

Towards Outstanding

Our journey continues

NHS

North Staffordshire
Combined Healthcare
NHS Trust



Keele
UNIVERSITY
TEACHING TRUST

**Annual Report and
Accounts 2017/18**

Towards Outstanding

North Staffordshire Combined Healthcare NHS Trust is a leading provider of mental health, social care, learning disability and substance misuse services in the West Midlands.

We are on an ambitious journey to deliver our vision **to be outstanding - in all we do and how we do it.**

We were delighted to have all of our services rated this year by the CQC as 'Good' or 'Outstanding' - making us the

best rated mental health trust across the whole of the Midlands and East of England and third highest in the whole country - only 1 of 3 with every service rated at least Good and at least two Outstanding.

This Annual Report explains what we do and how we work, the major improvements we've made this year, the people who've delivered them, and our ambitions and partnerships for the future.



What's in this Report?

WHAT WE DO, HOW WE DO IT - OUR PERFORMANCE REPORT

Overview

Towards Outstanding - at a glance	5-7
Chair and Chief Executive's statement	8-9
About us	11
Our vision, values, strategy and objectives	12-13
How we provide care	15-21

Performance Analysis

How we measure performance	22
How we performed	23-28
Our awards	29-32
Key achievements by directorate	33-36
Financial review	37
Our digital strategy - Digital by Choice	39
Our people	40-43
Workforce diversity and inclusion	44-46
Our partnerships	47
Our service users and carers	48-49
Our research and development	50-51
Our estate	52-54
Sustainability and climate	55

HOW WE ARE LED AND GOVERNED - OUR ACCOUNTABILITY REPORT

Directors' Report

Our Board	56-61
Our committees	62
Statement of the Chief Executive's responsibilities	63
Statement of the Directors' responsibilities	64
Governance Statement	65-77

Remuneration and staff report

78-84

Independent Auditor's Report to the Directors of North Staffordshire Combined Healthcare

85-87

NHS Trust

FINANCIAL STATEMENTS AND ACCOUNTS

88-144

OUR QUALITY ACCOUNT IS AVAILABLE AT www.combined.nhs.uk



WHAT WE DO, HOW WE DO IT OUR PERFORMANCE REPORT

Towards Outstanding - at a glance

Our ambitious journey continues - to be outstanding in all we do and how we do it. Here are some of the highlights of how we're doing.

Good

Officially the best CQC rated mental health trust across the whole of the Midlands and East of England, 1 of only 3 with every service rated at least Good and at least two Outstanding



19th consecutive year of achieving financial surplus - making us one of the top financial performers in the region

Every one of our services rated as either 'Good' or 'Outstanding'



Chosen by the CQC as a national mental health exemplar, with our Community CAMHS services highlighted in regional report



Praised by our service users for our commitment to partnership in involving them in deciding our priorities and making our appointments



NHS Staff Survey shows 91% of staff believe the organisation provides equal opportunities for career progression or promotion



Fantastic record of winning awards, nominations and accolades throughout the year from health, care and research publications and organisations



Helping drive a new alliance of health and care providers to lead and transform NHS and council-led care services



TOGETHER
WE'RE BETTER



Driving transformation of services across Staffordshire and Stoke-on-Trent in leadership roles in the 'Together We're Better' Sustainability and Transformation Partnership

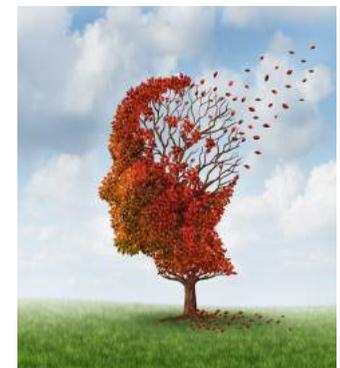


Rapid Assessment, Interface and Discharge (RAID) Team expanded to provide a 24/7 service to meet mental health needs at Royal Stoke Hospital

CAMHS Community and Crisis Teams transformed from Requires Improvement to every CQC domain rated Good in just two years



Dementia diagnostic rate for people aged over 65 living in Stoke-on-Trent is highest in the West Midlands during the year covered by this Annual Report

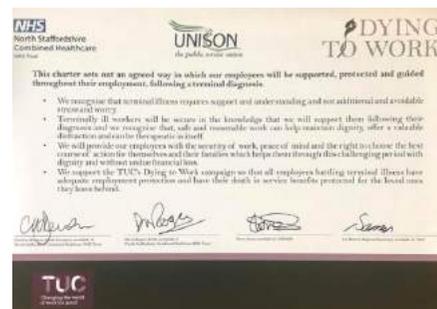


New 'Integrated Long Term Condition Service' for people with a long-term physical health condition launched by Healthy Minds Stoke-on-Trent Improving Access to Psychological Therapies team



New mental health and wellbeing strategy launched in partnership with schools across Stoke-on-Trent

Proud to be the first mental health trust in the country to sign up to the TUC Dying to Work Charter



Launched the Tony Scott New Beginnings Garden - a pleasant and calm place for patients, visitors and staff to sit, contemplate, meet and enjoy peaceful surroundings





Among the very best performers in the country in Patient Led Assessment of the Care Environment (PLACE) results



Biggest ever REACH staff awards, recognising staff achievements and contribution, with over 300 nominations from fellow staff and service users

Launched the Combined Nursing Badge to recognise those Leading Change, Adding Value through nurse leadership and compassionate care



Part of the award-winning Meir Partnership Care Hub - bringing together and co-locating health, social care and community practitioners



Proud to be called a Keele University Teaching Trust - with highest conversion rates to psychiatry training of any medical school in England



Accreditation secured from the RCP Memory Services National Accreditation Programme - the premier and highly prestigious kite mark for quality of care in memory clinics

Launched BAME staff network to support staff and service users, empowered to champion and deliver change, supported by Yvonne Coghill, NHS England Director of Workforce Race Equality Standard at NHS England



Average length of stay for new learning disability admissions cut by 60%



Chair and Chief Executive's statement

Welcome to our Annual Report for the year 2017/18. And what a year it has been.

A year that saw our journey towards outstanding continue and pick up pace significantly.

For the first time in the Trust's history - the CQC rated every Combined Service as "Good" or "Outstanding".

The results mean that Combined Healthcare is the best rated mental health trust across the whole of the Midlands and East of England and third highest in the whole country - 1 of only 3 with every core service rated at least Good and at least two Outstanding.

To be able to continue to improve upon last year's fantastic results - described by CQC at the time as the fastest improving mental health trust in the country - has been something quite remarkable. It is a tribute to the continuing sheer determination, talent, dedication and ability of our fantastic staff.

We are also delighted that the CQC rated our Community CAMHS services as "Good" and our Adult Rehab services as "Outstanding".

But we are not complacent and we want our journey of improvement to continue. We will be continuing our quality strategy to deliver Safe, Personalised, Accessible and Recovery focused services based on integrated locality working across North Staffordshire and Stoke-on-Trent.

These latest inspection results come on top of our Community CAMHS Team being spotlighted in the latest edition of the CQC regional publication highlighting great practice and innovation. We are also proud that we have been chosen by the CQC as a mental health exemplar and will be delighted to share our journey of improvement with other organisations.

A year that saw us further develop our leadership role within the Staffordshire and Stoke-on-Trent "Together We're Better" sustainability and transformation partnership (STP) - leading workstreams on System Leadership, Mental Health and Digital, chairing the North Staffordshire and leading the CQC Stoke-on-Trent system improvement plan. Our Director of Finance (DOF) is also the DOF for the STP and our communications team have provided a manager to support the STP.

A year when our staff and our teams won unprecedented numbers of national, regional and professional awards and accolades for their talent, delivery and service.

A year when we were proud to welcome national leaders from across the healthcare, political and voluntary sectors to our Trust - including becoming the first mental health trust in England to host the regional meeting of the NHS Executive, chaired by its Chief Executive Simon Stevens and including the Nursing Director for England, Jane Cummings, and Medical Director for England, Sir Bruce Keogh.



A year when our vision for integrated health and care transformation and innovation - based on Alliance Boards like the North Staffordshire and Stoke on Trent Alliance - was adopted as the model to follow across Staffordshire and Stoke-on-Trent. And when we began the transformation of our own operations, directorates and teams, based upon locality-based working.

A year when we delivered national and regional leading results and outcomes, including during the year the best IAPT recovery rates in England, the highest dementia diagnosis rates in the West Midlands, a national leading mental health and wellbeing strategy in partnership with local schools, some of the best results in the country for PLACE scores, and the highest conversion rates to psychiatry training of any medical school in England.

A year when we developed new services and new facilities, including expanding our RAID service to become 24/7, a new Integrated Long-Term Condition Service for people with long-term physical health conditions - and completing the build of a multi-million pound, state-of-the-art Psychiatric Intensive Care Unit.

All of this delivered against the backdrop of our 19th consecutive year of achieving financial surplus - making us one of the top financial performers in the region.

Caroline Donovan
Chief Executive

Partnerships are at the heart of what we do and how we do it. Almost everything we deliver is done in partnership with other health and care colleagues, with local government or with the voluntary sector. We don't just talk about partnership, we make it happen.

At the heart of Combined Healthcare is its wonderful staff. We are proud to employ the very best health and social care staff. A large part of our year has been spent developing our programmes and structures for attracting, retaining, developing and rewarding those who choose to spend their working life with us. This has included recruiting some first rate new appointments to our Executive Team.

We hope you enjoy reading this Annual Report. It really has been a remarkable continuing journey towards outstanding. But we're not stopping here. Our vision is to become outstanding in all we do and how we do it.

David Rogers
Chair

Towards Outstanding

The journey continues...

Combined Healthcare CQC Service Ratings		
	2015	2017
Adult Inpatient	Requires Improvement	Good
CAMHS Community	Inadequate	Good
CAMHS Wards	Requires Improvement	Good
Adult Community	Requires Improvement	Good
Crisis	Inadequate	Good
Community LD	Good	Good
LD Inpatient	Good	Good
Rehab	Requires Improvement	Outstanding
OP Community	Good	Outstanding
OP Inpatient	Good	Good
Substance Misuse	Requires Improvement	Good
Overall	Requires Improvement	Good

The best CQC rated mental health trust across the whole of the Midlands and East of England

About us

North Staffordshire Combined Healthcare NHS Trust was established in 1994 and provides mental health and learning disability care to people predominantly living in the city of Stoke-on-Trent and in North Staffordshire. The Trust is one of the main providers of mental health, social care and learning disability services in the West Midlands.

We currently work from both hospital and community-based premises, operating from approximately 30 sites to approximately 464,000 people of all ages and diverse backgrounds in Stoke-on-Trent and across North Staffordshire. Our main site is Harplands Hospital, which opened in 2001 and provides the setting for most of our inpatient units.

We provide services to people with a wide range of mental health and learning disability needs. Sometimes our service users need to spend time in hospital, but much more often we are able to provide care in community settings and in people's own homes.

We also provide specialist mental health services such as child and adolescent mental health services (CAMHS), substance misuse services and psychological therapies, plus a range of clinical and non-clinical services to support University Hospitals of North Midlands NHS Trust (UHNM).

The Trust has a range of formal and informal mechanisms in place to facilitate effective working with key partners across the local economy. These include participation in partnership boards which bring together health, social care, independent and voluntary sector organisations in the City of Stoke on Trent and the County of Staffordshire.

We work with local doctors and other health and care professionals, including the North Staffordshire GP Federation to help develop and support exciting new initiatives like the North Staffordshire and Stoke-on-Trent Alliance, as part of an overall strategy to transform the quality and delivery of local care. The partners in the Alliance are:

- North Staffordshire GP Federation
- Staffordshire and Stoke-on-Trent Partnership NHS Trust
- North Staffordshire Combined Healthcare NHS Trust
- Stoke-on-Trent Healthwatch
- Stoke-on-Trent City Council
- University Hospitals of North Midlands NHS Trust
- North Staffordshire & Stoke-on-Trent Clinical Commissioning Groups
- Vocare/SDUC
- Elected Voluntary Sector Representatives from Stoke-on-Trent, Newcastle-under-Lyme and Staffordshire Moorlands
- VAST
- Keele University

We help drive improvements across the wider health and care economy, through our leadership roles in the Staffordshire and Stoke-on-Trent Sustainability and Transformation Plan - Together We're Better.

We work closely with agencies that support people with mental health problems, such as North Staffs Voice for Mental Health, ADS, Approach, ASIST, Brighter Futures, Changes, EngAGE, North Staffordshire Huntington's Disease Association, North Staffs Mind, North Staffs Carers Association, Reach and the Beth Johnson Association.

The Trust has a team of around 1,277 average whole time equivalents (WTE) staff.

In 2017/18, for the 19th consecutive year, we achieved a financial surplus - of £3.68m against an income of £85.1m.

In February 2018, we were delighted that the CQC rated every Combined Service as "Good" or "Outstanding". The Trust's overall rating is "Good, with a "Good" rating for the domains of Effective, Caring, Responsive and Well-Led and "Requires Improvement" for Safe.

The results mean that Combined Healthcare is the best rated mental health trust across the whole of the Midlands and East of England and third highest in the whole country - one of only three with every service rated at least Good and at least two Outstanding.

We look to involve our service users in everything we do, from providing feedback about the services we provide, to helping shape our priorities, to helping us find the right people to work for and with us. This work is co-ordinated by our Service User and Carer Council.



Our vision, values, strategy and objectives

The Trust's core purpose is to improve the mental health and wellbeing of our local population, some 464,000 people living across North Staffordshire and Stoke-on-Trent. Our strategic aim, as one of the main providers of care, is to deliver an evidence-based model of care, which is appropriate to our service user needs and focuses on wellbeing and on-going recovery. We strive to be recognised as a centre of excellence in both integrated and specialist care, bringing innovative solutions to the services we deliver and the strategies we develop, embedding a culture of continuous learning across our organisation, and supporting and inspiring others.

This is reflected in our vision, values and objectives. These guide not only how we deliver our services on a day-to-day basis, but also how we support and develop our people and our own organisation, how we manage and develop our partnerships and relationships with our service users, carers and families, as well as our external stakeholders across the local health and care economy.

Our vision and values

Our vision is **"To be Outstanding"** - in all we do and how we do it. We are on a continuing journey towards that vision that we call "Towards Outstanding".

Our vision is underpinned by our SPAR quality priorities - to provide services that are **safe**, **personalised**, **accessible** and **recovery-focused**. These guide all we do and are the benchmark against which we judge how we perform.

In delivering those services - as well as in all of our working relationships with service users, carers, families, stakeholders and each other, we are guided by our Proud to CARE values - to be **compassionate**, **approachable**, **responsible** and **excellent**.

Our strategy

We plan for the next five years (longer-term direction of travel), two years (medium-term priorities) and one year (key activities within any given financial year).

Our five-year strategy informs and is informed by the pan-Staffordshire Sustainability and Transformation Partnership (STP).

We support the STP's objectives of:

- Focused prevention
- Enhanced primary and community care
- Effective and efficient planned care
- Simplified urgent and emergency care
- Reduced cost of services.



Towards Outstanding

The journey continues...



**Clinical nurse leadership -
Leading change, adding value**

How we provide care

Over the period covered by this Annual Report - April 2017 to March 2018 - six clinical directorates ensured the effective running of our services.

Each directorate was led by a Clinical Director who provides clinical leadership, and a Head of Directorate responsible for its management.

These six directorates are:

- Adult Mental Health Inpatient
- Adult Mental Health Community
- Substance Misuse
- Neuro and Old Age Psychiatry
- Learning Disabilities
- Children and Young People

Over the next few pages, we set out details of each of these directorates, its leadership, the services it provided and where and who is eligible for each service.

This Annual Report also sets out our plans to move to a new locality-based structure during 2018-19.

The Annual Report for the financial year 2018-19 will contain full details of the new structure. In the meantime, information on the new structures and services can be found via our website at www.combined.nhs.uk.



Adult Mental Health Inpatient
Clinical Director - Carol Sylvester
Head of Directorate - Natalie Larvin

The service provides care for adults aged between 18 and 65 who have had an assessment which determines they need inpatient psychiatric care. Patients are admitted on a voluntary basis or on a Section of the Mental Health Act (1983) where this is deemed necessary.

The directorate covers Wards 1, 2 and 3 at Harplands Hospital and two rehabilitation wards – Summers View and Florence House.

Ward 1 is a mixed-sex ward that has 14 beds, Ward 2 is a male ward with 22 beds and Ward 3 is a female ward with 22 beds. We have completed construction on a new purpose-built Psychiatric Intensive Care Unit (PICU). The wards link into community-based services in the Integrated Community Mental Health Resource Centres based across Stoke-on-Trent and North Staffordshire.

Florence House is an eight-bed mixed gender rehabilitation unit for those needing support to self-manage. Similarly to Summers View, we measure progress but support is focused more on accessing community resources. Florence House works in close partnership with a number of supported housing projects, enabling people to leave within 12 months and has close links with our employment service, helping people return to work.

Summers View is a 10-bed mixed gender unit offering intense rehabilitation for people who have complex needs. The service offers help for up to two years and is generally designed for people who have needed low secure accommodation or specialised services in the past and are seeking a less supported environment.

The team offers a multi-disciplinary approach, monitoring progress, identifying change and setting goals. Service users have access to occupational therapy and a psychologist who are integrated members of the team. Both services enable people to move to less supportive care, where appropriate, or increased support if their mental health deteriorates.

Our staff work closely with the Access Team and the Acute Home Treatment Team, as well as with other therapy teams based within the hospital to support people in their recovery.

The Acute Home Treatment Team and staff from the community-based teams visit the wards on a regular basis to assist people in their discharge from hospital.

Home treatment is considered prior to inpatient care. With our community teams, we ensure that patients who are admitted to Harplands Hospital are returned home as soon as possible, supporting the Trust's recovery-focussed approach.

We also provide electroconvulsive therapy (ECT) treatment from our ECT Clinic.

Our philosophy is to provide compassionate recovery-focused care. We work closely with the Adult Mental Health Community Directorate to ensure that patients are treated in the least restrictive environment possible.



Adult Mental Health Community
Clinical Director - Dr Dennis Okolo
Head of Directorate - Sam Mortimer

Our integrated health and social care Access Crisis and Home Treatment Team operates 24/7 providing advice, assessment and short-term support. It provides crisis support including an out-of-hours service to CAMHS, Community Mental Health Teams, Learning Disability service and Older People's services and gatekeeps adult acute inpatient beds. The Access Team is the Trust's first point of contact and offers an open referral system.

Our in-reach workers link inpatient care and community care, supporting early facilitated discharge for service users by intensively supporting them in their own environments. Four integrated Community Mental Health Teams, two in Stoke-on-Trent and two in North Staffordshire provide interventions for people with complex health and social care needs and carers to promote recovery and social inclusion in line with the requirements of the Care Act.

Our Criminal Justice Mental Health Team works with frontline police officers to provide support to courts involving people with a mental health issue. It promotes service user engagement with health, social care and third sector services, assisting offending reduction. The Growthpoint and Kniveden Partnership service offers training in horticulture and practical skills, supporting people back into employment by building confidence and self-esteem and promotes a recovery-focused approach through pottery and other craft work.

Our Stoke-on-Trent community day services provide a range of social support groups, including women-only and men-only groups, delivered in partnership with Brighter Futures. The Mental Health Carers Team delivers specialist assessments to carers with complex needs, and support packages in partnership with Making Space, a weekly carers' support group and Carers' Hub. The Resettlement and Review Team monitors and reviews people in funded-care placements in residential and nursing homes. It provides supported accommodation on site in collaboration with Brighter Futures in community settings.

We are network lead for partners in improving access to psychological therapies in Stoke-on-Trent and North Staffordshire. Healthy Minds provides evidenced-based treatments for people over 18 with mild to moderate common mental health difficulties including anxiety and depression. The service is provided in partnership with North Staffs Mind and Changes. The North Staffordshire Wellbeing Service provides psychological therapies for common mental health problems for people living in North Staffs aged 16 and over.

The Parent and Baby Day Service specialises in early detection, assessment and treatment of mental health issues associated with pregnancy and up to the first year of childbirth. It also assists in the management of pre-existing mental health difficulties through the antenatal and postnatal period. It is open to mothers aged 16 and over from 20 weeks before birth and up to 12 months after birth.

The Early Intervention in Psychosis service offers assessment and support for people who have been identified as developing a first episode of psychosis, aiming to improve the life chances of those affected. The Approved Mental Health Professionals and Best Interest Assessor team carry out assessments under the Mental Health and Deprivation of Liberty Safeguards Acts on behalf of the City Council.

The Hillcrest service provides a drop-in facility in collaboration with Brighter Futures and a night service for those requiring support and advice. The Hillcrest step down beds enable service users to be discharged for an acute hospital bed, supported by health and social care in a safe supported community setting.

Our High Volume Users Service assertively supports service users who have such intensive and complex problems that they find themselves as high users of the emergency services; our aim is to reduce the dependency upon these services through support and education. The Community Triage team works closely with the police to support people who are in mental distress in a public place. The service operates between the hours of 23.00hrs and 04.00hrs. Our Step On service provides assistance and enablement to people on their journey back into employment.



Substance Misuse

Clinical Director - Dr Derrett Watts

Head of Directorate - Darren Bowyer

The directorate provides services in the local community and in hospital for people wishing to recover from the misuse of alcohol and drugs.

The 14-bed Edward Myers inpatient unit provides specialist Tier 4 inpatient services for clients across the whole of Staffordshire and Stoke-on-Trent, but also extends beyond our traditional boundaries and includes work for other areas including the Wirral, Wolverhampton, Manchester and Telford. The Unit offers 24-hour residential detoxification and stabilisation facilities for clients who are too complex for treatment within the community setting. The service provided is consultant-led with qualified medical and nursing staff specialising in substance misuse.

The inpatient service continues to evolve the Furlong Court provision in partnership with Brighter Futures to increase the number of direct referrals. To improve efficiency, service users commence their admission at the Edward Myers Unit and are then transported to Furlong Court to complete their detoxification. The service has continual support which is provided by the Edward Myers medical and nursing team and has 24/7 on-site support from the Brighter Futures Furlong Court team.

The unit also provides two further beds on the Edward Myers Unit, which provide the Intoxicated Observation Unit (IOU) facility. The IOU was set up initially to accept intoxicated patients from A&E who are not in need of their services but are too intoxicated to go home – 65% of patients are now brought to IOU directly by the ambulance without the need for patients to go to A&E. The service is offered 24/7.

The Directorate in Partnership with Addiction Dependency Solutions (ADS), under the umbrella of One Recovery Staffordshire, continues to deliver Staffordshire-wide integrated community substance misuse service. As a result of the 58% Better Care funding cuts, the service has been significantly reduced with the loss of the partners Changes, Brighter Futures and Arch from the original consortia delivery model. The Directorate continues to deliver the clinical and specialist prescribing element of the model, with ADS delivering the case management and psychosocial provision.

Substance misuse services continue to operate out of four access hubs in Burton, Stafford, Leek and Newcastle-under-Lyme. In addition, there are outreach clinics in Tamworth, Cannock, Biddulph and Cheadle.

The clinical services offered are medically assisted recovery, substitute prescribing and stabilisation liaison clinics (e.g. for pregnant drug use and liver disease), a hospital alcohol liaison team, detoxification and relapse prevention, low-dose detoxification clinics, medication to support recovery and abstinence and specialist Blood Borne Virus work (BBV).

The Stoke Heath Prison Substance Misuse Team was formed when we took over the clinical element of substance misuse services in April 2014. We work in partnership with the Forward Trust (Formerly Rehabilitation for Addicted Prisoners Trust (RAPt)), a leading provider of intensive, abstinence-based drug and alcohol rehabilitation programmes in UK prisons. Our team of five nurses, supported by the medical team, provides the clinical element of the integrated service and treats around 100 service users. The service has been instrumental in the development of the 'F Wing' of the prison, which provides a dedicated substance misuse treatment and recovery service.

From 1 June 2017, the Directorate alongside the Burton Addiction Centre and Addaction took over the previously failed Lifeline Stoke-on-Trent Community Drug and Alcohol Service contract. The initial transfer took place in a remarkable four weeks from the initial point of contact from the Stoke-on-Trent Commissioners to implementation.



Learning Disability

Clinical Director - Matthew Johnson

Head of Directorate - Alastair Forrester

The directorate provides a range of services to adults and children with a learning disability and complex needs. People with learning disabilities have the same rights as all members of society and should have the same hopes and expectations of a fulfilled, happy and integrated life.

We create personalised care programmes for over 18s with a learning disability or challenging needs which require specialist help. The term 'learning disability' can be applied to a diverse range of mental disabilities, some of which are accompanied by physical problems. Typically, a person with learning disabilities finds it harder to understand information and learn new skills, and may find it difficult to cope independently.

We provide care and support to help each person live in their own home, to be in control of their lives and engaged in their community. Where this is not possible, we offer excellent assessment and 24-hour treatment support in the six-bedded Assessment and Treatment Unit, where we design individual packages of care, leading to discharge and successful placements close to their homes.

Our community teams bring together community learning disability nurses, psychiatrists, occupational therapists, physiotherapists, speech and language therapists, clinical psychologists and other applied psychological therapists. These teams work in partnership with local authorities and other organisations to provide a range of care services and therapies.

Our Primary Healthcare Facilitation and Acute Liaison Service work closely with our local mainstream and specialist health services to reduce the overall health inequalities experienced by people with learning disabilities.

We provide learning disability Acute Liaison Services to the Royal Stoke University Hospital. Our team supports the development of appropriate admission and discharge pathways within the acute care setting to improve quality and access for all individuals with a learning disability.

Our inpatient settings offer services for people whose behaviour may be too challenging for other residential and community services. Our specialist teams deliver exceptional care and we aim to discharge people as early as possible, following thorough assessments which give us all the information we need to create individual care packages.

Our Community Learning Disability Health Team is a multi-professional community-based team supporting people with complex learning disabilities, physical and mental health needs in their local community, reducing the need for specialist placements or hospital admissions. The Intensive Support Team provides service users, families and carers with access to rapid response, intensive assessment, treatment and support at times of crisis to reduce the need for admission to hospital. The team also supports timely discharge from inpatient services.

The Assessment & Treatment Unit, located on the Harplands Hospital site, provides short-term assessment and treatment of adults with a learning disability and additional acute health needs such as a mental health need, autism and epilepsy. All our services work collaboratively with patients, family members, carers and other agencies to deliver person-centred, recovery-focused care.

The Specialist Children's Short Break Service at Dragon Square offers residential short breaks, including day care, to children and young people with a severe learning disability. The service is registered with Ofsted as a children's home that can support children with learning disabilities, physical disabilities and sensory impairments. We are also registered with the Care Quality Commission (CQC) to provide accommodation for people requiring nursing or personal care.

Covering North Staffordshire including Newcastle-under-Lyme, Staffordshire Moorlands and Stoke-on-Trent, the multidisciplinary Children's Community Learning Disability Health Team provides specialist assessment and treatment interventions to children with a diagnosed learning disability with associated complex health needs.



Neuro and Old Age Psychiatry (NOAP)
Clinical Director - Dr Darren Carr
Head of Directorate - Jane Munton-Davies

The services provided by the directorate are broad and varied, from inpatient to community services, psychology to physiotherapy and a Rapid Assessment Interface and Discharge (RAID) team that is located at Royal Stoke University Hospital.

We provide inpatient services at Harplands Hospital on Ward 4 (shared care), Ward 5 (Neuropsychiatry), Ward 6 (complex assessment) and Ward 7 (functional assessment).

Our community services include Older People's Community Mental Health Teams (City and County), Memory Clinics, the Dementia Primary Care Liaison Team, Mental Health and Vascular Wellbeing Team, Neuropsychiatry Community and Day Service, Neuropsychology and Clinical Health Psychology Services, and Physiotherapy and Care Home Physiotherapy.

The directorate continues to move through a period of significant change and works closely with partner agencies across the local health economy to support system-wide transformation. Our recent Care Quality Commission (CQC) inspection was a testament to the hard work and dedication of our staff, with the inpatient and RAID services achieving overall ratings of 'Good' and our Community Older People's Services excelling to achieve the only 'Outstanding' rating in the Trust.

The inpatient and RAID services have strong ambitions "Towards Outstanding" with clear plans in place to achieve this within the next 12 months. For Community Older People's Services, our ambitions are "beyond outstanding" as we continue to develop innovative and ground-breaking options for our service users.

Over Winter 2017/18, the RAID service extended its hours to cover 24/7 and in January 2018 the service began to move forward towards offering an "all-age" service. This transformation has been supported through additional funding and new ways of working.

Across our inpatient wards we are proud to be the first mental health Trust to implement the SAFER patient flow bundle through the national 'red to green' programme. This puts the patient at the centre of the discharge planning process and aims to ensure every day on the ward is a day of value to the patient. We report our red to green status on a daily basis and have a strong escalation plan to support the programme delivery.

Ward 4 now operates as a shared care service utilising a unique mix of physical and mental health staff to enable holistic assessments of older patients from the Royal Stoke. In partnership with an enhanced offer from the Older Person's Outreach Team the ward has played a significant role in managing winter pressures across the health economy.

Our successful pilot of the Dementia Primary Care Liaison role paved the way for this to be rolled out across Northern Staffordshire. Being cognisant of the embryonic Care Hub development, our Dementia Primary Care staff are being aligned to localities and, where possible, are looking to locate themselves within GP surgeries. This will support the development of locality working as we embark on a transformational development of our services, offering ageless and response support on a geographical footprint. This work will require cross-directorate collaboration, which is well under way.

Our Care Home Physiotherapy pilot has also proved a success and has been rolled out across North Staffordshire and Stoke-on-Trent. This initiative supports the falls reduction and admission avoidance agenda whilst also enabling early discharges to local care homes.

Digital delivery is already well embedded within our Mental Health and Vascular Wellbeing service, with NHS telehealth initiative Florence ('Flo') being well evaluated and utilised across the Trust as a whole. Innovation through Combined's new Raising our Service Excellence (ROSE) electronic patient record system will support the delivery of our cost improvement programme (CIP) target and lead to more efficient and patient-focused clinic management.



Children and Young People (CYP)
Clinical Director - Carol Sylvester
Head of Directorate - Helen MacMahon

The child and adolescent mental health service (CAMHS) vision is for all children and young people in North Staffordshire and Stoke-on-Trent to enjoy good mental health and emotional wellbeing and be able to achieve their ambitions and goals through being resilient and confident.

We achieve this through partnership, working with families, professionals and services to promote good mental health through a model of care based on prevention of poor mental health, early detection, help when issues first arise and by having a range of evidence-based interventions for children and young people with established or complex mental health problems.

We want our service users and families to be able to access the right intervention, in the right place at the right time and with the right outcome based on the best available practice.

The directorate's Community CAMHS teams operate from three bases, comprising of North Stoke, South Stoke and North Staffordshire multi-disciplinary team. The directorate also provides specialist services including a specialist Eating disorder Service, a Looked after Children team, Paediatric Psychology, Autistic Spectrum Disorder assessment, Youth Offending, Central Referral Hub and Priority service.

The community services provide person-centred clinical assessment, formulation, consultation and a range of therapeutic interventions in collaboration with children and young people up to the age of 18 to help them with a range of mental health problems, varying in severity and complexity. The range of therapies include talking therapies, play and art-based therapies, family therapy and medication. Interventions are guided by evidence-based practice and the recommendations of the National Institute for Health and Care Excellence (NICE). There is also a robust evidence-based group therapy programme across the service, improving access to evidence-based group therapies.

The service offers support to parents and carers as part of the collaborative care planning with children and young people and through regular consultation and positive parenting groups. Staff work with other agencies such as education and social care to ensure the care offered is tailored to the individual needs of children, young people and their families.

The service has an inpatient unit, the Darwin Centre, for children and young people presenting with acute mental health problems that cannot be managed within the community setting and require inpatient specialist mental health services. The inpatient service offers a comprehensive assessment and a range of person-centred psychological therapies and approaches in line with NICE guidance.

Our staff are skilled multi-professional practitioners from many different disciplines – psychiatrists, nurses, psychologists, occupational therapists, mental health practitioners, play and parenting practitioners, art therapists, social workers and trainees. These staff are supported by a dedicated group of administrators.



How we measure performance

Our approach

The Trust's performance management arrangements are underpinned by comprehensive Trust Performance & Quality Monitoring Framework (PQMF) which is a key driver towards providing outstanding services. It provides the means to report, monitor, review and improve organisational performance and quality outcomes from 'board to floor'. The PQMF includes national metrics set out in NHS Improvement's Single Oversight Framework, contractual reporting requirements for commissioners and internal Trust measures that align with Trust goals and objectives. It enables granular reporting of weekly and monthly dashboard reports to clinical teams and Trust committees, with an overview maintained by the Trust Board. Each target is overseen by a nominated Executive Director. Where performance or quality metrics are not on target, clinical directorates and corporate areas provide rectification plans, including trajectories for improvement and action planning, for performance review by our Board Sub-Committees.

Assurance

The PQMF is reported on a monthly basis to the Trust Board with each of our three sub-committees taking a lead on different aspects of our performance; Finance and Performance Committee, Quality Committee, People and Culture Development. These arrangements provide robust assurance across the Trust and to commissioners and regulators.

Clinical dashboards

Monthly clinical dashboards have been enhanced to provide better visualisation of the most important performance measures and quality indicators, thereby enabling trends to be more easily identified. Key priorities are reviewed to ensure the most pressing indicators of performance and quality are in focus. The review of individual clinical teams' compliance with CQC and Mental Health Act standards also continued during the year, with results being used to drive improvements in the quality of the services provided to patients.

Benchmarking

Local and national benchmarking information adds intelligence and insight to performance management processes, enabling directorate and corporate performance to be analysed, and identifying improvements in quality, productivity and efficiency. We are a key member of the NHS Mental Health Benchmarking Reference Group.

Raising Our Service Excellence (ROSE): Delivering an Electronic Patient Record (EPR)

The Trust successfully delivered our new Electronic Patient Record, described by NHS Digital as the best implementation of an EPR it had ever seen. Following the implementation of Lorenzo in May 2017, the Trust has delivered a high level of reporting and achievement of performance standards.

Looking ahead

There are a number of opportunities to support the development of the Trust's performance strategy and performance management framework in 2018/19:

1. Develop a new Board and committee report, measuring improvement in our quality priorities
2. Realise the benefits from the implementation of our electronic patient record through our Raising Our Service Excellence (ROSE) programme
3. Further enhance processes to improve data completeness and achieve a measurable improvement in our data quality score by year end
4. Continue the development of a Business Intelligence approach, using technologies to support clinicians in clinical decision making and to drive quality improvement
5. Improve demand and capacity planning and management in the clinical services



How we performed

2017/18 was another positive year for the Trust financially, in spite of a challenging NHS climate both regionally and nationally. The Trust was successful in improving the quality of services and operational delivery whilst ensuring financial sustainability.

We have achieved the following financial highlights in 2017/18;

- 19th consecutive year of financial balance
- Spent 96% of our allocated budget for Capital
- Cash balance of £6.6m at the end of the financial year, which is in excess of plan
- 33% reduction in agency expenditure compared to 2016/17

The Trust achieved an overall surplus (Control Total) of £3.68m against income of £85.1m, which includes £2.37m of Sustainability and Transformation Funding (STF). STF funding is earned by Trusts who meet their financial and performance requirements which for us resulted in this additional cash payment which will help with our capital investments in future years.

The strong financial performance is a testament to the dedication of all of our employees, who work tirelessly to deliver outstanding quality of care to our patients and service users, whilst continuing to drive cost improvements, reducing reliance on temporary staffing and successfully operating within budgetary responsibility.

The Finance Team have a strong clinical focus and are enthusiastic to engage with the Trust's services; not only supporting the Trust to deliver on its statutory duties, but continuously striving to innovate and engage with the wider organisation. This was demonstrated with the introduction of the Combined Valuemakers, which encourages employees across the Trust to consider efficiency, eliminating waste and adding value.

The scheme has been a huge success and we were delighted that this was acknowledged by the Healthcare Financial Management Association (HFMA) awards in December 2017 through the Havelock Training award that recognises best practice in raising financial awareness and training of non-finance professionals.

Raising financial awareness was a key theme for the team this financial year and we look to build on the suite of animations that present our sometimes complex financial information in a clear, transparent and simple way. This has helped staff and service users to better understand how we spend our money.

Our commitment to developing high-quality costing information continued in 2017/18 and we remain one of only three mental health Trusts in England to develop and implement a full Patient Level Information Costing System (PLICS). This has raised the profile of the Trust as one of the leading innovators in mental health costing.

Through innovation, engagement with clinicians, hard work and commitment, 2017/18 has been a really successful year for the Finance Team. This has been recognised in a regional and national award, the Great Place to Work Award and Havelock Training awards (see Awards section).

Suzanne Robinson
Executive Director of Finance, Performance & Digital



I'm a Valuemaker!

Quality

We are committed to providing the highest quality services. Our aim is for a continuous learning and improvement culture to ensure the highest standards are at the heart of everything we do.

Quality Account

Details of how we deliver our quality objectives are contained in our Quality Account, which is a report to the public we produce each year about the quality of services we provide and demonstrates we have processes in place to regularly scrutinise all of our services.

Patients, carers, key partners and the general public use our Quality Account to understand:

- What our organisation is doing well
- Where improvements in the quality of services we provide are required
- What our priorities for improvement are for the coming year
- How we have involved service users, staff and others with an interest in our organisation in determining these priorities for improvement.

Our Quality Account for 2017/18 is available for download at www.combined.nhs.uk.

Partnerships

We continue to be committed to providing high quality care for our service users and carers. We feel this is only achievable by maintaining our partnerships across the communities we serve.

During the year we have set out our plans to continue our journey of improvement towards outstanding by moving to more integrated services based on locality working across North Staffordshire and Stoke-on-Trent.

We have been proud to support a the North Staffordshire and Stoke-on-Trent Alliance – bringing together health and care providers including mental health, primary care, community services, acute services, social care and the voluntary sector.

We are also proud to play a leading role in the Together We're Better Sustainability and Transformation Partnership.

Involving service users' views and experience in driving quality

Our clinical services deliver models of care and reflect the needs of our service users and their experience of care. We achieve this by having an on-going conversation with our service users and carers through a variety of both formal and informal feedback mechanisms.

For example, our Open Space Event brought together over 50 of our service users and carers to give us their views on how we prioritise the specific approaches we take under our core quality SPAR priorities and how we can expand the ways in which service users and carers can get involved with the Trust, building on the excellent work to date of the Service User and Carer Councils.



CQUIN performance

The CQUIN payment framework is a national framework for agreeing local quality improvement schemes and makes a proportion of our total potential income from CCGs (2.5%) conditional on the achievement of ambitious quality improvement goals and innovations agreed between commissioner and provider with active clinical engagement. The CQUIN framework is intended to reward genuine ambition and stretch Trusts, encouraging a culture of continuous quality improvement in all providers.

The following table identifies the CQUIN areas:

CQUIN area	Patient	Clinical	Patient	Innovation	Financial value (£)
Staff Health and Well-being: (Initiatives 1a, b & c) Improvement of health and wellbeing of NHS staff, healthy food and drink for NHS staff, visitors and patients, and improving the uptake of flu vaccinations for frontline clinical staff.	✓			✓	£168,603
Physical health 3a & b: Cardiometabolic assessment and treatment for patients with psychoses / Collaboration with primary care clinicians	✓	✓		✓	£168,604
Improving Services for People who Present at A&E: Supporting people with a mental health need to reduce A&E attendances	✓	✓		✓	£168,603
Transitions from CYPMHS to AMHS: Supporting young service users as they move from children's to adult services, or back into primary care	✓	✓	✓	✓	£168.603
Preventing Ill Health by Risky behaviours: (Initiatives 9a, 9b, 9c, 9d and 9e) <u>Improving</u> the identification of inpatients who smoke or who drink above safe levels and ensuring that they receive appropriate interventions		✓			£168, 604

Care Quality Commission 'Good' rating

Safe?	Requires Improvement
Effective?	Good
Caring?	Good
Responsive?	Good
Well led?	Good

In February 2018, the CQC published its findings from its unannounced and well-led inspections which took place within the Trust throughout October 2017. We were delighted to have received an improved rating from the CQC with every one of our services rated as 'good' or 'outstanding'.

The CQC confirmed that the Trust is the best-rated mental health Trust across the whole of the Midlands and East of England and the third highest in the whole country - one of only three with every core service rated at least 'good' and at least two core service rated as 'outstanding'.

Our Community CAMHS team made a significant improvement with every CQC domain now rated as 'good.' Our Inpatient Rehabilitation services have also obtained a significant achievement with both Florence House and Summers View obtaining an overall rating of 'outstanding.' They joined the Older People's Community Services which also has an 'outstanding' rating.

The CQC results confirmed that the Trust's journey of improvement - labelled last year by the CQC as the fastest improving mental health Trust in the country - has continued. Amongst many compliments, the CQC found:

- "The overall culture of the Trust was very patient-centred. Staff treated patients with dignity, respect and compassion and most experienced high morale and motivation for their work."
- "There had been significant improvement in the reduction of waiting lists in the child and adolescent mental health services and the adult community mental health services since the last CQC inspection. All teams were meeting the national waiting time standards."
- "We found staff to be dedicated, kind, caring and patient focused. The local management and leadership of services were both knowledgeable and visible. Staff we talked to during inspection spoke highly of their managers and told us that a more positive and open culture had continued to develop since our last inspection."
- "We were particularly impressed by the level of care offered to patients in the long stay and rehabilitation wards and the community-based mental health services for older people, both of which were rated Outstanding overall."

To be able to continue to improve upon last year's results is something quite remarkable and the Trust recognises that this is due to the determination, talent, dedication and ability of all our staff.

Combined Healthcare CQC Service Ratings

	2015	2017
Adult Inpatient	Requires Improvement	Good
CAMHS Community	Inadequate	Good
CAMHS Wards	Requires Improvement	Good
Adult Community	Requires Improvement	Good
Crisis	Inadequate	Good
Community LD	Good	Good
LD Inpatient	Good	Good
Rehab	Requires Improvement	Outstanding
OP Community	Good	Outstanding
OP Inpatient	Good	Good
Substance Misuse	Requires Improvement	Good
Overall	Requires Improvement	Good

Detailed Rating Table:

	Safe	Effective	Caring	Responsive	Well led	Overall
Acute wards for adults of working age and psychiatric intensive care units	Requires improvement	Good	Good	Good	Good	Good
Child and adolescent mental health wards	Good	Good	Good	Good	Good	Good
Community mental health services for people with learning disabilities or autism	Good	Good	Good	Good	Good	Good
Community-based mental health services for adults of working age	Requires improvement	Good	Good	Good	Good	Good
Community-based mental health services for older people	Good	Good	Outstanding	Outstanding	Good	Outstanding
Long stay/rehabilitation mental health wards for working age adults	Good	Good	Outstanding	Outstanding	Good	Outstanding
Mental health crisis services and health-based places of safety	Good	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Good	Good	Good	Good	Good	Good
Substance misuse services	Good	Good	Good	Good	Good	Good
Wards for older people with mental health problems	Requires improvement	Good	Good	Good	Good	Good
Wards for people with learning disabilities or autism	Good	Good	Good	Good	Good	Good

The CQC highlighted several areas of 'Outstanding' practice including:

- The Acute Inpatient wards' cohesive and knowledgeable multidisciplinary team and the instigation of the acute care pathway ensured that a wide range of activities, therapies and interventions were available to actively engage patients and carers, which reduced the amount of time patients needed to stay in hospital.
- Rehabilitation Inpatient wards' introduction of a support time and recovery worker who normally worked within a community team to the wards has enhanced the community programme offered to patients. This support started before admission and continued for a short time after a patient was discharged.
- Adult Community Mental Health Services - The Early Intervention Team had worked with patients to develop a specific dual diagnosis pathway for patients who used drugs and alcohol and experienced psychosis. They had developed a set of 'change cards' to assess where patients were in the cycle of change so that they could assess the most suitable interventions for patients.
- Specialist CAMHS Community Services - the service recently launched a new mental health and wellbeing strategy in schools across Stoke on Trent.
- Inpatient Wards for Older People - The service manager had led on a project to identify causes of delayed transfers of care from the service alongside commissioners, local authority and NHS partners. An action plan had been put in place that had reduced the numbers of patients delayed in their discharge. They had also linked local actions into a broader local health and social care effort to improve the care experience of older adults throughout Stoke and North Staffordshire.

The journey of improvement is to continue and is aligned with the quality strategy to deliver Safe, Personalised, Accessible and Recovery-Focused services based on integrated locality working across North Staffordshire and Stoke-on-Trent.

One of the areas of improvement that we have focused our intention on is the approach to medicines management for which the CQC previously identified some issues under the Safe domain, in particular the management of topical medicines and fridge temperature monitoring.

In addition to the Inspection results, the Community CAMHS Team have been spotlighted in the latest edition of the CQC regional publication, highlighting great practice and innovation.

The Trust is also proud to have been chosen by the CQC as a national mental health exemplar and is delighted to have the opportunity to share our journey of improvement with other organisations.

All core services have improvement plans in place to address the areas noted in the CQC reports and to improve even further. To date, significant progress has been made with many of the 'must' and 'should do' requirements being addressed and rated as 'complete' following a robust assurance process through our performance management arrangements.

CQC Organisational Rating - Good

"The overall culture of the trust was very patient-centred. Staff treated patients with dignity, respect and compassion and most experienced high morale and motivation for their work"



CQC Inspection Report 2018

Performance against our key performance indicators (KPIs)

Details of performance against our national and local KPIs are outlined below:

Key Performance Indicator (KPI)	Target	Month 12 2017/18	Rating
Infection control: cases of MRSA	0	0	
Occurrence of any Never Events	0	0	
Admissions to adult facilities of patients under 16 years old	0	0	
Care Programme Approach (CPA): proportion of discharges from hospital followed up within 7 days	95.0%	96.1%	
% of people with a first episode of psychosis who began treatment with a NICE recommended care package within two weeks of referral	50.0%	57.1%	
Improving Access to Psychological Therapies (IAPT)/talking therapies			
a. Proportion of people completing treatment who move to recovery (from IAPT minimum data set)	50.0%	70.6%	
b. Waiting time to begin treatment from IAPT minimum dataset			
i) Within 6 weeks	75.0%	99%	
ii) Within 18 weeks	95.0%	99%	
Care Programme Approach (CPA): % of reviews undertaken within 12 months	95%	95.3%	
Access to healthcare for people with a learning disability	100%	100%	
Emergency readmissions within 28 days	7.5%	5.2%	
% of inpatients that have been gate kept by the crisis resolution and home treatment teams	100%	100%	
Number of people seen for crisis assessments within 4 hours of referral	100%	100%	

Performance against mental health national and local access and waiting time standards

The Trust has performed well in many areas in 2017/18, improving access to services:

- Children and Young People with an Eating Disorder - in 2017/18, 96.9% of patients received treatment within a maximum of four weeks from first contact with a designated healthcare professional for routine cases.
- 18 Week Referral to Treatment or Intervention - Service users have the right to access treatment within a maximum of 18 weeks from referral. During 2017/18 we have achieved 92.5% against the target set of 92%.
- Memory Assessment - 100% of our patients have been assessed within 12 weeks of referral to the Memory Assessment Service against a target of 95%.

Areas for improvement on our journey towards outstanding

Delayed Transfers of Care

These relate to delays for patients who are ready to be discharged to more appropriate accommodation when they no longer require acute inpatient care. The national standard requires that no less than 7.5% of the Trust's bed utilisation should be due to delayed transfers of care. Overall, for 2017/18 the Trust's rate for delayed transfers of care is 9.6% for the year, against a target of less than 7.5%.

The Trust has been an early adopter of the RED to GREEN approach in mental Health. Developed by the Emergency Care Improvement Programme (ECIP), it focuses on eliminating patient time wasted in the pathway (Red days) and focusing on days which are of value to the patient (Green days). The Trust reported performance under the target level in February and March 2018 and will continue to focus on this as a priority area in 2018/19.



Our awards

We enjoyed unprecedented success throughout 2017/18, winning a number of top awards and being shortlisted for many others



2017 Positive Practice in Mental Health Awards

Meir Partnership Care Hub

WINNER – Mental Health and Social Care Award

In recognition of our excellent partnership work with Stoke-on-Trent City Council in developing the Meir Partnership Care Hub. The Hub has brought together and co-located health, social care and community practitioners to provide support to the patients of five GP practices in Meir. Both the Trust and local authority have brought in existing partners to develop and focus third sector provision around the locality, which is already making a difference to people's lives.



2017 Health Education West Midlands Regional Leadership Recognition Awards

Stephanie Woodall

WINNER – Leading for Service Improvement & Innovation Award

For her work in leading the Healthy Minds Stoke-on-Trent - a consortium made up of specialist mental healthcare providers - North Staffordshire Combined Healthcare NHS Trust, Changes and North Staffs Mind.

The Healthy Minds Stoke-on-Trent improving access to psychological therapies (IAPT) service provides talking therapies and self-help courses.



2017 Health Education West Midlands Regional Leadership Recognition Awards

Healthy Minds

WINNER – Team Outstanding Achievement: Clinical Award

Healthy Minds Stoke-on-Trent is a consortium made up of specialist mental healthcare providers - North Staffordshire Combined Healthcare NHS Trust, Changes and North Staffs Mind.

The Healthy Minds Stoke-on-Trent improving access to psychological therapies (IAPT) service provides talking therapies and self-help courses.



2017 Healthcare People Management Assoc. Awards

Leading With Compassion

WINNER – Academi Wales

Award for Excellence in Organisational Development

A scheme where staff, patients and carers are able to recognise someone who they believe has demonstrated compassion. The scheme was launched at Combined and has been rolled out across 11 NHS organisations in the West Midlands. To date, more than 450 Trust staff have been recognised in this way and received a personalised badge and card.

Our 2017/18 awards continued...



2017 Healthcare Financial Management Association West Midlands Branch Awards

Finance Team

WINNER – Great Place to Work

Awarded to Trusts which demonstrate best practice in team and individual development, act on feedback from service users and customers to enhance team processes, as well as embracing change and continuously looking to innovate through different ways of working.



2017 HSJ Awards

Julia Ford

FINALIST – Clinical Leader of the Year

Julia was nominated for her leadership of a new model of care that improves mental health and wellbeing, building resilience and early interventions directly within schools. By locating both herself and her CAMHS colleagues in eight schools, Julia has helped to facilitate collaborative working – engaging the whole school and local community in change.



2017 Festival of Learning **Christine Malbon**

WINNER – Regional Tutor Award

For her exceptional achievements in adult education. The award recognises those who have supported learners to go on and lead successful and rewarding lives.

To become a support worker, Christine needed to re-train and completed a Level 3 Community Mental Health Care certificate. She also began to give advice and support to fellow learners who had low confidence levels, helping them achieve success.



2017 HSJ Value in Healthcare Awards

Learning Disabilities Directorate

FINALIST – Community Healthcare Service Redesign Award

Our Learning Disabilities Directorate were finalists in the prestigious HSJ Value Awards. The team redesigned the service pathway, focusing on community support and a reduction in hospital admissions and length of stay. This approach was enhanced through the delivery of our Challenging Behaviour / Positive Behaviour Support pathway through which the team reduced the reliance on antipsychotic medication for people using our inpatient services.

Our 2017/18 awards continued...



2017 HSJ Value in Healthcare Awards
Healthy Minds
FINALIST – Improving the value of Primary Care Service Award

Our Healthy Minds service is a partnership between Combined Healthcare, North Staffs Mind, Changes Health & Wellbeing and is for any person 16 years and over experiencing anxiety, depression or stress. The service was recognised for improving the way they deliver evidence-based psychological therapies, using innovative ways of making the service as effective as possible.



2017 Kate Granger Awards for Compassionate Care
Leading with Compassion Scheme
FINALIST – Organisation Award

A scheme where staff, patients and carers are able to recognise someone who they believe has demonstrated compassion. The scheme was launched at Combined and has been rolled out across 11 NHS organisations in the West Midlands. To date, more than 450 Trust staff have been recognised in this way and received a personalised badge and card.



2017 Healthcare People Management Association Awards
Feel Good Friday
FINALIST – Social Partnership Forum Award

Feel Good Friday was set up in October 2016 to enable staff to receive information and advice on a range of things aimed at enhancing health and wellbeing. As well as getting cholesterol checks, for instance, attendees can also speak to our Staff Support and Counselling Service, staff side union reps and the diversity and inclusion team.

RCM Annual Midwifery Awards
2017

2017 Royal College of Midwifery Annual Midwifery Awards
One-stop specialist service for women with substance and alcohol misuse

FINALIST – Lansinoh Award for Team of the Year

Combined Healthcare is a partner in the multi-agency one-stop specialist service for pregnant women with substance and alcohol misuse.

The service was shortlisted for the 2017 Royal College of Midwives Annual Midwifery Awards and in the final four for the Lansinoh Award for Team of the Year having achieved a 98% attendance rate for antenatal appointments.

Our 2017/18 awards continued...



**2017 Healthcare
Finance Management
Association
Finance Team
WINNER** – Havelock
Training Award

The Havelock Award recognises a contribution to finance skills development, best practice in the training of finance staff or the raising of financial awareness among non-finance staff. The judges said: “The team’s engagement outside the finance team with clinical colleagues, service users and other stakeholders was impressive. Its approach was holistic and dynamic and used multiple examples of best practice from around the system, including Future-Focused Finance and Finance Skills Development networks.”

Key achievements by directorate

Adult Mental Health Inpatient

Improvements in care within our acute inpatient wards

The directorate has been working to develop a new six-bed psychiatric intensive care unit (PICU). This state-of-the-art facility will be ready to open once the staff team have been recruited.

A psychiatric intensive care unit will care for people at their most unwell. It offers a higher ratio of staff to patients, as well as enhanced observations and therapeutic interventions.

Not having a local PICU has meant that when patients have required this level of care they have been admitted to other parts of the country, often several miles away from their friends and family.

Ward 1 has also had improvement work carried out as part of the PICU development, creating a shared gym for Ward 1 and PICU and an additional garden that will be developed during the summer of 2018; this will give service users improved access to outside areas with a new patio area and garden space.

The place of safety has been moved to Ward 2 where the new facility provides an improved room, shower area and office. There are plans to eventually create a two-bed place of safety as part of a new urgent care centre. This will ensure that there is bed available locally for patients that are brought into hospital on a Section 136 of the Mental Health Act.

Our Adult Rehab team were rated as Outstanding by the CQC, having been rated as Requires Improvement only 2 years previously.

Substance Misuse

On 1 June 2017, the Directorate alongside the Burton Addiction Centre and Addaction took over the previously failed Lifeline Stoke-on-Trent Community Drug and Alcohol Service contract. The initial transfer took place in a remarkable four weeks from the initial point of contact from the Stoke-on-Trent Commissioners to implementation.

Stoke Heath HMP continues to deliver an outstanding service working alongside our partners, the Forward Trust. The ongoing development of the service and the high level of Substance Misuse expertise have been rewarded by NHS England which has extended the Stoke Heath Prison contract to the end of March 2019. The team in HM Prison Stoke Heath successfully moved the substance misuse service to 'F wing' within the prison. The implementation of the new concept has provided a recovery wing for around 150 prisoners with a substance misuse treatment and recovery focus that has impressed the commissioners of the service.

Following a successful tender, the Edward Myers Unit is now a part of the Manchester Inpatient framework, which has resulted in admissions from the Manchester area and surrounding boroughs.

Additionally, through the focused business planning strategy of the Directorate out of area clinical work has continued to flow into the unit from East Cheshire, Wolverhampton, the Wirral and Shropshire.

One Recovery Staffordshire was hit with a devastating cut of 58% of its total budget linked to the Better Care initiative which commenced on 1 April 2017. Despite the backdrop of these cuts, the Directorate has delivered a service model that continues to provide a safe clinical service with a strong overarching governance structure. The clinical team continues to go above and beyond to ensure that the service users across Staffordshire still receive a quality service.

Adult Mental Health Community

Long Term Conditions in IAPT services

Both the wellbeing and healthy minds IAPT services are pilot sites for the introduction of a long-term conditions service supporting those people within primary care with complex physical health needs.

Improving access to psychological therapies (IAPT) – Healthy Minds

The team have exceeded their key performance indicator (KPI) targets for the last year and during the year were recognised as the best performing IAPT service in the country.

Meir Care Hub

The Access Team has, and continues to, work collaboratively with Stoke-on-Trent City Council, health, social care and community practitioners in the provision of a local care hub, redirecting referrals at an early stage to promote resilience and prevent admission into mental health services. The service was the winner of the 2017 Positive Practice in Mental Health Awards as well as finalist in the HSJ Value in Healthcare Awards.

High Volume User pilot

The High Volume User pilot was set up to reduce the impact upon attendances within Emergency Departments for a defined cohort of people. The target of 30% was exceeded, with the team reducing attendance by 47%. The team was a finalist in the Health Service Journal Awards.

The Step On service has been successful in achieving increased national funding to deliver the employment service across Staffordshire.

Hillcrest Step down Beds

Four step down beds have been developed to reduce the impact upon acute hospital beds by facilitating early discharge for service users by providing supported accommodation for a time limited period. This was originally a pilot however due to the success is now a fully funded service.

Repatriation Team

The team has been further developed to provide intensive support and coordination of care for those service users with complex needs who are placed outside of the local area. The team has had some early successes in bringing care closer to home.

Neuro and Old Age Psychiatry (NOAP)

We are proud to have achieved a rating of 'Outstanding' for our community older people's service following the Care Quality Commission's (CQC) most recent inspection.

We are strengthening the interface between mental and physical health as we have been commissioned to provide 15 beds on a 'shared care' basis on Ward 4 at Harplands Hospital. This is an inclusive service that is responsive to the holistic needs of our older population, working in harmony with partner agencies.

Two of our wards for older people have been awarded with the prestigious AIMS accreditation which indicates the high quality of standards across our inpatient wards.

Our responsive approach to the needs of the wider health economy is demonstrated by the rapid implementation of a number of initiatives over the winter period.

Ward 4 extended its capacity to offer four beds as "surge capacity" working hand in hand with an enhanced offer from the Older Person's Outreach service, which reduced the number of older patients with mental health needs waiting for a service at the acute Trust to over 20 in September 2017 to five in April 2018.

Our great strength in NOAP is a skilled, valued and resilient workforce. We prided ourselves on achieving an overall engagement score of 3.9 (out of 5) in the 2017 NHS Staff Survey which reflects the value that we place on our staff and their contribution.

Dementia diagnosis rates continue to be excellent across Northern Staffordshire. As of March 2018, the rate for people aged over 65 living in Stoke-on-Trent was 83.6%, while in North Staffordshire it was 73.9%. Much of this was achieved because of the excellent team working within our memory services. These services provide assessment, diagnosis and treatment for people with a number of conditions, including dementia. We also have a team that works closely with GPs to treat people living with dementia closer to home and another team that supports people at high risk of developing the condition.

Learning Disabilities

During the past year, the Learning Disabilities Directorate have continued to support the delivery of the Staffordshire-wide Transforming Care Programme (TCP) in line with 'Building the Right Support' (NHSE 2015), the national plan for the development of community provision and the reduction of inpatient services for people with a learning disability.

Our Community Learning Disability Health Team, Intensive Support Team and Assessment and Treatment Service have continued to support people to live with their local community and have successfully reduced the reliance on hospital admissions. When people do require a period of time away from home, our average length of stay continues to remain well below the national average for learning disability inpatient services; this is testament to the excellent collaboration between our specialist health services, the local authority, the private sector and the Staffordshire Clinical Commissioning Groups.

During the past 12 months, we have seen significant developments in our Community Learning Disability Services. Our Primary Healthcare Facilitation and Acute Liaison services are now well established within Stoke-on-Trent, providing support with access to services and pathway development across our local GP providers and into the Royal Stoke University Hospital.

We have continued to develop our workforce to reflect our changing care pathway. During 2017, we successfully recruited a Consultant Nurse to support people whose behaviour presents the most significant challenges. Furthermore, all of our clinically facing staff have undertaken specialist, British Institute of Learning Disabilities (BILD) accredited positive behaviour support (PBS) training; delivered in-house by our own accredited trainers.

We have continued to strengthen our community pathways through the development of a dedicated Nurse Prescriber role; providing senior nursing support to our community team and providing additional capacity for our outpatient clinics.

More recently we have recruited a Lead Forensic Liaison Nurse to support the development of our community forensic services and the repatriation of people from specialist commissioned placements.

Once again, our learning disability services received a CQC rating of 'Good' across all key lines of enquiry and towards the end of last year we were pleased to have successfully registered of Children's Specialist Short Breaks Service with Ofsted.

Finally, we are again extremely proud that our Learning Disability Services have been shortlisted for two National Awards from the Health Service Journal, the 'Patient Safety Award' and the 'Value Award' for our work in successfully reducing the overreliance of medication within an inpatient setting.



Children and Young People

Key achievements for 2017/18 include:

- Achievement of 'Good' across all CQC domains
- CQC highlighted Combined CAMHS as exemplar of good practice

“The improvements made in the twelve months between Inspections is impressive. The service is proud to have implemented change while improving staff morale and without an increase in complaints from children, young people and their families. This required strong and effective leadership at all levels which was clearly demonstrated during the Inspection.” (Care Quality Commissioners CQC, 2018)

With commissioning investment, the service has fully mobilised the specialist community eating disorder teams. As result of this development, 100% of children and young people are receiving evidence-based treatment within four weeks of referral for routine cases; and one week for urgent cases, with the aim of young people accessing effective treatment closer to home and reducing admission to tier 4 services.

Schools developments:

The CAMHS in Schools team works with a range of schools to provide mental health services and support and this work has been nationally recognised. The School's team have been working closely with a number of primary, special and independent schools in the city to develop individual strategies to best suit their pupils. A new mental health wellbeing strategy has been launched as part of an exciting partnership between CAMHS and schools across Stoke-on-Trent. Julia Ford, our CAMHS in Schools Team Leader was shortlisted as a finalist in the Clinical Leader of the Year Award at this year's HSJ Awards in recognition of the preventative service model in schools.

Financial review

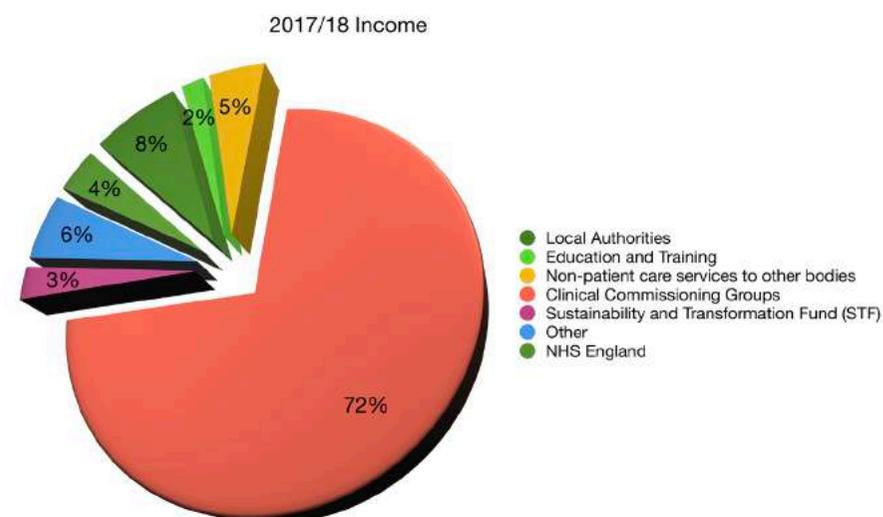
2017/18 was another strong year for the Trust financially, achieving a control total surplus of £3.683m against income of £85.079m. This was the 19th year the Trust has consecutively achieved a surplus position and exceeding the legal requirements to break even by delivering a surplus of 4.77%.

Of the surplus, £2.371m (65%) was earned through the allocation of the Sustainability and Transformation Fund (STF), which is given to providers who deliver or exceed their control total. This can be used to support the purchase of buildings, equipment and IT in future years.

This reflects the hard work and dedication from all of our staff to ensure we deliver quality services in an efficient and effective way. Good financial management is vital for the success of the organisation and to deliver high quality care for our patients and service users.

	2017/18 £'000	2016/17 £'000
Income	82,708	80,729
Sustainability Transformation Fund	2,371	1,104
Income	85,079	81,883
Expenditure	(79,372)	(79,398)
Operating Surplus	5,707	2,485
Net Finance Costs	(1,842)	(1,734)
Surplus for the Year	3,865	751
IFRIC 12 Impairment	(190)	1,173
Pension Adjustment	8	
Adjusted Retained Surplus	3,683	2,051

We are pleased to report that our financial results for 2017/18 were better than our £1.4m plan by £2.283m (including £1.871m Sustainability & Transformation Funding (STF) not included in the plan). This is against the backdrop of a tightening of the public purse.



We received further investment during 2017/18 of £1.2m from NHS Digital for the implementation of a new Electronic Patient Record, which went live during May 2017.

In 2017/18, the Trust spent £2.995m on capital schemes across four main areas;

- Maintaining the estate (back log maintenance)
- Improving and enhancing the environment for our staff and service users
- Development of new facilities
- Investment in Digital (Information Technology)

2018 will see the completion of the Psychiatric Intensive Care Unit (PICU) build as the key strategic capital development for this financial year and a huge asset for the population of North Staffordshire and Stoke-on-Trent, allowing patients to receive their care closer to home.

The Trust acknowledges that the coming years will be financially challenging with further efficiency demands required. This is driven by the need to improve quality and accessibility of our services whilst maintaining financial balance. New efficiency programmes are being developed to support this challenge.

Based on current performance and assessment of the external NHS environment, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future. For this reason, we continue to adopt a going concern basis in preparing the accounts.

The financial statements and accounts can be found in Section 3.

Use of Resources

The Use of Resources framework is a series of metrics used to assess NHS Trust and Foundation Trusts' financial performance. The rating represents the efficient use of resources and level of financial risk and contributes to the overall governance rating of the organisation and the level of autonomy with which business is conducted. Trusts with a level 4 are those with greatest financial risk, requiring mandatory intervention from regulators; compared with level 1 organisations being of lowest financial risk and therefore given maximum autonomy.

Use of Resources	2016/17 Actual	2017/18 Plan	2017/18 Actual
Capital Service Cover Rating	2	2	1
Liquidity Ratio Rating	1	1	1
I&E Margin Rating	1	1	1
Variance From Control Total Rating	1	1	1
Agency Expenditure	4	1	3
Overall Risk Rating	3	2	1
Overall RAG Rating			

The Trust achieved a Use of Resources rating of 1 in March 2018, which is the maximum score possible under this framework.

NHS Trusts are required to operate within a maximum ceiling for Agency expenditure. In 2017/18, the Trust spent £2.65m against the ceiling of £2.07m. Of the £0.58m overspend against the ceiling, £0.79m related to the implementation of the new Electronic Patient Record (EPR). The project required specialist expertise to be contracted to ensure the safe deployment of this new system.

Our digital strategy - Digital by Choice

We have continued the excellent work on our Digital by Choice strategy. Our ambition is to become a Digital by Choice organisation with a national reputation as a leader in the use of digital technology to improve services for the people who use them.

We believe being at the forefront of digital transformation within the NHS will support us to deliver our vision to be an outstanding organisation, providing safe, personalised, accessible and recovery-focused support and services every time.

It will enable us to deliver excellent care services, support people to recover, aid colleagues across the organisation to work effectively and lead to innovation in our healthcare services. Fundamentally, it will change the way we design and deliver our services.

During the year, we've progressed the strategy further, bringing in expertise to support the delivery of our digital ambitions. The Digital by Choice strategy is led by David Hewitt as our Chief Information Officer and Dr Suvanthy Subbarayan as Chief Clinical Information Officer.

Raising our Service Excellence (ROSE)

2017/18 was a significant year in our ambition to be a Digital by Choice organisation. In May 2017 we successfully moved to a new single clinical information system for our services, enabling clinicians to view patients' medical records when and wherever they need them. Our aim is to go much further than replicating paper records in an electronic system. We want to use digital technology to transform the way our organisation delivers services and the way service users receive information.

The ROSE Project (Raising our Service Excellence) to support the implementation is so called because we recognise this is more than just a change of IT systems, but an opportunity to modernise the data we collect and improve the feedback we gain from the frontline of clinical services, this will result in improvements for safety, effectiveness and efficiency and deliver a comprehensive review of reporting data from clinical services.

Providing one electronic record, the system gives shared access to clinicians across the organisation – enabling our professionals to be completely informed, leading to better decisions and consistent higher quality care, as well as a better experience for patients, with no need to repeat information.

Lorenzo Digital Exemplar

The Trust has been successful in an expression of interest to become a Lorenzo Digital Exemplar, delivering a digital transformation programme with the Children and Young People's Directorate. We are currently working with Lorenzo suppliers DXC and NHS Digital to develop a business case and mobilisation plan to move towards implementation.

STP Integrated Care Record

Key to the delivery of our ambition of integrating mental health services with physical health and social care is to ensure the digital systems across providers are able to support this. Alongside the upgrade to our internal EPR, we took a lead role in developing a digital road map for Staffordshire. This is a key step towards achieving a comprehensive care record for our staff, patients and service users to ensure that they receive the best care each time across the county.



Our people

Building Capacity and Capability.

During the year, our Board membership has been refreshed and further enhanced with the appointment of a new Director of Workforce, Organisational Development and Communications, a Director of Operations and a Non-Executive Director. A GP Associate Board member continues to give strength and support to the Board from a primary care perspective. The Chair of the Service User and Carer Council is also a full member of the Board to help influence decisions made and ensure they are service user focused.

The Board has a wide range of experience and skills to provide effective leadership. As part of our Board Development Programme, we have undertaken an independent well-led review in line with the NHSI Well Led Framework, completed by the Advancing Quality Alliance (AQuA), whilst the review alongside the CQC well led review gave confidence on the quality of our leadership. We are also focusing on areas for development and continued improvement.

Our continuous cycle of Board development acts as an opportunity for ongoing organisational development. A core component of the development programme is to ensure that all Board members have a focus of continual improvement in order to deliver the highest quality, safe services for our community within resources available. During 2017/18, the Trust strengthened its approach to Board Development, participating in the Advancing Quality Alliance programme (AQuA) and linking this through to leadership and quality development across the wider Trust through the Leadership Academy. As part of a review of its effectiveness, the Board undertook a full review of effectiveness alongside AQuA against the NHSI well-led framework and CQC Key Lines of Enquiry (KLOEs) in preparation for a full well-led review undertaken by the CQC in October 2017.

Workforce

We employ 1,277 average whole time equivalents (WTE) substantive staff, with the majority providing professional healthcare directly to our service users. We also have an active staff bank, which supports our substantive workforce. We have recently strengthened our Temporary Staffing function to allow a greater provision and flexible model, which is more adaptive to service needs and removes wherever possible the need for agency provision. This has resulted in our use of agency staff to fulfil 'core' operations as being one of the lowest rates of any NHS Trust.

We recognise that our workforce are our greatest asset and continue to develop our staff and the culture within which they work, to enhance our service users' experience, improve performance and increase staff engagement and morale. Our People and Culture Development Committee meets six times a year and has a transformational approach to the workforce agenda.

We focus on:

Cultural Development

Towards Outstanding Engagement

We have been on a journey of staff engagement for four years, starting with the introduction of Listening into Action (LiA) which was a Trust-wide approach to engagement, creating fantastic demonstrable results. LiA was really successful at creating change through the engagement and involvement of staff, service users and carers and helping to influence staff engagement culture at an organisational level.

This saw the Trust improve its staff survey engagement scores from being one of the lowest scoring Mental Health Trusts, to being in the top quartile in 2017/18 and also recording average or above average in over 80% of the findings.

The introduction of Towards Outstanding Engagement in April 2017 has enabled the Trust to take our next step in our engagement journey. The approach is evidence based, and has won multiple awards for its implementation and success in numerous NHS organisations. It provides us with the ability to measure and use diagnostics to gauge trends and hotspots, carry out appreciative enquiry and target engagement activity where it is going to have most impact. It helps to influence and change engagement culture at a team level.

By developing both organisational and team engagement cultures through LiA and the recent introduction of Towards Outstanding Engagement, we are priming the organisation for the next stage in our journey, which will see the development and introduction of a Trust approach to service improvement.

Improving team engagement results in better performing teams, which ultimately improves quality of care we provide to our service users. Cohort 1 has been a major success in helping to improve staff engagement with 12 of the 16 teams who took part increasing their engagement scores. We have already seen changes to ways of working and the start of culture change within teams, with most teams seeing significant change at a time whereby the Trust average engagement score and seen a slight dip.

For those teams that have seen a slight decrease, despite lots of work and effort to improve their team engagement, we will continue to provide close support during this transition to seeing a positive impact on team engagement. Cohort 2 of Towards Outstanding Engagement will commence later in the year.

Health and Wellbeing

Fostering a positive culture that supports the health and wellbeing of our workforce is of great importance. Significant progress has been made this year by focusing on a variety of Health and Wellbeing initiatives for our staff including the initiation of a Health and Wellbeing Steering Group, which has led to the development of a number of health and wellbeing initiatives including healthy eating education, our winter flu fighter campaign, the introduction of a Physio fast track service sessions and Pilates sessions, which staff are invited to attend.

Our Wellbeing Wednesday and Feel Good Friday initiative has continued to be a great success and encompassed a wide variety of Health and Wellbeing topics including Staff Counselling services, Occupational Health surveillance checks, Staff Side advice and HR workshops. This initiative has been extremely well received with many staff reporting taking positive actions to improve their health and wellbeing. Such initiatives demonstrate our continued commitment to supporting a healthy workforce.

Leading with Compassion

This is a simple scheme whereby there is a central point (both electronic and paper version) where staff, patients and carers are able to recognise someone who they believe has demonstrated leading with compassion. Every nominated person receives a Trust designed personalised badge and card. We gather nominations and sort them into themes according to the different ways in which compassion was shown. We have created an NHS compassion website (www.nhscompassion.org) incorporating a video which gives an overview of the scheme and some of the evidence behind why it is important.

Staff and patients have nominated staff across all clinical and non-clinical areas resulting in 774 nominations from across the Trust.

Proactive stress management and resilience approach

Through our Staff Counselling and Support service, we provide a vast range of services, including preventative and responsive mechanisms of support. In supporting increased resilience, the service works to identify stress flash points and provide debrief sessions for staff following incidents.

The continued roll out of the Critical Incident Stress Management (CISM) Training supports our staff to recognise adverse reactions to traumatic events and assess the need for defusing skills enable delegates to respond effectively to staff/colleagues experiencing a traumatising incident.

Leadership and management development

Our People Management Programme is a modular scheme that develops our managers and aspiring managers in multiple aspects of their management competency. This programme has been extended to include new subject areas to support our managers and aspiring managers and now includes: Recruitment, Management of Change, Stress in the Workplace, the power of Resilience, Introduction to Inclusion and Unconscious Bias, Sickness and Managing Attendance, Disciplinary & Grievance, Dignity at Work, Improving Performance, Annual Leave, PDR & Talent Management and Towards Outstanding Engagement.

We have continued to work with our leaders through our Leadership Academy with the programme of events focusing on key strategic topics that are aligned to our Board Development Programme. Areas of focus have been on Locality Working, Talent Management, Service Improvement, Personal style and leading teams through change. We will continue to strengthen this programme in the coming year.

Recruitment and Retention

Recruitment and retention continues to be a major focus for the Trust. Along with many NHS Trusts, due to a national workforce shortage, Nursing and Medical recruitment remains an ongoing challenge. A number of strategies have been adopted to support attracting potential candidates including Apprenticeships, Return to Practice schemes, the development of new roles, enhanced media campaigns and one stop shop recruitment campaigns.

To further support the timely recruitment of our workforce, the Trust recently introduced an enhanced electronic appointment system called TRAC. Although in its early stages, significant progress continues to be made to reduce the time taken to recruit new staff.

To develop and retain our valuable workforce, we run a person centred Performance Development Review (PDR) right across the Trust, whereby every member of staff has a PDR conversation and plan for the coming year. This commences its cycle in April and cascades through all the directorates, to all staff members; these are regularly reviewed to ensure encouragement and motivation to achieve the set goals and to identify new goals that may arise during the year. Through this process we identify the development needs of each of our staff aligned to the business needs of our services going forward. The information gained through these conversations identifies our education and development needs, and enables us to be responsive in delivering the education and opportunities we need to enhance our workforce and delivery capabilities.

Mentoring / Coaching / 360 Degree Appraisal

The Trust has introduced and begun to embed the Healthcare Leadership Model into leadership training programmes and is using the associated 360 degree feedback tool to help managers and leaders to receive feedback on their leadership strengths and development areas.

We are further developing our internal mentor resources to help grow leadership capacity and capability and to support leaders at all stages of their development. We are committed to encouraging our leaders at all levels to participate in coaching conversations, utilising internal and external coaches as appropriate to their role. This approach engages our leaders in finding their own solutions to the issues they address and offers a supportive but challenging environment for them to think and explore options available to them. There is currently a cohort of staff undertaking a Level 5 coaching qualification to enable us to provide internal coaching opportunities to our workforce to ensure that they are supported in achieving their goals internally. We have also provided educational opportunities for our managers and leaders to develop their coaching skills through a Coach as Manager development programme. Subsequently, a coaching register will be developed as a Trust-wide resource.

Learning Management

We have recently launched our new Learning Management System (LMS) where every staff member has their own account. This enables our staff to easily access and complete eLearning and to book onto classes. The LMS reminds people when they are due to complete regular education sessions, advertises new opportunities directly to staff and delivers real-time reporting to all managers across the Trust. This has proved to be an efficient and responsive system, driving up standards whilst allowing us to launch a raft of education opportunities enhancing our preventative and proactive capabilities. As a consequence, we have seen month-on-month improvements in mandatory education and staff accessing eLearning development opportunities.

Apprenticeships and New Roles

We offer a range of apprenticeships and apprentice qualifications at different levels to enhance skills with the Trust, support talent management and draw maximum benefit from the funding available. We understand our current staff qualification levels to further enhance the skills of the workforce through apprentice qualifications and are developing new roles and pathways to enable staff to progress their career. Examples include the development of Assistant Practitioner, Associate Nurse Roles and Apprentice Nurses. We are doing this by working with partner organisations to maximise our buying potential with Approved Training Providers.

Apprentice targets will be met by both recruiting new apprentices into the organisation and developing our current workforce through CPD of existing staff and discussions with our contractors. This is expected to be in the region of 37 apprentices for 2017/18 and we are expecting the levy payment to be circa £270,000 in the same period. Figures for 2018/19 will similarly be based on headcount (2.3% of the workforce) and our pay bill (levy calculation at 0.5% of our pay bill).

Through the development of core role based competencies we will enhance non-medical roles tailored to local need with appropriate local supervision.

We acknowledge and reward staff through our annual Recognising Excellence and Achievement in Combined Healthcare (REACH) Awards and 'spotlight' the efforts of an individual and a team at our public Trust Board meetings.

Our Feel Good Friday health and wellbeing initiative was shortlisted as a finalist last year and further work has resulted in another shortlist this year for the Social Partnership Forum Award for partnership working. This initiative enables staff to receive information and advice on a range of health and wellbeing aspects.

We won the National HPMA award sponsored by Academi Wales for Excellence in Organisational Development for the Leading with Compassion scheme whereby staff, patients and carers are able to recognise someone who they believe has demonstrated compassion.

Our CEO's blog is read widely and strengthens openness and honesty as part of our drive for authentic leadership. We have well-established means of listening and responding to staff, including the appointment of our Freedom to Speak up Guardian and the Dear Caroline initiative, which provides all staff with access to our Chief Executive to anonymously raise any issues, concerns, service suggestions and compliments.

The National NHS Staff Survey provides us with an annual opportunity both to monitor changes in what it feels like to work for the Trust over time and to benchmark against other mental health Trusts. Research shows that Trusts with stronger staff recommendation scores are also found to have stronger outcomes in terms of quality of patient care and experience.

Members of the Executive Team also visit teams on a monthly basis for informal Q&A sessions, giving staff an opportunity to share in successes in their services as well as discussing challenges with an executive. This has proven to be a great way of developing two-way conversations and empowering staff to raise issues of concern.

Professional Leadership

Building on the previous year's work, the Director of Nursing and Quality has led on strengthening the professional portfolio and raising the profile for Nursing, AHPs and Social Work.

Each professional group has a professional network chaired by the Director of Nursing and Quality, which is instrumental in developing the professional strategy and underpinning work programmes.

During 2017/18, professional conferences were held for Nursing and Social Workers and both had contributions from national speakers with presentations from Trust staff and areas of best practice.

The AHP Network is in the process of organising a follow-up conference early in the financial year.



Workforce, diversity and inclusion

2017/18 has been an extremely important year for the Trust in terms of advancing equality, diversity and inclusion within the organisation and beyond, with lots more work planned for the coming year with a specific focus on improving the experience of working here for our BAME staff and embedding the EQIA process.

Some of our key achievements for 2017/18 are listed below:

- April 2017: Trust appointed as an NHS Employers Diversity and Inclusion Partners Programme Diversity Champion.
- May 2017: We held our first Trust LGBT (Lesbian, Gay, Bi and Trans) Focus Groups for service users and staff, facilitated by Abby Crawford from Stonewall, and were also presented with an award from DEAFVibe for the work of the Trust's Deaf Awareness Group in raising awareness and developing access and experience for service users who are deaf or hearing impaired.
- May 2017: the Trust established links with the local Stoke Sikh Gurdwara and was presented with an award at the Vaisakhi celebrations. This has led to continued collaboration and partnership working throughout the year.
- June 2017: We held our highly acclaimed Staffordshire Symphony of Hidden Voices inclusion conference that aimed to 'show not tell' people what inclusion is through the power of personal stories.
- July 2017: The Trust's Diversity and Inclusion Group were runners up in the Trust REACH Awards for the Team of the Year Award.
- August 2017: We held our first Trust BAME (Black, Asian and Minority Ethnic) Focus Groups for service users and staff with Yvonne Coghill, Programme Director from the NHS England Workforce Race Equality Scheme (WRES).
- September 2017: Trust spirituality garden opened with daily access for service users, carers, other visitors and staff – thanks to a generous grant of £12,000 from the Tesco Bags of Help fund.
- October 2017: We launched our Trust BAME Staff Network, led by Cherelle Laryea, Trainee Clinical Psychologist, and 'Afternoon Tea with the Director of Nursing' sessions held for BAME staff.
- November 2017: Trust Person-Centredness Framework Development and Engagement Day held to co-produce the Trust's approach to person-centred care.
- December 2017: Trust awarded £50,000 funding to deliver a Staffordshire NHS BAME Leadership Programme (programme will be delivered in 2018/19).
- January 2018: Trust commended by the CQC for progress on developing our approach to Diversity and Inclusion.
- February 2018: Trust established links with Stoke Central Mosque and agreement to work in collaboration going forwards and praised by the local Commissioning Support Unit (CSU) for the work the Trust has done in developing diversity and inclusion.

- March 2018: Trust awarded with an NHS Employers Diversity and Inclusion Partners Programme Diversity Champion Award for progress made on advancing equality through 2017/18 and Trust shortlisted for the HMPA Social Partnership Award for its work on advancing inclusion.

A key development in 2017/18 has been the continuing progress of our Deaf Awareness project group in their ambition to greatly improve the service and experience we offer to deaf and hearing impaired service users and carers. The group has arranged for and supported a number of Trust staff to undertake British Sign Language (BSL) training, ranging from introductory level through to BSL level 3. All staff attending the Trust induction are trained to say 'Hello my name is (name)' using BSL and learn the finger spelling alphabet. In January 2017, we celebrated the signing of the British Deaf Association's Deaf Charter, backed by local organisations supporting the deaf community. In signing the charter, we have committed to five pledges to better support people in the local deaf community.

We are delighted to have also been nominated for an award by the charity DEAFVibe for our work in this area. Additionally, we signed up to the Pledge Stage of Disability Confident and will be developing our performance in this area through 2018/19.



We have progressed our plans to recruit more apprentices, both new to the Trust and from within our established workforce and will substantially build on these foundations during 2017/18. Our Service Users into Employment Group has also supported a number of service users into employment.

We have significantly developed the role of service user and carer representatives throughout 2016/17 since introducing our Service User and Carer Council. We committed to having a service user representative in our recruitment processes and interviews as standard practice and have also developed the number and diversity of service users and carers on the council.

In 2017/18, we will take our work on diversity and inclusion to the next level to:

- Deliver on our pledge to be a Disability Confident employer and improve our standards of practice in employing and supporting people with disabilities
- Deliver on our commitment to improve access and experience for deaf service users through the Deaf Charter
- Hold a focus group for service users, carers and staff on LGBT experience
- Hold a focus group for service users, carers and staff on black, Asian and minority ethnic (BAME) experience
- Deliver training on a monthly basis to staff on LGB and trans awareness
- Hold our first Inclusion Conference, raising awareness addressing issues from across the diversity and inclusion spectrum
- Work with other Trusts on the NHS Employers Diversity and Inclusion Partners Programme to push the boundaries of our work in the Trust and to help shape national developments



Towards Outstanding **The journey continues...**



**Highest conversion rates to
psychiatry training of any
medical school in England**

Our partnerships

We could not achieve what we do without the active contribution and support of a wide range of partners.

Partnership with service users has always been at the heart of our philosophy of care; and partnership with other organisations is critical to the delivery of our aims and objectives.

During 2017/18, we have been active members of **Together We're Better**, the pan-Staffordshire Sustainability and Transformation Partnership (STP). We have participated in all of the workstreams and have led three – mental health, digital, and organisational development and system leadership. We have partners with whom we **provide services**, including:

- Addiction Dependency Solutions (ADS) and Brighter Futures for our substance misuse services across Staffordshire
- Staffordshire Police for our criminal justice mental health services
- Brighter Futures for our rehabilitation and resettlement services
- Changes and North Staffs Mind for our Healthy Minds Stoke-on-Trent psychological service
- Changes YP for our children and young people's improving access to psychological therapies (IAPT) services
- Staffordshire County Council and Stoke-on-Trent City Council for Section 75 adult community mental health services
- The city council for the Meir Care Hub
- University Hospitals of North Midlands NHS Trust for our Rapid Assessment, Interface and Discharge (RAID) service.

We have partners with whom we co-produce and design services, including our Service User and Carer Council and Youth Council. We have partners upon whom we rely for facilities from which we provide our services. We share facilities with a number of public and third sector organisations within North Staffordshire and Stoke-on-Trent.

We have partners with whom we do business. A major partner among these is the North Staffordshire GP Federation. We have a Clinical Partnership Board, which both monitors delivery of existing contracts and explores further business opportunities.

Our partnership approach is demonstrated with the post of our Joint Director of Strategy and Development.

We have partners with whom we ensure best practice through teaching, training research and education. We are a Keele University Teaching Hospital and have close ties with Staffordshire University, Health Education West Midlands and the local Academic Health Sciences Network. We expect to grow and develop our partnerships in the coming years, particularly as we work with local providers to establish the North Staffordshire & Stoke-on-Trent multispeciality community provider (MCP).



Our service users and carers

Our Service User and Carer Council

The Service User and Carer Council (SUCC) have engaged with the development of the Person Centredness Framework and we have representation from service user and carers across a range of Trust business and activity; including interviewing new recruits, co-facilitating a wide range of events, attending various committees including People, Culture and Development, Quality, Finance and Performance and Business Development. Additionally:

- The service user and engagement strategy has been refreshed in partnership with the SUCC
- We have ensured that there is a service user and carer representative at the mental health sustainability and transformation plans (STP) board
- There is service user and carer representation on our Trust committees facilitated through the SUCC
- Work has commenced in developing a network of peer support workers and peer support worker strategy is being developed. To support personal and social recovery, we have progressed the development of a wellbeing academy (recovery college) with plans in place for a virtual and physical resource.

Patient Advice and Liaison Service (PALS)

We recognise the importance of our PALS service in being a key source of information and feedback for the Trust and an early warning system for emerging issues and concerns. We are pleased to report the further strengthening of our approach to patient experience with the appointment of a whole time PALS officer.

During 2017/18, there have been 344 contacts compared with the previous year, when a total of 400 contacts were received. Themes identified on analysis relate to access and waiting times, concerns about customer care and signposting to other services. To ensure that concerns raised are addressed and actioned by the right person in a timely way, the Head of Directorate and Team Manager initially respond to outline the action taken and to the satisfaction of the individual concerned.

Compliments

Each year our staff receive compliments, thank yous and much praise from people they have cared for. Many patients want to write to thank staff personally or to praise the service that they have received. It gives staff a great boost when people take the trouble to pass on their positive feedback. We are pleased to report that compliments received directly by the PALS service and via the Friends and Family Test have increased from 244 in 2016/17 to 2,063 in 2017/18.

Complaints

The Trust is committed to providing service users, families or members of the public with the opportunity to make a compliment, seek advice, raise concerns or make a complaint about any of the services it provides. We view all feedback, as valuable information about how Trust services and facilities are received and perceived. We will continue to develop a culture that sees feedback and the learning from complaints as opportunities to improve and develop services.

Our focus this year has been on strengthening our complaints procedure to enhance the experience of those using the service, alongside ensuring timely and quality investigation and responses. An improvement action plan shared with our external commissioners set out our improvement journey. We have worked in partnership with Staffordshire and Stoke-on-Trent Healthwatches and our Service User and Carer Council to implement improvements through investigation training, revised processes and improved oversight.

Overall, the Trust receives a very low number of complaints when compared to NHS benchmarking data. This is because the Trust focuses on attempting to resolve concerns at a local informal level to enable prompt resolution. We have continued to implement a number of initiatives to encourage and strengthen feedback. We have refreshed our Listening Responding and Complaints materials, maintained attendance at Service User and Carer Forums and provided bespoke training on the importance of feedback to ensure continuous improvement within our clinical teams.



Friends and Family Test

The Friends and Family Test (FFT) 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.

We are pleased to report a significant increase in FFT returns across the Trust. In 2015 we were averaging 50 FFT returns per month. Our latest return rate in March 2018 was 436 returns. This is a result of the positive impact of our efforts and importantly, a sense check of the service user experiences of our services. The Q4 FFT report reflected that 91% of people using our services would recommend us as a place to receive care.

Learning Lessons

The Trust's Learning Lessons framework has continued to be extremely well received by staff over the past year. Staff feedback from participants in the monthly Learning Lessons sessions has continued to be 100% positive with staff, generating ideas for future sessions. We have welcomed partner agencies to speak at the sessions which has given us opportunities to share learning across the health and public sector economy.

Safeguarding

The protection of our most vulnerable children and adults is a fundamental responsibility of all public agencies, whether statutory, non-statutory or from the third sector. We are committed to ensuring that people who come into contact with our services are safeguarded from abuse in line with local and national policy. In support of this, the Safeguarding team work with staff to make the best possible decisions around safeguarding. Staff are supported through access to training, supervision and individual case guidance. The Trust also has a suite of policies that cover all areas of safeguarding.

Safeguarding training is a mandatory requirement for all our staff. We operate a rolling program that ensures access to the appropriate level of safeguarding training as defined by the Royal College of Paediatrics and Child Health Intercollegiate Document. Staff also access multi-agency training which is coordinated by the local Safeguarding Boards. Members of the Safeguarding team also deliver training for the Safeguarding Boards. The Trust continues to participate in Safeguarding Boards for adults and children in Stoke-on-Trent and Staffordshire.

Prevent

Vulnerable people can be exploited and groomed into terrorism which means it can be a safeguarding issue for our service users. As healthcare staff, we have a part to play in responding to terrorism and keeping people safe. Members of the Safeguarding team sit at both Channel Panels for local authorities and also attend the Stoke-on-Trent Prevent Board.

The Department of Health is a key strategic partner in Prevent – part of the government's counter-terrorism strategy, CONTEST – as healthcare professionals may meet and treat people who are vulnerable to being drawn into terrorism. All Trust staff are required to complete WRAP training and also receive annual updates.

1. Challenge the ideology that supports terrorism and those who promote it.
2. Prevent vulnerable people from being drawn into terrorism and ensure that they are given appropriate advice and support.

Achievements:

- Developed and delivered Level 3 training, achieving 72% training level in the first year of delivery
- Developed a good practice guide for practitioners attending MARAC meetings and working with people experiencing domestic abuse
- Engaging with third sector partners to deliver professional domestic abuse training
- Developing networks and working with partner agencies to deliver appropriate support to people vulnerable to being drawn into terrorism
- Delivered extra awareness training for adult safeguarding focused on inpatient staff



Research and development

During 2017/18 the Research and Development (R&D) team has continued to contribute to NHS national research through the delivery of high quality portfolio and commercial research.

During 2017/18 the Trust faced a significant challenge with regards to recruitment to NIHR portfolio studies; our initial recruitment target was revised in month 5 and increased by over 200%. This challenge inspired staff to consider innovative ways to meet the target. We had a prize of a hamper for the highest number of referrals received, weekly communications to wider staff about research referrals. Our final recruitment figure of participants in research approved by an ethics committee is 110 and is in excess of our original target.

During the year we have developed and reviewed our research recruitment strategies and agreed a work plan for 2018/19, which will impact significantly upon our performance during 2018/19.

We recognise that for many individuals, research offers an opportunity to take a more active role in care and make an active contribution to the development of new knowledge while at the same time experiencing an enhanced quality of care. We firmly believe that service user involvement is crucial to high quality research; not just at the point of implementing a protocol but all through the study design process.

During 2017/18, we have engaged directly with groups of service users and carers – both within the Trust and the local community. We have received positive feedback from service users regarding their experiences of being involved in research and are committed to increasing the opportunities that our service users and carers have for helping to shape the future of research within the Trust.

The development of our research profile continues to be a Trust ambition. We are demonstrating a clear commitment to our aspiration to encourage, inspire and implement research and innovation at all levels. Our strategy for how this will be taken forward over the next five years has been well received and approved at Board level.

Research engagement

Research offers many opportunities for clinical staff in terms of personal and professional development and the enhancement of skills and knowledge, which leads to a higher standard of care delivery, enhanced job satisfaction and, ultimately, to improved outcomes for our service users. Within the Trust, we have sought to extend the level of engagement across the organisation.

The research forum continues to take place on a bi-monthly basis. We have had a range of presentations on a variety of different subjects and have a number of regular attendees.

We continue to utilise various approaches to keep staff informed of our research activities, including regular updates via Newsround and a physical presence at various trust events. We have agreed a re-branding and are in the process of developing a variety of promotional materials and reviewing both our intranet page and our external-facing internet page in line with the communications development across the Trust as a whole.

Chaired by the medical director, our R&D Steering group is the forum through which we progress our strategy and business. We meet on a bi-monthly basis with membership including directorate representatives, our service user representative as well representation from the Clinical Research Network West Midlands. We have reviewed the membership of the R&D Steering group and have initiated work to look at the roles and expectations of the directorate representatives.



During 2017/18, the R&D team continued to support staff at Combined who were undertaking research as part of a higher educational qualification e.g. professional doctorate, masters etc. 23 students received support, with 13 completing the research approvals process.

Of the 23 students, 20 were undertaking professional doctorates, and three were undertaking a masters qualification.

The trend for support has almost doubled (from 13 to 23); this surge is primarily to do with students who deferred, and the complete cohort (professional doctorate in clinical psychology at Staffordshire and Keele Universities) wishing to conduct their research at the Trust.

The Trust has now signed a memorandum of understanding with Staffordshire University, and the R&D team hope to collaborate around support for students and streamlining of research approvals processes in the coming year.

Delivery of Clinical Trials of Medicinal Products (CTIMPs)

Developing our capacity and capability to deliver CTIMP studies is an important aspect of our research development. Frequently complex and resource intensive, they require sites to consistently deliver research of the highest standards. CTIMPs provide opportunities for our staff to be at the forefront of the development of new treatments and also provide service users increased choice and opportunities that might not otherwise be available to them. Many CTIMPs are commercially sponsored trials through which the Trust is not only able to recover the costs of implementing the study but also generate additional income which can be re-invested to develop our own research capacity and capability. For 2017/18, the Trust set a target to increase the income generated through commercial research by 10%; we exceeded this target achieving a total increase of 152%.

External Engagement

Our research endeavours should reflect the clinical landscape and, just as the value of delivering clinical care in partnership across the community is recognised as an essential requirement for service development, so too are our research partnerships. During 2017/18, we worked to widen our engagement with our local community, other NHS organisations, academic institutes, voluntary agencies, commercial companies, local authorities and even schools. During 2017/18, we have sought to build upon these links into formal agreements most notably establishing a memorandum of understanding with Staffordshire University.

Key achievements during 2017/18

BeAble App Developments

Moving forward in 2017/18, the Vascular Wellbeing Team and BitJam Ltd began prototype development for the BeAble App, working with the R&D team, clinicians and patients. The BeAble App prototype development and evaluation continues to progress into 2018/19, with the BeAble project team currently scoping out how to progress this to the next stage.

Neurodegenerative Active Partnership (NOGAP) developments

The NOGAP team was successful in securing a further one year's NIHR CRN Strategic funding for 2017/18 for the Joint Dementia Research Coordinator post, shared across both University Hospitals of North Midlands and the Trust. During 2017/18, the NOGAP began to look as to how the partnership can be extended into Primary Care and have been working with Primary Care and the Clinical Research Network to scope this further.

Our estate

The Trust hosts an Estates Management Team which, during 2017/18, provided services to both the Trust and a neighbouring NHS organisation in Northern Staffordshire. Key elements of the services delivered for the Trust in 2017/18 were the continued implementation of the estate development plan.

This included a project at Harplands Hospital to deliver:

- The provision of a six-bedded Psychiatric Intensive Care Unit (PICU) including all associated assessment, treatment, nursing and social areas and outdoor therapeutic gardens
- The provision of a seclusion suite attached to the PICU
- The relocation of the Place of Safety onto Ward 2
- Reconfiguration of bathing/ shower facilities and social areas on Ward 1 to accommodate the space required to develop the PICU and to benefit from a shared kitchen facility for both wards
- Additional external space for Ward 1

Other significant schemes included:

- Refurbishment of the Lyme Brook reception area and reconfiguration of the internal floor area to accommodate the move of services from Bradwell Hospital into the unit
- Upgrade of security equipment at the Greenfields site reception
- Installation of emergency generator power connection facilitates at the Darwin Centre and procurement of a mobile generator for electrical resilience and business continuity
- Upgrade of the Trust Building Management System
- Upgrade of fire alarm systems at Groundwell Place and A&T Telford
- Feasibility studies and initial scoping works for both the Urgent Care Centre at Hazelhurst and A&T Telford schemes completed to time and budget

The Backlog Maintenance Programme costs for 2016/17, identified to bring estate assets that were below Condition B in terms of their physical condition and/ or compliance with mandatory fire safety requirements and statutory safety legislation up to Condition B, was £120,000.

Patient Led Assessment Care Environment 2016 (PLACE)

The Patient Led Assessment Care Environment (PLACE) for NSCHT was completed in line with the target dates set by NHS Digital in the following areas:

- Harplands Hospital
- Darwin Centre
- Florence House
- A&T Summer View
- Dragon Square

PLACE aims to promote the principles established by the NHS Constitution that focus on areas that matter to patients, families and carers:

- Putting patients first
- Active feedback from the public, patients and staff
- Adhering to basics of quality care
- Ensuring services are provided in a clean and safe environment that is fit for purpose



PLACE assesses a number of non-clinical aspects of the healthcare premises identified as important by patients and the public:

- Cleanliness
- Food and Hydration
- Privacy, dignity and wellbeing
- Condition, appearance and maintenance
- Dementia: how well the needs of patients are met
- Disability: how well the needs of patients with a disability are met

All assessments were completed in accordance with the PLACE guidelines and with a team of at least 50% representation from either Healthwatch, North Staffs Voice for Mental Health, Disability Solutions, Service User Care Council or Patient representatives on each team.

This year we had a total of 13 patient assessors engaged in the PLACE assessments. We have been fortunate to use the same independent validator on all of our assessments; this has proved to be invaluable and clearly demonstrates our commitment to ensure consistency across our organisation.

Trust's overall score for 2016

- Cleanliness - 99.61%
- Food and Hydration - 97.19%
- Organisation Food - 93.02%
- Ward Food - 99.84%
- Privacy, Dignity and Well-Being - 96.33 %
- Condition, Appearance and Maintenance. - 98.78%
- Dementia - 93.63%
- Disability - 97.24%

Cleanliness

The cleanliness scores which included hand hygiene and equipment cleanliness were excellent. Dragon Square, Darwin Centre, Florence House and Summers View each scored 100%.

Food and Hydration

The Food and Hydration scores are excellent. There are three areas assessed in this domain.

- Food (which includes hydration)
- Organisation Food
- Ward Food

Harplands Hospital, Darwin Centre and Summers View each scored 100% in the ward food assessment.

Privacy and Dignity

The Privacy, Dignity and Wellbeing scores ranged between 93.75% at Darwin Centre and 100% at A&T Unit. The lack of observation panels with integrated blinds in all patient bedrooms at Dragon Square and Darwin impacts on this domain.

Condition, Appearance and Maintenance

The Condition, Appearance and Maintenance scores were excellent and demonstrate our commitment to maintain the areas with scores ranging between 98.46% and 100%. Darwin Centre and Summers View both scored 100%. This is a real credit to the Estates Team, PFI partners and our Hospital Cleanliness Technician.

Dementia

This section was assessed on WD 4, WD 5, WD 6, WD 7, the Access Team area and the Communal areas on the Harplands site, with an overall Trust Score of 93.63% being achieved. This is a slight reduction on last year's score and reflects the changes to the questions.

Disability

As an organisation, we have achieved a score of 97.24%. The scores ranged between 96.44% at the Harplands and 100% achieved at both Dragon Square and Summers View.



Many favourable comments were received throughout the PLACE Assessments by our Patient Representatives and Independent Reviewer:

Florence House – Well-maintained building. Excellent staff who take care of the clients and encourage independence i.e. garden project and social activity. The proposed scheme to paint the adjoining garden wall with a mural depicting the seasons will greatly improve the outside space.

The development of the garden increasing the size is a vast improvement that has been made since last year’s inspection.

Summers View – All patients treated with dignity and respect. A noted improvement on last year’s inspection. The building inside is clean, fresh and bright. Gardens and outside social areas are well maintained, litter free and the clients take an interest in growing plants, fruit i.e. strawberries, tomatoes etc.

Darwin Centre – The building work that has taken place over the last 12 months has vastly improved the facilities. The extended dining area/lounge is a big improvement on last year facilities. Generally very impressed with the building as a whole. The unit provides a comfortable, pleasant environment which allows for sufficient personal choice for privacy or participation.

PLACE 2017	Cleanliness	Food & hydration	Privacy, dignity & wellbeing	Condition, appearance & maintenance	Dementia
Harplands Hospital overall site score	99.52%	97.67%	96.39%	98.46%	93.63%
Dragon Square	100%	-	96.55%	99.41%	-
A&T and Telford Unit	98.94 %	92.64%	100%	99.40%	-
Darwin Centre	100%	96.96 %	93.75%	100%	-
Florence House	100%	94.86 %	97.22%	99.45%	-
Summers View	100%	95.32%	96.30%	100%	-
Trust overall score	99.61%	97.18 %	96.33%	98.78%	93.63%

Harplands Hospital– The building is well cared for and well maintained where patients are treated with dignity and respect as individuals. Excellent food service.

Grounds are well maintained, litter free and gardens are tended and colourful.

Tranquil surroundings and excellent art work. Approach to wards is welcoming and environment improves year on year.

B4/5 Dragon Square – Building clean and well maintained. Decoration and artificial lighting improved since 2016. Modern artwork adds to the décor and the ambiance of the building. Staff very amenable and provided information when requested.

A & T Unit – Pleasantly decorated, calm environment. A lovely tidy site. Only three clients on site at the time, but all were well supported by staff and protected their privacy and dignity well. The team were made to feel very welcome.

Sustainability and climate

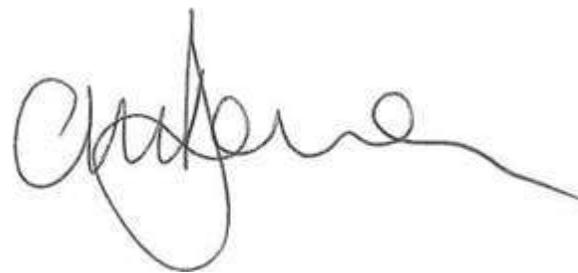
The Estates Department monitors overall use of utility consumption and provides professional advice to support the Trust's goal of actively reducing its carbon footprint.

The Trust will continue to engage with partners across Staffordshire via the Local Estates Forum work stream of the county-wide Sustainability and Transformation Partnership (STP) in developing areas of best practice, in reducing the carbon footprint and seeking group procurement opportunities.

Through the capital programme, investment has been made in recent years to support this goal – high efficiency boilers, VSD, low energy lighting etc. as well as through the successful pursuit of operational system requirements at Harplands Hospital.

The Trust continues on its trajectory to achieve the 80% carbon reduction by 2050. This is largely due the procurement of green electricity through our central government procurement framework and a focus on the reduction of energy usage. Improvements to the Building Management System will help to identify and deliver energy savings across the Trust estate.

An Organisation Median Report from the 2016/17 ERIC data shows we are below the median for carbon emissions per occupied floor area with a value of 44.40kg/m² compared to a median for mental health of 86.08kg/m².



Caroline Donovan
Chief Executive



HOW WE ARE LED AND GOVERNED - OUR ACCOUNTABILITY REPORT

Our Board

Our Board of Directors is the Trust's corporate decision-making body, which considers the key strategic and managerial issues facing the organisation. It met eight times during the year and consists of the Chair, executive directors including the Chief Executive, and non-executive directors. David Rogers is Chair of the Trust.

Gan Mahdea was appointed in October 2017 as a new non-executive director, replacing Bridget Johnson. We substantively recruited Alex Brett in December 2017 as a new Executive Director of Organisational Development, Workforce and Communications, replacing Paul Draycott. We also substantively recruited Jonathan O'Brien in March 2018 as Executive Director of Operations, following two interim appointments.

Our Non-Executive Directors

David Rogers – Chair



David commenced his role as Chair on 1 April 2016 after joining the Trust as a non-executive director in 2014. He worked as an accountant for 18 years and has spent the past 25 years working as a non-executive chairman for a number of companies, assisting in the development of their strategic policies. Over the last decade, he has been increasingly involved in the public sector, formulating and chairing the Stoke and Staffordshire Strategic Partnership, which was charged with bringing together the full range of public service providers and the private and voluntary sectors across the sub-region and generating aspirational strategic longer-term plans.

Tony Gadsby – Vice Chair



Tony is an experienced director from a manufacturing environment. He worked for JCB for 20 years in senior and executive managerial roles. As Director of JCB Cabs Systems, he led the restructuring and expansion of the business during a period of unprecedented change and growth. Prior to retiring in 2008, he was Managing Director of JCB's Groundcare division. Before joining JCB, Tony had a long career with Aveling-Barford, another large manufacturer of construction equipment.

Gan Mahadea – Non-Executive Director



Gan was born in Mauritius and moved to the UK in 1997 to study at the University of Manchester before moving to London where he qualified as a Chartered Accountant. In 2013, he formed General & Medical Accountants Limited. He also supports a number of community initiatives and local charities, including the Macari Centre, which provides assistance to people experiencing homelessness.

Patrick Sullivan – Non-Executive Director



Patrick was, until May 2012, the Director of Nursing at Lancashire Care NHS Foundation Trust, one of the largest non-acute Trusts in the country. He is a Mental Health Act Reviewer for the Care Quality Commission and sits on mental health review tribunals as a specialist lay member.

Joan Walley – Non-Executive Director



Joan was MP for Stoke-on-Trent North for 28 years, stepping down in 2015. During her term in office, she was Shadow Transport and Shadow Environment Minister and Chair of the Environmental Audit Select Committee for five years. She serves as Chair of the Aldersgate Group, an alliance of leaders from business, politics and civil society that drives action for a sustainable economy, as well as Chair of Burslem Regeneration Trust.

Lorien Barber – Non-Executive Director



Lorien Barber has worked for nearly 20 years in the voluntary sector. For seven years, she served as Director of North Staffs Users Group, the mental health campaign group and voice of service users locally. During that time, she was also elected as Co-Chair of the local Mental Health Partnership Board. More recently, she worked as Strategic Liaison Manager, connecting local health, social care and the voluntary sector at VAST, a charity providing services and support to voluntary and community groups, charities and social enterprises in Stoke-on-Trent and Staffordshire. She has also been appointed as Partnership Manager at Macmillan to improve cancer support across Staffordshire and the Black Country.

Maria Nelligan – Director of Nursing and Quality



Maria is an experienced registered nurse and leader. She has held a number of operational and clinical roles including professional lead and services manager until her appointment to Deputy/Associate Director of Nursing and Therapies in 2004 in Cheshire and Wirral Partnership NHS Trust. During this time Maria extended her experience corporately in leading a portfolio in nursing, IPC, emergency planning, education services development and quality improvement.

In October 2015, Maria joined the Trust as Director of Nursing and Quality, taking a key role in taking forward continuous improvement and contributing to the Trusts CQC improvement journey. Maria is a member of the National Mental Health Nurse Directors Forum steering group and represents the Midlands and East. As well as nursing, she is the professional lead in the Trust for AHPs and Social Workers.

Our Executive Directors

Caroline Donovan – Chief Executive



Caroline was appointed Chief Executive of the Trust in September 2014. She had held the position in an acting capacity since February 2014 and had previously been Executive Director of Leadership and Workforce. Prior to joining the Trust in 2009, Caroline served as Associate Director of Workforce for NHS West Midlands. She has been a registered general nurse for over 30 years and has CIPD membership.

Jonathan O'Brien – Director of Operations



Jonathan joined us from Mid Cheshire Hospitals NHS Foundation Trust, where he was Director of Operations since 2015. He has held responsibility for operational delivery, performance management and transformation programmes. He has worked in senior operational roles within the NHS for 14 years, since joining the NHS in 2004. He has held operational management posts across acute hospital Trusts in Greater Manchester and Cheshire, where he has managed large medical and surgical Directorates and Divisions. With a strong academic background to complement his professional experience, he holds a Master of Business Administration (MBA) from Manchester Business School, an MSc in Healthcare Leadership and Management from the University of Birmingham and a BSc in Business Studies from Lancaster University Management School.



Suzanne Robinson – Director of Finance, Performance and Digital

Suzanne joined the Trust in March 2016 from The Christie NHS Foundation Trust, having worked at a senior level at a number of large acute providers as well as commissioning organisations in the North West of England, with over 16 years experience in the NHS. She has a passion for finance skills development and improving the visibility and understanding of finance across the Trust, leading her teams to succeed in a number of national finance awards.



Andrew Hughes – Joint Director of Strategy and Development

Andrew was appointed as Joint Director of Strategy and Development in March 2017. He has led healthcare projects since the late 1990s with a combined value of over £1bn. As a director at Birmingham Children’s Hospital NHS Foundation Trust, he held responsibility for strategic planning, capital projects, fundraising, partnerships, communications and media management. His previous roles include council member at Birmingham Chamber Group and special advisor to UNICEF UK.



Alex Brett – Director of Organisational Development, Workforce and Communications

Alex joined us from Shrewsbury and Telford Hospital NHS Trust, where she was Deputy Workforce Director. She has also worked in a senior capacity in South Staffordshire and Shropshire Healthcare NHS Foundation Trust, NHS Stoke-on-Trent Primary Care Trust, North Stoke Primary Care Trust and Keele University.

Much of the work Alex has led has involved managing and leading teams to become catalysts for innovation and change in organisations, as facilitators and enablers. She is used to working across partnerships and has worked significantly with NHS and care organisations, including GP practices, across North Staffordshire in a number of different roles. She is a qualified Coach and Team Coach and was the Health Education West Midlands Coach and Mentor of the Year 2016.



Dr Buki Adeyemo – Medical Director

Buki was appointed to the role of Medical Director in January 2012. She is a qualified consultant in old age psychiatry and has worked in the NHS since 1998. She leads the dementia innovation programme for Health Education West Midlands and is passionate about streamlined care for older people and the leadership roles clinicians can have in making this happen.

She is the lead for the Mental Health Medical Directors’ Group for the West Midlands and promotes the principles for medical leadership to acquire the required competence and skill to deliver safe patient care.

Additional members of the Board

Dr Keith Tattum – GP Associate Director



In his role as GP Associate with the Trust, Dr Tattum provides a valuable general practice and primary care perspective to influence Board decision making. He has served in this role since 2011 and qualified as a GP in 1980. Alongside his role with the Trust, Dr Tattum is a long-standing GP at Baddeley Green Surgery in Stoke-on-Trent.

In attendance at the Board

Laurie Wrench – Associate Director of Governance



Laurie joined the Trust in 2007 as Head of Clinical Audit and Research, having previously worked for the University Hospitals of North Midlands NHS Trust as Clinical Audit Manager. In September 2015, Laurie was appointed to the new role of Associate Director of Governance, covering a wide portfolio including the role of Board Secretary.

Wendy Dutton – Chair of Service User and Care Council



Wendy has been a member of the SUCC from its inception and its Chair since 2016. She brings valuable insight into care from the perspectives of both a giver and receiver of care services, having been a general nurse in the NHS for 30 years as well as a service user herself. She is passionate about improving services through education and debate.

Joe McCrea - Associate Director of Communications



Joe joined the Trust in December 2016, having previously been Director of Communications at East Leicestershire and Rutland CCG. He brings a wealth of experience gleaned from over 20 years in NHS and health communications at a senior level from both a policy and a service perspective, including the Department of Health, Cabinet Office and 10 Downing Street, as well as a wide range of NHS bodies, including acute and community NHS trusts, NHS Confederation, NHS Leadership Academy and East Leicestershire and Rutland GP Federation.

Jenny Harvey – Chair of Staff Side



Jenny joined the NHS in 1988. She has previously worked as a Ward Domestic and a Health Care Support Worker in learning disabilities services. Jenny has been a trade union representative for more than 25 years, first in the Confederation of Health Service Employees (COHSE) and subsequently UNISON. Jenny has been Chair of the Trust Staff Side trades unions for over a decade, including the role of representative to the Trust Board. Jenny is currently a West Midlands delegate to UNISON's Health Executive Committee, which leads on NHS negotiations and consultations at a national level.

Register of acceptance of the Code of Conduct and Code of Accountability in the NHS

In November 2007, the Trust Board requested that a formal register of acceptance of the Code of Conduct and Code of Accountability in the NHS be established.

All directors have provided a signed declaration of their acceptance of the Code of Conduct and Code of Accountability in the NHS to the Associate Director of Governance.

The Code of Conduct and Code of Accountability in the NHS can be viewed at: <http://www.ntda.nhs.uk/wp-content/uploads/2013/04/code-of-conduct-and-accountability-for-nhs-boards.pdf>.

Declaration of directors' private interests (as of March 2017)

We maintain a register of directors' declared private interests, which is available on our website at <http://bit.ly/2qRQORd>

Information governance disclosures

All NHS organisations are expected to secure person identifiable data related to both patients and staff and to safeguard data holding systems and data flows. There have been no significant control issues related to data loss or confidentiality breach during the year ending 31 March 2017 and up to the date of approval of the annual report and accounts.

Disclosure of information to auditors

The directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware and each director has taken all the steps that he/ she ought reasonably to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

Events after the reporting period

There were no events after the reporting period, commitments or contingencies other than those already disclosed in the annual accounts for the period ending 31 March 2017.

Board Attendance 2017/18

	6th April 17	11th May 17	8th June 17	13th Jul 17	7th Sept 17	5th Oct 17	9th Nov 17	25th Jan 17	22-Feb-17	22-Mar-18
David Rogers	✓	✓	✓	✓	x	✓	✓	✓	x	✓
Caroline Donovan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Bukil Adeyemo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Patrick Sullivan	✓	✓	✓	✓	✓	✓	✓	✓	x	✓
Andy Rogers	✓	✓								
Tony Gadsby	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
Paul Dreycott	✓	✓	✓	✓	✓	✓	✓			
Bridgett Johnson	✓	✓	✓	✓						
Andrew Hughes	✓	✓	x	x	✓	✓	✓	✓	✓	✓
Maria Nelligan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kieth Tattum	✓	✓	✓	✓	✓	✓	✓	x	x	✓
Joan Walley	✓	✓	✓	✓	✓	✓	✓	✓	x	✓
Suzanne Robinson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lorien Barber	✓	x	✓	✓	x	✓	✓	x	✓	x
Jenny Harvey	x	x	x	x	✓	x	✓	✓	✓	✓
Joe McCrea	x	x	✓	✓	✓	✓	✓	✓	✓	✓
Wendy Dutton	x	x	✓	✓	x	✓	✓	x	✓	x
Laurie Wrench	✓	✓	✓	x	✓	✓	✓	✓	✓	✓
Lisa Wilkinson (notes)			✓	✓	✓	✓	✓	✓	✓	✓
Justine Scoother	✓	✓								
Nasreen Fazal-Short		✓	✓	✓	✓	✓	✓			
Tess Tainton	x	x	x	x	✓	x		✓	x	✓
Gan Mahadea						✓		✓	✓	✓
Carol Sylvester								✓	x	✓

Our committees

We have a strong governance structure that matches those established by many Foundation Trusts and brings together the key components of behaviour and process.

We have seven Board committees, each of which is chaired by a non-executive director and has clear terms of reference and duties which are reviewed annually to ensure its effectiveness:

- Audit Committee
- Finance and Performance Committee
- Quality Committee
- Remuneration and Terms of Service Committee
- Business Development Committee
- People and Culture Development Committee
- Charitable Funds Management and Scrutiny Committee

Audit Committee

The committee monitors and reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control across clinical and non-clinical activities.

Finance and Performance Committee

The Finance and Performance Committee monitors the performance and achievement of our financial plans, ensuring compliance with NHS systems and financial performance requirements.

Quality Committee

The Quality Committee provides assurance to the Board on the quality and safety of healthcare provided by the Trust by developing and reviewing the organisation's Quality and Clinical Strategy and plans. It reports and provides assurance to the Board through the monitoring of the organisation's SPAR quality objectives of Safe, Personalised, Accessible and Recovery-focused care. The committee has responsibility for the oversight of operational and clinical risks that members of the committee consider pose a threat to the delivery and quality of services.

Remuneration and Terms of Service Committee

This is a non-executive director only committee that determines the terms and conditions of employment for executive directors and very senior managers.

Business Development Committee

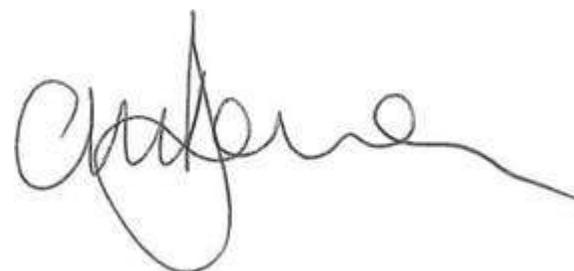
Providing assurance to the Trust Board, the committee is responsible for the Investment Policy that deals with tenders, capital projects, business cases and other matters related to the business development of the organisation.

People and Culture Development Committee

The committee is focused on our staff and their development through a mix of workforce metrics and sponsorship of innovation and staff engagement.

Charitable Funds Management and Scrutiny Committee

The committee ensures that charitable funds are managed in line with agreed policies on investment, fundraising and disbursement.



Caroline Donovan
Chief Executive



Statement of the Chief Executive's responsibilities

The Chief Executive of NHS Improvement has designated that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum, issued by the Chief Executive of NHS Improvement.

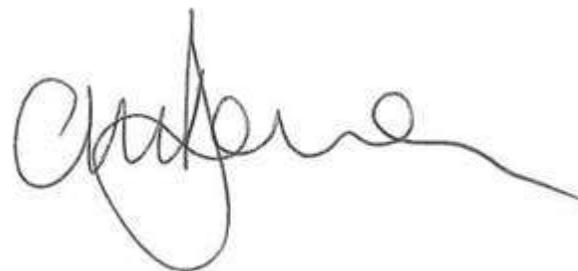
These include ensuring that:

- There are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- Value for money is achieved from the resources available to the Trust
- The expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- Effective and sound financial management systems are in place
- Annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

I confirm that, as far as I am aware, there is no relevant audit information of which the Trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.



Caroline Donovan
Chief Executive

Statement of the Directors' responsibilities

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, recognised gains and losses and cash flows for the year.

In preparing those accounts, directors are required to:

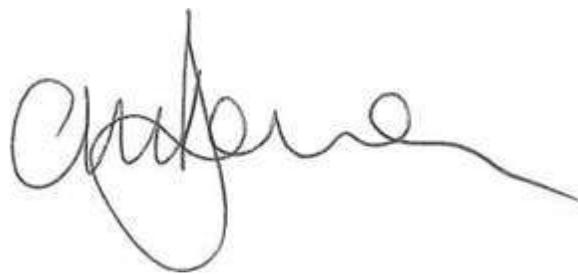
- Apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- Make judgements and estimates which are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.

They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the accounts.

By order of the Board.

A handwritten signature in black ink, appearing to read 'Caroline', with a long horizontal flourish extending to the right.

Caroline Donovan
Chief Executive

GOVERNANCE STATEMENT

1. Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS 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 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 Trust Accountable Officer Memorandum.

This governance statement records the stewardship of the organisation and forms part of the annual accounts as defined in chapter 1 of the NHS manual for accounts. This document describes the Trust's integrated governance, risk management and internal control arrangements across the whole of the Trust's activities. This document reflects the Trust's current governance procedures and systems in place which have been independently reviewed and developed further throughout the reporting period.

The performance of the Trust is monitored by NHS Improvement (NHSI) up to 31 March 2018. The Trust's performance is assessed by the submission of data and by meetings between the NHSI and Trust staff.

The Trust has a range of formal and informal mechanisms in place to facilitate effective working with key partners across the local economy. These include participation in partnership boards which bring together health, social care, independent and voluntary sector organisations in the City of Stoke-on-Trent and the County of Staffordshire.

The Trust has an Integrated Business Plan 2015/16–2019/20. During 2017/18, the Trust Board led a process to review and reaffirm the Trust's Vision, Quality Priorities, Values and Strategic Objectives. This in turn informed a refresh of the second year of our existing Two Year Plan, which we will deliver during 2018/19, and which has received positive feedback from NHSI. The process to refresh the Plan has been delivered from within each of the six Clinical Directorates.

The plan has been written during a year of real progress and achievement for the Trust. In February, after an extensive process - our third detailed inspection in three years - the CQC rated Combined Healthcare NHS Trust as a 'Good' organisation - with all of our services rated as either 'good' or 'outstanding'. We have also been identified by the CQC as an exemplar for our service improvement progress.

Now, our 'Towards Outstanding' improvement programme is centred on taking us on the next stage of our journey. This will encompass and bring together everything that we do – our services, our people, our leadership, our listening and engagement, our involvement of service users and carers, our staff development and training. By bringing everything together in one unified programme of improvement, we are confident we will reach our aim.

During 2017/18 some key achievements include:

- At the time of ratings publication, rated by the CQC as the best mental health Trust across the whole of the Midlands and East of England and third highest in the whole country - with every service rated at least Good and at least two Outstanding
- 21 out of 28 categories in national NHS Staff Survey at average or better than average, with 10 categories ranking better than average
- First mental health Trust in the country to sign up to the TUC Dying to Work Charter
- Hailed by CQC as a national exemplar in driving improvement for mental health services - featured in CQC Report showcasing how mental health Trusts have led by example in raising standards
- Finalist in no less than four 2018 HSJ Value Awards - including two out of only five finalists in mental health category
- Significant improvement in CAMHS waiting times - two thirds of children and young people are seen for a first assessment within four weeks - no child waits more than 18 weeks and 97% of children and young people receive treatment within 18 weeks
- Among the very best performers in the country in Patient Led Assessment of the Care Environment (PLACE) results - each of the six Trust sites inspected achieved 100% perfect scores in one or more areas
- Trust's Finance team won the Great Place to Work Award at the Healthcare Finance Management Association (HFMA) West Midlands and Finance Team winners of Healthcare Financial Management Association Havelock Training Award
- Finalist in HSJ Clinical Leader of the Year Award - nominated for leadership of a new model of care that improves mental health and wellbeing, building resilience and early interventions directly within schools
- First mental health Trust in the country to host NHS Chief Executive Simon Stevens and national NHS Executive Team Regional Meeting
- 19 consecutive years of financial balance
- Highest conversion rates to psychiatry training of any medical school in England
- Third highest mental health Trust in England for staff engagement
- Proud to be able to be called a Keele University Teaching Trust

- Leading with Compassion recognition scheme shortlisted in the Kate Granger Awards for Compassionate Care
- Hosted Yvonne Coghill OBE, NHS England Director of Workforce Race Equality Standard (WRES) Implementation from NHS England, to lead our first Black, Asian and Minority Ethnic Focus Group
- Our learning disabilities services was a finalist in HSJ Community Healthcare Service Redesign Awards and Healthy Minds IAPT Team shortlisted in the Improving the Value of Primary Care Service Award

2. The purpose of the system of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of North Staffordshire Combined Healthcare NHS 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 North Staffordshire Combined Healthcare NHS Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

3. The Trust's Governance (Risk and Control) Framework

During the year, we have again re-examined our governance arrangements to ensure that they are effective and we have assessed the role of the Board and our committee structure and their effectiveness, along with the flow of information to the committees and the Board:

- There are annual cycles of business for the Board and its committees, which ensures that the Trust is closely monitoring performance against national priorities.
- Attendance is monitored and there is regular attendance at Board and committee meetings.
- There is continued, enhanced performance management reporting, including performance rectification plans when targets go off track.
- There is an effective Board Assurance Framework, which is the system used by the Board to ensure that all strategic risks are effectively managed and that the effectiveness of those controls has been assured. The Board Assurance Framework is independently audited on an annual basis and this year received an opinion of 'substantial assurance.'

- All committees of the Board are chaired by a Non-Executive Director and committee terms of reference are reviewed and agreed annually to ensure that they remain fit for purpose and there are no gaps in business or unnecessary duplication.
- A full committee effectiveness review was undertaken in conjunction with AQUA (Advancing Quality Alliance) in line with the NHSI and CQC well-led framework.
- Review of the timing and meetings of the Board and Committee meetings with a new cycle of business and programme of meetings in place for 2018/19.
- A robust Board Development Programme; aligned to strategic objectives and delivered in partnership with AQUA, NHSE and NHSI.
- Confirmation of compliance with condition FT4 under the NHS Provider Licence.

The board has revised and agreed its structure to support the delivery of business, as outlined below:

3.1 The Audit Committee

The Audit Committee monitors and reviews the establishment and maintenance of an effective system of integrated governance and internal control across both clinical and non clinical activities, which supports the achievement of the organisation's objectives. Membership of this committee comprises all Non-Executive Directors of the Trust Board with the Director of Finance, Performance and Digital, Associate Director of Governance, internal and external auditors in attendance to support the meeting. This committee met five times in accordance with its terms of reference and all meetings were quorate.

3.2 The Finance Performance and Digital Committee

The Finance, Performance & Digital Committee is responsible for oversight and scrutiny of the Trust's financial performance, operational performance and implementation of the Trust digital strategy, taking action where necessary and making recommendations to the Trust Board. Oversight of the Digital function was added to the responsibilities in September 2017.

The Finance, Performance & Digital Committee also performs a risk management function in relation to any financial, digital or operational performance risks which may impact on the Trust's ability to deliver its strategic objectives.

The Finance, Performance & Digital Committee met monthly and all meetings were quorate. Membership of the meeting is made up of Non-Executive Directors, Executive Directors, Deputy Director of Finance, Associate Director of Performance, Chief Information Officer and other operational managers required to attend to present or clarify any aspects of business activity or financial management.

The committee oversees and monitors performance at a strategic level, in particular monitoring performance against local as well as the national priorities set out in the Single Oversight Framework and the NHS Standard Contract, covering, for example, indicators concerning referral to treatment within waiting times, access and quality metrics.

3.3 The Quality Committee

The Committee met six times in accordance with its Terms of Reference and all meetings were quorate. Membership of the Committee is made up of Non-Executive Directors, one of which acts as Chair, Executive Directors and Clinical Directors are in attendance to ensure opportunity is given for discussion in respect to Directorate performance. Examples include incidents, complaints, risks and sharing learning outcomes.

The Committee has responsibility for the oversight of service user and carer engagement patient safety, clinical effectiveness and overview of clinical risk. The Committee receives a report on quality impact assessment and related cost improvement schemes to ensure that none of the proposed schemes negatively impact on the quality of services provided. The Committee also receives reports on “never events”, “serious incidents”, and explanations of any follow up action.

During the year, members considered the Committee’s effectiveness, which included reducing the number of reports submitted and the structure of the meeting. Reports are aligned to the Trust’s quality objectives, giving assurance sought by the Committee. There will be a further effectiveness review during 2018/19 and further adjustments made as required.

3.4 People and Cultural Development Committee

The principal aim of the committee is to provide advice and assurance to the Board on cultural development, workforce performance, and the achievement of the workforce strategies, including staff engagement enabling strategies and management of the associated risks. An internal and external review (undertaken by the committee and AQUA) of the effectiveness of the committee was undertaken during the year to ensure that this established committee was meeting its terms of reference and that it continues to obtain the requisite assurances it requires. This has led to some developments and continues to be reviewed on an ongoing basis.

This committee meets bi-monthly and all meetings were quorate. There is a close working relationship with the Quality Committee and during the year the cycles of business for each committee were reviewed to ensure that there was no unnecessary duplication or gaps in business across these two committees. The membership comprises Non-Executive Directors and Executive Directors, with Associate/Deputy Directors from Workforce, OD, Communications, Heads of Directorates (as required), as well as staff side representatives in attendance.

3.5 The Business Development Committee

The Business Development Committee, on behalf of the board, aligns the strategic intentions with business decisions for the organisation. The committee leads on responding to the external health and social care environment, and provides recommendations to the board on risks and opportunities. The committee ensures that lessons are learned from both successful and unsuccessful bids for new contracts and that this learning is reflected into future bids to maximise the chances of success.

The committee has oversight of the Trust’s five-year plan and the one- and two-year operating plans developed by the directorates to describe service developments, finance and delivery models.

The committee provides assurance to Trust Board that its capital investments are in line with the Trust’s five-year plan and undertakes due diligence on investment proposals. Progress on key capital investment schemes is reviewed for assurance that they are being delivered to the agreed time, scope and cost parameters of each project.

The committee ensures the effective integration of services with health, social and third sector partners, ensuring that the organisation develops and maintains partnerships to deliver the integrated business plan. Key to this are the progress updates received for the North Staffordshire and Stoke-on-Trent Alliance and primary care integration activity received by the committee.

The committee reviews risks associated with high risk investments and provides the Trust Board with assurance of due diligence and risk management. It also reviews the Trust risk register and ensures that it reflects the agreed risk profile of the Trust, ensuring that risks are identified and managed effectively.

The Committee meets bi-monthly and is chaired by a Non-Executive Director with membership comprising one other Non-Executive, Director of Strategy and Development, Director of Finance, Director of Operations and Medical Director.

3.6 The Charitable Funds Management and Scrutiny Committee

Combined Healthcare has administered Charitable Funds since its creation on 1 April 1994. This committee ensures that the charitable funds are managed in line with agreed policies on investment, disbursement and fund raising. The Trust Board of North Staffordshire Combined Healthcare NHS Trust serves as the agent of the Corporate Trustee in the administration of funds held by the Trust and those of Staffordshire and Stoke-on-Trent Partnership NHS Trust (SSoTP). This committee met once during the year and membership is made up of Non-Executive Directors as well as the Director of Finance, Performance & Digital and nominated representative from SSoTP.

3.7 Remuneration and Terms of Service Committee

This committee is responsible for determining the remuneration and condition of service of Executive Directors, ensuring that these people properly support objectives of the Trust, represent value for money and comply with statutory and NHS/DH requirements. Meetings, as well as virtual meetings, have been arranged as required during the course of the year. The Chairman acts as the Chair of this committee, which is attended by Non Executive Directors and supported by the Associate Director of Governance. The Chief Executive and Director Workforce, Organisational Development and Communications are in attendance. During 2017/18, the committee's cycle of business and Terms of Reference were reviewed and updated.

3.8 Senior Leadership Team (Risk)

The group, chaired by the Chief Executive, comprises the Executive team and Clinical Directors as members, which allows the opportunity to consider any emerging risks and existing risks from the directorate operational risk registers and the Trust corporate risk register. Through a review of the directorate and Trust-wide risk registers, the Trust is able to identify cross-cutting themes and offer support and challenge as to the mitigations in place, making recommendations on risks to be re-scored (escalated or de-escalated).

The group takes a forward look at key risks and how they may impact on the delivery of strategic objectives as well as a retrospective review. The group meets monthly and has a two-way reporting arrangement with each sub-committee of the board and its respective areas of risk.

3.9 Effectiveness Review

During the year, our Board membership has been refreshed and further enhanced with the appointment of a new Director of Workforce, Organisational Development and Communications, Director of Operations and Non-Executive Director. A GP Associate Board member continues to give strength and support to the Board from a primary care perspective. The Chair of the Service User and Carer Council is also a full member of the Board to help influence decisions made and ensure that they are service user focused.

The Board has a wide range of experience and skills to provide effective leadership. As part of our Board Development Programme, we have undertaken a Board skills assessment and are currently reviewing the findings, noting areas of strength and where there may be potential gaps in skill.

The Board continues to receive timely updates on the key issues arising from each committee meeting from the relevant Chair, such as incidents, complaints, learning from the national inquiries etc. This is also supported by a written summary of the key items discussed by the committee and decisions made. Board members also have access to all papers and minutes of those meetings as required.

Our continuous cycle of board development acts as an opportunity for ongoing organisational development. A core component of the development programme is to ensure that all board members have a focus of continual improvement in order to deliver the highest quality, safe services for our community, within resources available. During 2017/18, the Trust strengthened its approach to Board Development, participating in the Advancing Quality Alliance programme (AQuA) and linking this through to leadership and quality development across the wider Trust through the Leadership Academy.

As part of a review of its effectiveness, the Board undertook a full review of effectiveness alongside AQUA against the NHSI well-led framework and CQC Key Lines of Enquiry (KLOEs) in preparation for a full well-led review undertaken by the CQC in October 2017.

The AQUA review comprised a Board self-assessment against the eight KLOEs, observations of all committees and the Board and interviews / focus groups with key staff. Key findings were as follows:

KLOE 1 Leadership, Capacity and Capability

The Board's current composition demonstrates a good balance of skills, experience, and knowledge. A more structured Board development programme, driven by Board development objectives, should be progressed. In addition, a more formalised skills assessment would be beneficial.

The transformation agenda is rightly recognised as a major challenge.

KLOE 2 Trust Vision and Strategy

The strategic intent is collectively and individually held at Board level. The principles of working with other organisations to achieve wider system goals underpin that strategic intent. Vision and values are consistently articulated and understood at the most senior levels and are evident in observed behaviours at the Board. There is an improved understanding at Board level of how services are performing in relation to quality and actions the Trust is taking to address them.

KLOE 3 Culture

The Board have built a sense of positivity. Leaders do live the vision and Board discussion reflected this strongly. Staff feedback is encouraged with a range of mechanisms available. The promotion of diversity and inclusion is a clear thread throughout the Trust. There is a lived culture of recognition, support, engagement, respect and celebration with the tone being set by the Board. Transparency and openness is valued.

KLOE 4 Roles, Responsibilities and System Accountability

The Board and other levels of governance, encompassing committees, Senior Leadership Team, directorates and teams within the organisation, function and interact appropriately.

The Board demonstrates corporate leadership and a broadly positive balance between challenge and support. The information flows generally were seen to support decision making and the resolution of risks and issues. The well-supported approach to governance is reflected in embedded mechanisms for risk management from directorate and team level through to strategic risk as defined in the Board Assurance Framework. There is an escalation and de-escalation process for the management and oversight of risk.

It was noted that the current structure can create silos. Locality structures would strengthen collaborative working.

KLOE 5 Managing Risks and Performance

The processes underpinning risk identification, understanding, monitoring and management are well designed, operating effectively and owned at senior levels.

KLOE 6 Information

The Trust has a clear digital strategy in place and, as part of this, a new Electronic Patient Record System is being implemented. Positive feedback was provided in respect of: clinical engagement, staff training, improvements to systems etc. At the time of the review, the implementation was in its infancy in terms of: data quality and the medium-term ability to demonstrate benefits realisation.

KLOE 7 Engagement

The active Service User and Carer Committee and its representation at the Board is a great asset. A range of effective partnership working is in place and a key joint appointment operates at Board level. The Trust has taken up a determined system leadership role. In particular, this is best signalled through the establishment of a new alliance of health and social care providers. Relationships with partners and commissioners has substantially improved but there is more to do.

KLOE 8 Learning and Improvement

The Trust has a continuous improvement focus and there are clear ambitions to be a learning organisation as demonstrated through a range of approaches.

One area that has been very much strengthened in the new NHSI Well Led guidance aligned with CQC's assessment relates to the effective application of quality improvement (QI).

There needs to be a move from quality assurance to quality improvement.

In response to the findings action plans have been developed for each KLOE and committee which address both the strengths identified and suggested areas for development. Ultimate oversight of the action plan is provided by the board.

3.10 Quality Account 2017/18

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.

By 30 June 2018, the Trust will have developed and published its Quality Account for 2017/18. In order for the Board to assure itself that the Quality Account is managed in an effective and timely way and that the Quality Account is accurate, a further project plan was discussed at the Quality Committee and is currently being implemented. Delegated authority on the delivery of the Quality Account was approved by the Board. This plan sets out the review and planning framework, including engagement and review by key stakeholders in developing the document, incorporating feedback (including our three steps to engagement) and their final validation.

3.11 Board Assurance Framework

The Trust has a fully documented Board Assurance Framework (BAF) and produces assurance framework reports which are updated on a quarterly basis. The Audit Committee receives regular reports and provides assurance and makes recommendations to the Board. The strategic objectives of the Trust form the basis of the BAF. The Assurance Framework maps the strategic risks, risk appetite, key controls, gaps in control, assurances (including levels of assurance) and gaps in each against one of the strategic objectives.

The Assurance Framework operates as follows:

- The Board sets out what the Trust is aiming to achieve (the Trust's strategic and annual objectives linked to the Executive Director objectives);
- The Board considers the risks that threaten the delivery of its plans (the strategic risks);
- The Board decides what systems and processes are required to manage the risks (the controls);
- The Board decides what information it needs to know and that the controls are working effectively (the assurances);
- The Board delegates responsibility for receiving some assurance to its committees;
- The Board receives feedback about the adequacy of its control arrangements (for example: patient feedback, self-assessment, internal/external audits) and takes action as required.

This process provides a framework of assurance about the system of integrated governance, risk management, and internal control, across the whole of our activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives.

As such, the Trust Board and its committees take an active role in risk management and ensure that there are effective risk management processes to support the achievement of the Trust's policies, aims and objectives.

Trust internal auditors, RSM, undertook a review of the 2017/18 BAF and concluded that the Trust had strong governance arrangements in place and awarded an opinion of 'substantial assurance' with no further recommendations.

The Risk Management Strategy and the Risk Management Policy are reviewed and refreshed every three years and are discussed by the appropriate committees and endorsed by the Board. Together they create a framework for the consideration of risk at all levels within the organisation (both clinical and non-clinical) and mandate the maintenance of a register of all risks. The risk register is a dynamic tool, with risks held on the Safeguard Risk Management system, which is updated by the risk owner at regular set intervals determined by the nature and residual score of the risk or as circumstances change. It is sub-divided into two parts; Trust risks and operational risks. The Risk Register sets out how these different types of risks are identified measured and monitored.

The Trust has four levels within the risk management framework:

1. Board Assurance Framework
2. Trust Risk Register
3. Directorate Risk Registers
4. Team Risk Registers

The aims of the Risk Management Strategy and Risk Management Policy are to:

- maintain the highest possible standards of service delivery where the numbers of serious errors are few relative to the volume and complexity of activity undertaken;
- support the achievement of the Trust's strategic objectives in an efficient and effective manner, delivering value for money, and;
- ensure that risk management arrangements are continually strengthened and combined with robust control and reporting arrangements to create an effective system of integrated governance.

The Risk Management Strategy and Risk Management Policy define the way in which risks are identified, measured and managed and the management of situations where control failure leads to the realisation of risk. They clearly define the roles and responsibilities of key managers and committees and set out the specific responsibilities of the Directors for the effective management of risk. The Risk Management Strategy and Risk Management Policy set out the organisation's plans for improving its capacity to identify, measure and manage risk and for ensuring that the Trust continues to be a safe and reliable organisation in the conduct of the services it delivers.

The current Risk Management Strategy and Risk Management Policy approved by the Trust Board are in place to 2019/20. The Risk Strategy is currently being refreshed.

The Trust continues to promote staff awareness of and the processes for risk management within the Trust through the delivery of presentations and training sessions, including support for team level risk registers. The addition of team-level risk management enables a successful and meaningful escalation and de-escalation process for risk management with the potential for risks to be identified and mitigated at the earliest opportunity. This has also been expanded to include corporate teams.

Risk is a standing agenda item at Team and Directorate meetings with a monthly review of Directorate and Trust risks (with a residual score of 12 or above) undertaken by the Senior Leadership Team. Each Trust risk is linked to a committee for validation and monitoring with reports submitted (Quality Committee, People & Culture Development, Finance, Performance and Digital, Business Development, and Audit Committee).

The Trust has three risks with a residual score of 16 (impact 4 x likelihood 4) as follows:

- There is a risk that the CIP scheme will under deliver for 2017/18 due to a shortfall in worked up CIP schemes compared to the target of £3.2m. This could result in significant pressure on the Trust's ability to deliver the 2017/18 control total, access to STF funding and operating within the CRL/EFL.
- There is a risk that there is insufficient staff to deliver appropriate care to patients because of staffing vacancies and increased referrals. This has a consequence of potential failure to achieve performance targets, inability to deliver service user expectations and increased pressure upon existing staff.

- There is a risk to the sustainability of New Care Models due to insufficient capacity and capability for change, particularly within the clinical and operational teams with a consequence of not fully contributing to the new care models and therefore not realising the full potential of integration.

3.11.1 Board Assurance Framework

The Board Assurance Framework risks were discussed and agreed by the Board in May 2017 for the 2017/18 financial year. The Trust has seven key objectives within the Board Assurance Framework. In addition, each objective is mapped against the Trust's Quality Objectives of Safe, Personalised, Accessible and Recovery Focused (SPAR).

3.11.2 Utilise Effective Technology

2017/18 was a significant year in our ambition to be a Digital by Choice organisation. In May 2017, we launched our new Electronic Patient Record system, which is a critical element in moving to Digital. The new system is supported by almost £15m of funding over the next five years. The ROSE Project (Raising our Service Excellence) to support the implementation is so called because we recognise this is more than just a change of IT systems but an opportunity to modernise the data we collect and improve the feedback we gain from the frontline of clinical services. This will result in improvements for safety, effectiveness and efficiency and deliver a comprehensive review of reporting data from clinical services.

The Trust has been successful in an expression of interest to become a Lorenzo Digital Exemplar, delivering a digital transformation programme with the Children and Young People's Directorate. We are currently working with Lorenzo suppliers DXC and NHS Digital to develop a business case and mobilisation plan to move towards implementation.

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

The organisation applies a number of key assurance mechanisms to ensure efficient, effective and economic deployment of resources.

The Trust internal auditors, RSM, provides the Internal Audit (IA) service across a number of financial and quality-based audits. The Trust agrees the IA Plan, which is signed off by Executives and the Audit Committee. The Trust also utilises the flexibility to propose audits which it considers would be important from a risk or improvement of control perspective.

The Trust Board scheme of delegation requires a competitive quotation process for any purchases over £5,000. The audit committee reviews on a quarterly basis any exceptional circumstances where the need for competitive tender has been waived. The Trust procurement function retenders significant contracts when they are due for renewal and supports the Trust to access the most appropriate frameworks, obtaining value for money on key contracts.

The Finance, Performance and Digital Committee receives a monthly finance report which monitors performance against the financial plan, capital plan and Cost Improvement Plan. The committee monitors deviations to plan, providing assurance to Trust Board. Separate detailed reports are also provided for assurance around Agency expenditure and Cost Improvement delivery.

3.13 Compliance with the NHS Provider Licence

The Trust declared compliance with condition FT4 of the NHS Provider Licence and provided actions identified to mitigate risks as follows:

3.13.1 Governance

Risk is mitigated through the following mechanisms:

- Statement of Internal Audit Assurance within the Annual Governance Statement (AGS)
- Regular review of the Board Assurance Framework (BAF)
- Regular review of Committee and Board Effectiveness
- Register of Declarations of Interest
- Freedom of Information responses
- Risk Management processes and reporting
- Board Development
- Fit and Proper Persons
- CQC rating of 'good' for well led
- Internal, external and counter fraud work programme
- Affiliation with AcQUA
- Adherence to Standards of Business Conduct

3.13.2 Responsibilities of Directors and Committees and Reporting Lines and Accountabilities

Risk is mitigated through:

- A review of Board and Committee effectiveness undertaken including Committee Terms of Reference, frequency of meetings, membership of sub-committees, ongoing Board development, sub-group reporting arrangements
- Committee structure review including sub-committees

3.13.3 Submission of timely and accurate information

Risk is mitigated through:

- Financial balance
- Finance and Performance committee reporting to Board
- CQC rating of 'Good'
- Robust Performance Management Framework and rectification plans
- Purchase order processes
- Investment policy
- Delegated authority limits one-, two- and five-year business plan
- Two-year CIP plans

3.13.4 Degree and rigour of oversight the board has over trust performance

Risk is mitigated through:

- Executive Director leadership for quality by Director of Nursing and Quality and Medical Director
- Board developments topics in quality
- Board to team unannounced quality assurance visits
- Announced quality assurance visits with CCG, service users / carers and Healthwatch
- Involvement of Service User and Carer Council
- QIA on CIP
- Quality Account
- Quality Committee reports to Board
- Scrutiny of the Performance Management Framework at committee and Board
- Rectification plans for metrics where target not achieved, including actions and trajectory for improvement
- Quality priorities – Safe, Personalise, Accessible and Recovery Focused (SPAR)
- Strategic objectives relate to quality measured through the BAF
- CQC overall rating of 'Good' (October 2017)

4. Risk Assessment

As noted, the Board defines its objectives on an annual basis in line with the strategic planning cycle and identifies the risks which could pose a threat to those objectives. Once identified, the risks form the strategic risk register (the BAF).

At each meeting, the Committee responsible for their areas of risk receives a risk report as a standing agenda item and then an overall report to the Trust Board.

The organisation seeks to involve public stakeholders in managing risks which impact on them. An example of this is through board visits, patient stories, attendance at the Council Overview and Scrutiny Committees, the Service User and Carer Council and invitation to Board. The Trust also invites a range of organisations, including Healthwatch, to review and comment on the performance of the Trust.

Our operational risks are identified at team, directorate and corporate level. The identification process takes many forms and involves both a pro-active approach and one which reviews issues retrospectively. A great deal of emphasis is placed on predicting where incidents could occur and taking steps to stop them before they do. Our risk register is populated as a minimum by operational risks which fall into the categories of moderate, significant or high risks and risk action plans are in place for all risks in these categories. The Senior Leadership Team ensures that risk treatment plans are in place to respond to all operational risks on the risk register. As at 31 March 2018, the Trust's strategic risks as described in the BAF are:

- The Trust fails to listen and act upon service user and carer involvement, resulting in an inability to deliver responsive services
- The Trust fails to improve patient safety, eliminate avoidable harm and deliver high quality services, resulting in less than optimal care, reputational harm, increased scrutiny and regulatory restrictions
- The Trust fails to exploit its potential in research and innovation, losing credibility and reputation and under achieving in delivering evidence-based care
- The Trust fails to support its workforce to continually learn and develop, resulting in poor staff experience
- The Trust fails to attract and retain talented people, resulting in reduced quality and increased cost of services
- The Trust fails to optimise its resources, resulting in an inability to be a sustainable service
- The Trust fails to engage its partners, resulting in fragmented care pathways

5. The risk and control framework

As indicated by internal auditors, RSM, there is a clear and well-defined approach to the identification of risks. The identification process takes many forms and involves both a pro-active approach and one which reviews issues retrospectively.

The organisation's risk analysis system uses descriptive scales to determine the magnitude of the potential consequences of an identified risk and the likelihood that those consequences would occur. Consideration of the controls in place for the risk and the effectiveness of those controls also form part of the assessment. Using this method enables the production of a list of prioritised risks with an indication of the action that is required.

The processes for managing strategic risks are an important element in the Assurance Framework and there has been ongoing work to further redefine the levels of assurance received, the direction of travel for the risk and the development of system to RAG rate the assurances on a quarterly basis including a stretch RAG ratings at the beginning of the year.

Each of the Executive Director's objectives are aligned to the strategic objectives, with each strategic risk acting as the control measure.

Each strategic risk has an Executive Director lead that is responsible for formally reviewing the risk on a quarterly basis. Any weakness in control measures, or inconsistent application of controls identified as a result of assurance activity is considered. Collectively, the Executive Team, on behalf of the Trust Board, has overall responsibility for managing strategic risks and monitoring risk treatment plans to ensure that strategic risks included in the BAF are effectively managed. The Board's committees take collective responsibility for monitoring and reviewing the processes for the effective management of strategic risks and ensure that the Trust Board is kept fully informed of all strategic risks through the BAF. The review and management of operational risk is overseen by the Senior Leadership Team.

The Audit Committee - each of the seven objectives were allocated to a Board Committee, at which Board Assurance Framework updates were provided. An overall summary is sent to the Audit Committee who has oversight of all seven strategic objectives

The Audit Committee continues to receive assurances, which have been delegated to it by the Board and reports from internal audit, external audit and others on the systems of internal control.

The Audit Committee prepares a report to the Board after each of its meetings. The Board uses the reports of the Audit Committee and other committees of the Board to obtain assurance about the effectiveness of the system of integrated governance, risk management and internal control, and to obtain assurance that disclosure statements are appropriate.

Operating in this way, the Assurance Framework allows the Trust Board to review the internal controls in place to manage the strategic risks and to examine the assurance mechanisms which relate to the effectiveness of the system of internal control. With this information, the Board is able to address gaps in control and assurance.

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. For the 12 months ended 31 March 2018, the Head of Internal Audit opinion (as at 3 April 2018) for North Staffordshire Combined Healthcare NHS Trust is as follows:

6. Care Quality Commission (CQC)

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

In February 2018, the CQC published its findings from its unannounced and well-led inspections, which took place within the Trust throughout October 2017. We are delighted to have received an improved rating from the CQC with every one of our services rated as 'Good' or 'Outstanding.'

The CQC confirmed that the Trust is the best-rated mental health Trust across the whole of the Midlands and East and the third highest in the whole country - only one of three with every core service rated at least 'Good' and at least two core services rated as 'Outstanding.'

Our Community CAMHS team made a significant improvement, with every CQC domain now rated as 'Good.'

Our Inpatient Rehab services have also obtained a significant achievement with both Florence House and Summers View, obtaining an overall rating of 'Outstanding.' They joined the Older People's Community Services who also have an 'Outstanding' rating.

The CQC results confirmed that the Trust's journey of improvement - labelled last year by the CQC as the fastest improving mental health Trust in the country - has continued. Amongst many compliments, the CQC found:

- "The overall culture of the Trust was very patient centred. Staff treated patients with dignity, respect and compassion, and most experienced high morale and motivation for their work."
- "There had been significant improvement in the reduction of waiting lists in the child and adolescent mental health services and the adult community mental health services since the last CQC inspection. All teams were meeting the national waiting time standards."
- "We found staff to be dedicated, kind, caring and patient focused. The local management and leadership of services were both knowledgeable and visible. Staff we talked to during inspection spoke highly of their managers and told us that a more positive and open culture had continued to develop since our last inspection."
- "We were particularly impressed by the level of care offered to patients in the long stay and rehabilitation wards and the community-based mental health services for older people, both of which were rated 'Outstanding' overall."

To be able to continue to improve upon last year's results is something quite remarkable and the Trust recognises that this is due to the determination, talent, dedication and ability of all our staff.

The journey of improvement is to continue and is aligned with the quality strategy to deliver Safe, Personalised, Accessible and Recovery-focused services based on integrated locality working across North Staffordshire and Stoke-on-Trent.

One of the areas of improvement that we have focused our intention on is the approach to medicines management, for which the CQC identified some issues under the Safe domain - in particular the management of topical medicines and fridge temperature monitoring.

In addition to the inspection results, the Community CAMHS Team have been spotlighted in the latest edition of the CQC regional publication highlighting great practice and innovation.

The Trust is also proud to have been chosen by the CQC as a national mental health exemplar and is delighted to have the opportunity to share our journey of improvement with other organisations.

7. Integrated Locality Working

During 2017/18, the Trust has continued its role as System Leader, in partnership with the North Staffs GP Federation for development of the North Staffordshire and Stoke-on-Trent Alliance Board (“Northern Alliance”).

The Trust has been central to the creation of a mindset within the Staffordshire and Stoke-on-Trent Sustainability Partnership that reflects the need for locally relevant clinical change and working between partners that still responds to the principal priorities of the STP. This has included advocacy for the now-accepted concept of three Alliances within the County based on the Northern Alliance model.

By March 2018, the Northern Alliance had a membership reflecting all public, third sector and independent sector providers of Health and Social Care to the 500,000 residents of Stoke-on-Trent and North Staffordshire – and the major commissioners of services from those providers. This has enabled agreement to, and delivery of, a range of transformative integrated care projects, all of which respond to the NHS Forward View’s Triple Aim. Impact is being evaluated in partnership with Keele University, Sheffield Hallam University and the local CSU.

Ultimately, the success of the Northern Alliance will be measured by its ability to relieve pressure on secondary care services, support delivery of sustainable primary care services, and reduce overall cost to the Health and Social Care economy.

8. Statements and Declarations

8.1 Pension

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.

8.2 Diversity and Inclusion

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

The Trust has worked hard through 2017/18 to really develop the culture and consciousness around Diversity and Inclusion (D&I) throughout the organisation, with a view to D&I being recognised as ‘usual business’, ‘how we do things round here,’ and part of everyone’s role.

The Trust has delivered against its core responsibilities in relation to the Equality Act 2010 and the associated Public Sector Equality Duty (PSED), the Workforce Race Equality Scheme (WRES), the Equality Delivery System (EDS2) and the Accessible Information Standard. Our published Diversity & Inclusion reports are available on our website D&I pages: <https://www.combined.nhs.uk/working-together/diversity-and-inclusion/>. We have also been preparing for the introduction of the Gender Pay Reporting requirements (to be published by 30 March 2018), the Sexual Orientation Monitoring requirements and Workforce Disability Equality Standard (WDES) in 2018/19. The Trust has been supported by NHS Employers and partner Trusts as a ‘D&I Partner’ organisation throughout 2017/18.

8.3 Data Quality

Safe and efficient patient care relies on high-quality data. The availability of complete, comprehensive, accurate and timely data is an essential component in the provision of high-quality mental health services and risk management. It is also required to ensure compliance with external regulatory requirements and with national and local targets, standards and contractual requirements.

To make the governance process manageable and monitoring proportionate, appropriate key data quality metrics have been developed and are kept under review to support the governance arrangements. This is discharged through the review of business processes; identification of critical data flows; analysing (potential and actual) data quality issues; defining key data quality performance measures, and; agreeing tolerances thresholds (beyond which issues are escalated).

The Trust has a clear management structure, which clarifies the responsibilities and accountabilities in regard to those individuals who enter data. This ensures that there is accountability for low levels of data quality and accuracy. By taking responsibility for their clinical data, clinicians improve its quality and help drive up standards of care.

The Data Quality Forum reports to the Quality Committee and comprises of representatives from corporate services and clinical directorates (data champions who take a leadership role in resolving data integrity issues). The Forum is responsible for data issue management and the process of reducing and removing the barriers that limit the effective use of data within the Trust. The Forum is supported by performance management meetings within each directorate that provide an opportunity to address data governance and data quality from end to end.

8.4 Information Governance Disclosures

All NHS organisations are expected to secure person identifiable data related to both patients and staff and to safeguard data holding systems and data flows. There has been one control issue related to data loss or confidentiality breach during the year ending 31 March 2018, reported to the Information Commissioners Office. The rapid response and robust action plan put in place when this incident occurred provided assurance to both the Trust and ICO and the incident was closed shortly afterwards.

8.5 HM Treasury/ Cabinet Office Corporate Governance Code

As highlighted in this document, the Trust has an established system of integrated governance, risk management and internal control across the whole of the Trust's activities. The Trust therefore believes that it properly complies with the Corporate Governance Code.

8.6 Carbon Reduction Delivery Plan

The 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.

9. Review of Effectiveness

As Accountable 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 Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its strategic objectives have been reviewed and areas for strengthening during the coming year.

My review is also informed by the fact that the Trust continues to be registered under the Health and Social Care Act 2008 without conditions, and that robust processes are in place to ensure ongoing compliance with Registration outcome measures. It is informed through the CQC awarding the Trust an overall rating of 'Good' in the latest CQC inspection and a rating of 'Good' for the well-led domain. Additionally, the Trust achieved an adjusted retained surplus (control total) of £3.68m against an income of £85.1m which includes £2.37m Sustainability and Transformation Funding (STF), earned by any Trust that operates within its agreed financial control total.

The Board and its committees consider and take action on the effectiveness of the system of internal control. Each level of management, including the Board and its sub-committees, regularly reviews the risks and controls for which it is responsible and takes action on the recommendation of assurance providers. These reviews are monitored and reported to the next level of management.

Strategic objectives have been identified and the totality of assurance activity relating to the Trust's strategic risks has been reviewed within the assurance framework. Key controls are identified. The Board has mapped its assurance needs and identified sources for providing them. Independent assurance, from a wide variety of sources, is provided on the process of risk identification, measurement and management.

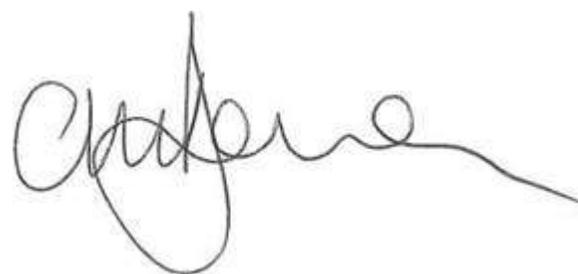
The organisation has in place arrangements to monitor, as part of its risk identification and management processes, compliance with other key standards covering areas of potentially significant risk such as Registration outcomes and the NHS Resolution Risk Management Standards.

We recognise that good governance is a hallmark of high performing, well-led organisations. We are committed to building on our strengths and addressing any weaknesses. During the year, we have worked closely with our commissioners and in particular with the CQC to ensure that we continue to deliver sustainable high-quality care for the patients and communities we serve.

In summary, I have been advised on the effectiveness of the system of internal control by the Trust Board and its committees. I have also considered the work of Internal Audit throughout the year and the Head of Internal Audit Opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. A plan to address any weaknesses and ensure continuous improvement of the system is in place. We will continue to work with our commissioners to sustain funding. We aspire to be an outstanding organisation and continue on our journey of 'Towards Outstanding' and everything we are doing is laying the foundations for this as demonstrated in our recent CQC ratings. We set out to achieve each of our core services a rating of 'Good' or 'Outstanding' and this is what I am proud to say we have achieved.

Conclusion:

As Accountable Officer, my review confirms that no significant internal control issues have been identified and that North Staffordshire Combined Healthcare NHS Trust has a good system of internal control that supports the achievement of its policies, aims and objectives.

A handwritten signature in black ink, appearing to read 'Caroline', with a long horizontal flourish extending to the right.

Caroline Donovan
Chief Executive

REMUNERATION AND STAFF REPORT

Remuneration report

This report provides information about the remuneration of the Trust's directors and those who influence the decisions of the Trust as a whole.

The Chief Executive has confirmed that for North Staffordshire Combined Healthcare NHS Trust, this report will include the Executive Directors (interim and substantive) and the Director of Operations (collectively referred to as very senior managers) and the Non-Executive Directors, including the Chair.

The Remuneration and Terms of Service Committee has responsibility to determine the remuneration of a wider group of staff. However, as their duties do not meet the definition provided above, details about their remuneration, and that of other employees, are not included in this report.

Duties and membership of the Remuneration and Terms of Service Committee

The Trust Board has established a committee of the Board known as the Remuneration and Terms of Service Committee. The current terms of reference of the Remuneration and Terms of Service Committee were revised and approved by the Trust Board in April 2018. The Terms of Reference will be reviewed annually and the next review must take place before 31 March 2019.

The purpose of the committee is to determine appropriate remuneration and terms of service for the Chief Executive, Executive Directors and other senior management employed on Trust terms and conditions, including:

- all aspects of salary (including any performance-related elements/ bonuses)
- additional non-pay benefits, including pensions and cars
- contracts of employment
- arrangements for termination of employment and other contractual terms
- severance packages (severance packages must be calculated using standard guidelines. Any proposal to make payments outside of the current guidelines must be subject to the approval of the Treasury.)

The membership of the committee is the Chair of the Trust Board and all the non-executive directors who are Board members.

The Trust Chair chairs the committee. In the absence of the Chair, one of the other non-executive directors is elected by those present to Chair the meeting.

The committee meets at least twice per year, although meetings are called more frequently when vacancies arise. Meetings can be called at the discretion of the Chair. Only the Chair and relevant members are entitled to be present at a meeting of the committee, but others may attend by invitation of the committee.

The committee is supported by the Trust Secretary. The Chief Executive and Director of Leadership and Workforce attend meetings as required and advise on:

- trends in pay and benefits
- alignment of reward policies and Trust objectives
- the relevance of surveys and changes in reward practice
- the application and impact of external regulation on appointment, compensation, benefit and termination practice

Those in attendance are required to withdraw from meetings for the consideration of business in which they are personally interested.



Remuneration of senior managers – salaries (2017/18)

Name and Title	2017-18				
	Salary	Performance Pay	Taxable Expense Payment	All pension-related benefits	Total
	(bands of £5000)	(bands of £5000)	(Rounded to the nearest £100)	(bands of £2500)	(bands of £5000)
	£000's	£000's	£00's	£000's	£000's
C. Donovan - Chief Executive Officer	135 to 140	0	0	0	135 to 140
O Adeyemo - Medical Director	130 to 135	0	0	0	130 to 135
A Rogers - Director of Operations (01-Apr-17 to 12-May-17)	10 to 15	0	0	0 to 2.5	10 to 15
N Fazal-Short - Acting Director of Operations (30-May-17 to 31-Dec-17)	65 to 70	0	0	0	65 to 70
C Sylvester - Acting Director of Operations (01-Jan-18 to 25-Mar-18)	5 to 10	0	0	0	5 to 10
J O'Brien- Director of Operations (from 26-Mar-18)	0 to 5	0	0	0 to 2.5	0 to 5
S Robinson - Director of Finance, Performance & Digital	105 to 110	0	0	0	105 to 110
P Draycott - Director of Workforce (01-Apr-17 to 31-Dec-17)	65 to 70	0	0	0	65 to 70
A Brett - Director of Workforce (from 11-Dec-17)	25 to 30	0	0	0	25 to 30
M Nelligan - Director of Nursing	105 to 110	0	0	42.5 to 45	145 to 150
A Hughes - Director of Strategy	100 to 105	0	0	0	100 to 105
D Rogers - Non Executive Director	30 to 35	0	0	0	30 to 35
A. Gadsby - Non Executive Director	5 to 10	0	0	0	5 to 10
P Sullivan - Non Executive Director	5 to 10	0	0	0	5 to 10
J Walley - Non Executive Director	5 to 10	0	0	0	5 to 10
L Barber - Non Executive Director	5 to 10	0	0	0	5 to 10
B Johnson - Non Executive Director (until 31-Jul-17)	0 to 5	0	0	0	0 to 5
G Mahadean - Non Executive Director (from 01-Oct-17)	0 to 5	0	0	0	0 to 5

Remuneration of senior managers – salaries (2016/17)

Name and Title	2016-17				
	Salary	Performance Pay	Taxable Expense Payment	All pension-related benefits	Total
	(bands of £5000)	(bands of £5000)	(Rounded to the nearest £100)	(bands of £2500)	(bands of £5000)
	£000's	£000's	£000's	£000's	£000's
C. Donovan - Chief Executive Officer	135 to 140	0	0	75 to 77.5	210 to 215
O Adeyemo - Medical Director	135 to 140	0	0	0 to 2.5	135 to 140
A Rogers - Director of Operations	90 to 95	0	0	0	90 to 95
S Robinson - Director of Finance	100 to 105	0	0	52.5 to 55	150 to 155
P Draycott - Director of Workforce	85 to 90	0	0	0	85 to 90
M Nelligan - Director of Nursing	95 to 100	0	0	215 to 217.5	310 to 315
T Thornber - Director of Strategy (until 19 February 2017)	95 to 100	0	0	0	95 to 100
A Hughes - Director of Strategy (from 20th March 2017)	0 to 5	0	0	0	0 to 5
D Rogers - Chairman	30 to 35	0	0	0	30 to 35
A. Gadsby - Non Executive Director	5 to 10	0	0	0	5 to 10
B Johnson - Non Executive Director	5 to 10	0	0	0	5 to 10
P Sullivan - Non Executive Director	5 to 10	0	0	0	5 to 10
P O'Hagan - Non Executive Director (until August 2016)	1 to 5	0	0	0	1 to 5
L Barber - Non Executive Director (from Dec 2016)	1 to 5	0	0	0	1 to 5
J Walley - Non Executive Director (from Dec 2016)	1 to 5	0	0	0	1 to 5

*2016/17 salary restated for O Adeyemo for Medical Director Allowance.

Remuneration of senior managers - pensions benefits

2017/18

Name and Title	Total accrued pension at age 60 as at 31 March 2018	Real Increase in pension at age 60	Lump sum at age 60 related to accrued pension at 31 March 2018	Real increase in Lump sum at age 60	Cash Equivalent Transfer Value at 31 March 2018	Cash Equivalent Transfer Value at 1 April 2017	Real Increase in cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £5000)	(bands of £2500)	(bands of £5000)	(bands of £2500)				
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
C Donovan - Chief Executive Officer	45 to 50	0	145 to 150	0	961	937	14	N/A
O Adeyemo - Medical Director	20 to 25	0	70 to 75	0	432	402	26	N/A
A Rogers - Director of Operations (01-Apr-17 to 12-May-17)	10 to 15	0 to 2.5			132	114	2	N/A
N Fazal-Short - Acting Director of Operations (30-May-17 to 31-Dec-17)	20 to 25	0 to 2.5	70 to 75	0 to 2.5	468	435	17	N/A
C Sylvester - Acting Director of Operations (01-Jan-18 to 25-Mar-18)								
J O'Brien - Director of Operations (from 26-Mar-18)	05 to 10	0 to 2.5	20 to 25	0 to 2.5	102	95	0	N/A
S Robinson - Director of Finance, Performance & Digital	15 to 20	0 to 2.5	50 to 55	0 to 2.5	255	241	11	N/A
P Draycott - Director of Workforce (01-Apr-17 to 31-Dec-17)								
A Brett - Director of Workforce (from 11-Dec-17)	15 to 20	0 to 2.5	50 to 55	0 to 2.5	307	286	6	N/A
M Nelligan - Director of Nursing	40 to 45	0 to 2.5	120 to 125	5 to 7.5	845	745	93	N/A
A Hughes - Director of Strategy								

2016/17

Name and Title	Total accrued pension at age 60 as at 31 March 2017	Real Increase in pension at age 60	Lump sum at age 60 related to accrued pension at 31 March 2017	Real increase in Lump sum at age 60	Cash Equivalent Transfer Value at 31 March 2017	Cash Equivalent Transfer Value at 1 April 2016	Real Increase in cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	(bands of £5000)	(bands of £2500)	(bands of £5000)	(bands of £2500)				
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
C. Donovan - Chief Executive Officer	45 to 50	2.5 to 5	145 to 150	10 to 12.5	937	811	126	N/A
O Adeyemo - Medical Director	20 to 25	0 to 2.5	70 to 75	5 to 7.5	402	372	29	N/A
A Rogers - Director of Operations	10 to 15	0			114	128	0	N/A
S Robinson - Director of Finance	15 to 20	2.5 to 5	50 to 55	7.5 to 10	241	179	62	N/A
P Draycott - Director of Workforce								
M Nelligan - Director of Nursing	35 to 40	10 to 12.5	110 to 115	30 to 32.5	745	531	214	N/A
T Thornber - Director of Strategy (to 19th February 2017)	10 to 15	0	35 to 40	2.5 to 5	158	140	18	N/A
A Hughes - Director of Strategy (from 20th March 2017)	15 to 20	0 to 2.5	45 to 50	5 to 7.5	272	260	12	N/A

Pay multiple disclosure

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 organisations workforce.

Year	2017/18	2016/17
Band of highest paid directors' total remuneration (£'000)	135-140	130-135
Median total (£)	28,469	28,189
Ratio	4.84	4.63

The banded remuneration of the highest-paid director in North Staffordshire Combined Healthcare NHS Trust in the financial year 2017/18 was £137,884 (2016/17 £130,543). This was 4.84 times (2016/17 4.63 times) the median remuneration of the workforce, which was £28,469 (2016/17 £28,189).

In 2017/18 7 (2016/17 10) employees received remuneration in excess of the highest paid director. Ranging from £142,819 to £172,302 (2016/17 remuneration ranged £134,496 to £160,035).

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

Off-payroll engagements

For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2018	11
<i>Of which, the number that have existed:</i>	
- for less than one year at the time of reporting	2
- for between one and two years at the time of reporting	3
- for between 2 and 3 years at the time of reporting	1
- for between 3 and 4 years at the time of reporting	3
- for 4 or more years at the time of reporting	2

For all new off-payroll engagements or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	10
<i>Of which, the number of:</i>	
- assessed as caught by IR35	0
- assessed as not caught by IR35	10
<i>Engaged directly (via PSC contracted to department) and are on the department payroll</i>	0
<i>Engagements reassessed for consistency / assurance purposes during the year</i>	52
<i>Engagements that saw a change to IR35 status following the consistency review</i>	0

Off Payroll Arrangements in respect of Board Members or Very Senior Officers:

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	0
Number of individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	11

Staff report

We employed 1,463 (WTE) staff in a range of positions at the end of March 2018.

Our staff costs amounted to £59.1m, which represents 69% of the

Average number of employees (WTE basis)	Permanent Number	Other Number	2017/18 Total Number	2016/17 Total Number
Medical and dental	52	19	71	71
Ambulance staff	-	-	-	-
Administration and estates	189	19	208	228
Healthcare assistants and other support staff	402	98	500	468
Nursing, midwifery and health visiting staff	424	44	468	473
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	209	2	211	218
Healthcare science staff	-	-	-	-
Social care staff	-	-	-	-
Other	1	4	5	-
Total average numbers	1,277	186	1,463	1,458
Of which:				
Number of employees (WTE) engaged on capital projects	3	-	3	3

Trust's closing income for the year (£85.1m).

Turnover

Our turnover figure reduced by 2% within 2017/18 to a FTE rate of 13.2%. The Turnover rate is reviewed and monitored at both a Trust and Directorate level. A number of strategies have been developed in order to support retention within the Trust, including retire and return, flexible working options and a review of inpatient shift patterns.

Sickness absence

Staff sickness absence	2017/18 No.	2016/17 No.
Total days lost	13,050	14,620
Total staff years	1,274	1,286
Average working days lost (per WTE)	10	11

Sickness absence decreased during 2017/18 to a rolling average of 4.61% – (as reported in accordance with Department of Health guidance) this is a decrease over the 2016/17 average of 0.1%.

The workforce team operates systems to monitor sickness trends and patterns, supporting targeted actions for management of sickness in a timely manner. The main aim of this process is to support staff and offer early intervention so that staff can maintain and also improve their wellbeing.

Our People and Culture Development Committee meets six times a year and has a transformational approach to the workforce agenda.

Our Occupational Health provider, Team Prevent, provides support to staff, effective signposting and early intervention and generates quality management information in order to manage absence robustly.

Our Staff Counselling and Support Service continues to provide excellent support both individually to staff and also collectively via peer support and relevant training sessions. In 2017/18, the service continued with the roll out of the critical incident and stress management training, which looks in detail at the physiological and psychosocial impact of stress, in particular the ramifications of sudden and critical incidents. The service continues to support the workforce with a prospectus of support that is available.

Fostering a positive culture that supports the health and wellbeing of our workforce is of great importance. Significant progress has been made this year by focusing on a variety of Health and Wellbeing initiatives for our staff including the initiation of a Health and Wellbeing Steering Group, which has led to the development of a number of health and wellbeing initiatives, including: healthy eating options and education, our winter Flu Fighter campaign, our "Feel Good Friday" and "Wellbeing Wednesday" initiatives, the introduction of a Physio fast-track service, providing weekly Pilates sessions which all staff are able to access, and a review of staff room facilities at the Harplands site - the Trusts largest site.

There has been a continued investment of resource in the area of staff health and wellbeing, most notably through the Feel Good Friday and Wellbeing Wednesday programme. This has continued to be a great success and encompassed a wide variety of Health and Wellbeing topics including Staff Counselling services, Occupational Health surveillance checks, Staff Side advice and HR workshops. This initiative has been extremely well received, with many staff taking positive actions to improve their health and wellbeing. Such initiatives demonstrate our continued commitment to supporting a healthy workforce.

Exit packages

Exit Packages 2017/18			
Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
<£10,000	-	4	4
£10,001 - £25,000	-	-	-
£25,001 - 50,000	-	1	1
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	-	5	5
Total resource cost (£)	£0	£59,000	£59,000

Exit Packages 2016/17			
Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
<£10,000	-	6	6
£10,001 - £25,000	3	-	3
£25,001 - 50,000	2	-	2
£50,001 - £100,000	1	-	1
£100,001 - £150,000	1	-	1
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	7	6	13
Total resource cost (£)	£290,499	£37,751	£328,250

Exit packages: Other Departures Analysis	2017/18		2016/17	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
Other Exit Packages - disclosures (Exclude Compulsory Redundancies)	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	5	59	6	38
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	5	59	6	38
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

Staff policies

We are committed to giving full and fair consideration to disabled people wishing to work for the Trust. The Trust subscribes to the Two Ticks standard and displays the symbol on adverts to show applications from disabled people are encouraged. Consequently, any applicant that considers themselves to have a disability and meets the minimum requirements of the person specification is guaranteed an interview.

All applicants for posts are asked if they require any reasonable adjustments in order to facilitate their participation in the shortlisting process.

The Trust also has a policy covering the Equality of Opportunity in Employment, which specifically details anti-discriminatory practice in recruitment. This policy is due to be reviewed in July 2018.

The Trust has an Occupational Health Service that provides specialised advice to managers regarding the reasonable adjustments required by any employee referred to them.

We have robust health and safety measures in place, including workstation risk assessments and stress risk assessments that aim to highlight and quantify any risk to employees and bring measures into place to mitigate the risk as much as possible. All policies and Trust initiatives, for example service changes, are subject to an equality impact assessment in order to ensure that any proposed measures have no detrimental impact on employees with any protected characteristics, including disability.

The Trust regularly works with third sector organisations including Access to Work and the Dyslexia Association. In addition, we work closely with agencies that support people with mental health problems, such as North Staffs Voice for Mental Health, Approach, ASIST, Brighter Futures, Changes, EngAGE, North Staffordshire Huntington's Disease Association, Mind, North Staffs Carers Association, Reach and the Beth Johnson Association.

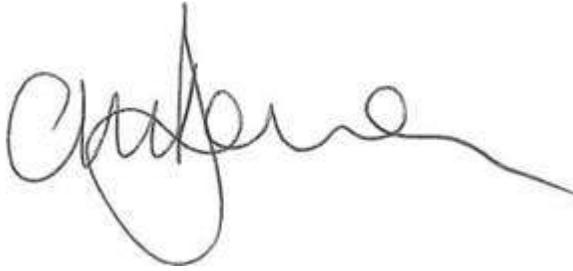
In 2016/17, the Trust continued to take major steps to gain a greater understanding of the deaf community and a significant proportion of staff took the opportunity to learn to fingerspell. In 2017/18 the Trust was the first Mental Health and Learning Disability Trust to sign up to the Dying to Work Charter in conjunction with Trade Unions which supports employees with a terminal diagnosis.

There was also considerable investment in technological solutions.

The annual Staff Survey asks employees questions about their experiences as employees, and specifically asks if they have experienced discrimination and, if so, on what grounds. This allows the employer to monitor the effectiveness of its anti-discriminatory practices.

As with new applicants, all promotion opportunities within the Trust are advertised through NHS Jobs and applicants are subject to the same standards as new recruits (e.g. Two Ticks). Trust training is open to all staff and everyone attending is given the opportunity to raise any reasonable adjustments that they need.

In 2017/18, the Trust had expenditure on consultancy of £531,000 (2016/17 - £749,000).

A handwritten signature in black ink, appearing to read 'Caroline', with a long horizontal flourish extending to the right.

Caroline Donovan
Chief Executive

Independent Auditor's Report to the Directors of North Staffordshire Combined Healthcare NHS Trust

Opinion

We have audited the financial statements of North Staffordshire Combined Healthcare NHS Trust for the year ended 31 March 2018 under the Local Audit and Accountability Act 2014. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes 1 to 47. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2017-18 HM Treasury's Financial Reporting Manual (the 2017-18 FReM) as contained in the Department of Health and Social Care Group Accounting Manual 2017/18 and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to the National Health Service in England (the Accounts Direction).

In our opinion, the financial statements:

- give a true and fair view of the financial position of North Staffordshire Combined Healthcare NHS Trust as at 31 March 2018 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the National Health Service Act 2006 and the Accounts Directions issued thereunder.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01 and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the Board of Directors of North Staffordshire Combined Healthcare NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose. Our audit work has been undertaken so that we might state to the Directors of the Trust 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 Directors for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 2-84, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Health Services Act 2006

In our opinion, the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Health Services Act 2006 and the Accounts Directions issued thereunder.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion, the governance statement does not comply with the NHS Improvement's guidance; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves, or would involve, the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014; or
- we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

We have nothing to report in these respects.

Responsibilities of the Directors and Accountable Officer

As explained more fully in the Statement of Directors' Responsibilities in respect of the Accounts set out on page 64, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. In preparing the financial statements, the Accountable Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accountable Officer either intends to cease operations, or have no realistic alternative but to do so.

As explained in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in August 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5)(b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of North Staffordshire Combined Healthcare NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

A handwritten signature in black ink, appearing to read 'H Rohimun', written in a cursive style.

Hassan Rohimun (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Manchester
25 May 2018

The maintenance and integrity of the North Staffordshire Combined Healthcare NHS Trust web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Part Three - Financial Statements and Accounts - 1 April 2017 - 31 March 2018



Statement of Comprehensive Income for Year Ended 31st March 2018

		2017/18	2016/17
	Note	£000	£000
Operating income from patient care activities	4	72,812	70,551
Other operating income	5	12,267	11,332
Operating expenses	6, 8	<u>(79,372)</u>	<u>(79,398)</u>
Operating surplus/(deficit) from continuing operations		<u>5,707</u>	<u>2,485</u>
Finance income	11	15	13
Finance expenses	12	(1,296)	(1,338)
PDC dividends payable		<u>(561)</u>	<u>(562)</u>
Net finance costs		<u>(1,842)</u>	<u>(1,887)</u>
Other gains / (losses)	13	-	153
Share of profit / (losses) of associates / joint arrangements		-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
Surplus / (deficit) for the year from continuing operations		<u>3,865</u>	<u>751</u>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	14	<u>-</u>	<u>-</u>
Surplus / (deficit) for the year		<u>3,865</u>	<u>751</u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	-	(3,325)
Revaluations	17, 18	704	317
Share of comprehensive income from associates and joint ventures		-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset	35	200	337
Other reserve movements		-	-
Total comprehensive income / (expense) for the period		<u>4,769</u>	<u>(1,920)</u>
Financial performance for the year			
Surplus / (deficit) for the year		3,865	751
Impairments (excluding IFRIC 12 impairments)	8	(190)	1,173
IFRIC 12 adjustment*		-	127
Non cash element of on-SoFP pension scheme charges	36	<u>8</u>	<u>-</u>
Adjusted retained surplus/(deficit)		<u>3,683</u>	<u>2,051</u>

A Trust's Reported NHS financial performance position is derived from its Retained surplus/(Deficit), but adjusted for the following:-

a) During the 2017/18 financial year the Trust has indexed its land and buildings. This has resulted in a reversal of impairment which is included within the Retained surplus for the year. An impairment charge or reversal of impairment is not considered part of the organisation's operating position and is adjusted within the financial performance for the year.

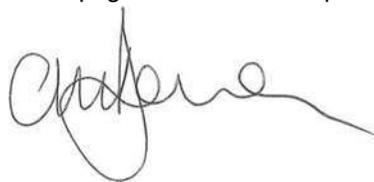
b) During 2017/18 a non-cash pension charge has arisen following re-measurement of the Trust's LGPS defined benefit pension scheme. This is required each year under IAS 19 and the charge reflects the interest and service cost in excess of employer pension contributions. From 2017/18 this is not considered part of the organisation's operating position and is adjusted within the financial performance for the year. A similar charge of £8k was not adjusted for under prior policy.

*For 2018/19 there has been a change in measurement of 'adjusted financial performance'. The non-cash impact of on-SOFP pension scheme charges is adjusted, whereas IFRIC 12 adjustments are no longer retained. IFRIC 12 adjustments reflect incremental revenue expenditure arising from bringing PFI assets onto the balance sheet under the application of IFRS. This adjustment is required for Breakeven duty financial performance disclosed in Note 48.

Statement of Financial Position as at 31st March 2018

		31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	15	277	221
Property, plant and equipment	16	31,026	28,037
Investment property	18	-	-
Investments in associates and joint ventures	19	-	-
Other investments / financial assets	20	-	-
Trade and other receivables	22	608	1,426
Other assets	23	1,089	897
Total non-current assets		33,000	30,581
Current assets			
Inventories	21	79	88
Trade and other receivables	22	7,347	5,181
Other investments / financial assets	20	-	-
Other assets	23	-	-
Non-current assets held for sale / assets in disposal groups	24	-	-
Cash and cash equivalents	25	6,633	6,964
Total current assets		14,059	12,233
Current liabilities			
Trade and other payables	26	(6,855)	(7,097)
Borrowings	29	(633)	(457)
Other financial liabilities	27	-	-
Provisions	31	(621)	(333)
Other liabilities	28	(311)	(409)
Liabilities in disposal groups	24	-	-
Total current liabilities		(8,420)	(8,296)
Total assets less current liabilities		38,639	34,518
Non-current liabilities			
Trade and other payables	26	-	-
Borrowings	29	(11,557)	(12,189)
Other financial liabilities	27	-	-
Provisions	31	(458)	(474)
Other liabilities	28	-	-
Total non-current liabilities		(12,015)	(12,663)
Total assets employed		26,624	21,855
Financed by			
Public dividend capital		7,648	7,648
Revaluation reserve		9,944	9,323
Available for sale investments reserve		-	-
Other reserves		-	-
Income and expenditure reserve		9,032	4,884
Total taxpayers' equity		26,624	21,855

The notes on pages 95 to 144 form part of these accounts.



Name Caroline Donovan
Position Chief Executive
Date 25 May 2018

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	7,648	9,323	-	-	4,884	21,855
Surplus/(deficit) for the year	-	-	-	-	3,865	3,865
Transfers by absorption: transfers between reserves	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-
Other transfers between reserves	-	(83)	-	-	83	-
Impairments	-	-	-	-	-	-
Revaluations (indexation)	-	704	-	-	-	704
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	200	200
Public dividend capital received	-	-	-	-	-	-
Public dividend capital repaid	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	-
Taxpayers' equity at 31 March 2018	7,648	9,944	-	-	9,032	26,624

Statement of Changes in Equity for the year ended 31 March 2017

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2016 - brought forward	7,648	13,759	-	568	1,800	23,775
Surplus/(deficit) for the year	-	-	-	-	751	751
Transfers by absorption: transfers between reserves	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-
Other transfers between reserves	-	(1,428)	-	(568)	1,996	-
Impairments	-	(3,325)	-	-	-	(3,325)
Revaluations	-	317	-	-	-	317
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	337	337
Public dividend capital received	-	-	-	-	-	-
Public dividend capital repaid	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	-
Taxpayers' equity at 31 March 2017	7,648	9,323	-	-	4,884	21,855

Information on reserves

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 organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the 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

The balance of this reserve is the accumulated surpluses and deficits of the trust and the net asset position of the defined benefit Local Government Pension Scheme (LGPS).

Statement of Cash Flows

		2017/18	2016/17
	Note	£000	£000
Cash flows from operating activities			
Operating surplus / (deficit)		5,707	2,485
Non-cash income and expense:			
Depreciation and amortisation	6	842	898
Net impairments	7	(190)	1,173
Income recognised in respect of capital donations	5	-	-
Amortisation of PFI deferred credit		-	-
Non-cash movements in on-SoFP pension liability		8	8
(Increase) / decrease in receivables and other assets		(2,149)	(1,031)
(Increase) / decrease in inventories		9	8
Increase / (decrease) in payables and other liabilities		(269)	805
Increase / (decrease) in provisions		277	(877)
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
Net cash generated from / (used in) operating activities		4,235	3,469
Cash flows from investing activities			
Interest received		15	13
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(117)	(217)
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(2,945)	(2,189)
Sale of property, plant, equipment and investment property		818	212
Receipt of cash donations to purchase capital assets		-	-
Prepayment of PFI capital contributions		-	-
Investing cash flows of discontinued operations		-	-
Cash movement from acquisitions/disposals of subsidiaries		-	-
Net cash generated from / (used in) investing activities		(2,229)	(2,181)
Cash flows from financing activities			
Public dividend capital received		-	-
Public dividend capital repaid		-	-
Movement on loans from the Department of Health and Social Care		-	-
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		-	-
Capital element of PFI, LIFT and other service concession payments		(457)	(347)
Interest paid on finance lease liabilities		-	-
Interest paid on PFI, LIFT and other service concession obligations		(1,301)	(1,327)
Other interest paid		-	-
PDC dividend (paid) / refunded		(579)	(553)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash generated from / (used in) financing activities		(2,337)	(2,227)
Increase / (decrease) in cash and cash equivalents		(331)	(939)
Cash and cash equivalents at 1 April - brought forward		6,964	7,903
Prior period adjustments		-	-
Cash and cash equivalents at 1 April - restated		6,964	7,903
Cash and cash equivalents transferred under absorption accounting		-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	26	6,633	6,964

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.1.2 Going concern

Based on current performance and assessment of the external NHS environment, the Trust Board have a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future. For this reason, we continue to prepare the accounts on a going concern basis.

Note 1.2 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The Trust has administered Charitable Funds since its creation on 1st April 1994. The funds were registered with the Charity Commission under the requirements contained within the 1993 Charity Act. The funds were registered as an "Umbrella Charity" as they related to services provided by both the Trust and Staffordshire & Stoke on Trent Partnership NHS Trust.

As at 31st March 2018 Charitable fund balances totalled £478,000. As a consequence the Trust considers these balances to be immaterial and not requiring full disclosure within the 2017/18 Accounts.

Note 1.2.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

The Trust has recognised that its PFI scheme relating to the Harplands Hospital is a service concession that must be accounted for under IFRIC 12. The Trust is required to recognise the asset, and the liability to pay for it, on the Trust's Statement of Financial Position. The Trust is required to determine, at the inception of the arrangement, the initial fair value of the asset based on the capital cost detailed within the operator's financial model, after giving consideration to the costs the Trust would capitalise if it were procuring the asset directly.

The initial financial liability is recognised at the same amount as the fair value of the asset.

The Trust is required to split the unitary charge payment it makes to the operator into its key component parts: payments for services, payment for the asset (comprising of the repayment of the liability, finance costs and contingent rental) and lifecycle replacement.

The Trust previously undertook a full valuation of its property assets in 2016/17. The Trusts has used the BICS all in TPI (Tender Price Indicator) rate of 4.3% for indexation of Buildings applicable for the period to 31 March 2018.

The Trust brought forward a redundancy provision from 2016/17 in respect of on-going workforce design schemes. A number of charges have been made against this provision in 2017/18. Additionally the Trust has commenced other management of change processes within the reporting year. As a consequence, the Trust has reviewed the carrying value of the redundancy provision within 2017/18. The balance of the provision as at 31st March 2018 reflects the anticipated costs to be incurred. Details of the Trust provisions are provided in Note 32.

Note 1.3 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 receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured 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 compensation claims and doubtful debts.

Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or 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.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements as a liability to the extent that employees are permitted to carry-forward leave into the following period.

In 2017/18 the Trust accrued £63k in relation to untaken annual leave carried forward to the 2018/19 financial year. The accrual for 2016/17 Annual leave was £47k.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Local Government Pension Scheme

Ten employees are members of the Local Government Pension Scheme which is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations in line with the requirements of IAS 19.

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Remeasurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Note 1.5 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 1.6 Property, plant and equipment

Note 1.6.1 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
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Note 1.6.2 Measurement

Valuation

All property, plant and equipment assets 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 valuation. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date. An item of property, plant and equipment 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 or IFRS 5.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost, modern equivalent asset basis.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

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.

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 *GAM*, impairments that arise from a clear consumption of economic benefits or of 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 of 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 expenditure 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.

Note 1.6.3 Derecognition

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.

Note 1.6.4 Donated and 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.

Note 1.6.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI and LIFT 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 finance lease 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.

PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

Other assets contributed by the Trust to the operator

Assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

As part of an overall scheme to reprovide inpatient, outpatient & community mental health services for the population of North Staffordshire, the Trust entered into a contract with Town Hospitals (North Staffordshire Combined) Limited (THL) commencing August 2001 for the design, build, financing & operation of a new Acute Psychiatric Unit. The Trust has entered into a 60 year contract with THL with a primary contract period of 29 years. THL also provides housekeeping, portering, catering & estates maintenance. In the primary period the Trust pays a monthly charge for the serviced accommodation for the duration of the contract subject to deductions for performance and availability failures. The Trust has certain options in respect of the continued provision of the facility and services in the secondary period; these will be considered in the light of prevailing circumstances at that time.

As a part of the conversion to IFRS the Trust recognised this PFI property as a part of its property, plant and equipment on the Trust Balance Sheet with effect from the PFI commencement date of August 2001 and recalculated the appropriate accounting transactions with effect from that date.

These transactions included the initial recognition of a financial asset and financial liability at fair value in accordance with IAS 17 at a value of £17.65m. The asset value has been subsequently kept up to date by applying indexation, revaluations and depreciation in line with IAS 16 principles. The value of the financial liability reduces as the Trust repays liability over the contract period (29 years).

Note 1.6.6 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.

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	9	81
Dwellings	-	-
Plant & machinery	2	20
Transport equipment	7	7
Information technology	3	8
Furniture & fittings	10	10

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the trust 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 1.7 Intangible assets**Note 1.7.1 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.

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.

Note 1.7.2 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.

Amortisation**Note 1.7.3 Useful economic lives of intangible assets**

Useful economic lives reflect the total life of an asset and not the remaining life of an asset.

	Min life Years	Max life Years
Information technology	-	-
Development expenditure	-	-
Websites	-	-
Software licences	4	5
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

Note 1.9 Cash and cash equivalents

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 3 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of North Staffordshire Combined NHS Trust cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.10 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.

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 and financial liabilities are categorised as “fair value through income and expenditure”, loans and receivables.

Financial assets and financial liabilities at “fair value through income and expenditure”

Financial assets and financial liabilities at “fair value through income and expenditure” are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The trust’s loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and “other receivables”.

Loans and receivables are recognised initially at fair value, net of 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.

Financial liabilities

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

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.

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 the carrying amount of the asset is reduced through the use of a bad debt provision.

Where a bad debt provision is used, the accounting policies includes the criteria for determining when an asset’s carrying value is written down directly and when the allowance account is used, and the criteria for writing off amounts charged to the allowance account against the carrying amount of the financial asset.

Note 1.11 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.11.1 The trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the 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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

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.

Note 1.12 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.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.10% (2016/17: +0.24%) in real terms. All other provisions are subject to three separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

- A short term rate of negative 2.42% (2016/17: -2.70%) for expected cash flows up to and including 5 years
- A medium term rate of negative 1.85% (2016/17: -1.95%) for expected cash flows over 5 years up to and including 10 years
- A long term rate of negative 1.56% (2016/17: -0.80%) for expected cash flows over 10 years.

All percentages are in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical negligence provisions carried by NHS resolution on behalf of the trust is disclosed at note 32.1 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 NHS Resolution 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 1.13 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 33 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 33, 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 1.14 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 organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the 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 and Social Care (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 of the audit of the annual accounts.

Note 1.15 Value added tax

Most of the activities of the 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 1.16 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 1.17 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 the trust 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 1.18 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.19 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 1.20 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 9 and IFRS 15 will be implemented in 2018/19, and the government implementation date for IFRS 16 will be 2019/20

- IFRS 9 Financial Instruments – The Trust does not expect changes in the classification and measurement of financial assets or liabilities to have a material impact on the 2018/19 accounts. The Trust does not expect changes in the impairment model for financial assets to have a material impact on the 2018/19 accounts.
- IFRS 15 Revenue from Contracts with Customers - The Trust does not expect the implementation of IFRS 15 to have a material impact on recognition of NHS or other contract income in 2018/19
- IFRS 16 Leases – The Trust does expect that the implementation of this standard will have an impact on the Statement of Financial Performance with regards to operating leases. Assets which are currently leased and are material will be recognised under property, plant and equipment on the Statement of Financial Position.

Note 2 Pooled Budgets

North Staffordshire Combined Healthcare NHS Trust has a pooled budget arrangement with City of Stoke on Trent Council and with Staffordshire County Council. The Trust is the host for both pooled budgets.

2017/18 Memorandum Account - City of Stoke on Trent Council Pooled Budget

Delegated Budgets	Total	North Staffs Combined Healthcare NHS Trust	City of Stoke on Trent Council Contribution
	£'000	£'000	£'000
Expenditure			
Pay	5,574	3,604	1,970
Non-Pay	2,229	301	1,928
	7,803	3,905	3,898
Income	(321)	(7)	(314)
Total Delegated Budgets	7,482	3,898	3,584
Overhead Contribution	-	-	-
Contribution to the Pool	7,482	3,898	3,584

2017/18 Memorandum Account - Staffordshire County Council Pooled Budget

Delegated Budgets	Total	North Staffs Combined Healthcare NHS Trust	Staffordshire County Council Contribution
	£'000	£'000	£'000
Expenditure			
Pay	3,140	2,162	978
Non-Pay	378	247	131
	3,518	2,409	1,109
Income	(66)	(11)	(55)
Total Delegated Budgets	3,452	2,398	1,054
Overhead Contribution	-	-	-
Contribution to the Pool	3,452	2,398	1,054

2016/17 Memorandum Account - City of Stoke on Trent Council Pooled Budget

Delegated Budgets	Total	North Staffs Combined Healthcare NHS Trust	City of Stoke on Trent Council Contribution
	£'000	£'000	£'000
Expenditure			
Pay	5,698	3,740	1,958
Non-Pay	1,994	342	1,652
	7,692	4,082	3,610
Income	(321)	(7)	(314)
Total Delegated Budgets	7,371	4,075	3,296
Overhead Contribution	-	-	-
Contribution to the Pool	7,371	4,075	3,296

2016/17 Memorandum Account - Staffordshire County Council Pooled Budget

Delegated Budgets	Total	North Staffs Combined Healthcare NHS Trust	Staffordshire County Council Contribution
	£'000	£'000	£'000
Expenditure			
Pay	3,357	2,285	1,072
Non-Pay	271	226	45
	3,628	2,511	1,117
Income	(66)	(11)	(55)
Total Delegated Budgets	3,562	2,500	1,062
Overhead Contribution	-	-	-
Contribution to the Pool	3,562	2,500	1,062

Note 3 Operating Segments

The Trust Board as 'Chief Operating Decision Maker' has determined that the Trust operates in one material segment, which is the provision of healthcare services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The provision of healthcare (including medical treatment, research and education) is within one main geographical segment, the United Kingdom, and materially from Departments of HM Government in England.

Income from activities (medical treatment of patients) is analysed by customer type in note 4.2 to the financial statements on page 109. Other operating income is analysed in note 5 to the financial statements on page 110 and materially consists of revenues from healthcare research and development, medical education and the provision of services to other NHS bodies. Total Income by individual customers within the whole of HM Government, and where considered material, is disclosed in the related parties transaction note 42 to the financial statements on page 142.

	2017/18	2016/17
	£000s	£000s
Income	<u>85,079</u>	<u>81,883</u>
Surplus/(Deficit)		
Segment surplus/(deficit)	-	-
Common costs	<u>(79,372)</u>	<u>(79,398)</u>
Surplus/(deficit) before interest	<u>5,707</u>	<u>2,485</u>
Net Assets:		
Segment net assets	<u>26,624</u>	<u>21,855</u>

Note 4 Operating income from patient care activities

Note 4.1 Income from patient care activities (by nature)	2017/18	2016/17
	£000	£000
Mental health services		
Cost and volume contract income	3,387	2,343
Block contract income	60,331	59,296
Clinical partnerships providing mandatory services (including S75 agreements)	5,004	4,709
Clinical income for the secondary commissioning of mandatory services	2,621	1,594
Other clinical income from mandatory services	1,467	2,604
Private patient income	2	5
Total income from activities	72,812	70,551

Note 4.2 Income from patient care activities (by source)

Income from patient care activities received from:	2017/18	2016/17
	£000	£000
NHS England	3,395	2,343
Clinical commissioning groups	61,018	59,927
Department of Health and Social Care	-	-
Other NHS providers	3	86
NHS other	-	-
Local authorities	6,885	5,622
Non-NHS: private patients	2	-
Non-NHS: overseas patients (chargeable to patient)	-	-
NHS injury scheme	-	-
Non NHS: other	1,509	2,573
Total income from activities	72,812	70,551
Of which:		
Related to continuing operations	72,812	70,551
Related to discontinued operations	-	-

Note 4.3 Overseas visitors (relating to patients charged directly by the provider)

	2017/18	2016/17
	£000	£000
Income recognised this year	-	-
Cash payments received in-year	-	-
Amounts added to provision for impairment of receivables	-	-
Amounts written off in-year	-	-
Total Income from Overseas visitors*	-	-

* Total income from Overseas visitors received in 2017/18 is £314 (2016/17 £Nil)

Note 5 Other operating income

	2017/18	2016/17
	£000	£000
Research and development	136	133
Education and training	2,058	2,327
Receipt of capital grants and donations	-	-
Charitable and other contributions to expenditure	-	-
Non-patient care services to other bodies	4,502	4,706
Support from the Department of Health and Social Care for mergers	-	-
Sustainability and transformation fund income	2,371	1,104
Rental revenue from operating leases	-	-
Rental revenue from finance leases	-	-
Income in respect of staff costs where accounted on gross basis	464	301
Other income*	2,736	2,761
Total other operating income	12,267	11,332
Of which:		
Related to continuing operations	12,267	11,332
Related to discontinued operations	-	-

* Other income includes £1.2m in respect of the Improving Access to Psychological Therapies services, £0.4m external funding for projects, £0.4m relates to a non-recurrent settlement with the PFI service management company for replacement of pipes in the main hospital, £0.1m related to social care residents, £0.1m to staff lease car contributions and £0.5m relating to other funding.

Note 6 Operating expenses	2017/18	2016/17
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	1,675	1,538
Purchase of healthcare from non-NHS and non-DHSC bodies	621	553
Staff and executive directors costs	58,844	59,122
Remuneration of non-executive directors	66	60
Supplies and services - clinical (excluding drugs costs)	175	128
Supplies and services - general	180	169
Drug costs	1,983	2,014
Consultancy costs	531	749
Establishment (office operating costs)	793	810
Premises	1,611	1,322
Information Technology	808	644
Transport (including patient travel)	1,211	1,169
Depreciation on property, plant and equipment	781	885
Amortisation on intangible assets	61	13
Net impairments	(190)	1,173
Increase/(decrease) in provision for impairment of receivables	87	8
Increase/(decrease) in other provisions	409	-
Change in provisions discount rate(s)	2	35
Audit fees payable to the external auditor		
audit services- statutory audit	50	53
other auditor remuneration (external auditor only)	12	12
Internal audit costs	87	82
Clinical negligence	384	349
Legal fees	52	67
Education and training	282	522
Rentals under operating leases	882	854
Early retirements	91	57
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	4,242	4,093
Car parking & security	17	13
Hospitality	9	18
Losses, ex gratia & special payments	59	38
Non-healthcare services received	422	487
Residential Payments	2,000	1,684
Subscriptions	364	240
Other*	771	437
Total	79,372	79,398
Of which:		
Related to continuing operations	79,372	79,398
Related to discontinued operations	-	-

* Other expenditure includes £0.3m relating to Partial Exemption Costs £0.3m, relating to Non NHS SLA's and £0.2m relating to Other Expenditure.

Note 6.1 Other auditor remuneration

	2017/18 £000	2016/17 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	12	12
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	12	12

Note 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2016/17: £0m).

Note 7 Impairment of assets

	2017/18 £000	2016/17 £000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	(190)	1,173
Other	-	-
Total net impairments charged to operating surplus / deficit	(190)	1,173
Impairments charged to the revaluation reserve	-	3,325
Total net impairments	(190)	4,498

In 2016/17 the revaluation of land and buildings resulted in an impairment of £4.4m of which £3.3m was charged against the revaluation reserve and £1.2m was charged to SoCI. In 2017/18 the buildings were indexed resulting in an indexation valuation of £0.9m of which £0.7m was recognised against the revaluation reserve and £0.2m charged to SoCI as an impairment reversal.

Note 8 Employee benefits

	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	45,704	44,915
Social security costs	4,559	4,525
Apprenticeship levy	213	-
Employer's contributions to NHS pensions	5,847	5,801
Pension cost - other	84	61
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	59	-
Temporary staff	2,645	3,929
Total gross staff costs	59,111	59,231
Recoveries in respect of seconded staff	-	-
Total staff costs	59,111	59,231
Of which		
Costs capitalised as part of assets	117	14

Note 8.1 Retirements due to ill-health

During 2017/18 there were 2 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £91k (£57k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that 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 scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) 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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. 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 schemes (taking into account recent demographic experience), and to recommend 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 for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

Note 10 Operating leases**Note 10.1 North Staffordshire Combined Healthcare NHS Trust as a lessor**

The Trust is not a lessor

Note 10.2 North Staffordshire Combined Healthcare NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where North Staffordshire Combined Healthcare NHS Trust is the lessee.

The Trust leases relate to contracts for lease vehicles, photocopiers and a number of leased premises.

Renewals of leased premises contracts are subject to Board approval and photocopier renewals are made in line with the Trusts purchasing and procurement arrangements. There are no renewal options in respect of lease vehicles.

The Trust does not have a purchase option within any current lease arrangements.

	2017/18	2016/17
	£000	£000
Operating lease expense		
Minimum lease payments	882	854
Contingent rents	-	-
Less sublease payments received	-	-
Total	882	854
	31 March	31 March
	2018	2017
	£000	£000
Future minimum lease payments due:		
- not later than one year;	754	685
- later than one year and not later than five years;	1,432	1,583
- later than five years.	-	77
Total	2,186	2,345
Future minimum sublease payments to be received	-	-

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2017/18	2016/17
	£000	£000
Interest on bank accounts	15	13
Interest on impaired financial assets	-	-
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total	15	13

Note 12 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2017/18	2016/17
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	-	-
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	-	-
Main finance costs on PFI and LIFT schemes obligations	1,293	1,327
Contingent finance costs on PFI and LIFT scheme obligations	-	-
Total interest expense	1,293	1,327
Unwinding of discount on provisions	(5)	3
Other finance costs	8	8
Total finance costs	1,296	1,338

Note 12.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

No liabilities have been incurred for late payment of commercial debts.

Note 13 Other gains / (losses)

	2017/18	2016/17
	£000	£000
Gains on disposal of assets	-	153
Losses on disposal of assets	-	-
Total gains / (losses) on disposal of assets	-	153
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of available-for-sale financial investments	-	-
Total other gains / (losses)	-	153

Note 14 Discontinued operations

	2017/18	2016/17
	£000	£000
Operating income of discontinued operations	-	-
Operating expenses of discontinued operations	-	-
Gain on disposal of discontinued operations	-	-
(Loss) on disposal of discontinued operations	-	-
Corporation tax expense attributable to discontinued operations	-	-
Total	<u>-</u>	<u>-</u>

Note 16 Intangible Assets

Note 16.1 Intangible assets - 2017/18	Software licences £000	Licences & trademarks £000	Patents £000	Goodwill £000	Websites £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	607	-	-	-	-	-	607
Transfers by absorption	-	-	-	-	-	-	-
Additions	117	-	-	-	-	-	117
Impairments	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Gross cost at 31 March 2018	724	-	-	-	-	-	724
Amortisation at 1 April 2017 - brought forward	386	-	-	-	-	-	386
Transfers by absorption	-	-	-	-	-	-	-
Provided during the year	61	-	-	-	-	-	61
Impairments	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Amortisation at 31 March 2018	447	-	-	-	-	-	447
Net book value at 31 March 2018	277	-	-	-	-	-	277
Net book value at 1 April 2017	221	-	-	-	-	-	221

Note 15.2 Intangible assets - 2016/17

	Software licences £000	Licences & trademarks £000	Patents £000	Goodwill £000	Websites £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	390	-	-	-	-	-	390
Prior period adjustments	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	390	-	-	-	-	-	390
Transfers by absorption	-	-	-	-	-	-	-
Additions	217	-	-	-	-	-	217
Impairments	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Valuation / gross cost at 31 March 2017	607	-	-	-	-	-	607
Amortisation at 1 April 2016 - as previously stated	373	-	-	-	-	-	373
Prior period adjustments	-	-	-	-	-	-	-
Amortisation at 1 April 2016 - restated	373	-	-	-	-	-	373
Transfers by absorption	-	-	-	-	-	-	-
Provided during the year	13	-	-	-	-	-	13
Impairments	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Amortisation at 31 March 2017	386	-	-	-	-	-	386
Net book value at 31 March 2017	221	-	-	-	-	-	221
Net book value at 1 April 2016	17	-	-	-	-	-	17

Note 17 Property, Plant and Equipment

Note 16.1 Property, plant and equipment - 2017/18	Land £000	Buildings excluding 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 2017 - brought forward	5,604	22,350	-	431	156	2,297	127	30,965
Transfers by absorption	-	-	-	-	-	-	-	-
Additions	-	322	1,809	121	24	495	105	2,876
Impairments	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-
Revaluations	-	704	-	-	-	-	-	704
Reclassifications	-	(171)	171	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-
Valuation/gross cost at 31 March 2018	5,604	23,205	1,980	552	180	2,792	232	34,545
Accumulated depreciation at 1 April 2017 - brought forward	-	630	-	396	128	1,739	35	2,928
Transfers by absorption	-	-	-	-	-	-	-	-
Provided during the year	-	474	-	9	10	278	10	781
Impairments	-	-	-	-	-	-	-	-
Reversals of impairments	-	(190)	-	-	-	-	-	(190)
Revaluations	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-
Accumulated depreciation at 31 March 2018	-	914	-	405	138	2,017	45	3,519
Net book value at 31 March 2018	5,604	22,291	1,980	147	42	775	187	31,026
Net book value at 1 April 2017	5,604	21,720	-	35	28	558	92	28,037

Note 16.2 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding 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 2016 - as previously stated	5,685	26,506	-	640	313	2,508	45	35,697
Prior period adjustments	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	5,685	26,506	-	640	313	2,508	45	35,697
Transfers by absorption	-	-	-	-	-	-	-	-
Additions	-	1,791	-	27	-	462	97	2,377
Impairments	(322)	(6,023)	-	-	-	-	-	(6,345)
Reversals of impairments	-	-	-	-	-	-	-	-
Revaluations	241	76	-	-	-	-	-	317
Reclassifications	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(236)	(157)	(673)	(15)	(1,081)
Valuation/gross cost at 31 March 2017	5,604	22,350	-	431	156	2,297	127	30,965
Accumulated depreciation at 1 April 2016 - as previously stated	-	1,871	-	618	271	2,166	45	4,971
Prior period adjustments	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2016 - restated	-	1,871	-	618	271	2,166	45	4,971
Transfers by absorption	-	-	-	-	-	-	-	-
Provided during the year	-	606	-	14	14	246	5	885
Impairments	-	(1,847)	-	-	-	-	-	(1,847)
Reversals of impairments	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-	-
Disposals/ derecognition	-	-	-	(236)	(157)	(673)	(15)	(1,081)
Accumulated depreciation at 31 March 2017	-	630	-	396	128	1,739	35	2,928
Net book value at 31 March 2017	5,604	21,720	-	35	28	558	92	28,037
Net book value at 1 April 2016	5,685	24,635	-	22	42	342	-	30,726

Note 16.3 Property, plant and equipment financing - 2017/18

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018								
Owned - purchased	5,604	8,087	-	147	42	775	187	14,842
Finance leased	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	14,204	1,980	-	-	-	-	16,184
PFI residual interests	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-
Owned - donated	-	-	-	-	-	-	-	-
NBV total at 31 March 2018	5,604	22,291	1,980	147	42	775	187	31,026

Note 16.4 Property, plant and equipment financing - 2016/17

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2017								
Owned - purchased	5,604	7,755	-	35	28	558	92	14,072
Finance leased	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	13,965	-	-	-	-	-	13,965
PFI residual interests	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-
Owned - donated	-	-	-	-	-	-	-	-
NBV total at 31 March 2017	5,604	21,720	-	35	28	558	92	28,037

Note 17 Revaluations of property, plant and equipment

HM Treasury determined that NHS Trusts must value its assets to depreciated replacement cost value on a Modern Equivalent Asset basis by 1 April 2010 at the latest. The Trust completed this valuation within the 2009/10 financial year.

In order to ensure that the Trusts Land and Building assets are carried at fair value as at the Balance Sheet date the Trust ensures an independent valuation is undertaken at least every 5 years supplemented by the application of indexation annually.

A full independent valuation, undertaken on the Trusts behalf by Cushman & Wakefield and compliant with RICS Valuation - Professional Standards 2014, was completed during the financial year with a valuation date of 30 June 2016. A property was subsequently purchased which was valued at 31 March 2017.

The current value in existing use of the Trusts properties have primarily been derived using the depreciated replacement cost approach because the specialised nature of the asset means that there are no market transactions of this type of asset except as part of the business or entity. The approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design, with the same service potential as the existing asset.

Following the revaluation of land and buildings at 30 June 2016, the Trust has applied the BICS All in TPI (Tender Price Indicator) rate of indexation to its buildings of 4.3% as at 31st March 2018. The land remains at the same value and has not been indexed based on the understanding of local market conditions. Land and buildings are held at fair value at the Statement of Financial Position date.

Note 18 Investment Property

The Trust does not have any investment property

Note 19 Investments in associates and joint ventures

The Trust does not have any investment in associates or joint ventures

Note 20 Other investments / financial assets (non-current)

The Trust does not have any other investments / financial assets (non-current)

Note 21 Inventories

	31 March 2018	31 March 2017
	£000	£000
Drugs	62	65
Work In progress	-	-
Consumables	15	21
Energy	2	2
Other	-	-
Total inventories	79	88
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £1,339k (2016/17: £1,343k).

Note 22 Trade receivables and other receivables

	31 March 2018	31 March 2017
	£000	£000
Current		
Trade receivables	3,137	2,799
Capital receivables (including accrued capital related income)	713	713
Accrued income	2,863	1,064
Provision for impaired receivables	(109)	(33)
Deposits and advances	-	-
Prepayments (non-PFI)	550	492
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
PDC dividend receivable	17	-
VAT receivable	174	146
Corporation and other taxes receivable	-	-
Other receivables	2	-
Total current trade and other receivables	7,347	5,181
Non-current		
Trade receivables	-	-
Capital receivables	608	1,426
Accrued income	-	-
Provision for impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	-	-
Total non-current trade and other receivables	608	1,426
Of which receivables from NHS and DHSC group bodies:		
Current	3,771	2,913
Non-current	-	-

Note 22.1 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April as previously stated	33	25
Transfers by absorption	-	-
Increase in provision	87	8
Amounts utilised	(11)	-
Unused amounts reversed	-	-
At 31 March	109	33

The Trust has considered all debts outstanding for over a 90 day period and made an assessment regarding the likely collectability of those debts. The Trust holds no collateral against those debts but considers them to be the best estimation of their fair value.

Note 22.2 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
Ageing of impaired financial assets				
0 - 30 days	-	-	-	-
30-60 Days	-	-	-	-
60-90 days	-	-	-	-
90- 180 days	-	-	-	-
Over 180 days	109	-	33	-
Total	109	-	33	-
Ageing of non-impaired financial assets past their due date				
0 - 30 days	408	-	605	-
30-60 Days	98	-	151	-
60-90 days	150	-	148	-
90- 180 days	214	-	174	-
Over 180 days	127	-	37	-
Total	997	-	1,115	-

The Trust holds no collateral against those debts but considers them to be the best estimation of their fair value.

Note 23 Other assets

	31 March 2018 £000	31 March 2017 £000
Current		
EU emissions trading scheme allowance	-	-
Other assets	-	-
Short term PFI finance lease asset	-	-
Total other current assets	<u>-</u>	<u>-</u>
Non-current		
Net defined benefit pension scheme asset	1,089	897
Other assets	-	-
Total other non-current assets	<u>1,089</u>	<u>897</u>

Note 24 Non-current assets held for sale and assets in disposal groups

	2017/18 £000	2016/17 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	-	2,198
Transfers by absorption	-	-
Assets classified as available for sale in the year	-	-
Assets sold in year	-	(2,198)
Impairment of assets held for sale	-	-
Reversal of impairment of assets held for sale	-	-
Assets no longer classified as held for sale, for reasons other than disposal by sale	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	<u>-</u>	<u>-</u>

Note 24.1 Liabilities in disposal groups

	2018 £000	2017 £000
Categorised as:		
Provisions	-	-
Trade and other payables	-	-
Other	-	-
Total	<u>-</u>	<u>-</u>

Note 25 Cash and cash equivalents

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.

	2017/18	2016/17
	£000	£000
At 1 April	6,964	7,903
Prior period adjustments	-	-
At 1 April (restated)	6,964	7,903
At start of period for new FTs	-	-
Transfers by absorption	-	-
Net change in year	(331)	(939)
Transfer to FT upon authorisation	-	-
At 31 March	6,633	6,964
Broken down into:		
Cash at commercial banks and in hand	9	9
Cash with the Government Banking Service	6,624	6,955
Deposits with the National Loan Fund	-	-
Total cash and cash equivalents as in SoFP	6,633	6,964
Bank overdrafts (GBS and commercial banks)	-	-
Total cash and cash equivalents as in SoCF	6,633	6,964

Note 25.1 Third party assets held by the trust

This relates to cash and cash equivalents held by the Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	2018	2017
	£000	£000
Bank balances	109	90
Monies on deposit	-	-
Total third party assets	109	90

Note 26 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	2,441	3,167
Capital payables	233	303
Accruals	2,228	1,670
Receipts in advance (including payments on account)	-	-
Social security costs	664	656
VAT payables	-	-
Other taxes payable	494	515
PDC dividend payable	-	1
Accrued interest on loans	-	-
Other payables	795	785
Total current trade and other payables	<u>6,855</u>	<u>7,097</u>
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance (including payments on account)	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	<u>-</u>	<u>-</u>
Of which payables from NHS and DHSC group bodies:		
Current	1,495	1,149
Non-current	-	-

Note 26.1 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2018 £000	31 March 2018 Number	31 March 2017 £000	31 March 2017 Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-
- outstanding pension contributions	-		-	

Note 27 Other financial liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total	<u>-</u>	<u>-</u>
Non-current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total	<u>-</u>	<u>-</u>

Note 28 Other liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	311	409
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Total other current liabilities	<u>311</u>	<u>409</u>
Non-current		
Deferred income	-	-
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	<u>-</u>	<u>-</u>

Note 29 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from the Department of Health and Social Care	-	-
Other loans	-	-
Obligations under finance leases	-	-
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	633	457
Total current borrowings	<u>633</u>	<u>457</u>
Non-current		
Loans from the Department of Health and Social Care	-	-
Other loans	-	-
Obligations under finance leases	-	-
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts	11,557	12,189
Total non-current borrowings	<u>11,557</u>	<u>12,189</u>

Note 30 Finance leases

The Trust has no finance lease obligations as a lessee or a lessor

Note 31 Provisions for liabilities and charges analysis

	Pensions - early departure costs £000	Legal claims £000	Re- structuring £000	Continuing care £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Other £000	Total £000
At 1 April 2017	-	16	-	-	-	157	634	807
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	-	-	-	-	-	-	2	2
Arising during the year	-	14	-	-	-	525	14	553
Utilised during the year	-	(10)	-	-	-	(80)	(27)	(117)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	-	(7)	-	-	-	(84)	(70)	(161)
Unwinding of discount	-	-	-	-	-	-	(5)	(5)
At 31 March 2018	-	13	-	-	-	518	548	1,079
Expected timing of cash flows:								
- not later than one year;	-	13	-	-	-	518	90	621
- later than one year and not later than five years;	-	-	-	-	-	-	286	286
- later than five years.	-	-	-	-	-	-	172	172
Total	-	13	-	-	-	518	548	1,079

Other provisions (£0.5m) relate to the projected liabilities and charges arising in 2017/18 and beyond, in respect of injury benefits (£0.2m) and provisions related to Trust properties (£0.3).

Note 31.1 Clinical negligence liabilities

At 31 March 2018, £327k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North Staffordshire Combined Healthcare NHS Trust (31 March 2017: £1,985k).

Note 32 Contingent assets and liabilities

	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities		
NHS Resolution legal claims	(20)	(24)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	(20)	(24)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(20)	(24)
Net value of contingent assets	-	-

Note 33 Contractual capital commitments

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	158	-
Intangible assets	-	-
Total	158	-

Capital commitments of £158k are all in relation to the construction of the Psychiatric Intensive Care Unit which is expected to conclude in April 2018.

Note 34 Other financial commitments

The Trust has no other financial commitments

Note 35 Defined benefit pension schemes**Local Government Pension Scheme (LGPS)**

Some Trust employees performing social care functions are members of the Local Government Pension Scheme (LGPS) which is administered by the Staffordshire County Pension Fund. The scheme provides members with defined benefits relating to pay and service and the costs of the employers contributions is equal to the contributions paid to the funded pension scheme for these employees.

The Funds comprising the LGPS are multi-employer schemes and each employers' share of the assets and liabilities can be identified. Hence, for accounting purposes, the scheme is deemed to be a defined benefit scheme. The Trust recognises the fair share of assets and present value of liabilities in the Statement of Financial Position (SOFP) as at the reporting date.

The scheme has a full actuarial valuation at intervals not exceeding three years with the last review being 31 March 2016. IAS 19 requires that the present value of defined benefit obligations (and, if applicable) the fair value of the scheme assets to be determined with sufficient regularity to ensure that the amounts recognised in financial statements do not differ materially from those determined at the reporting period date. In the intervening years between the full actuarial valuation the value of the scheme obligations and expenses are measured by a series of key demographic and other actuarial assumptions as agreed by the Trust and an actuary acting on behalf of all member bodies.

In 2013/14 a change to Accounting Standards (IAS 19) determines that the Interest Cost on the defined pension obligation and the expected return on plan assets are combined into a net figure. The expected return has been replaced by a figure that would be applicable if the expected return assumption was equal to a discount rate.

The discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. In 2017/18 it has been constructed based on the constituents of the iBoxx AA corporate bond index.

Other assumptions used in calculating the liabilities and assets are as follows:

- The price inflation will be derived from the yields available on fixed interest and index linked government bonds.
- Pension increase assumptions are linked to the Consumer Price Index.
- Post retirement mortality assumptions are in line with the Club Vita analysis carried out for the 31 March 2013 formal valuation. These are a set of vita curves tailored to fit the membership profile of the fund. Improvements have been applied in line with the CMI 2013 model assuming the rate of longevity improvements has reached a peak and will converge to a long term rate of 1.25% pa.
- Salary growth is assumed to increase by 2.8% up to the period ending 31 March 2018.
- Commutation assumptions are that LGPS members exchange 50% of their pension for additional cash at retirement up to HMRC limits for pre April 2008 service and 75% for service post April 2008.
- Other demographic assumptions such as withdrawal from the scheme and ill-health early retirements are derived from the latest assumptions used within the most recent formal funding valuation.

The Trust recognises the net surplus/deficit scheme on the Statement of Financial Position (SOFP). The carrying value of this net surplus/deficit is the fair value of the schemes assets allocated to the Trust less the present value of the schemes liabilities plus or minus the scheme remeasurement gains or losses.

Financial Assumptions

The financial assumptions used by the scheme actuary in calculating the liabilities and assets are as follows:

	2017/18	2016/17	2015/16	2014/15	2013/14
	% P.A.				
Pension Increase Rate	2.4%	2.4%	2.2%	2.4%	2.8%
Salary Increase Rate	2.8%	2.8%	4.2%	4.3%	4.6%
Discount Rate	2.7%	2.6%	3.5%	3.2%	4.3%

Mortality Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a. The resultant average future life expectancies at age 65 are:

	Male	Female
Current Pensioners	22.1 years	24.4 years
Future Pensions	24.1 years	26.4 years

Historic mortality

The following life expectancies are based on the Fund's VitaCurves:

Period Ended	Prospective Pensioners	Pensioners
31-Mar-17	CMI 2013 model assuming the current rate of improvement has reached a peak and will converge to a long term rate of 1.25% p.a.	CMI 2013 model assuming the current rate of improvement has reached a peak and will converge to a long term rate of 1.25% p.a.

Analysis of fair value of plan assets

2017/18

Asset Category	Quoted prices in active markets £000's	Quoted prices not in active markets £000's	Total £000's	Percentage of Total Assets %
Equity Securities:				
Consumer	542		542	4%
Manufacturing	522		522	4%
Energy & Utilities	153		153	1%
Financial Institutions	507		507	4%
Health & Care	370		370	3%
Information Technology	354		354	3%
Other	14		14	0%
Corporate Bonds	948		948	8%
Private Equities		365	365	3%
Real Estate - UK Properties		967	967	8%
Investment Funds & Unit Trusts:				
Equities	5,906		5,906	47%
Bonds	735		735	6%
Hedge Funds		219	219	2%
Other		323	323	3%
Cash & Cash Equivalents	573		573	5%
Totals	10,624	1,874	12,497	100%

2016/17

Asset Category	Quoted prices in active markets £000's	Quoted prices not in active markets £000's	Total £000's	Percentage of Total Assets %
Equity Securities:				
Consumer	827		827	7%
Manufacturing	713		713	6%
Energy & Utilities	306		306	2%
Financial Institutions	825		825	7%
Health & Care	686		686	6%
Information Technology	825		825	7%
Other	12		12	0%
Corporate Bonds	915		915	7%
Private Equities		391	391	3%
Real Estate - UK Properties		992	992	8%
Investment Funds & Unit Trusts:				
Equities	4,114		4,114	33%
Bonds	674		674	5%
Hedge Funds		242	242	2%
Other		184	184	1%
Cash & Cash Equivalents	619		619	5%
Totals	10,515	1,809	12,324	100%

Sensitivity to assumptions made

follows:

Change in assumptions at 31 March 2018	Approximate % increase to defined benefit obligation	Approximate monetary value £000's
0.5% decrease in Real Discount Rate	11%	1,232
0.5% increase in the Salary Increase Rate	1%	56
0.5% increase in the Pension Increase Rate	10%	1,168

Note 35.1 Changes in the defined benefit obligation and fair value of plan assets during the year

	2017/18	2016/17
	£000	£000
Present value of the defined benefit obligation at 1 April	(11,427)	(10,233)
Transfers by absorption	-	-
Current service cost	(107)	(86)
Interest cost	(296)	(363)
Contribution by plan participants	(17)	(22)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	236	(840)
Benefits paid	203	117
Present value of the defined benefit obligation at 31 March	(11,408)	(11,427)

*For 2017/18 the remeasurement gain on liabilities amounted to £236,000 which represents 2% of the liability value.

For 2016/17 the remeasurement loss on liabilities amounted to £840,000 which represents 8% of the liability value.

Plan assets at fair value at 1 April	12,324	10,801
Transfers by normal absorption	-	-
Interest income	319	382
Remeasurement of the net defined benefit (liability) / asset		
- Actuarial gain / (losses)	(36)	1,177
Contributions by the employer	76	59
Contributions by the plan participants	17	22
Benefits paid	(203)	(117)
Plan assets at fair value at 31 March	12,497	12,324
Plan surplus/(deficit) at 31 March	1,089	897

*For 2017/18 the remeasurement loss on assets amounted to £36,000 which represented 0.3% of asset value. The

2016/17 remeasurement gain on assets amounted to £1,177,000 which represented 11% of asset value.

Note 35.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

	31 March	31 March
	2018	2017
	£000	£000
Present value of the defined benefit obligation	(11,408)	(11,427)
Plan assets at fair value at	12,497	12,324
Fair value of any reimbursement right	-	-
The effect of the asset ceiling	-	-
Net (liability) / asset recognised in the SoFP	1,089	897

Note 35.3 Amounts recognised in the SoCI

	2017/18	2016/17
	£000	£000
Current service cost	(107)	(86)
Interest expense / income	23	19
Past service cost	-	-
Losses on curtailment and settlement	-	-
Contributions by the employer	76	59
Total net (charge) / gain recognised in SOCI	(8)	(8)

Note 36 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has one on-Statement of Financial Position PFI obligation, Harplands Hospital.

Note 36.1 Imputed finance lease obligations

North Staffordshire Combined Healthcare NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or other service concession liabilities	21,755	23,505
Of which liabilities are due		
- not later than one year;	1,872	1,750
- later than one year and not later than five years;	6,994	7,090
- later than five years.	12,890	14,665
Finance charges allocated to future periods	(9,566)	(10,859)
Net PFI, LIFT or other service concession arrangement obligation	12,190	12,646
- not later than one year;	633	457
- later than one year and not later than five years;	2,694	2,529
- later than five years.	8,863	9,660

Note 36.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	59,894	62,072
Of which liabilities are due:		
- not later than one year;	4,318	4,158
- later than one year and not later than five years;	18,057	17,303
- later than five years.	37,519	40,611

Note 36.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the trust's payments in 2017/18:

	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	5,992	5,766
Consisting of:		
- Interest charge	1,293	1,327
- Repayment of finance lease liability	457	346
- Service element and other charges to operating expenditure	4,242	4,093
- Capital lifecycle maintenance	-	-
- Revenue lifecycle maintenance	-	-
- Contingent rent	-	-
- Addition to lifecycle prepayment	-	-
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-
Total amount paid to service concession operator	5,992	5,766

Note 37 Off-SoFP PFI, LIFT and other service concession arrangements

The Trust does not have any off-Statement of Financial Position PFI obligations.

Note 38 Financial instruments

Note 38.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Commissioners and the way those Commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited 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 Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with primary care organisations, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 38.2 Carrying values of financial assets

	Assets at fair value				Total book value £000
	Loans and receivables	through the I&E	Held to maturity at	Available-for-sale	
	£000	£000	£000	£000	
Assets as per SoFP as at 31 March 2018					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	7,213	-	-	-	7,213
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	6,633	-	-	-	6,633
Total at 31 March 2018	13,846	-	-	-	13,846

	Assets at fair value				Total book value £000
	Loans and receivables	through the I&E	Held to maturity at	Available-for-sale	
	£000	£000	£000	£000	
Assets as per SoFP as at 31 March 2017					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	6,115	-	-	-	6,115
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	6,964	-	-	-	6,964
Total at 31 March 2017	13,079	-	-	-	13,079

Note 38.3 Carrying value of financial liabilities

	Liabilities at fair value		Total book value £000
	Other financial liabilities	through the I&E	
	£000	£000	
Liabilities as per SoFP as at 31 March 2018			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	-	-	-
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	12,190	-	12,190
Trade and other payables excluding non financial liabilities	5,697	-	5,697
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2018	17,887	-	17,887

	Other financial liabilities £000	Liabilities at fair value through the I&E £000	Total book value £000
Liabilities as per SoFP as at 31 March 2017			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	-	-	-
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	12,646	-	12,646
Trade and other payables excluding non financial liabilities	5,925	-	5,925
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2017	18,571	-	18,571

	31 March 2018 £000	31 March 2017 £000
Note 38.4 Maturity of financial liabilities		
In one year or less	6,330	6,382
In more than one year but not more than two years	633	633
In more than two years but not more than five years	2,061	1,896
In more than five years	8,863	9,660
Total	17,887	18,571

Note 39 Losses and special payments

	2017/18		2016/17	
	Total	Total value	Total	Total value
	number of	of cases	number of	of cases
	cases	£000	cases	£000
	Number		Number	£000
Losses				
Cash losses	-	-	-	-
Fruitless payments	1	0	3	0
Bad debts and claims abandoned	-	-	-	-
Stores losses and damage to property	-	-	-	-
Total losses	1	0	3	0
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	10	21	4	16
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	10	21	4	16
Total losses and special payments	11	21	7	17
Compensation payments received		-		-

Note 40 Gifts

The Trust has no gifts over £300k that require disclosure.

Note 41 Related parties

During the year none of the Department of Health Ministers, Trust Board members, members of the key management staff or parties related to any of them, has undertaken any material transactions with North Staffordshire Combined Healthcare NHS Trust.

The Department of Health is regarded as a related party. During the year North Staffordshire Combined Healthcare NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£'000	£'000	£'000	£'000
Stoke On Trent CCG	0	35,638	496	315
North Staffordshire CCG	0	24,283	119	107
West Midlands Specialised Commissioning Hub	0	2,816	0	47
Health Education England	0	2,444	314	9
South Staffordshire and Shropshire Healthcare NHS FT	948	1,446	122	79
Staffordshire and Stoke on Trent Partnership NHS Trust	374	1,281	36	64
Department of Health	6	1,275	0	4
NHS England Core	0	2,606	0	2,046
University Hospitals of North Midlands NHS Trust	2,061	639	376	284
Stafford And Surrounds CCG	109	472	21	93
North Midlands Local Office	40	418	0	315
South Cheshire CCG	0	170	47	0
West Cheshire CCG	0	144	0	166
The Royal Wolverhampton NHS Trust	15	109	0	0
NHS Wolverhampton CCG	0	81	0	4
Shropshire CCG	0	78	0	12
Eastern Cheshire CCG	0	75	6	0
Care Quality Commission	159	1	0	0
Salford Royal NHS Foundation Trust	65	0	25	0
West Midlands Ambulance Service NHS Foundation Trust	334	0	0	0
NHS Resolution (formerly NHS Litigation Authority)	437	0	4	0
Midlands & Lancashire CSU	299	0	23	0

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with City of Stoke on Trent Council and Staffordshire County Council.

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£'000	£'000	£'000	£'000
City of Stoke on Trent Council	286	5,505	305	1,106
Staffordshire County Council	120	1,862	16	499

The Trust has also received revenue payments from a number of charitable funds, certain of the Trustees for which are also members of the NHS Trust Board. Specifically the Trust is the corporate trustee of the North Staffordshire Combined Healthcare NHS Trust charity (registration number 1057104) and exercises control over the transactions of that charity.

However, in the context of the Trust the transactions of the Charity are deemed to be immaterial and therefore have not been consolidated within these Accounts. The Summary Financial Statements of the Funds Held on Trust are included in the Charity's Annual Report which is published under separate cover.

Note 42 Events after the reporting date

The Trust has no non-adjusting events after the end of the reporting period to disclose.

Note 43 Better Payment Practice code

	2017/18	2017/18	2016/17	2016/17
	Number	£000	Number	£000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	10,933	33,211	13,183	29,380
Total non-NHS trade invoices paid within target	9,527	31,653	11,610	27,914
target	<u>87.14%</u>	<u>95.31%</u>	<u>88.07%</u>	<u>95.01%</u>
NHS Payables				
Total NHS trade invoices paid in the year	659	7,164	508	6,860
Total NHS trade invoices paid within target	575	6,258	459	6,385
Percentage of NHS trade invoices paid within target	<u>87.25%</u>	<u>87.35%</u>	<u>90.35%</u>	<u>93.08%</u>

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 44 External financing

The trust is given an external financing limit against which it is permitted to underspend:

	2017/18	2016/17
	£000	£000
Cash flow financing	(126)	592
Finance leases taken out in year		
Other capital receipts		
External financing requirement	<u>(126)</u>	<u>592</u>
External financing limit (EFL)	422	977
Under / (over) spend against EFL	<u>548</u>	<u>385</u>

Note 45 Capital Resource Limit

	2017/18	2016/17
	£000	£000
Gross capital expenditure	2,993	2,594
Less: Disposals	-	(2,198)
Less: Donated and granted capital additions	-	-
Plus: Loss on disposal of donated/granted assets	-	-
Charge against Capital Resource Limit	<u>2,993</u>	<u>396</u>
Capital Resource Limit	3,130	889
Under / (over) spend against CRL	<u>137</u>	<u>493</u>

Note 46 Breakeven duty financial performance

	2017/18
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	3,683
Remove impairments scoring to Departmental Expenditure Limit	-
Add back income for impact of 2016/17 post-accounts STF reallocation	-
Add back non-cash element of On-SoFP pension scheme charges	(8)
IFRIC 12 breakeven adjustment	385
Breakeven duty financial performance surplus / (deficit)	<u>4,060</u>

Note 47 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		449	698	891	1,671	31	768	1,297	2,051	4,060
Breakeven duty cumulative position	1,300	1,749	2,447	3,338	5,009	5,040	5,808	7,105	9,156	13,216
Operating income	-	90,599	86,321	83,063	79,487	87,471	75,502	78,588	81,883	85,079
Cumulative breakeven position as a percentage of operating income	0.00%	1.93%	2.83%	4.02%	6.30%	5.76%	7.69%	9.04%	11.18%	15.53%
In-year breakeven position as a percentage of operating income	0.00%	0.50%	0.81%	1.07%	2.10%	0.04%	1.02%	1.65%	2.50%	4.77%

Breakeven period exceeds 0.5% of operating income

- 2010/11 to 2015/16 - The Trust achieved a surplus due to non-recurrent benefits and the IFRIC 12 adjustment. The Trust will continue to maintain a surplus over future years.
- 2016/17 - The introduction of the control total required the Trust to deliver a £900k surplus (including IFRIC 12 adjustments). The Trust over performance against this target by £47k due to non recurrent benefits. By delivering the control total the Trust received £1,104k in Sustainability and Transformation Funding. The Trust intends to continue to achieve the control total in future years.
- 2017/18 - The Trust was required to deliver a control total of £900k surplus (excluding IFRIC 12 adjustments). The Trust over performed against this target by £404k due to non-recurrent benefits. By delivering the control total the Trust received £2,371k in Sustainability and Transformation Funding. The Trust intends to continue to achieve the control total in future years.

The Trust is committed to providing communication and foreign language support for service users and carers who may need it for any reason. This Annual Report and Accounts can be made available in different languages and formats, including Easy Read. If you would like to receive this document in a different format, please contact the Communications Team on 0300 123 1535 ext 2676 (Freephone 0800 0328 728) or write to the FREEPOST address below:-

Freepost RTCT-YEHA-UTUU
Communications and Membership Team
North Staffordshire Combined Healthcare NHS Trust
Lawton House
Bellringer Road
Stoke-on-Trent
ST4 8HH