularly through the winter) this has resulted in a less than satisfactory experience for patients. The impact on elective care will potentially mean that in the current year patients will have to wait longer for their treatment and this is a matter of serious concern.

Healthwatch Stockport, through its involvement with Commissioners and Providers, continues to help challenge and encourage the achievement of the pledges to patients set out in the NHS Constitution.



Annex 2

Statements of directors' Responsibilities

Statements Of Directors' Responsibilities

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare quality accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support data quality for the preparation of the quality report.

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

- the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance;
- the content of the quality report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2015 to March 2016
 - papers relating to Quality reported to the Board over the period April 2015 to March 2016
 - feedback from commissioners dated 3 May 2016
 - feedback from governors dated 9 May 2016
 - feedback from the local Healthwatch organisation dated 23 May 2016
 - feedback from Overview and Scrutiny committee dated 10 April 2016
 - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated July 2015
 - national inpatient survey 2015
 - national staff survey 2015
 - the head of internal audit's annual opinion over the Trust's control environment dated March 2016
 - Care Quality Commission (CQC) Intelligent monitoring report dated May 2015
- the quality report presents a balanced picture of the NHS foundation Trust's performance over the period covered;
- the performance information in the quality report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- the quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts Regulations) (published at www.monitor.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the quality report (available at www.monitor.gov.uk/annualreportingmanual).

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the quality report.

By order of the Board

26 May 2016

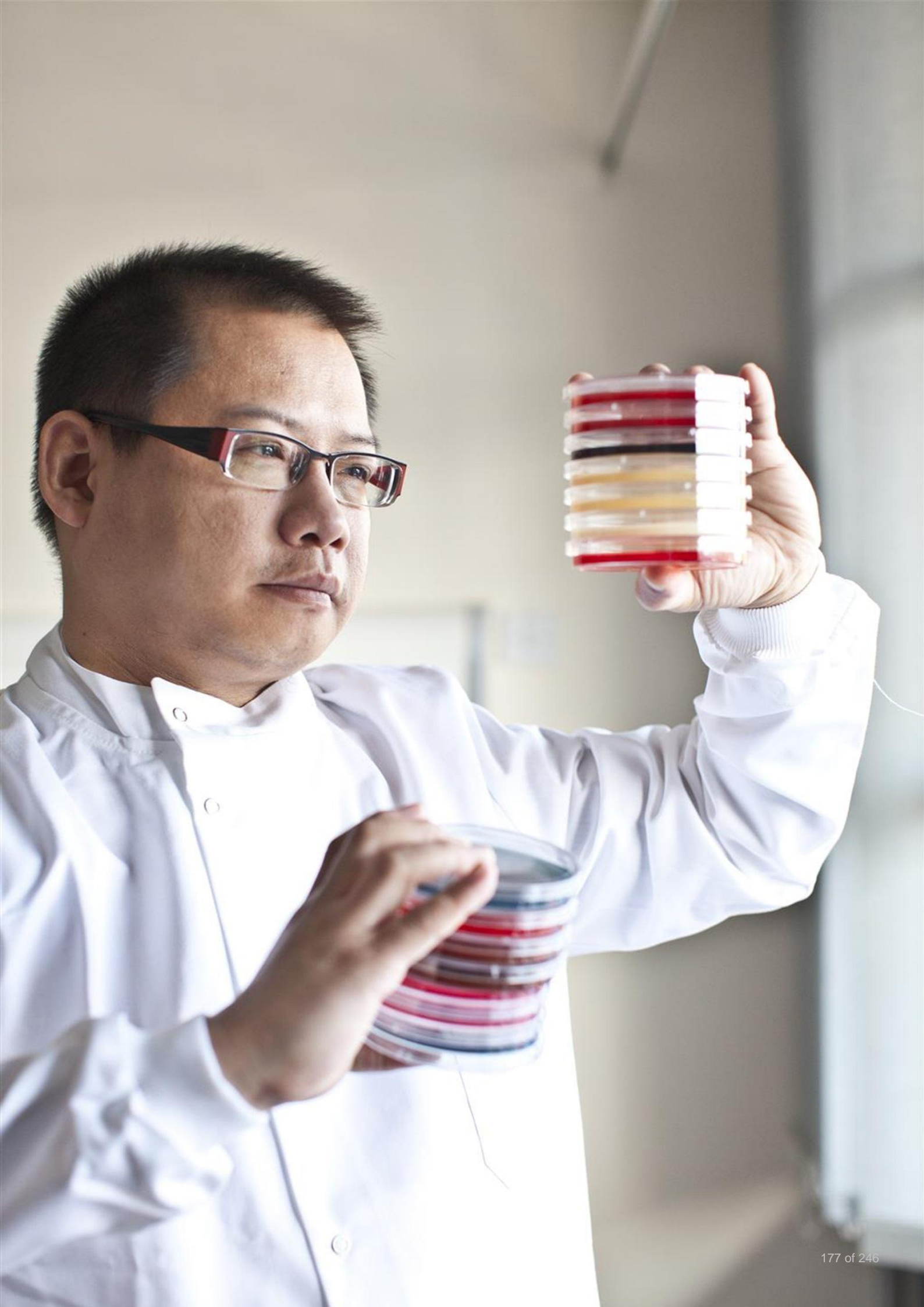


CHAIRMAN

26 May 2016



CHIEF EXECUTIVE



Glossary of abbreviations & terms

Glossary Of Abbreviations & Terms

Acute – This describes a disease of rapid onset, severe symptoms and brief duration.

AKI - Acute kidney injury. This refers to the sudden damage to the kidneys that causes them to not work properly. It can range from minor loss of kidney function to complete kidney failure.

AQ / AQuA - Advancing Quality. Advancing Quality is the flagship programme of AQuA (Advancing Quality Alliance) the North West's health care quality improvement body.

ARLD - Alcohol-related liver disease. This refers to liver damage caused by excess alcohol intake. There are several stages of severity and a range of associated symptoms.

Benchmarking – process that helps professionals to take a structured approach to the development of best practice.

Board of Directors – the powers of a Trust are exercised by the Board of Directors (also known as the Trust Board). In a foundation trust, the Board of Directors is accountable to governors for the performance of the trust.

CAIR - Community Assertive In Reach

Care bundle - A care bundle is a set of clinical interventions that, when used together, significantly improve patient care.

Care Quality Commission (CQC) – the independent regulator of health and social care in England.

Clinical Commissioning Groups (CCGs) – Entities which are responsible for commissioning many NHS funded services under the new Health and Social Care Act 2012, established 1 April 2013.

Clostridium difficile (C.Difficile or CDIFF) – a health care associated intestinal infection that mostly affects elderly patients with underlying diseases.

Commissioning for Quality and Innovation (CQUIN) – The CQUIN payment framework

enables commissioners to reward excellent performance by linking a proportion of providers' income to the achievement of local quality improvement goals.

COPD - Chronic obstructive pulmonary disease. This refers to a collection of lung diseases including chronic bronchitis, emphysema and chronic obstructive airways disease.

CRBSI - Catheter-related bloodstream infection is the commonest cause of nosocomial bacteraemia.

EPR - Abbreviation for Electronic Patient Record.

FFT or F&FT - Friends and Family Test. This is an important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience. It asks people if they would recommend the services they have used and offers a range of responses.

Foundation Trust (FT) – NHS hospitals that are run as independent public benefit corporations and are controlled and run locally.

Governors - Members can become more involved by standing for election as a governor and representing their fellow members' views on the Council of Governors. Governors play an important role in the governance of the Trust. They represent the views of patients, carers and patients.

GP –General Practitioner

HCA - Healthcare assistants. HCAs work in hospital or community settings, such as GP surgeries, under the guidance of a qualified healthcare professional.

IPR – Integrated Performance report

IVM - Interactive Voice Message

KPI – Key Performance Indicator

MECC - Making every contact count. This is an approach to improving health and reducing health inequalities developed by the NHS and local government. Every contact with a customer should be seen as an opportunity to encourage healthier lifestyle choices.

MRSA – Methicillin-Resistant Staphylococcus Aureus is the bacterium responsible for several difficult to treat infections.

NHS – National Health Service

NHSFT – NHS Foundation Trust

NICE -The National Institute for Health and Care Excellence (NICE) provides national guidance and advice to improve health and social care.

Primary care – the collective term for family health services that are usually the patient's first point of contact with the NHS; includes general medical and dental practices, community pharmacy and optometry.

PROM - Patient Recorded Outcome Measure

RA - Risk assessment. This is a systematic process of evaluating the potential risks that may be involved in a projected activity or

undertaking.

RCA - Root cause analysis. This is a method of problem solving used for identifying the root causes of faults or problems.

Secondary care – care provided in hospitals.

SHH - Stepping Hill Hospital

SSNAP - Sentinel Stroke National Audit Programme

SHMI – Summary Hospital-level Mortality Indicator is a new indicator which uses standard and transparent methodology for reporting mortality at hospital level.

SMS - Short Message Service

SUS – Secondary Uses Service is the single, comprehensive repository for healthcare data in England which enables a range of reporting and analyses to support the NHS in the delivery of healthcare services.

Trust Board – another name used for the Board of Directors.

TTO – To take out

VAP – Ventilator associated pneumonia

VTE - Venous Thromboembolism



Huntleigh
HEALTHCARE

SYS

110

mmHg

DIA

57

♥/min

MAP

89

%SpO₂

88

smartsig

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Your Health. Our Priority.

Independent Auditor's Report to the Council of Governors of Stockport NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Stockport NHS Foundation Trust to perform an independent assurance engagement in respect of Stockport NHS Foundation Trust's Quality Report for the year ended 31 March 2016 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of Stockport NHS Foundation Trust as a body, to assist the Council of Governors in reporting Stockport NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Stockport NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- Percentage of patients with a total discharge time in A&E of 4 hours or less from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the "indicators".

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- the Quality Report is not consistent in all material respects with the sources specified in section 2.1 of the Monitor 2015/16 detailed guidance for external assurance on quality reports; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in

accordance with the *NHS Foundation Trust Annual Reporting Manual* and the six dimensions of data quality set out in the *Detailed Guidance for External Assurance on Quality Reports*.

We read the Quality Report and consider whether it addresses the content requirements of the *NHS Foundation Trust Annual Reporting Manual*, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the documents listed below:

- Board minutes for the period April 2015 to March 2016;
- Papers relating to Quality reported to the Board over the period April 2015 to March 2016;
- Feedback from the Commissioners dated May 2016;
- Feedback from governors, dated May 2016;
- Feedback from local Healthwatch organisations dated May 2016;
- Feedback from Overview and Scrutiny Committee, dated May 2016;
- The trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009, dated July 2015;
- The latest national patient survey;
- The latest national staff survey;
- Care Quality Commission Intelligent Monitoring Report dated May 2015; and
- The Head of Internal Audit's annual opinion over the trust's control environment dated March 2016.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information. We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- Making enquiries of management;
- Testing key management controls;
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- Comparing the content requirements of the *NHS Foundation Trust Annual Reporting Manual* to the categories reported in the Quality Report; and
- Reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Basis for qualified conclusion

The annualised 18 week referral to treatment indicator is calculated as an average based on the percentage of incomplete pathways which are incomplete at each month end, where the patient has been waiting less than the 18 week target. We have tested a sample of pathways which were listed as incomplete at a month end, selected on both a random and risk focused basis.

Our sample testing identified:

- Errors in the recorded stop date;
- Pathways that had been started incorrectly; and
- Patient records had been inappropriately included / excluded from the calculations supporting the monthly RTT incomplete pathway metric.

As a result of the issues identified, we have concluded that there are errors in the calculation of the “maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway” indicator for the year ended 31 March 2016. We are unable to quantify the effect of these errors on the reported indicator.

Qualified conclusion

Based on the results of our procedures, except for the matters set out in the basis for qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual*;
- the Quality Report is not consistent in all material respects with the sources specified in the respective responsibilities of the directors and auditors section of this limited assurance report; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the *NHS Foundation Trust Annual Reporting Manual*.

Deloitte LLP
Chartered Accountants
Leeds

26 May 2016

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF STOCKPORT NHS FOUNDATION TRUST

Opinion on the financial statements of Stockport NHS Foundation Trust

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2016 and of the Group's and Trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

The financial statements comprise the Group and Trust Statements of Comprehensive Income, the Group and Trust Statements of Financial Position, the Group and Trust Statements of Cash Flow, the Group and Trust Statements of Changes in Taxpayers' Equity and the related notes 1 to 39. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Going concern

We have reviewed the Accounting Officer's statement contained on page 87 that the Group is a going concern. We confirm that:

- we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Risk	How the scope of our audit responded to the risk
<p>NHS Revenue and Provisions</p> <p>As described in note 1.2, Accounting Policies and note 1.22, Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> • the complexity of the Payment by Results regime, in particular in determining the level of over performance revenue to recognise; • The judgemental nature of provisions for disputes, including in respect of outstanding over performance income for quarter 4; and • The risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes and agreement of future year contracts <p>Details of the Group's income, including £270m of Commissioner Requested Services are shown in note 3.3 to the financial statements. NHS debtors of £4.15m are shown in note 22.1 to the financial statements, as are impairments of receivables of £874k.</p> <p>The Group earns revenue from a wide range of commissioners, increasing the complexity of agreeing a final year-end position. The majority of the Group's income comes from Stockport CCG, increasing the significance of associated judgements. The settlement of income with Clinical Commissioning Groups continues to present challenges, leading to disputes and delays in the agreement of year end positions.</p>	<p>We evaluated the design and implementation of key controls in relation to the invoicing process with commissioners including calculation and invoicing of over-performance.</p> <p>We tested recoverability of over-performance income and adequacy of provision for income through the year, and evaluated the results of the Agreement of Balances exercises.</p> <p>We obtained an understanding of the nature of each provision, the basis for the position adopted, and evidence of the historical accuracy of provisions made for disputes with commissioners. We considered this track record in evaluating year-end provisions.</p> <p>We have understood the areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatment adopted. We assessed the appropriateness of the judgements made in recognizing revenue and providing for disputes on the basis of discussion with staff involved, reviewed correspondence with commissioners and other relevant documentation, and considered benchmarking information from our knowledge of the local health economy.</p> <p>We have reviewed with management the key changes and any open areas in setting 2016/17 contracts, and considered whether, taken together with the settlement of current year disputes, there are any indicators of inappropriate adjustments in revenue recognised between periods.</p>

<p>Property valuations</p> <p>The Group holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £159m. The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.</p> <p>The net valuation movement on the Group's estate shown in note 14.1 is an impairment of £2.7m.</p> <p>As described in note 1.22 Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are significant judgements in property valuations due to the specialist knowledge required to conduct the valuation and assumptions used.</p>	<p>We evaluated the design and implementation of controls over property valuations.</p> <p>We used Deloitte internal valuation specialists to review the appropriateness of key assumptions used in the valuation of the Group's properties by undertaking the following:</p> <ul style="list-style-type: none"> • Review skills, qualifications and resources of the valuer • Review scope and basis of instructions to valuer • Review of valuation methodology, assumptions and changes to assumptions since last valuation if appropriate <p>We have reviewed the disclosures in notes 1.5, 6 and 14.1 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.</p> <p>We assessed whether the valuation and the accounting treatment of the impairment were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.</p>
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Last year our report included one other risk which is not included in our report this year: Accounting for Capital Expenditure. We no longer considered this risk to have the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 36.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work. We determined materiality for the Group to be £4.65m (2014/15: £2.9m), which is below 1.5% of revenue and below 3.5% of equity (2014/15: 1% of revenue and 2% of equity). Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements. We reassessed the percentage used from 1% of revenue in 2014/15 in the context of our cumulative knowledge and understanding the audit risks at the Trust and our assessment of those risks for this year.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £232k (2014/15: £147k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including internal controls, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the Trust, with work performed at the Trust's head offices in Stockport directly by the audit engagement team, led by the audit partner.

Our audit covered the primary Trust entity within the Group which accounts for 99% of the Group's net asset.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and Information Technology systems. All testing was performed by the main audit engagement team, led by the audit partner.

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- The part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006, and
- The information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Use of Resources

We are required to report whether in our opinion the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We consider the following matters to be relevant to the Trust's arrangements to secure economy, efficiency and effectiveness:

- The Trust is rated red for governance and was subject to enforcement action by Monitor throughout 2015/16 in relation to compliance with the A&E 4 hour maximum waiting time target; and
- The Trust achieved the planned deficit for 2015/16 in part through use of one-off and non-recurrent measures.

These matters relate to the following Value for Money sub-criteria:

- Planning, organising and developing the workforce effectively to deliver strategic priorities; and
- Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

Except for the matters referred to above, no other matters have come to our attention that indicate that the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Annual Governance Statement and compilation of financial statements

Under the Code of Audit Practice, we are also required to report to you if, in our opinion;

- The Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with the information of which we are aware from our audit; or
- Proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- Materially inconsistent with the information in the audited financial statements;
- Apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- Otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Stockport NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Paul Thomson ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Audit
Leeds
26 May 2016

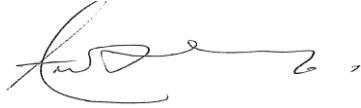
Stockport NHS Foundation Trust

Annual accounts for the year ended 31 March 2016

Foreword to the Accounts

Stockport NHS Foundation Trust

These accounts, for the year ended 31 March 2016 have been prepared by Stockport NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.



Signed

Name Mrs A D Barnes
Job title Chief Executive
Date 26 May 2016

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2016

	Note	Group		Trust	
		2015/16	2014/15	2015/16	2014/15
		£000	£000	£000	£000
Operating income from patient care activities	3	271,512	268,895	271,512	268,895
Other operating income	4	38,330	38,896	38,693	38,287
Total operating income from continuing operations		309,842	307,791	310,205	307,182
Operating expenses	5, 7	(318,705)	(299,024)	(318,467)	(299,246)
Operating (deficit)/surplus from continuing operations		(8,863)	8,767	(8,262)	7,936
Finance income	10	149	179	94	125
Finance expenses	11	(824)	(847)	(824)	(847)
PDC dividends payable		(3,951)	(3,520)	(3,951)	(3,520)
Net finance costs		(4,626)	(4,188)	(4,681)	(4,242)
Movement in the fair value of investment property and other investments	19	(51)	116	-	-
(Deficit)/Surplus for the year from continuing operations		(13,540)	4,695	(12,943)	3,694
(Deficit)/surplus for the year		(13,540)	4,695	(12,943)	3,694
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	6	(891)	(4,012)	(891)	(4,012)
Revaluations	16	3,206	14,031	3,206	14,031
Other reserve movements		2	-	2	-
Total comprehensive (expense)/income for the period		(11,223)	14,714	(10,626)	13,713
(Deficit)/Surplus for the period attributable to:					
the Group/Foundation Trust		(13,540)	4,695	(12,943)	3,694
Total comprehensive (Expense)/Income for the period attributable to:					
the Group/Foundation Trust		(11,223)	14,714	(10,626)	13,713

The Group Accounts include the consolidated financial results of Stockport NHS Foundation Trust, its associated Charity, Stockport NHS Foundation Trust Charitable Fund (Charity Commission Number 1048661) and Stepping Hill Healthcare Enterprises Limited (trading as the Pharmacy Shop).

The Group Accounts reflect the outturn of the Trust of £12.9 million deficit in 2015/2016 (£3.7 million in 2014/2015) and a deficit of £6,792 for Stepping Hill Healthcare Enterprises Limited (£223,000 deficit in 2014/2015). The Trust Charity has net movement in funds of £547,000 deficit in 2015/2016 compared to a surplus of £1.2 million in 2014/2015. The Trust's consolidated subsidiaries results are further explained at notes 1 and 40

Group and Trust Statement of Financial Position as at the 31st March 2016

Statements of Financial Position		Group		Trust	
		31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
	Note				
Non-current assets					
Intangible assets	13	1,954	1,743	1,954	1,743
Property, plant and equipment	14	158,599	148,000	158,599	148,000
Other investments	19	1,289	1,340	-	-
Trade and other receivables	22	703	696	703	696
Total non-current assets		162,545	151,779	161,256	150,439
Current assets					
Inventories	21	1,962	2,301	1,751	2,079
Trade and other receivables	22	11,218	11,920	12,704	13,045
Cash and cash equivalents	24	33,124	45,669	31,398	44,607
Total current assets		46,304	59,890	45,853	59,731
Current liabilities					
Trade and other payables	25	(28,597)	(29,457)	(28,769)	(30,466)
Other liabilities	26	(1,215)	(1,083)	(1,215)	(1,083)
Borrowings	31	(1,458)	(1,097)	(1,458)	(1,097)
Provisions	27	(3,071)	(2,171)	(3,071)	(2,171)
Total current liabilities		(34,341)	(33,808)	(34,513)	(34,817)
Total assets less current liabilities		174,508	177,861	172,597	175,353
Non-current liabilities					
Other liabilities	26	(570)	(569)	(570)	(569)
Borrowings	31	(23,628)	(16,086)	(23,628)	(16,086)
Provisions	27	(2,149)	(2,269)	(2,149)	(2,269)
Total non-current liabilities		(26,347)	(18,924)	(26,347)	(18,924)
Total assets employed		148,162	158,938	146,250	156,429
Financed by					
Public dividend capital		83,390	82,943	83,390	82,943
Revaluation reserve		56,485	54,168	56,485	54,168
Income and expenditure reserve		6,145	19,138	6,375	19,318
Charitable fund reserves	20	2,142	2,689	-	-
Total taxpayers' and others' equity		148,162	158,938	146,250	156,429

The notes on pages 7 to 53 form part of these accounts.

Signed:



Name: A D Barnes
Position: Chief Executive
Date

26 May 2016

Group Statement of Changes in Equity for the year ended 31 March 2016

Group	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	NHS charitable funds reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2015 - brought forward						
		82,943	54,168	19,138	2,689	158,938
(Deficit)/Surplus for the year		-	-	(13,841)	301	(13,540)
Impairments		-	(891)	-	-	(891)
Revaluations	16	-	3,206	-	-	3,206
Public dividend capital received	17	447	-	-	-	447
Other reserve movements		-	2	848	(848)	2
Taxpayers' and others' equity at 31 March 2016		83,390	56,485	6,145	2,142	148,162

Group Statement of Changes in Equity for the year ended 31 March 2015

Group	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	NHS charitable funds reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2014 - brought forward						
		82,901	45,711	14,062	1,508	144,182
Surplus for the year		-	-	3,248	1,447	4,695
Impairments		-	(4,012)	-	-	(4,012)
Revaluations	16	-	14,031	-	-	14,031
Public dividend capital received	17	42	-	-	-	42
Other reserve movements		-	(1,562)	1,828	(266)	-
Taxpayers' and others' equity at 31 March 2015		82,943	54,168	19,138	2,689	158,938

Information on reserves**NHS Charitable Funds Reserves**

This balance represents the ring-fenced funds held by the NHS charitable funds consolidated within these Accounts. These reserves are classified as restricted or unrestricted.

Public Dividend Capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation Reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and Expenditure Reserve - Trust

The balance of this reserve is the accumulated surpluses and deficits of Stockport NHS Foundation Trust.

Income and Expenditure Reserve - Group

The balance of this reserve is the accumulated surpluses and deficits of Stockport NHS Foundation Trust and its subsidiary, Stepping Hill Healthcare Enterprise Ltd, which are consolidated into these Accounts with the Trust.

Statement of Changes in Equity for the year ended 31 March 2016

Trust		Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2015 - brought forward		82,943	54,168	19,318	156,429
(Deficit) for the year		-	-	(12,943)	(12,943)
Impairments		-	(891)	-	(891)
Revaluations	16	-	3,206	-	3,206
Public dividend capital received	17	447	-	-	447
Other reserve movements		-	2	-	2
Taxpayers' and others' equity at 31 March 2016		83,390	56,485	6,375	146,250

Statement of Changes in Equity for the year ended 31 March 2015

Trust		Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2014 - brought forward		82,901	45,711	14,062	142,674
Surplus for the year		-	-	3,694	3,694
Transfers by absorption: transfers between reserves		-	-	-	-
Impairments		-	(4,012)	-	(4,012)
Revaluations	16	-	14,031	-	14,031
Public dividend capital received	17	42	-	-	42
Other reserve movements		-	(1,562)	1,562	-
Taxpayers' and others' equity at 31 March 2015		82,943	54,168	19,318	156,429

Group and Trust Statement of Cash Flows as at 31st March 2016

	Note	Group		Trust	
		2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Cash flows from operating activities					
Operating surplus/(deficit)		(8,863)	8,767	(8,262)	7,936
Non-cash income and expense:					
Depreciation and amortisation	5.1	8,629	7,759	8,629	7,759
Impairments and reversals of impairments	6	(387)	(3,826)	(387)	(3,826)
Profit on disposal of non-current assets	4.1	(12)	(11)	(12)	(11)
Income recognised in respect of capital donations		-	(20)	-	-
(Increase)/decrease in receivables and other assets		(254)	(1,546)	394	(3,131)
(Increase)/decrease in inventories		339	(43)	328	179
(Decrease)/increase in payables and other liabilities		(1,855)	3,091	(2,694)	4,099
Increase/(decrease) in provisions		746	(398)	746	(398)
NHS charitable funds - net movements in working capital, non-cash transactions and non-operating cash flows		1,007	(1,011)	-	-
Net cash generated (used in)/from operating activities		(650)	12,762	(1,258)	12,606
Cash flows from investing activities					
Interest received		97	125	97	125
Purchase of intangible assets		(692)	(472)	(692)	(472)
Purchase of property, plant, equipment and investment property		(14,862)	(9,001)	(14,862)	(9,001)
Sales of property, plant, equipment and investment property		85	11	85	11
Receipt of cash donations to purchase capital assets		-	20	-	-
Investing cash flows of NHS charitable funds		55	54	-	-
Net cash generated from/(used in) investing activities		(15,317)	(9,263)	(15,372)	(9,337)
Cash flows from financing activities					
Public dividend capital received		447	42	447	42
Movement on loans from the Department of Health		7,929	(1,071)	7,929	(1,071)
Capital element of PFI, LIFT and other service concession payments		(26)	(25)	(26)	(25)
Interest paid on PFI, LIFT and other service concession obligations		(14)	(15)	(14)	(15)
Other interest paid		(749)	(800)	(749)	(800)
PDC dividend paid		(4,166)	(3,352)	(4,166)	(3,352)
Net cash generated from/(used in) financing activities		3,421	(5,221)	3,421	(5,221)
Increase/(decrease) in cash and cash equivalents		(12,546)	(1,722)	(13,209)	(1,952)
Cash and cash equivalents at 1 April 2015		45,669	47,392	44,607	46,559
Cash and cash equivalents at 31 March 2016	24.1	33,124	45,669	31,398	44,607

Notes to the Accounts

Note 1 Accounting policies and other information

Basis of preparation

Monitor is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2015/16 issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Going concern

These accounts have been prepared on a going concern basis.

Relevant International Finance Reporting Standards

Listed below are the extant International Accounting Standards adopted in the preparation of these accounts in so far as they are applicable to the Foundation Trust:

International Financial Reporting Standards (IFRS)

IFRS 3 Revised Business Combinations
 IFRS 5 Non Current Assets held for sale and discontinued operations
 IFRS 7 Financial Instruments Disclosures
 IFRS 8 Operating Segments
 IFRS 10 Consolidated Financial Statements
 IFRS 11 Joint Arrangements
 IFRS 12 Disclosure of Interests in Other Entities
 IFRS 13 Fair value measurement
 Annual Improvements to IFRS 2009-13

International Accounting Standards

IAS 1 Presentation of Financial Statements
 IAS 2 Inventories
 IAS 9 Statement of Cash Flows
 IAS 8 Accounting policies, changes in accounting estimates and errors
 IAS 10 Events after the reporting period
 IAS 12 Income taxes
 IAS 16 Property, plant and equipment
 IAS 17 Leases
 IAS 18 Revenue
 IAS 19 Employee benefits
 IAS 20 Accounting for Government grants and disclosure of Government assistance
 IAS 21 The effects of changes in foreign exchange rates
 IAS 23 Borrowing costs
 IAS 24 Related party disclosures
 IAS 27 Separate financial statements
 IAS 28 Investments in Associates and Joint Ventures (Revised 2011)
 IAS 32 Financial instruments: Presentation
 IAS 36 Impairment of assets
 IAS 37 Provisions, contingent liabilities and contingent assets
 IAS 38 Intangible Assets

IAS 39 Financial Instruments: Recognition and measurements

IAS 40 Investment Property

IFRIC Interpretations

IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

IFRIC 4 Determining whether an arrangement contains a lease

IFRIC 9 Reassessment of Embedded Derivatives

IFRIC 12 Service concession arrangements

IFRIC 14 IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction.

IRIC 21 Levies

SIC Interpretations

SIC 15 Operating Leases – Incentives

SIC 27 Evaluating the Substance of Transactions Involving the Form of a Lease

SIC 29 Disclosure – Service Concession Arrangements

SIC 31 Revenue – Barter Transactions Involving Advertising Services

SIC 32 Intangible Assets – Web Site Costs

Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector where they are accounted for in accordance with IFRS 3. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

Note 1.1 Consolidation

Stockport NHS Foundation Trust General Fund

Stockport NHS Foundation Trust is the Corporate Trustee to Stockport NHS Charitable Fund (Charity Commission Registered Number 1048661) . The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

Other Subsidiaries

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated, where material, in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year except where a subsidiary's financial year end is before 1 January or after 1 July in which case the actual amounts for each month of the Trust's financial year are obtained from the subsidiary and consolidated.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Stepping Hill Healthcare Enterprises Limited

Stepping Hill Healthcare Enterprises Limited is a limited company incorporated on the 16th September 2014 but operational from the 16th October 2014. Its principal activities are to dispense drugs to the outpatients of Stockport NHS Foundation Trust. The Company is wholly owned by Stockport NHS Foundation Trust.

The subsidiary's first accounting period is from the 16/09/2014 to the 15/10/2014 for which a set of dormant accounts have been prepared and filed with Companies House. The company subsequently had an eighteen month accounting period to the 31st March 2016.

Note 1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

The Trust is entitled to recognise income for partially completed spells of activity at the 31st March 2016. As the individual National Tariff price and procedure code is not known for partially completed spells the Trust has based its calculation of such income based on the average length of stay and the cumulative activity. In 2015/16 partially completed spell activity is not material for inclusion in the financial results of the Trust. The principle to not include partially completed spells activity is agreed with the Trust's lead Commissioner, Stockport CCG as part of the income and expenditure agreement of balances exercise. These principles are reviewed on an annual basis.

Non-Contract Activity

The timing of year end processes precludes determining the final figure for non-contracted activity in February and March of the financial year. The year end figures are based on estimates which may be different to the final year end outturn for the year. Stockport NHS Foundation Trust includes a general non-provider specific 'provision' for non-contracted activity.

Where income is received for a specific activity which is to be delivered in future financial years, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating individuals to whom personal injury compensation has subsequently been paid e.g by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensations claims and bad debts.

Income from the sales of goods and services is recognised after deduction of any price reductions, quantity discounts or cash discounts. Sales are recognised in the income statement in the year in which the risks and rewards of ownership related to the goods have passed to the customer or in which the service is rendered, and the amounts can be reliably measured and are expected to be recovered.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Note 1.3 Expenditure on employee benefits

Short-term Employee Benefits

Salaries, wages and employment related payments are recognised in the period in which the service is received from employees. The Trust is entitled to recognise in the financial statements the cost of annual leave entitlement earned but not taken by employees at the end of the period to the extent that employees are permitted to carry forward annual leave into the following period. The Trust assesses the movement in carry forward annual leave at the end of each financial year for materiality for inclusion in the financial statements. This principle is reviewed on an annual basis.

Pension Costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website www.nhsba.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary for State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme liabilities; therefore, the scheme is accounted for as a defined contribution scheme. The cost to the NHS body of the participating scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates payable by employees and employers

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

Note 1.4 Expenditure on other goods and services

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

Note 1.5 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

Capitalisation

Property, plant and equipment is capitalised if it:

individually has a cost of at least £5,000; or

forms a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

forms part of the initial equipping and setting-up cost of a new building or refurbishment of unit irrespective of their collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Measurement

Valuation

All property, plant and equipment are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at fair value. The carrying value of property, plant and equipment are reviewed for impairment annually if events or changes in circumstances indicate the carrying value may not be recoverable. Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are performed fully every five years with an interim valuation at least at the three years interval to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. All land and buildings are restated to current value using professional valuations in accordance with IAS 16 every five years. A three yearly interim valuation is also carried out. The Trust has had an additional desk top valuation of its land and buildings at the 31st March 2016 by the District Valuer; having agreed the material change in valuation should be reflected in the 2015/2016 financial statements. Fair values are determined as follows:

- Land and Buildings - market value for existing use
- Specialised buildings - depreciated replacement cost

An item of property, plant and equipment which is surplus with no plan to bring it back into use is measured at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

The depreciated replacement cost of specialised buildings has been valued on a modern equivalent asset basis. Valuations are carried out by the District Valuer, who is external to the Trust, and in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The last full land and building asset valuation, using the modern equivalent asset methodology, was undertaken as at the 31st March 2015 as part of the Trust's year end and to comply with HM Treasury requirements. In 2015/2016 the Trust requested a District Valuer valuation of the Trust site and buildings with a view to enacting in the Statement of Financial Position where movement in the fair value or current value in existing use is material.

Assets in the course of construction for service or administration purposes are valued at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are valued by professional valuers on the next occasion when all assets of that class are revalued unless there is an indication that initial cost is less than fair value. In 2015/2016 the Trust has had a District Valuer valuation of the Surgical Centre asset under construction to assess impairment losses on completion of the capital scheme in September 2016 and to recognise such impairment losses in the 2015/2016 financial statements.

Fixtures and equipment are valued at depreciated historical cost as this is not considered to be materially different from fair value. Equipment surplus to requirements is valued at net recoverable amount.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Depreciation is charged using the straight life method.

Buildings and fittings are depreciated on their current value over the estimated life of the asset as assessed by the NHS Foundation Trust's Professional Valuers.

Plant and Equipment are depreciated evenly over the estimated life of the asset, as follows:

Medical equipment, engineering plant and equipment : 5 to 10 years

Transport equipment: 7 years

Office and Information technology equipment: 5 years

Furniture & fittings: 10 years

Soft Furnishings: 7 years

Set up costs in new buildings: 10 years

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the FT ARM, impairments that arise from a clear consumption of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income.'

For impairments the recoverable amount is taken as value in use.

De-Recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Service Concessions/Private Finance Initiative (PFI) transactions

Property transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'On-Statement of Financial Position' by the Trust. In accordance with IAS 17 the underlying assets are recognised as Property, Plant and Equipment together with an equivalent financial liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Useful Economic Lives of Property, Plant and Equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	3	55
Dwellings	20	40
Plant & machinery	5	15
Transport equipment	7	7
Information technology	5	8
Furniture & fittings	7	10

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the FT expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.6 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful economic life of intangible assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Intangible assets - purchased		
Software	5	10
Licences & trademarks	5	5
Other	5	5

Note 1.7 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

Note 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the First In First Out (FIFO) method.

Note 1.9 Financial instruments and financial liabilities**Recognition**

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Regular way purchases or sales are recognised and de-recognised, as applicable, using the trade date.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as loans and receivables.

Financial liabilities are classified as other financial liabilities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and other receivables.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Cash and cash equivalents

Cash, bank and overdraft balances are recorded at the current values of these balances in the Trust's cash book. Account balances are only set off where a formal agreement has been made with the bank to do so. Interest earned on bank accounts is recorded as interest receivable in the periods to which it relates. Bank charges are recorded as operating expenditure in the periods to which they relate.

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

The Trust's financial liabilities include trade creditors, accruals and other creditors. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices and discounted cash flow analysis as appropriate to the financial asset or liability. Where cashflows are discounted this is at the Treasury discount rate of 0.7% except for finance leases and On-Statement of Financial Position PFI or service concession transactions, which use the interest rate implicit in the agreement.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and, in the case of trade receivables, the carrying amount of the asset is reduced directly or through the use of a provision for irrecoverable debts.

The carrying value of financial assets is recognised directly where it is acknowledged that all available avenues to recover the asset's full value have been exhausted. A provision for impairment of receivables is utilised where the likelihood of full recovery is probable but not yet fully approved to write down directly.

Note 1.10 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

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

Note 1.11 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury. Post employment benefits provisions, such as the Trust's injury benefits provisions, use the HM Treasury pension discount rate of 1.37% (1.30%) in 2014/2015) in real terms.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS foundation trust is disclosed at note 27 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.12 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.13 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as Public Dividend Capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.14 Value added tax

Most of the activities of the NHS foundation trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.15 Corporation tax

Health Service bodies, including Foundation Trusts, are exempt from taxation on their principal healthcare income under section 519A ICTA 1988. The Government introduced legislation in section 148 of the Finance Act 2004 to ensure that significant commercial non-core healthcare activities of NHS Foundation Trusts are taxable. Accordingly, the Trust is potentially within the scope of Corporation Tax in respect of its activities which are not related to, or are ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum.

The Trust may incur corporation tax through its wholly owned subsidiary 'Stepping Hill Healthcare Enterprises Limited but has assessed that there will be no liability in 2015/2016.'

Note 1.16 Foreign exchange

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.17 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.18 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.19 Transfers of functions to / from other NHS bodies / local government bodies

For functions that have been transferred to the trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

For property plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the foundation Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

In 2015/2016 the Trust has approved the transfer of Tameside and Glossop community services to Tameside NHS Foundation Trust. This will take effect from the 1st April 2016.

Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2015/16.

Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2015/16. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 *Financial Instruments* – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 *Revenue for Contracts with Customers* - Application required for accounting periods beginning on or after 1 January 2017, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 *Leases* – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 1.22 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Underlying assumptions and estimates are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant areas where judgements and estimates are made are as follows capital expenditure, provisions, accruals, revaluations and revenue. Specifically estimates and judgements are made in the following areas:

- The Provision for Restructurings includes estimated costs associated with the workforce elements of the Trust's future plans; in light of the ongoing challenging financial environment. This includes the provision for the Mutually Agreed Voluntary Resignation Scheme (MARS). The actual costs will depend upon uptake to the Scheme, value for money and ability to flex the staffing profile.

- The timing of year end processes precludes determining the final figure for non-contracted activity in February and March of the financial year. The year end figures are based on estimates which may be different to the final year end outturn for the year. Stockport NHS Foundation Trust includes a general non-provider specific 'provision' for non-contracted activity.

- The Trust uses the District Valuer service to provide revalued amounts for its Trust, building and dwellings. These valuations are in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Note 2 Operating Segments

In line with IFRS 8 on Operating Segments, the Board of Directors, as Chief Operating Decision Maker, have assessed that the Trust continues to report its Annual Accounts on the basis that it operates as a single entity in the healthcare segment only. The accompanying financial statements have consequently been prepared under one single operating segment.

All of the Foundation Trust's activities are in the provision of healthcare, which is an aggregate of all the individual specialty components included therein, and the very large majority of the healthcare services provided occur at the one geographical main site. Similarly, the large majority of the Foundation Trust's revenue originates with the UK Government. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust together with the related supplies and overheads needed to establish this production. The business activities which earn revenue and incur expenses are therefore of one broad combined nature and therefore on this basis one segment of 'Healthcare' is deemed appropriate.

The Trust's view on segmental reporting remains unchanged from its financial statements in 2014/2015. The Board, as Chief Operating Decision Maker, does not receive separate information routinely as described within IFRS 8 Operating Segments for any of its internal business groups and continues with its integrated business group structures with services aligned across all the business groups.

In consolidating the charitable funds the Trust has considered the level of its charitable funds and has considered them immaterial to report as a separate operating segment as the charitable funds revenue are not 10% or more of the combined assets of all operating segments.

In consolidating the financial results of the Stepping Hill Healthcare Enterprises Limited Company, the Trust considers that the provision of an outpatient dispensing service to patients still falls under the healthcare operating segment. In addition its revenue streams are also not 10% or more than all the combined assets of all operating segments.

Note 3 Operating income from patient care activities**Note 3.1 Income from patient care activities (by nature)**

	Foundation Trust and Group	
	2015/16	2014/15
	£000	£000
Acute services		
Elective income	40,007	42,638
Non elective income	72,678	63,930
Outpatient income	30,963	31,422
A & E income	11,522	9,954
Other NHS clinical income	53,978	58,659
Community services income from CCGs and NHS England	49,743	53,566
Community services income from other commissioners	11,069	7,644
All services		
Private patient income	307	145
Other clinical income	1,245	937
Total income from activities	271,512	268,895

Note 3.2 Income from patient care activities (by source)

	Foundation Trust and Group	
	2015/16	2014/15
	£000	£000
Income from patient care activities received from:		
CCGs and NHS England	257,996	258,849
Local authorities	11,238	8,237
Other NHS Foundation Trusts	509	562
NHS Trusts	24	81
NHS other	193	84
Non-NHS: private patients	307	145
Non-NHS: overseas patients (chargeable to patient)	39	58
NHS injury scheme (was RTA)	1,163	820
Non NHS: other	43	59
Total income from activities	271,512	268,895
Of which:		
Related to continuing operations	271,512	268,895

The notes on Income by nature and source are Trust figures and are unaffected by Group numbers.

Under the terms of its Provider Licence, the Trust is required to analyse the level of income from activities that has arisen from Commissioner Requested Services and Non Commissioner Requested Services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider event. This information is provided in the table below:

Note3.3 Income from activities arising from commissioner requested services

Under the terms of its provider license, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	Group	
	2015/16	2014/15
	£000	£000
Income from services designated (or grandfathered) as commissioner requested services	269,960	267,813
Income from services not designated as commissioner requested services	1,552	1,082
	271,512	268,895

Note 3.3 Overseas visitors (relating to patients charged directly by the NHS foundation trust)

	Group		Trust	
	2015/16	2014/15	2015/16	2014/15
	£000	£000	£000	£000
Income recognised this year	39	58	39	58
Cash payments received in-year	14	40	14	40
Amounts added to provision for impairment of receivables	32	3	32	3
Amounts written off in-year	-	-	-	-

Note 4 Other operating income

	Group		Trust	
	2015/16	2014/15	2015/16	2014/15
	£000	£000	£000	£000
Research and development	395	562	395	562
Education and training	8,045	8,465	8,045	8,465
Charitable and other contributions to expenditure	-	-	848	266
Profit on disposal of non-current assets	12	11	12	11
Reversal of impairments	2,542	4,956	2,542	4,956
Stockport Pharmaceuticals and Quality Control	5,472	5,633	5,498	5,633
Local Authorities	4,440	4,079	4,440	4,079
NHS Bodies	9,111	7,575	9,111	7,575
Non NHS Bodies	3,441	3,311	3,441	3,311
Rents and car parking income	1,414	1,453	1,414	1,453
Catering sales	278	390	278	390
Other operating income	46	147	2,669	1,586
Incoming resources received by NHS charitable funds	297	1,277		
Stockport Healthcare Enterprises Ltd Income	2,837	1,037		
Total other operating income	38,330	38,896	38,693	38,287
Of which:				
Related to continuing operations	38,330	38,896	38,693	38,287

For Group Accounts elimination adjustments have been made to remove Trust income received from its charitable fund for reimbursement of purchases and management fees. The consolidated numbers subsequently include income received by the Charity from donations, legacies and fundraising.

For Group Accounts elimination adjustments have been made to remove Trust income received from its Pharmacy Shop subsidiary for purchases of drugs and services charged by the Trust for use of its facilities. The consolidated numbers include income earned by the Pharmacy Shop on its outpatient dispensing service, prescription charges and retail income from the Pharmacy Shop itself.

Note 4.1 Profits and losses on disposal of property, plant and equipment

In 2015/2016 the Trust has a profit on disposal of assets of £12,000 (£11,000 in 2014/2015) comprising of cash proceeds of £85k offset by the write off of net book value of £73k. The cash proceeds relate to the trade in prices achieved for items of medical equipment, vehicles and fittings as they were replaced.

Note 5.1 Operating expenses

	Foundation Trust	
	2015/16	2014/15
	£000	£000
Services from NHS Foundation Trusts	3,787	3,341
Services from NHS Trusts	127	380
Services from CCGs and NHS England	1,027	996
Services from other NHS bodies	661	125
Purchase of healthcare from non NHS bodies	3,833	4,009
Employee expenses - executive directors	1,065	1,004
Remuneration of non-executive directors	145	148
Employee expenses - staff	220,747	210,245
Supplies and services - clinical	22,405	22,737
Supplies and services - general	3,534	3,261
Establishment	1,578	1,511
Research and development	320	483
Transport	1,264	1,509
Premises	9,609	9,201
Increase in provision for impairment of receivables	186	259
Increase in other provisions	1,270	580
Change in provisions discount rate(s)	(15)	110
Inventories consumed	19,213	16,492
Rentals under operating leases	3,435	3,616
Depreciation on property, plant and equipment	8,157	7,260
Amortisation on intangible assets	472	499
Impairments	2,155	1,130
Audit fees payable to the external auditor		
audit services- statutory audit	50	49
other auditor remuneration (external auditor only)	56	26
Clinical negligence	7,802	5,027
Legal fees	194	149
Consultancy costs	1,411	764
Internal audit costs	101	109
Training, courses and conferences	681	750
Patient travel	411	409
Car parking & security	203	174
Insurance	330	333
Losses, ex gratia & special payments	23	49
Other	2,230	2,289
Total	318,467	299,024
Of which:		
Related to continuing operations	318,467	299,024

On 2015/2016 internal audit costs have been separately identified whereas in previous years these costs were included as 'other services'. The prior year figure in 2014/2015 has been adjusted to show the comparator clearly in the Accounts. Similarly the costs for St John's ambulance have been reflected as patient travel in 2015/2016 and the prior year comparator of £313k changed from healthcare from non NHS bodies. This adjustment is also reflected on the Group operating expenses note.

Note 5.1 Operating expenses

	Group	
	2015/16	2014/15
	£000	£000
Services from NHS Foundation Trusts	3,787	3,341
Services from NHS Trusts	127	380
Services from CCGs and NHS England	1,027	996
Services from other NHS bodies	661	125
Purchase of healthcare from non NHS bodies	3,833	4,009
Employee expenses - executive directors	1,065	1,004
Remuneration of non-executive directors	145	148
Employee expenses - staff	220,747	210,245
Supplies and services - clinical	22,405	22,737
Supplies and services - general	3,534	3,261
Establishment	1,578	1,511
Research and development	320	483
Transport	1,264	1,509
Premises	9,609	9,201
Increase in provision for impairment of receivables	186	259
Increase in other provisions	1,270	580
Change in provisions discount rate(s)	(15)	110
Inventories consumed	19,273	16,492
Rentals under operating leases	3,435	3,616
Depreciation on property, plant and equipment	8,157	7,260
Amortisation on intangible assets	472	499
Impairments	2,155	1,130
Audit fees payable to the external auditor		
audit services- statutory audit	50	49
other auditor remuneration (external auditor only)	68	26
Clinical negligence	7,802	5,027
Legal fees	194	149
Consultancy costs	1,411	764
Internal audit costs	101	109
Training, courses and conferences	681	750
Patient travel	411	409
Car parking & security	203	174
Insurance	330	333
Losses, ex gratia & special payments	23	49
Other	2,396	2,289
Total	318,705	299,024
Of which:		
Related to continuing operations	318,705	299,024

The consolidation of charitable fund numbers does not affect the operating expenses notes as resources expended by the Charity with Stockport NHS Foundation Trust are already reflected in the above numbers. The consolidation adjustment is, therefore, within the Charity Accounts expense note.

The consolidation of Stepping Hill Healthcare Enterprises Limited affects the operating expenses note on the purchases of drugs consumed. Additional costs borne by the Pharmacy Shop and provided by the Trust as part of a service level agreement arrangement have been removed as a consolidation adjustment.

Note 5.2 Other auditor remuneration

	Group	
	2015/16	2014/15
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	17	11
2. Audit-related assurance services	12	-
3. All assurance services not falling within items 1 to 5	39	15
Total	68	26

The Trust auditor, Deloitte LLP, have also provided additional services for governance review and Quality Accounts assurance.

The Trust auditor remuneration figure does not include £12k for the audit of Stepping Hill Healthcare Enterprises Limited; other auditor remuneration thus totalling £56k.

Note 5.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2015/16 or 2014/15.

Note 6 Impairment of assets

	Foundation Trust and Group	
	2015/16	2014/15
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	9	-
Changes in market price	(396)	(3,826)
Other	-	-
Total net impairments charged to operating surplus / deficit	(387)	(3,826)
Impairments charged to the revaluation reserve	891	4,012
Total net impairments	504	186

In 2015/2016 the Trust has undertaken a revaluation exercise of its land, buildings and dwellings in accordance with its accounting policy of revaluation. The District Valuer has also valued the Trust's Surgical Centre asset under construction such that the 2015/2016 asset now reflects the impaired value of the Surgical Centre. The above table reflects the net increase to the Trust and Group income and expenditure position of £0.4 million (this being the impact of reversals of £2.45 million and impairment charges of £2.1 million). Reversals of impairments reflect the increase in value of property where previous charges have been made to income and expenditure. It also highlights the impairment charge to the revaluation reserve of £0.9 million where existing revaluation reserve balance exists to charge the impairment.

Note 7 Employee benefits

Staff Costs	Foundation Trust and Group			
			2015/16	2014/15
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	165,144	8,217	173,361	170,454
Social security costs	11,094	-	11,094	10,819
Employer's contributions to NHS pensions	19,433	-	19,433	18,682
Pension cost - other	-	49	49	-
Agency/contract staff	-	18,178	18,178	11,747
NHS charitable funds staff	-	-	-	-
Total gross staff costs	195,671	26,444	222,115	211,702
Total staff costs	195,671	26,444	222,115	211,702
Employee Expenses - Staff	194,303	26,444	220,747	210,371
Employee Expenses - Executive Directors	1,065	-	1,065	878
Research & Development	303	-	303	453
Total	195,671	26,444	222,115	211,702

Compulsory redundancies paid in 2015/2016 have been charged to the Redundancy provision (see note 27).

Note 7.1 Retirements due to ill-health

During 2015/16 there were 8 early retirements from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2015). The estimated additional pension liabilities of these ill-health retirements is £521k (£242k in 2014/15).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 7.2 Directors' remuneration

The aggregate amounts payable to directors were:

	Group		Trust	
	2015/16	2014/15	2015/16	2014/15
	£000	£000	£000	£000
Salary	854	836	859	841
Employer's pension contributions	107	117	107	117
Total	961	953	966	958

Further details of directors' remuneration can be found in the remuneration report.

The above costs reflect the remuneration paid to executive directors of the Trust and does not include employer oncosts for national insurance,. This note is not intended, therefore, to reconcile to the remuneration reported in the operating expenses note.

Note 8 Pension costs

The Group offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST), to employees of both the Foundation Trust and its subsidiary, Stepping Hill Healthcare Limited. The Trust has paid £17k to NEST in employer contributions.

Note 9 Operating leases**Note 9.1 Stockport NHS Foundation Trust as a lessor**

Stockport NHS Foundation Trust has no leasing arrangements as the lessor.

Note 9.2 Stockport NHS Foundation Trust as a lessee

	Foundation Trust and Group	
	2015/16	2014/15
	£000	£000
Operating lease expense		
Minimum lease payments	3,435	3,616
Total	3,435	3,616
	31 March	31 March
	2016	2015
	£000	£000
Future minimum lease payments due:		
- not later than one year;	2,419	3,573
- later than one year and not later than five years;	139	1,163
- later than five years.	95	127
Total	2,653	4,863

In 2015/2016 the Trust has leasing arrangements for its community buildings with NHS Property Services Ltd and Tameside CCG for community services provided in the Stockport and Tameside areas. These leases are held in line with current commissioning contracts. Tameside Community Services will transfer to Tameside Hospital Foundation Trust from the 1st April 2016. Therefore the Trust records no further lease commitments for these community properties. It also has a lease arrangement for the Swanbourne Gardens Childrens Respite building. This is due to expire in January 2023.

Note 10 Finance income

	Group	
	2015/16	2014/15
	£000	£000
Interest on bank accounts	94	125
Investment income on NHS charitable funds financial assets	55	54
Total	149	179

	Foundation Trust	
	2015/16	2014/15
	£000	£000
Interest on bank accounts	94	125
Total	94	125

Note 11.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	Foundation Trust and Group	
	2015/16	2014/15
	£000	£000
Interest expense:		
Loans from the Department of Health	776	787
Main finance costs on PFI and LIFT schemes obligations	14	15
Unwinding of discount on provisions	34	45
Total interest expense	824	847

Note 11.2 The late payment of commercial debts (interest) Act 1998

The Trust and Group has immaterial late payment of commercial debts to report in 2015/2016.

Note 12 Corporation Tax

The Trust has assessed the provisional financial results of its subsidiary, Stepping Hill Healthcare Enterprises Limited, and concluded that it has no Corporation tax liability for its accounting periods to the 31st March 2016.

Note 13.1 Intangible assets - 2015/16

Foundation Trust and Group	Software licences £000	Other £000	Intangible assets under construction £000	Total £000
Valuation/gross cost at 1 April 2015 - brought forward	6,650	9		6,659
Additions	244		448	692
Impairments	(11)	(9)	-	(20)
Disposals / derecognition	(127)		-	(127)
Gross cost at 31 March 2016	6,756	-	448	7,204
Amortisation at 1 April 2015 - brought forward	4,907	9	-	4,916
Provided during the year	472		-	472
Impairments	(2)	(9)	-	(11)
Disposals / derecognition	(127)		-	(127)
Amortisation at 31 March 2016	5,250	-	-	5,250
Net book value at 31 March 2016	1,506	-	448	1,954
Net book value at 1 April 2015	1,743	-	-	1,743

In 2015/2016 the Trust has entered into a capital contractual commitment for an electronic prescribing record system. It has made its first payment which has been recorded as an intangible asset under construction until completion of the scheme.

Note 13.2 Intangible assets - 2014/15

Foundation Trust and Group	Software licences £000	Other £000	Intangible assets under construction £000	Total £000
Valuation/gross cost at 1 April 2014 - as previously stated	5,679	9	-	5,688
Additions	472		-	472
Reclassifications	499		-	499
Valuation/gross cost at 31 March 2015	6,650	9	-	6,659
Amortisation at 1 April 2014 - as previously stated	4,332		-	4,332
Prior period adjustments	-		-	-
Amortisation at 1 April 2014 - restated	4,332		-	4,332
Amortisation at start of period for new FTs	-		-	-
Provided during the year	499		-	499
Impairments	(9)	9	-	-
Reclassifications	85		-	85
Amortisation at 31 March 2015	4,907	9	-	4,916
Net book value at 31 March 2015	1,743	-	-	1,743
Net book value at 1 April 2014	1,347	-	-	1,356

Note 14.1 Property, plant and equipment - 2015/16

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
	17,386	109,466	1,989	5,206	38,730	207	13,401	1,821	188,206
Valuation/gross cost at 1 April 2015 - brought forward									
Additions	-	1,546	167	10,265	3,610	18	485	27	16,118
Impairments	-	(681)	(249)	(2,107)	-	-	-	-	(3,037)
Reversals of impairments	-	2,542	-	-	-	-	-	-	2,542
Reclassifications	-	474	-	(659)	79	-	106	-	-
Revaluations	-	(1,107)	(38)	-	-	-	-	-	(1,145)
Disposals / derecognition	-	-	-	-	(1,596)	(26)	(1,277)	(987)	(3,886)
Valuation/gross cost at 31 March 2016	17,386	112,240	1,869	12,705	40,823	199	12,715	861	198,798
Accumulated depreciation at 1 April 2015 - brought forward	-	-	-	-	28,257	131	10,071	1,747	40,206
Provided during the year	-	4,288	63	-	2,677	19	1,086	24	8,157
Revaluations	-	(4,288)	(63)	-	-	-	-	-	(4,351)
Disposals/ derecognition	-	-	-	-	(1,522)	(26)	(1,278)	(987)	(3,813)
Accumulated depreciation at 31 March 2016	-	-	-	-	29,412	124	9,879	784	40,199
Net book value at 31 March 2016	17,386	112,240	1,869	12,705	11,411	75	2,836	77	158,599
Net book value at 1 April 2015	17,386	109,466	1,989	5,206	10,473	76	3,330	74	148,000

Note 14.2 Property, plant and equipment - 2014/15

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2014 - as previously stated	18,891	98,725	1,634	2,082	36,326	531	13,308	1,812	173,309
Additions - purchased/ leased/ grants/ donations	-	2,314	-	4,284	1,929	10	545	9	9,091
Impairments	(1,505)	(2,507)	-	-	-	-	-	-	(4,012)
Reclassifications	-	464	-	(1,160)	649	-	(452)	-	(499)
Revaluations	-	10,470	355	-	-	-	-	-	10,825
Disposals / derecognition	-	-	-	-	(174)	(334)	-	-	(508)
Valuation/gross cost at 31 March 2015	17,386	109,466	1,989	5,206	38,730	207	13,401	1,821	188,206
Accumulated depreciation at 1 April 2014 - as previously stated	-	3,413	48	-	25,934	447	9,011	1,718	40,571
Provided during the year	-	3,522	49	-	2,544	18	1,098	29	7,260
Impairments	-	1,130	-	-	-	-	-	-	1,130
Reversals of impairments	-	(4,894)	(62)	-	-	-	-	-	(4,956)
Reclassifications	-	-	-	-	(47)	-	(38)	-	(85)
Revaluations	-	(3,171)	(35)	-	-	-	-	-	(3,206)
Disposals / derecognition	-	-	-	-	(174)	(334)	-	-	(508)
Accumulated depreciation at 31 March 2015	-	-	-	-	28,257	131	10,071	1,747	40,206
Net book value at 31 March 2015	17,386	109,466	1,989	5,206	10,473	76	3,330	74	148,000
Net book value at 1 April 2014	18,891	95,312	1,586	2,082	10,392	84	4,297	94	132,738

Note 14.3 Property, plant and equipment financing - 2015/16

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	NHS charitable fund assets £000	Total £000
Net book value at 31 March 2016										
Owned	17,386	111,289	1,869	12,705	11,411	75	2,836	77	-	157,648
On-SoFP PFI contracts and other service concession arrangements	-	951	-	-	-	-	-	-	-	951
NBV total at 31 March 2016	17,386	112,240	1,869	12,705	11,411	75	2,836	77	-	158,599

Note 14.4 Property, plant and equipment financing - 2014/15

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	NHS charitable fund assets £000	Total £000
Net book value at 31 March 2015										
Owned	17,386	108,536	1,989	5,206	10,473	76	3,330	74	-	147,070
On-SoFP PFI contracts and other service concession arrangements	-	930	-	-	-	-	-	-	-	930
NBV total at 31 March 2015	17,386	109,466	1,989	5,206	10,473	76	3,330	74	-	148,000

Note 14.5 Property, plant and equipment - 2015/16

Foundation Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2015 - brought forward	17,386	109,466	1,989	5,206	38,730	207	13,401	1,821	188,206
Additions	-	1,452	167	10,255	3,205	18	485	27	15,609
Additions - purchased from cash donations	-	94	-	10	405	-	-	-	509
Impairments	-	(681)	(249)	(2,107)	-	-	-	-	(3,037)
Reversals of impairments	-	2,542	-	-	-	-	-	-	2,542
Reclassifications	-	474	-	(659)	79	-	106	-	-
Revaluations	-	(1,107)	(38)	-	-	-	-	-	(1,145)
Disposals / derecognition	-	-	-	-	(1,596)	(26)	(1,277)	(987)	(3,886)
Valuation/gross cost at 31 March 2016	17,386	112,240	1,869	12,705	40,823	199	12,715	861	198,798
Accumulated depreciation at 1 April 2015 - brought forward	-	-	-	-	28,257	131	10,071	1,747	40,206
Provided during the year	-	4,288	63	-	2,677	19	1,086	24	8,157
Revaluations	-	(4,288)	(63)	-	-	-	-	-	(4,351)
Disposals/ derecognition	-	-	-	-	(1,522)	(26)	(1,278)	(987)	(3,813)
Accumulated depreciation at 31 March 2016	-	-	-	-	29,412	124	9,879	784	40,199
Net book value at 31 March 2016	17,386	112,240	1,869	12,705	11,411	75	2,836	77	158,599
Net book value at 1 April 2015	17,386	109,466	1,989	5,206	10,473	76	3,330	74	148,000

Note 14.6 Property, plant and equipment - 2014/15

Foundation Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2014 - as previously stated	18,891	98,725	1,634	2,082	36,326	531	13,308	1,812	173,309
Additions - purchased/ leased/ grants/ donations	-	2,314	-	4,284	1,909	10	545	9	9,071
Additions - purchased from cash donations					20				20
Impairments	(1,505)	(2,507)	-	-	-	-	-	-	(4,012)
Reclassifications	-	464	-	(1,160)	649	-	(452)	-	(499)
Revaluations	-	10,470	355	-	-	-	-	-	10,825
Disposals / derecognition	-	-	-	-	(174)	(334)	-	-	(508)
Valuation/gross cost at 31 March 2015	17,386	109,466	1,989	5,206	38,730	207	13,401	1,821	188,206
Accumulated depreciation at 1 April 2014 - as previously stated	-	3,413	48	-	25,934	447	9,011	1,718	40,571
Provided during the year	-	3,522	49	-	2,544	18	1,098	29	7,260
Impairments	-	1,130	-	-	-	-	-	-	1,130
Reversals of impairments	-	(4,894)	(62)	-	-	-	-	-	(4,956)
Reclassifications	-	-	-	-	(47)	-	(38)	-	(85)
Revaluations	-	(3,171)	(35)	-	-	-	-	-	(3,206)
Disposals / derecognition	-	-	-	-	(174)	(334)	-	-	(508)
Accumulated depreciation at 31 March 2015	-	-	-	-	28,257	131	10,071	1,747	40,206
Net book value at 31 March 2015	17,386	109,466	1,989	5,206	10,473	76	3,330	74	148,000
Net book value at 1 April 2014	18,891	95,312	1,586	2,082	10,392	84	4,297	94	132,738

Note 14.7 Property, plant and equipment financing - 2015/16

Foundation Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	NHS charitable fund assets £000	Total £000
Net book value at 31 March 2016										
Owned	17,386	110,571	1,808	12,705	10,955	75	2,836	77	-	156,413
On-SoFP PFI contracts and other service concession arrangements	-	951	-	-	-	-	-	-	-	951
Donated	-	718	61	-	456	-	-	-	-	1,235
NBV total at 31 March 2016	17,386	112,240	1,869	12,705	11,411	75	2,836	77	-	158,599

Note 14.8 Property, plant and equipment financing - 2014/15

Foundation Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	NHS charitable fund assets £000	Total £000
Net book value at 31 March 2015										
Owned	17,386	107,788	1,989	5,206	10,379	76	3,330	74	-	146,228
On-SoFP PFI contracts and other service concession arrangements	-	930	-	-	-	-	-	-	-	930
Donated	-	748	-	-	94	-	-	-	-	842
NBV total at 31 March 2015	17,386	109,466	1,989	5,206	10,473	76	3,330	74	-	148,000

Note 15 Donations of property, plant and equipment

In 2015/2016 the Trust received income of £509,000 from its charitable funds to purchase capital assets. These include £315,000 on a CT Scanner, £75,000 on a spinal microscope and drill, £61,000 on the provision of a Palliative Care relatives room, £18,000 on urology equipment and £40,000 on equipment for Endoscopy and the Bobby Moore Unit.

Note 16 Revaluation Reserve movements 2015/2016**Foundation Trust and Group**

Property, plant and equipment	31-Mar-16 £000	Total £000
At 1 April 2015	54,168	54,168
Revaluations	3206	3206
Impairment	(891)	(891)
Other reserve movements	2	2
At 31 March 2016	56,485	56,485
At 1 April 2014	45,711	45,711
Revaluations	14,031	14,031
Impairment	(4,012)	(4,012)
Other reserve movements	(1,562)	(1,562)
At 31 March 2015	54,168	54,168

The above table presents the changes to the Trust's revaluation reserve for the changes to the valuations of the Trust's land and buildings where decreases have been met by existing revaluation reserve balances and increases have been credited to the reserve. The net impact on the revaluation reserve from the valuation exercise is £2.3 million (£10 million in 2014/2015).

Note 17 Movements in Public Dividend Capital

	Foundation Trust and Group	
	31 March 2016 £000	31 March 2015 £000
Public Dividend Capital		
Public Dividend Capital as at 1 April 2015	82,943	82,901
New Public Dividend Capital	447	42
Public Dividend Capital as at 31 March 2016	83,390	82,943

In 2015/2016 the Trust received £429,000 (£42,000 in 2014/2015) in new Public Dividend Capital from the Integrated Digital Care Fund and £18,000 for the purchase of a foetal monitoring system from the Preventing Avoidable Harm in Maternity Care Funding; total new Public Dividend Capital of £447,000 (£42,000 in total in 2014/2015).

Note 18 Public Dividend Capital Dividend

The Trust is required to pay a dividend to the Department of Health at a rate of 3.5% of forecast average relevant net assets. Average relevant assets are calculated as £112.9 million (£100.5 million in 2014/2015) giving a public dividend capital dividend of £3.9 million (£3.5 million in 2014/15).

Note 19.1 Investments - 2015/16

Group	Other investments	
	31 March 2016	31 March 2015
	£000	£000
Carrying value at 1 April 2015	1,340	1,225
Movement in fair value	(51)	116
Carrying value at 31 March 2016	1,289	1,340

In 2015/2016 the Trust had no activity in short term investments of cash surpluses following the changes to the calculation of PDC Dividend. Surplus cash is held within the Trust Government Bank Services Royal Bank of Scotland account for interest receivable purposes.

For the Consolidated Group the Charity holds investments in fixed interest and equity common investment funds and a charitable funds deposits account. In 2014/2015 the Group reported £54,000 in interest receivable on these investments and a gain on valuation of £115,000 at the 31st March 2015.

Note 20 Analysis of charitable fund reserves

	31 March 2016 £000	31 March 2015 £000
Unrestricted funds:	219	250
Unrestricted income funds		
Restricted funds:		
Restricted income funds	1,913	2,429
Permanent endowment funds	10	10
	2,142	2,689

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Note 21 Inventories

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Drugs	656	657	445	435
Consumables	1,228	1,522	1,228	1,522
Energy	78	122	78	122
Total inventories	1,962	2,301	1,751	2,079

The reduction in inventory balances in 2015/2016 relates to a £273k reduction in inventory levels in theatres. This is a combination of a change to consignment stocks and a reduction in stock levels held. The fuel oil inventory value is driven by the fall in price in 2015/2016.

Inventories for the Group included £211k (£222k in 2014/15) drugs for Stepping Hill Enterprises Healthcare Limited (the Pharmacy Shop).

Inventories recognised in expenses for the year were -£19,611k (2014/15: -£17,036k). Write-down of inventories recognised as expenses for the year were nil (2014/15: nil).

Note 22.1 Trade receivables and other receivables

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Current				
Trade receivables due from NHS bodies	4,151	4,115	4,151	4,115
Receivables due from NHS charities	-	-	848	590
Other receivables due from related parties	448	1,839	448	1,839
Provision for impaired receivables	(874)	(898)	(874)	(898)
Prepayments (non-PFI)	1,131	844	1,131	844
Accrued income	1,349	1,315	1,349	1,315
Interest receivable	7	10	7	10
PDC dividend receivable	60	-	60	-
VAT receivable	1,057	803	1,057	724
Other receivables	3,844	2,841	4,527	4,506
Trade and other receivables held by NHS charitable funds	45	1,051	-	-
Total current trade and other receivables	11,218	11,920	12,704	13,045
Non-current				
Provision for impaired receivables	(180)	(116)	(180)	(116)
Prepayments (non-PFI)	62	77	62	77
Other receivables	821	735	821	735
Total non-current trade and other receivables	703	696	703	696

Consolidation adjustments within the Group have removed the £848k Trust Receivable from its charitable fund subsidiary to settle its grants expensed in 2015/2016 (£590k in 2014/2015). The Charity subsidiary has a legacy accrual for £45k included in its accounts for 2015/2016.

Consolidation adjustment within the Group have removed intra group receivables between the Trust and its subsidiary Stepping Hill Healthcare Enterprise Limited. The Group Accounts includes £145k receivables for its Pharmacy Shop subsidiary; £137k of this being due from HMRC (£79k in 2014/2015).

Note 22.2 Provision for impairment of receivables

	Group		Trust	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
At 1 April as previously stated	1,014	755	1,014	755
Increase in provision	327	315	327	315
Amounts utilised	(146)	-	(146)	-
Unused amounts reversed	(141)	(56)	(141)	(56)
At 31 March	1,054	1,014	1,054	1,014

The Trust provision for impaired receivables includes £738k for the NHS Injury Scheme using the nationally recommended percentage rate of write down of such debts. Other impaired receivables have been reviewed on an individual basis which includes consideration of information from its debt recovery service.

There are no provisions for impaired receivables held by the Trust Charity or Stepping Hill Healthcare Enterprises Ltd.

Note 22.3 Analysis of impaired receivables

Group	31 March 2016		31 March 2015	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Ageing of non-impaired receivables past their due date				
0 - 30 days	5,625	-	6,298	-
30-60 Days	1,511	-	1,931	-
60-90 days	560	-	183	-
90- 180 days	558	-	539	-
Over 180 days	701	3,357	591	3,166
Total	8,955	3,357	9,542	3,166
Trust				
	31 March 2016		31 March 2015	
	Trade receivables £000	Other receivables £000	Trade receivables £000	Other receivables £000
Ageing of impaired receivables				
0 - 30 days	2	-	120	-
30-60 Days	2	-	-	-
60-90 days	1	-	-	-
90- 180 days	31	-	-	-
Over 180 days	280	738	296	598
Total	316	738	416	598
Ageing of non-impaired receivables past their due date				
0 - 30 days	6,580	-	6,068	-
30-60 Days	1,511	-	2,404	-
60-90 days	560	-	339	-
90- 180 days	558	-	1,266	-
Over 180 days	701	3,357	591	3,166
Total	9,910	3,357	10,668	3,166

The Trust non-impaired receivables under 30 days includes charitable funds receivables of £848k and receivables from Stepping Hill Enterprises Healthcare Limited of £540k.

Receivables aged over 180 days include the total value of NHS Injury Scheme receivables for which the Trust is awaiting the settlement of compensation claims.

Trust Receivables over 30 days old include receivables from other NHS bodies for which impaired receivables are not considered to be necessary.

Note 23.1 Non-current assets for sale and assets in disposal groups

The Trust had no assets held for sale at the 31st March 2016.

Note 24.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2015/16	2014/15	2015/16	2014/15
	£000	£000	£000	£000
At 1 April	45,669	47,391	44,607	46,559
Net change in year	(12,545)	(1,722)	(13,209)	(1,952)
At 31 March	33,124	45,669	31,398	44,607
Broken down into:				
Cash at commercial banks and in hand	1,773	1,183	117	297
Cash with the Government Banking Service	31,281	44,310	31,281	44,310
Other current investments	70	176	-	-
Total cash and cash equivalents as in SoFP	33,124	45,669	31,398	44,607
Total cash and cash equivalents as in SoCF	33,124	45,669	31,398	44,607

Analysis of Group Cash and Cash Equivalents

	2015/16	2014/15
	£000	£000
Stockport NHS Foundation Trust	31,398	44,607
Stockport NHS Foundation Trust Charitable Funds	1656	886
Stepping Hill Healthcare Enterprises Limited	70	176
	33,124	45,669

Note 24.2 Third party assets held by Stockport NHS Foundation Trust

Stockport NHS Foundation Trust held no cash or cash equivalents which relate to monies held by patients or other parties. It does, if requested, retain patient monies and belongings in sealed pouches for the duration of the individual's stay.

Note 25.1 Trade and other payables

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Current				
NHS trade payables	4,232	4,022	4,232	4,022
Amounts due to other related parties	2,914	3,898	2,914	3,898
Other trade payables	4,752	4,159	4,752	4,159
Capital payables	2,822	1,566	2,822	1,566
Social security costs	1,762	1,696	1,762	1,696
Other taxes payable	1,727	1,709	1,727	1,709
Other payables	239	201	239	201
Accruals	10,149	12,051	10,321	13,060
PDC dividend payable	-	155	-	155
Total current trade and other payables	28,597	29,457	28,769	30,466

Included in the figure for 'Amounts due to related parties' is £2.7 million outstanding pension contributions at 31 March 2016 (31 March 2015 £2.5 million), which have been settled in April 2015 in accordance with the NHS Pensions payment dates.

Consolidation adjustments by the Group have removed payables between the Trust, Charitable Fund and the Stepping Hill Healthcare Enterprises Limited subsidiaries.

The Trust and Group have no amounts in Trade payables to buy out the liability for early retirements.

Note 26 Other liabilities

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Current				
Other deferred income	1,215	1,083	1,215	1,083
Total other current liabilities	1,215	1,083	1,215	1,083
Non-current				
Other deferred income	570	569	570	569
Total other non-current liabilities	570	569	570	569

Note 27.1 Provisions for liabilities and charges analysis

Foundation Trust and Group	Current 2015/16	Current 2014/15	Non - Current 2015/16	Non - Current 2014/15
Pensions relating to other staff	163	161	2,149	2,269
Other legal claims	110	86	-	-
Restructurings	1,345	783	-	-
Redundancy	205	486	-	-
Other	1,248	655	-	-
Total	3,071	2,171	2,149	2,269

Foundation Trust and Group	Pensions - other staff £000	Other legal claims £000	Re-structurings £000	Redundancy £000	Other £000	Total £000
At 1 April 2015	2,430	86	783	486	655	4,440
Change in the discount rate	(15)	-	-	-	-	(15)
Arising during the year	25	94	1,344	206	902	2,571
Utilised during the year	(162)	(40)	(314)	(22)	(16)	(554)
Reversed unused	-	(30)	(468)	(465)	(293)	(1,256)
Unwinding of discount	34	-	-	-	-	34
At 31 March 2016	2,312	110	1,345	205	1,248	5,220
Expected timing of cash flows:						
- not later than one year;	163	110	1,345	205	1,248	3,071
- later than one year and not later than five years;	628	-	-	-	-	628
- later than five years.	1,521	-	-	-	-	1,521
Total	2,312	110	1,345	205	1,248	5,220

The provision for 'Pensions relating to other staff' is for the reimbursement of injury benefit allowances to the NHS Pensions Agency.

The provision for 'Legal Claims' provides for the Liability to Third Parties Schemes (LTPS) and Public & Employers Liability Scheme (PES). This provision covers the excess amount payable by the Trust and not the full liability of claims which are covered by the NHSLA under the non-clinical risk pooling scheme.

The provisions for 'Restructurings' and 'Redundancy' include costs associated with the workforce elements of the Trust's future plans. Examples of this include the provision for the current phases of the Mutually Agreed Voluntary Resignation Scheme (MARS) and other staff exit costs.

Within other provisions the Trust has provided for costs for legal costs and provisions for at risk income for penalties from commissioners.

Note 27.2 Clinical negligence liabilities

At 31 March 2016, £87,475k was included in provisions of the NHSLA in respect of clinical negligence liabilities of Stockport NHS Foundation Trust (31 March 2015: £41,633k).

Note 28 Contingent assets and liabilities

	Group		Trust	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Litigation Authority legal claims	(68)	(62)	(68)	(62)
Gross value of contingent liabilities	(68)	(62)	(68)	(62)
Amounts recoverable against liabilities	-	-	-	-
Net value of contingent liabilities	(68)	(62)	(68)	(62)

The above contingent liability is the liability related to the Liability to Third Parties Schemes and Public and Employer Liability (PES) and is supplied by the NHS Litigation Authority along with its associated provision at Note 27.1.

Note 29 Contractual capital commitments

	Group		Trust	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	£000	£000	£000	£000
Property, plant and equipment	3,244	16,152	3,244	16,152
Intangible assets	7,026	-	7,026	-
Total	10,270	16,152	10,270	16,152

The Trust continues to have capital commitments to complete the new Surgical Centre due to open in October 2016. This will create a facility with new surgical wards, a new surgical assessment unit and four new operating theatres. The build is a Procure +21 scheme and has a guaranteed maximum price of £17.7 million at the 31st March 2016 with an outstanding commitment of £3 million.

The Trust signed a contract in December 2015 for the provision of an Electronic Patients Record system with Intersystems Corporation. This is for a period of ten years from an effective date of the 1st June 2016 and is expected to take two years to implement across the Trust. Capital commitments included within this contract are £7 million. The Trust has made an initial payment of £431k against this sum. This is shown in the accounts as an intangible asset under construction.

Commitments arising from this contract are as follow:

	Trust £000
Software	7,000
Support and maintenance	10,000
Finance Charges	1,000
	18,000

Note 30 Finance leases

The Trust had no finance leases at the 31st March 2016.

Note 31 Borrowings

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Current				
Loans from the Independent Trust Financing Facility	1,431	1,071	1,431	1,071
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	27	26	27	26
Total current borrowings	1,458	1,097	1,458	1,097
Non-current				
Loans from the Independent Trust Financing Facility	23,246	15,677	23,246	15,677
Obligations under PFI, LIFT or other service concession contracts	382	409	382	409
Total non-current borrowings	23,628	16,086	23,628	16,086

In 2015/2016 the Trust received an additional loan of £9 million towards the construction of the new Surgical Centre. The Trust now has three individual loans with the Independent Trust Financing Facility; all having being received for capital purposes.

Note 32 On-SoFP PFI, LIFT or other service concession arrangements

Under IFRIC 12 the Trust recognises a service concession arrangement with Alliance Medical for the provision of a building to perform MRI scanning services.

Note 32.1 Imputed finance lease obligations

The Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Gross PFI, LIFT or other service concession liabilities	503	542	503	542
Of which liabilities are due				
- not later than one year;	40	40	40	40
- later than one year and not later than five years;	161	160	161	160
- later than five years.	302	342	302	342
Finance charges allocated to future periods	(94)	(107)	(94)	(107)
Net PFI, LIFT or other service concession arrangement obligation	409	435	409	435
- not later than one year;	27	26	27	26
- later than one year and not later than five years;	118	114	118	114
- later than five years.	264	295	264	295

Note 32.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

The Trust's total future obligations under these on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	16,978	11,323	16,978	11,323
Of which liabilities are due				
- not later than one year;	1,306	871	1,306	871
- later than one year and not later than five years;	5,224	3,484	5,224	3,484
- later than five years.	10,448	6,968	10,448	6,968

Note 32.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the Trust's expenditure in 2015/16:

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
Unitary payment payable to service concession operator	901	911	901	911
Consisting of:				
- Interest charge	14	15	14	15
- Repayment of finance lease liability	27	25	27	25
- Service element	860	871	860	871
Total amount paid to service concession operator	901	911	901	911

Note 33 Financial instruments**Note 33.1 Financial risk management**

IFRS 7 Financial Instruments Disclosure requires declaration of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. Stockport NHS Foundation Trust has powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities.

Liquidity risk

Stockport NHS Foundation Trust receives its income from annually agreed contracts with local Clinical Commissioning Groups, NHS England and Local Authorities and in accordance with the Payments by Results regime which is intended to match the income received in year to actual activity delivered by reference to the 2014/15 National Tariff procedure costs. The Trust receives cash each month based on annually agreed level of contract activity and there are quarterly payments or repayments made to adjust for performance against planned activity

The Trust finances its capital expenditure from internally generated funds or funds made available from the Department of Health as Public Dividend Capital. The Trust has also borrowed commercially from the Department of Health NHS Financing Facility within approved borrowing limits to finance strategic capital schemes.

Note 33 Financial instruments

Note 33.1 Financial risk management

Liquidity risk

Stockport NHS Foundation Trust has in place a Treasury Management Policy that covers the short-term investment of surplus operating cash. It provides a clearly defined risk management framework and was developed with reference to best practice guidance issued by Monitor, the Independent Regulator. This policy ensures the efficient management of liquidity and financial risk. Due to the changes in 2013/2014 in the calculation of the annual PDC dividend the Trust no longer engages currently in short term money market investments and retains its surplus cash for interest receivable within the Government Banking Service.

At the 31 March 2016 the Trust's cash balances were held solely in its Government Banking Services bank accounts and Barclay's current accounts as per note 24. Stockport NHS Foundation Trust is, therefore, not exposed to significant liquidity risk.

Market and Interest Rate Risk

At the 31 March 2016 the Trust's financial liabilities carried either nil or fixed rates of interest. The Trust's financial assets relate to loans and receivables and its cash balances held within its Government Banking Service bank accounts and commercial current account. Interest on cash balances are set by HM Treasury through the Royal Bank of Scotland. Stockport NHS Foundation Trust is not, therefore, exposed to significant interest rate risk.

Credit Risk

As the Trust receives most of its income from its commissioners based on annual contracts adjusted quarterly. It operates a robust debt management policy and, where necessary, provides for the risk of particular debts not being discharged by the applicable party. Stockport NHS Foundation Trust is, therefore, not exposed to significant credit risk.

Foreign Currency Risk

The Trust has negligible foreign currency income or expenditure.

Charitable Funds

The Group accounts include the financial statements of the Stockport NHS Charitable Fund. The charitable fund places its short term cash in bank accounts with the Trust's commercial bank, Barclays PLC.

The Charity invests monies of £2 million for longer term investment with CCLA Investment Management Ltd. It holds two common investment funds in fixed interest and equity funds of £1.34 million and one cash deposit account holding £0.9 million. The Charity receives quarterly updates on the performance of its investments and allocates gains and losses when realised to its charitable funds. This policy is reviewed on an annual basis to mitigate for any possible market losses on the valuation of its equity common investment fund.

Stepping Hill Healthcare Enterprises Limited

The Group accounts include the financial statements of its trading subsidiary, Stepping Hill Healthcare Enterprises Limited. The subsidiary holds its cash with the Trust commercial banker, Barclays PLC, in a separate bank account. Its income is predominately with the parent and it currently purchases drugs for its dispensing services using the Trust Pharmacy as its wholesale supplier. It is not considered, therefore, to have market or liquidity risks.

Note 33.2 Financial assets

Group	Loans and receivables £000	Total £000
Assets as per SoFP as at 31 March 2016		
Embedded derivatives	-	
Trade and other receivables excluding non financial assets	10,270	10,270
Cash and cash equivalents at bank and in hand	31,468	31,468
Financial assets held in NHS charitable funds	2,991	2,991
Total at 31 March 2016	44,729	44,729

Group	Loans and receivables	Total
Assets as per SoFP as at 31 March 2015		
Trade and other receivables excluding non financial assets	9,841	9,841
Cash and cash equivalents at bank and in hand	44,783	44,783
Financial assets held in NHS charitable funds	3,277	3,277
Total at 31 March 2015	57,901	57,901

Trust	Loans and receivables £000	Total £000
Assets as per SoFP as at 31 March 2016		
Trade and other receivables excluding non financial assets	11,157	11,157
Cash and cash equivalents at bank and in hand	31,398	31,398
Total at 31 March 2016	42,555	42,555

Trust	Loans and receivables £000	Total £000
Assets as per SoFP as at 31 March 2015		
Trade and other receivables excluding non financial assets	12,017	12,017
Cash and cash equivalents at bank and in hand	44,607	44,607
Total at 31 March 2015	56,624	56,624

Note 33.3 Financial liabilities

Group	Other financial liabilities £000	Total £000
Liabilities as per SoFP as at 31 March 2016		
Borrowings excluding finance lease and PFI liabilities	24,677	24,677
Obligations under PFI, LIFT and other service concession contracts	409	409
Trade and other payables excluding non financial liabilities	25,108	25,108
Provisions under contract	3,130	3,130
Total at 31 March 2016	53,324	53,324

Group	Other financial liabilities £000	Total £000
Liabilities as per SoFP as at 31 March 2015		
Borrowings excluding finance lease and PFI liabilities	16,748	16,748
contracts	435	435
Trade and other payables excluding non financial liabilities	26,052	26,052
Provisions under contract	2,653	2,653
Total at 31 March 2016	45,888	45,888

Trust	Other financial liabilities £000	Total £000
Liabilities as per SoFP as at 31 March 2016		
Borrowings excluding finance lease and PFI liabilities	24,677	24,677
contracts	409	409
Trade and other payables excluding non financial liabilities	25,280	25,280
Provisions under contract	3,130	3,130
Total at 31 March 2016	53,496	53,496

Trust	Other financial liabilities £000	Total £000
Liabilities as per SoFP as at 31 March 2015		
Borrowings excluding finance lease and PFI liabilities	16,748	16,748
contracts	435	435
Trade and other payables excluding non financial liabilities	27,060	27,060
Provisions under contract	2,653	2,653
Total at 31 March 2016	46,896	46,896

Note 33.4 Maturity of financial liabilities

	Group		Trust	
	31 March 2016 £000	31 March 2015 £000	31 March 2016 £000	31 March 2015 £000
In one year or less	29,921	30,209	29,868	31,217
In more than one year but not more than two years	1,431	1,071	1,431	1,071
In more than two years but not more than five years	4,411	3,213	4,411	3,213
In more than five years	17,786	11,395	17,786	11,395
Total	53,549	45,888	53,496	46,896

Note 33.5 Fair values of financial assets at 31 March 2016

	Group		Trust	
	Book Value £000	Fair Value £000	Value £000	Fair Value £000
Other investments				
Other	641	641	641	641
Non-current financial assets held in NHS charitable funds	1,175	1,289		
Total	1,816	1,930	641	641

Note 33.6 Fair values of financial liabilities at 31 March 2016

	Group		Trust	
	Book Value £000	Fair Value £000	Value £000	Fair Value £000
Provisions under contract	3,130	3,130	3,130	3,130
Loans	23,246	23,246	23,246	23,246
Total	26,376	26,376	26,376	26,376

Note 34 Losses and special payments

There were 58 cases of losses and special payments totalling £23,000 during 2015/2016 (69 cases totalling £49,000 in 2014/2015). The majority of losses and special payments made in 2015/2016 related to payments negligence following legal advice (excluding claims made by the NHS Litigation Authority (£14k) write down for bad debts and claims abandoned (£5k) and ex-gratia payments for loss of personal effects (£3k).

Note 35 Events after the Reporting Period at 31 March 2016

On the 1st April 2016 Tameside Community Services, formerly managed by the Trust, were transferred to Tameside Hospital NHS Foundation Trust. There are 738 staff transferring with the service at a contract value of £25.6 million.

Note 36 Related parties

Stockport NHS Foundation Trust is a body corporate authorised by Monitor, the Independent Regulator of NHS Foundation Trusts, in exercise of the powers conferred by the National Health Service Act 2006.

During the year none of the Board of Directors or members of the key management staff or parties related to them has undertaken any material transactions with Stockport NHS Foundation Trust.

The Trust has 28 members of the Council of Governors; 24 representing public and staff and a further 4 appointed by partner organisations. None of the Council of Governors or parties related to them has undertaken any material transactions with Stockport NHS Foundation Trust.

Note 36.1 Related parties - Key Bodies

The Trust and Group's related parties include all Whole of Government bodies as defined by the Treasury of whom it's key transactions are with the following bodies:

Foundation Trust and Group	Receivables		Payables	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	£000	£000	£000	£000
Stockport CCG	-	-	(500)	(458)
North Derbyshire CCG	82	74	-	-
Eastern Cheshire CCG	471	-	-	(79)
Tameside & Glossop CCG	173	-	(479)	(146)
Stockport MBC	390	1,734	(246)	(314)
Total	1,116	1,808	(1,225)	(997)

Foundation Trust and Group	Income		Expenditure	
	2015/16	2014/15	2015/16	2014/15
	£000	£000	£000	£000
	£000	£000	£000	£000
Stockport CCG	165,966	165,357	(69)	(333)
North Derbyshire CCG	21,950	21,176	-	-
Eastern Cheshire CCG	11,438	10,270	-	-
Tameside & Glossop CCG	35,984	34,514	(1,596)	(2,095)
Stockport MBC	10,221	8,507	(200)	(1,415)
Tameside MBC	4,682	3,593	(827)	(836)
	250,241	243,417	(2,692)	(4,679)

Note 37 Stockport NHS Charitable Funds

In preparing consolidated accounts the Group includes financial statements incorporating Stockport NHS Foundation Trust and its associated charitable fund, Stockport NHS Charitable Fund. This is a registered Charity with the Charity Commission under the registration number 1048861. The Charity is an umbrella Charity split between one unrestricted fund, one endowment fund and 15 restricted funds. The objects of the Charity, as set out in its governing document are:

- To provide funds for any charitable purpose, or purposes relating to the National Health Service;
- For the relief of sickness by promoting the efficient performance of their duties by staff;
- For the relief of patients treated by Stockport NHS Foundation Trust;
- For any charitable purpose which will further the aim of advancing scientific or medical research;
- To support staff training, development and improvement of staff welfare.

The financial statements for Stockport NHS Charitable Funds are prepared under UK GAAP before consolidation adjustments and are due for submission to the Charity Commission by the 31st January 2017. The following Statement of Financial Activities and Balance Sheet for 2015/2016 are estimated at the 31st March 2016 to be consolidated into Group numbers.

Note Stockport NHS Charitable Fund Statement of Financial Activities for the year ended 31st March 2015

	2015/16 £000	2014/15
Incoming Resources	297	1,277
Sub-total voluntary income	297	1277
Investment Income	55	54
Total incoming resources	352	1331
Resources Expended	(848)	(266)
Total resources expended	(848)	(266)
Net (outgoing)/incoming resources before other recognised gains and losses	(496)	1,065
Unrealised Gains on investments assets	(51)	116
Net Movement in Funds	(547)	1,181

The Charity has accrued a £42,000 legacy (£1.05 million in 2014/2015) which it is due to receive in 2016/2017.

Note 38 Stockport NHS Charitable Funds Balance Sheet at the 31st March 2016

Balance Sheet for the year ended 31 March 2016

	31st March 2016 £000	31st March 2015 £000
Fixed Assets		
Investments	1,289	1,340
Total Fixed Assets	1,289	1,340
Current Assets		
Debtors	46	1,054
Short term investments and deposits	937	882
Cast at bank and in hand	719	4
Total Current Assets	1,702	1940
Creditors falling due within one year	(849)	(591)
Total Net Assets	2,142	2,689
Funds of the Charity		
Endowment Fund	10	10
Unrestricted Fund	219	250
Restricted Fund	1,913	2,429
Total Funds	2,142	2,689

Note 39 Stepping Hill Healthcare Enterprises Limited

On the 16th September 2014 the Trust formally registered its subsidiary company, Stepping Hill Healthcare Enterprises Limited. The subsidiary started trading in November 2014 in newly refurbished premises and trades under the name 'The Pharmacy Shop.' It provides an improved service to the Trust's patients by dispensing outpatient prescriptions faster than previously with improved advice. In addition it provides retail Pharmacy drugs and goods to the staff, patients and visitors to Stockport NHS Foundation Trust.

The subsidiary company's accounting period end is eighteen months to the 31st March 2016 of which twelve months for 2015/2016 are consolidated in line with the accounting period of the Trust and its other subsidiary, Stockport NHS Foundation Trust General Fund. The Group Accounts have been prepared with estimated financial results for Stepping Hill Healthcare Enterprises Limited.

Profit and Loss Account for the year ended 31st March 2016		31st March 2016	31st March 2015
		£000	£000
Operating Income		2,837	1,067
Operating expenses		(2,844)	(1,290)
Operating Deficit		(7)	(223)

Statement of Financial Position for the year ended 31 March 2016		31st March 2016	31st March 2015
		£000	£000
Current Assets			
Inventories		211	222
Receivables		373	1,116
Cast at bank and in hand		70	176
Total Current Assets		654	1,514
Creditors falling due within one year		(808)	(1,632)
Total assets less current liabilities		(154)	(118)
Non-current liabilities			
Other liabilities		(76)	(105)
Total assets employed		(230)	(223)
Reserves			
Income and Expenditure Reserve		(230)	(223)
		(230)	(223)

