

MEETING OF THE TRUST BOARD

**TO BE HELD IN PUBLIC ON THURSDAY, 31 JULY 2014,
10:00AM, BOARDROOM, TRUST HEADQUARTERS,
BELLRINGER ROAD, TRENTAM LAKES SOUTH,
STOKE ON TRENT, ST4 8HH**

AGENDA		
1.	APOLOGIES FOR ABSENCE <i>To NOTE any apologies for absence: Mr T. Gadsby</i> <i>Welcome Mr. C Calkin, Interim Director of Finance and Mr. A Hughes, Interim Director of Strategy and Development</i>	Note
2.	DECLARATION OF INTEREST RELATING TO AGENDA ITEMS	Note
3.	DECLARATIONS OF INTERESTS RELATING TO ANY OTHER BUSINESS	Note
4.	MINUTES OF THE OPEN AGENDA – 5 JUNE 2014 <i>To APPROVE the minutes of the meeting held on 5 JUNE 2014</i>	Approve Enclosure 2
5.	ACTION MONITORING SCHEDULE & MATTERS ARISING FROM THE MINUTES <i>To CONSIDER any matters arising from the minutes</i>	Note Enclosure 3
6.	CHAIR'S REPORT <i>To RECEIVE a verbal report from the Chair</i>	Note
7.	CHIEF EXECUTIVE'S REPORT <i>To RECEIVE a report from the Acting Chief Executive</i>	Note Enclosure 4
TO DELIVER HIGH QUALITY PERSON CENTRED MODELS OF CARE (Strategic Goal)		
8.	SPOTLIGHT ON EXCELLENCE <i>To PRESENT the Spotlight on Excellence Team and Individual Awards to staff</i> <i>To be introduced by the Acting Chief Executive and presented by the Chair</i>	Verbal
9.	PRESENTATION FROM THE CENTRAL REFERRAL HUB, COMMUNITY EMOTIONAL AND MENTAL HEALTH SERVICE LINE <i>To RECEIVE a presentation from Cathy Regan, Team Leader, Amy Poole, Cognitive Behavioural Therapist, Sharon Lees and Paula Pawson, Administrators</i>	Verbal
10.	QUALITY COMMITTEE REPORT <i>To RECEIVE the Quality Committee report from the meetings held on 17 June 2014 and 15 July 2014 from Mr. P Sullivan, Chair of the Quality Committee</i>	Assurance Enclosure 5

11.	QUALITY ACCOUNT 2013/14 <i>To RECEIVE for information the Quality Account 2013/14 (Quality Committee were given delegated powers to approve), from Dr. B Adeyemo, Medical Director</i>	Assurance Enclosure 6
12.	SAFE STAFFING MONTHLY REPORT <i>To RECEIVE a report on the planned versus actual staff variances from Ms. K Wilson, Director of Nursing and Quality</i>	Assurance Enclosure 7
TO BE ONE OF THE MOST EFFICIENT PROVIDERS (Strategic Goal)		
13.	FINANCE REPORT – Month 3 (2014/15) <i>To RECEIVE the month 3 financial position from Mr. C Calkin, Interim Director of Finance</i>	Assurance Enclosure 8
14.	ASSURANCE REPORT FROM THE FINANCE & ACTIVITY COMMITTEE CHAIR <i>To RECEIVE the Finance & Activity Committee Assurance report from the Chair, Mr. T Gadsby from the meetings held on 26 June 2014 and 24 July 2014</i>	Assurance Enclosure 9
15.	PERFORMANCE AND QUALITY MANAGEMENT FRAMEWORK REPORT (PQMF) – Month 3 <i>To RECEIVE the month 3, Performance Report from Mr. C Calkin, Interim Director of Finance</i>	Assurance Enclosure 10
16.	SELF CERTIFICATIONS FOR THE NHS TRUST DEVELOPMENT AGENCY <i>To APPROVE the Self Certifications based on June 2014 data for the TDA from Mr. C Calkin, Interim Director of Finance</i>	Assurance Enclosure 11
17.	<ul style="list-style-type: none"> ANNUAL REPORT AND FINANCIAL STATEMENTS 2013/14 <i>To APPROVE the Annual Report and Financial Statements from Mrs. C Donovan, Acting Chief Executive</i> ANNUAL AUDIT LETTER 2013/14 <i>To RECEIVE for information the 2013/14 Annual Audit Letter from KPMG, presented by Mr. C Calkin, Interim Director of Finance</i> 	Assurance Enclosure 12a Enclosure 12b
TO BE A DYNAMIC ORGANISATION DRIVEN BY INNOVATION (Strategic Goal)		
18.	PEOPLE AND CULTURE DEVELOPMENT COMMITTEE REPORT <i>To RECEIVE the People and Culture Development Committee report from the meetings held on the 16 June 2014 and 21 July 2014 from Mr. P O'Hagan, Committee Chair</i>	Assurance Enclosure 13
19.	MEDICAL APPRAISAL AND REVALIDATION <i>To RECEIVE the Report on Progress being made with Medical Appraisal and Revalidation from Dr B. Adeyemo, Medical Director</i>	Assurance Enclosure 14
20.	To DISCUSS any Other Business	

21.	RENAMING OF THE TRUST HEADQUARTERS <i>To APPROVE a proposal to rename the Trust Headquarters, led by Mr K. Jarrold, Chairman</i>	Enclosure 15
QUESTIONS FROM MEMBERS OF THE PUBLIC		
22.	<i>To ANSWER questions from the public on items listed on the agenda</i>	
DATE AND TIME OF THE NEXT MEETING		
23.	<i>The next public meeting of the North Staffordshire Combined Healthcare Trust Board will be held on Thursday 25 September 2014 at 10:00am.</i>	
24.	MOTION TO EXCLUDE THE PUBLIC <i>To APPROVE the resolution that representatives of the press and other members of the public be excluded from the remainder of this meeting, having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest" (Section 1(2) Public Bodies (Admissions to Meetings) Act 1960)</i>	
THE REMAINDER OF THE MEETING WILL BE IN PRIVATE		

A meeting of the North Staffordshire Combined Healthcare NHS Trust will take place in private at 1:00pm, in the Boardroom, Trust Headquarters.

	SERIOUS INCIDENTS	Assurance
	BUSINESS CASES	Assurance

**Minutes of the Open section of the
North Staffordshire Combined Healthcare NHS Trust Board meeting held
on Thursday, 5 June 2014**

**At 10:00am in the Boardroom, Trust Headquarters, Bellringer Road,
Trentham, Stoke on Trent, ST4 8HH**

Present:

Chairman:

Mr K Jarrold
Chairman

Directors:

Mr T Gadsby
Non-Executive Director

Mrs C Donovan
Acting Chief Executive

Mr P O'Hagan
Vice Chair

Dr K Tattum
GP Associate Director

Mr P Sullivan
Non-Executive Director

Mr K Lappin
Director of Finance

Dr B Adeyemo
Medical Director

Mr P Draycott
Acting Director of Leadership
& Workforce

Ms B Johnson
Non-Executive Director

Ms K Wilson
Executive Director of Nursing and Quality

In attendance:

Mrs S Storey
Trust Secretary / Head of Corporate and
Legal Affairs

Mrs J Scotcher
Executive PA

Ms J Harvey
UNISON

Team Spotlight:

Dr D Watts
Consultant in Substance Misuse

Individual Spotlight:

Fiona Platt
Team Manager
Older People's Outreach Team

Mr B Goodfellow

Mr R Carlise

Mr & Mrs Williams

The meeting commenced at 10:00am.

141/2014	Apologies for Absence Apologies were received from Mr Carder, Non-Executive Director and Mr Rogers, Director of Operations, and Dr D Sheppard, GP Board Associate The Chair welcomed all attendees to the meeting.	Action
142/2014	Declaration of Interest relating to agenda items	

	There were no declarations of interest.	
143/2014	Declarations of interest relating to any other business There were no declarations of any other business	
144/2014	Minutes of the Open Agenda – 24 April 2014 The minutes of the open agenda of the meeting held on 24 April 2014 were approved as a correct record.	
145/2014	Matters arising The Board reviewed the action monitoring schedule and agreed the following:- 391/13 Meeting with UHNS to discuss integrated care – Board to be kept up to date on the discussions being taken forward in relation to this. Mrs Donovan provided an update on this item in Mr Rogers' absence. This was in relation to an opportunity for the Trust, in addition to RAID, to give additional support to UHNS to work with the Hospital and Home Treatment Team. It was noted that UHNS did not want to progress this offer at this time. However, the Trust will continue to work closely with the UHNS – remove from schedule. 119/2014 89/2014 – Assurance report – F&A Committee 20 March – Mr Gadsby, Non-Executive Director, to reword this section, discuss with Mrs Storey and amended minutes to be circulated to the Trust Board. Completed – remove from schedule 85/2014 – PALS/Complaints Report - consideration to be given to bring together various sources of information. It was agreed that this issue will be addressed and brought back in due course via the Quality Cte. A proposal will be presented to the July meeting of the Quality Committee meeting and then to the Trust Board in September 2014. To leave this action on the schedule. 122/2014 – CEO Report – clinical pathways redesign project update – the board will continue to be updated on a regular basis – this will be a standing item – remove from the schedule. 124/14 Clinical Presentation from CAMHS Disability team – Mrs Storey stated she would link in with the team regarding their comments in respect to	Ms Wilson

	<p>responding to media releases and further development of patient information – Mrs Storey confirmed she had had discussions with the team in terms of what support they require - remove from schedule</p> <p>127/14 – F&A Committee Report – 17 April 2014 (Annual accounts) Mr Gadsby commented that he had now received the Annual Accounts, but had yet to give them scrutiny. A meeting was due to be held with Mr Gadsby, Mr Lappin and Mr Blaise to go through the accounts in more detail. Completed – remove from schedule</p> <p>127/14 – F&A Committee Report – 17 April 2014 – A report was received in relation to the progress and development of the Cost Improvement programme 2014/15. This outlined the progress to-date in identifying schemes to deliver the target of £4.1m. Both Mr Gadsby and Mr Sullivan agreed to meet with the Executive Team – this meeting had taken place, however Mr Gadsby stated he wanted to meet various teams to discuss further. Leave on schedule</p> <p>128/14 – Percentage of staff compliant with mandatory training – Mr Draycott to review target with other similar trusts to help inform discussions with commissioners – Mr Draycott confirmed he had met with Regional Human Resources Directors and had raised this to ask whether the current target of 95% could be negotiated. A number of trusts had target set at 90% and it was noted our Trust was performing better than most, however the target of 95% remains and compliance will be closely monitored. Remove from schedule</p>	Mr Gadsby
146/2014	<p>Chair's report</p> <p>The Chair began by welcoming the remarkable performance the Trust has achieved and stated that the Chief Executive's report would also highlight this in the next report at the meeting.</p> <p>The Chair then noted the serious current financial situation for the NHS and in the context of this, the Trust was 'holding our own'. The King's Fund has warned of a looming financial crisis. A growing number of Trusts, including Foundation Trusts, and CCGs are in deficit. The outcome of the year 2013/14 for the non FT Trusts was much worse than expected. The planned deficit was £76 m. The actual deficit was £241m.</p> <p>It was further noted that Mr Simon Stevens, newly appointed</p>	

	<p>Chief Executive , NHS England, – has said “<i>had it not been for the fact that during the 2000s there was the big expansion in investment and in staffing and in patient facing performance, then I think there would have been a crisis by now... The NHS has done well because it had that prior period.</i>”</p> <p>The Chair then noted that NHS funding is likely to be an issue in the general election campaign. It is rumoured that both Labour and the Liberal Democrats are considering a commitment to increase National Insurance in order to provide additional funding for the NHS.</p> <p>International comparisons continue to show that the NHS is good value for money.</p> <p>It was also noted by the Chair that 41% of acute trusts are in deficit.</p> <p>For our Trust the Chair noted 5 issues which remain of concern:</p> <ol style="list-style-type: none"> 1. Mental Health Trusts have been disadvantaged by the tariff for this year; 2. There is a growth in demand for mental health services 3. It is very clear in the context of Francis that there are pressures to invest in quality; 4. Specialist commissioning arrangements are being squeezed as a result of financial pressures; 5. The establishment of the Better Care Fund may have a substantial impact on NHS resources. <p>Further concerns raised by the Chair, in that the NHS cannot continue as it has done with four years of no real terms increase which are taking their toll. The NHS cannot go on living on the generous funding of the years 2001-2009.</p> <p>The Chair commented that as the Trust continues to do all that it can to balance the books and to deliver the Cost Improvement Programme, it is worth remembering the very challenging context in which we are working.</p> <p>Ms Harvey echoed the concerns regarding NHS funding raised by the Chair and highlighted that in general all staff have felt ‘the squeeze’ and noted the lack of pay rewards to staff, which over</p>	
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	<p>time has been unacceptable. Many staff will become unhappy if the Trust does not handle this; nursing staff pay in particular have lost out by £5k to £6k in comparison to inflation. It was further noted that today is the launch of the Trade Union Pay Campaign.</p> <p>The Chair noted these comments and stated that the concerns of staff were understood.</p> <p>Received</p>	
147/2014	<p>Chief Executive's Report</p> <p>Mrs Donovan, Acting Chief Executive, updated the Board on activities since the last meeting.</p> <p>The key highlights from the report are:-</p> <p>Clinical Pathways Redesign Project Update The Clinical Pathways Redesign Project continues to be high priority for the Trust focusing on the design and integration of a number of care pathways that will deliver an improved experience across the wide range of mental health services. It was noted the project has been extremely successful in engaging staff, although complex and challenging at times.</p> <p>A development session was held on 13 May 2014 for pathways to consider the links between pathways and to discuss emerging themes and deliver more seamless care. Additionally, a wider engagement event is planned for 19 June 2014. It is proposed that the following topics will be discussed:</p> <ul style="list-style-type: none"> • The vision for each pathway; • Emergent themes; • Partnership working and interdependencies; • Challenges to unblock. <p>Strategic Review The Strategic Review across Staffordshire, led by KPMG and Boston Consulting is continuing to progress in respect of the 11 distressed economies as highlighted at the previous Trust Board on 24 April 2014. The review will support the development of an integrated 5-year plan. It was noted a common theme which all had signed up to, including the local authority and NHS, is the care of frail elderly patients. Both Dr Adeyemo and Dr Udeze are leading on this workstream.</p>	

	<p>Trust representatives will be attending a workshop planned for 13 June 2014, at which KPMG will share their findings to date.</p> <p>5-year Plan The plan is currently being developed into a 5-year Integrated Business Plan (IBP) for submission to the NHS Trust Development Authority on 20 June 2014. It was noted that this had been the focus of a recent Plenary, whereby service areas presented their 5-year visions.</p> <p>In addition, the clinical pathway work would dovetail into the IBP.</p> <p>Step on Update A presentation was held at the May Plenary for Trust colleagues to give more consideration and employment opportunities as an employer of people with real life experience of mental health services rather than sole a provider of mental health services.</p> <p>New beginnings Event Mrs Donovan confirmed she had had the privilege of opening the 3rd New Beginnings Event, which was both truly inspiring and emotional with patient stories. The event culminated with a japanese maple tree planting ceremony within the grounds of the Edward Myers Unit.</p> <p>Mental Health Awareness Week Events had taken place during 12 – 18 May 2014, across North Staffordshire to mark Mental Health Awareness Week. The aim of all of the events was to promote activities, which as well as being good exercise, also contributed to well-being. The festival was a partnership between the Trust, Borderland Voices, Rethink, Brighter Futures, Samaritans, North Staffs Users Group, Your Moorlands and the police neighbourhood team.</p> <p>Aston Team Development Programme This Leadership programme is progressing well with the 3rd cohort taking place. It was also noted that this would be a CQUIN scheme for 2014/15.</p> <p>Listening into Action The Trust has signed up to be part of the LiA (Listening into Action) programme, to help improve culture and engagement amongst all staff. A navigation day is due to be held on 9 June 2014, whereby 10 members of staff have been sponsored across the organisation to attend.</p> <p>Pyschiatric Patients to receive physical health checks This is a national incentive for all Mental Health Trusts from 1 April 2014, and will be included as a CQUIN scheme. However it was noted that the Trust had agreed with commissioners for 2013/14 – Goal 6, Physical Health – a year ahead of the national</p>	
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	<p>mandate, achieving 100% compliance in meeting the indicators agreed.</p> <p>TDA publishes revised Accountability Framework The NHS Trust Development Authority (TDA) has published '<i>Delivering for Patients : the 2014/15 Accountability Framework for NHS Trust board</i>'. The revised framework reflects some of the changes to the health and care system over the past year, including the development of the new Chief Inspector of Hospitals regime and the 'special measures' process. This was on today's agenda.</p> <p>NHS England makes commitment to Carers The Commitment to Carers document NHS England sets out how it aims to support carers' health and wellbeing. The document lists 37 commitments, spread across 8 key priorities, which include raising the profile of carers, education and training, person centred co-ordinated care and primary care.</p> <p>Choice of Mental Health Provider at First Outpatient appointment NHS England are soon to be launching the guidance on choice of mental health provider at first outpatient appointment. This needs developing for our Trust with support from the Regional Mental Health Institute, Ms Wilson is leading on this.</p> <p>The Chair noted the guidance has been somewhat delayed and is still rather complex and remains in draft.</p> <p>Dementia Friends Campaign Launched Public England and the Alzheimer's Society have launched a campaign to encourage people to sign up as Dementia Friends in order to raise awareness for dementia and to help make a difference to someone with the condition.</p> <p>Received</p>	
148/2014	<p>Spotlight on Excellence Awards</p> <p>The Chair presented the individual and team spotlight awards to: Individual Spotlight Award – Fiona Platt, Team Manager, Older People's Outreach Team, Neuropsychiatry and Old Age Psychiatry</p> <p>Since its conception the Outreach Team has been led by Fiona, who is an occupational therapist by background. The Team was formed with a very small staff compliment and a very large remit. As team manager, her role was to bring people together from different areas, requiring them to work in a new way over extended hours with the remit of reducing hospital admissions</p>	

	<p>and supporting early facilitated discharges. Many experienced managers would not have risen to the challenge as Fiona did. She assessed the situation, worked with and got the staff team on board and quickly delivered a very comprehensive and successful service.</p> <p>Inpatient services within the Service Line are currently being redesigned. To enable the service line to achieve its goals the Outreach Team is being relied upon to embrace new ideas and with an extended team take on new challenges. Fiona has taken all of this in her stride, is working with her team to develop into new areas and is supporting the workforce and financial model. Her 'can do' attitude is shining through.</p> <p>Fiona has a very pleasant leadership style. There is no doubt that she is in charge of the team, but she involves her staff in decision making, listens to their thoughts and ideas and encourages career progression within the staff group. She is quick to compliment, very clear if there is an issue and extremely efficient in providing required information. Governance is excellent in the team and each member of staff knows their responsibilities, what is expected of them and they are clear on their boundaries. Consequently she is very well respected by her peers; she is well liked by her team and is extremely well thought of by her managers.</p> <p>Fiona embodies all of the trust values, but in doing this, valuing people as individuals shines through – she listens to what her staff have to say, is supportive of her team and always places patients at the centre of all that she does.</p> <p>Her line manager said:</p> <p>"Fiona is a highly capable, kind and considerate manager who places the care of clients and the welfare of her team at the centre of all her thinking. Fiona has embraced new ways of working in her professional role in a way that has been an inspiration to her team and other professionals with whom she comes into contact. Her calm, logical and caring manner is the perfect portrait of a modern team manager in Old Age Psychiatry. She is a natural leader and has developed the Outreach team to be a clinically critical team that is central to our service line business plan."</p> <p>Team Spotlight Award and Presentation Intoxication Observation Unit, Substance Misuse Service Line This month's team spotlight Award and presentation is from the Substance Misuse Service Line, and describes work carried out by the Intoxication Observation Unit (IOU).</p>	
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	<p>The main purpose of the Intoxication Observation service is to provide an alternative facility for those people who drink an excess of alcohol and usually end up in the Accident and Emergency Department at UHNS, thus reducing the pressure on this department.</p> <p>The team linking to the IOU have are being recognised for the Spotlight award given this innovative and unique service that is offered to clients in Stoke-on-Trent and North Staffordshire. The team is made up of a number of Health Care Support Workers that are primarily Trust Bank staff who have committed their time to the service and allowed for the developments and outcomes. There is one identified Health Care Support Worker per shift identified to the service supported by the regular ward based team.</p> <p>The service has led to many patients being referred onto other linking agencies for ongoing support and treatment, without which the likelihood is that many would continue to be in the rotating spiral of alcohol dependency.</p> <p>The service offers great benefits to patient outcomes and provides major savings to the overall Health Economy. The IOU project has gained recognition at national conferences which has led to interest from other organisations to view the service with the possibility of adopting a similar model.</p> <p><i>Received</i></p>	
149/2014	<p>Clinical presentation from the Intoxication Observation Unit</p> <p>The Board received the presentation from Dr Watts, Consultant in Substance Misuse on the work of the Intoxication Observation Unit (IOU) which was very informative and inspiring.</p> <p>Initially the presentation focused on the impressive expansion of the range of locations across North Staffordshire for Addiction services, and the impact of alcohol intoxication on Accident and Emergency. The IOU pathway was explained in flowchart detail with statistics between April 2013 – March 2014 noted; these included;</p> <ul style="list-style-type: none"> • IOU admissions; • Postcode areas; • Demographics; • Referrals received patient age; • Audit scores; 	

	<ul style="list-style-type: none"> • SADQ Scores. <p>The presentation ended with a letter from a patient who had been admitted to Edward Myers thanking the team for the care and treatment received.</p> <p>Both the Chair and Mrs Donovan thanked Dr Watts for his presentation and highlighted the important work the IOU team have achieved. Mrs Donovan queried whether there was data present in relation to alcohol recovery after they leave the IOU?</p> <p>Dr Watts confirmed there is information captured noting that some people to return to the unit while get referred onwards to other services to meet their specific needs.</p> <p>Dr Adeyemo commented that the IOU team work extremely well and noted the support this service offered in relation to the police. Dr Watts stated that the service is unique and patients that are under section 136 do not generally fall within this route.</p> <p>Ms Wilson recognised the good insight into the public health perspective and the prevention to hospital for those who fall into crisis. Further awareness could be raised with engagement in schools, local employers and drilling down with the local economy. Dr Watts confirmed that traditionally work does happen and will continue with our partnerships, although what has been developed, IOU are not always the main focus. Some discussion took place regarding commissioners, partially CCG and partially local authority. Total ownership would be beneficial and this is moving forward with the clinical pathway work.</p> <p>Some debate took place regarding the data support systems. Dr Watts recognised the support provided by Mr Smith, CPA Manager and that this work was separate to CHIPS data.</p> <p>Ms Wilson also noted the importance of service user engagement.</p> <p><i>Received</i></p>	
150/2014	<p>Summary of the Quality Committee meeting held on 20 May 2014</p> <p>Mr Sullivan, Non-Executive Director, provided the Board with a summary report from the meeting held on 20 May 2014 and reported that the committee received assurance in a number of areas.</p> <p>Policy Review</p> <ul style="list-style-type: none"> • Listening and Responding – PALs and Complaints 4.26 	

	<p>extend until 30 June 2014</p> <ul style="list-style-type: none"> • Information Governance Policy and Strategy 7.08 and 7.08a extend until 31 July 2014 • Safe Haven Policy 7.14 extend until 31 July 2014 • Lone Worker policy RO6, approve for 3 years and relocate policy to the Health and Safety folder on SID <p>The Board ratified the above policies.</p> <p>Domain Reports</p> <ul style="list-style-type: none"> • Patient Safety • Clinical Effectiveness • Organisational Safety and efficiency • Customer focus • Overarching CQC Action Plan following inspection visits and CQC monitoring of the mental health act overarching plan <p>All received and no issues were raised</p> <p>The committee did scrutinise in more detail ;</p> <ul style="list-style-type: none"> • Serious Incidents • Nurse staffing review • Divisional Reports <p>Mr Sullivan was pleased to note that that the Trust had achieved 100% compliance with 2013/14 CQUINs with funding of £1.3 million being received. Progress is underway with the CQUIN schemes for 2014/15, however some new leads to be assigned due to staff moving post.</p> <p>As previously mentioned earlier in the meeting, good progress is being made with the Clinical Audit Programme 2014/15.</p> <p>During the Children's Divisional report update, concerns were raised regarding the Darwin Centre staffing levels. Ms Wilson gave assurance these concerns had been addressed by meeting with Dr Barton, Consultant in Child and Adolescent Psychiatrist/Clinical Director and Mrs Hart, Modern Matron. Whilst there were some issues in the service reported, once this was drilled down the anxieties were distilled as more of a moment in time and it was difficult to establish the nature of the concerns. As a consequence of this, Ms Wilson confirmed she had visited the unit on a Friday afternoon, when all remained calm and well resourced. Furthermore, she ensured the forthcoming bank holiday arrangements were in place and has</p>	
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	<p>since arranged to take time out next Thursday, 12 July 2014 with Mrs Hart at the Darwin Centre to talk through any issues further.</p> <p><i>Received</i></p>	
151/2014	<p>Nurse Staffing Review</p> <p>Ms Wilson, Executive Director of Nursing and Quality, presented this paper which outlined the findings and process undertaken to review the nurse staffing establishments across all Trust in-patient settings during April 2014. Ms Wilson gave a background to the review which has been declared following the outcomes from the Francis enquiry, in relation to how organisations address some of the staffing requirements to deliver good quality service. It was noted the Board has specific duties and responsibilities</p> <p>The report provided an initial analysis of the data gathered during the review. It also outlined an under-establishment on 6 of the 7 wards at the Harplands Hospital and the results of measuring acuity across all other sites across the Trust.</p> <p>Ms Wilson also tabled a revised report and delivered a presentation to help the Board understand the capturing and measuring of data. Members noted that the basis for staffing levels was based on 85% occupancy (optimum level).</p> <p>In summary, Ms Wilson explained that ;</p> <ul style="list-style-type: none"> • where we have planned to staff a number of shifts that were required across the organisation, we have managed to do that except for 10% of cases • where we have planned staffing levels what we have found over all is that we have over staffed by 2%. <p>The Chair thanked Ms Wilson for this information and unreservedly welcomed the review.</p> <p>He also restated the reasoning behind the review and made reference to Stafford Hospital, although querying how this information will be used by the Department of Health. The importance of understanding what this means locally and how this is taken forward, although acknowledging that this is well managed locally. What really matters at a local level is that the Board, Quality Committee and nursing staff continue to measure staffing levels on a daily basis and ensure they properly understand what is required in relation to staffing establishments. It is important that staffing establishments are at the correct level.</p>	

	<p>The Chair acknowledged that he was reassured by the vast majority of cases, in that we have delivered the staff we have planned. However, further discussion and information will be provided to the board on a monthly basis to give assurance about the staffing establishment and that we are delivering against the staff that we plan to be on duty.</p> <p>Mr Gadbsy noted the presentation was very informative in terms of headcount, however he noted the potential impact of additional staffing/increased establishments on budgets. Ms Wilson noted that this would formulate part of an action plan for negotiations within contracts and commissioners.</p> <p>Ms Harvey noted other issues to consider ie nurses escorting patients, annual leave and sickness rates.</p> <p>Mr O'Hagan expressed some concerns regarding senior nursing staff <i>'form filling'</i> and to ensure this is being undertaken by the most appropriate staff..</p> <p>Mr Sullivan commented on the earlier debate and reiterated that key priorities were as follows ;</p> <ul style="list-style-type: none"> • What is the establishment; • What are the needs; • What is the financial impact; • Take bed occupancy fully into account; • Ensure data is correct; • Capacity; • Potential to be innovative; • Quality Committee continue to monitor. <p>The Chair summarised for the Board and noted that this is an important process and that as a Board it is taken very seriously. Assurance is taken from this report that there is nothing to be significantly concerned about, however work is ongoing. There are some concerns with the workload involved to manage this requirement to properly report on staffing numbers, ie impact on clinical staff time. The Board needs to continue to scrutinise and monitor to ensure establishments are sufficient and ensure we are delivering the correct staffing requirement.</p> <p>The Board will receive the next 6 month review report in</p>	
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	<p>November 2014.</p> <p><i>Received</i></p>	
152/2014	<p>Financial Performance – Month 1</p> <p>Mr Lappin, Director of Finance, presented this report and noted it was a briefer version due to the Finance team working on the completion of the Annual Accounts. He highlighted the headline performance as follows:</p> <ul style="list-style-type: none"> • A retained deficit of £0.23m, giving a favourable variance against plan of £2k; • A cash balance of £5.2 m at the end of April 2014; • A year to date Financial Risk Rating (FRR) of 1, with a year-end forecast rating of 3; • Capital expenditure plan for the year of £1.5m and a slight underspend against the planned profile on a year to date basis. <p>It was further noted that as detailed in the Operating Plan the Trust is planning to make a retained surplus of £0.268m in 2014/15.</p> <p>With regard to income and expenditure performance at Month 1, the reported retained position is a deficit of £230k giving a favourable variance of £2k from the plan.</p> <p>Members also noted the reserves held centrally.</p> <p>Contained within the non-pay are the CIP targets for division and directorates. Work remains on-going to transact the majority of these negative budgets to reflect the CIP schemes within the respective divisions and corporately. This work is high priority and progress will be reported at future committees. It is envisaged that all entries, excluding extremely complex issues will be transacted by Month 3.</p> <p>In relation to Capital Expenditure and programme, members noted the Trust's permitted capital spend in 2014/15 is £2.64m, this is a combination of £1.5m Capital Resource Limit (CRL) and its asset sales of £1.1m. Members noted the details of the programme within Appendix A, page 3, which was predominantly ward modernisation at the Harplands. Mr Lappin noted that discussions relating to Capital are held at both Senior Management Team, Capital Investment Group and Executive Team. It was further noted, that there are some business cases yet to be fully costed, these would be submitted in July 2014.</p> <p>Mrs Johnson stated that the Capital programme has been under-developed and was therefore disappointing. Discussion</p>	<p>Mr Rogers</p>

	<p>took place regarding the challenges and capacity issues during the previous year. It was also noted that Mr Ian Ball, has recently been appointed as the new Head of Estates. Mr O'Hagan suggested that there are benefits for the Finance Team to prepare business cases initially, with input from the divisions thereafter. An environmental walkabout is also scheduled to take place with Ms Wilson, Mr Rogers and Mr Ball.</p> <p>Finally, as reported in the Operating Plan, the Trust is planning to achieve a Continuity of Service Finance Risk Rating of 3.</p> <p>Received</p>	<p>Ms Wilson/ Mr Rogers/ Mr Ball</p>
153/2014	<p>Phase 2 Consultation Reconciliation</p> <p>Mr Lappin, Director of Finance, presented this paper to provide a reconciliation of the original savings proposal and intended use with the actual savings and actual use.</p> <p>The Board can take assurance that the reported savings and reinvestment in services committed to during Phase II consultation process were achieved.</p> <p>Mr Rogers commented that there had been wider communication to staff to cascade this message.</p> <p>Received</p>	
154/2014	<p>Finance and Activity Committee Report – Committee meeting – 29 May 2014</p> <p>Mr Gadbsy, Non-Executive Director, presented the Assurance Report to the Trust Board from the Finance and Activity Committee held on 29 May 2014.</p> <p>At the meeting there was a limited set of schedules, this was due to the completion of the Annual Accounts. There was some discussion whether the Trust should report both Months 1 and 2 as a combined report, as do other Trusts at this time of the year. However, Mr Gadsby felt that on balance it is more beneficial to receive monthly reports.</p> <p>In terms of CIP schemes, both Mr Gadbsy and Mr Sullivan have reviewed closely and there are some concerns as this is showing an underachievement against the plan on a year to-date basis. Basically, the concern is the plan may be 'back end loaded' as was the previous year.</p> <p>Other areas discussed;</p> <ul style="list-style-type: none"> • Phase 2 Reconciliation (as previous item) 	

	<ul style="list-style-type: none"> • Report on the pay protection– currently 42 members of staff who were retained under the protected pay scheme, enabling retaining skills and mitigating redundancies. • Report on the costing processes for the Reference Cost submission to give assurance to the board <p>Ms Harvey noted the pay protection scheme for staff and did comment that the Board should note that reductions in pay banding is not beneficial for staff morale and this should not be noted as a 'scheme'.</p> <p>Received</p>	
155/2014	<p>Performance Report – Month 1</p> <p>Mr Lappin, Director of Finance, presented this report which provides the Board with a summary of performance to the end of Month 1 (April 2014).</p> <p>Members noted the Proposed TDA Assurance Framework and noted that there are a range of 122 metrics in place to monitor performance, quality and outcomes.</p> <p>It was noted there were no red rag ratings but one amber rag rating in relation to 89% – Percentage of staff compliant with mandatory training. It was anticipated that reporting at Q1 is showing a positive upward trend. The Chair noted that it was important for this training not to fall below 90% as this level of performance feels acceptable.</p> <p>Received</p>	
156/2014	<p>Audit Committee Report</p> <p>Mrs Johnson, Non-Executive Director, presented the Audit Committee Assurance Report to the Board from the meeting held on 3 June 2014.</p> <p>The Annual Accounts have been reviewed by External Audit who had identified one recommendation and a number of minor presentational changes which have been addressed. Mr Gadsby confirmed a page turn exercise had been performed. It was noted that the Annual Accounts 2013/14 were reviewed and approved by the committee and recommended for adoption by the Trust Board.</p> <p>It was also noted that the Trust's Key Financial systems and processes have been subject to a series of Internal Audit Reviews during 2013/14 and concluded 'the Board can take</p>	

	<p><i>substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective’.</i></p> <p>The Board expressed their thanks to the Finance Team.</p> <p>Other reports were received as follows :</p> <ul style="list-style-type: none"> • First draft of Trust Annual Report 2013/14 – this was received and further work will be undertaken and reported back to the committee in line with the project plan • 2013/14 Assurance Framework – end of year statement – Internal Auditors have reviewed and the audit gave a positive opinion and concluded that the Trust has a robust Assurance Framework which maps registration, outcomes, principal risks, key controls and assurances, including information on action being taken to address gaps in control of assurance. • Annual Governance Statement (AGS) 2013/14 – the final version was presented alongside the Annual Accounts. Internal Audit, Baker Tilly, stated that there were no significant control issues for the Trust in 2013/14 and that the AGS was consistent with their audit findings. • Whistleblowing Register – received and gave assurance • Healthcare Quality Standards Assurance Report – the report updated the committee with assurance on the processes to assess and monitor compliance in relation to the healthcare quality standards. • Progress Report – Audit Recommendations – the committee noted much progress has been made in achieving recommendations. • Local Counter Fraud Annual year-end Report – March 2014 – received for information and on today’s agenda • Internal Audit year-end report March 2014 – it was noted that based on the work undertaken in 2013/14 significant assurance can be given that there is generally a sound system of internal control designed to meet the Trust’s objectives and that controls. There were some weaknesses identified though none of these on their own 	
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	<p>or in combination led the auditors to provide a negative opinion.</p> <ul style="list-style-type: none"> • KPMG ISA 260 Audit Highlights Memorandum – prepared by KPMG, External Audit – auditors concluded that the Trust has adequate arrangements to secure economy, efficiency and effectiveness and they intend to issue an unqualified opinion on the accounts following the Trust Board’s adoption and receipt of the management representation letter. • CIP – The development of CIP 2014/15 was noted to be making good progress but further work is still required. <p>Mr Lappin noted that Internal Auditors, Baker Tilly had stated it was a pleasure to do business with us, due to the high standards within the Trust.</p> <p>Mr Gabsy also noted that the fee for KPMG had been reduced by 40% this year.</p> <p>Received</p>	
157/2014	<p>NHS Trust Development Authority (NDTA) Monthly Self Certificates</p> <p>Mr Lappin, Director of Finance, presented for approval the monthly NDTA self certificate documents which declared compliance with all requirements.</p> <p>Approved</p>	
158/2014	<p>Report from the Risk Management Committee</p> <p>Mr Sullivan, Non Executive Director, presented the report from the Risk Management Committee held on 14 May 2014 in his capacity as acting Chair in Mrs Johnson’s absence.</p> <p>The committee received the Q1 2014 – 15 Principal Risk Register, the report noted 10 principal risks with an additional four risks escalated from the operational risk register. The principal risks had been revised to reflect the 2014/15 Trust objectives and to incorporate comments from the last committee.</p> <p>A new operational risk to cover signing of all Service Level Agreements (SLAs) managed by the Trust was being finalised by the Director of Finance and that this would be escalated to the Principal Risk Register in Q2.</p>	<p>Mr Lappin</p>

	<i>Received</i>	
159/2014	Principal Risk Register Month 1 Mr Lappin, Director of Finance, presented the Principal Risk Register Month 1 as discussed at the Risk Management Committee on 14 May 2014. <i>Received</i>	
160/14	2013/14 Annual Accounts Annual Accounts The Board reviewed the Annual Accounts 2013/14 and these were formally adopted. Management Representation letter <i>Received</i> Annual Governance Statement 2013/14 <i>Approved</i> ISA 260 KPMG Audit 2013/14 <i>Received.</i>	
161/2014	Local Counter Fraud Service (LCFS) Annual Report Mr Lappin, Director of Finance, presented the Local Counter Fraud Service (LCFS) Annual Report 2013/14. The Board noted the following ; <ul style="list-style-type: none"> • Organisational compliance; all areas risk assessed green opinion; • Performance against proactive workplan – areas of activity and planned days noted, together with additional reactive work; in total 77 days at £28,875. <i>Received</i>	
162/2014	Register of Interests Mrs Storey, Trust Secretary/Head of Corporate and Legal Affairs, presented this paper which is the Register of Directors declared interests as at 31 March 2014.	

	<p>This paper was for information purposes only. Mr O'Hagan noted that one of his declarations had changed and he would speak to Mrs Storey direct.</p> <p><i>Received</i></p>	
163/2014	<p>Guide to special measures</p> <p>Mrs Donovan, Acting Chief Executive, presented this report which is guidance for Trusts who are put into special measures, what happens to Trusts in special measures, when Trusts are removed from special measures, and the Care Quality Commission's role in this process.</p> <p>Mrs Donovan noted that the risk rating scoring is switching from; 5 (low) to 1 (high) 1 (low) to 5 (high) DN This does not make sense! The Trust has been assessed with a scoring of 2 in the old risk rating and is awaiting a new risk rating in the new regime.</p> <p><i>Received</i></p>	
164/2014	<p>TDA Accountability Framework 2014/15</p> <p>Mr Lappin, Director of Finance, presented the refreshed Accountability Framework which has recently been published by the Trust Development Authority (TDA) and previously received during the CEO report at today's meeting.</p> <p>The framework reflects some of the key changes of the last year, including the development of the new Chief Inspector of Hospitals regime and the 'special measures' process. It is also reflects the TDA's learning from their first year supporting NHS Trusts and the feedback they have received on their approach.</p> <p><i>Received</i></p>	
165/2014	<p>People and Culture Development Committee – 5 June 2014</p> <p>Mr O'Hagan, Non-Executive Director, presented the summary report from the People and Culture Development Committee meeting which took place on 5 June 2014.</p> <p>The committee received presentations from each of the service line leads on their performance against key workforce indicators. Members reviewed the Trust Workforce Metrics illustrated in graphical demonstrations and noted the benefits of receiving this information.</p>	

	<p>Other updates received on the following :</p> <ul style="list-style-type: none"> • Step on Service – launched in February 2014; • Listening into Action – this was on today's agenda and previously discussed under the CEO report; • Dragon's Den update – a further session to be arranged due to the success of the previous session; • Operations Directorate – Structure update – this is on today's agenda; • Workforce and OD Risks reviewed. <p>Received</p>	
166/2014	<p>Improving Staff Engagement - Listening into Action process</p> <p>Mr Draycott, Acting Executive Director of Leadership and Workforce, presented this report to provide a briefing to the Board on the introduction of an evidence based process to support staff engagement using the 'Listening into action' methodology.</p> <p>It was noted that staff engagement has been identified by the Board as one of the six strategic objectives for 2014/15. The aim is to deliver a culture of real engagement to all staff through senior managers.</p> <p>The paper outlines the process and benefits and engaging staff. Mr Draycott confirmed he was working with Mrs Roberts, Communications Manager to take this forward, with visibility at the Executive Team meetings.</p> <p>It was further noted that the Trust had set up their own LiA Sponsor group with an event scheduled for 9 June 2014.</p> <p>Received</p>	Mr Draycott
167/2014	<p>Questions from the public</p> <p><u>Mr Goodfellow</u></p> <p>It feels like the Trust has taken two steps forward and one step back, in relation to staffing. He commented that it feels like some areas are understaffed and some are overstaffed and clearly this needed to be addressed.</p> <p>The Chair thanked Mr Goodfellow for his comments. The staffing issues are being taken very seriously. We use our own</p>	

	<p>staff who work on the bank for additional support when required. The use of agency staff is minimal.</p> <p><u>Mr Goodfellow</u> How are we saving money in the NHS?</p> <p>The Chair commented that the Board are continuing to develop the Cost Improvement Programme and this will be reported on a regular basis. The Chair also noted that this has been an ongoing process and must be aligned with business cases which are crucial to move forward. We have delivered on our cost improvement plans, in recent years and the process ensures that schemes are quality impact assessed so they do not negatively impact on the quality of our services.</p> <p><u>Mr Williams</u> Mr Williams raised concerns about the closure of mental health resource centres which he had raised previously with the Trust. He stated this would lead to more people committing suicide and recalled the most recent event this week, whereby an individual had jumped from a bridge. He noted that this person was known to the Trust. He acknowledged that there needed to be cutbacks, but also talked about up to 3 hours waiting for the RAID/Crisis team and that this was unacceptable.</p> <p>Mr Williams also recalled a conversation he had had with a GP who had also struggled to contact the crisis team and had rang on numerous occasions. He stated this was not acceptable for people with mental health problems as they need a quicker response.</p> <p>Ms Wilson noted these comments and was sorry to hear of these incidents. She stated that we are currently going through development in services, trying to get services as responsive as we can through the clinical pathway project that is currently progressing. She stated that she is keen to ensure that the pathway work and how we address staff issues focuses on inpatient services and community services.</p> <p>The Chair stated the the Trust takes every incident very seriously and every case is investigated. . He acknowledged that the trust was aware of the concerns expressed relating to the closure of resource centres and the loss of those well liked and valued services. While it was acknowledged that our services are not perfect, without evidence a connection should not be made between any alleged increases in suicide from the closure of these centres. He asked Mr Williams if he could recall particular incidents in order for the Trust to investigate and deal with any emerging issues. .</p> <p><u>Mrs Williams</u></p>	
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	<p>Mrs Williams enquired whether the café had now reopened as she would like to volunteer her services. Mr Lappin confirmed this had now reopened and that the café was currently run by paid members of staff. Mrs Donovan noted this kind offer and that this could be looked into by the Trust's Volunteer Manager.</p> <p><u>Mr Goodfellow</u> Mr Goodfellow recalled an article 2 to 3 years ago, whereby mental health patients were signing themselves in to A&E in order to get seen quicker.</p> <p>The Chair recalled a recent article which stated that some junior doctors were sectioning patients in order to get access to beds. The Chair stated that there was no evidence of this happening locally.</p> <p><u>Mr Williams</u> How many beds are available today? Ms Wilson stated that this information was not available to hand but was reported on daily.</p>	<p>Ms Wilson</p> <p>Ms Wilson</p>
168/2014	<p>Any other business</p> <p>There was no other business to be discussed.</p>	
169/2014	<p>Date and time of next meeting</p> <p>The next public meeting of the North Staffordshire Combined Healthcare Trust Board will be held on Thursday, 31 July 2014, at 10:00am, in the Boardroom, Trust HQ.</p>	
170/2014	<p>* Motion to Exclude the Public</p> <p>The Board approved a resolution that representatives of the press and other members of the public be excluded from the remainder of this meeting, having regard to the confidential nature of the business to be transacted.</p>	

The meeting closed at 12:55pm.

Signed: _____

Date _____

Chairman

Board Action Monitoring Schedule (Open Section)

Trust Board - Action monitoring schedule (Open)					
<u>Meeting Date</u>	<u>Minute No</u>	<u>Action Description</u>	<u>Responsible Officer</u>	<u>Target Date</u>	<u>Progress / Comment</u>
27-Mar-14	85/2014	PALS / Complaints report - consideration to be given to bringing together various sources of information. It was agreed that this issue will be addressed and brought back in due course via the Quality Cte	Karen Wilson	25-Sep-14	A proposal will be presented to the July meeting of the Quality Committee meeting and then at the Trust Board in September 2014. To leave this action on the schedule.
24-Apr-14	127/2014	F&A Committee Report ; 17 April 2014 - A report was received in relation to the progress and development of the Cost Improvement programme 2014/15. This outlined the progress to-date in identifying schemes to deliver the target of £4.1m. Both Mr Gadsby and Mr Sullivan agreed to meet with the Executive Team to review the details.	Exec Team/Mr Gadsby/Mr Sullivan	31-Jul-14	This meeting had taken place, however Mr Gadsby stated he wanted to meet various teams to discuss further, leave on schedule
05-Jun-14	147/2014	Chief Executive's Report : Choice of Mental Health Provider at First Outpatient Appointment - NHS England are soon to be launching the guidance on choice of mental health provider at first outpatient appointment. This needs developing for our Trust with support from the Regional Mental Health Institute, Ms Wilson leading on this.	Ms Wilson	31-Jul-14	Work in progress - verbal update from Ms K Wilson at next meeting
05-Jun-14	152/2014	Financial Performance - Month 1 - Mr Lappin noted that discussions relating to Capital are held at both Senior Management Team, Capital Investment Group and Executive Team. It was further noted, that there are some business cases yet to be fully costed, these would be submitted in July 2014.	Mr Rogers	31-Jul-14	On agenda
05-Jun-14	152/2014	Financial Performance - Month 1 - An environmental walkabout is also scheduled to take place with Ms Wilson, Mr Rogers and Mr Ball.	Ms Wilson/Mr Rogers/Mr Ball	31-Jul-14	Completed and will inform ongoing work
05-Jun-14	158/2014	Report from the Risk Management Committee - A new operational risk to cover signing of all Service Level Agreements (SLAs) managed by the Trust was being finalised by the Director of Finance and that this would be escalated to the Principal Risk Register in Q2.	Mr Lappin	31-Jul-14	Complete is on risk register and can be removed from schedule
05-Jun-14	162/2014	Register of Interests - This paper was for information purposes only. Mr O'Hagan noted that one of his declarations had changed and he would speak to Mrs Storey direct.	Mr O'Hagan	31-Jul-14	Completed.
05-Jun-14	166/2014	Improving Staff Engagement - Listening into Action process - The paper outlines the process and benefits and engaging staff. Mr Draycott confirmed he was working with Mrs Roberts, Communications Manager to take this forward, with visibility at the Executive Team meetings.	Mr Draycott	31-Jul-14	Part of LIA action plan and work plan. Suggest remove from schedule

Board Action Monitoring Schedule (Open Section)

Meeting Date	Minute No	Action Description	Responsible Officer	Target Date	Progress / Comment
05-Jun-14	167/2014	<i>Questions from the public</i> - Mrs Williams enquired whether the café had now reopened as she would like to volunteer her services. Mr Lappin confirmed this had now reopened and that the café was currently run by paid members of staff. Mrs Donovan noted this kind offer and that this could be looked into by the Trust's Volunteer Manager.	Ms K Wilson	31-Jul-14	Ms K Wilson has contacted with Mrs Williams
05-Jun-14	167/2014	<i>Questions from the public</i> - Mrs Williams - How many beds are available today? Ms Wilson stated that this information was not available to hand but could be obtained accordingly.	Ms Wilson	31-Jul-14	This is part of the safer staffing report and is now available to the public.

REPORT TO: Open Trust Board

Date of Meeting:	Thursday 31 July 2014
Title of Report:	Acting Chief Executive's Report to the Trust Board
Presented by:	Mrs Caroline Donovan
Author of Report: Name: Date: Email:	Caroline Donovan, Acting Chief Executive Caroline Donovan 23 July 2014 Caroline.donovan@northstaffs.nhs.uk
Purpose / Intent of Report:	<ul style="list-style-type: none"> • For Information
Executive Summary:	This report updates the Board on activities undertaken since the last meeting and draws the Board's attention to any other issues of significance or interest.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> • Customer Focus Strategy • Clinical Strategy • IM and T Strategy • Governance Strategy • Innovation Strategy • Workforce Strategy • Financial Strategy • Estates Strategy
Relationship with Annual Objectives:	To ensure safe provision of clinical services
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	N/A
Recommendations:	To receive this report for information

North Staffordshire Combined Healthcare Trust

Acting Chief Executive's Report to the Board of Directors
31 July 2014

1. PURPOSE OF THE REPORT

This report updates the Board on activities undertaken since the last meeting and draws the Board's attention to any other issues of significance or interest.

2. CLINICAL PATHWAYS REDESIGN PROJECT UPDATE

Further to previous updates on our Clinical Pathways Redesign project, I'm pleased to report that we held a very successful event at the end of June.

The event, attended by 110 people from across 21 partner organisations, was the latest stage of the clinical pathways redesign programme; jointly developed between North Staffordshire Combined Healthcare NHS Trust and the Clinical Commissioning Groups [CCGs] for Stoke on Trent and North Staffordshire.

The programme was launched earlier this year to strengthen clinical pathways for mental health and learning disability services for patients and other service users, with a particular focus on integration with physical health and social care.

It is being carried out in consultation with service users and carers, CCGs, GP practices, local NHS trusts - University Hospital of North Staffordshire NHS Trust (UHNS) and Stoke on Trent and Staffordshire Partnership NHS Trust (SSOTP) - Social Services in Stoke on Trent and North Staffordshire and other partners, including Healthwatch Stoke-on-Trent, Healthwatch Staffordshire, Brighter Futures, Changes, MIND.

Many of these organisations were represented at the event, which included talks from a number of local health professionals on the work that has taken place to develop enhanced service integration; and a carer who spoke eloquently about the complex and emotional journey she has experienced caring for a loved one.

The event also featured a series of engagement and feedback sessions which focused on how existing services can be further improved for service users.

It was a superb event and I was delighted to see so many partners there on the day. The focus of the programme has always been on finding the very best solution for the delivery of high quality care for our service users and the event very much reinforced this.

We captured the event on film, so if you would like to find out more, please go to:

<http://vimeo.com/inspiredfilm/review/99330544/015b0b301c>

3. EXECUTIVE DIRECTOR TEAM APPOINTMENTS

I am pleased to announce two appointments to the Executive Team since we last met as a Board.

The Trust bid a fond farewell to Kieran Lappin, Director of Finance, on 20th June – our thanks are extended to Kieran for his contribution to the Trust.

I am pleased to welcome both Chris Calkin and Andrew Hughes to the Trust. Chris Calkin, former Director of Finance/Deputy Chief Executive at UHNS has joined us; Chris has extensive local knowledge and experience and is a resident of Stoke on Trent.

Andrew Hughes has taken up the post of Interim Director of Strategy & Development, anticipated for the next six months. Andrew joins us for three days per week and is based at Trust HQ. He will be responsible for revising our clinical strategy to reflect the work that has been done in the eight clinical pathway groups and will work with teams to develop business cases for commissioner investment. He will also oversee the work of the Programme Management Office and will be lead Director for development of the Digital by Choice Strategy, our strategic vision for IT and informatics. Finally, Andrew will be supporting the development of our Estates Strategy, using the clinical strategy and Digital by Choice as drivers for change.

Andrew has experience as an Executive Director in an acute provider and now has a portfolio career in consultancy and project leadership and holds other roles as Non-executive Director at Burton Hospitals NHS Foundation Trust, a Trustee of Teenage Cancer Trust and a Clinical Tutor at Warwick Medical School.

4. TRUST COMMUNITY TRIAGE TEAM VISITED BY NORWEGIAN VISITORS

We were pleased to welcome mental health colleagues from Scandinavia in June. They came to find out more about our innovative scheme that involves mental health professionals supporting local police to respond to calls more effectively from people who are mentally unwell

Norwegian police representatives Svein Harsjøen and Per Martin Bjartan and mental health service nurse manager Jo Volle were shown the inner workings of the North Staffordshire Community Triage Team (CTT) as part of a fact-finding tour.

Based at the Northern Area Custody Facility in Etruria, the triage team is made up of three NSCHT Community Psychiatric Nurses, who work with frontline officers seven days a week to provide support in response to calls from members of the public with mental health issues. The nurses follow this up by working with the individual concerned to ensure they receive the right care at the right time in the right place.

The visitors also learned more about NSCHT's Criminal Justice Mental Health Team (CJMHT), which manages the triage team.

5. TRUST CONSULTANT'S RESEARCH PAPER TO BE PUBLISHED IN MENTAL HEALTH JOURNAL

I'm proud to report that a research paper by a North Staffordshire Combined Healthcare NHS Trust Consultant Psychiatrist examining whether work experience placements can influence students' attitude towards mental illness is to receive national recognition.

The paper, jointly written by Dr Ravi Belgamwar, is due to be published in an upcoming edition of *The Psychiatric Bulletin*, published by the Royal College of Psychiatrists.

Part of the research came out of a Trust-funded work experience programme for local school students that ran in 2012 and 2013 and involved contributions from a number of staff.

Research shows that 16-19-year-olds have the most negative attitude towards people with mental illness. The aim of the programme was to provide participants with a greater education and awareness of the NHS and mental health care in particular. Assessments were also carried out on the programme's effectiveness in influencing attitudes towards mental illness and career choices in psychiatry.

As well as the theory, the programme also provided a practical opportunity for the students to shadow senior clinical staff, interact with patients at various settings and spend a day at Keele University's skills lab.

It was found that, as a result of taking part in the programme, the stigma felt towards people with mental health issues had significantly declined. Encouragingly, a much higher number of the students said they were considering a career in mental healthcare following the work experience.

6. LISTENING INTO ACTION

In line with my report to the June Trust Board, in early July we launched the Listening into Action Pulse Check to all our staff. The Pulse Check is a survey, which helps us to understand how engaged and valued staff feel right now. It has been sent round to all staff, both electronically and in hard copy via payslips. The results will help determine which areas we need to focus most on over coming months.

Moving forwards, we will be looking to hold 'big conversations' with staff across the entire organisation to ask them what gets in the way of them delivering the very best care for our patients and what changes they think would make the biggest impact.

The aim is to then act on this feedback and use the top ideas from staff to resolve the issues they raised within an identified timeframe.

7. QUALITY GOVERNANCE FRAMEWORK

I have previously reported that the Trust is committed to the continual improvement of its quality and safety to ensure patients receive the best possible care.

The Trust uses Monitor's Quality Governance Framework to assess the robustness of its quality governance arrangements. We asked external auditors KPMG to undertake an independent assessment of our arrangements.

This work, led by the Trust Secretary, considered the Trust's position against the four domains of Strategy, Capabilities & Culture, Processes & Structures and Measurement and ten questions that form Monitor's Quality Governance Framework.

The auditors interviewed Executive and Non-Executive Board members and senior staff from corporate and clinical Divisions. In addition, a staff focus group capturing staff views from various services was held and a substantial review of evidence provided by the Trust.

I am very pleased to report that the audit concluded that the Trust meets Monitor's governance requirements with a favourable score of 2.5, which shows a continued improvement from the last independent assessment of 3.5. A rating of less than 4 is required to progress through the Monitor process.

The Quality Committee will take forward the findings from this audit and will report back to the Trust Board in the coming months.

8. GMC SUPERVISOR RECOGNITION PROJECT.

Following consultation, the General Medical Council has put in place new arrangements for the formal recognition and approval of Clinical and Educational Supervisors. This applies to all doctors, including Staff and Associate Specialist (SAS) doctors.

The standards against which trainers will be recognised are:

- Ensuring safe and effective patient care
- Establishing and maintaining an environment for learning
- Teaching and facilitating learning
- Enhancing learning through assessment
- Supporting and monitoring educational progress
- Guiding personal and professional development
- Continuing professional development as an educator

To be recognised as a Clinical or Educational Supervisor trainers will be required to document evidence from the domains, as indicated below, to demonstrate their engagement in educational activity.

I'm pleased to report that all NSCHT supervising clinicians fully compliant with the Health Education West Midlands GMC Supervisor Recognition Project, ahead of the 31 July deadline. We are one of only four trusts in the West Midlands area who are fully compliant, which is a credit to all those involved in the project.

9. BRIGHTER FUTURES ARTWORK EVENT

At the beginning of July, I was pleased to attend 'Hidden Talents' at the New Vic Theatre in Newcastle; a very impressive display of the excellent art work Brighter Futures service users have produced. The exhibition, which ran from 8th- 25th July, showcased work produced as part of Art Therapy; one of the many ways Brighter Futures works with people in Stoke on Trent and Staffordshire who have complex needs with the aim of helping them to lead fulfilled lives.

Workshops are delivered across the city in a range of accessible locations. Members of the community can express their creativity via many mediums including canvas, watercolour, textiles and 3D modelling.

'Hidden Talents' provided an opportunity for the arts community to celebrate the skills of ordinary people - demonstrating that despite the challenges they may face in their daily lives, they have talent.

The exhibition featured 40 pieces of work from members of the community who come from all walks of life. Each piece was accompanied by a small narrative which gave insight to the life of the person who created it and where they are in their journey.

I was really impressed by the exhibition and have asked Brighter Futures if we could buy some and display in some of our bases.

10. NHS ENGLAND CHIEF OFFERS LOCAL GOVERNMENT LEADERS RADICAL NEW HEALTH AND SOCIAL CARE INTEGRATION OPTION

At the beginning of July, NHS England announced that local councils will be offering a new option to people accessing health and social care support, which gives them the ability to control their own blended NHS and community care, in partnership with voluntary sector.

The new Integrated Personal Commissioning (IPC) programme will blend comprehensive health and social care funding for individuals, and allow them to direct how it is used.

Four groups of high-need individuals are likely to be included in the first wave from next April 2015, although councils, voluntary organisations, and NHS clinical commissioning groups may also propose others. These are:

- people with long term conditions, including frail elderly people at risk of care home admission
- children with complex needs
- people with learning disabilities, and
- people with severe and enduring mental health problems.

At the same time, voluntary/Third Sector organisations will be commissioned locally to support personal care planning, advocacy and service 'brokerage' for these individuals enrolled in the IPC programme.

This new approach builds upon, but is in addition to, the constructive joint work now under way locally on the ground-breaking Better Care Fund.

Here at NSCHT, we will look carefully at the implications of this for our organisation and those who use our services.

Caroline Donovan
Acting Chief Executive
23 July 2014

REPORT TO: **Open Trust Board**

Date of Meeting:	31 July 2014
Title of Report:	Summary of the Quality Committee meetings held on the 17 June and 15 July 2014
Presented by:	Mr Patrick Sullivan, Chair of Quality Committee
Author of Report: Name: Date: Email:	Sandra Storey, Trust Secretary, Head of Corporate and Legal Affairs 21 July 2014 sandraj.storey@northstaffs.nhs.uk
Purpose / Intent of Report:	<ul style="list-style-type: none"> For decision / assurance
Executive Summary:	<p>This report provides a high level summary of the key headlines from the Quality Committee meetings held on 17 June and 15 July 2014.</p> <p>The full papers are available as required to Trust Board members</p>
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> Customer Focus Strategy Clinical Strategy - Governance Strategy
Relationship with Annual Objectives:	Ensure provision of safe clinical services
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	N/A
Relationship with Assurance Framework [Risk, Control and Assurance]	The Quality Committee has an integral relationship with Improving Quality/ Registration.
Recommendations:	<ul style="list-style-type: none"> To note the contents of the report Ratify the policies highlighted in the report

Key points from the Quality Committee meetings held on the 17 June and 15 July 2014, for the Trust
Board meeting on the 31 July 2014

1. Introduction

This is the regular report to the Trust Board that has been produced following the last meeting two meetings of the Quality Committee.

17 June 2014 meeting:

2. Director of Quality Report

Dr Adeyemo presented the Director of Quality Report with notable items as follows:

- **Pathways work: grouping and leads** – the committee were informed of the ongoing work with regards to the design and integration of a number of care pathways. A wider engagement event with key stakeholders and third/voluntary sections organisations within each pathway was noted to be scheduled for the 19 June 2014. The aim of which would be to discuss the vision for each pathway, emergent themes, partnership working and interdependencies.
- **British Medical Association (BMA) report** – their view is that nationally the physical health problems of patients with a mental illness or learning disability are being under-addressed. The Medical Director emphasised that physical health continues to remain a high priority for the Trust with dedicated CQUINS and numerous work streams to support this important work.
- **Informal Mental Health Patients** – the committee were made aware of the implications of a recent Supreme Court judgement in which it considered the deprivation of a patient's liberty. While not a case that involved the Trust, it was noted that clinicians have been proactive and developed a checklist to help staff consider if the criteria for deprivation of liberty has been met. This is being finalised and will be circulated once approved.

3. Policy Review

Mrs Storey presented the policy report on behalf of the director leads. The proposals were supported by the committee for ratification of the policies by the Trust Board for a period of 3 years or to be extended as follows:

- **S136 guidelines for physical healthcare of S136 service users and protocol for the management of S136 patient at Harplands Hospital**
- **Personal Searches Policy** - approve for 12 months
- **Purchasing of Electrical plant equipment / guidance for the purchase of equipment, materials and substances** – rescind policy as part of the Health & Safety policy
- **Gas escapes procedure**
- **Mercury guidance**
- **New and expectant mothers – risk assessment checklist**
- **Sharps procedure**
- **Unsafe gas appliances**
- **Managing allegations of abuse** – extend until 30 September 2014.

4. Performance Quality Management Framework Report (PQMF) month 2

Committee members reviewed the month 2 report and were assured that performance against the Monitor compliance framework and key national targets, are all on target. A range of 122 metrics are in place to monitor performance. There were four areas reported as under-performing (amber) and members discussed these in detail and were assured about the mitigating action plans in place to improve performance in these areas.

5. 2013/14 Quality Account - final draft

The committee received the final draft of the Quality Account for review and approval. The publication date for the Quality Account is by the 30 June 2014. It was noted that as a consequence, the Trust Board has delegated authority to the Quality Committee to approve the Quality Account on their behalf. The committee accepted this final document and agreed for this to be published. The Trust Board will receive a final version for governance purposes at its meeting in July 2014.

6. Prone Restraint Report April 2013 – March 2014

The committee received a report detailing the organisations approach to prone restraint, including the close monitoring of ongoing initiatives to reduce the use of prone restraint where safe and appropriate to do so.

7. Nurse Staffing Review

The committee received a further update on the work undertaken to review the nursing establishment across all in-patient settings. The Trust has complied with the national reporting deadlines. A further review will be completed on a six monthly basis and the outputs of which will be reported to the Trust Board in November 2014. There will also be a monthly paper to the Board reporting on planned versus actual staffing variances and this information will be published on the Trust's website.

8. Risks to Quality of Services

Committee members considered the principal risk report for quality risks at Month 2, noting the risk treatment plans in place. This was discussed alongside the divisional reports in respect to their risks that are either emerging or require escalation.

9. Divisional Reports

- **Adult Mental Health / Harplands Hospital** – committee members discussed in detail some environmental issues that have been emerging on the hospital site, such as the pipe works and access to roof space. It was noted that a site visit had been undertaken with the Estates team to review the environment and that it would also be helpful to seek advice from the Health and Safety Executive to seek their views about improvements. Following this discussion members felt assured about the actions being taken, which included the approach to looking at risk differently, developing and implementing the Manchester safety tool to build on work already undertaken, as well as further work on clinical risk assessment and other related initiatives.
- **Children and Young Peoples Division** – It was noted at the last meeting that a concern had been raised at the Darwin Centre about staffing levels and the level of patient need and

that this was being addressed by the Executive Group and Divisional Team. The committee were informed that discussions have taken place and no issues were identified following the site visit and further follow up meeting.

- **LDNOAP** – Management of change ongoing in respect to Chebsey Close, staff being supported, retrained, and redeployed as appropriate.

10. Visit to Ward 4 by Commissioners- June 2014

The committee were advised that commissioners had recently undertaken a visit to Ward 4 at Harplands Hospital to review the quality of service provision. Some positive as well as constructive feedback had initially been shared ahead of their full report. Further information would be fed back to the committee in due course.

11. Quality Impact Assessment of Cost Improvement Programme

Working is ongoing with the Quality Directors and a detailed report will be presented to the next meeting of the Quality Committee

12. Domain Reports

The committee received each of the domain reports for assurance purposes in respect to:

- **Patient safety**
- **Clinical effectiveness**
- **Organisational safety and efficiency**
- **Customer focus**

Summary from the 15 July 2014 Quality Committee meeting

13. Director of Quality Report

Dr Adeyemo noted that in future this report would be jointly presented by both the Medical and Nursing Directors.

- **Clinical Pathways work** – the project continues to focus on the design and integration of a number of care pathways that will deliver an improved experience across the wide range of mental health services. A partnership event was held on the 19 June at Britannia Stadium and attended by 21 partner organisations, including consultation with service users and carers. This valuable input has helped to develop the pathways work further and continued engagement has also been encouraged.
- **CQUINS** – it was noted that the Trust is on track with the achievement of CQUIN targets, particularly in respect to the medication safety thermometer and friends and family test.
- **Medicines optimisation prototype dashboard** – NHS England have introduced a comparative dashboard for medicines optimisation to support review of systems and processes in addition to prescribing indicators. The dashboard will support ongoing implementation of medicines optimisation and pharmaceutical services strategy and NHS England will continue to develop the tool to support national comparisons. Dr Adeyemo pointed out the indicators specific to the Trust and action being taken.

- **Patient Safety Campaign** - Sign up to safety is a new national safety campaign that was announced in March 2014 by the Secretary of State for Health. Launched in June 2014 the mission is to strengthen patient safety in the NHS and make it the safest health system in the world. Work is underway with the TDA to provide support to organisations in their plans to further reduce harm to patients.

14. Policy Report

Mrs Storey presented the policy report on behalf of the director leads, which was approved by the committee for ratification by the Trust Board for a period of 3 years:

- Records management Policy
- Attendance at Coroner's Court Policy
- Food Waste Guidelines
- Safe Use and Purchase of Electrical Equipment
- Health and Safety Audit procedure

It was noted that Mrs Storey had completed a 'forward look' of all policy and procedural documents due for review by the Quality Committee in the next six months. A further piece of work will be undertaken by the Director of Nursing & Quality and Trust Secretary to review those policies and procedures to determine if they are still required, or to be withdrawn or amalgamated with other documents. The committee agreed that as a consequence, this will require a number of policies and procedures to have their review dates extended while this work is ongoing. Support for this work was given with a report on progress to the committee due in the Autumn 2014.

15. Divisional Reports

The committee received individual reports from the divisions which linked to other reports on the agenda such as safe staffing review, quality risks, performance, CQUIN and CQC updates.

16. Quality Impact Assessment of the Cost Improvement Programme (CIP)

Mrs Wilson presented a paper to the committee on the process in place to quality impact assess CIP schemes. A meeting will take place with the Non Executive Director members of the Quality Committee in order to look further at the rationale around some of the cost improvement schemes and for the directors to feel assured about the robustness of the scrutiny process (which is based on the Monitor guidance).

17. Performance Quality Management Framework Report (PQMF) Month 3

Committee members reviewed the month 3 report and were assured that performance against the Monitor compliance framework and key national targets, are all on target. A range of 122 metrics are in place to monitor performance. There were two areas reported as significantly under-performing (red) and four areas as under-performing (amber). The committee discussed concerns regarding the integrity of data around DNA and admission rates and clarity of definition of what is being classed as an actual re-admission. Performance is being closed monitored outside of the meeting and will be discussed further at the next meeting of the committee.

18. Business Cases

The committee discussed the quality aspects of the proposals concerning the proposed redesign of older people's services, community services, and high dependency rehabilitation. The committee discussed the business cases in significant detail in terms of their potential implications as well as further work required around implementation plans as they proceed. They were agreed in principle with a further discussion planned at the Trust's Finance & Activity Committee ahead of a Trust Board discussion in July 2014.

19. KPMG Quality Governance Assurance Framework review

The committee were informed that independent assessors KPMG have completed their audit of the Trust's quality governance arrangements. The audit concluded that the Trust meets Monitor's governance requirements with a favourable score of 2.5, which shows a continued improvement from the last independent assessment of 3.5. The Quality Committee will receive the full report and a response to the findings at its next meeting.

20. Summary of Patient Led Assessment Care Environment (PLACE) Results

PLACE is the new system of assessing the quality of the patient environment replacing the old PEAT inspections. The results are reported publicly to help drive improvements in the care environment. The committee received a positive report showing an improving picture across a number of the Trust's services. The results will be made public in August 2014.

21. Safe Staffing Review

The Nursing and Quality Director noted that the required deadline had been met for reporting on the safe staffing review that had been undertaken. The next review and report to the Trust Board is due in November 2014. In accordance with national requirements there will also be a monthly report to the Trust Board. Work continues to ensure safe staffing numbers which will include a review of skill mix.

22. Ward 4 Harplands Hospital

The Nursing and Quality Director presented an initial report and action plan on the work that is being undertaken on Ward 4, which is looking at making improvements to enhance the care environment, a review of staffing levels as well as acuity in terms of changing patient need

23. Risk to the Quality of Services

Committee members considered the principal risk report for quality risks at Month 3, noting the risk treatment plans in place. This was discussed alongside the divisional reports in respect to their risks that are either emerging or require escalation.

24. Quarter 1 CQUIN Submissions

The committee received a report on the CQUIN submissions required by Commissioners at Quarter 1 2014/15 and the actions taken in order that these requirements are met. All submissions are currently on course to be made by the July deadline.

25. Domain Reports

The committee received each of the domain reports for assurance purposes in respect to:

- **Patient safety**
- **Clinical effectiveness**
- **Organisational safety and efficiency**
- **Customer focus**

26. Unannounced Visit by the Care Quality Commission (CQC)

It was noted that an unannounced visit by the CQC had taken place on Ward 6 at the Harplands Hospital. The initial feedback was good. The report will be shared with committee members when received in due course.

27. Review of the Effectiveness of the Quality Committee

Committee members agreed that it was timely to review its effectiveness in terms of meeting its terms of reference. Time will be allowed for this at the next meeting in September 2014.

On behalf of the Committee Chair, Mr Patrick Sullivan, Non Executive Director

Sandra Storey

Trust Secretary / Head of Corporate and Legal Affairs

21 June 2014

REPORT TO: TRUST BOARD

Date of Meeting:	31 July 2014
Title of Report:	2013/14 Quality Account – Final Version
Presented by:	Dr B Adeyemo
Author of Report: Name: Date: Email:	Laurie Wrench, Head of Clinical Audit and R&D 07 July 2014 Laurie.wrench@northstaffs.nhs.uk
Purpose / Intent of Report:	<ul style="list-style-type: none"> For Information
Executive Summary:	<p>By 30th June 2014, all organisations are required to develop and publish a Quality Account.</p> <p>The Quality Account is produced annually to report to the public about the quality of services and should address:</p> <ul style="list-style-type: none"> What an organisation is doing well Where improvements in the quality of services are required The priorities for improvement in the coming year How the Trust has involved service users, staff and others in determining these priorities for improvement <p>It helps to assure patients, the public and key stakeholders that the Trust is regularly scrutinising and actively managing each of the services that it provides.</p> <p>Following a robust development and engagement process, the Trust's Quality Account for 2013/14 was completed and published ahead of the national deadline.</p>
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> Customer Focus Strategy Clinical Strategy IM and T Strategy Governance Strategy Innovation Strategy Workforce Strategy Financial Strategy Estates Strategy
Relationship with Annual Objectives:	<p>The Quality Account links with a number of the Trust's annual objectives:</p> <ul style="list-style-type: none"> Deliver CQUINS Ensure provision of safe clinical services Achieve year on year improvements on staff survey Establish effective service user feedback mechanisms

Risk / Legal Implications:	It is a legal requirement to publish an annual Quality Account
Resource Implications:	The project is being operationally led by Laurie Wrench and supported by Glen Sargeant.
Equality and Diversity Implications:	Aspects of equality and diversity are covered throughout the Quality Account
Relationship with Assurance Framework [Risk, Control and Assurance]	It is necessary for the Trust to develop and publish an annual Quality Account and this is key to the Trust's Assurance Framework and will be fully integrated within the Assurance Framework
Recommendations:	<ol style="list-style-type: none"> 1. Receive the final version of the Quality Account for information purposes 2. Note that a summary version will be produced in preparation for the AGM in September 2014

North Staffordshire Combined Healthcare



NHS Trust



QUALITY ACCOUNT 2013/14



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INTRODUCTION

WELCOME TO OUR TRUST

North Staffordshire Combined Healthcare NHS Trust was established in 1994 following the merger of four directly managed units, formerly providing adult and older people mental health, learning disability, and primary care services. We now provide mental health and learning disability care to people predominantly living in the city of Stoke-on-Trent and in North Staffordshire.

We currently work from both hospital and community based premises, operating from approximately 30 sites. Our main site is Harplands Hospital, which opened in 2001 and provides the setting for most of our inpatient units. All corporate staff moved to a new Trust Headquarters building in December 2012.

We provide services to people of all ages 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 outpatients, community resource 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 Hospital of North Staffordshire NHS Trust (UHNS).

Our team of around 1,538 staff (1,278 whole time equivalents) are committed to providing high standards of quality and safe services. We service a population of approximately 464,000 people from a variety of diverse communities across Northern Staffordshire. The Trust's closing income for the year (2013/14) was £87.5m against an opening income plan of just over £87.1m.

For 2014/15, our main NHS partners remain the two Clinical Commissioning Groups (CCGs) – North Staffordshire CCG and Stoke-on-Trent CCG. We will also work very closely with the local authorities in these areas as we progress through 2014/15.

In addition, we work closely with agencies, which support people with mental health problems, such as North Staffs Users Group, Approach, ASIST, Brighter Futures, Changes, EngAGE, North Staffs Huntington's Disease Association, Mind, North Staffs Carers Association, Reach and the Beth Johnson Association.

Further information regarding our purpose, vision and values is contained in the Trust's Annual Report, which provides an overarching summary of the Trust's services, performance and finances for 2013/14.

The Annual Report is available on the Trust's website at www.combined.nhs.uk

WELCOME TO OUR FOURTH QUALITY ACCOUNT

Welcome to our latest Quality Account, which covers the financial year 2013/14 – 1 April 2013 to 31 March 2014.

We produce a Quality Account each year, which is a report to the public about the quality of services we provide and demonstrates that we have processes in place to regularly scrutinize all of our services.

In 2012/13 Independent Auditors, KPMG, were appointed by the Audit Commission to provide an independent assurance engagement and a limited assurance report to the Directors of the Trust. As a result, based on the results of their procedures, they concluded that the 2012/13 Quality Account was presented in line with requirements of the Regulations.

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

We hope that you find this Quality Account helpful in informing you about our work to date and our priorities to improve services over the coming year.

We also look forward to your feedback, which will assist us in improving the content and format of future Quality Accounts.

Feedback can be given through the Trust's website www.combined.nhs.uk or direct to qualityaccount@northstaffs.nhs.uk

SERVICES COVERED BY THIS QUALITY ACCOUNT

This Quality Account covers all eight services provided by the Trust. The core services we provide are shown below under the three Clinical Divisions. (The Trust does sub-contract out a small number of services to another non-NHS body in respect of IAPT).

Adult Mental Health Division	Learning Disability & Neuropsychiatry and Old Age Psychiatry Division	Children & Young People's Division
<p>Adults with non-psychotic disorders (improving access to psychological therapies [IAPT], access services (SPA), crisis/home treatment service, criminal justice service, personality disorder service, community mental health teams, peri-natal mental health and acute in patient services).</p> <p>Adults with psychotic disorders , early intervention team, assertive outreach team, rehabilitation services, in-patient services)</p> <p>Substance misuse services and liaison services</p>	<p>Learning disabilities (inpatient assessment & treatment, rehabilitation services, and community learning disability teams)</p> <p>Neuropsychiatry / Old Age Psychiatry (Dementia services, older people's mental health, memory clinic service, cognitive behavioural and other mental health problems related to brain conditions such as brain injury and Huntington's Disease) brain injury, Huntington's Disease Service, memory clinic service)</p>	<p>Community and Emotional Mental Health CONNECT CAMHS and First Steps, specialist assessment and therapeutic services to children, young people and their families with emotional, behavioural and mental health problems. Children in Special Circumstances including the provision for children in care, those who are fostered and those going through the adoption process and those involved with the criminal justice system</p> <p>Children with Complex needs CAMHS-Disability Service, Dragon Square Short Breaks Unit for Children & Young People with a Learning Disability, CAMHS-ASD Service, Paediatric Psychology</p> <p>Inpatient services The Darwin Centre - an NHS Tier 4 Child and Adolescent Mental Health Service</p>

PART 1 STATEMENT ON QUALITY

1.1 QUALITY OF SERVICES – KEY ACHIEVEMENTS

We have a lot to be proud of. We have a dedicated workforce, excellent feedback from our service users and have actively managed significant changes over the past few years in line with local need as well as national policy. Our on-going commitment is delivering high standards of quality and safe services through on-going engagement with service users and key partners – *Working together, developing together.*

Some of our key achievements in 2013/14 are shown below and throughout this Quality Account:

Feedback from service users and carers: The Trust enjoys close relationships with service users, carers, and a very well organised North Staffordshire User Group. The use of service user and carer stories, and service user surveys inform the focus on continuous improvement. A recent discharge survey showed that 98% of service users were happy with the services provided.

KEY PRIORITIES FOR 2013/14 – COMMISSIONING FOR QUALITY INNOVATION SCHEME:

Last year we aligned our plans for improving the quality of services with the Commissioning for Quality Innovation (CQUIN) Scheme for 2013/14, which is a range of quality related indicators agreed to further improve services for the people who use them.

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.

We identified six priority areas, which contribute to improved safety; clinical effectiveness; innovation and patient experience. Part 3.1 of this Quality Account provides a statement against each of the priority areas. Against the CQUIN performance framework, in total we achieved **100% of the schemes.**

MAKING PROGRESS TO FOUNDATION TRUST STATUS:

Recent events over the last 3 months have seen our plans for determining the future shape of the organisation altered significantly. The Trust remains on course and focused on the delivery of high quality mental health and social care services across Stoke and North Staffordshire. Planning against this background of uncertainty has been short term and remains so for the foreseeable future nevertheless our business plan for 2014/16 includes ambition and drive in order to ensure that we continue to deliver high quality care and services for the population we serve over the next 2 years.

We have agreed with the CCGs and with the NHS Trust Development Authority [TDA] that further work on options for future sustainability of mental health and learning disability services should pause for six months while the review is carried out.

CLINICAL PATHWAY DEVELOPMENT

The major focus of the review is a joint development programme between the Trust and local CCG's and was agreed at the recent clinical summit held in January 2014. The aim of the programme is to design and articulate a number of care pathways that will deliver an improved experience across the wide range of mental health services for those who live with and/or experience a mental illness in the North Staffordshire and Stoke area.

At the heart of the programme is the requirement to deliver integrated care which involves 'joining up' care and support across whole systems at a local level through a process of collaboration, co-operation, and co-production. The work involves health and social care providers as 'agents of change' integrating resources, systems and processes so that the physical and mental health care needs of the individual are seamlessly provided for within the resources available across the health and social care economy.

This approach is underpinned by the concept of person centred care – care that is built around the needs of the individual, their carers and families and gets the most out of every penny we spend. Integrated care is the means to the end of achieving high quality compassionate care resulting in better health and wellbeing for our local communities and is based on the following agencies developing a culture of working together to improve health and wellbeing:

- North Staffordshire Combined Healthcare NHS Trust
- Clinical Commissioning Groups (CCGs)
- Stoke-on-Trent City Council and North Staffordshire Local Authority
- University Hospital of North Staffordshire
- Colleagues in Primary Care/GP practices
- Voluntary/third sector and independent providers

Our Commissioner colleagues have set a number of key objectives for priority action:

- *Access:* to timely, evidence based interventions according to need
- *Interface:* between mental health and physical health
- *Integration:* across health and social care to maximise the delivery of effective outcomes
- *Recovery:* beyond treating or managing symptoms
- *Prevention:* providing care closer to home
- *Self-care:* people being able to self-care with wrap around support from primary care

At the heart of this work are the service user and the need to design services that are safe, caring, and effective - key outcomes stakeholders will need to address. By working together

to design care pathways that are recovery focused and embrace the extraordinary potential presented by new technology and shared information the system will be best placed to provide integrated, personalised care that is empowering, supportive and results in improved health and wellbeing.

The objectives of the work on care pathways and clinical models would be to create a shared vision of integration along the following work streams:

- *Access and Crisis Response*
- *Adult Mental Health and Social Care Services including Rehabilitation*
- *RAID*
- *CAMHS*
- *Older People and Dementia*
- *Neuropsychiatry*
- *Substance Misuse*
- *Learning Disabilities*

NORTH STAFFORDSHIRE HOSTS NATIONAL HUNTINGTON'S DISEASE AND BRAIN INJURY CONFERENCES

Since 2010, the Trust has delivered a number of National Conferences on Huntington's disease (HD) that readily earned an international status and was highly regarded by our patients as well as National and European delegates and speakers. Those educational events welcomed a number of professors and eminent clinicians.

HD is a progressive brain disease that runs in families, and so far has no known cure although it has a number of treatable consequences. People with parents affected by HD carry a 50% risk of developing the illness.

In 2013, the Trust organised yet another successful national conference on Acquired Brain Injury (ABI) that was held in Britannia Stadium. The event was also supported by various national organisations and eminent speakers in addition to our patients and families. This event highlighted the considerable need to further develop services for ABI patients at regional and national levels. National delegates were impressed with the services that we provide in North Staffordshire.

Besides promoting services that are available in North Staffordshire and seeking feedback from academic authorities in the field, the educational value of these events are greatly appreciated. Except for the very first conference, summary reports of all our conferences were published in a national journal. Talks / seminars were made available on line for educational purposes. This work has also strengthened our academic networking and attracted national and international research projects that allowed patients to have easier

access to high quality research. Similarly, these events have further improved our links with other statutory, voluntary and independent organisations.

Internal and external discussions have been held with the view of establishing a regional Neurobehavioural unit and an inpatient facility where acute phases of ABI can be managed. The development of this proposed centre of excellence is widely supported. This is expected to improve the care of our patients and reduce the need for out of area treatment / placements.

Parent and baby event

The Parent and Baby Service held an open day in Hanley, at which people were able to sign up to visit its new base. The event provided an opportunity to understand what the service offers as well as meet a variety of professionals who explained how the service works. Attendees were also invited to sign up to take a guided tour of the new unit.

Success at Edward Myers Unit event

Over 70 people gathered at the Edward Myers Unit in Harplands in April, to hear about services available for people on the road to recovery from drug and alcohol misuse. The unit attracted a variety of healthcare professionals, local councillors, commissioners and people who have used the substance misuse service, on Thursday 11th April. The awareness morning included information about the unit as well as real life stories from three people who have used the services. Each of them gave an honest account about their journey from when their addiction started to the treatment available, and how staff at the Edward Myers Unit supported them through their recovery.

Wards achieve accreditation

Three mental health wards at the Trust received re-accreditation for their high standard of care for patients. Accreditation for Inpatient Mental Health Services (AIMS), identifies and acknowledges wards that have high standards of organisation and patient care, and supports and enables others to achieve these. Wards 1, 2 and 3 at Harplands Hospital, Harpfields, have been re-accredited for a further four years, with Ward 2 being accredited as excellent.

Pressure care pilot success

During a workshop in May, staff from Harplands Hospital, explained how they have adapted processes to further improve the prevention of avoidable pressure ulcers. This initiative follows the work undertaken by the former NHS Midlands and East.

Home Treatment Team seen as best practice

Healthcare professionals in Belgium have recognised services at the Trust as best practice. Belgian colleagues selected the Home Treatment Team as a place where they would like to learn from to improve their own services. They intend to use the Trust's model for caring for someone in their own home as an alternative to acute mental health ward care.

Service users 'step on' the employment ladder

People in North Staffordshire accessing mental health services will be supported into paid employment by a new service hosted by the Trust. The service comes from the 'Improve Project' and follows the Individual, Placement and Support (IPS) approach. This approach originated from America and has been adapted by Shropshire Mental Health Services with The Centre for Mental Health. Staff from NSCHT now provides this service, known as [STEP ON](#), in Stoke-on-Trent, and are working in partnership with the Making Space team who provide the service in Staffordshire Moorlands and Newcastle-under-Lyme, known as [Work4You](#).

It's a Goal

World Mental Health Day was the perfect day to kick off a unique new football based project aimed at helping students to talk about their problems as a result of a joint project with the Trust and Keele University called *It's a Goal*. The *It's a Goal* project has been running successfully in North Staffordshire since 2009, providing therapy programmes for people suffering from depression, lack of confidence and low self-esteem. The therapy programme successfully uses Football as a metaphor for example the therapist is 'the coach', each member of the group is a 'player', each session is a 'match', each match has up to 8 'players' who work together as a 'team'. Participants in the programme use football as an inspiration to find solutions, to help with each other's problems and build strategies to cope with life's issues.

Mental health diversion pilot project releases positive 12-month report

The first 12 months of a pilot scheme that sees mental health professionals working in partnership with the local police has been a success. A review of the first year of the Stoke-on-Trent and North Staffordshire Police Custody Mental Health Diversion Project shows the work undertaken has been central in reducing reoffending rates amongst known offenders with learning disability, substance misuse or mental health issues. The two-year Diversion Project, launched in June 2012 by the Department of Health, provides funding for two Community Psychiatric Nurses (CPNs) to be based at the Northern Area Custody Facility on Festival Park.

HEWM regional NHS leadership awards

It was a night of celebration for North Staffordshire NHS staff as their excellent leadership skills were showcased at an awards ceremony in November. Nine of the Trust's managers and the team from the Darwin Centre in Penkhull were nominated for awards. The NHS Leadership Recognition Awards celebrate leaders at all levels and across all professions, who have improved people's health and the public's experience of the NHS.

RECOGNISING EXCELLENCE AND ACHIEVEMENT IN COMBINED HEALTHCARE AND SPOTLIGHT AWARDS

The REACH staff awards 2014 received in excess of 230 nominations across the 12 awards categories, which was an excellent response, recognising the depth of excellence and achievement within the Trust.

The REACH awards consistently receive inspiring nominations for individuals and teams, from a wide variety of services and professional backgrounds.

Pleasingly the category in which the largest numbers of nominations were generated was in the Service User and Carer Category, with 80 nominations received. This is in no small part due to the support of North Staffs Users Group, who work with us to ensure our service users and carers are aware of the awards scheme, and provide help to service users in completing their nominations. Each year we invite our healthcare partners to the awards evening and to co-present the awards e.g. North Staff Users Group, Staff Side organisations and Brighter Futures. This year we also had sponsorship from three companies who contributed financially towards the awards evening.

The REACH Awards take place once a year. To develop the culture of celebration further and enable other teams and individuals to have recognition for best practice, during 2012, we introduced a

process called *Spotlight on Excellence*. This helps us to showcase some of the great practice that is taking place within the Trust.

Each month, a team and individual are selected by Service Lines for Spotlight Awards. The selected individuals and teams are invited to Trust Board to receive their awards, during which a précis of information relating to the individual is included in the Chief Executive's verbal report and the Team make a presentation to the Board through the medium of a patient story to showcase best practice. Information relating to the Spotlights is published on the staff intranet and communicated through the monthly team brief.

The Spotlight process, aims to highlight best practice, and also provides recognition to a wider number of staff than those who are selected as REACH awards finalists.

1.2 BUILDING CAPACITY AND CAPABILITY

We are committed to developing our capacity and ability to deliver improvements in quality for the people who need our services through:

Board Development

Our continuous cycle of Board development activities acts as an organisational catalyst. Board development workshops led by the Chairman determine the future topics and agendas of the Board development programme, executive time out sessions, senior management plenary and divisional development activities; acting to cascade and co-ordinate learning activities across the Trust.

During the year, our Board was refreshed with the appointment of two new Non-Executive Directors (NEDs). A new

Executive Director of Nursing and Quality Director was also appointed to the Board. A new post of Director of Operations (non-voting board member) was established to strengthen the senior management leadership. Our two GP-Associate Board members continued in year to support and strengthen the board from a primary care perspective.

As a consequence of these changes, the Board has a very wide range of experience and skills to provide effective leadership and drive forward improvements in patient care and the delivery of our key priorities for 2014/15.

Workforce

We employ 1278 staff (whole time equivalents as at 28.03.14) with the majority of our staff providing professional healthcare directly to our service users.

Key areas for the Trust to focus on going forwards are to:

- Continue to develop our leaders and identify and support leadership talent at all levels of the organisation. In 2014-16 we will be working with Aston OD to introduce a Team Based Working Leadership Development Programme, enhancing team effectiveness and developing innovation, empowerment, wellbeing and resilience.
- Ensure that all of our staff has an annual review of their performance and personal development plan and that we continue to enhance this experience. This will continue to include discussions around talent management allowing for succession planning discussions to take ensue, ensuring that staff are working effectively and developing to meet the challenges of providing our services into the future.

Better Use of Information

During 2013/14 the Trust's Data Quality Forum has actively delivered improvements in data quality, helping to enhance patient care and supporting readiness for Payment by Results. Co-operation with commissioners has improved over the year and a robust level of engagement is now in place to ensure that the planning, commissioning and delivery of services for our patients is as seamless as possible. This work will receive even greater focus next year.

Further progress has been made in moving towards a more paper-light way of working. The Trust's patient information database has been streamlined and work has commenced to introduce an electronic patient record. Once in place this will allow much more efficient access to patients' records for community and inpatient staff alike. Historic paper records continued to be scanned and added to the electronic system throughout the year.

Good Information Governance continued to be a key focus for the Trust and recommendations from the Francis Enquiry together with the updated Caldicott Principles have been fully incorporated into our Information Governance Framework.

The Trust's IM&T Strategy continue to be adapted throughout the year as the future direction of the Trust was developed. The fundamental aim of supporting the efficient delivery of information to clinicians where they need it and when they need it remained at the heart of the strategy however, and that will continue in 2014/15.

Improving Involvement and Feedback Mechanisms - *Improving the Patient Experience*

The Trust recognises that our service users and carers are key to continuously improving the quality of the care we provide. They provide us with a rich source of information on how we are doing and what we must do to improve.

The experiences of service users and their families are extremely important and the Trust recognises that the experience of a patient's loved ones, carer, family and

friends clearly plays a significant part in the patient's wellbeing.

As part of the Trust's ability to provide high quality care, our carers play an invaluable role in supporting patients. It is important that the significance of their role is recognised as early on as possible and that they feel involved and supported. In support of this, we have:

- Maintained the focus on supporting carers through cooperation between the patient experience team and carer's team
- Committed to using the 'triangle of care' as the methodology for supporting our carers, work which will be undertaken in the coming year

Service user and Carer storytelling

This year we have focussed on Service User and Carer Storytelling as a feedback opportunity to inform and support an improved experience.

There are lessons that can be learnt from both negative and positive stories. During 2013/14, we have:

- Used service user and carer stories as part of Trust meetings, including Quality Committee and Trust Board to remind attendees of the purpose of agenda items
- Promoted the opportunity to service users and carers to get their stories heard
- Completed further staff and volunteer training to support this initiative
- Committed to develop and expand this approach across Trust services

Person-centred approaches are key to a good experience and we will be working hard over the coming year to promote our commitment to 'Caring for and Caring About in Equal Measure'. This will be promoted in partnership with service users, carers and staff through a variety of opportunities.

1.3 QUALITY OF SERVICES – KEY PRIORITIES FOR 2014/15

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, which we serve. Our clinical services will deliver models of care and will reflect the needs of our service users and their experience of care. We will achieve this by having an on-going conversation with our service users and carers through a variety of both formal and informal feedback mechanisms. We are committed to the continued improvement of patient and carer feedback and we will be building on the successful implementation of the 'Friends and Family test' across our ward areas through to community services and for our workforce.

In working with colleagues from NHS commissioning bodies, we will ensure that the mental health and learning disability needs of the people of Stoke-on-Trent and North Staffordshire are appropriately measured and met through effective partnership working and appropriate service configuration.

We remain committed to working collaboratively with a range of partners and as such have again included '**three steps to engagement**' in the development and publication of this Quality Account, which are outlined in section 3.3. This process included (at step 2) clear engagement in making the final choice of priorities for 2014/15, which were supported by stakeholders.

On that basis, with regard to improving the quality of services we have aligned our priorities for improvement in the coming year with the Commissioning for Quality Innovation (CQUIN) Scheme for 2014/15. This is a range of quality related indicators agreed to further improve services for the people who use them.

In total, we have identified six CQUIN priority areas, which contribute to **improved safety; clinical effectiveness; patient experience; and innovation.**

The following table details our final choice of six priorities for 2014/15, as identified by the Commissioning for Quality Innovation (CQUIN) Scheme:

Priority	CQUIN Area	Patient Safety	Clinical Effectiveness	Patient Experience	Innovation
1	NHS Safety Thermometer Reducing medication errors and harm to patients from medication errors	✓	✓		
2	Friends and Family Test Using the Friends and Family Test to monitor patient and staff experience			✓	
3	Physical Health Improving physical healthcare to reduce premature mortality in people with Severe Mental Illness (SMI)	✓	✓		
4	AIMS for Inpatient Rehabilitation Units Accreditation for Inpatient Mental Health Services (AIMS) – Rehabilitation Units (Rehab) is a collaboration between the Royal College of Psychiatrists' Centre for Quality Improvement (CCQI) and the Faculty of Rehabilitation and Social Psychiatry of the Royal College of Psychiatrists.	✓	✓	✓	✓
5	Closing the Loop – Improving Quality by using Feedback Aspiring to be a high functioning learning organisation which has a culture of openness and transparency and is able to demonstrate that we use a wide range of different resources to improve the care we deliver		✓	✓	✓
6	Effective Team Leadership - Staff Engagement and Empowerment Aston Effective Team Leaders Development Programme	✓	✓	✓	✓

All of the areas above are explained further in section 2.2.

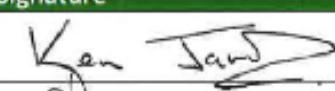

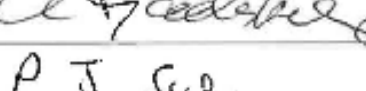
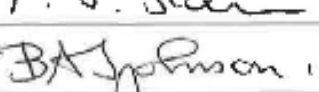
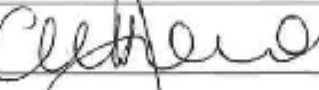
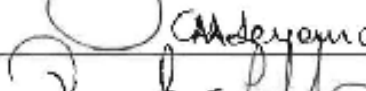
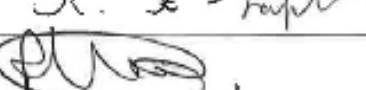
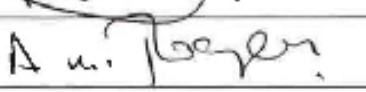
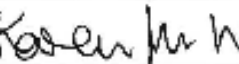


1.4 TRUST STATEMENT

We are pleased to publish this Quality Account for the financial year 2013/14, i.e. 1 April 2013 to 31 March 2014. It re-confirms our commitment to continually drive improvements in services and to remain transparent and accountable to the general public, patients, commissioners, key stakeholders and those that regulate our services.

To ensure our Quality Account covers the priority areas important to local people, we have consulted with our key stakeholders in the voluntary and statutory sectors, with local authorities and with our staff. Their valuable comments have been listened to and where appropriate have been incorporated into this document to help strengthen involvement in our services going forwards.

In line with the recommendation of the Francis Inquiry, this Quality Account is signed by all Trust Board members to provide assurance that this is a true and accurate account of the quality of services provided by North Staffordshire Combined Healthcare NHS Trust.

We can confirm that we have seen the Quality Account; that we are happy with the accuracy of the data reported; are aware of the quality of the NHS services provided, and understand where the Trust needs to improve the services it delivers.

Name and position	Signature	Date
Ken Jarrold, Chairman		19 th June 2014
Peter O'Hagan, Non-Executive		19 th June 2014
Tony Gadsby, Non-Executive		19 th June 2014
Patrick Sullivan, Non-Executive		19 th June 2014
Bridget Johnson, Non-Executive		19 th June 2014
Caroline Donovan, Acting Chief Executive		19 th June 2014
Dr Buki Adeyemo, Executive Medical Director		19 th June 2014
Kieran Lappin, Executive Director of Finance		19 th June 2014
Paul Draycott, Acting Executive Director of Leadership & Workforce		19 th June 2014
Andy Rogers, Executive Director of Operations		19 th June 2014
Karen Wilson, Executive Director Of Quality & Nursing		19 th June 2014

1.5 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE QUALITY ACCOUNT


The directors are required under the Health Act 2009 to prepare a Quality Account for each financial year. The Department of Health has issued guidance on the form and content of annual Quality Account (which incorporates the legal requirements in the Health Act 2009 and the National Health Service (Quality Account) Regulations 2010 (as amended by the National Health Service (Quality Account) Amendment Regulations 2011)).

In preparing the Quality Account, directors are required to take steps to satisfy themselves that:

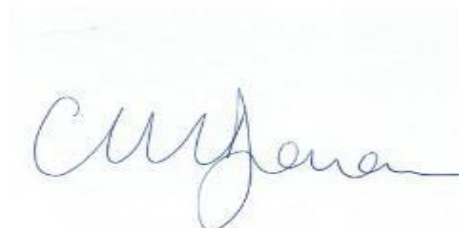
- The Quality Account presents a balanced picture of the Trust's performance over the period covered;
- The performance information reported in the Quality Account is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and
- The Quality Account has been prepared in accordance with Department of Health guidance.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Account.

By order of the Board

A handwritten signature in blue ink, appearing to read 'Ken Jarrold', with a stylized flourish at the end.

Ken Jarrold C.B.E.
Chair
19th June 2014

A handwritten signature in blue ink, appearing to read 'Caroline Donovan', with a stylized flourish at the end.

Caroline Donovan
Acting Chief Executive
19th June 2014

PART 2 PRIORITIES FOR IMPROVEMENT (LOOKING FORWARD) and STATEMENTS OF ASSURANCE FROM THE BOARD

2.1 PLANS FOR IMPROVEMENT

ENGAGING OUR PARTNERS AND STAKEHOLDERS – ‘Three steps to engagement’

In any year, trusts have a number of competing priorities to improve service delivery, provide value for money and the quality of the service provision. We are committed to working collaboratively with a range of partners and as such have included ‘**three steps to engagement**’ in the development and publication of this Quality Account. The three steps and comments from partners are included in section 3.3 which outlines how key partners have been involved determining our annual priorities.

For the 2010/11 Quality Account, the Trust was **commended** on its approach to Stakeholder involvement in the development of the Quality Account and was cited as a **case example of good practice by the Audit Commission**. Last year we built on our engagement techniques and have maintained this level of engagement for the 2013/14 Quality Account

PERFORMANCE QUALITY MONITORING FRAMEWORK

This Quality Account is underpinned by a comprehensive Performance Monitoring Framework, which monitors the quality of services we provide as well as other key performance indicators. This includes monthly dashboard reports and more detailed quarterly reports. A comprehensive programme of unannounced and announced visits to each clinical team was delivered in 2013/14, checking compliance with CQC

standards and ensuring that staff understands the importance of maintaining compliance. The findings from these visits, together with those from formal CQC and Mental Health Act visits and other external sources (such as the CQC’s Quality and Risk Profile) were reviewed at team, service line and divisional meetings and delivery of any improvement plans was overseen by the Trust’s Quality Committee.

2.2 PRIORITIES FOR IMPROVEMENT AND GOALS AGREED WITH COMMISSIONERS

KEY PRIORITIES FOR IMPROVEMENT

With regard to improving the quality of services, we have aligned our priorities for the Commissioning for Quality Innovation Scheme (CQUIN) described below. Progress to achieve the six CQUIN priorities will be monitored and measured through the individual CQUIN Area milestones with regular reports to the Executive Team on progress made, risks identified and mitigation plans. CQUIN progress will also be reported through the quarterly Integrated Quality Report (IQR) and to the Commissioner-led Clinical Quality Review Group

COMMISSIONING FOR QUALITY INNOVATION SCHEME (CQUINS)

We have chosen to align our priorities for improvement in the coming year with the CQUIN Scheme for 2014/15. The commissioners have worked closely with the Trust to agree quality improvements.

We are using the CQUIN framework, which the Trust has aligned to its priorities for improvement. This will drive real improvements in quality and safety.

The CQUIN payment framework is a national framework for agreeing local quality improvement schemes and makes a proportion of our income 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, encouraging a culture of continuous quality improvement in all providers.

In 2014/15, 2.5% of the total potential income from Commissioners for 2014/15 has been linked to delivery of these targets. The Trust has agreed six CQUIN indicators, relating to patient safety; clinical effectiveness; patient experience; and innovation and these are shown overleaf:

Priority	CQUIN Area	Patient Safety	Clinical Effectiveness	Patient Experience	Innovation
1	NHS Safety Thermometer Reducing medication errors and harm to patients from medication errors	✓	✓		
Rationale: Participation in data collection using the Medication Safety Thermometer is a preparatory step for NHS-funded provider organisations in reducing harm. Incentivising use of the Medication Safety Thermometer will increase the participation in this data collection, establish a baseline of performance on the four harms and identify areas for improvement in patient care.					
2	Friends and Family Test Using the Friends and Family Test to monitor patient and staff experience			✓	
Rationale: National CQUIN Scheme					
3	Physical Health Improving physical healthcare to reduce premature mortality in people with Severe Mental Illness (SMI)	✓	✓		
Rationale: National CQUIN Scheme					
4	AIMS for Inpatient Rehabilitation Units Accreditation for Inpatient Mental Health Services (AIMS) – Rehabilitation Units (Rehab) is a collaboration between the Royal College of Psychiatrists' Centre for Quality Improvement (CCQI) and the Faculty of Rehabilitation and Social Psychiatry of the Royal College of Psychiatrists.	✓	✓	✓	✓
Rationale: In 2005, a position statement from the Executive Committee of the Royal College of Psychiatrists' Faculty of Rehabilitation and Social Psychiatry described rehabilitation as the "forgotten need within contemporary mental health services". Though the principles of rehabilitation and recovery have been generally accepted throughout inpatient services, there is still a pressing need for specialised services. A further report from the Faculty of Rehabilitation and Social Psychiatry, in 2009, set out a template for dedicated rehabilitation services. The Commissioning Intentions for 2014/15 include a review of the MH Rehabilitation Pathway and critical to this is ensuring that the 10 bedded Longer Term Complex					

Unit at Summers View and the shorter term 8 bedded unit at Florence House provide efficient and effective services to enable patients to move through the pathway as clinically safely and quickly as possible. Both units were also part of the Phase 2 Service Redesign programme in 2012 with Florence House being established during this period. Achievement of the AIMS accreditation gives assurance that this part of the pathway is clinically effective.				
5 Closing the Loop – Improving Quality by using Feedback Aspiring to be a high functioning learning organisation which has a culture of openness and transparency and is able to demonstrate that we use a wide range of different resources to improve the care we deliver		✓	✓	✓
Rationale: In the wake of the Mid Staffs Inquiry led by Sir Robert Francis it is clear that NHS Trusts need to have processes in place for patients, carers and staff to raise concerns and comments to improve the quality of services. Subsequent reviews by Professor Don Berwick have reinforced the need to act on feedback from patients and staff. "A review of the NHS Hospitals Complaints System: Putting Patients Back in the Picture" by RH Ann Clwyd and Professor Tricia Hart, it is clear that patients and carers often have a less than positive experience when making complaints. This CQUIN seeks to ensure that NSCHT has a responsive and accessible system for responding to feedback and that the Trust takes the opportunity to use the lessons from feedback to make improvements to the system and improve patient and carer experience				
6 Effective Team Leadership - Staff Engagement and Empowerment Aston Effective Team Leaders Development Programme	✓	✓	✓	✓
Rationale: During 2013/14 - there were several key reports that were fundamental to the changes needed in the delivery of Quality services: 1. The Francis Report – 2013 2. The Berwick Report - 2013 3. The Keogh Report – 2013 4. "Everybody Counts" DoH 2013 Each individual report developed its own key areas for quality improvement, which when cross referenced shared several "common" themes. Amongst these is staff empowerment, leadership effectiveness and the importance of developing a culture of engagement, openness and continuous learning. As outlined above, there is now a strong evidence-base linking improvements in the effectiveness of team leaders to improvements in patient health and wellbeing, safety and experience; staff health and wellbeing and experience, and a range of measures of organisational performance.				

Comprehensive information regarding all of the CQUIN priorities shown above is available from the Trust.

2.3 STATEMENT OF ASSURANCE FROM THE BOARD

This section is provided to offer assurance that the Trust is performing well as assessed internally via the Trust's own processes; externally therefore providing independent assurance; through processes to measure clinical outcomes; through audit and research and development; and through participation in national projects and initiatives.

HOW PROGRESS WILL BE MEASURED AND MONITORED

The majority (89%) of services provided by North Staffordshire Combined Healthcare NHS Trust in 2013/14 were commissioned by the two local Clinical Commissioning Groups, NHS North Staffordshire (37%) and NHS Stoke on Trent (52%).

NHS North Staffordshire Clinical Commissioning Group has operated as the Co-ordinating Commissioner during 2013/14.

There is a contract in place to ensure that there is clarity regarding the services commissioned for local people and also the expectations of the service provider and expectations for the quality of services.

The Trust has signed the Standard National Contract covering service

delivery in 2014/15. The contract is largely block in nature with the two local CCGs, although the Associate element of the contract is cost and volume with thresholds. The contract contains specific targets on a range of performance measures.

All elements of this contract will be monitored through a CSU led series of monthly meetings, with relevant associated data sent to the CSU as the co-ordinating body on a monthly basis.

COMPLIANCE WITH THE HEALTH & SOCIAL CARE ACT 2008 AND THE ESSENTIAL STANDARDS OF QUALITY AND SAFETY

North Staffordshire Combined Healthcare NHS Trust has self-assessed against the outcomes defined by the regulations and declared compliance with all of the outcomes.

The Trust registered with the Care Quality Commission in 2010, without conditions, to provide a range of regulated activities.

We worked hard in 2013/14 to maintain compliance with the quality standards across all of the services we provide.

QUALITY AND RISK PROFILE (QaRP)

A Quality and Risk Profile (QaRP) is a tool held and managed by the Care Quality Commission (CQC) that is used to support the CQC in assessing where potential risks lie when planning inspections to monitor our compliance with the essential standards.

The Trust receives copies of each QaRP and these are reviewed to triangulate the CQC's view with our own data and identify any potential areas for improvement. A summary report is prepared following receipt of each QaRP to ensure that the Executive Team and key committees are aware of any significant changes; actions

to address any gaps are managed at the monthly Senior Management Team meeting and are overseen by the Trust's Quality Committee.

This enables the Trust to identify any gaps or deteriorating trends before they impact on patient care.

MEASURING CLINICAL PERFORMANCE

Clinical Audit, Clinical Excellence and Research and Development all contribute to measuring effectiveness (including both clinical outcomes and patient reported outcomes), safety and patient experience by quantitative and qualitative information. This includes reporting experience and data regarding the impact of services on patients. The clinical audit programme is developed to reflect these needs and the national priorities. Further information is contained below.

NATIONAL PROJECTS AND INITIATIVES

This section includes reference to the national projects and initiatives that we are applying to improve the quality of our services. Some areas are mandatory and others we have chosen to apply to allow us to scrutinise our processes and services and compare our outcomes to other providers:

NHS Litigation Authority (NHSLA) Risk Management Standards

Although the NHSLA changed its approach to standards and assessments in 2013/14, moving to a focus purely on claims rather than continuing to oversee the management of risks, the Trust maintained its compliance framework throughout the year in order to maintain standards.

The Trust's current Level 1 accreditation (with a score of 48 out of 50) will remain in force and the Trust will continue to implement a robust risk management framework.

Litigation cases for 2013/14

The Trust has received ten non clinical claims for 2013/14, two of which are being managed separately by Trust Solicitors, as they are not covered by the NHS LA. Although still difficult to identify any clear emerging themes, there seems to be a split this year between violence and aggression and slip, trip, fall incidents.

The expenditure on non-clinical claims has reduced from the previous year by successful defence of claims where there is clear evidence that policies and procedures have been followed. We work closely with the NHS LA to gather all appropriate evidence to support a

robust defence. If this cannot be achieved, we will continue to use the intelligence learnt from these cases to identify quality improvements.

There have been no new clinical claims; however, we remain committed to learning from incidents to ensure that we continue to improve the quality of our services.

National Quality Improvement Projects (Service Accreditation Programmes) - Managed by the Royal College of Psychiatrists' Centre for Quality Improvement (CCQI)

- The Trust's one ECT Clinic is accredited
- Three wards (1, 2 and 3 at the Harplands Hospital) for working age adults are accredited

National Quality Improvement Projects (Service Quality Improvement Networks) - Managed by the Quality Network for Inpatient Care (QNIC)

- Environment and Facilities 78%
- Staffing & Training 71%
- Access, Admission and Discharge 92%
- Care & Treatment 87%
- Information, Consent & Confidentiality 83%
- Young People's Rights & Safeguarding Children 94%
- Clinical Governance 87%

"The review team were made to feel very welcome by the Darwin Centre and they were extremely impressed by the team as a whole and how cohesive and reflective they are"

QNIC Review 2013

"Staff have an excellent understanding of how to structure an efficient working team and are knowledgeable about the various roles and who holds which responsibilities"

QNIC Review 2013

Clinical Trials

Clinical trials are a research priority for the trust, they are the means by which treatment outcomes are most accurately determined and protocols reflect best practice standards thus providing clinical staff with the opportunity to transfer knowledge into clinical practice additionally they are a valuable source of income generation through commercial sponsorship. During 2013/14 the trust portfolio included 4 clinical trials which is a significant increase having just one the previous year. The R&D department is committed to continue to extend the number of clinical trials within the trust and aims to develop a culture where such activity is promoted and supported as an

integral part of the organisation and thus ensure best evidence-based practice in healthcare.

During 2013/14 involvement in clinical trials was promoted through the MOCK trial which was held on clinical trials day in May. The Mock trial was a fun way to demonstrate the process of a clinical trial using two different types of sweets as the investigational product and engaging participants in some light hearted questionnaires, staff, service users and visitors to Harplands Hospital were invited to take part.

National Clinical Audits, National Confidential Inquiries and Prescribing Observatory for Mental Health (POMH) Audits

The Trust is involved with all of the above and further information is contained in section 2.5

LEARNING LESSONS

Learning lessons from all incidents, including Serious Incidents requiring investigation and non-serious incidents, remains a high priority for the Trust. Significant progress has been made to maximise opportunities to ensure that learning arising from incidents and serious incidents across the Trust.

The development of a Trust “Learning Lessons” bulletin has continued to be disseminated to all service areas via service line meetings, and via Team Brief and NewsRound. The Newsletters provide library resources and evidence of good practice around the Trust. The trust also has a learning lessons webpage on the intranet where the bulletin information is also stored for easy access for all staff.

The need to Learn Lessons has also featured in the development of the risk management training, which the Patient and Organisational Safety Team have been involved in designing and will be also delivering the Training.

In a recent survey December 2013 – 68 Staff from all Divisions completed a short survey on how to improve learning lessons. The team were pleased with a positive result of nearly 80% had seen the bulletin and 85% had looked at the webpage. At a recent learning lessons event jointly held with the Academic programme over 110 staff attended to listen to the Coroner about local issues.

27 Staff were additionally trained in root cause analysis in February 2014 which greater strengthens the existing investigating officer team. The development of the learning and change processes have earned positive feedback from our Commissioners who receive the newsletter each month. The Commissioners are also supporting an application for HSI Award regards this initiative, and the Team has been shortlisted for “learning team” of the year in Trusts REACH Awards.

Key lessons include:

- Ensuring that innovative , compassionate practice is celebrated and promoted
- Introduction of a new commercial incident reporting system to support easier reporting, accessible and meaningful reports
- Encouraging increased ownership of incidents at team level, regular analysis and interpretation of reporting trends and identifying service improvements

Key lessons include:

- Expanding the pool of Investigating Officers trained in and undertaking investigations to ensure that learning and change occurs as part of the experience of investigation
- Timely and sensitive feedback to individuals and teams involved in serious incidents

2.4 REVIEW OF SERVICES

This section is provided to offer assurance that we have included all of the services mandated for inclusion.

During the period from 1 April 2013 to 31 March 2014, North Staffordshire Combined Healthcare NHS Trust provided eight NHS services. The Trust has reviewed all the data available on the quality of care in all of the NHS services provided by the Trust.

The income generated by the NHS services reviewed in 2013/14 represents

100% of the total income generated from the provision of NHS services by the North Staffordshire Combined Healthcare NHS Trust for 2013/14.

The Trust’s eight main services as referred to above are listed in the introductory section of this Quality Account – see section ‘Services Covered by This Quality Account’.

2.5 PARTICIPATION IN CLINICAL AUDIT

NATIONAL CONFIDENTIAL INQUIRIES AND NATIONAL CLINICAL AUDITS

‘Clinical audit is a quality improvement process that seeks to improve patient care and outcomes against specific criteria and the implementation of change. Where indicated, changes are implemented at an individual team, or service level and further monitoring is

used to confirm improvement in healthcare delivery. As such, clinical audit is an essential part of the quality assessment framework and a key element of clinical governance.'

During 2013/14, **two** national audits and **one** national confidential inquiry covered NHS services that North Staffordshire Combined Healthcare NHS Trust (NSCHT) provides.

During that period, NSCHT participated in **two** of the **two** (100%) national clinical audits and the **one** (100%) national

confidential inquiry, which it was eligible to participate in and these are shown below. The national clinical audits and national confidential inquiries that North Staffordshire Combined Healthcare NHS Trust was eligible to participate in during 2013/14 are listed below and those that the Trust did participate in during 2013/14 are shown with ✓

- National Audit of Schizophrenia (NAS) ✓ 100%
- Prescribing Observatory for Mental Health (POMH) ✓ 100%
- National Confidential Inquiry (NCI) into Suicide and Homicide by People with Mental Illness (NCI/NCISH) ✓ 100%

The national clinical audits and national confidential inquiries that the Trust participated in, and for which data collection was completed during 2013/14, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or inquiry:

TITLE	% of cases submitted	% of cases required to be submitted #
National Audit of Schizophrenia (NAS)	100%	100%
Prescribing Observatory for Mental Health (POMH): Prescribing Topics in Mental Health Services:		
• Monitoring of patients prescribed lithium (Topic 7d)	36%	100%
• Prescribing anti-dementia drugs (Topic 4b)	11%	100%
• Use of antipsychotic medication in CAMHS (Topic 10c)	93%	100%
• Prescribing for ADHD (Topic 13a)	30%	100%
National Confidential Inquiry (NCI) into Suicide and Homicide by People with Mental Illness (NCI/NCISH)	100%*	100%

**This data is collected centrally on a rolling basis as part of the NCI process*

It should be noted that for POMH Audits, there is no minimum requirement of cases to be submitted. For topics 7d, 4b, 10c and 13a, an adequate sample size was obtained without the need to submit 100% cases relevant to the sample population, therefore the Trust still met the 100% requirement for POMH.

The reports of 3/5 national audits, (as specified above) were reviewed by the provider in 2013/14.

Monitoring of patients prescribed lithium (Topic 7d)	Action Completed
<ul style="list-style-type: none"> Paragraph to be placed in <i>Newsround</i> congratulating staff on positive results and asking them to maintain performance. 	✓
<ul style="list-style-type: none"> An email will be sent to Resource Centre Managers reminding them of the standard (weight OR Body Mass Index OR waist circumference measurements should be completed <i>before initiating treatment with lithium / annually during maintenance treatment</i>) and asking if there are any barriers to achieving this, e.g. lack of equipment. Any barriers will be discussed at Divisional Meetings. 	✓
<ul style="list-style-type: none"> An email will be sent to all Resource Centres with the graphs relating to this standard. The Ashcombe Centre will be asked to provide feedback via the Service Line Meeting. 	Ongoing
<ul style="list-style-type: none"> The agreed action plan will be presented to the Trust Clinical Effectiveness Group. 	✓
<ul style="list-style-type: none"> The Executive Summary and agreed action plan will be circulated appropriately as determined by the Medical Lead. 	✓
<ul style="list-style-type: none"> The data will be presented at one of the Trust's educational sessions. 	Date TBC
<ul style="list-style-type: none"> The possibility of developing new documentation to record measurements and tests undertaken will be discussed with the Lymebrook Centre Manager. If agreed, the documentation will be piloted at Lymebrook. 	Ongoing

Prescribing for ADHD (Topic 13a)	Action Completed
<ul style="list-style-type: none"> All staff will be reminded of the need to document their actions with regards to the following standards; All information relating to the standards must be documented in the medical record. All information relating to; Height, Weight (BMI), Blood pressure, Pulse rate must be recorded on the centile/growth chart. Cardiovascular risk assessments must be completed and documented for all patients and ECG should be requested where applicable. 	✓
<ul style="list-style-type: none"> The Conners scale will be used on an annual basis to review each service user with ADHD. 	Ongoing

Prescribing for ADHD (Topic 13a)	Action Completed
<ul style="list-style-type: none"> The report will be discussed at the Consultants group and at the CAMHS Divisional Management group. An abstract (including the action plan) will be taken to the Clinical Effectiveness Group. 	✓
<ul style="list-style-type: none"> A split report will be produced by the Clinical Audit Department to be taken and discussed at team meetings. 	Ongoing

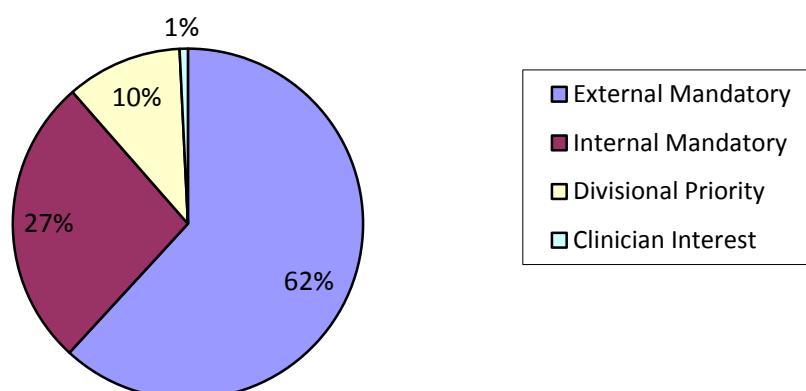
At the time of the 2013/14 Quality Account, the reports for Topic 4b: Prescribing anti-dementia drugs and Topic 10c: Use of antipsychotic medication in CAMHS had not yet been sent by POMH. Both reports will be reviewed by the Trust when they are received and action plans devised accordingly.

The results of POMH audits are disseminated to and action plans agreed at the Trust Clinical Effectiveness Group.

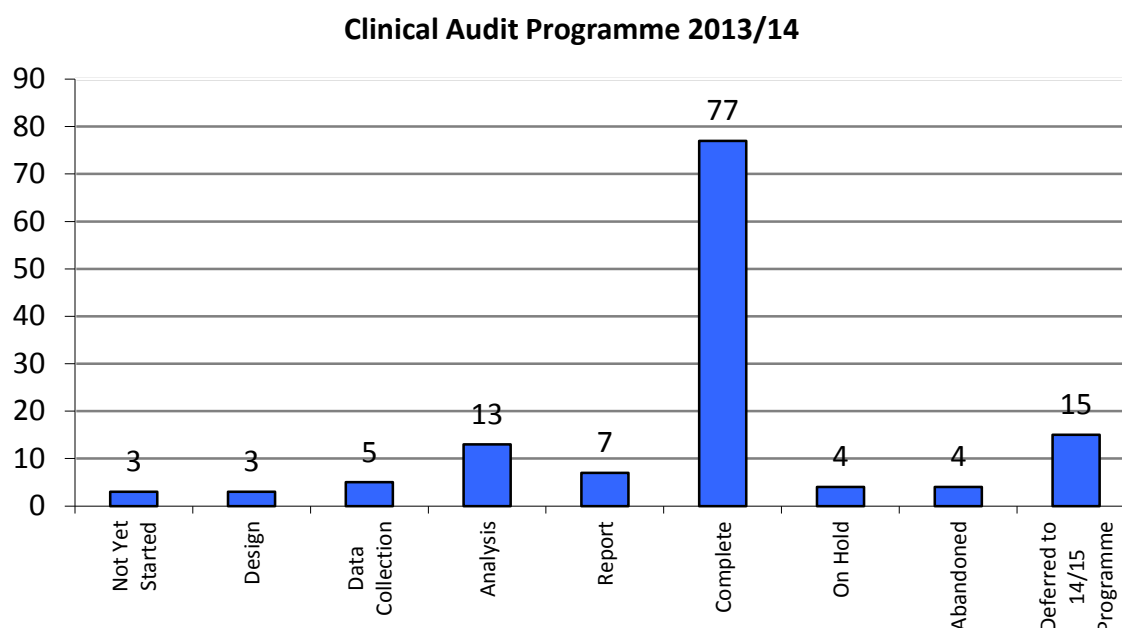
LOCAL CLINICAL AUDIT PROGRAMME 2013/14

All projects on the Clinical Audit Programme were facilitated by the Clinical Audit Department. The programme is split into four priority levels in line with national requirements/standards, including National Institute for Health and Clinical Excellence (NICE) Guidance, POMH and standards produced by the Royal Colleges.

The chart below reflects the total number of projects identified for 2013/14 split by the four priority areas:



During the year a total of 77 projects were completed by the Clinical Audit Department and all 77 reviewed by the provider in the reporting period. All completed audits contained a comprehensive action plan agreed by the Trust and all stages of the audit cycle undergo a robust validation exercise to ensure the reliability and quality of data reported. The table below outlines project status for the 131 projects registered on the Clinical Audit Programme for 2013/14:



For all clinical audits on the formal programme of work, an action plan to improve the quality of healthcare has been developed in conjunction with the project steering group. The process included reviewing the findings and devising appropriate actions to reduce any shortfalls identified. The action plans were agreed with the audit lead and then submitted to the Clinical Effectiveness Group (chaired by the Medical Director) for ratification. Once this process was complete, the reports were published and disseminated appropriately. Individual action plans were then entered onto the action plan-monitoring database and regular updates requested from the action 'owners' to ensure progress is being made. Once actions have been implemented, a re-audit is undertaken to determine if the actions made have resulted in improvements to the quality of healthcare.

Further information on completed clinical audits and the clinical audit programme can be obtained from the Trust's Clinical Audit Department.

2.6 PARTICIPATION IN RESEARCH

Research is the attempt to derive new learning and knowledge. Research aims to find out what happens if we add or change clinical or service practice in some way, or aims to find out in a systematic way the views, opinions, experiences and understanding of stakeholders.

Research is important to patients

- **97%** of the public believe it's important for the NHS to support research into new treatments
- **93%** want their local NHS to be encouraged or required to support research
- **72%** would like to be offered opportunities to be involved in trials of new medicines or treatments, if they suffered from a health condition that affects their day-to-day life

As a Trust we aim to ensure that our service users have opportunities to engage in research and that they are informed about our commitment to clinical research and the types of studies undertaken. During 2013/14 we have initiated two campaigns to help achieve this;



OK to Ask encourages service users and clinicians to talk about research and Consent for Consent enables service users to volunteer to be contacted directly about research studies with their details being held upon a database within the Trust. The number of patients receiving NHS services provided or sub-contracted by the Trust in 2013/14 that were recruited during that period to participate in research approved by a research ethics committee within the National Research Ethics Service was 148.

For research to be of value it must be used to inform and influence practice and ultimately improved patient outcomes. The Trust's principal aim for Research and Development is to develop a culture where such activity is promoted and supported as an integral part of the organisation and thus ensure best evidence-based practice in healthcare. During 2013 /14 the R&D department has continued to increase research capabilities across the trust, engaging with staff, service users and carers as well as partnership organisations. A key area of work is to look at opportunities to extend the scope of our research work and to develop new partnerships with external organisations. This is perhaps best illustrated by the Suicide Bereavement study, conducted in partnership with Manchester University the study engages with both parents bereaved by suicide and professional non statutory staff providing support. It has involved working not only with mental health workers from within the Trust but also other health professionals such as GP's, paramedics and DOVE charity workers. This has opened opportunities for us to engage with the West Midlands Ambulance Services to look at developing further opportunities and we are currently exploring the possibility of initiating a joint research project.

The Trust's portfolio of studies includes national and international studies of varying size and complexities with themes being psychosis, dementia, suicide, learning disabilities, attention deficit hyperactivity disorder and Huntington's disease. The Trust recognises that Dementia research is a growing area and the R&D department has sought to improve capacity within this area by holding a number of events to engage with staff service users and carers within our dementia services, these events have received a positive response and the expectation is that this will be reflected in our portfolio studies during the forthcoming year.

The R&D Department has promoted the contribution that research can make towards individuals personal professional development and has sought to ensure that staff engaged in research have opportunities for study and training aligned to their research roles. This strategy has been effective in that this year we have had a number of clinicians who have approached the team seeking to engage in research as identified through their personal development review. The team have also supported individuals in seeking alternative funding for training and have had a successful applicant receive an RCN bursary for further dementia training.

R&D are keen to look forward and are interested in the role that technology can play in improving healthcare and quality of life, this has led the Trust to adopt the ATTILA Trial which aims to evaluate the role of assisted technology in supporting individuals with memory problems to live safely and independently in their own homes. The team are also about to pilot the use of a tablet PC to increase their effectiveness and enable ready access to research resources, information, training videos etc. to engage with staff and service users.

The R&D team have managed admirably following Professor Crome's retirement in his role as R&D Director. Dr Hodgson has recently been appointed and wants to build on the department's success. A recent publication in the Psychiatric Bulletin demonstrated that North Staffordshire Combined Healthcare was one of the most research productive mental health trusts in the country. His main priorities will be to further embed research into clinical practice, encourage more staff to become research active and to expand the number of trials undertaken by the Trust. He would like to extend the Trust's research networks and collaborations. He believes that the recent appointment of a Professor of Psychiatry at Keele will strengthen research opportunities both locally and in the West Midlands.

The Trust continued to sponsor a large multi-centre NIHR (National Institute for Health Research) portfolio trial into stroke. The Stroke Oxygen Supplementation study (SOS) is studying the long-term benefits or risk of routinely prescribing oxygen to patients for the first 72 hours after a stroke. This trial exists on the Comprehensive Local Research Network and Stroke Research Network portfolio and receives NIHR support across the UK.

Benefits to Quality of Care / Benefits to the Service User

The Trust recognises and values the important contribution that research has to make in many areas of its activities. For service users, the rigour of research protocols can provide an enhanced quality of care and participation in research has shown to lead to improved patient outcomes.

It also provides access to new and innovative treatments that may not have

otherwise been available. For staff, research provides an opportunity for personal and professional development, enhancing skills and knowledge leading to a higher standard of care delivery and enhanced job satisfaction.

For the Trust, research activity is a means of improving standards and quality of care, promoting efficiency and innovation and in some cases income generation.

2.7 GOALS AGREED WITH COMMISSIONERS

COMMISSIONING FOR QUALITY AND INNOVATION (CQUIN) FRAMEWORK

A proportion (2.5%) of the total potential income from CCGs in 2013/14 was conditional on achieving quality improvement and innovation goals agreed with Commissioners through the CQUIN Framework.

As an incentive 2.5% of the Trust's total, potential income from CCGs for 2014/15

has been linked to delivery of CQUIN targets and the Trust has agreed 6 CQUIN indicators with the Commissioners.

The CQUIN indicators for 2014/15 are identified as the Trust's key priorities going forward and are shown in section 2.2.

The CQUIN indicators for 2013/14 were identified as the Trust's key priorities last year and as such are reported on in section 3.1.

2.8 STATEMENT FROM THE CARE QUALITY COMMISSION

REGISTRATION

North Staffordshire Combined Healthcare NHS Trust is required to register with the Care Quality Commission and its current registration status is **Registered - Registration Number CRT1-626426616**.

North Staffordshire Combined Healthcare NHS Trust has the following conditions on its registration:

- The registered provider must only accommodate a maximum of six service users at Dragon Square Community Unity and 19 service users at The Bungalows, Chebsey Close.

(These conditions simply reflect the available accommodation for each service.)

Further information regarding the registration and compliance process can be found in the papers to the Trust Board and on the Care Quality Commission's website at www.cqc.org.uk

CARE QUALITY COMMISSION ENFORCEMENT ACTION

The Care Quality Commission has not taken any enforcement action against North Staffordshire Combined Healthcare NHS Trust during 2013/14

CARE QUALITY COMMISSION COMPLIANCE REVIEW

The Care Quality Commission (CQC) carried out visits across a number North Staffordshire Combined Healthcare NHS sites in 2013/14 as part of its annual inspection programme and to follow up on earlier visits to confirm that progress had been made against any actions. The CQC concentrated mainly on outcomes linked to respecting and involving service

users, their care and welfare, record keeping, staffing and staff support.

During these inspections the CQC teams visited a variety of inpatient and community services, including the Acute inpatient wards 1-3 at Harplands Hospital, the resource centres, children's specialist services and Chebsey Bungalows. They

spoke to service users, carers and staff plus members of the North Staffordshire Users Group and other user/carers groups.

Overall, the findings were very positive, with many comments from service users that services are valued, that they are well cared for and feel involved in their care.

The Trust received reports following each visit, some of which identified areas for improvement that have a minor impact on the care received. Most of these actions have been delivered in-year and we have an overarching action plan in place to manage any ongoing actions.

SPECIAL REVIEWS / INVESTIGATIONS

North Staffordshire Combined Healthcare NHS Trust has not participated in any special reviews or investigations by the CQC during 2013/14, other than the scheduled visits referred to

2.9 STATEMENT ON DATA QUALITY

NHS Number and General Medical Practice Code Validity

The Trust submitted records during 2013/14 to the Secondary Uses service for including in the Hospital Episode Statistics, which are included in the latest published data.

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

- 99.7% for admitted patient care; and
- 99.7% for outpatient care.

NB the Trust does not provide accident and emergency care

The percentage of records in the published data, which included the patients' valid General Medical Practice Code, was:

- 100% for admitted patient care; and
- 100% for outpatient care.

NB the Trust does not provide accident and emergency care

Information Governance Toolkit Attainment Levels

The Trust's score for 2013/14 for Information Quality and Records Management assessed using the Information Governance Toolkit was 75% (up from 74% in 2012/13), and was graded **green** as all requirements achieved a minimum score of Level 2 resulting in a *Satisfactory* result (the only results achievable are *Satisfactory* or *Not Satisfactory*).

Clinical Coding Error Rate

North Staffordshire Combined Healthcare NHS Trust was subject to the Payment by Results clinical coding audit during 2013/2014 by the Audit Commission and the error rates

reported in the latest published audit for that period for diagnosis and treatment coding (clinical coding) were:

- 4% error rate for Primary Diagnosis (0% in 2012/13)
- 24.2% error rate for Secondary Diagnosis (17.8% in 2012/13)
- 0% error rate for Primary Procedures (0% in 2012/13)
- 0% error rate for Secondary procedures (0% in 2012/13)

The services reviewed in the sample were Adult Mental Health, Child & Adolescent Mental Health, Elderly Mental Health and Substance Misuse.

The audit was undertaken by D&A Clinical Coding Consultancy Ltd who are Connecting for Health registered auditors.

Relevance of Data Quality and actions to improve Data Quality

Data quality is central to understanding, delivering and managing safe services. Accuracy and timeliness underpins a high standard of collection, reporting and submission; we will be taking the following actions to improve data quality:

- Increasing the involvement of clinicians in the validation of data held in the IT system(s)
- Continuing to strengthen the effectiveness of our Data Quality Forum
- Continuing to actively manage data Key Performance Indicators
- Continuing to focus on clustering as part of PbR/tariff readiness

The Data Quality Forum continues to operate effectively with a data quality register in place which is endorsed by our Commissioners.

The group provides direction on which areas of data quality the Trust will focus, maintains robust reporting procedures

and communicates data quality issues to the wider Trust as appropriate.

The group's membership consists of corporate and clinical representatives; also a representative from our commissioners is invited to attend each meeting.

PART 3 REVIEW OF QUALITY PERFORMANCE FOR 2013/14 (LOOKING BACK) and STATEMENTS FROM PARTNERS

This section is in three parts:

Section 3.1 - Reviews performance against the key priorities defined in the 2012/13 Quality Account, which were aligned with the Commissioning for Quality Innovation Scheme (CQUINS), agreed with our local Commissioners.

Section 3.2 – Adds to the information provided in section 3.1 and provides a summary of our performance against a range of quality indicators / metrics, which are of interest to people who use our services. Each quality indicator / metric is linked to one or more of the following three headings: **Patient Safety; Clinical Effectiveness; and Patient Experience.**

Section 3.3 – Includes reference to those involved in the development of this Account and statements from key partners.

3.1 PERFORMANCE AGAINST THE KEY PRIORITIES FOR 2013/14 AS CONTAINED IN THE 2012/13 QUALITY ACCOUNT

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.

For 2013/14, therefore we identified six priority areas in total, which contribute to improved safety; clinical effectiveness; patient experience and innovation. Each section below describes the area being reviewed; the metric used to measure performance; and the overall Trust performance.

Against the CQUIN performance framework, in total we achieved **100%** of the schemes.

All schemes were achieved in full resulting in quality improvements for those using our services.

PRIORITY AREAS:

Commissioning for Quality Innovation (CQUIN) Scheme for 2013/14:



100% Achievement









Less than 100% Achievement



Non-Achievement

The following table identifies the six priorities as identified by the CQUIN Scheme for 2013/2014:

Priority	CQUIN Area	Patient Safety	Clinical Effectiveness	Patient Experience	Innovation
1	NHS Safety Thermometer Reduction in the prevalence of patient falls resulting in harm to the patient 	✓			
2	Progressing the Pathway to Employment Individual Placement and Support (IPS) is a recovery-based approach, which identifies and supports service users' employment aspirations and goals. 		✓	✓	✓
3	Patient Experience A review of the experience of inpatients and their carers by developing and implementing a series of visits to ward areas based on the '15 Steps Challenge for Mental Health Organisations' 		✓	✓	✓
4	Patient Engagement in Payment by Results (PBR) Clustering Joint production with services users of an engagement plan with clear and measurable objectives. 		✓	✓	✓

5 Suicide Prevention Improvement in the identification and care planning for patients 'at risk' of self-harm 	✓			✓
6 Physical Health Facilitate patients with severe and enduring mental health needs whose main or only contact with healthcare services is via mental health services, to be supported in accessing the physical health services they need. 	✓	✓	✓	✓

The following table summarises the achievement for each of the six priorities as identified by the CQUIN Scheme for 2013/14:

NB ✓ denotes full achievement

GOAL Number	Indicator Name and Number	Achieved
1	NHS Safety Thermometer	✓
2	Progressing the Pathway to Employment	✓
3	Patient Experience	✓
4	Patient Engagement in Payment by Results (PBR) Clustering	✓
5	Suicide Prevention	✓
6	Physical Health	✓
Overall Performance		100%

A high level of performance has been achieved as part of the 2013/14 CQUIN scheme with a significant amount of work undertaken in addition to the milestones agreed with local Commissioners which has contributed to improving the quality of services provided.

Safety Thermometer

Over the last year Combined Healthcare has reported against the National Safety Thermometer, which aims to reduce harm from pressure ulcers, falls, urinary catheters and venothromboembolism (VTE). The idea is simple; to stop thinking about care in silos and to aim to prevent these 4 harms for each and every patient.

The Safety Thermometer is a point of care survey instrument and allows teams to measure harm and the proportion of patients that are 'harm free'. It provides a 'temperature check' on harm and can be used alongside other locally agreed measuring tools.

For Combined Healthcare, the CQUIN data is collected using the ST in the older person's mental health wards, the Darwin Children and Young, People inpatient area and the Learning Disability inpatient areas (Chebsey and A+T/Telford). However for the scope of the CQUIN all inpatient areas were included.

For the 2013/14 CQUIN programme, the Trust looked to improve the current level of performance with regards to the Safety Thermometer. The Operational Group identified Gold Standards for Falls, Tissue Viability and Hydration and Nutrition, derived from evidence based guidance and specified the targets to be achieved.

Falls

The Gold Standards for Falls are derived from the NPSA toolkit for Mental Health Hospitals (2009) and NICE Guidance (June 2013) Falls: assessment and prevention of falls in older people. These standards cover all people over the age of 65 and people aged 50 to 64 who are admitted to hospital and are judged by a clinician to be at higher risk of falling because of an underlying condition. The NPSA toolkit advises that there are other vulnerable groups which may be determined locally that need an in-depth assessment and plan of care for falls prevention (e.g. those who try to walk alone although unsafe to do so, those who express a fear of falling, those whose relatives are worried they may fall and those with confusion and agitation). In addition, the NPSA guidance recommends that specialist departments might wish to add their own pragmatic triggers, for example, considering service users whose consciousness level is affected by alcohol to be temporarily at high risk of falls. Whilst the majority of patient falls within NSCHT occur within older people's areas there are other 'hotspot' areas. Therefore a decision was made to consider both sets of evidence base for setting the gold standards.

The Trust Falls Implementation group acted as the gold standards operational team, conducting visits to areas not within their remit. The team selected 5 sets of notes at random to review against the gold standards.

Immediate feedback was given to the ward team member on the visit, followed up by written feedback, after which an action plan was developed; identifying the gaps in gold standards and solutions required. Areas were then required to provide monthly updates against their action plan and were revisited 4 months following their initial visit.

Tissue Viability and Pressure area care

The operational group concentrated on the Gold Standards for Tissue Viability as derived from the Stop the Pressure Campaign. The care bundle improves processes of care and patient outcomes by providing health care providers with a small, straightforward set of evidence-based practices. When performed collectively and reliably, these bundles have been proven to improve patient outcomes. The SSKIN (Skin, Surface, Keep moving, Incontinence and Nutrition) Care Bundle is a powerful tool as it defines and ties best practice together and makes the process of preventing pressure ulcers visible to all. The SSKIN bundle is a key intervention in the Stop the Pressure Campaign and is embedded into the Pressure Ulcer Path, developed by NHS Midlands & East, along with its prevention and treatment bundles.

Nutrition and Hydration

The Operational group concentrated on the Gold Standards for Nutrition as derived from the National Patient Safety Agency (NSPA) 10 Key Characteristics of Good Nutritional Care in Hospital and the Royal College of Nursing and National Patient Safety Agency Hydration Best Practice Toolkit. The Trust has a Nutrition and Hydration Policy Strategy that embraces very good practices in Nutrition and Hydration. This has ensured that a significant amount of work is being undertaken in partnership with all stakeholders across our services to ensure that the nutritional status of all patients accessing our service is not compromised. Baseline information has been gathered by reviewing all the practices in the Trust that support Nutrition and Hydration.

1. The previously used 'Meeting Nutritional Needs' Audit tool did not address hydration issues and the audit itself was carried out only once on some of the inpatient wards. Therefore the audit tool was adapted to address the hydration issue and the audit was carried out twice and covered all inpatient areas.
 - a. The Key Performance Indicator Audit Tool for Physical Health Screening did not include a question on care planning for patients at high risk of malnutrition. It thus needed to be reviewed to ensure that it incorporates this.
 - b. Last year no specific Audit reports for Nutrition were produced from the Key Performance Indicator Tool for Physical Health Screening. This year three monthly Nutrition specific reports from the Audits were produced.
2. Last year, Pictorial Menus were successfully introduced to the older people's inpatient wards and were rolled out to all inpatient areas at the Harplands. This year a pilot to introduce Pictorial Menu's in the Learning Disability Inpatient Services was implemented by focusing on the Assessment and Treatment Unit and Chebsey Close and for Children services at Dragon Square
3. Where clinically appropriate, patients should have access to fresh drinking water, at the correct drinking temperature, at all times. Members of the Gold Standard Team supported wards to devise and implement action plans in specific ward areas where audits highlight that there are issues related to hydration;

making use of the Hydration Best Practice Toolkit and the 20 Practical Tips for encouraging water consumption.

4. Members of the Nutrition Link Group produced a leaflet on patient hydration, which was launched in Nutrition and Hydration week and which is freely available across all ward areas
5. The Gold Standard Team also produced a newsletter, after each nutrition link group; highlighting good practice, successes and lessons learnt from the different audits.

Patient Experience

The Patient Experience CQUIN for 2013/14 had two component parts. Firstly, the Trust has continued to use the Friends & Family test (Net Promoter score) for our ward based patients. Secondly, the Trust has used the '15 steps challenge' as a format for carrying out the Trust Board to Team visits.

The challenge toolkit helps to structure these observations and capture the confidence and trust as it is seen, heard and felt. The challenge team explored the quality of care under four categories;

1. How welcoming the service / environment is
2. Safety
3. Impressions about how caring and involving they found the service to be.
4. Impressions about how well organised and calm they found the service to be

During the course of the year all our in-patient teams were visited using the 15 steps challenge model and the teams made some significant improvements to their environment and processes in response to the programme.

Care Clustering

The PbR Working Group approached the CQUIN in a collaborative manner, working with service users, carers and third sector partners to develop the written information and awareness sessions. We were able to engage with a wide range of stakeholders in the cluster awareness sessions and there is continued enthusiasm to take the work forward.

Preventing Suicide

CQUIN 5 (Suicide Prevention) demonstrated the benefits of integrated working within the Trust as an enthusiastic group of professionals from different backgrounds used their skills to raise awareness of suicide across the organisation and worked together to develop good practice relating to risk assessment. One of the key achievements relates to the acknowledgement that we perhaps needed to look at a more robust risk assessment/ management tool which led to a formal review of the Trust's own risk tools as well as a

number of other validated tools used across the country. The tool identified had already been favourably piloted by the Early Intervention team and is now being piloted for 3 months by the Access team. This will lead to the Trust adopting a values based risk tool which will be reflected in the new training to be rolled out to all staff over the next 12 months. Another achievement has been the completion of a series of 'stories' which captures the learning for the Trust and the experiences of individuals involved in the investigation process. The impact on staff of an unexpected service user death is explored in an exceptionally powerful piece of work which we hope will be published by the author at some point in the future.

3.2 PERFORMANCE IN 2013/14 AS MEASURED AGAINST A RANGE OF QUALITY INDICATORS

This section of the Quality Account provides a summary of our performance as measured against a range of quality indicators / metrics, which are of interest to people who use our services, indeed most were selected for inclusion by key stakeholders. The information is presented under the three main headings of: **Patient Safety; Clinical Effectiveness; and Patient Experience**. Each section describes the area being reviewed; the metric used to measure performance including the unique reference code; and the overall Trust performance.



Target/outcome achieved





Target/outcome not fully achieved



Target/outcome not achieved

PATIENT SAFETY

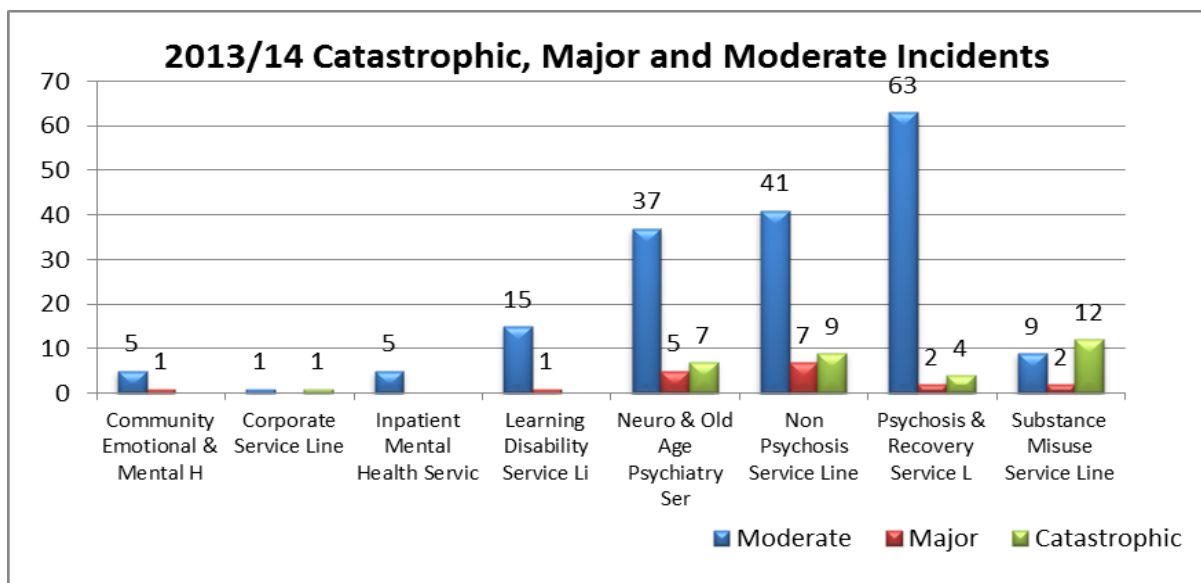
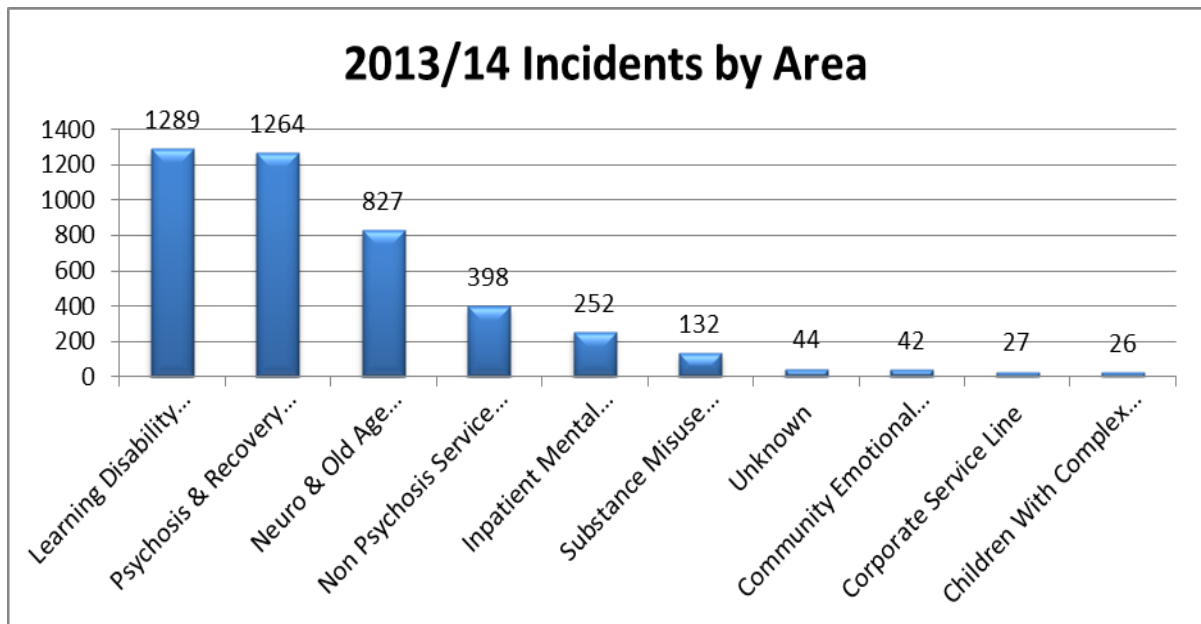
Area of Performance	Environments & Cleanliness		
Metric - Method of Calculating Performance:	Trust Metric: KPI / 5 Environments / cleanliness as assessed by the Patient Led Assessment Care Environment Team (PLACE)		
Performance		We are proud of our cleanliness standards and in 2013/14 the Trust's PLACE overall score for cleanliness was 98.01%. Each PLACE inspection team included 50% patient representation and an independent validator.	
PLACE 2013/2014	Cleanliness including hand hygiene	Privacy, Dignity and Wellbeing	Condition, Appearance and Maintenance
HARPLANDS HOSPITAL	98.28%	95.94%	87.03%
DRAGON SQUARE COMMUNITY UNIT	99.30%	84.62%	84.62%
LEARNING DISABILITIES UNIT HILTON ROAD	95.02%	88.64%	85.09%
THE BUNGALOWS, 1 - 6 CHEBSEY CLOSE	99.01%	80.44%	82.88%
DARWIN - FKA CLYDESDALE CENTRE	98.40%	86.43%	80.49%
FLORENCE HOUSE	97.62%	87.33%	90.54%
SUMMERS VIEW	95.07%	83.33%	80.26%
TRUST OVERALL SCORE	98.01%	92.40%	85.88%


Area of Performance: Incidents (Clinical and Non-clinical)				
Metric - method of calculating performance:		Trust Metric: QI PS 5 Incidents		
		2012/13	2013/14	
Performance		General Incidents	5612	3711
		Moderate	600	474
		Major	27	34
		Catastrophic	62	82
		Total	6301	4301
Incidents resulting in severe harm or death as a % of total		10.4%	4.05%	

The Trust has welcomed the implementation of the Safeguard Risk Management System in 2013 incorporating Incident Reporting, Safeguarding Vulnerable People, Customer Care and Risk modules. Implementation of the incident reporting module to replace the former Trust EWorks system has seen over 500 staff trained to use the system and to reinforce the purpose and responsibilities for reporting incidents, errors and near misses. It is pleasing to note that there has been no reduction in reporting following implementation. Following the embedding of the system, a well-established library of weekly and monthly incident trend reports are generated for Service Lines and assist in enhanced analysis of trends and themes to improve patient and workforce safety.

The table above illustrates the reduction in overall reported incident across the

Trust for the period 2013/14. Analysis of the reduction can be attributed predominantly to a decrease in incident reporting within the Learning Disability Service Line. A significant proportion of reported incidents involve Service Users from Chebsey Close Bungalows and following the resettlement in to alternative accommodation of a number of the Service Users with highly complex and challenging needs and behaviours , there has been a month on month reduction In total reported incidents of , in particular , self-injurious and violent incident categories. It is positive to note that incident reporting training and awareness sessions has resulted in a wider number of teams now reporting incidents of all types. Monthly Service Line trend reports assist Managers in identifying overall reporting by tem, by incident category and by severity and underpins actions for delivery of safer services.



Area of Performance: Incidents Reported to the National Patient Safety Agency (NPSA)		
Metric - method of calculating performance:	Trust Metric: KPI Number of Incidents Reported to the National Patient Safety Agency – to March 2014	
Performance		There were 2385 NPSA incidents reported during 2013/14 . Of these, the number of incidents resulting in severe harm or death (66) as a percentage of the total was 2.76%. In 2012/13 , there were 2536 NPSA reportable incidents; the number of incidents resulting in severe harm or death (71) as a percentage of the total was 2.8%.

Most recent published benchmarking data (April 2013-Sept 2013):	Severe harm as % of total	Death as % of total
Trust	0.8	2.7
National average	0.4	0.9
Highest	1.6	4.7
Lowest	0	0

North Staffordshire Combined Healthcare NHS Trust considers that this data is as described for the following reasons:

- We report externally to the NRLS in line with national guidance
- We have a robust incident reporting system in place with clear policy guidance and training

The Trust has taken the following actions to improve this score, and so the quality of its services, by:

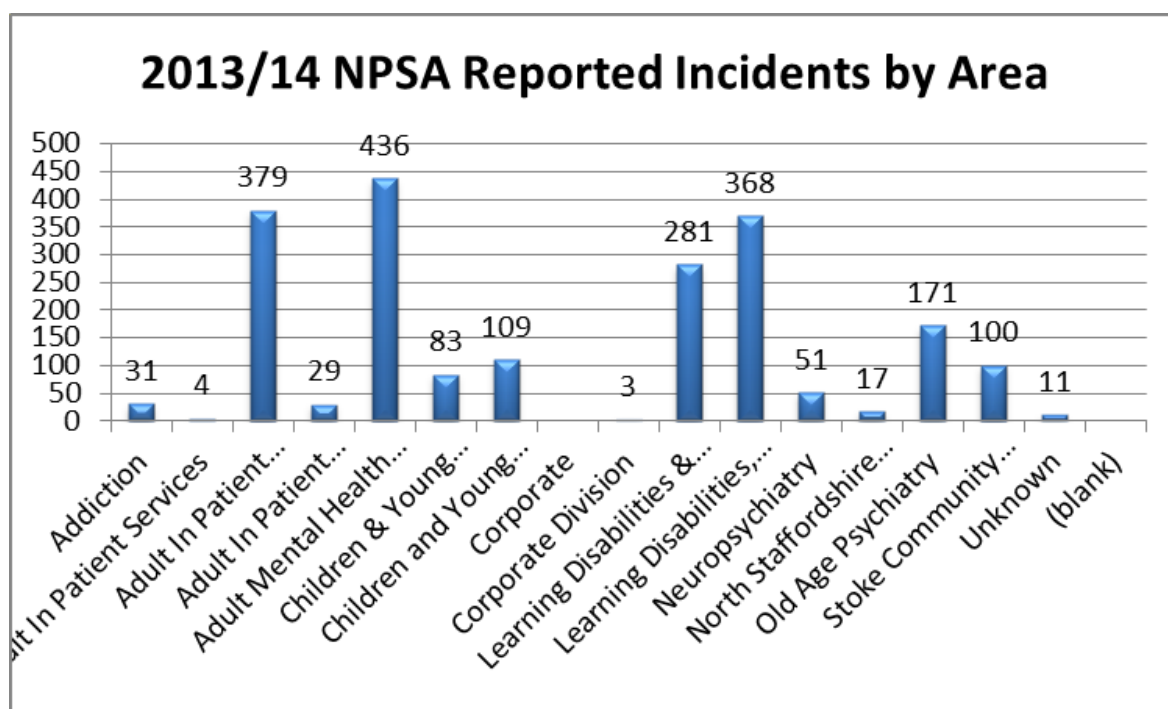
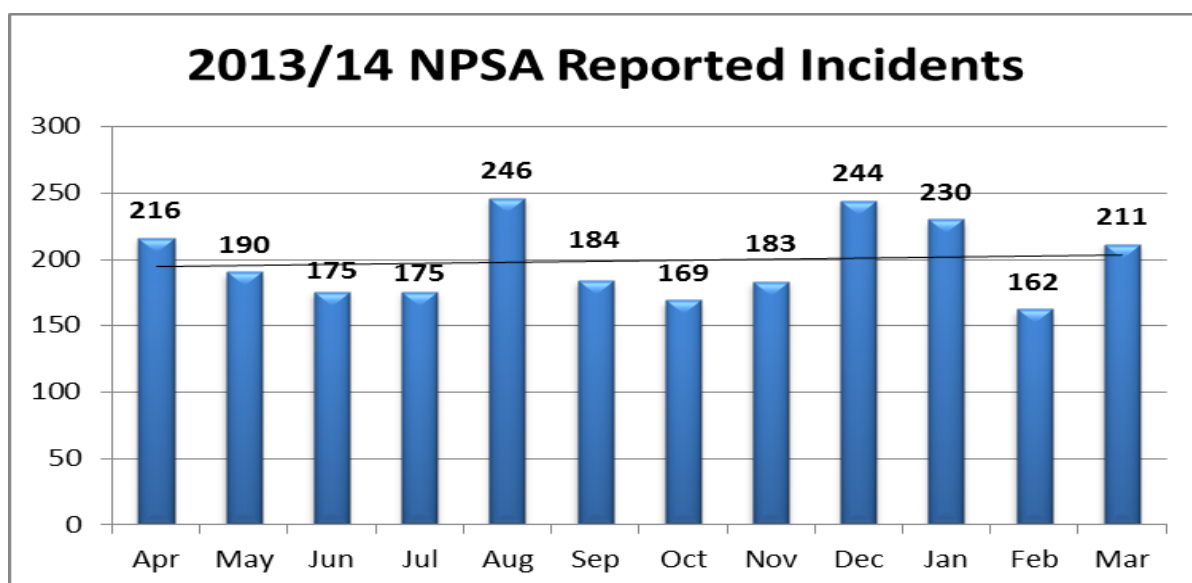
- Ensuring that lessons learned are cascaded via a bi-monthly newsletter, regular learning events and care presentations
- Continuing to monitor benchmarking reports

The Trust is required to report Patient Safety Incidents (PSI's) to the National Reporting and Learning System (NRLS). This is the only data collection agency nationally and the data submitted is analysed by subject experts to provide Trusts with six monthly Organisational reports, based on data submission and will provide benchmarking data based on incidents reported by Occupied Bed Days (OBD's), by incident type, severity and frequency of reporting. This data provides the NRLS with evidence of actual and near miss Patient Safety Incidents which in turn leads to the generation of national Patient Safety Alerts intended to highlight specific incident trends with advice on local and national actions to minimise further incidents occurring. The Trust has seen significant progress in the refinement and integrity of the submitted data to the NRLS and has noted an improvement in the quantity and quality of the submitted data. The Trust noted that they appeared to have a significantly high number of catastrophic incidents in comparison to benchmarking against other Trusts. In partnership with colleagues from the NRLS, the Trust noted that all reported deaths had been externally reported and that the data included natural cause deaths not

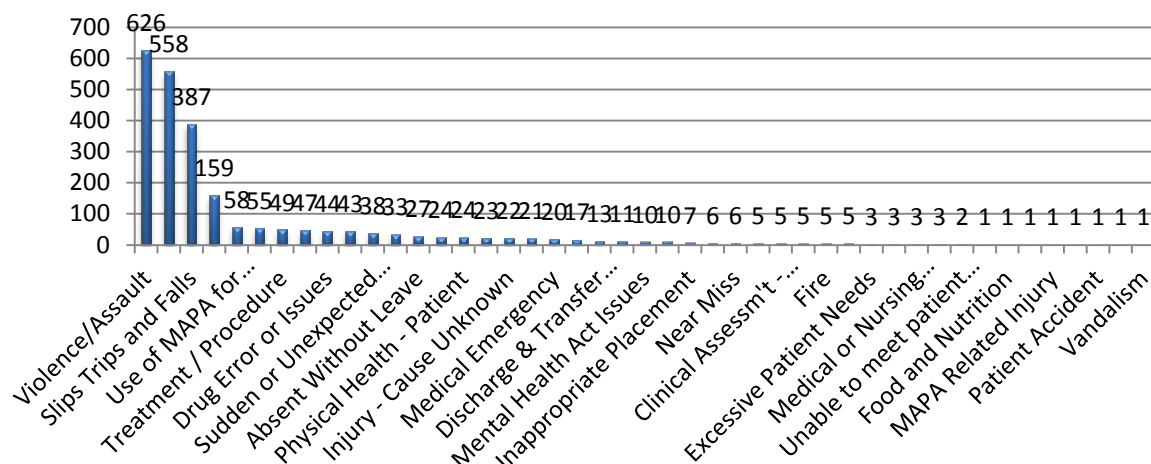
classified as a patient safety incident. We are confident that future Organisational reports will reflect that the Trust is reporting data in line with NRLS guidance.

NPSA describes these incidents as “Patient Safety Incidents which are any unintended or unexpected incident which could have, or did, lead to harm for one or more patients receiving NHS funded healthcare”.

The following data shows the number of incidents and their classification by area and type which were reported to the NRLS by the Trust in 2013/14. (Previous year figures are available in our 2012/13 Quality Account, a copy of which is held on the Trust website www.combined.nhs.uk)



2013/14 NPSA Reported Incidents by Type



Area of Performance: 'Never Events'

Metric - method of calculating performance: Trust Metric: QI PS 8 Never Events

A Never Event is a serious, largely preventable, patient safety incident that should not occur if the available preventative measures have been implemented. An example would be an inpatient suicide-using curtain or shower rails.

Performance



Nil - There have not been any 'never events' in the Trust

Area of Performance: Serious Incidents (SIs) (Clinical and Non-clinical)

Metric - method of calculating performance: Trust Metric: KPI 17.17 Investigating and Reporting of Serious Incidents

Performance



During 2013/14 there have been 79 serious incidents reported by the Trust

At the time of generating this metric (26 March 2014) 77 SIs have been reported of which 16 are still outstanding. Of the 79 investigations, 18 are outstanding and within contractual timescales or subject to Commissioner agreed extension of deadline and, of the remaining 61, only 1 investigation was submitted outside the contractual timescale

During 2013/14, one incident breached the 40 working day deadline.

Serious Incidents

2013/14 performance in respect of the timely investigation, quality of completed investigations and the approaches taken to learning from serious incident investigation has seen significant progress with positive Commissioner Review of performance.

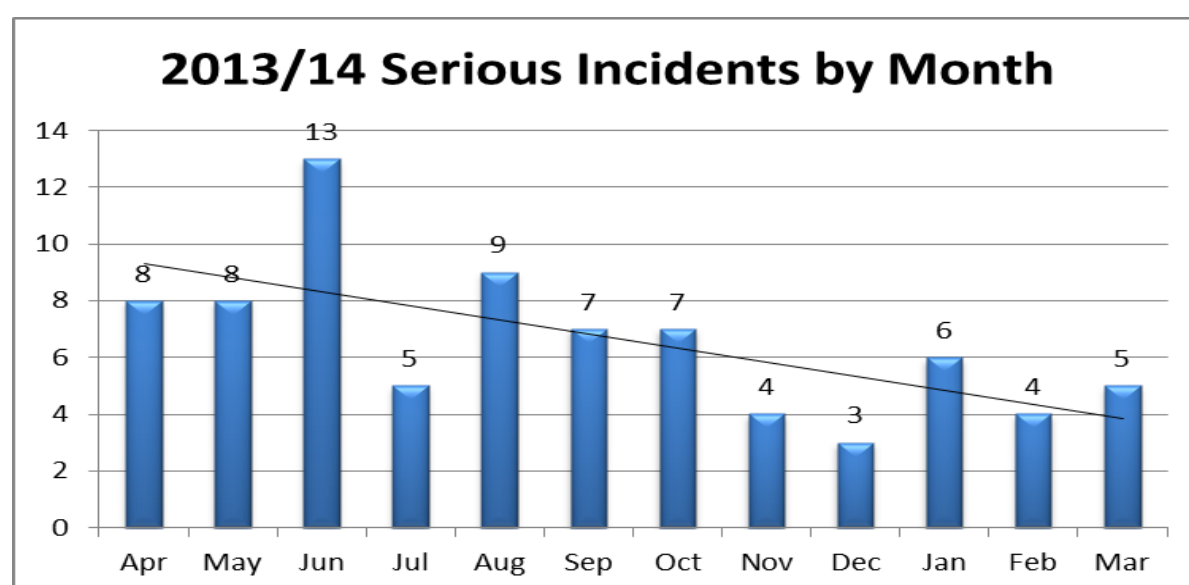
A Trust-wide programme of learning from incident investigations has been introduced and implemented with a revision of the investigation process to ensure the inclusion of all parties involved in the incident, timely feedback and involvement in agreeing appropriate actions where required. Key points learned from incident investigation are captured in a bi-monthly Learning Lessons briefing and further complimented by regular academic learning events open to all grades of staff.

We continue to work in partnership with the Divisional Governance leads to ensure trends arising from incidents are reflected through Divisional meetings and reported to the Trust Quality Committee with a quarterly thematic review of data by serious incident type, area, and learning captured within the report.

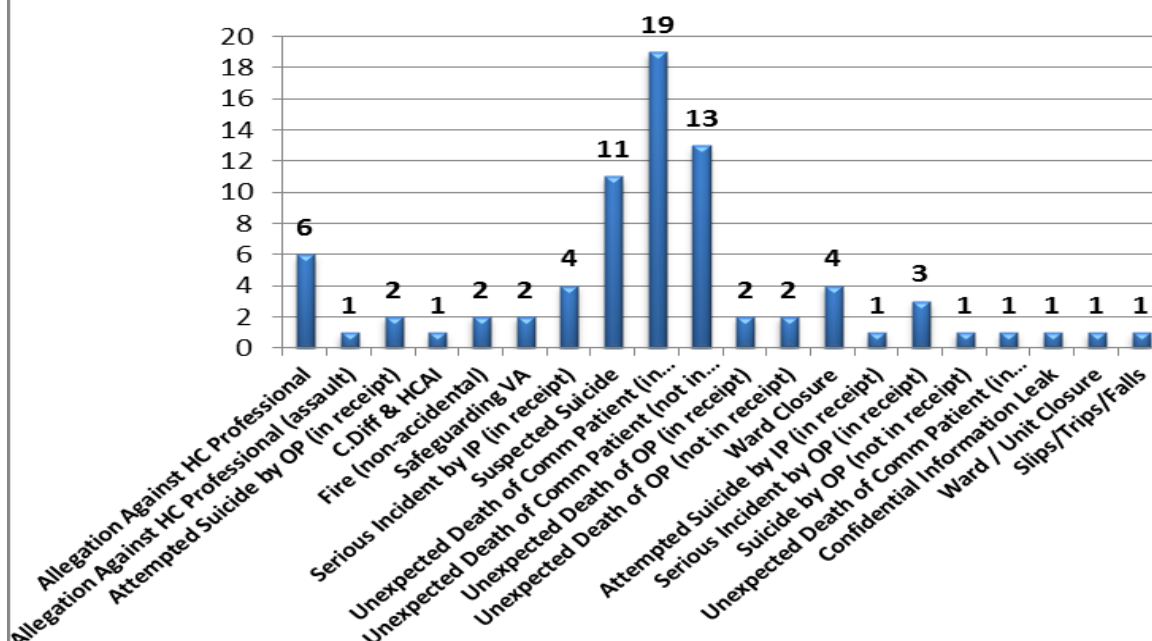
The data reflected below illustrates serious incident reporting broken down by month and by incident type. Although there is marked monthly variation, review of the last two years data does not highlight any significant monthly or seasonal trends. The increase in June 2013 was subject of a thematic review and the results revealed that there were no trends or themes by incident type, service area or investigation recommendations.

We note that the category of Unexpected Death continues to be the highest reported serious incident type and it is noted that deaths that are directly attributed to the long term, harmful use of alcohol have increased.

The Trust have continued to work closely with and contribute to the Public Health led Suicide Prevention strategy initiative in conjunction with the Trust CQUIN Suicide/Self Harm initiative for 2013/14



2013/14 Serious Incidents by Type



Area of Performance: **Healthcare Associated Infection (HCAI): MRSA**

Metric - method of calculating performance: Trust Metric: KPI 17.7 MRSA Bacteraemia (numbers)

Performance



Nil - We are delighted to report that we have had no Meticillin resistant Staphylococcus Aureus (MRSA) bloodstream infections since 2007 which is, in part, due to the introduction of the MRSA screening programme for all admissions to hospital inpatient wards and units, staff awareness, training and education.


Area of Performance: **Healthcare Associated Infection (HCAI): MRSA Screening**

Metric - method of calculating performance: Trust Metric: QI 17.7i MRSA Screening (%). Elective and emergency hospital inpatient beds.

Performance



Overall 100% as an average for 2013/14.
We are very proud to achieve a high level of screening throughout 2013/14

Area of Performance: Healthcare Associated Infection (HCAI): Clostridium Difficile	
Metric - method of calculating performance:	Trust Metric: KPI 17.8 Clostridium Difficile (numbers)
Performance	 <p>One case of Clostridium Difficile was identified in year</p> <p>The Trust's target was in excess of the NHS England in reported Clostridium Difficile (CD) cases compared to the equivalent period last year</p>


There has been no Methicillin resistant Staphylococcus aureus (MRSA) blood stream infections, and no Methicillin sensitive Staphylococcus aureus (MSSA) blood stream infections reported.

One reported case of Escherichia coli (E. coli) blood stream infection was reported in February 2014.

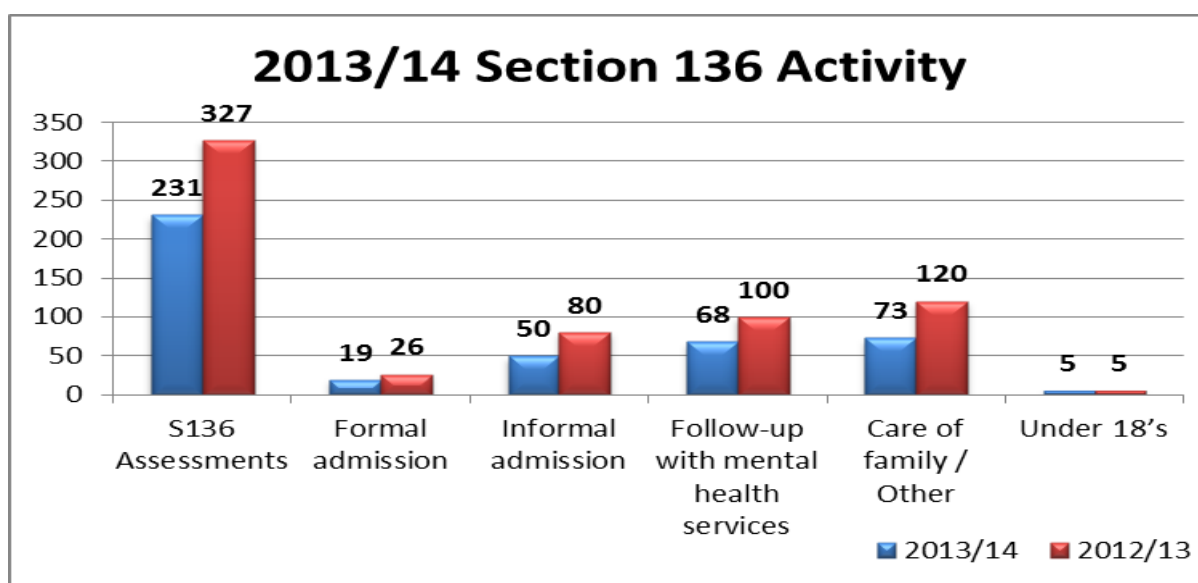
There has been four outbreaks reported and managed as norovirus and all were successfully contained within the affected area.


We are pleased to report consistent year on year reductions in healthcare associated infections over a significant number of years and are looking forward to the challenge of reducing the number of infections still further.

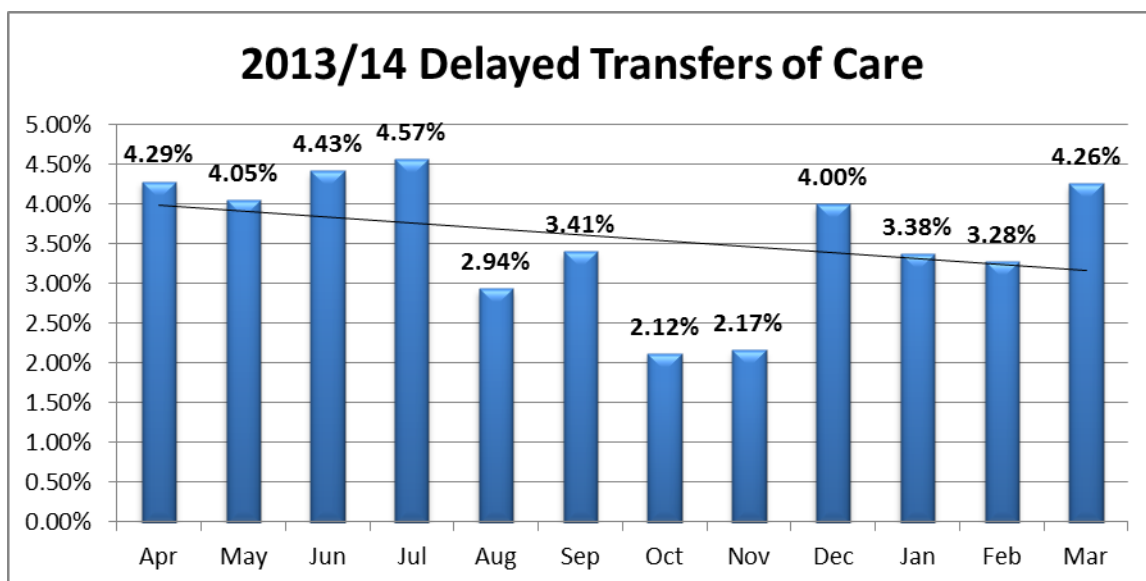
CLINICAL EFFECTIVENESS

Area of Performance: Mental Health Activity	
Metric - method of calculating performance:	QG.43 Mental Health Activity
Performance	 <p>231 assessments under Section 136 of the Mental Health Act took place at Harplands Hospital Place of Safety. The outcome of these assessments is as follows:</p> <ul style="list-style-type: none"> • 8.23% - Formal admission to hospital under the Mental Health Act. • 21.65% - Informally admitted to hospital. • 32.03% - to be followed-up by mental health / social care services. • 32.46% - Other / care of family / own GP. <p>Of all assessments 2.16% - Assessed were under the age of 18.</p> <p>From the above data, it can be seen that the vast majority of people assessed under Section 136 of the Mental Health Act are not admitted to hospital.</p>

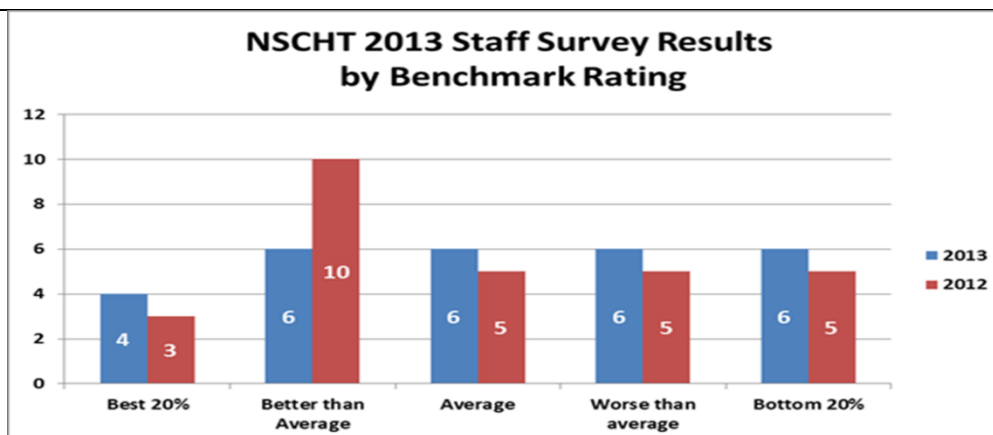
This data shows the number of assessments carried out under Section 136 of the Mental Health Act (police power to remove a person to a place of safety). The Harplands Hospital Section 136 Assessment Suite is the first choice designated place of safety and all service users are assessed here or at the second choice designated place of safety, which is currently the Northern Area Custody Facility at Etruria. This data shows the outcome of the assessments in terms of admission to hospital and the number of cases where the person was under the age of 18 years.



Area of Performance: Delayed Transfers of Care	
Metric - method of calculating performance:	KPI 17.12 Delayed Transfers of Care
Trust Performance:	 <p>Overall, for 2013/14 the Trust's rate for delayed transfers of care is 3.58 % against a target of 7.5%. Significant progress has been made in maintaining the reduction in the number of people whose transfer was delayed from 4.43% in 2012/13 to 3.58% in 2013/14 resulting in the Trust achieving and maintaining the target of less than 7.5%.</p>



Area of Performance:	Staff Satisfaction
Metric - method of calculating performance:	KPI 11.1: Staff satisfaction as measured by the annual national staff satisfaction survey
Trust Performance:-	
<p>The national Staff Survey took place in September–December 2013. The survey results were published by NHS England and, for the first time, our Trust scores recognised nationally are based on the full census survey results (rather than on a random sample sub-section of staff).</p> <p>751 Trust staff took part in this survey, giving a response rate of 56% which put the Trust in the ‘top 20%’ of mental health/learning disability trusts in England for response rate. This represented an improvement from our 2012 response rate of 51%. Full details of the Trust’s performance in the 2013 staff survey are available on the NHSstaffsurveys website.</p> <p>The 2013 results demonstrate that the Trust has been able to maintain staff satisfaction levels across the range of survey measures, despite challenging conditions for the Trust and wider NHS both locally and nationally.</p> <p>Twenty-six of the 28 measures remained constant, two improved [% staff experiencing physical violence from staff in last 12 mths (from 6% in 2012 to 3% in 2013) and % staff appraised in last 12 mths (from 90% in 2012 to 94% in 2013)] and only one measure showing deterioration since the 2012 survey [% staff saying that they are working extra hours - from 61% to 69%].</p>	



The Trust increased the number of measure in the Best 20% of mental health trusts from 3 to 4. Overall, 16 of the 28 measures were rated 'average' or better.

Top Five Ranking Measures for NSCHT in the 2013 Staff Survey (compared with other MH trusts):-

- % staff appraised in last 12 months (94%, average = 85%) - TOP 20%
- % staff experiencing discrimination in last 12 months (8%, average = 13%) - TOP 20%
- % staff experiencing harassment, bullying or abuse from staff in last 12 months (17%, average = 20%) - TOP 20%
- % staff receiving H&S training in last 12 months (82%, average = 75%) - TOP 20%
- % staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months (27%, average = 30%) – BETTER THAN AVERAGE

Bottom Five Ranking Measures for NSCHT:

- Effective team working (3.72; 3.83 average for MH Trusts)
- Staff recommendation of the trust as a place to work or receive treatment (3.33, 3.55 average)
- % staff experiencing physical violence from patients, relatives or the public in last 12 months (25%, 19% average)
- % staff agreeing that their role makes a difference to patients (88%, 90%)
- Work pressure felt by staff (3.17, 3.07 average)
- Staff motivation at work (3.77, 3.85 average)

Most recent published benchmarking data (Staff recommendation measure):	2012/13	2013/14
Trust	3.29	3.33
National average	3.54	3.55
Highest	4.06	4.04
Lowest	3.06	3.01

North Staffordshire Combined Healthcare NHS Trust considers that this data is as described for the following reasons:


- The results are collated and provided externally by the National NHS Staff Survey Co-ordination Centre


The Trust is taking the actions detailed within this section to improve this score, and so the quality of its services.

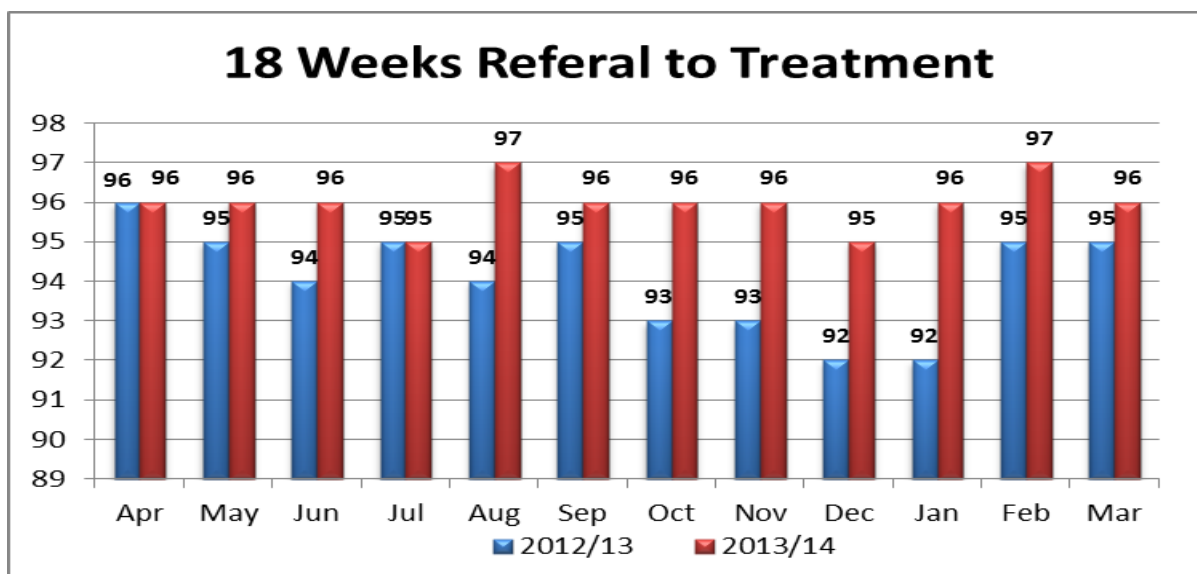
The Trust is addressing feedback from the 2013 Staff Survey through a number of key actions as part of its Staff Involvement and Engagement Strategy. These include rolling out the Aston Effective Team Leaders Programme to all Trust team leaders in 2014-15 and launching a Listening into Action programme. We are additionally continuing to review our practices to prevent violence towards staff from patients and service users and to learn from incidents that do occur to aid our efforts to effectively protect and support staff from physical and mental harm when at work. The Trust is actively reviewing staff levels and work pressure across its services.


The Trust was slightly worse than average on the measure of Staff job satisfaction in the 2013 survey (scoring 3.64, whereas the average for MH trusts was 3.67).

The Trust will continue to focus on developing its Staff Involvement and Engagement Strategy as a key means of improving both staff and patient experience across the organisation throughout the coming year.

Area of Performance: Physical Health Checks					
Metric - method of calculating performance:	Physical health checks				
Trust Performance:		Quarter 2013/14	Response Rate	Outcome for % of Physical Health Checks	The outcomes shown are the percentage of physical health checks completed which included all necessary elements which form a full physical health check
		Quarter 1	96%	75%	
		Quarter 2	98%	80%	
		Quarter 3	95%	68%	
		Quarter 4	89%	67%	

Area of Performance: Waiting Times	
Metric - method of calculating performance:	KPI 17.7 18 week RTT (Referral To Treatment) waiting time targets
Performance	 96% The Trust monitors the waiting time for outpatient appointments which show the proportion of people on the waiting list for a service who have been waiting for their first appointment for treatment for more than 18 weeks. The Trust target is for no one to have to wait over 18 weeks although the Trust has not yet achieved this target. Significant improvements have been made during the year reducing the percentage waiting



Area of Performance: 7 Day Follow Up of CPA Patients													
Metric - KPI 17.5 Follow up of patients within 7 days of discharge – (Mar 2014) method of calculating performance:													
Trust Performance: 		April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
	2013/14	100%	98%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	2012/13	96%	94%	96%	96%	100%	97%	100%	100%	96%	100%	100%	98%


Most recent published benchmarking data:	Q3 2012/13 (%)	Q4 2013/14 (%)
Trust	97.4	100
National average	97.6	97.4
Highest	100	100
Lowest	92.5	93.3

North Staffordshire Combined Healthcare NHS Trust considers that this data is as described for the following reasons:

- We have well-established mechanisms in place to enable validation of data and monitor data quality
- All staff are aware of their responsibilities with regard to data quality

The Trust has taken the following actions to improve this score, and so the quality of its services, by:

- Focussing on ensuring follow ups take place face-to-face (95%+) rather than by telephone
- Introducing weekly checks and a strengthened escalation process

Area of Performance: Crisis Resolution Gate kept Admissions – Acute													
Metric - method of calculating performance		KPI 17.14 Acute Admissions Gate kept by Crisis Resolution Teams (Mar 2014)											
Trust Performance: 		April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
	2013/14	100%	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	2012/13	100%	100%	97%	92%	100%	95%	99%	93%	90%	97%	100%	99%


Most recent published benchmarking data:	Q3 2012/13 (%)	Q4 2013/14 (%)
Trust	94.1	100
National average	98.4	98.3
Highest	100	100
Lowest	90.7	75.2


North Staffordshire Combined Healthcare NHS Trust considers that this data is as described for the following reasons:


- We have well-established mechanisms in place to enable validation of data and monitor data quality
- All staff are aware of their responsibilities with regard to data quality

The Trust has taken the following actions to improve this score, and so the quality of its services, by:


- Introducing weekly checks and a more robust escalation process

Area of Performance: Service Users on Care Programme Approach (CPA) Care Review													
Metric - method of calculating performance:		KPI 17.4 Number of patients on CPA who have received a care review in the past 12 months (2012/13 Trust & Monitor Target 95%)											
Trust Performance: 		April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
	2013/14	96%	95%	96%	97%	95%	93%	92%	93%	95%	96%	96%	96%
	2012/13	90%	92%	90%	94%	98%	97%	97%	97%	96%	96%	96%	96%


Area of Performance: Patients in Settled Accommodation													
Metric - method of calculating performance:		KPI 17.16i Percentage of patients who are in settled accommodation											
Trust Performance: 		April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
	2013/14	90%	90%	97%	98%	90%	91%	91%	92%	92%	92%	92%	92%
	2012/13	90%	90%	89%	89%	89%	89%	90%	90%	90%	90%	90%	90%
The Trust is pleased to have maintained the increase achieved in 2011/12 and continues to work closely with all parties to improve still further.													

Area of Performance: Patients in Employment													
Metric - method of calculating performance:		KPI 17.16ii Percentage of patients who are in employment											
Trust Performance: 		April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
	2013/14	13%	13%	15%	15%	13%	13%	13%	13%	13%	13%	13%	13%
	2012/13	12%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	12%
The Trust has worked hard to increase numbers year-on-year in this very well received local programme and will continue to support patients whenever possible.													

PATIENT EXPERIENCE

Area of Performance: Patient Experience	
Metric - method of calculating performance:	KPI 16.1 Patient experience as measured by the annual national patient survey in relation to community based care – the most recent survey results were published in September 2013.
Trust Performance:	 <p>We are pleased with our most recent survey results PLEASE NOTE: As the reports have been re-designed, the groupings are different from those used in the previous style of benchmark report, which showed the top 20% and bottom 20% of scores. The groupings used are instead based on a statistical analysis</p>

At the start of 2013, a questionnaire was posted to a random sample of 850 adults who had used our community mental health services. 297 people completed the survey, which is a response rate of 35%. Service users were asked about various aspects of their experiences and key results and a number of comments from those who completed the survey are shown below:

Questions relating to	Score out of 10	How this score compares with other trusts
Health and Social Care Workers	8.6	

The care I receive from the doctors and staff has been excellent. I would not be as well as I am to-day, without the care from all of the staff.

National Mental Health Survey Respondent 2013



Benchmarking data:	2012/13	2013/14
Trust	8.6	8.6
National average	N/A	N/a
Highest	9.1	9.0
Lowest	8.2	8.0

North Staffordshire Combined Healthcare NHS Trust considers that this data is as described for the following reasons:

- The results are collated and provided externally by the Care Quality Commission.

The Trust has taken the following actions to improve this score, and so the quality of its services, by:

- Sharing the results with patients, staff and local stakeholders
- Maintaining the focus on patient engagement and involvement at all times





Questions relating to	Score out of 10	How this score compares with other trusts
Talking Therapies	7.2	
Care Coordinator	7.8	

'I am lucky to have an excellent CPN / Care Coordinator. She endeavours to answer all my queries, arranges to see me when she can and has always followed up any queries outstanding. She has never let me down and obviously cares about what she does'

National Mental Health Survey Respondent 2013


'I was very grateful to a psychiatrist who wrote a comprehensive letter supporting my claim for Employment and Support Allowance on mental health grounds'

National Mental Health Survey Respondent 2013

Questions relating to	Score out of 10	How this score compares with other trusts
Care Review	7.2	
Crisis Care	5.9	
Day to Day Living	4.5	
Medications	7.0	


'My medication is working fine and I'm pleased with that so far.'


National Mental Health Survey Respondent 2013

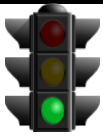
Questions relating to	Score out of 10	How this score compares with other trusts
Overall	6.9	

'I have received excellent care.'

National Mental Health Survey Respondent 2013

Area of Performance: Complaints				
Metric - method of calculating performance:	KPI 15.1 Complaint Acknowledgements, Responses and Trends			
Performance			2011/12	2012/13
		Number of complaints	88	78
		Number acknowledged within timescale	96%	98%
		Number responded to within timescale	84%	85%
		There have been a total of 95 complaints received for 2013/14, an increase of 17 compared to 2012/13.		
		In 2013/14 only one complaint was referred to the Ombudsman by a complainant who was not satisfied with the response provided by the Trust. We are awaiting feedback from the Ombudsman regarding this referred complaint.		

Area of Performance: Patient Advice and Liaison Service (PALS) & Compliments													
Metric - method of calculating performance:	QI 1.8 Numbers and types of contacts via PALS and Compliments												
Performance specific to the services covered by this Quality Account:	<div></div> <p>During the course of the year the patient experience coordinator (PALS) dealt with a wide range of issues raised by service users and carers following contacts, requests and issues were received and addressed from clients within the services detailed in this Quality Account:</p> <table><tr><th>Comments</th><th>Compliments</th><th>Liaison / Help</th><th>Information</th><th>Signposting / onward referral</th><th>Other</th></tr><tr><td>30</td><td>78</td><td>124</td><td>18</td><td>9</td><td>0</td></tr></table> <p>There are no specific timescales attached to the PALS service, however, the ethos is person-centred and service users are kept informed with progress against agreed timeframes in resolving their desired outcomes. There is a high degree of satisfaction with the service indicated by both open and anonymous feedback.</p>	Comments	Compliments	Liaison / Help	Information	Signposting / onward referral	Other	30	78	124	18	9	0
Comments	Compliments	Liaison / Help	Information	Signposting / onward referral	Other								
30	78	124	18	9	0								

Area of Performance: Same Sex Accommodation	
Metric - method of calculating performance:	QI 3.15 Shared Bedrooms QI 3.16 Shared Bathrooms QI 3.18 Overall Compliance
Trust Performance:	<div>  <p>We are proud to confirm that mixed sex accommodation has been eliminated in our trust.</p> <p>Every patient has the right to receive high quality care that is safe, effective and respects their privacy and dignity. We are committed to deliver care with privacy and dignity of which providing every patient with gender appropriate accommodation is an integral element, because it helps to safeguard their privacy and dignity when they are often at their most vulnerable.</p> </div>

3.3 ENGAGEMENT AND STATEMENT FROM KEY PARTNERS

ENGAGING OUR PARTNERS AND STAKEHOLDERS – ‘Three steps to engagement’

North Staffordshire Combined Healthcare NHS Trust remains committed to working collaboratively with a range of partners and as such has included three key steps in the development and publication of this Quality Account. As in previous years, all three steps have been successful and have resulted in key changes in the development and content of this Quality Account.

We would like to take this opportunity to thank everyone who has worked with us and provide assurance that your views and comments have helped to shape this Quality Account.

Step 1 Development Stage:

We have again developed a survey to seek the views of key partners, service user representative groups, local authorities and staff about what they liked and disliked about our previous Quality Account and what should be retained and what should be changed. We sent copies

of the survey to all of these groups and included references to the survey in a public Trust Board meeting. All feedback received was responded to and reviewed as part of the engagement and design process for this Quality Account

Step 2: Agreeing Priorities:

The survey referred to above included a section about the priorities that key partners, service user representative groups, local authorities and staff would expect to see reported in our 2013/14 Quality Account. In addition, we have

held a number of engagement meetings including a dedicated ‘drop-in’ session, attended events and have received written communications from our partners to agree our key quality priorities for 2014/15 as follows:

- Commissioners – North Staffordshire CCG (NHS North Staffordshire) and Stoke-on-Trent CCG (NHS Stoke on Trent)
- Staffordshire Overview & Scrutiny Committees
- Stoke-on-Trent Overview and Scrutiny Committee
- Healthwatch Stoke-on-Trent
- Healthwatch Staffordshire
- NHS England Area Team

Step 3: Sharing the Draft Quality Account:

In line with the Department of Health Guidance, we also produced a draft Quality Account and shared this with key partners as follows:

- Local Commissioners
- Local Healthwatch organisations
- Local Authority Overview and Scrutiny Committees

We invited each partner to provide a statement for inclusion in the Trust's Quality Account. These statements are shown below:

COMMENTS FROM KEY PARTNERS

North Staffordshire CCG and Stoke-on-Trent CCG:

North Staffordshire CCG and Stoke-on-Trent CCG are making this joint statement as the nominated commissioners for North Staffordshire Combined Healthcare NHS Trust. The Commissioners were pleased to attend and contribute to the Quality Account drop-in sessions and comment on the Quality Account for 2013/14.

As part of the contract monitoring process, North Staffordshire CCG and Stoke-on-Trent CCG meet with the Trust on a monthly basis to monitor and seek assurance on the quality of services provided. The Quality Account covers many of the areas that are discussed at these meetings, which seek to ensure that patients receive safe, high quality care.

Review of 2013/14

It is pleasing to note the Trust's commitment to improving quality as demonstrated by:

- *Following an inpatient accidental death and Care Quality Commission inspection the Trust have strengthened their processes for ligature risk assessment, awareness and training. Further, changes have been made to the physical environment at Harplands Hospital.*
- *Commissioners are aware of a number of Care Quality Commission inspection visits during 2013/14 and have received copies of the final reports and action plans from the Trust. All actions have now been closed and the Care Quality Commission have through their follow-up inspections identified that the Trust are compliant with all standards*
- *Commissioners recognise that the Trust continues to make improvements in its management of incidents and have taken positive actions towards fostering a learning culture to improve patient safety, including an immediate face to face, clinically led, meeting with Commissioners in response to the most serious of incidents to support an open and transparent dialogue.*
- *The Trust achieved 100% of the CQUIN outcome measures. Commissioners are pleased that the Quality Account reflects the very real improvements that will benefit patients as a result of the hard work of its staff.*
- *Although it is disappointing that the Trust reported a case of Clostridium Difficile the Commissioners are assured that the Trust manages infection prevention and control appropriately and have strengthened their resilience through a service level agreement with a neighbouring Trust.*
- *No 'Eliminating Mixed Sex Accommodation' breaches have been reported.*
- *Commissioners congratulate the members of staff at the Trust who were shortlisted for four and won two of the regional NHS Leadership Recognition Awards.*

Priorities for 2014/15

Commissioners have worked closely with the Trust to agree quality improvements for 2014/15 using the CQUINs framework which the Trust has aligned to their priorities for improvement which will drive real improvements in quality and safety.

We have received the Trust's response to the Francis Inquiry and their programmes of work to drive the ambition within Francis to improve patient safety, experience and quality. Further, Commissioners have agreed CQUINs with the Trust to embed and sustain improvement in the major themes highlighted within the Inquiry, specifically staff engagement and empowerment and responsive and accessible system for responding to patient feedback meeting the findings of the Clywd-Hart report.

To the best of the commissioner's knowledge, the information contained within this report is accurate.

Stoke-on-Trent Overview and Scrutiny Committee:

The Adult and Neighbourhoods Overview and Scrutiny Committee considered the accounts using the knowledge we have of the provider gained during 2013/14.

The quality accounts appear to cover all of the services the Trust provides and the document is easy to read and is the right level of detail for the public. The proposed easy to read, summary version will be a welcome addition.

The document appears to show patient safety as an area of concern, which was also noted last year. The committee felt that the results of the suicide prevention audit would be a useful inclusion, if time permitted. It was also felt that information on the dual diagnosis and the local guidance which is being produced to ensure all partners are working to the same guidance would have been useful.

There was a notable absence of BME and Eastern European feedback in surveys.

The effects of the financial reductions (£87M to £79m) and maintaining quality services may be of a challenge during 2014/15. Information on how some of the prevention services such as Rapid Assessment Interface Discharge (RAID) and the suicide prevention work stream, can continue to be provided would be informative.

The committee was also interested in the patient experience of the trust, particularly in the following 2 areas:-

- 1. Crisis care – the low response from individuals already in the system where access and response appear mayor concerns. The committee is interested in how responsive the services are for those people who are new/not already in the system.*
- 2. Even more concerning was the lack of information on “the day to day living” services. Despite pressing, the committee was not provided with an explanation of what this service was or why the questionnaire results were so poor (4.5 out of 10). As with the previous item, there is no explanation of how the trust intends to improve service delivery in these areas.*

Staffordshire Health Scrutiny Committee:

We are directed to consider whether a Trust's Quality Account is representative and gives comprehensive coverage of their services and whether we believe that there are significant omissions of issues of concern.

There are some sections of information that the Trust must include and some sections where they can choose what to include, which is expected to be locally determined and produced through engagement with stakeholders.

We focused on what we might expect to see in the Quality Account, based on the guidance that trusts are given and what we have learned about the Trust's services through health scrutiny activity in the last year.

We also considered how clearly the Trust's draft Account explains for a public audience (with evidence and examples) what they are doing well, where improvement is needed and what will be the priorities for the coming year.

Our approach has been to review the Trust's draft Account and make comments for them to consider in finalising the publication. Our comments are as follows.

We are pleased note the positive stance displayed by the Trust in relation to Quality of Service and the on-going commitment to engage with service users and key partners in the delivery of high standards of quality and safe services. We note the list of services covered by the Quality Account and appreciate the Trust Statement and statement of Directors Responsibilities co-signed by the Chairman and Chief Executive.

There is evidence of a rational applied when determining Priorities for quality improvement and the linkage to strategic goals "three steps to engagement" with an outline of the strategy to be applied to ensure delivery.

We note the Priorities for Improvement and their alignment to the CQUIN Scheme 2013-14. Additional information about stakeholders' views on their selection would have been supportive. Also how progress be monitored, measured and reported to Board level.

A number of the Priority areas achievements or non-achievements are to be confirmed

Healthwatch Staffordshire:

Healthwatch Staffordshire is pleased to have the opportunity of commenting on the North Staffordshire Combined Healthcare NHS Trust Quality Account and grateful to the Trust for presenting the draft document to a Healthwatch meeting.

Healthwatch Staffordshire was pleased to attend the REACH Awards Ceremony and see at first hand the wide range of quality services and staff recognised through this celebration.

The draft Account is well-presented. It sets out clearly the performance against a range of quality indicators using the traffic light system for ease of understanding. It is very pleasing to note the majority of performance is rated green with no red indicators. Where performance is rated amber the report would benefit from more information about what action is planned to improve

performance. We are also pleased to note that the key priorities for 2013-14 have been achieved in full.

An early statement in this draft about the importance of integrated care and adopting a whole system approach across health and social care will be an important factor in improving the user experience. The need to enhance access is paramount and if lower level services are not able to meet need, this will put more pressure on specialist services and negatively impact on the user experience and outcomes. This economy –wide work must actively involve patients, users and carers.

This section of the draft Account is quickly followed by descriptions of a range of successes which enhance the document by bringing to life some of the Trust's services. The draft document sets out a wide range of methods employed by the Trust to improve quality including national projects, research and initiatives such as clinical trials and confidential inquiries alongside local initiatives such as mock CQC visits and lessons learned. Information set out against some of this work in the form of tables, charts and graphs is easy to follow.

The existing use of patient and user feedback and plans to extend Real Time feedback is a positive development but it would be good to see more evidence of active involvement in the planning and formal evaluation of services.

The rationale for 2014-15 priorities, namely alignment with CQUIN targets and designed to impact on the four domains of patient safety, clinical effectiveness, patient experience and innovation is well described in the document and supported by Healthwatch Staffordshire. However, the detail of planned activity to achieve these priorities is much less evident. This will make it more difficult for stakeholders to contribute to developments and to monitor progress either on an ongoing basis or as part of the Quality Account this time next year.

During the forthcoming year Healthwatch Staffordshire wishes to explore further opportunities for more active engagement in the Trust's quality initiatives on behalf of local people.

Healthwatch Stoke on Trent:

Healthwatch Stoke-on-Trent welcomed the NSCHT presentation of the draft North Staffordshire Combined Healthcare NHS Quality Account which was received by an audience of Stoke and Staffordshire Healthwatch representatives, and is pleased to have the opportunity to comment. We recognise the challenge ahead for NSCHT in terms of the development and continued provision of the services and we are pleased to see the performance last year so clearly set out using an easy to understand traffic light system. It is pleasing to note that there are no red indicators presenting, but, as noted at the meeting, it would be useful to see more comment describing actions to be taken to improve performance further.

Healthwatch Stoke-on-Trent fully supports the 'Treating the Whole Person' approach and would encourage the Trust to explore how they can ensure that both the mental health and physical needs of their patients are considered during their treatment as the two are equally important.

Whilst the priorities set for 2014-15 are recognised and supported as being important, with an intention to impact on patient safety, clinical effectiveness, patient experience and innovation, Healthwatch Stoke-on-Trent would echo the observations from Healthwatch Staffordshire that the detail of planned activity to achieve these priorities is unclear which will, in turn, make it challenging for stakeholders to be involved and monitor progress.

Healthwatch Stoke-on-Trent also wishes to highlight its disappointment over the non inclusion of suicide prevention strategies as a priority when this is clearly such an ongoing issue within the city. Whilst we welcome the reassurance that it is high on the agenda of NSCHT it would have brought further reassurance to see this articulated again this year in the priorities of the Trust. NSCHT are in a strong position to promote the importance of this issue and continued co-operation with partner agencies must aim to reduce this statistic in the coming year.

It is encouraging to hear the plans around the development of, and management of, service user feedback. We would like to see more tangible evidence of service user input and evidence to show that the Trust has listened and taken on board what service users say when decisions are made around changes to service provision. Health watch Stoke-on-Trent would welcome the opportunity to support NSCHT with this in the coming year through the wider enablement of patient voice.

3.4 STATEMENT OF CHANGES

The statements above include a small number of additional suggestions for changes to the format / content of the Quality Account. The section below describes whether the suggestions have been responded to in the final draft:

Comment:	Request responded to:
North Staffordshire CCG and Stoke-on-Trent CCG	
The Trust reported a case of Clostridium Difficile, the Commissioners are assured that the Trust manages infection prevention and control appropriately and have strengthened their resilience through a service level agreement with a neighbouring Trust.	Comment noted regarding the sole isolated incident and we welcome comments regarding the strengthened service.
Heathwatch Staffordshire	
The need to enhance access is paramount and if lower level services are not able to meet need, this will put more pressure on specialist services and negatively impact on the user experience and outcomes. This economy – wide work must actively involve patients, users and carers.	Comments noted.
The existing use of patient and user feedback and plans to extend Real Time feedback is a positive development but it would be good to see more evidence of active involvement in the planning and formal evaluation of services.	Comments noted.
The detail of planned activity to achieve these priorities is much less evident. This will make it more difficult for stakeholders to contribute to developments and to monitor progress either on an ongoing basis or as part of the Quality Account this time next year.	Progress is monitored both internally & externally with ultimate monitoring provided by the Commissioners led Clinical Quality Review Group

Healthwatch Stoke-on-Trent	
The Trust to explore how they can ensure that both the mental health and physical needs of their patients are considered during their treatment as the two is equally important.	This will be a main focus of the pathways. Work progressing over the next few months.
The detail of planned activity to achieve these priorities is unclear which will, in turn, make it challenging for stakeholders to be involved and monitor progress.	Progress is monitored both internally & externally with ultimate monitoring provided by the Commissioners led Clinical Quality Review Group.
Healthwatch Stoke-on-Trent wishes to highlight the non-inclusion of suicide prevention strategies as a priority when this is clearly such an ongoing issue within the city.	Statement added to Page 41.
We would like to see more tangible evidence of service user input and evidence to show that the Trust has listened and taken on board what service users say when decisions are made around changes to service provision	Comments included throughout the account. The Trust is also pursuing a real time patient feedback package.
Stoke-on-Trent Overview and Scrutiny Committee	
The committee felt that the results of the suicide prevention audit would be a useful inclusion and dual diagnosis.	Not included due to size constraints
Absence of BME and Eastern European feedback in surveys.	Comment noted to consider follow-up review of the BME survey conducted in the past.
Information on how some of the prevention services such as Rapid Assessment Interface Discharge (RAID) and the suicide prevention work stream, can continue to be provided would be informative.	RAID – Pathway development underway. See page 41.
The committee is interested in how responsive the services are for those people who are new/not already in the system “day to day living”. The committee was not provided with an explanation on why the questionnaire results were so poor (4.5 out of 10). As with the previous item, there is no explanation of how the trust intends to improve service delivery in these areas.	The Trust plans to introduce rolling community questionnaire which will cover questions on day to day living.
What action the trust is taking to improve outcomes for physical health checks.	Planned CQUIN for 14/15

3.5 AUDITOR STATEMENT OF ASSURANCE



INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT TO THE DIRECTORS OF NORTH STAFFORDSHIRE COMBINED HEALTHCARE NHS TRUST ON THE ANNUAL QUALITY ACCOUNT

We are required by the Audit Commission to perform an independent assurance engagement in respect of North Staffordshire Combined Healthcare NHS Trust's Quality Account for the year ended 31 March 2014 ("the Quality Account") and certain performance indicators contained therein as part of our work under section 5(1)(e) of the Audit Commission Act 1998 ("the Act"). NHS trusts are required by section 8 of the Health Act 2009 to publish a quality account which must include prescribed information set out in The National Health Service (Quality Account) Regulations 2010, the National Health Service (Quality Account) Amendment Regulations 2011 and the National Health Service (Quality Account) Amendment Regulations 2012 ("the Regulations").

Scope and subject matter

The indicators for the year ended 31 March 2014 subject to limited assurance consist of the following indicators:

- Percentage of patients on Care Programme Approach (CPA) followed up within seven days of discharge; and
- Percentage of admissions to acute wards gate kept by the Crisis Resolution Home Treatment Team.

We refer to these two indicators collectively as "the indicators".

Respective responsibilities of Directors and auditors

The Directors are required under the Health Act 2009 to prepare a Quality Account for each financial year. The Department of Health has issued guidance on the form and content of annual Quality Accounts (which incorporates the legal requirements in the Health Act 2009 and the Regulations).

In preparing the Quality Account, the Directors are required to take steps to satisfy themselves that:

- the Quality Account presents a balanced picture of the trust's performance over the period covered;
- the performance information reported in the Quality Account is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and

- the Quality Account has been prepared in accordance with Department of Health guidance.

The Directors are required to confirm compliance with these requirements in a statement of directors' responsibilities within the Quality Account.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Account is not prepared in all material respects in line with the criteria set out in the Regulations;
- the Quality Account is not consistent in all material respects with the sources specified in the NHS Quality Accounts Auditor Guidance 2013/14 issued by the Audit Commission on 17 February 2014 ("the Guidance"); and
- the indicators in the Quality Account identified as having been the subject of limited assurance in the Quality Account are not reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.

We read the Quality Account and conclude whether it is consistent with the requirements of the Regulations and to consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Account and consider whether it is materially inconsistent with:

- Board minutes for the period April 2013 to June 2014;
- papers relating to the Quality Account reported to the Board over the period April 2013 to June 2014;
- feedback from the Commissioners;
- feedback from Local Healthwatch;
- the Trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009;
- feedback from other named stakeholder(s) involved in the sign off of the Quality Account;
- the latest national patient survey;
- the latest national staff survey dated;
- the Head of Internal Audit's annual opinion over the Trust's control environment dated April 2014;
- the annual governance statement dated June 2014;

- Care Quality Commission quality and risk profiles/intelligent monitoring dated 2013//2014;

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with these documents (collectively the "documents"). Our responsibilities do not extend to any other information.

This report, including the conclusion, is made solely to the Board of Directors of North Staffordshire Combined Healthcare NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. We permit the disclosure of this report to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permissible by law, we do not accept or assume responsibility to anyone other than the Board of Directors as a body and North Staffordshire Combined Healthcare NHS Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance •engagement under the terms of our appointment under the Audit Commission Act 1998 and in accordance with the Commission's Guidance. Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management ;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation on;
- comparing the content of the Quality Account to the requirements of the Regulations; and
- reading the documents.

A limited assurance engagement is narrower in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially

different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Account in the context of the criteria set out in the Regulations.

The nature, form and content required of Quality Accounts are determined by the Department of Health. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS organisations.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by North Staffordshire Combined Healthcare NHS Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2014:

- the Quality Account is not prepared in all material respects in line with the criteria set out in the Regulations;
- the Quality Account is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Account subject to limited assurance have not been reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.

KPMG LLP.

KPMG LLP, Statutory Auditor
One Snowhill,
Snow Hill Queensway
Birmingham, B4 6GH
26 June 2014

3.6 GLOSSARY OF TERMS

AIMS	Accreditation for Inpatient Rehabilitation Units
ASD	Autistic Spectrum Disorder
ADHD	Attention Deficit Hyperactivity Disorder
ASIST	Advocacy Services in Staffordshire
CAMHS	Child & Adolescent Mental Health Service
CCG	Clinical Commissioning Group (made up of local GPs, these Groups replaced Primary Care Trusts (PCTs) as commissioners of NHS services from 2013/14)
CLRN	West Midlands North Comprehensive Local Research Network
CPA	Care Programme Approach
CPD	Continuing Professional Development
CPN	Community Psychiatric Nurse
CQC	Care Quality Commission
CQUIN	Commissioning for Quality Innovation scheme
CSU	Commissioning Support Unit
DOH	Department of Health
ECT	Electroconvulsive therapy
EngAGE	Stoke-on-Trent Forum for people over 50 to give their views
Healthwatch	Local independent consumer champions created together represents the Views of the public
HRG4	Health Resource Group (standard groupings of clinically similar treatments)
IAPT	Improving Access to Psychological Therapies team
IM&T	Information Management and Technology
IT	Information Technology
KPI	Key Performance Indicator

Metric	Method of calculating performance
Mind	Mental Health Charity Network
MRSA	Methicillin-resistant Staphylococcus Aureus
NDTi	National Development Team for Inclusion
NHSLA	NHS Litigation Authority
NICE	National Institute for Health and Clinical Excellence
NIHR	National Institute for Health Research
NPSA	National Patient Safety Agency
NSCHT	North Staffordshire Combined Healthcare NHS Trust
PALS	Patient Advice and Liaison Service
PbR	Payments by Results
PIP	Productivity Improvement Pathway Programme
POMH	Prescribing Observatory for Mental Health
QIPPP	Quality, Innovation, Productivity, Partnership and Prevention
RAID	Rapid Assessment Interface & Discharge
R&D	Research and Development
Reach	Local advocacy project supporting people with learning disabilities
Rethink	Mental Health membership charity
SPA	Single point of Access (to mental health services)
SUS	Secondary Users Service
TDA	Trust Development Authority
UHNS	University Hospital of North Staffordshire NHS Trust

The Trust is committed to providing communication support for service users and carers whose first language is not English. This includes British Sign language (BSL).

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REPORT TO THE TRUST BOARD MEETING (OPEN)

Date of Meeting:	31 July 2014
Title of Report:	Nurse Staffing Performance on a shift-by-shift basis
Presented by:	Karen Wilson, Executive Director of Nursing & Quality
Author of Report: Date: E-mail:	11 July 2014
Purpose / Intent of Report:	<ul style="list-style-type: none"> For Assurance
Executive Summary:	<p>This paper outlines the performance of the Trust in relation to the National Quality Board expectation <i>"The Board:</i></p> <ul style="list-style-type: none"> <i>Receives an update containing details and summary of planned and actual staffing on a shift-by-shift basis</i> <i>Is advised about those wards where staffing falls short of what is required to provide quality care, the reasons for the gap, the impact and the actions being taken to address the gap</i> <i>Evaluates risks associated with staffing issues</i> <i>Seeks assurances regarding contingency planning, mitigating actions and incident reporting</i> <i>Ensures that the Executive Team is supported to take decisive action to protect patient safety and experience</i> <i>Publishes the report in a form accessible to patients and the public on their Trust website (which could be supplemented by a dedicated patient friendly 'safe staffing' area on a Trust website)".</i> <p>The paper describes the escalation process in place to manage nurse staffing levels. It also outlines that results of the planned vs actual nurse staffing levels during the data collection period (1 June – 30 June 2014):</p> <ul style="list-style-type: none"> The Trust deployed 99% of the nursing staff which it had planned to do, this is broken down into a fill rate of 99% for planned registered nurse shifts and 99% of planned HCSW shifts. This is likely to reflect that – where possible – ward managers are effectively deploying additional staff to meet increasing patient needs as necessary. 77.2% (n=695/900) of shifts have been staffed to at least the planned level. <p>The Board is asked to:</p> <ul style="list-style-type: none"> Note the contents of the report Approve the approach taken Support autonomy being given to: <ol style="list-style-type: none"> Ward managers to effectively manage staffing resource variation, dependent upon the demands of patient acuity and needs Matrons being accountable for ensuring that patient safety is managed through the deployment of the available nursing resource

REPORT TO THE TRUST BOARD MEETING (OPEN)

Which Strategy Priority does this relate to? How does this impact on patients or the public?	<ul style="list-style-type: none">• Customer Focus Strategy• Clinical Strategy• Governance Strategy• Workforce Strategy• Financial Strategy
Relationship with Annual Objectives	Supports the delivery of the Trust's Annual Objectives and the delivery of high quality care
Risk / Legal Implications:	Delivery of safe nurse staffing levels is a key requirement to ensuring that the Trust complies with National Policy direction
Resource Implications:	None

REPORT TO THE TRUST BOARD MEETING (OPEN)**NURSE STAFFING LEVELS ON A SHIFT BY SHIFT BASIS
REPORT FOR TRUST BOARD**Purpose

This paper provides the data which details the Trusts performance in the deployment of nursing staff to each of the Trusts in-patient areas to meet the needs of our patients. This report meets the requirements of the National Quality Board (2013) recommendations which are described within "How to ensure the right people, with the right skills, are in the right place at the right time. A guide to nursing, midwifery and care staffing capacity and capability" and expectations for NHS Trusts further refined in March 2014 in "Hard Truths Commitments Regarding the Publishing of Staffing Data - Timetable of Actions" a document prepared by NHS England and the Care Quality Commission. This document states:

"The Board:

- *Receives an update containing details and summary of planned and actual staffing on a shift-by-shift basis*
- *Is advised about those wards where staffing falls short of what is required to provide quality care, the reasons for the gap, the impact and the actions being taken to address the gap*
- *Evaluates risks associated with staffing issues*
- *Seeks assurances regarding contingency planning, mitigating actions and incident reporting*
- *Ensures that the Executive Team is supported to take decisive action to protect patient safety and experience*
- *Publishes the report in a form accessible to patients and the public on their Trust website (which could be supplemented by a dedicated patient friendly 'safe staffing' area on a Trust website)".*

Trust Process for monitoring performance in nurse staffing levels

The Trust monitors the performance of each ward's planned and actual nurse staffing levels. Planned nurse staffing levels are recorded centrally by the Bank Nurse Coordinator on a weekly basis. Actual deployment is recorded retrospectively on each day by the Duty Senior Nurse. This process allows the Trust to monitor performance on a daily basis; this is circulated to the Senior Management Team on a daily basis and allows for escalation as necessary to ensure staffing levels are maintained to the appropriate levels.

Escalation Process

The Trust has a clear process for ensuring that patient needs are met by having an escalation process in place where under staffing is identified. This is described below:

REPORT TO THE TRUST BOARD MEETING (OPEN)

Rating	Description	Actions to address	Authorisation
Green	All nursing staff deployed as planned by number and skill mix	None required	N/A
Amber	All nursing staff deployed as planned, but skill mix inadequate	a. Ward Manager to work as part of shift establishment. b. Duty Senior Nurse to reallocate registered nurse from elsewhere within the Trust to address skill mix deficit	Ward Manager Duty Senior Nurse
Red	Fewer than planned numbers of nursing staff on duty.	c. Ward manager to work as part of shift establishment d. Duty Senior Nurse to move nursing staff from another ward from across the Trust e. Bank staff to be brought in to cover shift deficit. f. If actions c, d and e do not cover deficit then overtime to be authorised to ensure appropriate cover is maintained. g. If action f. does not ensure that the deficit is met then agency nursing staff are brought in to cover the ward.	Ward Manager Duty Senior Nurse Bank coordinator Matrons Matrons

Current Performance

During the current data collection period (1 June – 30 June 2014), 77.2% (n=695/900) of shifts have been staffed to at least the planned level.

The performance relating to the fill rate (actual numbers of staff deployed vs numbers planned) on the wards is 99%, this being a total fill rate of 99% for registered nurses and 99% for HCSWs. This is likely to demonstrate that – where possible – the wards are utilising additional nursing resources via the use of bank staff to meet fluctuating patient acuity by deploying additional staff where appropriate.

This performance can be seen in more detail at Appendix A.

REPORT TO THE TRUST BOARD MEETING (OPEN)

Recommendations to the Board

The Board is asked to:

- Note the contents of the report
- Approve the approach taken
- Support autonomy being given to:
 1. Ward managers to effectively manage staffing resource variation, dependent upon the demands of patient acuity and needs
 2. Matrons being accountable for ensuring that patient safety is managed through the deployment of the available nursing resource

Appendix A

Ward	Performance (% planned vs actual) staffing numbers		Number of shifts below planned numbers	Reasons for variance in performance
	Registered Nurses	Healthcare Support Workers		
Ward 1	115	108	9	Patient need / sickness
Ward 2	99	101	16	Patient need / sickness
Ward 3	108	112	17	Patient need / sickness
Ward 4	108	101	9	Patient need / sickness
Ward 5	95	91	45	Patient need / sickness / shortage of bank staff
Ward 6	97	96	24	Patient need / sickness
Ward 7	102	108	9	Patient need / sickness
Assessment & Treatment	101	101	0	Patient need / sickness
Telford Unit	96	101	6	Patient need / sickness
Edward Myers	94	87	11	Patient need / sickness
Darwin Centre	103	102	6	Patient need / sickness / cross-cover for paediatrics
Summers View	99	88	28	Patient need / sickness
Florence House	93	84	25	Patient need / sickness
Dragon Square	100	100	0	Patient need / sickness
Chebsey Close	80	99	0	Patient need / sickness
TRUST AVERAGE/ TOTAL	99	99	205	

REPORT TO THE TRUST BOARD (OPEN)

Date of Meeting:	31 July 2014
Title of Report:	Financial Performance – Month 3
Presented by:	Chris Calkin, Interim Director of Finance
Author of Report: Name: Date: Email:	Andy Turnock 21 July 2014 andrew.turnock@northstaffs.nhs.uk
Purpose / Intent of Report:	Financial Performance monitoring for information
Executive Summary:	<p>The attached report summarises financial performance for the period to the end of June 2014.</p> <p>Headline performance is:</p> <ul style="list-style-type: none"> • A retained deficit of £0.44m, giving a favourable variance against plan of £0.01m. • A year-end forecast that shows a breakeven position against the submitted plan (adjusted financial performance deficit of breakeven and a retained deficit of £0.268m) • A year to date Continuity of Service Risk Rating of 3, with a year-end forecast rating of 3 • CIP target of £4.08m, with a forecast delivery • Capital expenditure of £0.016m to date and a forecast gross expenditure of £2.64m • A cash balance of £5.2m at the end of June 2014.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<p>Financial Strategy</p> <p>Not directly as a result of this report</p>
Relationship with Annual Objectives:	Delivery of financial plan
Risk / Legal Implications:	Not directly as a result of this report
Resource Implications:	Not directly as a result of this report

Equality and Diversity Implications:	Not directly as a result of this report
Relationship with Assurance Framework [Risk, Control and Assurance]	Monitoring delivery of the financial plan
Recommendations:	<p>The Board is asked to:</p> <ul style="list-style-type: none"> • <i>note that financial performance to date is on plan, with a favourable variance reported of £0.01m</i> • <i>note the delivery of CIP is ahead of plan, however this has been supported by the addition of a number of non-recurring schemes</i> • <i>note the cash position as at 30 June 2014 of £5.2m</i> • <i>note the year to date Continuity of Service Risk Rating of 3 and also the forecast rating of 3</i> • <i>note the capital expenditure position as at 30 June 2014 is currently behind plan</i>

FINANCIAL OVERVIEW as at 30 June 2014

Income & Expenditure - Retained Surplus / (Deficit)					
£000	Plan	Actual	Var	%	RAG
YTD Surplus / (Deficit)	-450	-440	10	-2.2	G
FOT Surplus / (Deficit)	268	268	0	0.0	G

Gross Capital Expenditure					
£000	Plan	Actual	Var	%	RAG
YTD Exp	170	16	-154	-90.6	A
FOT Exp	2,640	2,640	0	0.0	G

Cost Improvement					
£m	Plan	Actual	Var	%	RAG
YTD	0.89	0.91	0.03	3.05	G
FOT	4.08	4.08	0.00	0.00	G

Cash Balances					
£m	Plan	Actual	Var	%	RAG
YTD Balance	4.8	5.2	0.5	9.8	G
FOT Balance	4.5	4.5	0.00	0.0	G

Continuity of Service Risk Rating		
	YTD	Forecast
Overall Risk Rating	3	3
<u>Metrics:</u>		
	YTD	Forecast
Liquidity Ratio	4	3
Capital Servicing Capacity	1	2

Notes	
Risks:	Achievement of income targets. Delivery of the challenging CIP requirement. Managing cost pressures.
Assumptions:	Clinical income targets are predominately achieved. Charges against provisions provided for last year do not exceed the value provided.

1. Financial Position

1.1 Introduction

As detailed in the Operating Plan the Trust is planning to make a retained surplus of £0.268m in 2014/15.

This report details the Trust's performance against the Plan for the period ending 30 June 2014.

1.2 Income & Expenditure (I&E) Performance at Month 3

At the end of Month 3, the Trusts budgeted plan was a retained deficit of £0.45m. The reported retained position is a deficit of £0.44m, giving a favourable variance of £0.01m from plan.

Table 1 below shows this position in the Statement of Comprehensive Income (SOCi) for the Trust. A more detailed SOCi is shown in Appendix A, page 1. Further SOCi's for each division and also for the combined corporate functions are shown in Appendix A, pages 2 to 5.

Table 1: Statement of Comprehensive Income

Detail	Full Year Annual Budget £000	Current Month £000			Year to Date £000		
		Budget	Actual	Variance	Budget	Actual	Variance
Income	73,977	5,902	6,191	289	17,383	17,530	148
Pay	-55,217	-4,642	-4,415	227	-14,110	-13,230	881
Non pay	-15,122	-1,001	-1,529	-528	-2,880	-3,906	-1,026
EBITDA	3,638	259	247	-12	393	395	2
Other Costs	-2,904	-221	-214	7	-728	-720	8
Adjusted Financial Performance	734	38	33	-5	-335	-325	10
IFRIC 12 Expenditure	-466	-39	-39	0	-115	-115	0
Retained Surplus / (Deficit) prior to Impairment	268	-1	-6	-5	-450	-440	10
Fixed Asset Impairment	0	0	0	0	0	0	0
Retained Surplus / (Deficit)	268	-1	-6	-5	-450	-440	10

Within non-pay, specific budgets have been set and held centrally. Table 2 shows these reserves and it is envisaged that they will be allocated to divisions and directorates appropriately during the financial year.

Table 2: Reserves Held Centrally

Description	£
Contingency (0.5% of Turnover per NTDA requirements)	367,000
Family & Friends	60,000
Cleanliness in Hospitals	61,808
Out of Area Treatments	100,000
Support from CCG's *	450,000
CCG developments **	1,102,140
Other Earmarked reserves	654,655
Total	2,795,603

* Support from local CCGs on a non-recurring basis

** Various developments (see below) included in the two main CCG contracts subject to full business cases plus the increase in the Staffs DAT contract (£0.53m) and the Community Triage investment (£0.08m)

1. Autism Assessment £0.2m
2. Dementia Service £0.15m
3. Healthy Minds £0.14m

It should be noted that the receipt of the mandate for month three from our host commissioners did not include payment for a number of developments. They are awaiting the business cases to enable the funding to be released.

As stated, the above reserves include £0.53m for the increase in the Staffs DAT contract. This movement has been included in the forecast outturn budgetary position shown in Appendix A.

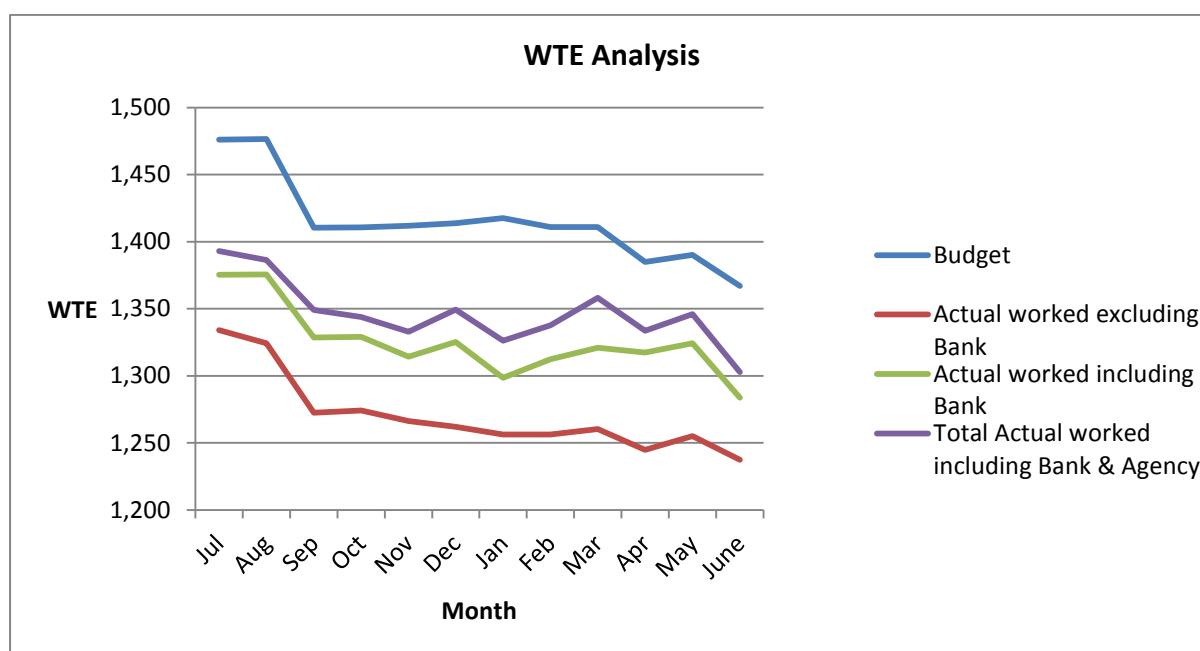
Contained within non-pay are the CIP targets for divisions and directorates. Work remains on-going to transact the majority of these negative budgets to reflect the CIP schemes within the respective divisions and corporately. This work is a high priority and progress will be reported at future F&A Committees.

1.3 Workforce Analysis

Graph 1 below shows the whole time equivalent (wte) numbers for the last 12 months, incorporating Bank and Agency usage¹. Graph 2 shows the usage of Bank and Agency staff in isolation. Table 3 shows the data being represented by the graphs.

¹ Agency wte is calculated using an average cost per month per staff category.

Graph 1: WTE Analysis



Graph 2: WTE Analysis

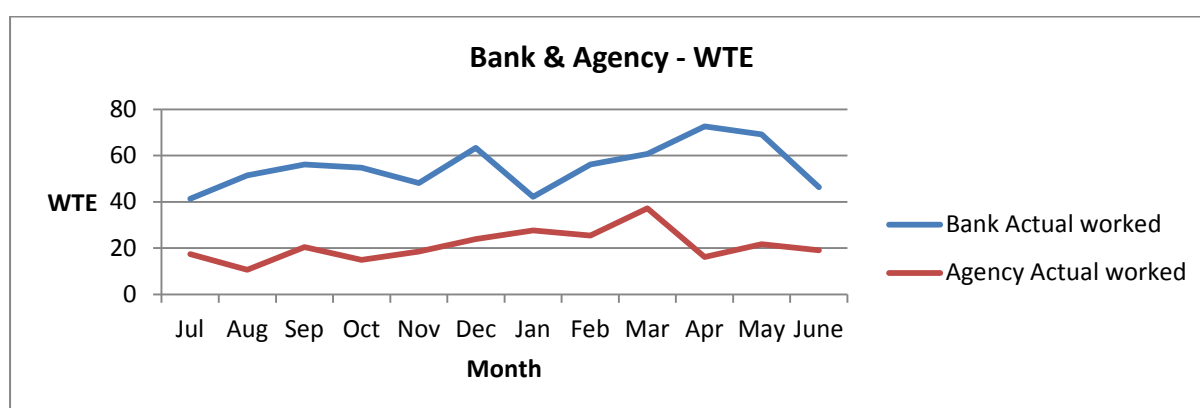


Table 3: WTE Analysis

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Bank Actual worked	41.36	51.49	56.09	54.76	48.13	63.33	42.18	56.12	60.74	72.68	69.09	46.28
Actual worked excluding Bank	1334.05	1324.20	1272.57	1274.19	1266.19	1261.92	1256.31	1256.21	1260.30	1244.73	1255.17	1237.35
Actual worked including Bank	1375.41	1375.69	1328.66	1328.95	1314.32	1325.25	1298.49	1312.33	1321.04	1317.41	1324.26	1283.63
Agency	17.47	10.58	20.43	14.89	18.45	23.97	27.62	25.42	37.21	16.21	21.71	19.05
Total Actual worked inc Bank	1392.88	1386.27	1349.09	1343.84	1332.77	1349.22	1326.11	1337.75	1358.25	1333.62	1345.97	1302.68
Budget	1476.06	1476.60	1410.40	1410.70	1411.78	1413.87	1417.48	1410.78	1410.90	1384.91	1390.09	1367.02

It is noticeable that there was an increase in bank WTE during the period January and May 2014, for which the reasons were communicated at the appropriate F&A Committee. June's bank usage has reduced significantly although this is yet to be investigated to determine if it is either a delay in timesheet submission or reduced demand.

1.4 Forecast Year End Performance

Following the finalisation of the month 3 position, a worked up forecast outturn has been undertaken which supports the anticipated retained surplus of £0.268m (£0.734m at adjusted financial performance level) in line with the Plan submission. This is dependent on achieving the cost improvement programme. This forecast position has been shared with the NTDA as part of their financial monitoring regime.

1.5 Cost Improvement Programme

The target for the year is £4.08m which is approximately 6% of clinical income. This takes into account the requirement to deliver the 1% surplus referred to above, plus hold a 0.5% contingency of £0.367m.

As at month 3, the Trust is reporting a position of £0.91m CIP delivery against plan of £0.89m. It should be noted that the year to date performance has been supported by the addition of a number of non-recurring CIP schemes.

2. Summary of Financial Position

A Statement of Financial Position is shown in Appendix A, page 6.

2.1 Fixed Assets

Property, Plant & Equipment and Intangible assets balances of the Trust have remained relatively static. The movement is the net result of capital additions and the depreciation charge for the period April to June 2014.

2.2 Cash

As at 30 June 2014, the Trust's cash position was £5.2m which represents a decrease during the month of £0.9m. This comprises an increase in debtors of £0.4m and a decrease in creditors of £0.5m. A monthly cash flow forecast is shown in Appendix A, page 7.

2.3 Debtors

Trade & Other Receivables balances have increased during the month by £0.4m. This movement relates to a decrease in NHS debtors of £0.1m, local authority debtors of £0.5m and an increase in other debtors of £1.0m.

Within the overall value, £5.7m relates to invoiced debt. This is significantly higher than previously reported due to the requirement to now raise invoices to recover the main contract income from our local CCGs rather than receiving the funding via mandate. Invoiced debt is summarised by age in Appendix A, page 8 along with the analysis of the stage of recovery.

2.4 Creditors

There has been a decrease in the month of trade payables of £0.5m. This movement is due to an increase in accruals and deferred income of £0.2m and a decrease in NHS creditors of £0.3m, other creditors of £0.2m and local authority creditors of £0.2m.

2.5 Non-Current Liabilities

The Trust's PFI scheme (Harplands Hospital) is accounted for on the "borrowings" line, reflecting the requirements of International Financial Reporting Standards.

3. Capital Expenditure and Programme

The Trust's permitted capital spend in 2014/15 is £2.64m; this is the combination of the Trust's £1.5m Capital Resource Limit (CRL) and its asset sales of £1.14m. The capital expenditure for the year as at 30 June 2014 is £0.016m which represents an under spend against the profiled gross capital expenditure (excluding envisage proceeds from sales) of £0.17m shown in the Plan submitted to the NTDA.

The Trust continues to monitor the delivery of the planned schemes against the CRL. Should it be deemed likely that the gross capital expenditure will be significantly under the initial plan of £2.64m, the limit will need to be amended when there is an opportunity to do so. At this point the forecast outturn is in line with Plan. Appendix A, page 9 shows the expenditure to date and the forecast outturn.

4. Risk Rating

From the 1 April 2014, the Trust is monitored using the Continuity of Service Risk Rating which replaces the previously used Financial Risk Rating.

As reported in the Operating Plan, the Trust is planning to achieve a Continuity of Service Risk Rating of 3 by the end of the financial year. As at month 3 this is calculated as 3 compared to the rating of 3 planned at this stage in the year. The forecast outturn rating is also 3, in line with the planned rating previously mentioned. Appendix A, page 10 shows the separate metrics and the outputs in detail.

5. Closure of Chebsey Close

The Board has been updated on an on-going basis upon the closure and associated risks and other issues. The year to date trading account is detailed in Table 4 below and confirms that the service is in operational surplus.

Table 4: Chebsey Close Trading Account

Detail	£'000
Income	
Clinical Income	
North Staffs & Stoke-on-Trent CCG	325.7
East Staffs CCG	121.3
Staffs & Surrounds CCG	86.1
Cannock CCG	86.1
Telford & Wrekin	60.2
Total income	679.3
Expenditure	
Pay	-539.5
Non-pay	-20.1
Total expenditure	-559.6
Net Position Surplus / (Deficit)	119.7

6. Recommendations

The Board is asked to:

- *note that financial performance to date is largely on plan, with a small favourable variance of £0.01m reported*
- *note the delivery of CIP is ahead of plan, however this has been supported by the addition of a number of non-recurring schemes*
- *note the cash position of the Trust as at 30th June 2014 of £5.2m*
- *note the capital expenditure position as at 30th June 2014 is an under spend against the year to date gross capital expenditure planned*
- *note the year to date Continuity of Service Risk Rating of 3 and also the forecast rating of 3*

Appendix A – Page: 1

Statement of Comprehensive Income including Forecast Outturn – Trust Wide

	Full Year Budget £000	< < < Actual £000	Current Month Budget £000	> > > Variance £000	< < < Actual £000	Year to Date Budget £000	> > > Variance £000	< < < Actual £000	Forecast Outturn Budget £000	> > > Variance £000
Income:										
Revenue from Patient Care Activities	65,355	5,285	5,248	37	15,358	15,315	42	65,715	65,644	70
Other Operating Revenue	8,621	906	654	252	2,173	2,067	105	9,136	8,622	514
	73,977	6,191	5,902	289	17,530	17,383	148	74,850	74,266	584
Expenses:										
<u>Pay</u>										
Medical	-6,553	-505	-549	44	-1,375	-1,647	273	-6,349	-6,748	399
Nursing	-26,207	-2,145	-2,214	69	-6,527	-6,800	273	-25,919	-26,448	530
Other clinical	-13,228	-993	-1,106	112	-2,962	-3,325	363	-12,086	-13,238	1,151
Non-clinical	-8,936	-685	-736	51	-2,082	-2,226	145	-8,574	-9,021	447
Non-NHS	-341	-88	-42	-46	-285	-124	-160	-980	-342	-639
Cost Improvement	48	0	4	-4	0	12	-12	0	48	-48
	-55,217	-4,415	-4,642	227	-13,230	-14,110	881	-53,909	-55,749	1,840
<u>Non Pay</u>										
Drugs & clinical supplies	-1,620	-123	-135	11	-366	-405	39	-1,842	-1,925	83
Establishment costs	-1,962	-67	-131	64	-311	-463	152	-1,616	-2,017	401
Premises costs	-2,309	-203	-195	-8	-568	-574	6	-2,416	-2,310	-105
Private Finance Initiative	-3,823	-325	-319	-7	-979	-956	-23	-3,907	-3,823	-84
Other (including unallocated CIP)	-2,613	-810	-221	-589	-1,681	-482	-1,199	-7,195	-2,622	-4,573
Central Funds	-2,796	0	-1	1	0	0	0	-330	-2,183	1,853
	-15,122	-1,529	-1,001	-528	-3,906	-2,880	-1,026	-17,305	-14,879	-2,426
EBITDA *	3,638	247	259	-12	395	393	3	3,636	3,638	-2
Depreciation (excludes IFRIC 12 impact and donated income)	-884	-46	-53	7	-216	-223	7	-884	-884	0
Investment Revenue	11	1	1	0	4	3	1	13	11	2
Other Gains & (Losses)	0	0	0	0	0	0	0	0	0	0
Local Government Pension Scheme	0	0	0	0	0	0	0	0	0	0
Finance Costs	-1,400	-117	-117	0	-350	-350	0	-1,400	-1,400	0
Unwinding of Discounts	0	0	0	0	0	0	0	0	0	0
Dividends Payable on PDC	-631	-53	-53	0	-158	-158	0	-631	-631	0
Adjusted Financial Performance - Surplus / (Deficit) for the Financial Year **	734	33	38	-5	-325	-335	10	734	734	0
IFRIC 12 Expenditure ***	-466	-39	-39	0	-115	-115	0	-466	-466	0
Retained Surplus / (Deficit) for the Year excluding Impairment	268	-6	-1	-5	-440	-450	10	268	268	0
Fixed Asset Impairment ****	0	0	0	0	0	0	0	0	0	0
Retained Surplus / (Deficit) for the Year	268	-6	-1	-5	-440	-450	10	268	268	0

* EBITDA - earnings before interest, tax, depreciation and amortisation

** NTDA expected surplus or deficit against which the Trust is measured

*** Additional costs in respect of the Trust's PFI scheme following the introduction of IFRS, classed as technical adjustments.

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Statement of Comprehensive Income including Forecast Outturn – Adult Mental Health

Adult Mental Health		Annual Budget £000	< < Current Month > > >			< < Year to Date > > >			< < Forecast Outturn > > >		
			Actual £000	Budget £000	Variance £000	Actual £000	Budget £000	Variance £000	Actual £000	Budget £000	Variance £000
Income:											
Revenue from Patient Care Activities	0	0	0	0	0	0	0	0	0	0	0
Other Operating Revenue	2,369	225	207	18	634	608	26	2,535	2,369	166	
	2,369	225	207	18	634	608	26	2,535	2,369	166	
Expenses:											
<u>Pay</u>											
Medical	-2,627	-218	-219	1	-642	-657	15	-2,837	-2,833	-4	
Nursing	-13,584	-1,105	-1,115	10	-3,362	-3,416	54	-13,909	-14,025	116	
Other clinical	-6,976	-528	-611	83	-1,562	-1,744	182	-6,341	-6,976	635	
Non-clinical	-1,498	-128	-125	-3	-372	-374	1	-1,498	-1,499	1	
Non-NHS	-155	-29	-24	-4	-74	-72	-2	-173	-155	-18	
Cost improvement	48	0	4	-4	0	12	-12	0	48	-48	
	-24,792	-2,007	-2,089	82	-6,012	-6,251	239	-24,758	-25,440	682	
<u>Non Pay</u>											
Drugs & clinical supplies	-1,146	-98	-95	-3	-284	-287	3	-1,445	-1,452	7	
Establishment costs	-873	-54	-74	20	-155	-218	63	-715	-927	212	
Premises costs	-599	-61	-50	-10	-161	-150	-11	-587	-601	14	
Private Finance Initiative	0	0	0	0	0	0	0	0	0	0	
Other	66	-263	13	-275	-678	20	-698	-2,182	58	-2,240	
Central Funds	0	0	0	0	0	0	0	0	0	0	
	-2,552	-475	-206	-269	-1,278	-635	-643	-4,929	-2,922	-2,007	
EBITDA *	-24,976	-2,257	-2,089	-168	-6,655	-6,278	-378	-27,152	-25,993	-1,159	

* EBITDA - earnings before interest, tax, depreciation and amortisation

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Statement of Comprehensive Income including Forecast Outturn – Children's Services

Children's Services	Annual Budget £000	< < Current Month > > >			< < Year to Date > > >			< < Forecast Outturn > > >		
		Actual £000	Budget £000	Variance £000	Actual £000	Budget £000	Variance £000	Actual £000	Budget £000	Variance £000
Income:										
Revenue from Patient Care Activities	0	0	0	0	0	0	0	0	0	0
Other Operating Revenue	1,240	109	117	-7	325	348	-23	1,259	1,240	19
	1,240	109	117	-7	325	348	-23	1,259	1,240	19
Expenses:										
<u>Pay</u>										
Medical	-707	-46	-59	13	-144	-177	33	-558	-707	149
Nursing	-2,297	-194	-191	-3	-543	-574	32	-2,199	-2,297	98
Other clinical	-2,561	-201	-225	23	-588	-664	76	-2,397	-2,561	164
Non-clinical	-497	-33	-41	8	-102	-124	22	-398	-497	99
Non-NHS	-113	-48	-11	-37	-133	-33	-100	-553	-113	-440
Cost improvement	0	0	0	0	0	0	0	0	0	0
	-6,175	-522	-527	5	-1,509	-1,572	63	-6,105	-6,175	70
<u>Non Pay</u>										
Drugs & clinical supplies	-43	-8	-4	-5	-34	-11	-23	-133	-43	-90
Establishment costs	-203	-14	-19	5	-36	-56	20	-157	-203	46
Premises costs	-298	-26	-30	4	-74	-78	4	-320	-298	-22
Private Finance Initiative	0	0	0	0	0	0	0	0	0	0
Other	508	-8	42	-49	-27	126	-153	-138	507	-645
Central Funds	0	0	0	0	0	0	0	0	0	0
	-37	-55	-10	-45	-171	-19	-152	-748	-37	-711
EBITDA *	-4,971	-468	-421	-47	-1,355	-1,243	-112	-5,594	-4,972	-622

* EBITDA - earnings before interest, tax, depreciation and amortisation

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Statement of Comprehensive Income including Forecast Outturn – Learning Disabilities, Neuropsychiatry and Older Peoples Psychiatry

Learning Disabilities, Neuropsychiatry and Older Peoples Psychiatry	Annual Budget £000	< < Current Month > > >			< < Year to Date > > >			< < Forecast Outturn > > >		
		Actual £000	Budget £000	Variance £000	Actual £000	Budget £000	Variance £000	Actual £000	Budget £000	Variance £000
Income:										
Revenue from Patient Care Activities	0	0	0	0	0	0	0	0	0	0
Other Operating Revenue	383	36	34	3	110	102	9	419	383	36
	383	36	34	3	110	102	9	419	383	36
Expenses:										
<u>Pay</u>										
Medical	-1,258	-91	-103	12	-297	-319	22	-1,217	-1,258	41
Nursing	-9,914	-816	-871	55	-2,528	-2,690	163	-9,330	-9,714	383
Other clinical	-2,333	-155	-148	-8	-471	-561	90	-1,898	-2,333	435
Non-clinical	-799	-65	-61	-4	-198	-195	-3	-799	-798	-1
Non-NHS	-15	0	-1	1	-20	-4	-16	-67	-15	-52
Cost improvement	0	0	0	0	0	0	0	0	0	0
	-14,318	-1,127	-1,183	57	-3,513	-3,770	256	-13,311	-14,118	807
<u>Non Pay</u>										
Drugs & clinical supplies	-430	-17	-36	19	-49	-108	59	-265	-430	166
Establishment costs	-402	-22	-32	10	-74	-101	27	-315	-402	88
Premises costs	-204	-21	-17	-4	-56	-51	-5	-249	-204	-45
Private Finance Initiative	0	0	0	0	0	0	0	0	0	0
Other	662	-16	-34	17	-39	135	-174	-155	662	-817
Central Funds	0	0	0	0	0	0	0	0	0	0
	-374	-77	-119	42	-217	-125	-92	-984	-375	-609
EBITDA *	-14,310	-1,167	-1,268	101	-3,620	-3,793	173	-13,876	-14,110	234

* EBITDA - earnings before interest, tax, depreciation and amortisation

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Statement of Comprehensive Income including Forecast Outturn – Corporate Directorates

Corporate Directorates		Annual Budget £000	< < < Current Month > > > Actual Budget Variance £000 £000 £000	< < < Year to Date > > > Actual Budget Variance £000 £000 £000	< < < Forecast Outturn > > > Actual Budget Variance £000 £000 £000
Income:					
Revenue from Patient Care Activities	0	0	0	0	0
Other Operating Revenue	4,630	535	296	238	1,103
	4,630	535	296	238	1,103
Expenses:					
<u>Pay</u>					
Medical	-1,960	-150	-168	18	-292
Nursing	-413	-30	-37	7	-95
Other clinical	-1,358	-109	-122	13	-341
Non-clinical	-6,142	-459	-509	50	-1,410
Non-NHS	-59	-12	-6	-6	-58
Cost improvement	0	0	0	0	0
	-9,932	-759	-842	83	-2,196
<u>Non Pay</u>					
Drugs & clinical supplies	0	0	0	0	0
Establishment costs	-485	23	-7	30	-46
Premises costs	-1,207	-95	-97	2	-278
Private Finance Initiative	-3,823	-325	-319	-7	-979
Other	-3,849	-524	-242	-282	-936
Central Funds	-2,796	0	-1	1	0
	-12,159	-922	-665	-256	-2,239
EBITDA *	-17,461	-1,146	-1,212	65	-3,332

* EBITDA - earnings before interest, tax, depreciation and amortisation

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Statement of Financial Position – including forecast

Detail	Period End Dates				FOT
	31/03/2014 £000	30/04/2014 £000	31/05/2014 £000	30/06/2014 £000	31/03/2015 £000
NON-CURRENT ASSETS:					
Property, Plant and Equipment	33,834	33,722	33,599	33,534	32,118
Intangible Assets	109	108	108	94	150
Trade and Other Receivables	52	52	52	52	52
TOTAL NON-CURRENT ASSETS	33,995	33,882	33,759	33,680	32,320
CURRENT ASSETS:					
Inventories	98	85	92	92	84
Trade and Other Receivables	3,525	4,279	4,040	4,410	3,491
Cash and cash equivalents	5,445	5,184	6,123	5,228	4,528
SUB TOTAL CURRENT ASSETS	9,068	9,548	10,255	9,730	8,103
Non-current assets held for sale	1,148	1,148	1,148	1,148	2,875
TOTAL ASSETS	44,211	44,578	45,162	44,558	43,298
CURRENT LIABILITIES:					
NHS Trade Payables	-929	-960	-1,053	-772	-754
Non-NHS Trade Payables	-4,880	-5,499	-6,237	-6,016	-6,324
Borrowings	-360	-360	-360	-360	-351
Provisions for Liabilities and Charges	-2,502	-2,479	-2,466	-2,400	-697
TOTAL CURRENT LIABILITIES	-8,671	-9,298	-10,116	-9,548	-8,126
NET CURRENT ASSETS/(LIABILITIES)	1,545	1,398	1,287	1,330	2,852
TOTAL ASSETS LESS CURRENT LIABILITIES	35,540	35,280	35,046	35,010	35,172
NON-CURRENT LIABILITIES					
Borrowings	-13,343	-13,313	-13,283	-13,253	-12,993
Trade & Other Payables	0	0	0	0	0
Provisions for Liabilities and Charges	-401	-401	-401	-401	-115
TOTAL NON- CURRENT LIABILITIES	-13,744	-13,714	-13,684	-13,654	-13,108
TOTAL ASSETS EMPLOYED	21,796	21,566	21,362	21,356	22,064
FINANCED BY TAXPAYERS EQUITY:					
Public Dividend Capital	7,998	7,998	7,998	7,998	7,998
Retained Earnings	150	-80	-284	-290	418
Revaluation Reserve	13,596	13,596	13,596	13,596	13,596
Other reserves	52	52	52	52	52
TOTAL TAXPAYERS EQUITY	21,796	21,566	21,362	21,356	22,064

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Cash-flow Forecast

Statement of Cash Flows (CF)	Actual Apr 14 £000	Actual May 14 £000	Actual Jun 14 £000	Forecast Jul 14 £000	Forecast Aug 14 £000	Forecast Sep 14 £000	Forecast Oct 14 £000	Forecast Nov 14 £000	Forecast Dec 14 £000	Forecast Jan 15 £000	Forecast Feb 15 £000	Forecast Mar 15 £000	2014/2015 Full Year £000
Cash Flows from Operating Activities													
Operating Surplus / (Deficit)	-62	-36	162	-5	46	149	344	273	398	323	346	348	2,286
Depreciation and Amortisation	123	123	85	110	110	110	113	112	113	117	117	117	1,350
Impairments and Reversals	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Paid	-117	-117	-117	-117	-117	-117	-117	-117	-117	-117	-117	-113	-1,400
Dividend Paid	0	0	0	0	0	-314	0	0	0	0	0	-317	-631
Inflow / (Outflow) prior to Working Capital	-56	-30	130	-12	39	-172	340	268	394	323	346	35	1,605
(Increase) / Decrease in Inventories	13	-7	0	2	3	5	-4	1	2	-5	1	3	14
(Increase) / Decrease in Trade and Other Receivables	-754	239	-370	-285	-75	9	188	-150	-185	515	335	635	102
Increase / (Decrease) in Trade and Other Payables	599	778	-555	154	-262	-397	579	-50	186	17	205	-53	1,201
Provisions (Utilised) / Arising	-23	-13	-66	0	-734	0	-762	-200	0	0	0	-293	-2,091
Increase/(Decrease) in Movement in non Cash Provisions	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflow / (Outflow) from Working Capital	-165	997	-991	-129	-1,068	-383	1	-399	3	527	541	292	-774
Net Cash Inflow / (Outflow) from Operating Activities	-221	967	-861	-141	-1,029	-555	341	-131	397	850	887	327	831
Cash Flows from Investing Activities													
Interest Received	1	2	1	1	1	1	1	1	1	1	1	1	13
(Payments) for Property, Plant and Equipment	-11	0	-5	-135	-25	-160	-140	-155	-185	-349	-525	-810	-2,500
Proceeds of disposal of assets held for sale (PPE)	0	0	0	310	0	0	220	0	0	528	0	40	1,098
Net Cash Inflow / (Outflow) from Investing Activities	-10	2	-4	176	-24	-159	81	-154	-184	180	-524	-769	-1,389
NET CASH INFLOW / (OUTFLOW) BEFORE FINANCING	-231	969	-865	35	-1,053	-714	422	-285	213	1,030	363	-442	-558
Cash Flows from Financing Activities													
Capital Element of Payments in Respect of Finance Leases PFI	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-29	-359
Net Cash Inflow/(Outflow) from Financing Activities	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-29	-359
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	-261	939	-895	5	-1,083	-744	392	-315	183	1,000	333	-471	-917
Cash and Cash Equivalents (and Bank Overdraft) at YTD	5,184	6,123	5,228	5,233	4,150	3,406	3,798	3,483	3,666	4,666	4,999	4,528	

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Aged Debtor Analysis

Analysed as	Within Term	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 +	Overall Balance
	£'000	£'000	£'000	£'000	£'000	£'000
NHS	5,058	68	9	138	77	5,350
Local Authorities	49	0	0	0	0	49
Other Debtors	228	64	3	13	55	363
Total	5,335	132	12	151	132	5,762

Analysed by Credit Control Stage	Within Term	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 +	Overall Balance
	£'000	£'000	£'000	£'000	£'000	£'000
No formal dispute received - full payment anticipated	5,335	132	9	138	77	5,691
Routine credit control processes activated	0	0	3	13	49	65
Resolved - Awaiting Credit Note to be issued	0	0	0	0	0	0
Escalated to Management / Solicitors	0	0	0	0	6	6
Total	5,335	132	12	151	132	5,762

Capital Programme and Expenditure

Site	Detail	2014/15 Scheme Value £000	Year to Date £000	Forecast Outturn £000
<u>Schemes Committed</u>				
<u>Developments</u>				
Ward 4 Upgrade		750	0	750
Acquired Brain Injury		150	0	150
Ward Upgrade		400	9	400
AT & T and Telford Unit		250	0	250
Tackling Green Issues		100	0	100
Victoria Surgery & other minor schemes		190	0	190
Total for Service Redesign schemes		1,840	9	1,840
<u>Bucknall Relocation</u>				
New Corporate base		0	0	0
Total for Bucknall Relocation schemes		0	0	0
<u>Maintenance of Infrastructure</u>				
Other	Other	200	7	200
Total for Maintenance of Infrastructure schemes		200	7	200
<u>Other Schemes</u>				
Other equipment purchases - IT	Various	100	0	100
Various	Various	400	0	400
Other equipment purchases - other	Other	0	0	0
Total for Other Schemes		500	0	500
<u>Not Yet Committed</u>				
Harplands	Lifecycle	100	0	100
Total Expenditure		2,640	16	2,640
<u>Disposals</u>				
Sale of former Learning Disability properties		-1,140	0	-1,140
Net Expenditure		1,500	16	1,500
Capital Allocations				£000
Initial CRL (per NTDA Plan submission)				1,500
<u>Revisions to Plan:</u>				
None				-
Final CRL				1,500
Value of Schemes as at 30/06/14				1,500
Potential (Over) / Undershoot against CRL				0

Continuity of Service Risk Rating

Continuity of Services Risk Ratings	Current Month Metrics			Forecast Outturn Metrics		
	Plan	Actual	Variance	Plan	Forecast	Variance
	£000s	£000s	£000s	£000s	£000s	£000s
Liquidity Ratio (days)						
Working Capital Balance	19	337	318	-90	-107	-17
Annual Operating Expenses	17,599	17,136	-463	69,514	70,936	1,422
Liquidity Ratio Days	0.10	1.77	1.67	-0.47	-0.54	-0.08
Liquidity Ratio Metric	4	4	0	3	3	0
Capital Servicing Capacity (times)						
Revenue Available for Debt Service	411	399	-12	3,715	3,649	-66
Annual Debt Service	597	599	2	2,389	2,390	1
Capital Servicing Capacity (times)	0.7	0.7	0.0	1.6	1.5	0.0
Capital Servicing Capacity metric	1	1	0	2	2	0
Continuity of Services Rating for Trust	3	3	0	3	3	0

Risk Assessment Framework Parameters				
Liquidity Ratio (days)				50% Weighting
Rating	4	3	2	1
Tolerance	0	-7	-14	<-14
Capital Servicing Capacity				50% Weighting
Rating	4	3	2	1
Tolerance	2.5	1.75	1.25	<1.25

REPORT TO: Board – Open Section

Date of Meeting:	31 July 2014
Title of Report:	Finance and Activity Committee Report – Committee Meeting 26 June and 24 July 2014
Presented by:	Tony Gadsby – Committee Chairman
Author of Report: Name: Date: Email:	Steve Blaise 24 July 2014 Steve.blaise@northstaffs.nhs.uk
Purpose / Intent of Report:	<ul style="list-style-type: none"> • For Decision ✓ • Performance monitoring ✓ • For Information ✓
Executive Summary:	<p>The attached report provides a summary of the Committee meeting held on the 26 June and 24 July 2014 and provides assurance to the Board over;</p> <ul style="list-style-type: none"> • The level of review and challenge provided by the Committee of financial and other reporting.
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> • Customer Focus Strategy • IM and T Strategy ✓ • Governance Strategy ✓ • Workforce Strategy ✓ • Financial Strategy ✓ <p>Helps ensure appropriate resources are directed to and protected for appropriate patient care services.</p>
Relationship with Annual Objectives:	Supports achievement of financial targets, the monitoring of CQUIN requirements and the delivery of efficiency programmes
Risk / Legal Implications:	Principle risk register reviewed via committee and reported separately to the Board
Resource Implications:	
Equality and Diversity Implications:	None
Relationship with Assurance Framework [Risk, Control and Assurance]	Provides assurance over the Trust's arrangements for sound financial stewardship and risk management.
Recommendations:	<p>The board are asked to:</p> <ul style="list-style-type: none"> • Note the contents of the report and take assurance from the review and challenge evidenced in the Committee. • Approve the submission of the Trusts Reference Cost return in line with the nationally set deadline.

Assurance Report to the Trust Board – Thursday, 31 July 2014

Finance and Activity (F & A) Committee Report to the Trust Board – 26 June 2014

This paper details the issues discussed at the Finance and Activity Committee meeting on 26 June 2014.

The meeting was quorate, approved the minutes from the meeting on the 29 May 2014 and reviewed the progress and actions taken from previous meetings.

The Committee received the financial update for month 2 (May 2014) 2014/15. This was the first month of the 2014/15 year to include the full set of supporting schedules.

The income and expenditure position to Month 2 was ahead of plan at a deficit of £0.434m against a plan deficit of £0.449m, a favourable variance of £0.015m. The paper also reported that the year-end forecast was in line with the planned position of £0.268m surplus, equating to a £0.734m surplus at adjusted financial performance level.

The Trust's cash balance at the end of April was £6.1m, which is £0.9m higher than the position at the end of April 2014.

The Capital Resource Limit (CRL) for 2014/15 is £1.5m. The planned capital expenditure for the year is £2.64m funded by £1.5m depreciation and £1.14m of asset sales. It was again noted that there was a significant likelihood that the capital expenditure for the year would not be in line with plan, even though business cases are now nearing completion and that other capital developments are coming forward. The Committee agreed that there would be a more detailed review of the forecast year end capital position in mid-year when the in-year capital consequences of the business developments are clearer.

The month 2 report also included a trading account detailing the costs and income associated with Chebsey Close and showed a trading surplus of circa £0.07m. This will continue to be updated on a monthly basis.

The Committee received the Month 2 Cost Improvement Programme (CIP) 2014/15 report which incorporated elements of the Workforce paper linked to CIP schemes. The paper highlighted the requirement to deliver £4.08m of CIP with plans in place to deliver £3.87m. The paper also showed a year to date position of £0.6m delivery against the plan of £0.5m. The deliverability rating provided by divisions remains high (97% rated green or amber). The Finance team will test this rating more thoroughly over the coming weeks.

Other Reports and Updates

The Committee received additional reports and verbal updates as follows:

- Report analysing drug costs movements between 2013/14. The Committee noted the significant cost reduction of dementia drugs mainly due to generic prescribing.
- A paper which explained the current Risk Rating method (The Continuity of Services Risk Rating) which replaced the Financial Risk Rating on 1 April 2014.
- A report detailing the National Contract data and Information requirements.
- A presentation of the Income and Expenditure Statements and Balance Sheets included within the Trusts recently submitted Long Term Financial Model (LTFM). This presentation also included the efficiency and inflation assumptions used over the life of the model and detailed the service developments included.
- Report on the issues and options available to improve the parking issues at the Harplands and the Trust HQ making provision for additional parking at both sites. Further work was requested to investigate the possibility of implementing an Automatic Number Plate Recognition (ANPR) option at the Harplands and adding additional parking spaces at each site. **The Committee recommends to the Board that it approves the proposal to give notice on the Car park F lease.**
- Report highlighting issues, aims and plans for the development of the Harplands site and the proposal to conduct a clinically lead review of the site that links to the clinical strategy and the recently developed IBP.
- Minutes were received from the Capital Investment Group
- A report outlining the need for the Trust to agree to a deed of variation to the Collaboration Agreement for the disposal of the Bucknall Hospital site. The Committee requested that the original Agreement was reviewed prior to any agreement to this variation.

Tenders Update

A report was tabled and discussed updating the Committee on the Trust's current tender activity.

Financial Risk

The Committee reviewed the key risks to the delivery of the current financial plan and discussed those categorised as significant.

The Board is asked to note the contents of this report and take assurance from the review and challenge evidenced in the Committee. Additionally the Board is asked to approve that the Trust gives notice on the lease for Trust HQ Car Park F

Tony Gadsby – Chair of Finance and Activity Committee

26 June 2014

Assurance Report to the Trust Board – Thursday, 31 July 2014

Finance and Activity (F & A) Committee Report to the Trust Board – Open Session - 24 July 2014

This paper details the issues discussed at the Finance and Activity Committee meeting on 24 July 2014.

The meeting was quorate, approved the minutes from the meeting on the 26 June 2014 and reviewed the progress and actions taken from previous meetings.

The Committee received the financial update for month 3 (June 2014) 2014/15.

The income and expenditure position to Month 3 was slightly ahead of plan at a deficit of £0.44m against a plan deficit of £0.45m, a favourable variance of £0.01m. The paper also reported that the year-end forecast was in line with the planned position of £0.268m surplus, equating to a £0.734m surplus, at adjusted financial performance level.

The Trust's cash balance at the end of June was £5.2m, which is £0.9m lower than the position at the end of May 2014 as a result of a £0.4m increase in debtors and a £0.5m decrease in the level of creditors. The debtor movement primarily related to increases in balances with Local Authorities.

As previously reported in Month 2, the capital programme position remains behind plan and is likely to remain so throughout this financial year. The Trust intends to undertake a more robust forecast in mid-year.

The Trusts Continuity of Service Risk Rating at month 3 was on overall rating of 3. The Trusts liquidity metric remains high (level 4) but the Trusts deficit at 30 June, as planned, reduces the Capital Servicing Capacity to level 1. This rises by the end of year to level 2 as the Trust moves back into surplus. This maintains the year end forecast rating of level 3.

The Committee received the Month 3 Cost Improvement Programme (CIP) 2014/15 report which incorporated elements of the Workforce paper linked to CIP schemes. The paper highlighted the requirement to deliver £4.08m of CIP with plans in place to deliver £3.39m. This is a reduction from the forecast deliverability reported at month 2 of £0.47m as a consequence of scheme slippage and confirms a forecast CIP gap of £0.69m for the year.

The paper also showed a year to date position of £0.91m delivery against the plan of £0.87m although it was noted that a significant element of that year to date delivery was on non-recurring schemes from Corporate and Trust wide areas.

The deliverability rating provided by Divisions has reduced from that reported in previous months (83% rated green or amber) with the CIP gap of £0.69m (17%) rated Red.

The Committee noted the challenge and assessment currently being undertaken on the Trusts CIP programme with Divisions and Directorates and requested an updated risk assessed report to be presented to its September meeting.

Other Reports and Updates

The Committee received additional reports and verbal updates as follows:

- A report detailing the risks and performance issues within the Trust's clinical contract portfolio. Particular reference was made to the lack of Commissioner agreement(s) to support the Cancer Psychology work delivered to UHNS. A second contracting paper highlighted the areas where, in accordance with the agreed block contracts, financial penalties may be applied by Commissioners.
- A table detailed the current approval status of the Trusts Financial policies. It was agreed to review the policy status position on an annual basis.
- A report details the systems and processes the Trust has applied in the production of the 2013/14 Reference Costs. **The Committee took assurance from those processes and recommends that the Board approves the submission of the calculated Reference Costs in line with the national deadline.**
- The Quarterly Workforce report which detailed the latest workforce profile, the workforce changes forecast over the next 5 years and Vacancy and Redundancy profiles.
- Business cases proposing redesign of care for Neuropsychiatry & Old Age Psychiatry, the restructuring of teams and management within the Adult Mental Health Division and the proposed Development of a High Dependency Rehabilitation Unit at the Harplands Hospital were received and discussed.
- Minutes were received from the Capital Investment Group

Recommendation

The Board is asked to note the contents of this report and take assurance from the review and challenge evidenced in the Committee. Additionally the Board is asked to approve that the submission of the Trusts Reference Cost return in line with the national deadline.

Tony Gadsby – Chair of Finance and Activity Committee

24 July 2014

REPORT TO TRUST BOARD

Date of Meeting:	31 st July 2014
Title of Report:	Performance Report – Month 3 2014/15
Presented by:	Chris Calkin, Interim Director of Finance
Author of Report: Name:	Kevin Daley, Performance Development Manager
Date:	22 nd July 2014
Email:	Kevin.Daley@northstaffs.nhs.uk
Purpose / Intent of Report:	Performance Monitoring
Executive Summary:	<p>This report provides the Board with a summary of performance to the end of Month 3 (June 2014)</p> <p>Performance against the TDA compliance framework and key National Targets is included within the report, most indicators are on target.</p> <p>A range of 122 metrics is in place to monitor performance, quality and outcomes.</p> <p>The indicators are those set by our commissioners and local trust targets and aligned to the relevant Trust objectives.</p> <p>There were two areas reported as significantly under-performing (red) and four under-performing (amber) at end of June 2014.</p> <p>The attached summary by exception expands on the areas that are underperforming and Executive leads will provide a verbal update at the meeting, where appropriate.</p>
Which Strategy Priority does this relate to:	Governance Strategy
How does this impact on patients or the public?	The Performance & Quality management Framework measures performance across National and local indicators, presented against the Trust's enabling strategies, commissioning contract and Monitor's compliance framework.
Relationship with Annual Objectives:	The Performance & Quality Management Framework measures performance across all annual objectives
Risk / Legal Implications:	All areas of underperformance are separately risk assessed and added to the risk register dependent on the outcome of the risk assessments.
Resource Implications:	Not directly as a result of this report
Equality and Diversity Implications:	Not directly as a result of this report
Relationship with Assurance Framework	The Performance & Quality Management Framework is a key control within the Assurance Framework
Recommendations:	<p>The Board are asked to</p> <ul style="list-style-type: none">consider and discuss reported performance with particular emphasis on areas of underperformance

	<ul style="list-style-type: none">• note the considerable number of metrics reported on target (green)• to confirm sufficient detail and assurance is provided
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1 Introduction to Performance Management Report

The report includes proposed TDA metrics, targets where agreed, trends and revised RAG rating

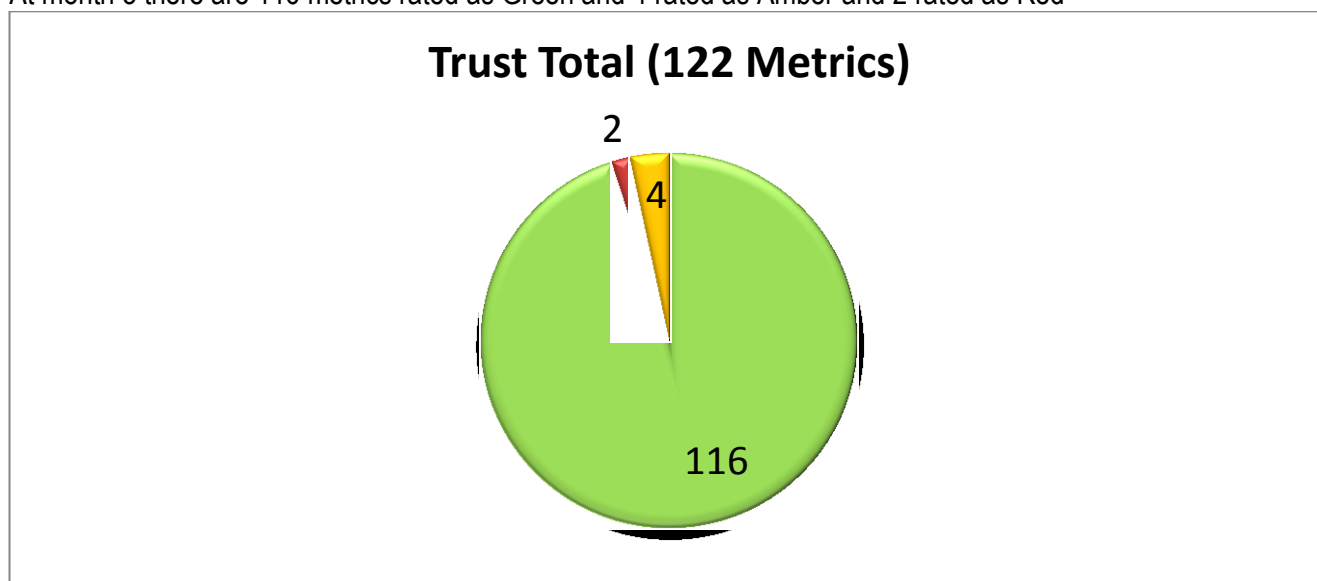
- An Executive Summary (this report)

In addition to the attached appendices a full database (Divisional Drill-Down) has been made available to Divisional Business Managers and Clinical Directors to enable them to scrutinise / check the supporting data and drive improvements based on that data.

2 Executive Summary – Exception Reporting

This section presents an overview and performance by exception across all Key Performance Indicators in place to measure performance, quality and outcomes.

At month 3 there are 116 metrics rated as Green and 4 rated as Amber and 2 rated as Red



Strategic Goal	Key Trust Objective	YTD			Month 3		
		Red	Amber	Green	Red	Amber	Green
	TDA	0	0	0	0	0	0
SG1 Clinical Effectiveness	KTO 1	0	2	52	1	3	52
SG2 Partnership Working	KTO 2	1	0	32	1	0	32
SG3 Engagement	KTO 3	0	0	10	0	0	10
SG4 Innovation	KTO 4	0	0	0	0	0	0
SG5 Efficient Provider	KTO 5	0	1	12	0	1	12
	KTO 6	1	1	10	1	1	10
	Total	2	4	116	2	4	116

2.1 Proposed TDA Assurance Framework

The TDA assurance framework is included as these are the key performance indicators against which non foundation Trusts' performance is assessed. There are 41 **proposed** key quality indicators applicable to Mental Health Trusts.

Please Note: Final technical guidance has yet to be issued for these metrics.

	Area	Metric Driver	Executive lead	Target	June	YTD	Trend	Forecast Year End	Data Quality
TDA 1	Inpatient scores from Friends and Family Test	TDA Assurance Framework	Director of Nursing		Qtly Data	Qtly Data	↔		
TDA 2	Complaints – rate per bed days, MH contacts		Director of Nursing		Awaiting Guidance	Awaiting Guidance	↔		
TDA 3	Inpatient Survey: Q68 Overall I had a very poor/ good experience?		Director of Nursing		Annual Data	Annual Data	↔		
TDA 4	Community Mental Health: Q45 Overall, how would you rate the care you have received in the last 12 months?		Director of Nursing		Annual Data	Annual Data	↔		
TDA 5	Mixed Sex Accommodation Breaches		Director of Nursing	0	0	0	↔		
TDA 6	NHS England inpatients response rate from Friends and Family Test		Director of Nursing		Qtly Data	Qtly Data	↔		
TDA 7	Data Quality of trust returns to the HSCIC		Director of Ops		Awaiting Guidance	Awaiting Guidance	↔		
TDA 8	NHS Staff Survey: Percentage of staff who would recommend the trust as a place of work		Workforce Director		Annual Data	Annual Data	↔		
TDA 9	NHS Staff Survey: Percentage of staff who would recommend the trust as a place to receive treatment		Workforce Director		Annual Data	Annual Data	↔		
TDA 10	Trust turnover rate		Workforce Director		1.0	1.98	↗		
TDA 11	Trust level total sickness rate		Workforce Director		2.59%	4.50%	↓		
TDA 12	Total trust vacancy rate		Workforce Director		Awaiting Guidance	Awaiting Guidance	↔		
TDA 13	Temporary costs and overtime as % total payroll		Workforce Director		4.96%	4.96%	↓		
TDA	Percentage of staff with annual		Workforce		80%	80%	↓		

	Area	Metric Driver	Executive lead	Target	June	YTD	Trend	Forecast Year End	Data Quality
14	appraisal		Director						
TDA 15	Summary Hospital Mortality Indicator (HSCIC Published data)		Medical Director		Awaiting Guidance	Awaiting Guidance	↔		
TDA 16	Hospital Standardised Mortality Ratio (DFI Quarterly)		Medical Director		Awaiting Guidance	Awaiting Guidance	↔		
TDA 17	Hospital Standardised Mortality Ratio – weekend		Medical Director		Awaiting Guidance	Awaiting Guidance	↔		
TDA 18	Hospital Standardised Mortality Ratio – weekday		Medical Director		Awaiting Guidance	Awaiting Guidance	↔		
TDA 19	Deaths in low risk conditions		Medical Director		Awaiting Guidance	Awaiting Guidance	↔		
TDA 20	Emergency re-admissions within 30 days following an elective or emergency spell at the trust		Director of Operations		10.5%	9.1%	↗		
TDA 21	IAPT – The proportion of people who complete treatment who are moving to recovery		Director of Operations	TBC	36%	36%	↔		
TDA 22	C DIFF		Director of Nursing	0	0	0	↔		
TDA 23	MRSA		Director of Nursing	0	0	0	↔		
TDA 24	Never Event incidence			0	0	0	↔		
TDA 25	Medication errors causing serious harm		Medical Director		0	0	↔		
TDA 26	Percentage of Harm Free Care		Director of Nursing		Awaiting Guidance	Awaiting Guidance	↔		
TDA 27	Serious Incidents		Director of Nursing		6	16	↔		
TDA 28	Proportion of reported patient safety incidents that are harmful		Director of Nursing		43	106	↗		
TDA	CAS alerts		Medical		8	18	↘		

	Area	Metric Driver	Executive lead	Target	June	YTD	Trend	Forecast Year End	Data Quality
29			Director						
TDA 30	Admissions to adult facilities of patients who are under 16 years of age (Number)		Director of Operations	0	0	0	↔		
TDA 31	RTT waiting times for admitted pathways: percentage within 18 weeks		Director of Operations		0	0	↔		
TDA 32	RTT waiting times for non-admitted pathways: percentage within 18 weeks		Director of Operations		95.7%	95.7%	↘		
TDA 33	RTT waiting times incomplete pathways		Director of Operations		Awaiting Guidance	Awaiting Guidance	↔		
TDA 34	RTT over 52 week waiters		Director of Operations				↘		
TDA 35	The proportion of those on Care Programme Approach (CPA) for at least 12 months Who had a CPA review within the last 12 months		Director of Operations		96%	96%	↔		
TDA 36	The proportion of those on Care Programme Approach(CPA) for at least 12 months having formal review within 12 months		Director of Operations		96%	96%	↔		
TDA 37	The proportion of those on Care Programme Approach(CPA) for at least 12 months Receiving follow-up contact within 7 days of discharge		Director of Operations	95%	100%	100%	↔		
TDA 38	Admissions to inpatient services who had access to Crisis Resolution/Home Treatment teams		Director of Operations	95%	100%	100%	↔		
TDA 39	Meeting commitment to serve new psychosis cases by early intervention teams (Number)		Director of Operations		13	29	↗		
TDA 40	Mental health delayed transfers of care		Director of Operations		3.94%	3.46%	↗		
TDA 41	Data security breaches or lapses		Director of Operations		4	12	↔		

3 Exception Reports

Below are exceptions where compliance of the KPIs which support the strategic goals and Key Trust Targets (KTO) are below expected levels of performance and require further action.

SG1: To deliver high quality, person-centred models of care Clinical Effectiveness

KTO 1. Delivery of high quality services evidenced by CQC compliance, compliance with NICE guidance, increase in service user engagement and improvement of patient (SG1)

Of the 54 metrics all except the 2 below are within accepted limits at month 3

KPI	Metric	Exec	Op	Target	M3 Perf	YTD	Forecast Outturn	Trend	Comment
O1.OP7	DNA Rate	Dir of Ops	BMs	9%	AMBER 9.28%	AMBER 9.28%	GREEN	↘	LIA blueprint priority 2014/15 Target is currently based on 2012/13 out turn Trust = 9.28% Target 9% AMH = 10.63% Target 9.2% LDNAOP = 5.36% Target 6.5% CYP = 10.18% Target 12%
O1 IP4	Readmission rate (28 days) For all inpatient settings reported by specialty (Monthly) Definition: The percentage of patients readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period	Dir of Nursing	BMs	7.5%	AMBER 10.5%	AMBER 9.1%	AMBER	↗	M3 figures are: 9 confirmed readmissions from 86 discharges = 10.5% YTD 23 confirmed readmissions from 252 discharges = 9.1%

SG2: To be at the centre of an integrated network of partnerships to provide a holistic approach to care

KTO 2. Integrated models of care evidenced by clinical strategy supported by commissioners, partners and service users. (Medical Director) (SG2)

Of the 33 metrics all except the below are within accepted limits at month 3

KPI	Metric	Exec	Op	Target	M3 Perf	YTD Q1	Forecast Outturn	Trend	Comment
PHQ13_05	The proportion of people who have depression	Dir of Ops	SW	Q1 3.3%	RED 0.92%	RED 2.4%	GREEN	↗	This service is provided in partnership with Changes and Mind Quarter 1: 2.4%

	and/or anxiety disorders who receive psychological therapies (PHQ16_01 / PHQ16_02								<p>achieved against quarter 1 target of 3.3%</p> <p>Targets Q1 = 3.3% Q2 = 3.5% Q3 = 4.1% Q4 = 4.1%</p> <p>Stepped targets to achieve 15% compliance by year end. Issues being discussed at the monthly IAPT contract monitoring meetings in order to agree resolution.</p> <p>Mitigation is:</p> <p>6 WTE staff short due to Maternity and vacancies</p> <p>Volume exceeding the contracted number of referrals diverts staff away from therapy to triage and assessment.</p> <p>High incidence of DNAs</p> <p>We have negotiated a contract variation of 126K with commissioners to deal with the volume and we are currently undergoing recruitment to replace the vacancies.</p>
--	---	--	--	--	--	--	--	--	--

SG3 To engage with our communities to ensure we deliver the services they require

KTO 3. Improve stakeholder relationships and working, evidenced by stakeholder survey at beginning and end of year. (Chief Executive) (SG3)

Of the 10 metrics all are within accepted limits at month 3

SG4 To be a dynamic organisation driven by innovation

KTO 4. Use technology as an enabler for high quality service delivery evidenced by implementation of a refreshed IT Strategy and real-time patient feedback systems.(Dir of Finance). (SG4)

SG5 To be one of the most efficient providers

KTO 5. Robust plans delivering quality and sustainable services evidenced by delivery of financial plan and TDA risk rating of maximum 2. (Dir of Operations) (SG5)

Of the 12 metrics all except the below are within accepted limits at month 3

KPI	Metric	Exec	Op	Target	M3 Perf	YTD	Forecast Outturn	Trend	Comment
O6.6	Ensure that information requirements are met in order to agree Pbr funding baseline	Dir of Fin	PG		AMBER	AMBER	GREEN	↔	Cost & Volume development plan has been circulated within the Trust and sent to HIS for implementation.

KTO 6. Improve culture of staff engagement evidenced by improvements in key staff survey indicators and improved team survey results. (Dir of Leadership & Workforce) (SG5)

Of the 13 metrics all except two are within accepted limits at month 3

KPI	Metric	Exec	Op	Target	M3 Perf	YTD	Forecast Outturn	Trend	Comment
O8.6	Percentage of staff compliant with mandatory training appropriate to their role	WF Dir	CD	95%	AMBER 91%	AMBER 91%	AMBER	↗	91% @ month 3 from 89% @ month 1 Month 3 AMH = 92% LDNAOP = 90% CYP = 90% Corporate = 87% Work on-going with teams to ensure that all staff attend statutory & mandatory training and maintain their compliance.
O8.5	Annual appraisal and personal development plan All Staff	WF Dir	CD	90%	RED 80%	RED 80%	GREEN	↘	80% @ month 3 from 89% @ month 2 Month 3 AMH = 83.44% LDNAOP = 79.58% CYP = 82.00% Corporate = 70.74%

4 Risk Ratings

The NHS Trust Development Authority measures Trust performance in five categories as follows:

- 1) No identified concerns
- 2) Emerging concerns
- 3) Concerns requiring investigation
- 4) Material issue
- 5) Formal action required

Until recently the TDA defined this Trust performance as category 3. This was favourably revised recently to category 2

5 Recommendations

The Trust Board is asked to:

- Note the performance reported including the forecast position
- Note that most national targets are being met
- Review areas of underperformance as summarised in this report and identify further action required

REPORT TO TRUST BOARD

Date of Meeting:	31 July 2014
Title of Report:	NHS Trust Development Authority (NTDA) Monthly Self Certifications.
Presented by:	Chris Calkin, Interim Director of Finance
Author of Report: Name: Date: Email:	Glen Sargeant, Head of Performance and Information 17 July 2014 glen.sargeant@northstaffs.nhs.uk
Purpose / Intent of Report:	Information and approval
Executive Summary:	<p>This report presents the monthly NTDA self-certification documents for Board approval.</p> <p>These self-certification declarations form part of the NTDA Oversight and Escalation Process.</p> <p>Based on June 2014 data, the Trust is declaring compliance with all requirements.</p>
Which Strategy Priority does this relate to:	Clinical, Finance and Governance.
How does this impact on patients or the public?	There is no direct impact on patients or the public.
Relationship with Annual Objectives:	To manage delivery of the milestones towards achieving FT status, in preparation for the Trust's proposed future form.
Risk / Legal Implications:	None
Resource Implications:	None identified
Equality and Diversity Implications:	None identified
Relationship with Assurance Framework [Risk, Control and Assurance]	None
Recommendations:	The Board is asked to Approve the self-certifications for submission to the NTDA on or before the last working day of July 2014

OVERSIGHT: Monthly self-certification requirements - Compliance Monitor Monthly Data.

CONTACT INFORMATION:



Enter Your Name:

Enter Your Email Address

Full Telephone Number:

Tel Extension:

SELF-CERTIFICATION DETAILS:



Select Your Trust:

Submission Date:

Reporting Year:

Select the Month

April

May

June

July

August

September

October

November

December

January

February

March

COMPLIANCE WITH MONITOR LICENCE REQUIREMENTS FOR NHS TRUSTS:



1. **Condition G4** – Fit and proper persons as Governors and Directors (also applicable to those performing equivalent or similar functions).
2. **Condition G5** – Having regard to monitor Guidance.
3. **Condition G7** – Registration with the Care Quality Commission.
4. **Condition G8** – Patient eligibility and selection criteria.
5. **Condition P1** – Recording of information.
6. **Condition P2** – Provision of information.
7. **Condition P3** – Assurance report on submissions to Monitor.
8. **Condition P4** – Compliance with the National Tariff.
9. **Condition P5** – Constructive engagement concerning local tariff modifications.
10. **Condition C1** – The right of patients to make choices.
11. **Condition C2** – Competition oversight.
12. **Condition IC1** – Provision of integrated care.

Further guidance can be found in Monitor's response to the statutory consultation on the new NHS provider licence: [The new NHS Provider Licence](#)

COMPLIANCE WITH MONITOR LICENCE REQUIREMENTS FOR NHS TRUSTS:



Comment where non-compliant or at risk of non-compliance

1. Condition G4

Fit and proper persons as Governors and Directors.

Timescale for compliance:

2. Condition G5

Having regard to monitor Guidance.

Timescale for compliance:

3. Condition G7

Registration with the Care Quality Commission.

Timescale for compliance:

Comment where non-compliant or at risk of non-compliance

4. Condition G8

Patient eligibility and selection criteria.

Timescale for compliance:

Comment where non-compliant or
at risk of non-compliance

5. Condition P1

Recording of information.

Timescale for compliance:

6. Condition P2

Provision of information.

Timescale for compliance:

7. Condition P3

Assurance report on
submissions to Monitor.

Timescale for compliance:

8. Condition P4

Compliance with the
National Tariff.

Timescale for compliance:

Comment where non-compliant or
at risk of non-compliance

9. Condition P5

Constructive engagement
concerning local tariff
modifications.

Timescale for compliance:

Comment where non-compliant or
at risk of non-compliance

10. Condition C1

The right of patients to
make choices.

Timescale for compliance:

11. Condition C2

Competition oversight.

Timescale for compliance:

12. Condition IC1

Provision of integrated
care.

Timescale for compliance:

OVERSIGHT: Monthly self-certification requirements - Board Statements Monthly Data.

CONTACT INFORMATION:



Enter Your Name:

Enter Your Email Address

Full Telephone Number:

Tel Extension:

SELF-CERTIFICATION DETAILS:



Select Your Trust:

Submission Date:

Reporting Year:

Select the Month

April

May

June

July

August

September

October

November

December

January

February

March

BOARD STATEMENTS:



The NHS TDA's role is to ensure, on behalf of the Secretary of State, that aspirant FTs are ready to proceed for assessment by Monitor. As such, the processes outlined here replace those previously undertaken by both SHAs and the Department of Health.

In line with the recommendations of the Mid Staffordshire Public Inquiry, the achievement of FT status will only be possible for NHS Trusts that are delivering the key fundamentals of clinical quality, good patient experience, and national and local standards and targets, within the available financial envelope.

BOARD STATEMENTS:



For **CLINICAL QUALITY**, that

1. The Board is satisfied that, to the best of its knowledge and using its own processes and having had regard to the TDA's oversight model (supported by Care Quality Commission information, its own information on serious incidents, patterns of complaints, and including any further metrics it chooses to adopt), the trust has, and will keep in place, effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to its patients.

1. CLINICAL QUALITY

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For CLINICAL QUALITY, that

2. The board is satisfied that plans in place are sufficient to ensure ongoing compliance with the Care Quality Commission's registration requirements.

2. CLINICAL QUALITY

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For CLINICAL QUALITY, that

3. The board is satisfied that processes and procedures are in place to ensure all medical practitioners providing care on behalf of the trust have met the relevant registration and revalidation requirements.

3. CLINICAL QUALITY

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For **FINANCE**, that

4. The board is satisfied that the trust shall at all times remain a going concern, as defined by the most up to date accounting standards in force from time to time.

4. FINANCE

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For **GOVERNANCE**, that

5. The board will ensure that the trust remains at all times compliant with the NTDA accountability framework and shows regard to the NHS Constitution at all times.

5. GOVERNANCE

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

6. All current key risks to compliance with the NTDA's Accountability Framework have been identified (raised either internally or by external audit and assessment bodies) and addressed – or there are appropriate action plans in place to address the issues in a timely manner.

6. GOVERNANCE

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

7. The board has considered all likely future risks to compliance with the NTDA Accountability Framework and has reviewed appropriate evidence regarding the level of severity, likelihood of a breach occurring and the plans for mitigation of these risks to ensure continued compliance.

7. GOVERNANCE

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

8. The necessary planning, performance management and corporate and clinical risk management processes and mitigation plans are in place to deliver the annual operating plan, including that all audit committee recommendations accepted by the board are implemented satisfactorily.

8. GOVERNANCE

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

9. An Annual Governance Statement is in place, and the trust is compliant with the risk management and assurance framework requirements that support the Statement pursuant to the most up to date guidance from HM Treasury (www.hm-treasury.gov.uk).

9. GOVERNANCE

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

10. The Board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets as set out in the NTDA oversight model; and a commitment to comply with all known targets going forward.

10. GOVERNANCE
Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

11. The trust has achieved a minimum of Level 2 performance against the requirements of the Information Governance Toolkit.

11. GOVERNANCE
Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

12. The board will ensure that the trust will at all times operate effectively. This includes maintaining its register of interests, ensuring that there are no material conflicts of interest in the board of directors; and that all board positions are filled, or plans are in place to fill any vacancies.

12. GOVERNANCE
Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

13. The board is satisfied that all executive and non-executive directors have the appropriate qualifications, experience and skills to discharge their functions effectively, including setting strategy, monitoring and managing performance and risks, and ensuring management capacity and capability.

13. GOVERNANCE
Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

BOARD STATEMENTS:



For GOVERNANCE, that

14. The board is satisfied that: the management team has the capacity, capability and experience necessary to deliver the annual operating plan; and the management structure in place is adequate to deliver the annual operating plan.

14. GOVERNANCE

Indicate compliance.

Timescale for compliance:

RESPONSE:

Comment where non-compliant or at risk of non-compliance

REPORT TO: Trust Board

Date of Meeting:	Thursday 31 July 2014
Title of Report:	Annual Report 2013/14
Presented by:	Caroline Donovan Acting Chief Executive
Lead / Author of Report: Name: Date: Email:	Sandra Storey Trust Secretary / Head of Corporate and Legal Affairs / Annie Roberts Annie Roberts 23 July 2014
Purpose / Intent of Report:	For Assurance
Executive Summary:	<p>All NHS Trusts are required to produce an Annual Report, in line with the Department of Health's Manual of Accounts.</p> <p>This paper provides an update position statement in respect to the Annual Report, which will be presented at the Trust's Annual General Meeting in September 2014. In particular, it provides assurance that the Annual Report 2013/14, which includes the full financial statements and accounts for 2013/14, has been produced in line with the national guidelines – the Manual for Accounts.</p> <p>The Auditors (KPMG) have reviewed the report and provided feedback to state that the narrative meets the requirements set out in the Manual of Accounts.</p> <p>Given the size of the document it will not be printed for Board packs. Draft versions have been sent around previously. The final draft It will be sent electronically with other board papers. In addition, the bound / printed version will be available at the board meeting on the 31 July 2014. Following discussion at the Board meeting, this will allow the welcome section to be finalised.</p>
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> • Finance Strategy • Governance Strategy • Customer Focus Strategy <p>The Annual Report is a public document, which will be presented at the Trust's Annual General Meeting on the 24 September 2014.</p>
Relationship with Annual Objectives:	Links to all annual objectives
Risk / Legal Implications:	None identified as a result of this report
Resource Implications:	None identified as a result of this report
Equality and Diversity Implications:	None identified as a result of this report
Relationship with Assurance	

Framework [Risk, Control and Assurance]	
Recommendations:	<p>The Trust Board is asked to receive this report to:</p> <ul style="list-style-type: none"> • Satisfy itself that there is an effective process in place to deliver an Annual Report in line with national requirements, to be presented at the Trust's Annual General Meeting on 24 September 2014.

North Staffordshire Combined Healthcare NHS Trust

REPORT TO: Trust Board

July 2014

1. Introduction

This report provides an update on the development of the Trust's Annual Report. In particular, it provides assurance that the Financial Statements and Accounts for 2013/14 that are set out in the Annual Report 2013/14 are consistent with those which have been reviewed by KPMG, the Trust's Auditors.

The report also aims to provide assurance that the Annual Report has been produced in line with the national guidelines – the [Department of Health NHS Manual for Accounts](#).

2. Progress

The production of the Annual Report follows strict national guidance. To this effect, the Head of Communications produces a project plan, to ensure that all elements of the production of the Annual Report are carefully project managed. This is shown in [Appendix 1](#)

This is a draft document which will go to print in September, as part of the Annual General Meeting. For further assurance, the word version of this document has already been reviewed by the Executive Team, the Audit Committee and had sign off from the Trust auditors.

The Annual Report document follows strict national guidance on content and auditors have confirmed it meets those guidelines.

The Chairman/CEO intro is completed after the report is signed off at Board, once all the information within the report has been reviewed. This section is always completed last so that it takes into consideration input from Board members.

Under usual circumstances, the meeting in July would be a first view of the report in closed session of the Trust Board and the final version would be presented at open session in the September Trust Board meeting. However, this year's Annual General Meeting (AGM) has been brought forward to Wednesday 24 September, which is a day earlier than the Trust Board; therefore we will not have that opportunity to review in closed session this year and changes may need to be made to the current narrative to reflect Board input. The final version of the Annual Report will be presented at the AGM.

The other change to this year's report is that in previous years we have been able to produce an Annual Report and Summary Financial Statements, with the Full Annual Accounts as a separate document. This year, the national guidance has changed and the full accounts must be included in the Annual Report. This results in an extensive document, of around 170 pages. A summary of the full Annual Report and Accounts will also be prepared.

3. Priorities

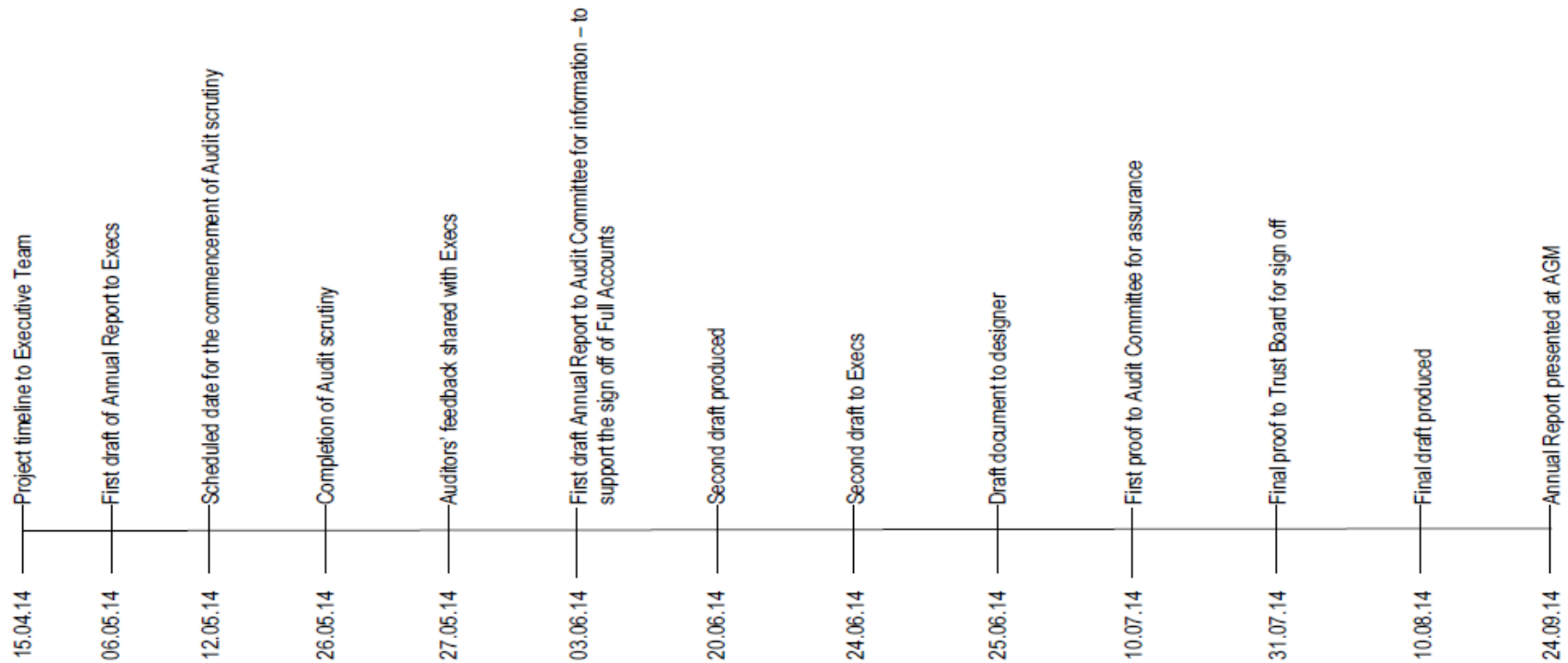
The production of the Annual Report is in strict adherence with the Department of Health's NHS Manual for Accounts 2013/14. The full Annual Report, which includes a narrative overview of the Trust's activities throughout the year, has been developed in line with the project plan set out in [Appendix 1](#).

4. Recommendations

The Board is asked to note the contents of this report and satisfy itself that there is an effective process in place for 2013-14 to deliver an Annual Report, in line with national requirements.

APPENDIX 1

Project Plan: Development of 2013/14 Annual Report



Key Milestones

NOTE: The delivery of this Project Plan is reliant on the submission of information for the Annual Report by nominated leads within the specified deadlines.

PROJECT PLAN

	KEY TARGET	ACTION	ACTION DATE	BOARD / COMMITTEE DATE	DIRECTOR LEAD	OPERATIONAL LEAD	PROGRESS
1a	Review and plan framework	Undertake a high level review of the requirements associated with the development and production of the Trust's Annual Report Develop a Project Plan to deliver the Quality Account by the due date	11 April 2014	-	Sandra Storey	Annie Roberts	Achieved
1b		Present timeline to Exec Team to approve plan	15 April 2014		Sandra Storey	Annie Roberts	Achieved
2	Plan content	Assign key areas to lead officers	14 April 2014		Sandra Storey	Annie Roberts	Achieved
3	Issue request for information	Request information from key Trust leads (as identified above in 2) with explicit deadlines as per key milestones	15 April 2014		All Execs	Annie Roberts	Achieved
4	Draft Annual Report V1	Pull together first draft based on information already held	2 May 2014		Sandra Storey	Annie Roberts	Achieved
5	First draft to Execs	Share first draft with Execs	2 May 2014	6 May 2014			Achieved
6	Finalise first Draft of Annual Report	Add information as received by key leads. At this stage, document is a word doc and has no design element.	12 May 2014		Sandra Storey	Annie Roberts	Achieved
7	Share first draft with auditors	Scheduled date for the commencement of Audit scrutiny	12 May 2014		Sandra Storey	Annie Roberts / Steve Blaise	Achieved
8	Meet with External Auditors to discuss audit feedback	Meet with KPMG to discuss and clarify audit recommendations. Share findings with Execs for information	26 May 2014		Sandra Storey	Annie Roberts / Steve Blaise	Achieved
9	Brief Audit Committee re process	Present a paper to the Audit Committee with regard to the development of the Trust's Annual Report (include project plan) Advise Audit Committee that this is a first draft to support the sign off of the Full Annual Accounts and that a subsequent, more	27 May 2014 (paper submission)	3 June 2014	Sandra Storey	Annie Roberts / Sandra Storey	Achieved

		complete version will be available to the July meeting.	<i>deadline)</i>				
10	Second Draft – further input from nominated leads	All leads identified to provide outstanding information to Annie Roberts	27 May - 20 June 2014	-	All Execs	Nominated leads	Achieved
11	Cross reference the Quality Account with the Trust's Annual Report	Ensure that there is consistency across the two reports.	16 June 2014	-	Sandra Storey	Annie Roberts / Laurie Wrench	Achieved
12	Share second draft with Execs	Final word doc draft before sending to designers.	20 June 2014 <i>(paper submission deadline)</i>	24 June 2014	Sandra Storey	Annie Roberts / Sandra Storey	Achieved
13	Identify development, publishing and communication requirements	Commission design and printing costs Identify appropriate photos and charts Ensure that there is clarity re publication in different languages	25 June 2014	-	Sandra Storey	Comms Officer	Achieved
14	Receive first proof from Designers	Cross-reference against word doc for accuracy, with particular attention on tables and financial information	1 July 2014		Sandra Storey	Annie Roberts	Achieved
15	Annual Review	Progress the development of a summary Annual Review	1 July – 1 September 2014		Sandra Storey	Comms Officer	
16	Report to Audit Committee	Present a paper to Audit Committee with a first proof of designed version, for assurance	3 July 2014 <i>(paper submission deadline)</i>	10 July 2014	Sandra Storey	Annie Roberts / Sandra Storey	Achieved
17	Final draft to Auditors	Present the final draft to KPMG, to generate sign off letter for inclusion in the Annual Report.	4 August 2014	-	Sandra Storey	Annie Roberts	

18	Final proof to Trust Board	Present the final designed version to the Trust Board for sign off. Throughout the process, the word doc and first drafts will have been shared by email with all members of the Trust Board. It will also have been to Audit Committee on two occasions.	24 July 2014 <i>(paper submission deadline)</i>	31 July 2014	Sandra Storey	Annie Roberts / Sandra Storey	
19	Publish final version of Annual Report	Publish the final version of the Annual Report on website Send final version to key stakeholders including staff	25 July -24 September 2014	-	Sandra Storey	Annie Roberts	
20	Present Annual Report at AGM	Formally present at the Trust's AGM	24 Sept 2014		Sandra Storey	Annie Roberts	

Key:	
	Achieved
	On target
	On target but moderate risk to delivery
	Significant risk to delivery
	Will not be delivered by due date and high risk
Blue type	Key Delivery Points / Significant Milestones
Accountability & Delivery:	
- Director Accountability: Chief Executive / Trust Secretary	



**North Staffordshire
Combined Healthcare NHS Trust
Annual Report 2013/14**





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Operating and Financial Review

The Operating and Financial Review is spread throughout Sections 9 of the Annual Report.

A copy of the Trust's 'Annual Report and Accounts' can be obtained by contacting the Trust Secretary in writing, or by telephone at:

Mrs S Storey, Trust Secretary
North Staffordshire Combined Healthcare NHS Trust
Trust Headquarters
Bellringer Road
Trentham
ST4 8HH

Tel: 01782 275105

1 | A Welcome

from our Chairman and Chief Executive

to follow on completion of the full report

to follow on completion of the full
report



Ken Jarrold CBE Chairman



Caroline Donovan Acting Chief Executive

2 | About our Organisation

2.1 Our Trust

North Staffordshire Combined Healthcare NHS Trust was established in 1994 following the merger of four directly managed units, formerly providing adult and older people mental health, learning disability, and primary care services. We now provide mental health and learning disability care to people predominantly living in the city of Stoke on Trent and in North Staffordshire.

We currently work from both hospital and community based premises, operating from approximately 30 sites. Our main site is Harplands Hospital, which opened in 2001 and provides the setting for most of our inpatient units. All corporate staff moved to the current Trust Headquarters building in December 2012.

We provide services to people of all ages 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 outpatients, community resource 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 Hospital of North Staffordshire NHS Trust (UHNS).

Our team of around 1,278 whole time equivalent (WTE), 1,451 (headcount) are committed to providing high standards of quality and safe services. We service a population of

approximately 464,000 people from a variety of diverse communities across Northern Staffordshire. The Trusts closing income for the year was £87.5m.

Our main NHS partners are the two Clinical Commissioning Groups (CCGs) – North Staffordshire CCG and Stoke on Trent CCG. We also work very closely with the local authorities in these areas, as well as specialist commissioners in areas such as children's mental health services and substance misuse.

In addition, we work closely with agencies which support people with mental health problems, such as the North Staffs Users Group, Approach, ASIST, Brighter Futures, Changes, EngAGE, North Staffs Huntington's Disease Association, Mind, North Staffs Carers Association, Reach and the Beth Johnson Association.

The Trust manages its services through a service line structure, as shown on the opposite page.

CLINICAL STRUCTURE

Chief Executive

Medical Director
Dr. Buki Adeyemo

Director of Quality & Nursing
Karen Wilson

Director of Operations
Andy Rogers

Director of Finance
Kieran Lappin

Acting Director of Leadership
Paul Draycott

Adult Mental Health Division

Learning Disabilities Neuropsychiatry & Old Age Psychiatry Division

Children & Young People's Service Division

Clinical Director

Clinical Director

Clinical Director

Business Manager

Business Manager

Business Manager

Service Line PSYCHOSIS RECOVERY

Service Line NON PSYCHOSIS

Service Line SUBSTANCE MISUSE

Service Line NEURO & OLD AGE PSYCHIATRY

Service Line LEARNING DISABILITY

Service Line COMMUNITY EMOTIONAL & MENTAL HEALTH

Service Line INPATIENT MENTAL HEALTH

Service Line CHILDREN WITH COMPLEX NEEDS

Clinical Lead

Clinical Lead

Clinical Lead

Clinical Lead

Clinical Lead

Clinical Lead

Clinical Lead

Clinical Lead

Service Line Manager

Service Line Manager

Service Line Manager

Service Line Manager

Service Line Manager

Interim Service Line Manager

Interim Service Line Manager

Interim Service Line Manager

Clinical Governance Manager

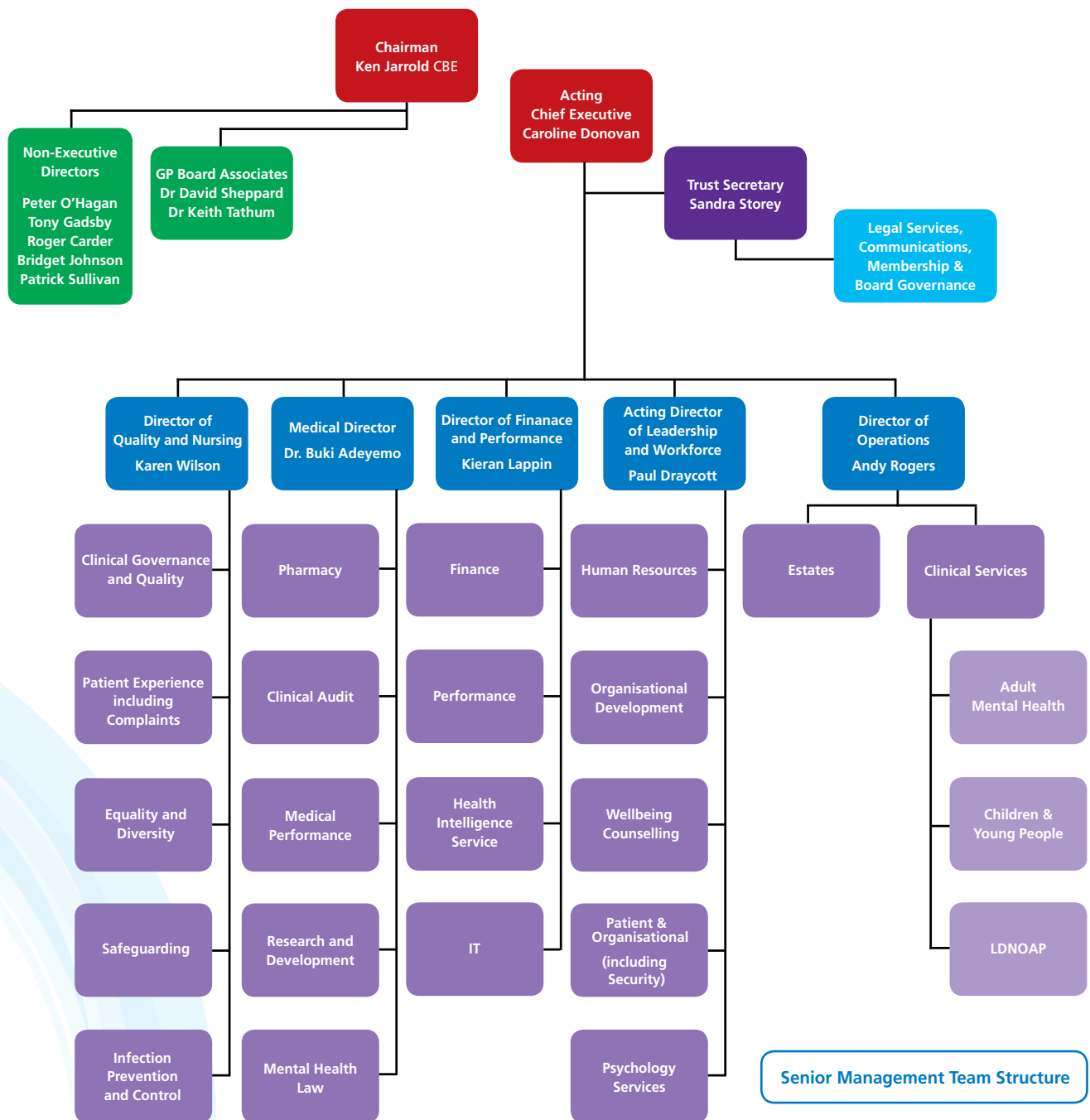
Clinical Governance Manager

Clinical Governance Manager

Supported by Corporate Services

As at 31st March 2014

The Senior Management Team portfolios are as follows:



As at March 31st 2014

We provide a growing research and development programme in collaboration with local and regional research networks – extending the role of this function

features in our plans for the future including building on current infrastructure to continue to deliver high quality research across a wide range of mental health topics.

2.2 Partnerships

We work in partnership with a range of educational establishments to support staff training. These educational links raise the profile of our Trust, help the wider healthcare community to improve mental health and learning disability services and ensure that our staff keep up to date with best practice.

Our research and education partners are:

- The West Midlands Workforce Deanery
- University of Keele Medical School
- Keele University
- Staffordshire University

The Trust has Health and Social Care Act (Section 75 2006) partnership agreements with Stoke-on-Trent City Council (since 2008) and Staffordshire County Council (since May 2009) for the provision of adult community mental health services. There are systems in place to ensure effective working with these partner organisations, including formal meetings between senior officers from the partner organisations to oversee the partnership agreements.

We also deliver a range of services in partnership with other statutory and third sector organisations, including:

- Criminal Justice Mental Health services, in partnership with the Police
- Rehabilitation and Resettlement services, in partnership with Brighter Future

- Psychological Services (Healthy Minds Stoke-on-Trent) in partnership with Changes and North Staffs Mind
- The It's a Goal service (adult male mental health service) in partnership with Changes
- The RAID (Rapid Assessment Interface and Discharge) service in partnership with the University Hospital of North Staffordshire NHS Trust

The Trust also acknowledges the valuable input of a number of third sector organisations, whose feedback, challenge and support of our services ensures we continue to put our patients, service users and their carers at the heart of all we do.

2.3 Vision, Values and Strategy

Our core purpose is to improve the mental health and wellbeing of our local communities – some 464,000 people living across Stoke on Trent and North Staffordshire.

Our strategy 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 aim to be recognised as a centre of excellence, bringing innovative solutions to the services we deliver and embedding a culture of continuous learning across our organisation.

This is reflected in our strategy, vision and values and underpinned by a number of enabling strategies, shown in the diagram overleaf:

Our Purpose: Working to improve the mental health and wellbeing of local communities

Our Vision

- To provide patient centred mental health, specialist learning disability and related services for people of all ages
- To be the best in all that we do
- To work in partnership to deliver services that promote recovery wellbeing and independent living

Our Values

- Valuing people as individuals
- Providing high quality innovative care
- Working together for better lives
- Openness and honesty
- Exceeding expectations

Our Strategic Goals

1. To deliver **high quality person centred** models of care, throughout the organisation
2. To be at the centre of an **integrated network of partnerships** to provide a holistic approach to care
3. To **engage with our communities** to ensure we deliver the services they require
4. To be a dynamic organisation driven by **innovation**
5. To be one of the **most efficient providers**

Clinical Strategy

Financial
Strategy

Workforce
Strategy

Estate
Strategy

Customer
Focus
Strategy

IM&T
Strategy

Governance
Strategy

Innovation
Strategy

3 | Review of the Year

3.1 Patient and Service User Stories

Story 1 – Community Services

"I am nearly 42 years old and have been in mental health services literally half my life, during this time I have seen many changes. I am now about to be discharged to my GP from the Rehabilitation and Recovery CPN Team. This is a remarkable feeling and something I want to share.

"Over the years I have really suffered with my mental health, during the time I have been with the team they have always supported me a 100% and helped keep me going. At times I have been surprised by the support that has been made available when I needed it and at a level that I needed it.

"Two years ago I decided to stop my antipsychotic medication and discussed this with my CPN. I was told it probably wasn't a good idea, but if it was what I wanted I would be supported. I have always felt respected by the team and able to have open discussions about my care and treatment. The fact I was able to approach my CPN and not feel intimidated or threatened by pink papers was a really good thing and actually helped me succeed.

"In the early 1990's I never felt informed about medication and the side effects, there was no users group and I never felt fully in control of my own life. The turning point for me has been coming off my medication and proving to myself that I can manage without it. The Rehab CPN team helped me with

this by always approachable and accessible. My CPN has always been flexible with appointments times and venues. I like to travel a lot being able to arrange appointments that fit in and around my lifestyle has been really beneficial.

"A reassuring thing is also having contact numbers. The office number is 9am to 5pm, 7 days a week, someone from the team always gets back to you if you have to leave a message. What I have found most useful is having my CPN's work mobile number. I can send or receive a text to make contact, arrange or confirm an appointment. I have never misused this but it's been convenient and reassuring to have.

"Mental health services have always been a safety net but I think it's easy to get institutionalised. I have felt apprehensive about the prospect of being discharged from mental health services but it now seems a natural progression. My independence has always been important to me, I believe you sometimes have to take a risk and step outside the safe bubble of services so you can live your own life. The Rehabilitation and Recovery Team has helped me achieve my ultimate goal. My lasting impression is that the team is that it provides an excellent service which has empowered me. With their support, I am now able to live my life as I want to. I may still have a bad day but I know how to cope with it".

Sharing Learning and Outcomes:

- Team members will now routinely provide their work mobile number to service users they directly work with

...Story 1 continued over ➡

- Phone setting will be adjusted to ensure voicemail facilities are working and callers are aware when the phone facility is not in service (out of hours and days off)
- The service information leaflets will be re-issued to all service users by their care co-ordinator; this will include office telephone number and their work mobile number
- It is agreed that these actions will widen communication methods and offer a more responsive and personalised service for service users in the Rehabilitation and Recovery CPN Service
- All actions to be complete and reviewed during the team meeting

Story 2 – Community Services

"I just wanted to say a few words to say how grateful I have been for the wonderful way I was treated and cared for over the last few months.

"It has been an enormous comfort for the way that I have been treated during this time. I have been looked after in such a calm, tranquil surroundings and by such dedicated and caring people. In particular my support nurse who has spent many hours both in my presence and behind the scenes caring for my needs. I have gone from attempted suicide which if it were left another hour I would not be here today. My support nurse has liaised with the Crisis team to my GP. She has put my special needs forward to my consultant who has supported me with my time away from work and my medication needs. My support nurse has also referred me to a psychologist. My psychology has provided me with the support that I

have needed. She has monitored my mood on a regular basis and she has just recently discharged me from her observations. Between my support nurse and consultant have been on a prescribed set of drugs that have helped me to cope with the basics like getting back to work.

"I look back in time and I can remember when I couldn't do the most basic things, I couldn't leave the house, I didn't eat, I was taking pain killers by the dozen. My support nurse is always there for me. I cannot stress enough how happy I am for the support and treatment from the department staff. I can look at my scars and look up and hold my chin up high.

Sharing Learning and Outcomes:

- Value of consistency of approach
- Trust and confidence service user attaches to approach and attitude of staff
- Effective MDT working
- Importance service user associates with environment
- To share and feedback with relevant teams and staff

Story 3 - Carer Story

"My husband was diagnosed with Parkinson's disease 14 months ago. He had problems with the medication prescribed for Parkinson's disease and had some short term memory loss.

"He was referred to the memory clinic at Cheadle where concerns were raised about his physical health and my husband was sent to the A+E Dept, he had various tests which revealed that he was suffering from dementia and had been misdiagnosed with Parkinson's disease. As a consequence as a

family we felt very let down by the NHS. My husband was then transferred to Ward 4 at the Harplands.

"Until then our family had no idea that the Harplands even existed and had no idea about dementia as my husband was the only person in our family to have suffered from it. Our experience of Ward 4 has restored our faith in the NHS. The staff were brilliant, nothing was too much trouble. I have felt involved in my husband's care, the Dr and the ward team have done their best to work out a medication regime that suits my husband's needs and improve his wellbeing.

"We had no previous knowledge of dementia however the staff on the ward have kept us well informed providing information about the disease and offering help and support when we have been upset and distressed. I would like to thank the team for the time and support they have given us.

"I have been impressed with the standard of cleanliness at the Harplands, it is the cleanest hospital I have ever seen".

Sharing Learning and Outcomes:

- Ward 4 Manager to share this story at the Trust's Service Line meeting and to consider how the Harplands could be promoted in the wider community and information regarding diagnosis.
- Improve communication with relatives by implementing a nurse led clinic for carer's approximately every 2 weeks.

Story 4 - Carer Story

"My husband needed an admission to hospital due to deterioration in his illness. Although he had had a previous admission this was the first one on to the ward he was sent to. I was very nervous as there were going to be different staff and different surroundings. I remained nervous and anxious on the way to the hospital.

"However as soon as I entered Ward 5, I felt easier there were a few familiar faces from his previous admission and all the staff were welcoming and warming.

"Whilst my husband was on the ward he went through some bad occasions, with his illness but I always felt that he was totally looked after and treated with respect, nothing was ever too much trouble.

"I very often made use of the telephone 24 / 7 to voice how I was feeling and also to ask how my husband was and I was always given as much time as I needed again nothing was too much trouble and if I asked things that weren't know immediately the information was available on my next visit. Encouragement was always given to join in with activities such as gardening, church services, talking about general matters even though my husband was unable to do some things he was always included and this meant a lot to him. He was always clean and appeared well cared for.

"Visiting times were important to us and we were always made welcome by the staff, information was always available on my husband's condition and if he was not having a good day ...Story 4 continued over ➡

there was always someone to talk to and to wait to see if a visit would go ahead. I always felt involved in all aspects of his care and the doctors were accessible.

"I had an awful 18 months made bearable by the fact I knew my husband couldn't have been in a better place.

"Even though my husband has now moved on, I would never hesitate to pick up the telephone and call the ward if I had any problems or concerns because the staff become like an extended family to us".

Sharing Learning and Outcomes:

- Admissions are planned therefore invite patients/relatives to visit the ward prior to admission date to have a look round and allay any fears.
- Carer Link worker to set up a monthly carers group so there is a formal process for discussing any issues.
- Consider how the ward can be more inclusive and invite relatives to join in activities.

3.2 News and Events

April

Parent and Baby Event

The Parent and Baby Service held an open day in Hanley, at which people were able to sign up to visit its new base. The event provided an opportunity to understand what the service offers as well as meet a variety of professionals who explained how the service works. Attendees were also invited to sign up to take a guided tour of the new unit.

Success at Edward Myers Unit Event

Over 70 people gathered at the Edward Myers Unit in Harpfields in April, to hear about services available for people on the road to recovery from drug and alcohol misuse. The unit attracted a variety of healthcare professionals, local councillors, commissioners and people who have used the substance misuse service, on Thursday 11th April. The awareness morning included information about the unit as well as real life stories from three people who have used the services. Each of them gave an honest account about their journey from when their addiction started to the treatment available, and how staff at the Edward Myers Unit supported them through their recovery.

Wards Achieve Accreditation

Three mental health wards at North Staffordshire Combined Healthcare NHS Trust (NSCHT) received re-accreditation for their high standard of care for patients. Accreditation for Inpatient Mental Health Services (AIMS), identifies and acknowledges wards that have high standards of organisation and patient care, and supports and enables others to achieve these. Wards 1, 2 and 3 at Harplands Hospital, Harpfields, have been re-accredited for a further four years, with Ward 2 being accredited as excellent.

May

Trust Holds Drop In For Quality Account 2012/2013

North Staffordshire Combined Healthcare NHS Trust held two drop in events to welcome comment on its Quality Account. The events, taking place on Tuesday 21st May 2013 and Thursday 23rd May 2013 were open to the public, patients and Trust

staff. They offered the opportunity for local people with an interest in mental health services to share their comments about the achievements in mental health services from the previous year and helped shape the key priorities for the 2013.

Pressure Care Pilot Success

During a workshop in May, staff from Harplands Hospital, explained how they have adapted processes to further improve the prevention of avoidable pressure ulcers. This initiative follows the work undertaken by the former NHS Midlands and East.

Home Treatment Team Seen As Best Practices

Healthcare professionals in Belgium have recognised services at the Trust as best practice. Belgian colleagues selected the Home Treatment Team at North Staffordshire Combined Healthcare NHS Trust (NSCHT), as a place where they would like to learn from to improve their own services. They intend to use NSCHT's model for caring for someone in their own home as an alternative to acute mental health ward care.

June

Service Users 'Step On' The Employment Ladder

People in North Staffordshire accessing mental health services will be supported into paid employment by a new service hosted by the Trust. The service comes from the 'Improve Project' and follows the Individual, Placement and Support (IPS) approach. This approach originated from America and has been adapted by Shropshire Mental Health Services with The Centre for Mental Health. Staff from NSCHT now provide this service, known

as STEP ON, in Stoke-on-Trent, and are working in partnership with the Making Space team who provide the service in Staffordshire Moorlands and Newcastle-under-Lyme, known as **Work4You**.

Brain Injury Conference delivered at the Britannia Stadium

Professionals and individuals with an interest in Acquired Brain Injury attended a UK national conference organised by the Trust on Tuesday 25th June 2013. The event, held at Britannia Stadium, Stoke-on-Trent, was well attended with over a 190 delegates consisting of clinicians, patients and interest groups from across the UK. Delegates attended a full day of presentations and seminars discussing the personal, social, medical and legal aspects of brain injuries. The conference was opened by Fiona Myers, Chief Executive at NSCHT who welcomed delegates to the conference. Dr George El-Nimr, Consultant Neuropsychiatrist at NSCHT, then gave an overview of brain injuries and treatments.

October

It's A Goal

World Mental Health Day was the perfect day to kick off a unique new football based project aimed at helping students to talk about their problems as a result of a joint project with North Staffordshire Combined Healthcare NHS Trust and Keele University called *It's a Goal*. The *It's a Goal* project has been running successfully in North Staffordshire since 2009, providing therapy programmes for people suffering from depression, lack of confidence and low self-esteem. The therapy programme successfully uses Football as a metaphor for example the therapist is 'the coach', each

member of the group is a 'player', each session is a 'match', each match has up to 8 'players' who work together as a 'team'. Participants in the programme use football as an inspiration to find solutions, to help with each other's problems and build strategies to cope with life's issues.

Mental Health Diversion Pilot Project releases positive 12-month Report

The first 12 months of a pilot scheme that sees mental health professionals working in partnership with the local police has been a success. A review of the first year of the Stoke-on-Trent and North Staffordshire Police Custody Mental Health Diversion Project, shows the work undertaken has been central in reducing reoffending rates amongst known offenders with learning disability, substance misuse or mental health issues. The two-year Diversion Project, launched in June 2012 by the Department of Health, provides funding for two Community Psychiatric Nurses (CPNs) to be based at Northern Area Custody Facility on Festival Park.

November

HEWM Regional NHS Leadership Awards

It was a night of celebration for North Staffordshire NHS staff as their excellent leadership skills were showcased at an awards ceremony in November. Nine of the Trust's managers and the team from the Darwin Centre in Penkhull were nominated for awards. The NHS Leadership Recognition Awards celebrate leaders at all levels and across all professions, who have improved people's health and the public's experience of the NHS.

Bishop of Stafford licences reverend Linda at Harplands Hospital

The Bishop of Stafford, the Right Reverend Geoff Annas, visited Harplands Hospital to officially welcome and Licence the Reverend Linda Lucking, as the new Chaplain at Harplands Hospital at a Licensing Ceremony in November. The Reverend Linda was joined by the Bishop and her new colleagues as she was officially welcomed as the Chaplain for Harplands Hospital. The Licensing is to give the Church's permission for Linda to exercise her ministry as the Hospital's new Chaplain. The Reverend Linda has recently taken over from Reverend Terry Bloor, who was a welcomed face on the Hospital's wards for many years.



4 | Directors' Reports

The management of the Trust is headed by its Board of Directors, made up of:

- Executive Medical Director
 - Executive Director of Nursing and Quality
 - Executive Director of Leadership and Workforce
 - Executive Director of Finance and Performance
 - Director of Operations
- and supported by:
Trust Secretary / Head of Corporate and Legal Affairs

4.1 Medical Director's Report

Dr Adeyemo

The Trust's Medical Director is Dr Buki Adeyemo. She was appointed to the post in January 2012.

Dr Adeyemo has responsibility for the following areas:

- Research and Development
- Pharmacy
- Clinical Audit
- Mental Health Law



Dr Buki Adeyemo

4.1.1 Research and Development

Research is the attempt to derive new learning and knowledge. Research aims to find out what happens if we add or change clinical or service practice in some way, or aims to find out in a systematic way the views, opinions, experiences and understanding of stakeholders. Research is important to patients

97% of the public believe it's important for the NHS to support research into new treatments.

93% want their local NHS to be encouraged or required to support research.

72% would like to be offered opportunities to be involved in trials of new medicines or treatments, if they suffered from a health condition that affects their day-to-day life.

As a Trust we aim to ensure that our service users have opportunities to engage in research and that they are informed about our commitment to clinical research and the types of studies undertaken. During 2013/14 we have initiated two campaigns to help achieve this; OK to Ask encourages service users and clinicians to talk about research and Consent for Consent enables service users to volunteer to be contacted directly about research studies with their details being held upon a database within the Trust.

The number of patients receiving NHS services provided or sub-contracted by the Trust in 2013/14 that were recruited during that period to participate in research approved by a research ethics

committee within the National Research Ethics Service was 148.

For research to be of value it must be used to inform and influence practice and ultimately improved patient outcomes. The Trust's principal aim for Research and Development is to develop a culture where such activity is promoted and supported as an integral part of the organisation and thus ensure best evidence-based practice in healthcare.

During 2013 /14 the R&D department has continued to increase research capabilities across the trust, engaging with staff, service users and carers as well as partnership organisations. A key area of work is to look at opportunities to extend the scope of our research work and to develop new partnerships with external organisations. This is perhaps best illustrated by the Suicide Bereavement study, conducted in partnership with Manchester University the study engages with both parents bereaved by suicide and professional non statutory staff providing support. It has involved working not only with mental health workers from within the Trust but also other health professionals such as GP's, paramedics and DOVE charity workers. This has opened opportunities for us to engage with the West Midlands Ambulance Services to look at developing further opportunities and we are currently exploring the possibility of initiating a joint research project.

The Trust's portfolio of studies includes national and international studies of varying size and complexities with themes being

psychosis, dementia, suicide, learning disabilities, attention deficit hyperactivity disorder and Huntington's disease. The Trust recognises that Dementia research is a growing area and the R&D department has sought to improve capacity within this area by holding a number of events to engage with staff service users and carers within our dementia services, these events have received a positive response and the expectation is that this will be reflected in our portfolio studies during the forthcoming year.

The R&D Department has promoted the contribution that research can make towards individuals personal professional development and has sought to ensure that staff engaged in research have opportunities for study and training aligned to their research roles. This strategy has been effective in that this year we have had a number of clinicians who have approached the team seeking to engage in research as identified through their personal development review. The team have also supported individuals in seeking alternative funding for training and have had a successful applicant receive an RCN bursary for further dementia training.

R&D are keen to look forward and are interested in the role that technology can play in improving healthcare and quality of life, this has led the Trust to adopt the ATTILA Trial which aims to evaluate to role of assisted technology in supporting individuals with memory problems to live safely and independently in their own homes. The team are also about to pilot the use of a tablet PC to increase their effectiveness and enable

ready access to research resources, information , training videos etc. to engage with staff and service users.

The R&D team have managed admirably following Professor Crome's retirement in his role as R&D Director. Dr Hodgson has recently been appointed and wants to build on the department's success. A recent publication in the Psychiatric Bulletin demonstrated that North Staffordshire Combined Healthcare was one of the most research productive mental health trusts in the country. His main priorities will be to further embed research into clinical practice, encourage more staff to become research active and to expand the number of trials undertaken by the Trust. He would like to extend the Trust's research networks and collaborations. He believes that the recent appointment of a Professor of Psychiatry at Keele will strengthen research opportunities both locally and in the West Midlands.

The Trust continued to sponsor a large multi-centre NIHR (National Institute for Health Research) portfolio trial into stroke. The Stroke Oxygen Supplementation study (SOS) is studying the long-term benefits or risk of routinely prescribing oxygen to patients for the first 72 hours after a stroke. This trial exists on the Comprehensive Local Research Network and Stroke Research Network portfolio and receives NIHR support across the UK.

Benefits to Quality of Care / Benefits to the Service User

The Trust recognises and values the important contribution that research has to make in many areas of its activities. For service users, the rigour of research protocols can provide an enhanced quality of care and participation in research has shown to lead to improved patient outcomes.

It also provides access to new and innovative treatments that may not have otherwise been available. For staff, research provides an opportunity for personal and professional development, enhancing skills and knowledge leading to a higher standard of care delivery and enhanced job satisfaction.

For the Trust, research activity is a means of improving standards and quality of care, promoting efficiency and innovation and in some cases income generation.

4.1.2 Pharmacy

Medicines play a key role in supporting patient recovery in the majority of our Trust services. The pharmacy team supports effective use of medicines in three ways:

- Our dispensary service provides medicines for our in-patients and out-patients. Around 5,500 medicines are supplied each month and each prescription is prepared to meet individual patient needs.
- Ward based services include a clinical pharmacist review of individual patients, with wards supported to manage medicines by technicians and assistants, to ensure timely supply and

minimise wastage. Each in-patient has their medication reconciled with their GP record on admission and reviewed on discharge by a pharmacist.

- Corporate leadership and support provided by the Chief Pharmacist and Principal Pharmacists ensures we have effective policies, prescribing guidelines and procedures in place and that we monitor how well we are performing.

In the last 12-months the team has continued to optimise the use of medicines through:

- Development of the Medicines Optimisation and Pharmaceutical Services strategy and continued review of Royal Pharmaceutical Society Guidance on Hospital Pharmacy standards
- Pharmacist contribution to support patient care providing therapeutic advice and answering medication queries from senior and junior doctors and non-medical prescribers
 - Support delivery of clinical trials by providing pharmaceutical expertise, not only in the implementation but also preliminary stages
 - Monitor prescribing practice and medicines optimisation through audits including missed doses, medicines management, interventions and out-patient patient survey
- development of clinical guidelines for antipsychotic medicines and safe monitoring of medicines
- Sharing patient and carer information on medicines via the Choice and Medication website including links with community pharmacists and pharmacist talks

to patient groups. The Chief Pharmacist is leading on Mental Health for the Local Professional Network for Pharmacy Shropshire and Staffordshire

- Regular review and revision of the Medicines Management policy including addition of guidance on 'as required' use of medicines
- Review of medicine related incidents within the department to minimise risk of dispensing errors and providing advice to clinical teams. Also monitoring medicines-related incidents throughout the trust and providing support and training in light of these
- Delivering training events to medical and nursing staff e.g. Medicines Management policy update, safer medicines-managing risk and incidents safely and use of antibiotics
- Liaison with local Commissioning Groups at Area Prescribing Committee e.g. supporting the development of shared care agreements
- Collaboration with other Pharmacists working in mental health across the West Midlands including on-going benchmarking of services and prescribing and sharing of best practice. The principal pharmacist is the chair of the West Midlands Mental Health Clinical Pharmacists Group.

4.1.3 Clinical Audit

During 2013/14, two national audits and one national confidential inquiry covered NHS services that North Staffordshire Combined Healthcare NHS Trust (NSCHT) provides.

During that period, NSCHT participated in two of the two (100%) national clinical audits and the one (100%) national confidential inquiry, which it was eligible to participate in and these are shown below.

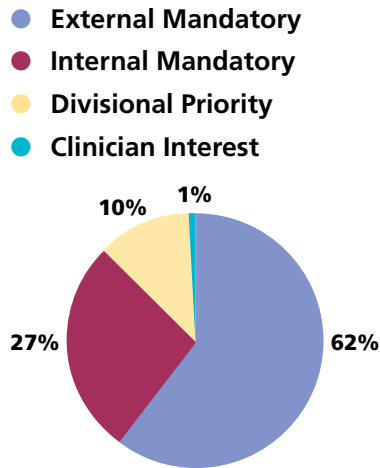
The national clinical audits and national confidential inquiries that North Staffordshire Combined Healthcare NHS Trust was eligible to participate in during 2013/14 are listed below and those that the Trust did participate in during 2013/14 are shown with ✓

- National Audit of Schizophrenia (NAS) ✓ **100%**
- Prescribing Observatory for Mental Health (POMH) ✓ **100%**
- National Confidential Inquiry (NCI) into Suicide and Homicide by People with Mental Illness (NCI/NCISH) ✓ **100%**

Local Clinical Audit Programme 2013/14

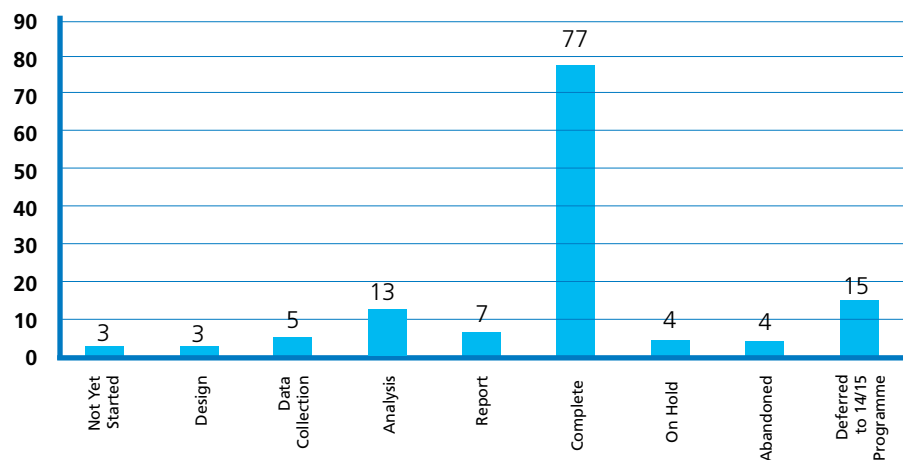
All projects on the Clinical Audit Programme were facilitated by the Clinical Audit Department. The programme is split into four priority levels in line with national requirements/standards, including National Institute for Health and Clinical Excellence (NICE) Guidance, POMH and standards produced by the Royal Colleges.

The chart below reflects the total number of projects identified for 2013/14 split by the four priority areas:



During the year a total of 77 projects were completed by the Clinical Audit Department and all 77 reviewed by the provider in the reporting period. All completed audits contained a comprehensive action plan agreed by the Trust and all stages of the audit cycle undergo a robust validation exercise to ensure the reliability and quality of data reported. The table below outlines project status for the 131 projects registered on the Clinical Audit Programme for 2013/14:

Clinical Audit Programme 2013/14



Further information on completed clinical audits and the clinical audit programme can be obtained from the Trust's Clinical Audit Department.

For all clinical audits on the formal programme of work, an action plan to improve the quality of healthcare has been developed in conjunction with the project steering group. The process included reviewing the findings and devising appropriate actions to reduce any shortfalls identified. The action plans were agreed with the audit lead and then submitted to the Clinical Effectiveness Group (chaired by the Medical Director) for ratification. Once this

process was complete, the reports were published and disseminated appropriately. Individual action plans were then entered onto the action plan-monitoring database and regular updates requested from the action 'owners' to ensure progress is being made. Once actions have been implemented, a re-audit is undertaken to determine if the actions made have resulted in improvements to the quality of healthcare.

4.1.4 Mental Health Law

The Trust's Mental Health Law Team provides administrative support to all North Staffordshire Combined Healthcare NHS Trust wards, units and community teams, including staff, patients, family and carers in relation to patients detained under the Mental Health Act (1983 as amended in 2007) as well as providing support, guidance and advice in relation to the Mental Capacity Act (2005). We also provide administrative support for detentions under the mental health act to the University Hospital of North Staffordshire.

The team works closely with the Trust Hospital Managers, co-ordinating, organising and attending several Hospital Managers Hearings per month. The Team also communicates on a daily basis with the Ministry of Justice – First Tier Mental Health Tribunal Service, again co-ordinating, organising and attending Mental Health Tribunal appeal hearings.

Mental Health Law Training

Awareness training is routinely delivered as core required training as part of the Trust Mandatory days on the following three topics - Mental Health Act (1983), Mental Capacity Act (2005) and Deprivation of Liberty Safeguards (2009) and is a mandatory requirement for all NSCHT employees working directly with our patients.

Annual Statistics

In comparison with figures from 2012/2013, the figures for the total number of detentions in 2013/2014 have reduced by 95. The reduction is evident in the use of Section 136. As of 31st March 2014, the Trust has 43 community patients currently subject to detention under Supervised Community Treatment.

The team continues to monitor on a daily basis the Trust's compliance with the Code of Practice for the Mental Health Act by being involved in a variety of audits, implementing actions and raising awareness of issues as they arise in relation to:

- Scrutiny and audit of initial detention paperwork;
- Section 132 - Patients receiving their rights and this being appropriately recorded;
- Section 17 – Leave of Absence - Improving the application and recording of Section 17 leave;
- Section 58 - Compliance with Consent to Treatment;

Generally, at any one time, the team manages approximately 80 detentions under the Mental Health Act.

4.2 Director of Nursing and Quality



During 2013/14 the Director of Quality and Nursing post was held, in the main, by the Chief Executive, with the full support of the Executive Team and Head of Nursing and Quality, Kenny Laing. From 3 February 2014, Karen Wilson took up the substantive role.

Karen has held a number of senior roles in organisations providing mental health and learning disabilities care, including chief executive of Calderstones Partnership NHS Foundation Trust and Executive Director of Nursing and Care at Mersey Care NHS Trust.

Prior to that, Karen worked as executive director of nursing, service and professional development at Lancashire Care NHS Foundation Trust for four years, and before that she held a variety of posts, including director of nursing and quality, at North Mersey Community NHS Trust.

Karen qualified as a registered general nurse (RGN) in 1983, and as a registered mental nurse five years later.

The Director of Nursing and Quality is responsible for the following areas:

- Safeguarding
- Patient and Public Involvement including Complaints
- Equality, Diversity and Human Rights (ED&HR)
- Clinical Governance and Quality
- Performance against the Commissioning for Quality and Innovation (CQUIN) Framework
- Francis Inquiry Report
- Infection Prevention and Control

4.2.1 Safeguarding

North Staffordshire Combined Healthcare NHS Trust (NSCHT) is committed to ensuring that all people who come into contact with our services are safeguarded from abuse in line with local and national policy.

Safeguarding Training

Safeguarding training is a mandatory requirement for all NSCHT employees. There is a rolling programme of training events available to ensure that all staff have access to safeguarding training. Staff are also able to access multi agency training which is co-ordinated by the Safeguarding Boards. Staff from across the organisation have accessed this training during 2013-2014

Staffordshire MASH

During 2013 NSCHT have joined Staffordshire Multi Agency Safeguarding Hub, this is the Largest MASH in the country and covers adult protection, child protection domestic abuse and hate crime. The function of the

MASH is for partner agencies that are responsible for safeguarding to be co-located in order to share information in a timely fashion in order to reduce risk to individuals. NSCHT contribution to the process has been acknowledged by partners as significant and beneficial to the risk assessment process.

Domestic Abuse

In response to the national and local priority of raising awareness and responding appropriately to the often hidden issue of domestic abuse, NSCHT have developed a policy for frontline practitioners to be confident in responding to service users' who disclose that they are victims of domestic abuse. Funding has also been secured to provide specialist training for staff for 2014-15. NSCHT are working with partner agencies to improve services response to victims of domestic abuse to ensure that services are seamless when responding to a disclosure of abuse.

Prevent

The successful delivery of Prevent is dependent on the engagement of national, regional and local partners across multiple sectors. Public sector frontline staff have been identified as a key group that can make an important contribution to the identification and referral of individuals who may be vulnerable to radicalisation. NSCHT have trained over 600 staff in prevent awareness .

4.2.2 Patient and Public Involvement (PPI)

Patient Advice & Liaison (PALS) and Compliments

Patients and carers are encouraged to provide feedback about their experience of services. Listening to the people who use our services, as

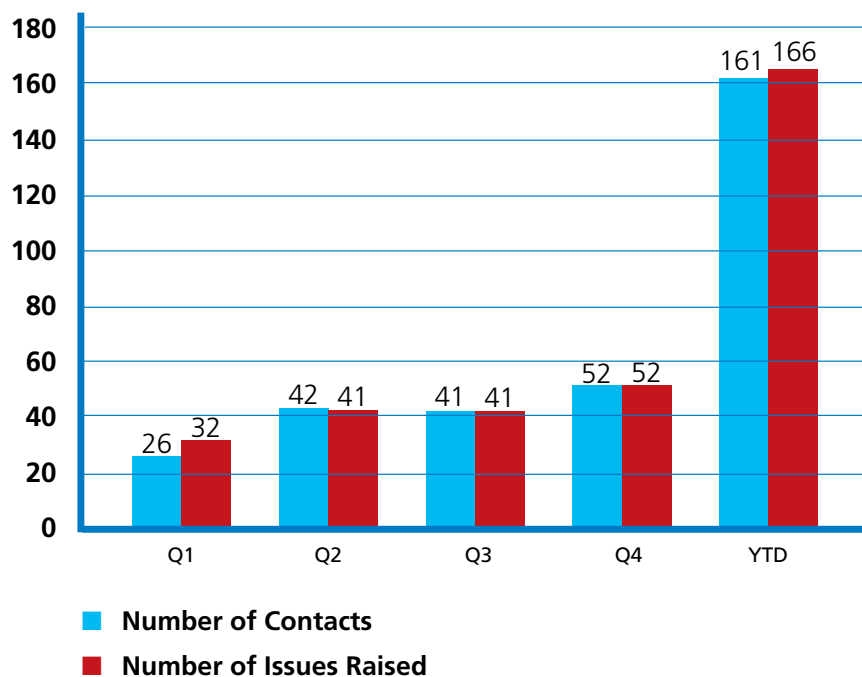
well as their loved ones and carers, is at the centre of our ethos.

People who contact this service often have several concerns or requests. Each issue is categorised and documented individually and the issues raised are summarised as follows:

PALS Contacts 1st April 2013 - 31st March 2014

Report number by type:	2013/2014
Comments	4
Compliments	4
Help with a problem	124
Information requests	18
Signposting / referrals	9
Other	7
Total by Type	166

PALS Contacts & Issues Raised



Compliments

The Trust is receiving an increasing amount of compliments via thank you letters and cards which are now being forwarded to PALS for collation. Most contacts are very complimentary regarding staff attitude and support and this is also reflected in patient / carer stories and comments on NHS Choices and Patient Opinion which, although not included within this report, can be found at <http://www.nhs.uk/Services/Trusts/ReviewsAndRatings/DefaultView.aspx?id=2641>

The PALS service is an important resource through which the Trust can better understand patient and carer experiences. Calls cover a multitude of categories and themes, which we review and align to help us to triangulate information from other sources such as complaints or incidents. From this information we identify learning outcomes more effectively, resulting in improved reporting to Boards and Committees.

Complaints

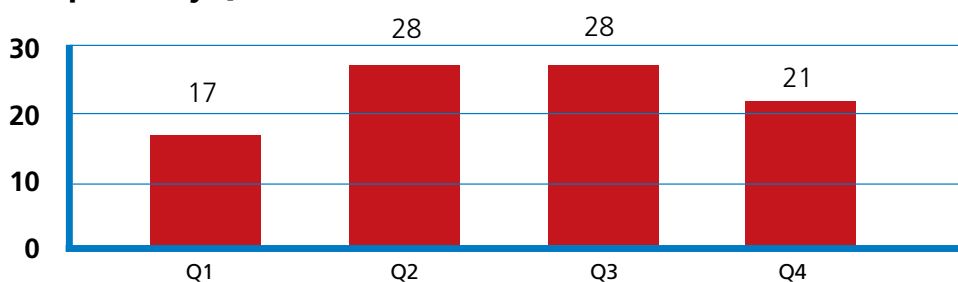
The Trust continues to adhere to the National Complaints Regulations (The Local Authority Social Services and National Health Service Complaints [England] Regulations 2009). These regulations stipulate principles of good complaint handling:

- **Getting it right**
- **Being customer focused**
- **Being open and accountable**
- **Acting fairly and proportionately**
- **Putting things right**
- **Seeking continuous improvement**

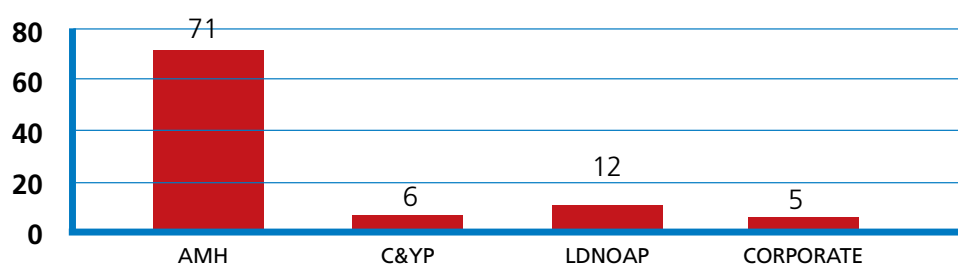
The Trust received 94 complaints throughout 2013/14; this represents a decrease from the 78 complaints received during 2012/13.

To adhere to the regulations, the Trust is required to acknowledge all complaints no later than three working days after the day on which the complaint is received. Of the 94 complaints, the Trust acknowledged 100% within this timescale.

Complaints by Quarter



Complaints by Division



4.2.3 Equality, Diversity & Human Rights (ED&HR)

The Trust is committed to deliver improved access, experiences and outcomes for service users, local communities and staff which are personal, fair and diverse. This is underpinned by the Equality Act 2010.

The Equality Act 2010 sets out the responsibilities of public sector organisations known as the Public Sector Equality Duty (PSED). This duty requires public bodies to consider all individuals when carrying out their day to day work in shaping policy, in commissioning and delivering services and in relation to their own employees. It requires the Trust to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Remove or minimise disadvantages suffered by people due to their protected characteristics.
- Meet the needs of people with protected characteristics.
- Encourage people with protected characteristics (age, gender, gender reassignment, marriage and civil partnership, race, religion or belief, disability, pregnancy and maternity and sexual orientation) participate in public life or in other activities where their participation is low, promoting understanding.

Ongoing equality monitoring and analysis helps to determine under or over representation by protected group and support effective decision making around our equality objectives to support equality of access, participation, treatment, outcomes and experience for our service users, carers and staff.

What Information have we Published 2013/14?

Our equality monitoring information includes the following 3 themes:

- Equality Monitoring & Analysis; Workforce
- Equality Monitoring & Analysis; Service User Access
- Equality Monitoring & Analysis; Service User Experience of Trust Services

What key areas are we working on?

- We recognise that not all of our equality monitoring currently includes each of the nine protected characteristic groups. This is an area for development that we have included within our quality objectives listed below:
- Refine and develop our systems and processes to support the collation of effective equality monitoring data. This will include prioritising those areas that are underdeveloped or currently not in place. This applies to both staff and service user equality monitoring.
- Focus on further decreasing the number of 'not stated' returns against our current equality monitoring of protected characteristics.

- Review and action accordingly the key findings identified for each of the 3 areas covered within the equality monitoring report.
- Ensure that all equality monitoring information supports and informs the prioritising and development of our equality objectives.
- Increase staff understanding of equality and diversity issues providing the necessary training and resources to support staff in this process. Further increase staff attendance figures for Equality, Diversity and Human Rights training during 2014/15 (currently around 95%).
- Continue to involve and engage with service users, carers, the public and staff about their experiences of Trust services, ensuring that this includes representation from people with protected characteristics. The introduction of further systems to support real time service user feedback will be key to progressing this action.
- Progress the development and implementation of the Equality Delivery System and identified actions throughout the Trust.
- What our organisation is doing well
- Where improvements in the quality of services we provide is required
- What our priorities for improvement are for the coming year
- How we have involved services users, staff and others with an interest in our organisation in determining these priorities for improvements

Our Quality Account can be found on the Trust's website at <http://www.combined.nhs.uk/aboutus/performance/pages/QualityAccounts.aspx> or please call 0300 123 1535 ext. 4651 (Freephone 0800 0328 728).

4.2.5 Performance against the Commissioning for Quality and Innovation (CQUIN) Framework

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.

For 2013/14, therefore we identified six priority areas in total, which contribute to improved safety; clinical effectiveness; patient experience and innovation.

4.2.4 Clinical Governance and Quality

In line with other NHS trusts, NSCHT produces an annual Quality Account. This is a report to the public about the quality of services we provide and demonstrates that we have processes in place to regularly scrutinize all of our services. Patients, carers, key partners and the general public use our Quality Account to understand:

Each section below describes the area being reviewed; the metric used to measure performance; and the overall Trust performance.

Against the CQUIN performance framework, in total we achieved 100% of the schemes.



**100%
Achievement**









**Less than 100%
Achievement**



Non- Achievement

The following table identifies the six priorities as identified by the CQUIN Scheme for 2013/2014:

Priority	CQUIN Area	Patient Safety	Clinical Effectiveness	Patient Experience	Innovation
1	NHS Safety Thermometer Reduction in the prevalence of patient falls resulting in harm to the patient 	✓			
2	Progressing the Pathway to Employment Individual Placement and Support (IPS) is a recovery-based approach, which identifies and supports service users' employment aspirations and goals. 		✓	✓	✓
3	Patient Experience A review of the experience of inpatients and their carers by developing and implementing a series of visits to ward areas based on the '15 Steps Challenge for Mental Health Organisations' 		✓	✓	✓
4	Patient Engagement in Payment by Results (PBR) Clustering Joint production with services users of an engagement plan with clear and measurable objectives. 		✓	✓	✓

Priority	CQUIN Area	Patient Safety	Clinical Effectiveness	Patient Experience	Innovation
5	Suicide Prevention Improvement in the identification and care planning for patients 'at risk' of self-harm 	✓			✓
6	Physical Health Facilitate patients with severe and enduring mental health needs whose main or only contact with healthcare services is via mental health services, to be supported in accessing the physical health services they need. 	✓	✓	✓	✓

The following table summarises the achievement for each of the six priorities as identified by the CQUIN Scheme for 2012/13:

NB ✓ denotes full achievement

GOAL No.	Indicator Name and Number	Achieved
1	NHS Safety Thermometer	✓
2	Progressing the Pathway to Employment	✓
3	Patient Experience	✓
4	Patient Engagement in Payment by Results (PBR) Clustering	✓
5	Suicide Prevention	✓
6	Physical Health	✓
Overall Performance		100%

A high level of performance has been achieved as part of the 2013/14 CQUIN scheme with a significant amount of work undertaken in addition to the milestones agreed with local Commissioners which has contributed to improving the quality of services provided.

4.2.7 Infection Prevention and Control

The Trust aims to treat and care for people in a safe environment protecting them from avoidable harm and recognises the duty placed upon it by the Health and Social Care Act 2008 Code of Practice on the prevention and control of infection and related guidance (Department of Health 2010). The organisation is committed to patient safety and has a zero tolerance to preventable infections.

The Department of Health in the Operating Framework for the NHS in England 2012/13, tasked NHS provider organisations to make further reductions in Metcillin resistant *Staphylococcus aureus* (MRSA) blood stream infections while at the same time improving or maintaining performance on reducing the number of *Clostridium difficile* infections (CDIs).

The Trust is pleased to announce that there have been no MRSA infections since 2007 and no reported Metcillin sensitive *Staphylococcus aureus* (MSSA) blood stream infections.

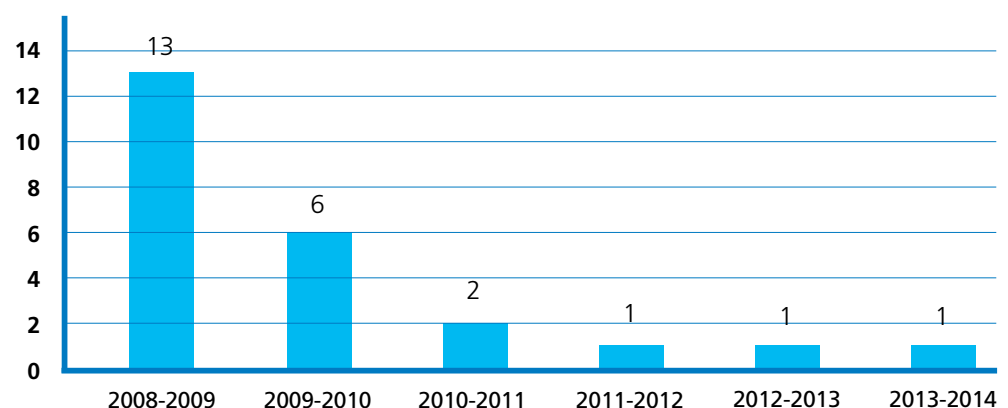
Unfortunately, an *Escherichia coli* (E.coli) blood stream infection occurred in February 2014.

The last *Clostridium difficile* infection (CDI) to occur at the Harplands Hospital was in May 2013.

One *Clostridium difficile* infection (CDI) occurred at the Harplands Hospital, the same number for the equivalent period during the previous year. The Trust set an internal target to have no CDIs but were unable to achieve this goal. In view of the complexity of patient care and increasing dependency levels, however, we are pleased to have maintained our previous level of performance, and recognise that the Trust had aspired to a difficult challenge.

Patients admitted to hospital inpatient beds and who meet Department of Health criteria are offered MRSA admission screening and only a very small number of patients decline the opportunity to receive screening. The Trust is pleased to report that the screening process is embedded into Trust systems and procedures and is likely to have contributed in preventing MRSA infections.

***Clostridium difficile* reports for the period April 2008- March 2014**



During the course of the year, outbreaks of diarrhoea and vomiting affected services in a learning disabilities rehabilitation unit, and adolescent unit in the community; and a complex needs ward at Harplands Hospital. This resulted in the temporary closure of these units and ward. In total 17 patients and 24 staff were affected and the wards were closed for a total of 30 days. Norovirus was identified by the laboratory at the time 2 of these incidences occurring, confirming this as the cause of the outbreaks. However, it was not possible to obtain

specimens for testing in the incident at the adolescent unit.

For more information and comprehensive details of the actions taken by the Trust in minimising the risk of infection please refer to the Annual Programme of Work and the Trust Director of Infection Prevention and Control Annual Report 2013/2014.

Since March 2014, Infection Prevention and Control has been provided via a Service Level Agreement with University Hospital of North Staffordshire.

4.3 Director of Leadership and Workforce

Caroline Donovan has held the substantive role of Director of Leadership and Workforce since June 2010 following a period of secondment from West Midlands SHA into the Trust from July 2009.



Caroline Donovan

In March 2014, she took up the role of Acting Chief Executive. Mr Paul Draycott took up the role of Acting Director of Leadership and Workforce in March 2014.

During 2013/14, Caroline was responsible for the following areas:

- Human Resources
- Organisational Development
- Wellbeing and Counselling
- Training
- Leadership Development
- Patient and Organisational Safety

4.3.1 Human Resources

As at 31 March, 2014, North Staffordshire Combined Healthcare NHS Trust employed 1,278 whole time equivalent (WTE), 1,451 (headcount) staff over a range of staff positions. This figure rises to 1,609

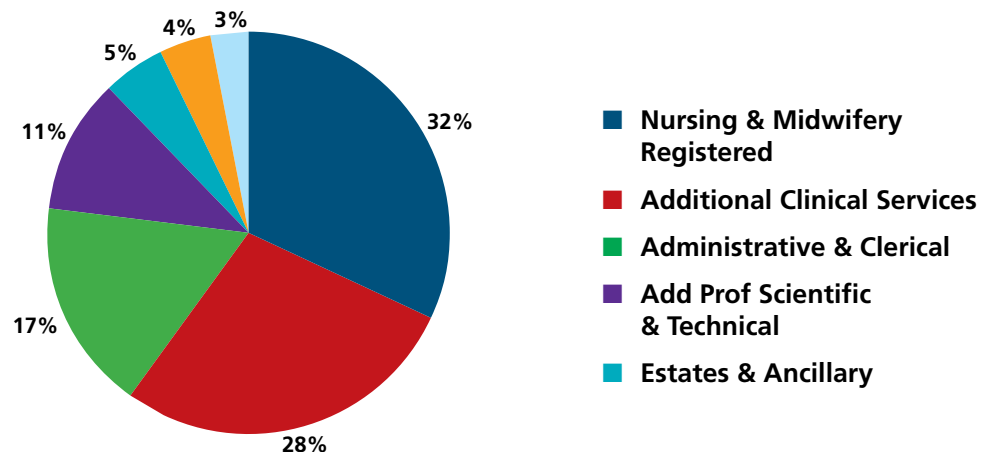
(headcount) when including bank staff.

Staff costs currently amount to £56.1m which represents 64.1% of the Trust's closing income for the year (£87.5m).

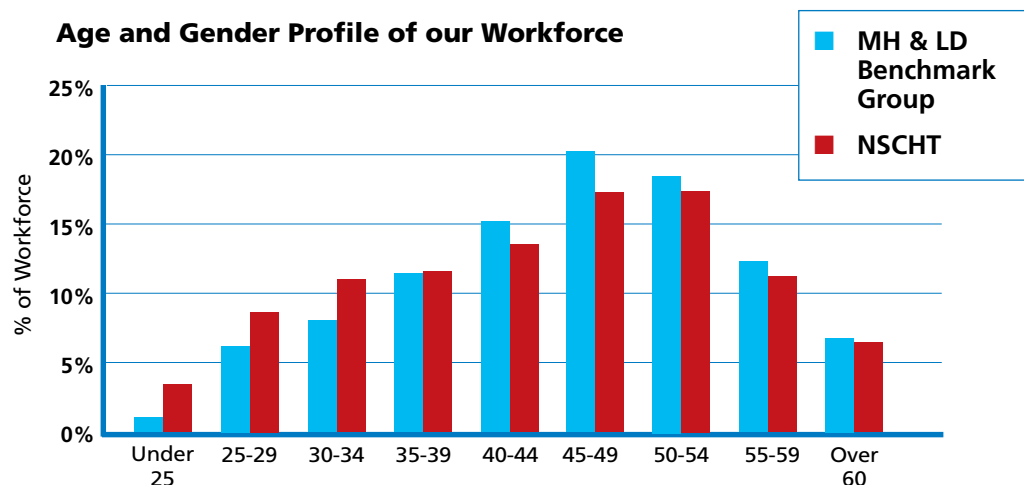
Our Workforce Profile

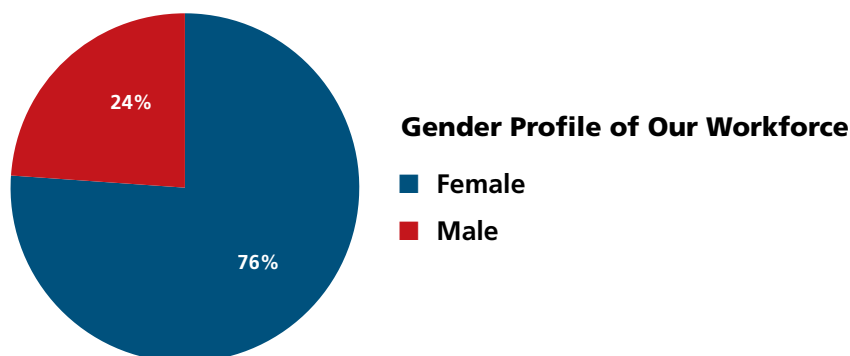
Staff Group	Total Employees WTE
Additional Professional Scientific and Technical	141.8
Additional Clinical Services	353.7
Administrative and Clerical	214.4
Allied Health Professionals	38.0
Estates and Ancillary	68.8
Medical and Dental	49.7
Nursing and Midwifery Registered	406.8
Students	5.0
Total	1278.1

Our Workforce Profile as at 31 March 2014



Age and Gender Profile of our Workforce





National Gender percentages for the NHS

Gender	Non medical Workforce ¹	Medical Workforce ²
Male	21.7%	57.34%
Female	78.3%	42.66%

1 Source: The NHS Information Centre for health and social care 2011 Non-Medical Workforce Census

2 Source: The Information Centre, Medical and Dental Workforce Census 2011

Ethnicity Profile

The ethnic composition of the workforce is comparable to the ethnic composition of the local population as shown below:

BME / White	Ethnic Category	Percentage of Local Population (2011 Census)	Trust Workforce
BME	Asian or Asian British	2.11%	2.24%
	Black or Black British	0.31%	1.69%
	Mixed	0.70%	0.36%
	Other	0.33%	1.21%
Total BME		3.44%	5.51%
White	White British	95.32%	93.22%
	White Other	1.24%	1.27%
Total White		96.56%	94.49%

Turnover

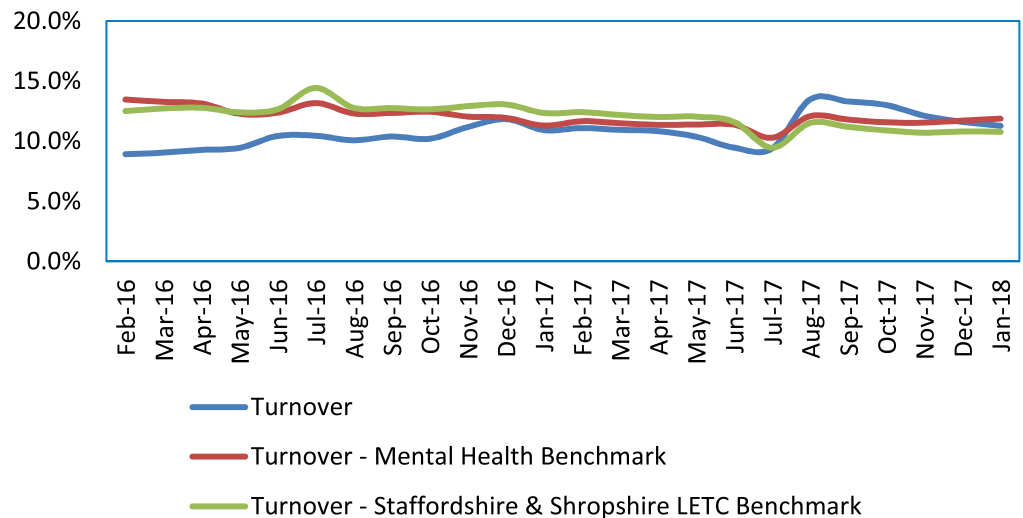
In 2013/14, the Trust recorded a WTE turnover rate of 14.31%, a figure which has risen from 12.14% in 2012/13.

Throughout 2013/14, we have undertaken a range of large scale workforce changes, including the TUPE transfer of several services to external providers – specifically the Comprehensive Local Research Network, the IT and Health Informatics Service (HIS) and the

Transport Services; all of which have contributed to the contraction of the workforce.

As a comparison, the chart below shows turnover rates for other mental health and learning disabilities Trusts within the region and also the Staffordshire Cluster (Data Jan 12 – Jan 14). The IT & HIS transfer to South Staffordshire & Shropshire NHS Foundation Trust took place in August 2013, which accounts for the spike in turnover shown below.

Turnover



*Due to merger/acquisition, one Trust's data has been excluded as it didn't show an accurate representation of turnover rates.

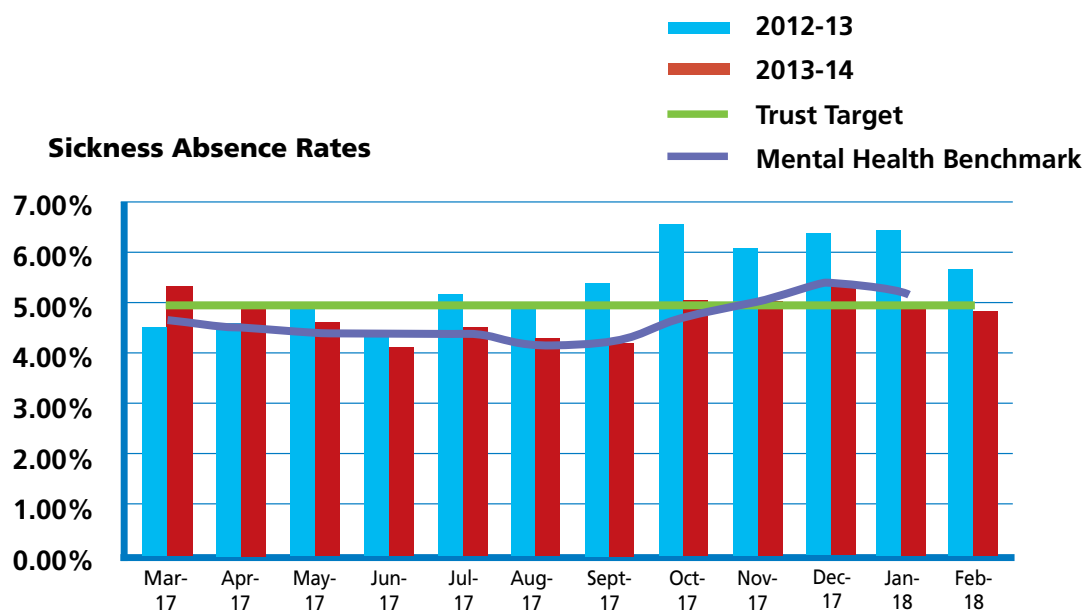
Sickness Absence

Steady progress was made in reducing sickness absence over the last few years, from 5.51% in 2007/08 to 4.93% in 2013/14. When compared with other the 49 Mental Health and Learning Disabilities Trusts for whom statistics are available, for the 12 months to December 2013 (the most recent statistics available via iView), NSCHT was exhibiting the precise average sickness rate, of 4.77%.

The trend that the statistics reveal in sickness absence is exactly what would be considered typical in most Healthcare providers, with absences rising in the winter months, during cold and flu season, and dipping again in summer – a trend that we can see repeated in the prior year statistics, below. What is significant however is that whilst the pattern is repeated, the overall sickness rate for 2013/14 is lower than that of 2012/13. This speaks to the success of the actions taken throughout the course of the year to address absenteeism. The impact is the more marked

when the TUPE transfer of large numbers of non-clinical staff to alternative NHS employers, given that benchmarking information shows that sickness absence is lower in non-clinical staff.

A sickness absence action plan was developed in partnership between management and staff side to ensure the proactive management of sickness absence, which is reviewed and refreshed regularly. The Trusts Staff Sickness Policy was reviewed in autumn 2013, with changes in relation to triggers being implemented. The Trust is also working closely with the Staff Support and Counselling Service to minimise the impact of change management upon staff and provide much needed support. A review of Occupational Health standards is currently in progress, and is likely to lead to either improvements in performance with the current Occupational Health provider, or the engagement of a new provider, as determined by the business case, Trust Board priorities and any relevant tendering process.



Equality and Diversity

The Trust aspires to be an Equal Opportunities employer. Our aim is to ensure that all employees are not subject to any form of discrimination, harassment and/or bullying at any time on the basis of their age, gender, ethnic origin, colour, disability, illness (such as HIV or AIDS), marital status,

nationality, race, religion, sexual orientation and social background. Policies are in place to support this and an Equality Act Compliance Report can be accessed via the link below.

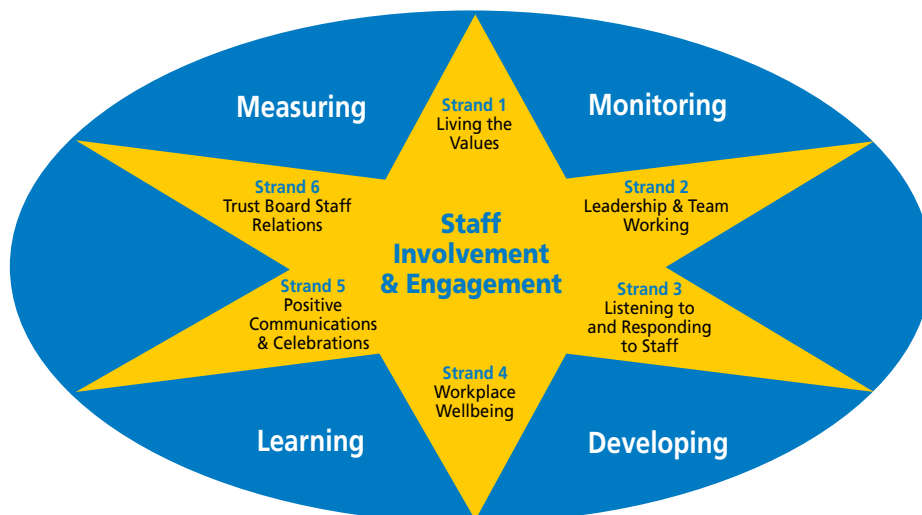
<http://www.combined.nhs.uk/helpadvice/Documents/Equality%20Data%20Analysis%20report%202013%2014%20NSCHT%20final.pdf>

4.3.2 Organisational Development

The Trust's Organisation Development and Training team have continued to take a proactive approach to engaging, developing and supporting individuals and teams across the Trust to develop organisational performance, inspire

and implement innovation and help us implement service developments and change successfully.

Our 6-stranded Staff Involvement and Engagement Strategy has provided a framework to guide much of our work in engaging, developing and supporting individuals and teams at every level of the Trust – see model below:-



Key highlights delivered against this strategy are listed below, as well as in the Workplace Wellbeing, Training and Leadership Development sections below.

Strategy Strand	Key Achievements / Highlights
Living the Values	<p>We have continually taken opportunities to reinforce our Trust Values through key Trust processes in 2013-14: recruitment and induction; in-house training; Team Brief, Newsround and other Trust communications; REACH and Spotlight Awards; and through linkages within our Trust HR policies.</p> <p>Our Trust Welcome Programme places a strong focus on the importance of our Trust Values and person-centred, compassionate care throughout the Welcome Day, as well as sharing a range of information designed to support new staff settle into their new roles as quickly and effectively as possible.</p>
Excellent Leadership and Team Working	<p>We have continued to achieve excellent coverage of personal development reviews (PDR) completing PDRs with 95% of staff throughout 2013-14. We continue to work on developing quality in the way in which PDR's are carried out and have built evidence based tools such as the maximising potential conversation into the PDR process.</p> <p>We have continued to maintain a pool of mentors who have received training in mentorship and are available to offer support both to people on leadership programmes and the wider organisation. We continue to offer internal coaching sessions for staff who have identified coaching needs. We have trained one person to deliver the HEWM Coaching Manager Programme in preparation for delivery in 2014-15.</p> <p>The OD team has supported many of our Trust teams and service lines to host Development Days throughout 2013-14, at which services are reviewed and plans made for the further development of services and team working.</p> <p>We have continued to place a significant emphasis on the importance of developing excellent leadership and team working through our leadership development programmes – see section 4.3.5 below.</p>
Listening to and Responding to Staff	<p>Progress made in our annual Staff Survey results in 2013, despite a challenging year and demanding operating environment both locally and nationally – see below.</p> <p>Application of our local monthly Mini-Staff Surveys throughout 2013-14 increased the depth of our understanding of staff perceptions about the Trust.</p>
Workplace Wellbeing	<p>Introduction of a Staff Handbook.</p> <p>Continuation and development of a range of staff benefits to support a healthy worklife balance and encourage healthy lifestyles, both in and out of work.</p> <p>Regular promotion of healthy lifestyle information and support for staff involvement in charitable and sporting endeavours through our Trust weekly newsletter, News Round.</p> <p>Continuation of development of our approaches to prevent or minimise incidents of violence and aggression from patients and service users and to improve our response to such incidents when they do occur (learning and support), including the introduction of a new Violence Reduction Group.</p>

Positive Communications and Celebrations	<p>The 4th annual REACH Awards ran very successfully on March 19th and we received a record number of nominations, with service user nominations being particularly well supported.</p> <p>We complimented this annual and formal event with regular opportunities to recognise excellence more informally through 'Spotlight' awards for both team and individual achievement shared at each month's Trust Board meeting and across the Trust through Team Brief.</p> <p>We have delivered a programme of communications throughout 2013-14 celebrating the huge variety of achievement and good work across the Trust and shared key Trust news with staff by a combination of Team Brief and 'all staff' emails with a clear remit of ensuring that staff receive news direct from the Trust before it is published in the local press or other media.</p>
Trust Board-Staff Relations	<p>We have enhanced the manner in which we carry out Team Brief each month and developed the format and delivery of our Trust Plenary sessions to increase engagement and dialogue between senior managers and team managers from across the organisation.</p> <p>We have delivered a programme of Board to Team visits throughout 2013-14 and continue to develop this model to improve two-way communication and celebration of achievement.</p>

Highlights from our results in the 2013 NHS Staff Survey are as follows:

- 56% of staff took part in the survey (putting us in the 'Top 20%' of mental health trusts)
- Increased from 3 to 4 measures in the 'Top 20%' of MH trusts

Our Top 5 ranking measures were:-

- % staff appraised in last 12 months (94%, average = 85%) - TOP 20%
- % staff experiencing discrimination in last 12 months (8%, average = 13%) - TOP 20%
- % staff experiencing harassment, bullying or abuse from staff in last 12 months (17%, av = 20%) - TOP 20%
- % staff receiving H&S training in last 12 months (82%, av = 75%) - TOP 20%
- % staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months (27%, average = 30%) – BETTER THAN AVERAGE

Of the 28 survey measures, 26 scores remained constant (no statistically significant change). We improved our score on two measures:

- % staff experiencing physical violence from staff in last 12 months (from 6% in 2012 to 3% in 2013)
- % staff appraised in last 12 months (from 90% in 2012 to 94% in 2013)

One measure worsened slightly:

- % staff saying that they are working extra hours - from 61% to 69%

We have co-ordinated our responses to the 2013 Staff Survey results in two ways

- By providing localised data, at service line level, supported by a meeting between service line managers and link OD staff to help develop a proactive and locally appropriate plan of action.
- By continuing to develop the Staff Involvement and Engagement Strategy and associated action plan, and planning for a rollout of a localised version of this strategy in the coming year.

4.3.3 Workplace Wellbeing

Through the development of our Staff Involvement and Engagement Strategy and action plan, the Trust has continued to place a strong importance on workplace wellbeing. Much work has focussed on reducing and minimising incidents and risk to staff physical and mental wellbeing posed by violent incidents involving patients and service users. A new Violence Reduction Group was introduced in 2013 charged with reviewing and planning for further improvements in prevention and response to incidents of violence within the Trust. This will continue to be a priority into 2014-15.

Significant concern is also placed on levels of work-related stress and work pressure reported by staff in the 2013 Staff Survey, and the Trust continues to develop its approach to coping with changes in the operating environment and the need to ensure that staff are supported to work effectively and safely in their teams to deliver what is required of them. This will also continue to be a priority into 2014-15.

Through the introduction of a Staff Handbook in 2013-14, we have raised awareness to a comprehensive range of opportunities that are available to our staff. We have continued to promote a range of staff benefits across the organisation, including health and wellbeing related benefits, local discounts and a range of positive HR policies to support staff in maintaining a healthy work-life balance. We have continued to provide opportunities for staff to join 'salary sacrifice' schemes to purchase childcare

vouchers, bikes, phones and vehicles and have further increased the take-up of these schemes over the past 12 months. We have regularly promoted the importance of physical activity and healthy lifestyles for both physical and mental wellbeing. We publicise free use of our gym at the Harplands Hospital for staff and encourage staff to take part in all forms of physical exercise. We have continued to share and promote the healthy lifestyles magazine, recently rebranded as 'Wellbeing Plus', which is available on the Trust intranet, which supports these messages and is reported to be valued and enjoyed by staff.

Staff Counselling and Support Service

The 'Staff Counselling and Support Service' continues to provide a high quality self-referral support service including 1:1 counselling, coaching and management supervision as well as group interventions/support for teams. The number of staff accessing the service has continued to grow which is an indication of how the staff value this confidential self-referral service. In previous years the main reason for referral has been as a result of personal issues however this has fluctuated this year between personal and work-related issues, which is an indication of the challenging times that the NHS and the Trust are facing. The continuing provision of management supervision for managers facing the challenges of these changes and supporting staff has been a growth area and this is now well attended by managers either individually or with other peers.

The service constantly seizes opportunities to broaden the services provided, either by extending existing support mechanisms to the Trust or via income generation opportunities by securing contracts. The service piloted and obtained a contract from Staffordshire and Stoke-on-Trent Partnership Trust which has resulted in the service now providing counselling across the whole of the North and South Staffordshire areas. Additionally the service has retained a number of existing Service Level Agreements with other organisations including a council, a hospice and other support organisations. The service also now provides supervision for a number of people who work in conjunction with the Police and other agencies supporting victims of domestic violence and sexual abuse/exploitation who require external supervision.

The service has also successfully secured contracts with Team Prevent to provide counselling to South Staffordshire & Shropshire Healthcare NHS Foundation Trust as well as Birmingham Community Healthcare NHS Trust. The service is committed to seeking further opportunities.

The service continues to review the number of placement training opportunities for counselling students from across the North/South Staffordshire, Cheshire, Shropshire and Derbyshire and provides counselling training placements and supervision opportunities. The service also each year offers Supervision Scholarships to existing volunteer staff to extend their training by becoming qualified supervisors.

4.3.4 Training and Development

We have fully implemented an electronic data collection process to streamline the TNA process and have introduced a monitoring process and quarterly reports for service line managers to ensure that training budgets are effectively utilised including the re-allocation of unspent funds to meet emergent training needs.

We have demonstrated a consistent improvement on last year's mandatory training compliance figures with an overall compliance rate of 89% at year end. We have also introduced a monthly individualised report to notify each member of staff of their mandatory training status. We have started to invest in hardware to support a fuller implementation of e-learning options and this will roll-over into the year 2014-15/ We have recruited a mandatory trainer to help us to deliver mandatory and core required training in the most cost effective and locally appropriate manner .

We have responded to training challenges such as the PREVENT target by introducing relevant training to our prospectus and encouraging staff to attend. A new clinical risk management training programme has been designed and cascade trainers have been prepared, rollout of this programme has now commenced.

We have piloted a values based care planning programme within in-patient areas and plan to rollout this programme through cascade trainers in the coming year. The neuropsychiatry team has completed the delivery of a comprehensive package of learning for all staff working in this specialist area.

We have designed a learning approach for support workers across the Trust, including a five day foundation programme for all support workers, local skills development and targeted opportunities to undertake the CCMH qualification for appropriate staff. The CCMH programme launched in February delivered through in-house expertise and validated by City and Guilds. We have over 30 support workers enrolled in this programme.

4.3.5 Education Team

The Education Team has continued to support quality placements to Nursing and Occupational Therapy students across 135 areas, 57 of these are to be found within the Trust and 78 across the private sector. There were 9 new staff that joined the mentor register during 2013/14 in order support the development of student nurses in becoming the future workforce for nursing. Evaluations from student nurses are reviewed and action taken as and when required to continue to maintain the high standards within the Trust, though comments and feedback is often very positive as per the examples given below.

"I gained a lot of confidence and experience working for this certain placement and was giving many responsibilities and they put a lot of trust in me to deliver good person-centred care and to recognise myself as a nurse and not just a student".

(Ward 7 – Harplands)

"I was able to fully experience the placement thanks to kindness of every member of the team. I can honestly say this was the best placement I've experienced. I've learnt so much- not only in relation to mental health but also to team-working".

(Ashcombe Resource Centre)

The Education Team have been reviewing and developing a new preceptorship programme for 2014/15 to meet both the needs identified by managers in the clinical areas, and the development of newly qualified band 5 staff joining the organisation. The Team will continue to strengthen and develop the support available for Students, Mentors and Preceptors throughout 2014/15

The Team support Medical Students on placement within the organisation over a six month period, and develop in conjunction with a dedicated team of Undergraduate Tutors (Consultants), a varied educational programme to support their academic development through seminars, exam practice and placements within the wards.

During the Academic year the team have supported and administered the core psychiatry programme for trainee psychiatrists, this includes trainees from outside the area.

The team organise and administer the weekly CPD programme for the Consultants, Senior and Junior Doctors. This includes a dedicated programme for foundation doctors from the UHNS whilst on placement with us.

4.3.6 Leadership Development

The 7th cohort of People management programme has run successfully and it due to complete in July. This provides opportunities for newly appointed managers to develop skills and is also popular as an update for more experienced managers.

We have responded to the results of our staff survey by planning the rollout of an evidence-based team development programme for all of our team leaders. The rollout has commenced with our executive team and senior managers and throughout the coming year will be integrated into all team practices.

We have continued to work with local health economy partners to develop continuing leadership education reflective of current issues and best practice. This year we provided master classes on the art of being brilliant, wicked problems and clumsy solutions and the NHS change process. We have a number of staff who have enrolled for the national Edward Jenner programme and three of our staff have enrolled on the national Mary Seacole programme. We have actively promoted the national leadership programmes across all areas of the Trust.

The Trust continues to offer 360 degree feedback to managers and leaders, mainly associated with leadership development programmes but also on request by managers who aspire to increase their self-awareness, productivity and confidence in role. We have continued to maintain our pool of mentors, senior managers from across the Trust who have received training in mentorship and are willing to mentor individuals in a variety of roles.

4.4 Director of Finance and Performance



Kieran Lappin

As at the end of March 2014, the Trust's Director of Finance and Performance was Kieran Lappin. Kieran carried out the role on an interim basis from July 2013 and took up the role substantively from Monday 23 December 2013.

Kieran has over 35 years NHS experience and has held four previous executive director Board posts. His experience is well-rounded, having worked at many levels of the NHS including the Department of Health; acute, ambulance, primary care (including provider arm) and care trusts; as well as in clinical commissioning.

Kieran is a qualified accountant and also has a health MBA from Keele University. He holds responsibility for all financial and performance areas of the Trust.

4.4.1 Financial Performance

The 2013/14 financial year saw a continuation of the trend seen for a number of years, whereby the Trust delivered modest annual surpluses.

- The Trust 'balanced its books' with a small operational surplus

of £31,000 on a turnover of £87m. This is the 9th consecutive year that the Trust has had a small operational surplus and demonstrates an on-going history of good financial control. The Trust retains the surpluses for future investment in services.

- The Trust delivered its cost improvements programme, exceeding the £3.5m target by £175,000.
- The Trust ended the year with a healthy cash balance and continued to pay its suppliers promptly. Over 97% of bills were paid within 30 days

The Trust therefore delivered its statutory duty of achieving break-even or better on income and expenditure for the year.

Financial performance for the year is set out in the summary financial statements in Section 9.

4.4.2 Performance against Key Performance Indicators (KPIs)

The Trust has in place a well-developed Performance & Quality Management Framework (PQMF) which is a key element in the Trust's drive for excellence, providing a means to report, review and improve organisational performance and quality outcomes, linking and aligning objectives and results.

A key feature of the PQMF is the balanced scorecard, which incorporates a performance dashboard designed to measure delivery against the Trust's Objectives, quality outcomes and the measures or targets required by local commissioners and various regulatory bodies such as the NHS Trust Development Authority and Monitor.

Performance is reported on a monthly basis, internally (from individual team to Trust Board level) as well as externally.

2013/14 saw a continuation of the strong performance demonstrated by the Trust, with all national targets being met. Internally, the Trust monitored performance across 133

individual metrics, across 8 enabling strategies. Areas of performance are described throughout this report, however the tables below summarise delivery against national targets for the year.

Utilising the Monitor compliance framework, all indicators are rated green.

PI	Area	Target	Mar	YTD	Year End	Data Quality	AMH	LD	CYP
1	Number of FT members	7900	8294	8294	G	G	n/a	n/a	n/a
2	Compliance with the essential standards	100%	100%	100%	G	G	n/a	n/a	n/a
3	Compliance with NHSLA RM standards	Level 1	Level 1	Level 1	G	G	n/a	n/a	n/a
4	AMH Patients on CPA had formal review in the last 12 months	95%	96.3%	96.3%	G	G	96.3%	n/a	n/a
5	CPA 7 Day Follow Up	95%	100%	99%	G	G	100%	n/a	n/a
6	New psychosis by EI Services	62	7	69	G	G	7	n/a	n/a
7	Cases of MRSA	0	0	0	G	G	0	0	0
8	Cases of CDiff	0	0	1	G	G	0	1	0
9	Access to healthcare for people with a LD	100%	100%	100%	G	G	100%	100%	n/a
10	Delayed Transfer of care	<7.5%	3.28%	4.26%	G	G	2.95%	6.99%	n/a
11	CR Gate kept Admissions (ACUTE)	95%	100%	99%	G	G	100%	n/a	n/a
12	Data completeness of MHMDS	99%	99%	99%	G	G	n/a	n/a	n/a
13a	CPA:- employment status recorded	50%	99%	91%	G	G	n/a	n/a	n/a
13b	Completeness - CPA: - accommodation status recorded	50%	98%	98%	G	G	n/a	n/a	n/a
13c	Completeness - CPA: - HoNOS	50%	98%	98%	G	G	n/a	n/a	n/a

As reported in the monthly Performance Management Report (PMR), submitted to the Strategic Health Authority based on the reporting requirements of the Single Operating Model for NHS Trusts, both overall ratings are green.

Area	Rating
Governance Risk Rating (Red Amber Green)	Fully compliant with Board self-certification
Normalised YTD Financial Risk Rating (Number on scale of 1-5)	2

4.4.3 Information Management and Technology

Up to 30 August 2013 the Trust hosted Information Management and Technology services provided to a number of NHS organisations in Northern Staffordshire. From 1 September 2013 this service moved to be hosted by South Staffordshire and Shropshire NHS Foundation Trust, however this Trust continued to receive services as a customer.

Projects delivered for partners are not detailed here, however key projects for the Trust delivered in 2013/14 included;

- Relocating IT services to the TExtending Wi-Fi at the Harplands hospital site for use by staff and service users.
- Further trialling the use of digital dictation to drive improved efficiency.
- A number of refinements to the Trust's main clinical system (CHIPS) to support the enhancement of clinical information and move towards use of electronic patient records.

- Achievement of Level 2 compliance with the Information Governance toolkit. This is described in Section 6.6.
- Further progress in recording 'cluster' information for all service user activity as we prepare for the national implementation of Payment by Results for Mental Health Services.

The Trust's IM&T strategy was reviewed during 2013/14 to ensure it was fit for purpose and reflected likely requirements in this area going forward. Key updates reflected ongoing strategic IT issues such as the need to invest in an Electronic Patient Record and to increase the use of mobile technology to better support our community based staff and enhance the patient experience.

5 | Developing our Business

5.1 Trust Developments – our future direction of Travel

The National Health Service Trust Development Authority (NHS TDA) came into force at the beginning of April 2013, and on 4 April 2013, the NHS TDA published **Delivering High Quality Care for Patients: The Accountability Framework for NHS Trust Boards**, which sets out how the NHS TDA will work with NHS trusts on a day-to-day basis and how it will provide the development support each organisation needs to meet the challenges that lie ahead. The guidance is clear that NHS foundation trust (FT) status will only be approved when an NHS trust board can clearly demonstrate that it is able to provide high quality care for patients and has the right business plan in place to ensure it can continue to deliver well into the future.

The guidance sets out a clear process of how the group of over 100 trusts not operating as NHS foundation trusts would move towards achieving FT status, including planning, oversight, escalation, development and approval. The guidance also sets out the process to be followed by a trust which cannot achieve sustainability as an NHS foundation trust in its current form, including the option of acquisition of an NHS trust by an existing NHS foundation trust.

Throughout 2013/14, the Trust gave due consideration to the

transaction options set out in the guidance. The North Staffordshire Combined Healthcare NHS Trust Board recommended the option of acquisition to the NHS TDA for further consideration, believing that being part of a larger trust is in the interest of service users and carers, in so much as it provides a stronger voice for mental health and learning disability services across Staffordshire. The Board also was confident that the acquisition option would provide a critical mass, bringing opportunity for the long term financial stability that is required to deliver safe, high quality services across North Staffordshire.

In assessing the four gateways set out in the Accountability Framework, that the Trust would need to pass through to provide assurance on an acquisition, as well as the timelines associated with each gateway, the TDA, Trust Board and commissioners came to the agreement that further work was required to develop a robust Outline Business Case.

Therefore, in January, a decision was made to 'pause' the work we were doing with the TDA to look at a new form for the organisation. This was in the context of two things – 1) the need to work more closely with our commissioners and local health economy partners to ensure more integration of services across Staffordshire in light of wider health economy challenges and changes and 2) a reduced national focus on NHS Foundation Trust status which gave us the flexibility needed to undertake such a decision.

5.2 Development of relationships with commissioners and the Clinical Pathways review

In February 2014, further to the changes outlined in 5.1, the Trust and the Clinical Commissioning Groups [CCGs] for Stoke on Trent and North Staffordshire announced that they would be undertaking a six-month review to further improve the integration of mental health, learning disability and substance misuse services with physical health and social care services.

The review is being undertaken working closely with service users and carers, the Patients' Congress established by the CCGs, GP practices, local NHS trusts - University Hospital of North Staffordshire NHS Trust (UHNS) and Stoke on Trent and Staffordshire Partnership NHS Trust (SSOTP) - Social Services in Stoke on Trent and North Staffordshire and third sector partners including Brighter Futures, Changes and MIND.

One of the main priorities of the CCGs is to develop more integrated mental and physical health services and health and social care. Therefore the Trust agreed with the CCGs and with the NHS Trust Development Authority [TDA] that further work on options for future sustainability of services would pause for six months while the service review is carried out.

As part of this work, and to ensure the future organisational form of NSCHT meets the wider health economy requirements, a joint Clinical Health summit was held in January, involving commissioners, NSCHT clinical colleagues and service user representatives, to look at the care pathways and clinical models required to deliver the CCGs agenda of integration between physical and mental health services and between health and social care.

A significant amount of work has been undertaken with local commissioner since that point, to better integrate physical and mental health services and ensure parity of esteem for those receiving mental healthcare support and treatment.

6 | Governance

6.1 Registration Regulations 2013/14

Since April 2010, all health and social care providers have been required by law to be registered with the CQC if they provide regulated activities.

The Care Quality Commission is the independent regulator of all health and adult social care in England. They also protect the interests of people detained under the Mental Health Act and ensure that essential common standards of quality are met everywhere that care is provided. They have a wide range of enforcement powers to take action if services are deemed to be unacceptable.

The Care Quality Commission translates the Regulations defined by the Health & Social Care Act 2008 into essential standards of quality and safety. These standards place the patient at the centre of the registration system and focus on clinical outcomes and people's experience of quality and safety rather than an administrative/management process of compiling evidence about policies and process. North Staffordshire Combined Healthcare NHS Trust current registration status is **Registered - Registration Number CRT1-626426616**.

6.2 NHS Litigation Authority (NHSLA) Risk Management Standards

The Trust currently holds level 1 accreditation against the NHSLA Risk Management Standards. It was announced during the year that the NHSLA would no longer focus on assessing against these standards in future years however we have continued to work hard during 2013/14 to maintain an robust risk management framework. We have enhanced our structures still further throughout the year in order to ensure that we can carry this strong foundation forward ourselves in future years to support high levels of safety in our services.

6.3 Estates including Sustainability Report

The Trust hosts an Estates Management Team which provides services to a number of NHS organisations in Northern Staffordshire. Services delivered for partners are not detailed here, however key elements of the services delivered for the Trust in 2013/14 were;

The continued implementation of the Trust's 5 year estates strategy, including further review of the Trust's estate utilisation in order to maximise efficiency. This year, we completed the closure of the Bucknall Hospital site with the final re-location of services (medical

records) to Ashtenne Units. Disposal of the hospital site is now being progressed, with outline planning permission for residential use being obtained in March 2014.

Five properties belonging to the Trust and leased to Turning Point were deemed as surplus to requirements. The Board approved the disposal of the properties in September 2013. Two separate agents were appointed in November 2013 to independently value the properties and actively market them on the open market to achieve best value for the Trust. The current status of the properties is:

Property	Status	Board Approved
Elvedon	Offer received subject to planning consent from Council	Yes
Eversley	No offers received. Price reduced in line with agent recommendation	Yes
Fox Hollow	Offer received	Yes
Meadow View	Offer received	Yes
Regent House	Offer received	Yes

The Capital Programme for 2013/14 was small and primarily focussed on 2 properties. There was a boiler replacement scheme at the Trust's Corporate Headquarters in line with the Carbon Management strategy at a cost of £110k. A further £100k was spent on works at Harplands Hospital on anti-ligature ironmongery and fencing to address security issues.

Patient-led assessments of the care environment (PLACE)

April 2013 saw the introduction of PLACE, which is the new system for assessing the quality of the patient environment, replacing the old Patient Environment Action Team (PEAT) inspections.

A key change from the former PEAT process is the increased involvement of 'Patient Assessors' - individuals who represent users of healthcare services rather than

providers. Assessment teams are a collaboration between staff and patient assessors. All assessing teams must include at least two patient Assessors, who must also comprise at least 50% of the overall team.

The assessment process focuses on the environment in which care is provided with particular emphasis on cleanliness, general condition, appearance and maintenance, privacy and dignity and the provision of food and drinks.

The assessments will take place every year and are undertaken to a standard assessment format issued by the NHS Commissioning Board. The information collected is submitted to the Health and Social Care Information Centre and the results are reported publicly to help drive improvements in the care environment. The results will show how hospitals are performing nationally and locally.

Our results in 2013/14 were as follows:

Area of Performance	Environments, Cleanliness and Food
Metric - Method of Calculating Performance:	Trust Metric: KPI / 5 Environments / cleanliness as assessed by the Patient Led Assessment Care Environment Team (PLACE) KPI 2.16 Food and nutrition as assessed by the Patient Led Assessment Care Environment Teams (PLACE)
Performance	We are proud of our cleanliness standards and excellent achievement for the food provision in 2013/14 the Trust's PLACE overall scores were. Cleanliness was 98.01%. Food was 86.61%. Each PLACE inspection team included 50% patient representation and an independent validator.

Place 2013/14	Cleanliness including hand hygiene	Privacy, Dignity and Wellbeing	Condition, Appearance and Maintenance	Food Score
Harplands Hospital	98.28%	95.94%	87.03%	96.03%
Dragon Square Community Unit	99.30%	84.62%	84.62%	
Learning Disabilities Unit - Hilton Road	95.02%	88.64%	85.09%	84.51%
The Bungalows, 1 - 6 Chebsey Close	99.01%	80.44%	82.88%	87.95%
Darwin - Fka Clydesdale Centre	98.40%	86.43%	80.49%	91.67%
Florence House	97.62%	87.33%	90.54%	
Summers View	95.07%	83.33%	80.26%	86.31%
Trust Overall Score	98.01%	92.40%	85.88%	86.61%

Sustainability

The Estates Agency 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 in developing areas of best practice, environmental training, and seminars on new technologies

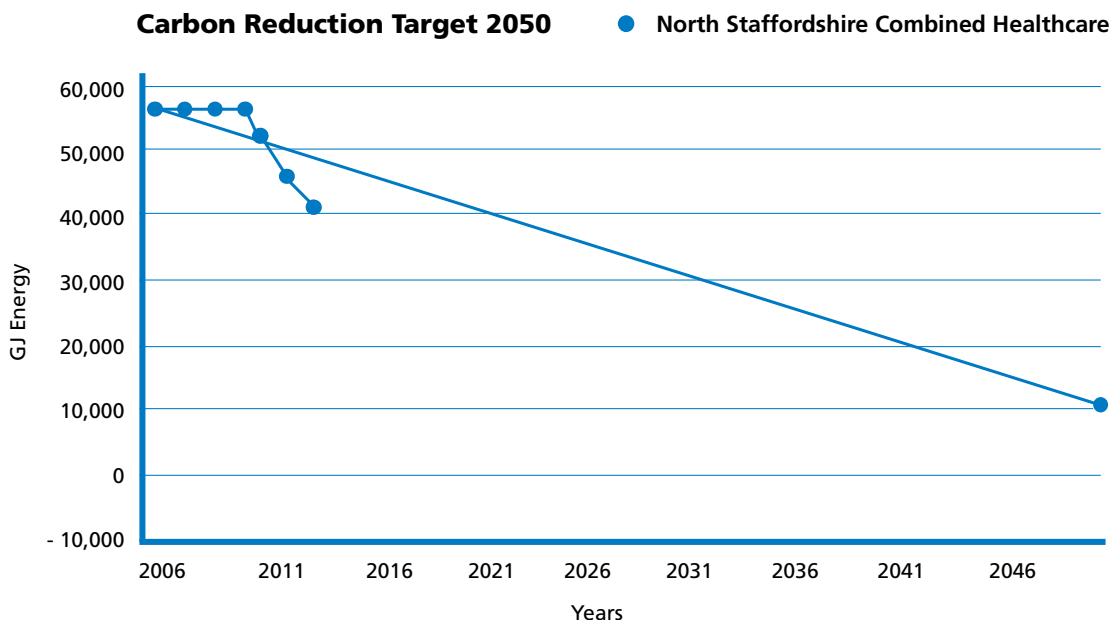
in order to actively explore new initiative in reducing the carbon footprint.

Through the capital programme, investment has been made in recent years to accord with the Carbon Management Strategy and to support this goal – high efficiency boilers, VSD, low energy lighting etc. - and there have been reductions in carbon emissions as seen below.

Year		Carbon tonnes
2008/09	Carbon Emission	1157 Tonnes
2009/10	Carbon Emission	1041 Tonnes
2010/11	Carbon Emission	1064 Tonnes
2011/12	Carbon Emission	971 Tonnes
2012/13	Carbon Emission	849 Tonnes

Nonetheless, high level performance indicators for energy performance indicate that the Trust is above the median for CO₂ emissions per occupied floor area (with a value of 140 units compared to a median of 94) and needs to stringently attack consumption.

The chart below shows the target profile and actual trajectory for the Trust to achieve the 80% carbon reduction by 2050.



6.4 Emergency Planning

Our approach to emergency planning and resilience takes account of the need to develop a whole health economy approach and compliance to requirements. We are committed to developing and maintaining a prepared and resilient NHS Trust.

Resilience is about ensuring that we are prepared for any service interruption or emergency that may occur, both internally and/or externally to the Trust, which threatens our ability to exercise our civil protection and/or ordinary functions, as required by the Civil Contingencies Act 2004.

It is Trust policy to ensure that we can continue to deliver our critical services and to support the community and our partner organisations before, during and after an emergency, in so far as reasonably practicable. By taking

a proactive approach to resilience, we will be able to prioritise, deliver and support the critical healthcare systems and services that our stakeholders, patients and community rely on.

We are major partners in ensuring that North Staffordshire has Local Health Economy plans in place to support capacity during not only major disruption but at times of high demand on health services. Over the past year, we have revised and renewed our emergency major incident plans and a number of specific business continuity plans such as fuel shortage, loss of staff, severe weather plans etc. We have also rolled out training for key members of staff and taken part in economy wide exercises to enhance our learning and preparedness.

All our policies and procedures are now available to all staff through the Trust's intranet and newly developed sections to support staff.

6.5 Risk Management

The Trust has assessed its strategic, operational, financial, information management & technology, estate and workforce risks using divisional and Trust-wide SWOTs, incorporating issues raised in the latest market assessment.

As at 31 March 2014, the Trust's residual high and significant principal key risks are failure:

- To develop sustainable financial and workforce plans (including Cost Improvement Plans) that will underpin ongoing viability;
- To develop and implement fit for purpose information systems that provide real time patient information that fully supports payment by results, mobile working and efficiency;
- The potential for significant financial impact in future years as a result of the future model for Learning Disability services;
- To develop effective strategic plans (2 and 5 year).

The Trust has a robust Assurance Framework and Risk Management and Reporting Process in place which is reviewed regularly. This is also independently audited on an annual basis and most recently this was completed in February 2014. The audit gave a positive opinion and highlighted examples of strong practice in relation to the systems, tools and processes in place. These tools particularly support the effective and focussed management of all risks and in particular the key (Principal) risks that threaten

the delivery of the Trust's annual objectives. Reports to the Trust Board and its committees highlight any gaps in controls or assurance and detail actions to address them.

Risk Management Committee

The Trust established a dedicated Risk Management Committee in September 2013 to further strengthen the Trust's risk management framework. The existing Risk Review Group reports to, and actively supports, the working of this committee which took over responsibility for risk management duties from the Quality Committee in order to allow a greater focus.

An observational audit of the Trust's Risk Review Group was undertaken by our auditors in September 2013; the resulting report was extremely positive, highlighting that there was considerable evidence of challenge, scrutiny and discussion of risk scores and mitigating actions. It provided a positive opinion that risk management was embedded into the culture of this organisation.

The key risks to achieving the Trust's annual objectives are recorded in the Principal Risk Register, alongside the associated controls and mitigation plans. The Principal Risk Register (together with the Operational Risk Register) is formally reviewed at the end of each quarter by the Executive Team and the Risk Management Committee before the findings are reported to Trust Board. This ensures that roles and responsibilities for risk management are clear and issues arising are acted on in a timely manner.

Quality and Risk Profile

A Quality and Risk Profile (QaRP) is a tool held and managed by the Care Quality Commission (CQC) that is used to support the CQC in assessing where potential risks lie when planning inspections to monitor our compliance with the essential standards.

The Trust receives copies of each QaRP and these are reviewed to triangulate the CQC's view with our own data and identify any potential areas for improvement. A summary report is prepared following receipt of each QaRP to ensure that the Executive Team and key committees are aware of any significant changes; actions to address any gaps are managed at the monthly Senior Management Team meeting and are overseen by the Trust's Quality Committee.

This enables the Trust to identify any gaps or deteriorating trends before they impact on patient care.

6.6 Information Governance

Managing and controlling risks related to information is a key element on the risk and control framework. The Information Governance (IG) Toolkit, a tool

by which the Trust assesses its compliance with current legislation, Government directives and other national guidance, is a key part of the organisation's Assurance Framework. The Trust progressed its action plan to improve performance in the areas of Information Governance management and Information Security assurance, and successfully achieved Level 2 compliance at year end. All Trust staff are required to complete Information Governance Training on an annual basis. Compliance is being monitored more closely and in year we have seen a decrease in serious incidents reported and a reduction in incidents relating to information breaches.

Data Incidents

The Trust has reviewed all incidents of data loss or confidentiality breach between 1 April 2013 – 31 March 2014. There were 4 incidents with a severity rating of 1.

An assessment of whether or not the incident is a serious incident has been made using the guidance issued by the Department of Health as well as being considered by the Trust's Audit Committee throughout the course of the year. None were deemed to score above 2, which would require referral to the Information Commissioner and disclosure in the Trust's Annual Governance Statement.

The table below summarises the personal data related incidents in the 2013-14 financial year.

Summary of Personal Data Related Incidents in 2013-14		
Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices, or paper documents from secured NHS premises.	2
II	Loss of inadequately protected equipment, devices or paper documents from outside secured NHS premises.	1
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents.	0
IV	Unauthorised disclosure.	1
V	Other	0

6.7 Freedom of Information 2000 Act requests (FOI)

Every public body subject to FOI 2000 Act is required to adopt and maintain an approved Publication Scheme. A Publication Scheme is a commitment to routinely and proactively provide information to the public.

The Freedom of Information Act 2000 provides a general right of access to all types of recorded information held by public authorities. Since January 2005, everyone has had the right to ask public authorities for any information they hold, although there are some exemptions that may prevent information being released. The Trust has adopted the model publication scheme approved by the Information Commissioner.

In 2013/14 the Trust responded to 147 Freedom of Information Act requests. The table below shows the types of organisations requesting information and number of requests under each category, in comparison to 2012/13 where 82 requests were received and 2011/12 where 98 requests were received.

- For Quarter 1 of 2013/14 the Trust received 30 requests for information under the Freedom of Information Act.
- For Quarter 2 of 2013/14 the Trust received 43 requests for information under the Freedom of Information Act.
- For Quarter 3 of 2013/14 the Trust received 30 requests for information under the Freedom of Information Act.
- For Quarter 4 of 2013/14 the Trust received 44 requests for information under the Freedom of Information Act.

Type of Request	Number of Requests
Government	1
Media	2
NHS	5
Private Business	136
Public	3
Total	147

All requests were responded to within the 20 working day deadline as set out in the Act.

6.8 Serious Incidents (SIs)

In 2013/14, there were 80 serious incidents reported and investigated. We are pleased to report compliance in the completion of investigations within 40 working days, maintaining and continuing to improve the quality of investigations, responding to recommendations with immediately identified actions and

responsibilities and complimented further by a bi-monthly Learning Lessons bulletin and several well attended learning events including a successful event held at the Medical Institute with the North Staffordshire Coroner, Mr Ian Smith who presented an informative and fascinating update on new coronial rules and the likely implications for the Trust.

Reflection over the last 12 months highlights the significant developments made in refining the processes to strengthen the quality of the reports with a further 50 staff trained in National Patient Safety Agency Root Cause Analysis investigation methodology. We believe that the training and awareness raising of this methodology will not only enhance the pool of available Investigating Officers but encourages reflection and critical thinking to be applied in to practice. Our challenges ahead are to continue to refine our investigation processes, ensuring service user and/or carer involvement in the investigation and to develop systems for feedback of learning to staff in a timely and sensitive manner

We are delighted to report the successful implementation of the Safeguard Risk Management System with risk, incident, safeguarding vulnerable people and customer care modules successfully implemented and embedded in to practice. The implementation has provided an invaluable opportunity to undertake a Trust-wide programme of education and training in operational use of the system and to reiterate workforce responsibilities for raising concerns and reporting incidents and near misses. To date, over 500 staff have received training and it is pleasing to note that incident data is now received from an increased number of teams. We have worked in partnership with Service Line Managers to design and produce weekly narrative incident reports and monthly data trend reports and will continue attendance at Service Line meetings to further support data analysis to support improvements to safety and quality.

Whilst we are receiving a wider range of incident categories from inpatient and community services, we are pleased to note that 2013/14 has seen a reduction in the number of incidents of violent incident and staff assault, a review of the violence reduction mandatory training programme in line with the Trust nationally accredited trainers in the MAPA model of training. Improvements in the integrity of the incident data and reporting functionality will allow increased ability to track and respond to trends, identify necessary actions and interventions and to identify clear outcomes for improvements in safety and quality.

6.9 Local Counter Fraud Service

In 1999 the Secretary of State Directions were issued to trusts setting out requirements for countering fraud in the NHS. The Local Counter Fraud Specialist provision at this Trust is provided by RSM Tenon and their officers, who report to the Trust's Audit Committee on all aspects of counter fraud and investigation. A work plan was agreed by the Audit Committee and reports on progress were provided during the year. A dedicated annual report details all activities undertaken of both a proactive and reactive nature in the year 1 April 2013 to 31 March 2014.

6.10 Trust Auditors

To follow on completion of Annual Report

7 | Our Trust Board

7.1 Details of our Directors

Executive Directors as at 31st March 2013*

Name	Position	Appointed
Ms Fiona Myers	Chief Executive	August 2008 until March 2014
Mrs Patricia (Trish) Donovan ⁽¹⁾	Executive Director of Finance	March 2011 to July 2013
Dr Olubukola (Buki) Adeyemo	Executive Medical Director	January 2012
Mrs Caroline Donovan ⁽³⁾	Acting Chief Executive Director of Leadership and Workforce	March 2014 Interim July 2009 and substantively June 2010
Ms Christine (Chrissie) Cooke ⁽⁴⁾	Executive Director of Nursing and Quality	May 2013 to October 2013
Mr Andy Rogers	Director of Operations	May 2013
Mr Kieran Lappin	Executive Director of Finance	July 2013
Mrs Karen Wilson ⁽⁵⁾	Executive Director of Nursing & Quality	February 2014
Mr Paul Draycott ⁽⁶⁾	Acting Executive Director Leadership and Workforce	March 2014

* There were changes to the Executive membership of the Board in 2012/13, namely:

- (1) Fiona Myers held the role of Chief Executive until March 2014
- (2) Mrs Trish Donovan held the post of Executive Director of Finance until July 2013. The role was then carried out on an interim basis by Mr Kieran Lappin until his substantive appointment in December 2013. More details in Section 8.4 Off Payroll Payments
- (3) The role of Executive Director Leadership and Workforce was held by Caroline Donovan until March 2014 when she formally took up the role of Acting Chief Executive.
- (4) Ms Chrissie Cooke stepped down from the role of Executive Director of Nursing and Quality in October 2014. The interim role was carried out from this point by the CEO, Fiona Myers. More information in Section 8.1 Remuneration
- (5) Karen Wilson was appointed to the role of Executive Director of Nursing and Quality in February 2014
- (6) Paul Draycott took up the role of Acting Executive Director Leadership and Workforce in March 2014

Non-Executive Directors as at March 31st 2013**

Name	Position	Appointed
Mr Ken Jarrold CBE	Chairman	December 2011 – 4 year term
Mr Tony Gadsby ⁽¹⁾	Non-Executive Director	November 2009 - 4 year term Reappointed June 2013 – 1 year term
Mrs Judith Griffin ⁽²⁾	Non-Executive Director	February 2012 – 4 year term
Mr Peter O'Hagan	Non-Executive Director	August 2012 – 2 year term
Mr Roger Carder	Non-Executive Director	August 2012 – 2 year term
Bridget Johnson	Non-Executive Director	July 2013 – 1 year term
Patrick Sullivan	Non-Executive Director	December 2013 – 1 year term

(1) Tony Gadsby was reappointed for a further 12 month term in June 2013

(2) Judith Griffin stepped down from the role of Non-Executive Director in December 2013

Associate Board Directors

Dr David Sheppard	Associate GP	Appointed April 2011
Dr Keith Tattum	Associate GP	Appointed April 2011

7.2 Details of our Directors' Declared Private Interests

Name of Director	Interest Declared
Ken Jarrold, Chairman	<ul style="list-style-type: none"> NHS Retirement Fellowship, Patron The Dearden Partnership LLP, Partner University of Durham, Honorary Professor Chairman Government Pharmacy Programme Board, Ministerial Appointment
Tony Gadsby, Non-Executive Director	<ul style="list-style-type: none"> Lions Club International (LCI), Chairman of Governors, British Lions Clubs International, British Isles & Ireland - National Executive Officer. Lions MD105 Lifeskills Ltd Chairman Lions MD105 Conventions Ltd Director MedicAlert Foundation, Trustee and Deputy Chairman
Peter O'Hagan, Non-Executive Director	<ul style="list-style-type: none"> ICT4Change Ltd, Head of Imagineering Angel Solutions Ltd, Non-Executive Director St Mary's Voluntary Aided Catholic Primary School, Chair of Governors Cleary MAC, Director
Roger Carder, Non-Executive Director	<ul style="list-style-type: none"> Carder Consulting Limited, Director
P Sullivan, Non-Executive Director	<ul style="list-style-type: none"> Care Quality Commission, Mental Health Act Commissioner Health, Education and Social Care Chamber (Mental Health), Fee-paid Specialist Lay Member of the First-tier Tribunal Open University, Associate Lecturer
B Johnson, Non-Executive Director	<ul style="list-style-type: none"> Moorlands Housing (part of Your Housing Group), Chair Your Housing Group, Operating Board Member Fee-paid Specialist Lay Member of the First-tier Tribunal Ascent Housing LLP, a partnership between Staffordshire Moorlands District Council and Your Housing, Non-Executive Director
Caroline Donovan, Acting Chief Executive	<ul style="list-style-type: none"> No interests declared
Dr Buki Adeyemo, Executive Medical Director	<ul style="list-style-type: none"> No interests declared
K Lappin, Executive Director of Finance	<ul style="list-style-type: none"> Kieran Lappin Ltd, Chief Executive. Spouse is Company Secretary. Treasurer of the Hereford Muheza Link Society, A small charity that for over 25 years (formerly as part of NHS Charitable Funds) has organised health education visits between staff in Herefordshire and Muheza District in Tanzania. It has also established and funded the first hospice in West Africa and organises the shipment of donated medical equipment and supplies to Muheza.
P Draycott, Acting Executive Director of Leadership & Workforce	<ul style="list-style-type: none"> Trustee of Impact AAS, Trustee of Impact AAS Charitable organisation providing alcohol and addictions services for the people of Shropshire. Paul Draycott Development, Sole Trader – no active development
K Wilson, Executive Director of Nursing & Quality	<ul style="list-style-type: none"> No interests declared

As at 31 March 2014

The register is only of those direct interests of Board members personally however, the Trust policy does require 'any' interests to be declared, which include those of spouses, etc. These are held centrally by the Trust and is available upon request.

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 is 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 Trust Secretary.

The Code of Conduct and Code of Accountability in the NHS can be viewed on the Department of Health website at:

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4116281

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

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 which is 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 November 2013. The Terms of Reference will be reviewed at least annually and the next review must take place before 31 October 2014.

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; and
- 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 shall be the Chair of the Trust Board and all the non-executive directors who are Board members.

The Trust Chair shall Chair the Committee. In the absence of the Chair one of the other non-executive directors will be 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 & 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; and
- 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.

8.1 Remuneration of Senior Managers – Salaries

Name and Title	2013-14							2012-13			2011-12		
	Salary	Other Remuneration	Performance Pay	Non Taxable Expense Payments	Taxable Expense Payments	All pension-related benefits	Total	Salary	Other Remuneration	Benefits in Kind	Salary	Other Remuneration	Benefits in Kind
	(bands of £5000) £000s	(bands of £5000) £000s	(To the nearest £100) £00s	(To the nearest £100) £00s	(To the nearest £100) £00s	(bands of £2500) £000s	(bands of £5000) £000s	(bands of £5000) £000s	(bands of £5000) £000s	(To the nearest £100) £00s	(bands of £5000) £000s	(bands of £5000) £000s	(To the nearest £100) £00s
F. Myers - Chief Executive Officer (to 12 March 2014)	175 to 180 **	0	5 to 10 ***	5	1	25 to 27.5	205 to 210	120 to 125	0	8	120 to 125	0	0
P Donovan - Director of Finance (to 31 July 2013)	30 to 35	0	0	0	0	30 to 32.5	60 to 65	100 to 105	0	0	100 to 105	0	0
C. Donovan - Director of Workforce & Organisation Development - Acting Chief Executive Officer (from 13 March 2014)	100 to 105	0	0	2	0	35 to 37.5	135 to 140	95 to 100	0	0	95 to 100	0	0
A. Gadsby - Non Executive Director	5 to 10	0	0	10	0	0	5 to 10	5 to 10	0	0	5 to 10	0	0
K Jarrold - Chairman	20 to 25	0	0	0	0	0	20 to 25	20 to 25	0	0	5 to 10	0	0
J Griffin - Non Executive Director (to 31 December 2013)	0 to 5	0	0	13	0	0	0 to 5	5 to 10	0	0	0 to 5	0	0
O Adeyemo - Medical Director	115 to 120	0	0	15	0	20 to 22.5	135 to 140	120 to 125	0	0	10 to 15	10 to 15	0
R Carder - Non Executive Director (from August 2012)	5 to 10	0	0	4	0	0	5 to 10	0 to 5	0	0	N/A	N/A	N/A
P O'Hagan - Non Executive Director (from August 2012)	5 to 10	0	0	0	0	0	5 to 10	0 to 5	0	0	N/A	N/A	N/A
K Lappin - Director of Finance (From 16th July 2013)	95 to 100	0	0	0	0	2.5 to 5	95 to 100	N/A	N/A	N/A	N/A	N/A	N/A

C. Cooke - Director of Nursing (From 13 May 2013 to 2 Oct 2013)	40 to 45	0	0	0	0	0	0	5 to 7.5	45 to 50	N/A	N/A	N/A	N/A	N/A	N/A	N/A
K. Wilson - Director of Nursing (From 3rd Feb 2014)	15 to 20	0	0	1	0	0	0	0	15 to 20	N/A	N/A	N/A	N/A	N/A	N/A	N/A
A Rogers - Director of Operations (From 10 July 2013)	65 to 70	0	0	0	5	0	0	42.5 to 45	105 to 110	N/A	N/A	N/A	N/A	N/A	N/A	N/A
B Johnson - Non Executive Director (from 1 August 2014)	0 to 5	0	0	0	0	0	0	0	0 to 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
P Sullivan - Non Executive Director (from 1 January 2014)	0 to 5	0	0	0	0	0	0	0	0 to 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
D. Pearson - Director of Nursing (to 31 May 2012)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10 to 15	0	0	85 to 90	0	0	0
F.E. Worth - Non Executive Director (to 1 August 2012)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0 to 5	0	0	5 to 10	0	0	0
J. Perks - Non Executive Director (to 1 August 2012)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0 to 5	0	0	5 to 10	0	0	0
S Gregory - Director of Nursing (to 20th December 2012)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70 to 75	0	0	10 to 15	0	0	0
N Hoare - Non Executive Director (from 16 November 2012)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0 to 5	0	0	0 to 5	0	0	0

** Salary banding includes a value of £60,000 to £65,000 included within the Exit Packages disclosure.

*** As a result of the difficulties in recruiting a Director of Nursing and a Director of Operations (mainly due to the proposed Transaction process which was initially intended to be completed by April 2014) the Chief Executive proposed that she take on both roles in addition to her substantive post until appointments could be made. A proposal for additional remuneration was subsequently agreed at the Remuneration Committee for these additional duties.

8.1.2 Relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce

Year	2013/14	2012/13
Band of highest paid directors ' total remuneration (£'000)	140-145	120-125
Median total (£)	27,901	27,625
Ratio	5.16	4.43

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.

In 2013/14, four (2012/13 eight) employees received remuneration in excess of the highest paid director. Remuneration ranged from £149,603 to £166,290 (2012/13 £127,325 to £159,579).

The banded remuneration of the highest-paid director in North Staffordshire Combined Healthcare NHS Trust in the financial year 2013/14 was £144,067 (2012/13 £122,307). This was 5.16 times (2012/13 4.43) the median remuneration of the workforce, which was £27,901 (2012/13 £27,625).

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.

8.2 Remuneration of Senior Managers - Pensions Benefits

	Total accrued pension at age 60 as at 31 March 2014	Real Increase in pension at age 60	Lump sum at age 60	Real increase in lump sum at age 60	Cash Equivalent Transfer Value at 31 March 2014	Cash Equivalent Transfer Value at 31 March 2013	Real Decrease in cash Equivalent Transfer Value	Employers to nearest £100 contribution to stakeholder pension
	(bands of £5000)	(bands of £2500)	(bands of £5000)	(bands of £2500)	£000s	£000s	£000s	
Name and Title	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
F. Myers - Chief Executive Officer (to 12th March 2014)	35 to 40	0 to 2.5	115 to 120	2.5 to 5	819	757	46	N/A
C. Donovan - Director of Workforce and Organisation Development - Acting Chief Executive from 13th March 2014	35 to 40	0 to 2.5	105 to 110	2.5 to 5	611	555	44	N/A
O Adeyemo - Medical Director	15 to 20	0 to 2.5	55 to 60	2.5 to 5	304	276	22	N/A
P Donovan - Director of Finance (to 31 July 2013)	35 to 40	0 to 2.5	105 to 110	0 to 2.5	622	568	14	N/A
K Lappin - Director of Finance (From 16th July 2014)	25 to 30	0 to 2.5	75 to 80	0	814	756	11	N/A
C. Cooke - Director of Nursing (From 13 May 2013 to 2 Oct 2013)	20 to 25	0 to 2.5	60 to 65	0 to 2.5	341	320	6	N/A
K. Wilson - Director of Nursing (From 3rd Feb 2014)	50 to 55	0 to 2.5	150 to 155	0	947	917	2	N/A
A Rogers - Director of Operations (from 10 July 2013)	5 to 10	0 to 2.5	N/A	N/A	84	57	20	N/A

8.3 Exit Packages Disclosure

	2013-14			2012-13		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by Cost band
Exit package cost band (inc. any special payment element)	Number	Number	Number	Number	Number	Number
Less than £10,000	2	5	7	10	5	15
£10,001-£25,000	3	1	4	7	8	15
£25,001-£50,000	0	0	0	4	4	8
£50,001-£100,000	0	1	1	1	0	1
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost)	5	7	12	22	17	39
Total resource cost (£000s)	76	121	197	356	298	654

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with either the provision of the Employee Terms and Conditions of Service or the Trusts Mutually Agreed Resignation Scheme (MARS).

Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in this table.

8.4 Off Payroll Payments

For all off-payroll engagements as of 31 March 2014, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2014	3
<i>Of which, the number that have existed:</i>	
for less than one year at the time of reporting	3
for between one and two years at the time of reporting	0
or between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0

For all new off-payroll engagements between 1 April 2013 and 31 March 2014, for more than £220 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 2013 and 31 March 2014	4
Number of new engagements which include contractual clauses giving the North Staffordshire Combined Healthcare NHS Trust the right to request assurance in relation to income tax and National Insurance obligations	1
Number for whom assurance has been requested	2
<i>Of which, the number that have existed:</i>	
assurance has been received	2
assurance has not been received	2
engagements terminated as a result of assurance not being received	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	1*
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 (Excluding Non-Executive Directors)	8

* Following the resignation and departure of the previous Director of Finance, an 'Off Payroll' engagement was undertaken for 5 months and 1 week during the 2013/14 financial year. During the majority of the reporting year the Trust was actively pursuing a transaction process with a targeted completion date of 31 March 2015. Although a recruitment process was undertaken (unsuccessfully initially) a consequence of the transaction process was that the Trust encountered a number of recruitment and retention issues and which resulted in this exceptional off payroll arrangement for this Board level post.

9 | Financial Statements

for the period 1 April 2013 to 31 March 2014

9.1 Introduction to Financial Statements 2013/14

The 2013/14 financial year was one of the most financially challenging for the NHS to date and saw the Trust, in common with other NHS organisations, operating in an increasingly pressured economic environment. We are very pleased to report that, as in previous years, the Trust achieved its key financial objectives for the year ended 31st March 2014, as illustrated in this report.

Statutory Breakeven Duty

As an NHS trust, we have a statutory 'breakeven' duty, which requires that we ensure our income is sufficient to meet our expenditure, taking one year with another.

In 2013/14, we achieved breakeven and delivered an overall operational surplus of £31,000 after allowing for technical items in relation to fixed asset impairments and the accounting treatment of the Trusts PFI (Private Financing Initiative) Scheme.

Other Management Duties

- **Capital Resource Limit (CRL)**
The Trust is given a limit within which it is required to maintain its capital investment plans for the year. The CRL for 2013/14 was £1.6m. The Trust invested £266,000 against this, thereby remaining below the limit and delivering the management duty in respect of this target.
- **External Financing Limit (EFL)**
The Trust is set a cash limit for the year, which it is required to operate within, being permitted to undershoot but not to exceed the limit. The Trust undershot the EFL with a closing cash balance of £5.45m for the year, thereby meeting this management duty.
- **Better Payment Practice Code (BPPC)**
The Trust is required to pay creditors promptly, as measured by the BPPC. This requires the payment of NHS and non NHS organisations within a target of 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier. Based on invoice values, we paid 99% of NHS invoices and 97% of non NHS invoices within the target. Performance is set out in detail in the note at section 9.5 below.

The Trust did not incur any charges , made by suppliers, under the Late Payment of Commercial Debts (Interest) ACT 1998.

- **Capital Cost Absorption Rate**
The Trust is required to pay dividends on public capital at a rate of 3.5%, calculated on average relevant net balance sheet assets. This amounted to £0.55m for 2013/14 based on assets averaging £15.713m.

Cost Improvement Programme

National and local cost improvement requirements meant there was less income available through our clinical contracts whilst cost inflation and a need to invest in our infrastructure and information systems required increased spending.

In order address these financial constraints whilst maintaining service quality and safety all divisions and corporate areas identified significant efficiency initiatives.

Delivery of the efficiency agenda was a key risk to achievement of the overall financial plan, for the year, and whilst some slippage was encountered against recurrent plans, sufficient non recurrent savings were substituted, such that the overall requirement of £3.5m for the year was exceeded by £175,000.

Planning and Forecasts

The overall financial plans for 2014/15 and beyond indicate significant challenge as a result of a number of factors including the on-going annual efficiency requirement; commissioning intentions that signal potential change in a number of services and uncertainty of funding levels in advance of the transition to a national tariff system for Mental Health services.

The Trust has agreed its 2014/15 contract with local commissioners. It has also agreed an Operating Plan for the next two years which demonstrates the ongoing achievement of financial duties including 'balancing the books'.

**2013-14 Accounts of North Staffordshire Combined Healthcare
NHS Trust**

**STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE
ACCOUNTABLE OFFICER OF THE TRUST**

The Chief Executive of the NHS Trust Development Authority 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 the NHS Trust Development Authority. 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; and
- 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.

Signed  Caroline Donovan - Acting Chief Executive

Date 5th June 2014

2013-14 Accounts of North Staffordshire Combined Healthcare NHS Trust

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 they have complied with the above requirements in preparing the accounts.

By order of the Board

5th June 2014

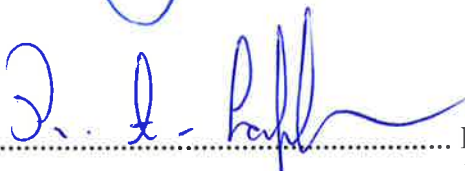
Date.....



Acting Chief Executive
Caroline Donovan

5th June 2014

Date.....



Finance Director
Kieran Lappin

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

**Statement of Financial Position as at
31 March 2014**

		31 March 2014	31 March 2013
	NOTE	£000s	£000s
Non-current assets:			
Property, plant and equipment	15	33,834	35,850
Intangible assets	16	109	159
Investment property	18	0	0
Other financial assets		0	0
Trade and other receivables	22.1	52	0
Total non-current assets		33,995	36,009
Current assets:			
Inventories	21	98	84
Trade and other receivables	22.1	3,593	3,951
Other financial assets	24	0	0
Other current assets	25	0	0
Cash and cash equivalents	26	5,445	4,564
Total current assets		9,136	8,599
Non-current assets held for sale	27	1,148	0
Total current assets		10,284	8,599
Total assets		44,279	44,608
Current liabilities			
Trade and other payables	28	(5,877)	(6,625)
Other liabilities	29	0	0
Provisions	35	(2,502)	(811)
Borrowings	30	(360)	(395)
Other financial liabilities	31	0	0
Working capital loan from Department	30	0	0
Capital loan from Department	30	0	0
Total current liabilities		(8,739)	(7,831)
Net current assets/(liabilities)		1,545	768
Non-current assets plus net current assets		35,540	36,777
Non-current liabilities			
Trade and other payables	28	0	(20)
Other Liabilities	31	0	0
Provisions	35	(401)	(1,207)
Borrowings	30	(13,343)	(13,703)
Other financial liabilities	31	0	0
Working capital loan from Department	30	0	0
Capital loan from Department	30	0	0
Total non-current liabilities		(13,744)	(14,930)
Total Assets Employed:		21,796	21,847
FINANCED BY:			
TAXPAYERS' EQUITY			
Public Dividend Capital		7,998	7,998
Retained earnings		150	349
Revaluation reserve		13,596	13,520
Other reserves		52	(20)
Total Taxpayers' Equity:		21,796	21,847

The financial statements on pages 5 to 49 were approved by the Board on 5th June 2014 and signed on its behalf by

Acting Chief Executive:

Date: 5th June 2014

North Staffordshire Combined Healthcare

NHS Trust

Annual Governance Statement – 2013/14

1. Scope of Responsibility

The Board is accountable for internal control. As Accountable Officer and Acting Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the 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 reviewed and developed further throughout the reporting period.

The performance of the Trust is monitored by the NHS Trust Development Authority (TDA) up to 31 March 2014. The Trust's performance is assessed by the submission of data and by meetings between the TDA and Trust staff.

The Trust has a range of formal and informal mechanisms in place to facilitate effective working with key partners. 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 Health and Social Care Act (Section 75) 2006 partnership agreements with Stoke on Trent City Council (since April 2008) and Staffordshire County Council (since May 2009) for the provision of adult community mental health services. There are systems in place to ensure effective working with these partner organisations, including formal meetings between senior officers from the partner organisations to oversee the partnership agreements.

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 organisation's policies, aims and objectives;
- 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 2014 and up to the date of approval of the annual report and accounts.

The Annual Governance Statement has been prepared following the guidelines published by the TDA on the 25 March 2014 which sets out how and where NHS organisations are required to make disclosures or qualifications within their Statement.

3. The Trust's Governance Framework

During the year we have re-examined again our governance arrangements to ensure 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 set out in the NHS TDA Accountability Framework 2013/14 ;
- Attendance is monitored and there is regular attendance at Board and committee meetings;
- There is enhanced performance management reporting with a balanced scorecard aligned against the strategic and annual objectives and the on-going development of the management information pack;
- There is an effective Assurance Framework, which is the system used by the Board to ensure that all principal risks are effectively managed and that the effectiveness of those controls has been assured. The Assurance Framework is independently audited on an annual basis;
- All committees are chaired by a Non Executive Director and committee terms of reference are reviewed and agreed annually. The last review took place in January 2014. The Trust's auditors have confirmed our terms of reference are fit for purpose and there are no gaps in business or unnecessary duplication. The Trust Secretary attends all of the committees of the Board and has kept terms of reference under regular review during the course of 2013/14 to ensure our committee structure remains fit for purpose.

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, risk management and internal control across both clinical and non clinical activities, which support the achievement of the organisation's objectives. Member of this committee is at least two Non Executive Directors of the Trust Board with the Director of Finance, Trust Secretary, internal and external auditors in attendance to support the meeting. This committee met seven times in accordance with its terms of reference and all meeting were quorate.

3.2 The Finance and Activity Committee

The Finance & Activity Committee is responsible for reviewing and scrutinising all activity, financial and treasury management, and takes action where necessary, making recommendations to the Board. The Finance & Activity Committee retains responsibility for financial risk management. The committee met monthly and all meetings were quorate. Membership of the meeting is made up of Non Executive Directors, Executive Directors, Director of Operations, Deputy Director of Finance, Trust Secretary, and other operational managers required to attend to present or clarify any aspects of business activity or financial management.

3.3 The Quality Committee

During the course of the year the committee undertook a review of its effectiveness and revised its terms of reference. From June 2014 the committee became known as the Quality Committee with more of a focus on the quality of healthcare provided by the Trust and its governance arrangements that underpin this. The management of risk was also reviewed and the overarching responsibility for risk was transferred to a newly established Risk Management Committee. Both internal and external auditors have confirmed in year that this change has further strengthened the Trust's approach to risk management and its arrangements. The Quality Committee retains 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. It manages and monitors performance at a strategic level, covering the issues relating to efficiency, service user experience, clinical quality, clinical audit, access targets and safety. Reports particularly monitor performance against the national priorities set out in the NHS TDA Accountability Framework 2013/14, covering for example indicators concerning referral to treatment within 18 weeks, compliance with Care Programme Approach relating to contact within 7 days of discharge including having a formal review within 12 months.

The committee would also receive any reports on never events, serious untoward incidents, and explanations of any follow up action. While the Trust did not experience any never events during the year, the committee received reports on themes and trends relating to serious incidents and details on actions taken to improve the quality of services.

This committee met nine times in accordance with its terms of reference and all meetings were quorate. Membership of the committee is made up of Non Executive Directors, Executive Directors which specifically includes the Medical Director and Executive Director of Quality and Nursing. Clinical Directors also attend this meeting to ensure opportunity is given for discussion in respect to service line performance, particularly in respect to incidents and complaints for example, in order that every opportunity is taken for discussing and sharing any learning outcomes.

3.4 The Charitable Funds Management and Scrutiny Committee

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. This committee met once during the year and membership is made up of Non Executive Directors as well as the two Directors of Finance from the respective organisations.

3.5 Remuneration and Terms of Service Committee

This committee is responsible for determining the remuneration and condition of service of Executive Directors and some senior managers, ensuring that these people properly support objectives of the Trust, represent value for money, comply with statutory and NHS/DH requirements. Meetings and discussions via email 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 Trust Secretary.

3.6 People and Cultural Development Committee

The establishment of this committee was approved by the Trust Board at its meeting in January 2013. The principal aim of the committee is to provide advice and assurance to the Board on cultural development and workforce performance and on the achievement of the workforce, including staff engagement enabling strategies. A review of the effectiveness of the committee took place mid-year which ensured that this newly established committee was

meeting its terms of reference and that it continues to obtain the requisite assurances it requires. This committee meets monthly and is represented well by divisional staff. 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. There is a wide membership of this committee which includes Non Executive Directors, Executive Directors, Director of Operations, Service Line and Business Managers.

3.7 Risk Management Committee

The establishment of this committee in September 2013 was in response to the Board reviewing its own effectiveness which included the robustness of its Risk Management arrangements. This resulted in the decision that there would be a standalone committee with overarching responsibility for risk. Board members make up the membership of this committee. This has been considered as a very important step, to further enhance our risk management arrangements and has been supported by external auditors KPMG. It has enabled the opportunity for there to be more time for board members to undertake a drill down against each of the principal risks and consider any emerging risks with the opportunity for further discussion, such as risk appetite, and assurance at Board meetings. The committee also takes a more forward look at key risks and how they may impact on the delivery of annual objectives, rather than a retrospective review. The committee has met twice during since its establishment.

3.8 Effectiveness Review

During the year our Board membership has been refreshed. The Board has a wide range of experience and skills to provide effective leadership. Two GP Associate Board members continue to give strength and support to the Board from a primary care perspective.

Our continuous cycle of board development and board of director business meetings acts as an organisational catalyst. A core component of the development programme is to ensure that all board members have a very clear focus and understanding of their role in order that they will lead the organisation to deliver the highest quality of safe services for our community, within resources available.

The Trust Board completed the Board Governance Assurance Framework (BGAF) for aspirant Foundation Trusts in 2012/13 and took forward the learning from this during 2013/14 as part of the board's development programme.

In reviewing its effectiveness during the year, the Board has also looked at improving the flow of information to the Board, particularly the presentation of risk and financial information. Most significantly the Board commissioned an external review of the quality and governance arrangements against Monitor's Quality Governance Framework. The Quality Committee has refreshed its reporting arrangements in year which ensures more robust reporting of activities and progress resulting in a more meaningful review by the Board.

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 and the timeliness of this information has been commended by auditors when they reviewed the process in year. Board members also have access to all papers and minutes of those meetings, as required.

An example of highlights, notably by the Audit Committee, relate to progress against audit

recommendations, any significant gaps in key controls or assurances, information governance breaches and remedial action.

3.9 Quality Account 2013/14

By 30 June 2014 the Trust will have developed and published its Quality Account for 2013/14. 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 committee meetings and at the Trust Board and is currently being implemented. This plan sets out the review and planning framework, including engagement and review by key stakeholders in developing the document, incorporating feedback and their final validation.

3.10 Board Assurance Framework

The Trust has a fully documented Board Assurance Framework (BAF) and produce assurance framework reports. The Audit Committee receives regular reports and provides assurance and makes recommendations to the Board. The principal objectives of the Trust form the basis of the BAF. The Assurance Framework maps registration outcomes, principal risks, key controls, gaps in control, assurances and gaps in each against one of the principal objectives.

The Assurance Framework operates as follows:

- The Board sets out what the Trust is trying to achieve (the Trust's strategic and annual objectives);
- the Board consider the risks that threaten the delivery of its plans (the principal risks);
- The Board decide 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 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 a very 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. The Trust has had a risk management strategy in place for many years. The Risk Management Strategy and the Risk Management Policy are reviewed and refreshed on an annual basis 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 and mandate the maintenance of a register of all risks. The risk register is a dynamic tool which is updated as circumstances change and is subdivided into two parts; principal risks and operational risks. The Risk Register sets out how these different types of risks are identified measured and monitored.

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 principal 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 set out the Trust's approach to the management of risk. They 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 was refreshed and approved by the Trust Board in February 2014 and is in place to 2016/17. The Risk Management policy was also refreshed and approved by the Board in February 2014 and is in place to 2016/17.

Work has progressed during 2013/14 on the Trust's 2 year and 5 year plans. Work has also progressed with regard to the development and implementation of the enabling strategies that underpin the Trust's future plans. One of the enabling strategies is the Governance Strategy. The Governance Strategy is supported by the Performance and Quality Management Framework (PQMF); the Risk Management Strategy; the Assurance Framework and the Communications and Membership Strategy. A Governor Engagement Strategy continues to be developed to support the Trust's overall engagement strategy with key stakeholders.

The key process objectives set by the Trust Board for the development of risk management are:

3.10.1 To further develop integrated governance arrangements.

*An **Integrated Quality Report** has been further developed during the year which brings together all intelligence to enable the Quality Committee and Trust Board to clearly identify emerging themes and trends and learning outcomes. Commissioners continue to welcome this report.*

*During the year an **audit of the Trust's reporting structures and information flows** was undertaken by internal auditors. The objective of the review was to ensure that the Trust has a robust governance structure in place supported by effective processes to demonstrate sound governance. The audit concluded that the Board can take substantial assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective. Of note was that reports from the committee meetings are presented to the Trust Board in a timely manner and was considered to be very good practice.*

*During the year an **audit of the Assurance Framework** was undertaken as part of the internal audit periodic plan for 2013/14. The review sought to assess the controls in place to manage the Trust's objectives and risks. **The audit gave a positive opinion** and highlighted examples of strong practice. Of note is that the components of the Framework have all been explicitly mapped out against each other, in addition all assurances are ranked in order to meaningfully assess the reliability, accuracy and usefulness of each assurance in relation to each objective. During the year, Assurance Framework reports (which are process focussed) continue to be*

strengthened to draw out more explicitly the gaps in control and assurance identified in the Assurance Framework and agreed actions to address them. Presenting the report in this way has helped to identify issues more easily and bridge to other more detailed performance reports.

An audit of the Assurances on the Achievement of the Trust's Principal Objectives was undertaken as part of the approved internal audit periodic plan for 2013/14. The review sought to validate that individual sources of assurance were actually in existence and that they were appropriate for the objectives against which they had been listed. Testing was performed against two of the Trust's principal objectives and consideration was given to over 100 assurances as identified on the Assurance Register. **The audit gave a positive opinion** and concluded that the assurances recorded within the Assurance Register of the Assurance Framework were in existence and up to date. To further enhance the Assurance Framework, additional grading of the assurances was also introduced during the year which has helped more easily identify which assurance is crucial for each objective. This supports the methodology that is already in place where each control is ranked in terms of its importance, durability and timeliness. This has been commended by internal auditors.

3.10.2 To further raise awareness.

As part of the refresh of the Risk Management Strategy and Policy the Trust has reviewed again the effectiveness of its risk management training and continued to ensure that there is appropriate advice and training available for the Trust Board and key managers.

3.10.3 To improve performance in risk management year on year.

During 2013/14 progress was made in the development of the Trust's understanding of strategic risk and the development of mitigations to respond to those risks.

In addition, as part of the Internal Audit Periodic Plan for 2013/14, Baker Tilly observed the Trust's Risk Review Group which reports to the Trust's Risk Management Committee. Based on their observations they reported in January 2014 that the Risk Review Group is well attended by the Executive Team and Divisions. It was noted that there was plenty of evidence around challenge, scrutiny and discussion of risk descriptions, risk scores and mitigating actions. This was evident during all discussions with regards to the corporate, divisional and operational risk registers. Auditors noted that they were encouraged by this and have been able to see the steps taken by management to ensure that Risk Management is embedded into the culture of the organisation.

The Trust was subject to re-assessment against Level One of the NHS Litigation Authority Risk Management Standards in December 2012. The Trust successfully retained level one accreditation at that time, which demonstrates that the Trust has documented effective risk management systems and processes in place.

3.10.4 Utilise effective Information Technology

During the year, the Trust has continued its progress in improving compliance with the Information Governance Toolkit, and is declaring compliance for a further year at

level 2. Work is ongoing to refresh the Trust's IT Strategy as a key area of activity for the Trust and will be progressed further during 2014/15.

4. Risk Assessment

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 principal risk register, are formally reassessed by the executive team on a quarterly basis, and monthly by exception, and risk treatment plans are developed to ensure that the risks are mitigated. The Executive Team is informed by other key processes and intelligence derived through other sources to ensure that this process is dynamic and effective. The outcome of this process is reported to the appropriate Committees and the Board.

The organisation seeks to involve public stakeholders in managing risks which impact on them. The Trust also invites a range of organisations including local Overview and Scrutiny Committees, to review the performance and comment on the performance of the Trust, particularly in regard to its ongoing compliance with Registration under the Health and Social Care Act 2008.

Our operational risks are identified at local, divisional 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 treatment plans are in place for all risks in these categories. The Risk Review Group ensures that risk treatment plans are in place to respond to all operational risks on the risk register and risk treatment plans are implemented.

We have assessed our strategic, operational, financial, information management and technology, and human resource risks based upon our divisional and Trust-wide SWOTs and the market assessment.

During the year we have also increased our focus further on reviewing our risk profile and considering the risk to the safety and quality of services by assessing the potential impact on quality resultant to the financial pressures and required service changes.

As at 31 March 2014, the Trust's residual high and significant principal key risks are failure:

- To develop sustainable financial and workforce plans (including Cost Improvement Plans) that will underpin ongoing viability;
- To develop and implement fit for purpose information systems that provide real time patient information that fully supports payment by results, mobile working and efficiency;
- The potential for significant financial impact in future years as a result of the future model for Learning Disability services;
- To develop effective strategic plans (2 and 5 year).

A Quality and Risk Profile is a tool held by the Care Quality Commission and is used to support the CQC's teams and providers in assessing where risks lie when

monitoring compliance against the new essential standards. The individual data items, which are aggregated on a monthly basis to provide an overarching RAG rated dial per outcome area and per section is closely monitored by the Executive Team and committees of the Board, the learning from which has helped to inform the risk management process.

As mentioned earlier, a further review was undertaken of how risk is managed and presented to the Board. The Executive Team agreed a number of reporting and process changes at operational level, including updates to operational risk registers, calculation of risk appetite, review of the electronic risk register and escalation procedures. The Principal Risk Register is presented to the Board using charts, namely:

A principal risk profile – indicating the spread of risk, and

A quarterly risk appetite and controllability matrix – indicating the current assessment of principal risk and the trust's appetite for management of these items.

5. The risk and control framework

As identified, 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.

A Risk Review Group regularly reviews the operational risk register. Reports of the risk review group are presented to the Risk Management Committee, which is the committee responsible for reviewing controls to manage the risk, ensuring that an appropriate risk treatment plan is in place and that the risk is assigned to a manager with the appropriate resources to control the risk. The Risk Management Committee seeks to ensure that all controls are based on an active consideration of the options for controlling risk to an acceptable level and that the control measures continue to be effective and represent best value for money. Reports on the risk register are included in the reports of the Finance and Activity Committee, Quality Committee and People and Culture Development Committee, which are presented to the Trust Board.

The processes for managing principal risks are an important element in the Assurance Framework. The Risk Management Committee has overall responsibility for ensuring the effective management of principal risks in the Trust.

Each principal risk has an Executive Director lead who is responsible for formally reviewing the risk on a quarterly basis and by exception on a monthly 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 principal risks and monitor risk treatment plans to ensure that principal risks included in the Trust Risk Register are effectively managed. The Executive Directors take collective responsibility for monitoring and reviewing the processes for the effective management of principal risks, and ensure that the Trust Board is kept fully

informed of all principal risks. The quarterly principal risk report is signed off by the Executive Directors before it is presented to the relevant committee and Trust Board.

The Quality Committee has a responsibility to oversee the effective management of the principal risks which threaten the delivery of the Trust's principal objectives in the areas of customer focus, quality and governance. The Board reviews these risks and determines whether to add them to the principal risk register.

The Executive Director Lead determines the controls that are required to manage the principal risks. Once these are approved by the Trust Board they form the register of controls.

The Trust Board determines the assurances it needs to have confidence that the controls it has determined are in place and operating effectively. These form the register of assurances. The Trust Board delegates responsibility for receiving assurance on the effectiveness of the controls to its committees. Each committee is instructed on the assurances it is expected to receive and the date by which it is expected to receive them. The Assurance Framework register is updated with the reports of the committees on the receipt of assurances.

The Audit Committee has responsibility for reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities. It does this by receiving regular reports on the assurances that are due to be received, the positive assurances that have been received, the negative assurances that have been received and any failure to provide assurance in accordance with the agreed timetable. The Audit Committee also receives any 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 on:

- the effectiveness of the system of integrated governance, risk management and internal control,
- areas where controls need to be strengthened to ensure that principal risks are being managed effectively,
- areas where new assurances are required,
- The appropriateness of disclosure statements such as the Annual Governance Statement and declarations of compliance with Registration outcomes.

The Board uses the reports of the Audit Committee 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 principal 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.

The Assurance Framework has identified that the organisation has generally a sound system of internal control, designed to meet the organisation's objectives with no significant control issues. **Auditors have concluded that "an Assurance Framework has been established which is designed and operating to meet the requirements of the 2013/14 Annual Governance Statement and that the assurances recorded within the Assurance Register of the Assurance Framework are in existence and up to date."**

In addition, based on the work undertaken in 2013/14 the draft Head of Internal Audit Opinion is that “significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisations objectives and that controls are generally being applied consistently”.

While there were no significant control issues, internal auditors did identify some control weaknesses, and issued red reports in regards to 18 week referral to treatment data quality, Semperian/Carillion Contract Management, and Section 17 Patient Leave of Absence – Application of the Control Framework, none of these compromised patient safety. While these three red opinions were issued during the year, auditors have noted that none of these on their own or in combination within the other reports collectively, would lead them to provide an overall negative opinion at year end. These were very specific reviews and all were areas that Management had concerns due to a lack of assurance. In the opinion of the Head of Internal Audit, he concluded that they do not imply that the Trust has an overarching lack of application of and compliance with the control framework across the Trust as other reviews have demonstrated good compliance with other Trust policies and procedures.

6. Statements and Declarations

6.1 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 in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

6.2 Equality and Diversity

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

6.3 Sustainability

The Trust has a Sustainable Development Management Plan in place which has been developed in response to the NHS Carbon reduction Strategy and continues to invest resources through its Discretionary Capital Programme to reduce energy consumption on an 'invest to save' basis.

The Trust will continue to engage with partners across Staffordshire in developing areas of best practice, environmental training, and seminars on new technologies in order to actively explore new initiatives in reducing the carbon footprint.

The Trust also continues to focus on the organisation moving towards becoming paper-light and improving ways of working following its move to its new corporate headquarters in 2012.

6.4 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 have been no significant control issues related to data loss or confidentiality breach during the year ending 31 March 2014 and up to the date of approval of the annual report and accounts.

Managing and controlling risks related to information is a key element on the risk and control framework. The Information Governance (IG) Toolkit, a tool by which the Trust assesses its compliance with current legislation, Government directives and other national guidance, is a key part of the organisation's Assurance Framework. The Trust made progress with its

overarching action plan to improve performance in the areas of Information Governance management and Information Security assurance, and successfully achieved level 2 compliance at year end.

6.5 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.

7. Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. 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. There is also an annual performance assessment of Trusts conducted by the Care Quality Commission and we will work closely with them as the new development of the new inspection regime is developed further. My review is also informed by the work of the TDA, external assessments by organisations such as ROSPA and the British Safety Council, and the work of external audit and clinical audit, to ensure that the Trust is meeting the requirements of the Operating Framework for the NHS in England 2013/14 and is fully compliant with the CQC essential standards of quality and safety.

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.

Principal objectives have been identified and the totality of assurance activity relating to the Trust's principal 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 Litigation Authority Risk Management Standards.

We recognise that good governance is a hallmark of high performing 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 TDA to ensure that we continue to deliver sustainable high quality for the patients and communities we serve.

On the 22 January 2014, our host Clinical Commissioning Groups (CCGs) held a Mental Health Clinical Summit. The event was well attended by our clinicians and senior managers.

Its focus was on aligning our Clinical Strategy with their commissioning intentions. A key was a need to further integrate services across the whole Health Economy.

Since that time the Trust and the CCGs for Stoke on Trent and North Staffordshire have announced that they will be undertaking further work on developing clinical pathways to further improve the integration of mental health, learning disability and substance misuse with physical health and social care services. It is expected this work will take 6 months (from February 2014). The Trust has agreed with the CCGs and with the NHS TDA that further work on options for future sustainability of services should pause while the service review is carried out.

In summary, I have been advised on the implications of the result of my review of 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.

As Accountable Officer, my review confirms that North Staffordshire Combined Healthcare NHS Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.



Mrs Caroline Donovan
Acting Chief Executive

June 2014

North Staffordshire Combined Healthcare



NHS Trust

Finance Directorate

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Our Ref: KL/PS

KPMG LLP
One Snowhill
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5 June 2014

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of The North Staffordshire Combined NHS Trust ("the Trust"), for the year ended 31 March 2014, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the financial position of the Trust as at 31 March 2014 and of its income and expenditure for the financial year then ended; and
- ii. whether the financial statements have been prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

These financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Taxpayers Equity and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities for the preparation of financial statements that:

Chairman: Mr Ken Jarrold CBE

Acting Chief Executive: Mrs Caroline Donovan

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- i. give a true and fair view of the financial position of the Trust as at 31 March 2014 and of its income and expenditure for that financial year; and
- ii. have been prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Board in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

Information provided

5. The Board has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested from the Board for the purpose of the audit; and
- unrestricted access to persons within the Trust from whom you determined it necessary to obtain audit evidence.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. The Board confirms the following:

- i. The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- ii. The Board has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Trust and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and [ISA (UK&I) 240.39c]
 - b) allegations of fraud, or suspected fraud, affecting the Trust's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

Chairman: Mr Ken Jarrold CBE

Acting Chief Executive: Mrs Caroline Donovan

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8. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Board has disclosed to you the identity of the Trust's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.
11. The Board confirms that all intra-NHS balances included in the Statement of Financial Position (SOF) at 31 March 2014 in excess of £250,000 have been disclosed to you and that the Trust has complied with the requirements of the Intra NHS Agreement of Balances Exercise. The Board confirms that Intra-NHS balances includes all balances with NHS counterparties, regardless of whether these balances are reported within those SOFP classifications formally deemed to be included within the Agreement of Balances exercise.
12. The Board confirms that:
 - a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Trust's ability to continue as a going concern as required to provide a true and fair view.
 - b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Trust to continue as a going concern.
13. On the basis of the process established by the Board and having made appropriate enquiries, the Board is satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business.
14. From 2013/14 the Trust is required to consolidate any NHS charitable funds which are determined to be subsidiaries of the Trust. The decision on whether to consolidate is dependent upon the financial materiality and governance arrangements of the charitable funds. The Board confirms that, having considered these factors, it is satisfied that the charitable funds do not require consolidation as they are not material to the Trust's financial statements.

This letter was tabled and agreed at the meeting of the Board of Directors on 5 June 2014.

Yours sincerely



Chief Executive



Finance Director

Chairman: Mr Ken Jarrold CBE

Acting Chief Executive: Mrs Caroline Donovan

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Appendix to the Board Representation Letter of The North Staffordshire Combined NHS Trust: Definitions

Financial Statements

IAS 1.10 states that a complete set of financial statements comprises:

- a statement of financial position as at the end of the period;
- a statement of comprehensive income for the period;
- a statement of changes in equity for the period;
- a statement of cash flows for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Chairman: Mr Ken Jarrold CBE

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Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled, or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control, joint control or significant influence over the reporting entity; and
- b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

Related party transaction

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF NORTH STAFFORDSHIRE COMBINED HEALTHCARE NHS TRUST

We have audited the financial statements of North Staffordshire Combined Healthcare NHS Trust for the year ended 31 March 2014. These financial statements have been prepared under applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England. We have also audited the information in the Remuneration Report that is subject to audit.

This report is made solely to the Board of Directors of North Staffordshire Combined Healthcare NHS Trust, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, 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 Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2014 and of the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters prescribed by the Code of Audit Practice 2010 for local NHS bodies

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and
- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice 2010 for local NHS bodies requires us to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with the Department of Health's requirements;
- any referrals to the Secretary of State have been made under section 19 of the Audit Commission Act 1998; or
- any matters have been reported in the public interest under the Audit Commission Act 1998 in the course of, or at the end of the audit.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Trust's responsibilities

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. 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.

Basis of conclusion

We have undertaken our work in accordance with the Code of Audit Practice 2010 for local NHS bodies, having regard to the guidance on the specified criteria, published by the Audit Commission in April 2014, as to whether the Trust has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice 2010 for local NHS bodies 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 2014.

We planned and performed our work in accordance with the Code of Audit Practice 2010 for local NHS bodies. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all material respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in April 2014, we are satisfied that, in all material respects, North Staffordshire Combined Healthcare NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.

Certificate

We cannot issue an audit certificate until we have completed the work necessary to provide assurance over the Trust's annual quality accounts. Completion of our limited assurance work on the annual quality accounts is not expected to give rise to any issues which will have an impact on the statutory financial statements or on our use of resources conclusion.



Andrew Bostock for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

6 June 2014



cutting through complexity

North Staffordshire Combined Healthcare NHS Trust

ISA 260 Audit Highlights Memorandum

2013/14

03/06/2014

I confirm that this is the final version of our ISA 260 Audit Memorandum relating to our audit of the 2013-14 financial statements for North Staffordshire Combined Healthcare NHS Trust.

This document was discussed and approved by the Trust's Audit Committee on 3 June 2014.

A handwritten signature in blue ink, appearing to read 'Andrew Bostock'.

.....
Andrew Bostock
Senior Statutory Auditor for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

3 June 2014



Contents

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This report is addressed to North Staffordshire Combined Healthcare NHS Trust (the Trust) and has been prepared for the sole use of the Trust. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Bostock who is the engagement lead to the Trust or Trevor Roes (0161 246 4053 / trevor.roes@kpmg.co.uk), the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. You can contact the Complaints Unit by phone (0303 444 8330), by email (complaints@audit-commission.gsi.gov.uk), through the Audit Commission website (www.audit-commission.gov.uk/aboutus/contactus), by telephone/minicom (020 7630 0421), or via post to The Private Secretary, Controller of Audit's Office, Audit Commission, 3rd Floor Fry Building, 2 Marsham Street, London, SW1P 4DF.

Background

The Audit Commission's Code of Audit Practice (the Code) requires us to report on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified. We report these areas to those charged with governance (in this case the Audit Committee) at the time you are considering the financial statements. International Standard on Auditing (ISA) 260 requires us to provide a summary of the work we have carried out to discharge our statutory audit responsibilities to those charged with governance at the time they are considering the financial statements. ISA 260 requires that we consider the audit matters detailed in Appendix C and we do this by exception through this report. We are also required to communicate with those charged with governance significant matters arising during the audit in connection with the entity's related parties. This report summarises the key issues we have identified during our audit of the financial statements and will be presented to the Audit Committee on 3/6/2014.

As auditors we have a responsibility for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management, those charged with management or those charged with governance of their responsibilities.

Use of Resources (UoR)	<p>North Staffordshire Combined Healthcare NHS Trust ('the Trust') is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources and regularly reviewing the adequacy and effectiveness of these arrangements.</p> <p>Our responsibility is to satisfy ourselves that you have proper arrangements in place by reviewing and examining evidence relevant to your corporate performance management and financial management arrangements and reporting on these arrangements.</p> <p>We reflect our judgements from the use of resources work in the value for money (VfM) conclusion. Our conclusion provides assurance on the trust's arrangements for achievement economy, efficiency and effectiveness in its use of resources.</p> <p>The Trust is responsible for putting in place systems of internal control to ensure the regularity and lawfulness of transactions, to maintain proper accounting records and to prepare financial statements that give a true and fair view of its financial position and its expenditure and income. It must also publish a Annual Governance Statement (AGS) with its Annual Report.</p>
Accounts	<p>We audit the financial statements and provide our opinion as to whether they give a true and fair view of your financial position and expenditure and income, and whether they have been prepared in accordance with the relevant accounting policies directed by the Secretary of State.</p>

Structure of report

This report is structured as follows:

- Section 2 summarises the headline messages.
- Section 3 outlines our findings and final conclusions on the UoR work.
- Section 4 sets out our findings on the audit of the accounts.

The table below summarises the work we have completed throughout the year and the results of the audit.

Use of Resources and audit certification	<ul style="list-style-type: none"> ■ Based on the findings of our work, we concluded that the Trust has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources. ■ In our review of financial resilience we note that the Trust has met its statutory financial duties in 2013/14 delivering a surplus of £0.031m. ■ The Trust has successfully over delivered against its CIP of £3.5m by £0.18m. ■ The Trust is budgeting for a surplus of £0.3m in 2014/15 on a total turnover of £72.6m. This is predicated on the delivery of a CIP of £4.08m ■ We are required to certify that we have completed the audit of the Trust financial statements in accordance with the requirements of the Code. If there are any circumstances under which we cannot issue a certificate, then we must report this to those charged with governance. There are no issues that would cause us to delay the issue of our certificate of completion of the audit.
Accounts, unadjusted audit differences and management representations	<ul style="list-style-type: none"> ■ We intend to issue an unqualified audit opinion on the accounts following the Board adopting the accounts and receipt of the management representation letter. ■ We have completed our audit of the financial statements. We have also read the content of the Annual Report (including the remuneration report) and reviewed the AGS. Our key findings are: <ul style="list-style-type: none"> – There are no unadjusted audit differences explained in Appendix C; – We have agreed presentational changes to the accounts with Finance, mainly related to compliance with relevant guidance. – You are required to provide us with representations on specific matters such as your financial standing and whether the transactions in the accounts are legal and unaffected by fraud. We provided a draft of this representation letter to the Finance Director on 30 May 2014.



Section Two Headlines (cont.)

Recommendations	<ul style="list-style-type: none"> ■ We have made one new recommendation as a result of our 2013/14 audit work, and we are satisfied that our prior year recommendations have been appropriately actioned. ■ The new recommendation is: <ul style="list-style-type: none"> – Application of indexation to Fixed Assets – the Trust has a number of specialised buildings against which are valued at the depreciated replacement cost. We found that the indexation for specialised buildings was applied across all the Trusts building assets, resulting in a £10k error. Although the value of the excess indexation is not material, we recommend that the Trust ensures the correct indexation is applied in the future. ■ The key prior year recommendation was: <ul style="list-style-type: none"> – Financial standing – the Trust has a budgeted gap of £1.4m for 2013/14. It is important that immediate action is taken to close this gap to minimise the risk of the Trust not meeting its statutory financial duties in 2013/14. The Trust has made satisfactory progress in implementing this recommendation. A small surplus was reported at 31 March 2014 and the Trust is budgeting for a surplus of £0.3m in 2014/15. We are therefore satisfied that the Trust has taken appropriate action in implementing this recommendation.
Whole of Government Accounts	<ul style="list-style-type: none"> ■ We intend to issue an unqualified confirmation to the NAO regarding the Whole of Government accounts submission, made through the Trust's submission of the summarisation schedules to the Department of Health.

Quality/Accounts	<ul style="list-style-type: none"> ■ We are completing our testing of the Quality Account indicators and will present a separate report to the Audit Committee. To date we have reviewed the draft quality report against the Audit Commission Auditor's Guidance, noting minor presentational deficiencies which have been actioned by management. ■ This year we are testing two of the four quality indicators specified by the Audit Commission as suitable for substantive testing at the Trust. In conjunction with management we selected the indicators relating to: <ul style="list-style-type: none"> ■ Percentage of patients on Care Programme Approach followed up within seven days of discharge; and ■ Percentage of admissions to acute wards gate kept by the Crisis Resolution Home Treatment Team. ■ Our detailed findings following the audit of the Quality Report will be presented to you in a separate report to a future Audit Committee.
Public Interest Reporting	<ul style="list-style-type: none"> ■ We have a duty to refer any matter to the Secretary of State if we have a reason to believe that the Trust is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency. We also have a duty to consider whether, in the public interest, to report on any matter that comes to our attention in order for it to be considered by the Trust or brought to the attention of the public. ■ We do not propose to issue a report to the Secretary of State or a report in the public interest in 2013/14.
Fraud	<ul style="list-style-type: none"> ■ We have a responsibility to consider fraud and we addressed this in our assessment of your controls framework. We have also reviewed your arrangements for the prevention and detection of fraud and corruption, alongside our use of resources work. ■ This work is complete and has not identified any matters which we wish to draw to your attention.

Section Three Use of Resources

Background

Auditors are required to give their statutory VFM conclusion based on two criteria specified by the Audit Commission. These consider whether the Trust has proper arrangements in place for:

- securing financial resilience: looking at the Trust's financial governance, financial planning and financial control processes; and
- challenging how it secures economy, efficiency and effectiveness: looking at how the Trust is prioritising resources and improving efficiency and productivity.

We follow a risk based approach to target audit effort on the areas of greatest audit risk. We consider the arrangements put in place by the Trust to mitigate these risks and plan our work accordingly.

The key elements of the VFM audit approach are summarised in the diagram below.



Conclusion

We have concluded that the Trust has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

VFM criterion	Mot
Securing financial resilience	✓
Securing economy, efficiency and effectiveness	✓

Key Findings

In the table below, we have summarised the scope of our work along with our key findings. The results of this work will be reflected in our VFM conclusion.

Criteria and scope of our work	Key findings from our work
<p>1) Securing financial resilience</p> <p>We considered the Trust's arrangements for ensuring robust financial governance, planning and control.</p> <p>As a result, we focused on whether the Trust has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.</p>	<ul style="list-style-type: none"> ■ The Trust has outturned a surplus of £0.031m on a turnover of £87.4m. The Trust has a cumulative surplus position as per note 43.1 of the financial statements of £5.040m. The Trust has £5.445m cash at the year end and has experienced no liquidity issues during the year. ■ The Trust has over delivered against its CIP of £3.5 m out turning a CIP of £3.68m. ■ The Trust has agreed a budgeted surplus of £0.3m for 2014/15 on a turnover of £72.6m. A CIP of £4.08m has been agreed for the year.
<p>2) Securing economy, efficiency and effectiveness</p> <p>We considered the Trust's arrangements for prioritising resources and achieving efficiency and productivity. We also considered the Trust's performance in the year.</p> <p>As a result, we focused on how the Trust is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.</p>	<ul style="list-style-type: none"> ■ The Trust has a well developed CIP governance process which includes input from clinical staff and the identification of potential quality issues in undertaking CIP schemes. This has enabled the Trust to continue to make significant savings over the past three years. ■ The Trust produces an Integrated Performance Report which is submitted to each Trust Board meeting. This highlights the operation performance against a suite of 133 metrics. ■ As at March 2014, the Trust is highlighting one red metric relating to readmission rates and two amber metrics relating to percentage of staff completing mandatory training appropriate to their role and also the delivery of the capital programme which has slipped during the year. ■ All other patient safety and performance metrics are highlighted as compliant.

Our conclusion

- Based on the findings of our work, we concluded that the Trust has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

To review your financial statements we perform tasks split between those which are undertaken before, during and after the accounts production. These are summarised below:

Work Performed	Accounts production stage		
	Before	During	After
1. Business Understanding: review your operations.	✓	✓	–
2. External Audit Plan: presented to Audit Committee	✓	–	–
3. Controls: assess the control framework.	✓	–	–
4. Prepared by Client Request (PBC): issue our prepared by client request.	✓	–	–
5. Accounting standards: agree the impact of any new accounting standards.	✓	✓	–
6. Accounts Production: review the accounts production process.	✓	✓	✓
7. Testing: test and confirm material or significant balances and disclosures.	–	✓	–
8. Representations and opinions: seek and provide representations before issuing our opinions.	✓	✓	✓

We have completed the first 7 stages of the process. We report our key findings from each stage in the remainder of this section.

Business Understanding and External Audit Plan	■ In our 2013/14 External Audit Plan we assessed your current operations to identify significant issues that might have a financial consequence.
	■ We have provided an update on the key accounts audit issues on page 12.
Assessment of the Control Framework	■ We have assessed the effectiveness of your key financial system controls in place that prevent and detect material fraud and error. We found that the financial controls on which we seek to place reliance are operating effectively.
	■ We evaluated the work of your internal audit function, provided by Deloitte, in accordance with ISA 610. We found that we were able to rely on their work performed on key financial systems.

Section Four Accounts (cont.)

Prepared by Client Request	<ul style="list-style-type: none"> ■ We issued our final prepared by client list to the Trust on 6 March 2014. This document summarises the working papers and evidence we ask you to collate as part of the preparation of the financial statements. ■ The quality of the documentation we received was of a high standard.
Accounting Standards	<ul style="list-style-type: none"> ■ We have discussed with you in our regular meetings with the finance team changes to accounting standards, for example, the consolidation of the Trust's charitable funds. From these meetings we have agreed with you an approach to key technical issues prior to the Trust's production of the annual accounts. ■ The key areas we have identified are considered in on page 12.
Accounts Production	<ul style="list-style-type: none"> ■ We received the Trust's submitted accounts on 23 April 2014 in accordance with the Department of Health's deadline. There were some minor presentational amendments made to these accounts before the audit started. However, none of these amendments significantly hindered the progress of the audit. ■ The accounting policies, accounting estimates and financial statement disclosures are in line with the requirements of the Department of Health. ■ As in previous years, we will debrief with the Finance team to share views on the final accounts audit. Hopefully this will lead to further efficiencies in the 2014/15 audit process. ■ Trust finance staff were available throughout the audit visit to answer our queries as they arose. ■ We thank the finance team for their co-operation throughout the visit which allowed the audit to progress smoothly and complete within the allocated timeframe.
Testing	<ul style="list-style-type: none"> ■ During the audit we did not identify any unadjusted audit difference. ■ We have not identified any issues which have been adjusted. ■ Our findings related to areas of high audit risk are shown on page 12.

Section Four Accounts (cont.)

Representations and Opinions	<ul style="list-style-type: none"> ■ You are required to provide us with representations on specific matters such as your financial standing and whether the transactions in the accounts are legal and unaffected by fraud. We provided a draft of this representation letter to the Finance Director on 30 June 2014. ■ We draw your attention to the requirement in our representation letter for you to confirm to us that you have disclosed all relevant related parties to us.
Other Matters	<ul style="list-style-type: none"> ■ We are required under ISA 260 to communicate to you any matters specifically required by other auditing standards to be communicated to those charged with governance; and any other audit matters of governance interest. ■ We have not identified any other matters to specifically report.

Next Steps

Following consideration of the issues highlighted in this report, the Audit Committee will be recommending the documents to the Board and that they sign the management representations letter at the Board meeting on 3 June 2014. Once we have received your representations we issue our audit opinion. For 2013/14 this provides confirmation that:

- your financial statements present a true and fair view;
- you have complied with the Department of Health's disclosure requirements set out in the Trust Financial Reporting Manual in the preparation of your AGS and we are not aware of any inconsistencies with the information that you have recorded within this statement and our other work;
- we have read your Annual Report and in our view it does not contain information which is inconsistent with your financial statements; and
- the numerical part of your Remuneration Report has been presented in a way which complies with the accounting requirements as set out in the NHS Trust Financial Reporting Manual.

Except for the uncorrected misstatements outlined in Appendix C, we do not have any other matters that we wish to draw to your attention prior to issuing this opinion.

Section Four Accounts (cont.)



Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors. We have provided this declaration at Appendix D.

Audit Fees

Our fee for the audit in 2013/14 was £68,824 plus VAT. This original fee was inline that highlighted within our audit plan and was communicated to the Audit Committee. The fee for our NHS Quality accounts work was £10,000 and is included within the original fee.

We have also completed the following pieces of non audit work at the Trust during the year:

Quality Governance Review

- Review of the Trust Quality Governance system and processes.
- Fee charged : £16,500 (excluding VAT)

Results of our testing on areas of high audit risk

In our External Audit Plan 2013/14, presented to you in December 2013, we identified the areas assessed as significant risks in terms of their impact on our financial statements audit opinion. We have now completed our testing of these areas and set out our final evaluation following our substantive work.

Areas of SIGNIFICANT audit risk	Summary of findings
<p>Audit areas affected</p> <ul style="list-style-type: none"> Financial standing VFM 	<ul style="list-style-type: none"> The Trust has achieved a small surplus of £0.031m in 2013/14. The Trust has over delivered against its CIP of £3.5m out turning a CIP of £3.68m. The Trust has agreed a budgeted surplus of £0.3m for 2014/15 on a turnover of £72.6m. A CIP of £4.08m has been agreed for the year. We reviewed the finance standing and resilience, including CIP deliver, budget as part of our work on Value for Money.
<p>Audit areas affected</p> <ul style="list-style-type: none"> Financial standing Business planning Value for money Annual governance statement 	<p>The Trust announced in late 2012 that partly due to the impact of commissioning intentions and the likely affect on the Trust's Medium Term Financial Strategy (MTFS), the Trust would pursue its Foundation Trust application through an alternative method, most likely a merger.</p> <p>The Trust has disclosed within its Annual Governance Statement that the CCGs for Stoke on Trent and North Staffordshire have announced that they will be undertaking further work on developing clinical pathways to further improve the integration of mental health, learning disability and substance misuse with physical health and social care services. It is expected this work will take 6 months (from February 2014). The Trust has agreed with the CCGs and with the NHS TDA that further work on options for future sustainability of services should pause while the service review is carried out.</p> <p>During this period the Trust needs to ensure that it has plans in place to handle staff departures and to ensure that remaining staff continued to be motivated to ensure that a good quality and safe services is provided.</p> <p>The Chief Executive, Director of Finance and the Deputy Director of Finance have recently left the Trust and further senior staff departures will put pressure on quality service delivery.</p> <p>We have found no evidence that the departure of key staff has impacted on the control environment at the Trust and there has been no impact on the financial statements or value for money identified through our audit.</p> <p>We have found no evidence of any increased level of fraud during this period of uncertainty.</p>

Section Four Accounts (cont.)

In our External Audit Plan 2013/14 we also reported that we would focus on other areas as specifically required by professional standards. This risk area was the fraud risk of revenue recognition.

The table below sets out the outcome of our audit procedures and assessment on this risk area.

Other areas of audit focus	Summary of findings
	<p>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.</p> <p>In our External Audit Plan 2013/14 we reported that we do not consider this to be a significant risk for NHS bodies as there is unlikely to be an incentive to fraudulently recognise revenue. This is still the case.</p> <p>Since we have rebutted this presumed risk, there has been no impact on our audit work.</p>

Section Four Accounts (cont.)

During the audit we have considered a number of significant judgements and estimates affecting the Trust this year and have summarised our findings below to give the Audit Committee a view as to whether the judgement is reasonable and is within the acceptable range they sit:

Areas of significant audit judgment	Summary of findings
<p>Valuation of land and buildings</p> 	<ul style="list-style-type: none"> Judgement is applied in establishing the value of land and buildings. During 2013/14, the majority of the Trust's assets were revalued by the use of BCIS Indices. The result of this was 1.2% increase in the value of the Trust fixed assets. We have performed additional procedures over this valuation to gain assurance over its reasonableness. The effective date of this valuation was 31 March 2014. We are not aware of any developments between that date and the date of this report which would indicate further material movements in the asset values. The increase in value of the Trust assets is consistent with movements at a number of other NHS Trusts.

Appendix A: Key issues and recommendations

This appendix summarises the recommendations that we have identified from our work. We have given each of our recommendations a risk rating (as explained below) and agreed with management what action you will need to take.

Priority rating for recommendations		
① <i>Priority one:</i> issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	② <i>Priority two:</i> issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	③ <i>Priority three:</i> issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

#	Risk	Issue, Impact and Recommendation	Management Response/Responsible Officer/Due Date
1	③	<p>Application of indexation to Fixed Assets</p> <p>The Trust has a number of specialised buildings which are valued at the depreciated replacement cost. The Trust also has a number of non specialised assets which are valued at market value for existing use.</p> <p>The Trust has applied indexation to all its buildings, however this should only have been applied to specialised buildings. This resulted in a small error, which is not material. However, going forward we recommend that the Trust ensures the correct indexation is applied in the future.</p>	Agreed. The Trust notes this error but, as it is not seen as a material error, does not intend to make any adjustment to its 2013/14 Accounts. The Trust will ensure that it applies indexation correctly in the future.

Appendix B: Follow up of prior year recommendations

This appendix summarises the progress made to implement the recommendations identified in our ISA 260 Report 2013/14 and re-iterates any recommendations still outstanding.

Number of Prior Year Recommendations	Number of Recommendations Implemented	Number outstanding (re-iterated below)
3	3	0

Action undertaken on high priority recommendation from prior year

#	Risk	Issue and Recommendation	Officer Responsible and Due Date	Status as at June 2014
1	①	<p>Financial standing</p> <p>The Trust has budgeted gap of £1.9m in 2013/14 due to a fall in income from commissioners. However, after arbitration this gap has been closed to £1.4m.</p> <p>The Trust has delivered significant CIP schemes in 2011/12 and 2012/13 and another CIP of £3.5m (5% of income) is budgeted in 2013/14. The continued delivery of such significant schemes will become more difficult year after year. However, it is important that measures are formulated and adopted as soon as possible to ensure that the Trust can meet its financial obligations in 2013/14 without any detrimental impact on service safety or quality. Where any additional CIPs are undertaken to close the gap, robust Quality Impact Assessments must be undertaken.</p>	<p>Financial Standing.</p> <p>The Trust recognises the importance of closing the current budgeted gap of £1.4m. The Trust continues to work with the National Trust Development Authority (NTDA) and local Commissioning bodies to negotiate an acceptable settlement that enables the Trust to meet its 2013/14 financial duties without impacting on service quality or safety.</p>	<p>The Trust actually outturned a surplus of £0.031m for 2013/14. The CIP of £3.5m was overachieved by £0.18m.</p> <p>The Trust is budgeting for a surplus of £0.3m in 2014/15 predicated on the delivery of a £4.08m CIP.</p> <p>The Trust future financial standing will be largely dependent on the review of Trust services currently being undertaken by the local CCGS.</p>



Appendices

Appendix C: ISA260 Communication of Audit Differences

We are required by ISA (UK and Ireland) 260 Communication of Audit Matters to Those Charged with Governance to communicate all uncorrected misstatements, other than those that we believe are clearly trivial, to those charged with governance. We are also required to report all material misstatements that management has corrected but that we believe should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

This appendix sets out the audit differences that we identified following the completion of our audit of North Staffordshire Combined Healthcare NHS Trust for the year ended 31 March 2014.

Unadjusted audit differences

We are pleased to report that there were no adjusted audit differences.

Adjusted audit differences

We are pleased to report that there were no adjusted audit differences.

Presentational issues

We identified a number of minor presentational issues during our audit and these have all been amended by the Trust.



Appendices

Appendix D: Declaration of Independence and Objectivity

Auditors appointed by the Audit Commission must comply with the Code of Audit Practice (the Code) which states that:

'Auditors and their staff should exercise their professional judgement and act independently of both the Audit Commission and the audited body. Auditors, or any firm with which an auditor is associated, should not carry out work for an audited body, which does not relate directly to the discharge of auditors' functions, if it would impair the auditors' independence or might give rise to a reasonable perception that their independence could be impaired'

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code, the detailed provisions of the Statement of Independence included within the Audit Commission's Annual Letter of Guidance and Standing Guidance (Audit Commission Guidance) and the requirements of APB Ethical Standard 1 Integrity, Objectivity and Independence ('Ethical Standards').

The Code states that, in carrying out their audit of the financial statements, auditors should comply with auditing standards currently in force, and as may be amended from time to time. Audit Commission Guidance requires appointed auditors to follow the provisions of ISA (UK & I) 260 Communication of Audit Matters with Those Charged with Governance' that are applicable to the audit of listed companies. This means that the appointed auditor must disclose in writing:

- Details of all relationships between the auditor and the client, its directors and senior management and its affiliates, including all services provided by the audit firm and its network to the client, its directors and senior management and its affiliates, that the auditor considers may reasonably be thought to bear on the auditor's objectivity and independence;
- The related safeguards in place; and
- The total amount of fees that the auditor and the auditor's network firms have charged to the client and its affiliates for the provision of services during the reporting period, analysed into appropriate categories, for example, statutory audit services, further audit services, tax advisory services and other non-audit services. For each category, the amounts of any future services which have been contracted or where a written proposal has been submitted are separately disclosed.

Appointed auditors are also required to confirm in writing that they have complied with Ethical Standards and that, in the auditor's professional judgement, the auditor is independent and the auditor's objectivity is not compromised, or otherwise declare that the auditor has concerns that the auditor's objectivity and independence may be compromised and explaining the actions which necessarily follow from this. These matters should be discussed with the Audit Committee.

Ethical Standards require auditors to communicate to those charged with governance in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on our independence and the objectivity of the Engagement Lead and the audit team.

Appendix D: Declaration of Independence and Objectivity (cont.)

General procedures to safeguard independence and objectivity

KPMG's reputation is built, in great part, upon the conduct of our professionals and their ability to deliver objective and independent advice and opinions. That integrity and objectivity underpins the work that KPMG performs and is important to the regulatory environments in which we operate. All partners and staff have an obligation to maintain the relevant level of required independence and to identify and evaluate circumstances and relationships that may impair that independence.

Acting as an auditor places specific obligations on the firm, partners and staff in order to demonstrate the firm's required independence. KPMG's policies and procedures regarding independence matters are detailed in the Ethics and Independence Manual ('the Manual'). The Manual sets out the overriding principles and summarises the policies and regulations which all partners and staff must adhere to in the area of professional conduct and in dealings with clients and others.

KPMG is committed to ensuring that all partners and staff are aware of the principles. To facilitate this, a hard copy of the Manual is provided to staff annually. The Manual is divided into two parts. Part 1 sets out KPMG's ethics and independence policies which partners and staff must observe both in relation to their personal dealings and in relation to the professional services they provide. Part 2 of the Manual summarises the key risk management policies which partners and staff must follow when providing such services.

All partners and staff must understand the personal responsibilities they have towards complying with the policies outlined in the Manual and follow them at all times. To acknowledge understanding of and adherence to the policies set out in the Manual, all partners and staff are required to submit an annual Ethics and Independence Confirmation. Failure to follow these policies can result in disciplinary action.

Audit matters

We are required to comply with *ISA (UK and Ireland) 260 Communication of Audit Matters to Those Charged with Governance* when carrying out the audit of the accounts.

ISA 260 requires that we consider the following audit matters and formally communicate them to those charged with governance:

- Relationships that may bear on the firm's independence and the integrity and objectivity of the audit engagement lead and audit staff.
- The general approach and overall scope of the audit, including any expected limitations thereon, or any additional requirements.
- The selection of, or changes in, significant accounting policies and practices that have, or could have, a material effect on the Trust's financial statements.
- The potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.
- Audit adjustments, whether or not recorded by the entity that have, or could have, a material effect on the Trust's financial statements.
- Material uncertainties related to event and conditions that may cast significant doubt on the Trust's ability to continue as a going concern.
- Disagreements with management about matters that, individually or in aggregate, could be significant to the Trust's financial statements or the auditor's report. These communications include consideration of whether the matter has, or has not, been resolved and the significance of the matter.
- Expected modifications to the auditor's report.



Appendices

Appendix D: Declaration of Independence and Objectivity (cont.)

Audit matters (cont.)

- Other matters warranting attention by those charged with governance, such as material weaknesses in internal control, questions regarding management integrity, and fraud involving management.
- Any other matters agreed upon in the terms of the audit engagement.

We continue to discharge these responsibilities through our attendance at audit committees, commentary and annual audit letter and, in the case of uncorrected misstatements, through our request for management representations.

Auditor Declaration

In relation to the audit of the financial statements of North Staffordshire Combined Healthcare NHS Trust for the financial year ending 31 March 2014, we confirm that there were no relationships between KPMG LLP and the Trust, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards and the Audit Commission's requirements in relation to independence and objectivity.



Appendices

Appendix E: National Audit Office Group Assurance

As auditors North Staffordshire Combined Healthcare NHS Trust we are required to report to the National Audit Office ('NAO') in connection with the audit of the Department of Health Resource Account, NHS Summarised Accounts and the Whole of Government Accounts (WGA). We intend to issue an unqualified confirmation to the NAO regarding the WGA submission, made through the Trust's submission of the summarisation schedules to Department of Health.

We are required to report any inconsistencies greater than £250,000 between the signed audited accounts and the consolidation data and details of any unadjusted errors or uncertainties in the data provided for intra-group and intra-government balances and transactions.

We are pleased to report that there were no inconsistencies greater than £250,000.

Data entered below will be used throughout the workbook:

Trust name
 This year
 Last year
 This year ended
 Last year ended
 This year commencing:
 Last year commencing:

North Staffordshire Combined Healthcare NHS Trust

2013-14

2012-13

31 March 2014

31 March 2013

1 April 2013

1 April 2012

Accounts 2013-14

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Statement of Comprehensive Income for year ended 31 March 2014

	NOTE	2013-14 £000s	2012-13 £000s
Gross employee benefits	10.1	(56,064)	(58,388)
Other operating costs	8	(29,816)	(18,611)
Revenue from patient care activities	5	66,377	67,769
Other Operating revenue	6	21,094	11,718
Operating surplus/(deficit)		1,591	2,488
Investment revenue	12	26	111
Other gains and (losses)	13	0	0
Finance costs	14	(1,440)	(1,479)
Surplus for the financial year		177	1,120
Public dividend capital dividends payable		(550)	(686)
Transfers by absorption - gains		0	0
Transfers by absorption - (losses)		0	0
Net Gain/(loss) on transfers by absorption		0	0
Retained deficit for the year		(373)	434

Other Comprehensive Income

		2013-14 £000s	2012-13 £000s
Impairments and reversals taken to the Revaluation Reserve		0	(5,142)
Net gain on revaluation of property, plant & equipment		261	81
Net gain/(loss) on revaluation of intangibles		0	0
Net gain/(loss) on revaluation of financial assets		0	0
Other gain		0	(596)
Net gain/(loss) on revaluation of available for sale financial assets		0	0
Net actuarial gain/(loss) on pension schemes		0	0
Other Pension Remeasurements		61	
Reclassification Adjustments			
On disposal of available for sale financial assets		0	0
Total Comprehensive Income for the year*		(51)	(5,223)

Financial performance for the year

Retained surplus/(deficit) for the year		(373)	434
Prior period adjustment to correct errors and other performance adjustments		0	0
IFRIC 12 adjustment (including IFRIC 12 impairments)		452	508
Impairments (excluding IFRIC 12 impairments)	17	(48)	729
Adjustments in respect of donated gov't grant asset reserve elimination		0	0
Adjustment re Absorption accounting		0	0
Adjusted retained surplus/(deficit)		31	1,671

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

a) The Trust has applied an indexation increase to its building values in 2013/14 which has allowed the reversal of impairments incurred in previous years. An impairment charge or reversal is not considered part of the organisation's operating position.

b) The revenue cost of bringing PFI assets onto the balance sheet (due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009/10) - NHS Trusts' financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to PFI, which has no cash impact and is not chargeable for overall budgeting purposes, should be reported as technical. This additional cost is not considered part of the organisation's operating position.

PDC dividends have been overpaid in aggregate. The amount due to the Trust at 31 March 2014 is shown below;

PDC dividend: balance receivable/(payable) at 31 March 2014	22
PDC dividend: balance receivable/(payable) at 1 April 2013	131

The notes on pages 5 to 49 form part of this account.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

**Statement of Financial Position as at
31 March 2014**

		31 March 2014	31 March 2013
	NOTE	£000s	£000s
Non-current assets:			
Property, plant and equipment	15	33,834	35,850
Intangible assets	16	109	159
Investment property	18	0	0
Other financial assets		0	0
Trade and other receivables	22.1	52	0
Total non-current assets		33,995	36,009
Current assets:			
Inventories	21	98	84
Trade and other receivables	22.1	3,593	3,951
Other financial assets	24	0	0
Other current assets	25	0	0
Cash and cash equivalents	26	5,445	4,564
Total current assets		9,136	8,599
Non-current assets held for sale	27	1,148	0
Total current assets		10,284	8,599
Total assets		44,279	44,608
Current liabilities			
Trade and other payables	28	(5,877)	(6,625)
Other liabilities	29	0	0
Provisions	35	(2,502)	(811)
Borrowings	30	(360)	(395)
Other financial liabilities	31	0	0
Working capital loan from Department	30	0	0
Capital loan from Department	30	0	0
Total current liabilities		(8,739)	(7,831)
Net current assets/(liabilities)		1,545	768
Non-current assets plus net current assets		35,540	36,777
Non-current liabilities			
Trade and other payables	28	0	(20)
Other Liabilities	31	0	0
Provisions	35	(401)	(1,207)
Borrowings	30	(13,343)	(13,703)
Other financial liabilities	31	0	0
Working capital loan from Department	30	0	0
Capital loan from Department	30	0	0
Total non-current liabilities		(13,744)	(14,930)
Total Assets Employed:		21,796	21,847
FINANCED BY:			
TAXPAYERS' EQUITY			
Public Dividend Capital		7,998	7,998
Retained earnings		150	349
Revaluation reserve		13,596	13,520
Other reserves		52	(20)
Total Taxpayers' Equity:		21,796	21,847

The financial statements on pages 5 to 49 were approved by the Board on 5th June 2014 and signed on its behalf by

Acting Chief Executive:

Date: 5th June 2014

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2014

	Public Dividend capital £000s	Retained earnings £000s	Revaluation reserve £000s	Other reserves £000s	Total reserves £000s
Balance at 1 April 2013	7,998	349	13,520	(20)	21,847
Changes in taxpayers' equity for 2013-14					
Retained deficit for the year		(373)			(373)
Net gain on revaluation of property, plant, equipment			261		261
Net gain / (loss) on revaluation of intangible assets			0		0
Net gain / (loss) on revaluation of financial assets			0		0
Net gain / (loss) on revaluation of available for sale financial assets			0		0
Impairments and reversals			0		0
Other gains/(loss) (provide details below)				0	0
Transfers between reserves		174	(185)	11	0
Transfers under Modified Absorption Accounting - PCTs & SHAs		0			0
Transfers under Modified Absorption Accounting - Other Bodies		0			0
Reclassification Adjustments					
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0	0
Transfers between Revaluation Reserve & Retained Earnings in respect of assets transferred under absorption		0	0		0
On Disposal of Available for Sale financial Assets			0		0
Reserves eliminated on dissolution	0	0	0	0	0
Originating capital for Trust established in year	0				0
New PDC Received - Cash	0				0
New PDC Received/(Repaid) - PCTs and SHAs Legacy items paid for by Department of Health	0				0
PDC Repaid In Year	0				0
PDC Written Off	0				0
Transferred to NHS Foundation Trust	0	0	0	0	0
Other Movements	0	0	0	0	0
Net Actuarial Gain/(Loss) on Pension				0	0
Other Pensions Remeasurement				61	61
Net recognised revenue/(expense) for the year	0	(199)	76	72	(51)
Transfers between reserves in respect of modified absorption - PCTs & SHAs		0	0	0	0
Transfers between reserves in respect of modified absorption - Other Bodies		0	0	0	0
Balance at 31 March 2014	7,998	150	13,596	52	21,796
Balance at 1 April 2012	7,998	13	18,581	478	27,070
Changes in taxpayers' equity for the year ended 31 March 2013					
Retained surplus for the year		434			434
Net gain on revaluation of property, plant, equipment			81		81
Net gain / (loss) on revaluation of intangible assets			0		0
Net gain / (loss) on revaluation of financial assets			0		0
Net gain / (loss) on revaluation of assets held for sale			0		0
Impairments and reversals			(5,142)		(5,142)
Movements in other reserves				(596)	(596)
Transfers between reserves		(98)	0	98	0
Release of reserves to Statement of Comprehensive Income			0		0
Reclassification Adjustments					
Transfers to/(from) Other Bodies within the Resource Account Boundary	0	0	0	0	0
Transfers between Revaluation Reserve & Retained Earnings Reserve in respect of assets transferred under absorption		0	0		0
On Disposal of Available for Sale financial Assets			0		0
Reserves eliminated on dissolution	0	0	0	0	0
Originating capital for Trust established in year	0				0
New PDC Received	0				0
PDC Repaid In Year	0				0
PDC Written Off	0				0
Transferred to NHS Foundation Trust	0	0	0	0	0
Other Movements in PDC In Year	0				0
Net Actuarial Gain/(Loss) on Pension				0	0
Net recognised revenue/(expense) for the year	0	336	(5,061)	(498)	(5,223)
Balance at 31 March 2013	7,998	349	13,520	(20)	21,847

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

**Statement of Cash Flows for the year ended
31 March 2014**

	2013-14 £000s	2012-13 £000s
Cash Flows from Operating Activities		
Operating Surplus	1,591	2,488
Depreciation and Amortisation	1,493	1,520
Impairments and Reversals	(48)	729
Other Gains/(Losses) on foreign exchange	0	0
Donated Assets received credited to revenue but non-cash	0	0
Government Granted Assets received credited to revenue but non-cash	0	0
Interest Paid	(1,440)	(1,479)
Dividend Paid	(441)	(838)
Release of PFI/deferred credit	0	0
(Increase)/Decrease in Inventories	(14)	3
(Increase)/Decrease in Trade and Other Receivables	269	(63)
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Trade and Other Payables	(742)	1,108
(Increase)/Decrease in Other Current Liabilities	0	0
Provisions Utilised	(219)	(896)
Increase/(Decrease) in Provisions	1,104	1,053
Net Cash Inflow from Operating Activities	1,553	3,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	15	13
(Payments) for Property, Plant and Equipment	(283)	(3,939)
(Payments) for Intangible Assets	(9)	(40)
(Payments) for Investments with DH	0	0
(Payments) for Other Financial Assets	0	0
(Payments) for Financial Assets (LIFT)	0	0
Proceeds of disposal of assets held for sale (PPE)	0	0
Proceeds of disposal of assets held for sale (Intangible)	0	0
Proceeds from Disposal of Investment with DH	0	0
Proceeds from Disposal of Other Financial Assets	0	0
Proceeds from the disposal of Financial Assets (LIFT)	0	0
Loans Made in Respect of LIFT	0	0
Loans Repaid in Respect of LIFT	0	0
Rental Revenue	0	0
Net Cash Outflow from Investing Activities	(277)	(3,966)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	1,276	(341)
CASH FLOWS FROM FINANCING ACTIVITIES		
Public Dividend Capital Received	0	0
Public Dividend Capital Repaid	0	0
Loans received from DH - New Capital Investment Loans	0	0
Loans received from DH - New Revenue Support Loans	0	0
Other Loans Received	0	0
Loans repaid to DH - Capital Investment Loans Repayment of Principal	0	0
Loans repaid to DH - Revenue Support Loans	0	0
Other Loans Repaid	0	0
Cash transferred to NHS Foundation Trusts	0	0
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	(395)	(352)
Capital grants and other capital receipts (excluding donated / government granted cash receipts)	0	0
Net Cash Inflow/(Outflow) from Financing Activities	(395)	(352)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	881	(693)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	4,564	5,257
Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies	0	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	5,445	4,564

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

NOTES TO THE ACCOUNTS**1. Accounting Policies**

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the NHS Trusts Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2012-13 NHS Manual for Accounts issued by the Department of Health. The accounting policies contained in that manual 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 NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which 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 by the Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

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.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Movement of assets within the DH Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCNE/SOCNI, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Group are accounted for in line with IAS20 and similarly give rise to income and expenditure entries.

For transfers of assets and liabilities from those NHS bodies that closed on 1 April 2013, Treasury has agreed that a modified absorption approach should be applied. For these transactions only, gains and losses are recognised in reserves rather than the SOCNE/SOCNI.

1.4 Charitable Funds

For 2013-14, the divergence from the NHS Financial Reporting Manual (FREM) that NHS Charitable Funds are not consolidated with the Trust's own returns is removed. Under the provisions of IAS 27 *Consolidated and Separate Financial Statements*, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 *Presentation of Financial Statements*, restated prior period accounts are presented where the adoption of the new policy has a material impact.

Following the Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the Trust has established that as it is the corporate trustee of the linked North Staffordshire Combined Healthcare NHS Trust charity (charity registration number 1057104), it effectively has the power to exercise control so as to obtain economic benefits. However the transactions are immaterial in the context of the Trust and transactions have not been consolidated. Details of the transactions with the charity are included in the related parties' notes.

1.5 Pooled Budgets

The Trust has entered into a pooled budget with both the City of Stoke and Staffordshire County Council Local Authorities. Under the arrangement funds are pooled under S75 of the NHS Act 2006 for community mental health services activities and note 2 to the accounts provides details of the income and expenditure.

The pool is hosted by the Trust. Payments for services provided by the Trust are accounted for as income from Stoke on Trent CCG, the City of Stoke, and Staffordshire County Councils. The Trust accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement. The Trust accounts for the totality of the income and expenditure related to the agreements.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's 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 1 April 1994. The funds were registered with the Charity Commission under the requirements contained within the 1993 Charities 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 31 March 2014 Charitable fund balances totalled £540,000. As a consequence the Trust considers these balances to be immaterial and not requiring full disclosure within the 2013/14 Accounts.

1.6.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing 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, requiring the Trust to recognise the asset, and its liability to pay for it, on the Trust's Balance Sheet. 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 also 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 repayment of the liability, finance costs and contingent rental) and lifecycle replacement.

The Trust undertook a full valuation of its property assets during 2012/13. However, in order to ensure that its Land and Buildings assets are carried at fair value as at the Balance Sheet date, the Trust has applied indexation in line with the BCIS All in Tender index providing the prevailing market conditions during 2013/14. A positive 1.28% indexation level has been applied to buildings, amounting to an increase in value of £308,973, and 0% to land values.

The Trust brought forward a redundancy provision from 2012/13 in respect of on-going workforce redesign schemes. A number of charges have been made against this provision within 2013/14. Additionally, the Trust has commenced a re-organisational change process relating to Learning Disability services following national commissioning changes in respect of those services. As a consequence the Trust has reviewed the carrying value of this redundancy provision within 2013/14. The balance of the provision as at 31 March 2014 therefore reflects the anticipated costs to be incurred in order to reduce on-going costs accordingly. The provision within the 2013/14 Accounts for this item amounts to £2,106,000. Details of the Trusts provisions are provided in Note 35.

1.7 Revenue

Revenue 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 revenue for the Trust is from commissioners for healthcare services.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

1.8 Employee Benefits

Short-term employee benefits

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

In 2013/14 the Trust accrued £136,000 in relation to untaken leave carried forward to the 2014/15 financial year.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)**Retirement benefit costs**

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

Some employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme. The scheme assets and liabilities attributable to those 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 the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs. Actuarial gains and losses during the year are recognised in the Income and Expenditure reserve and reported as an item of other comprehensive income.

1.9 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.10 Property, plant and equipment**Recognition**

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- 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 a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- 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, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

Revaluations 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. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

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 but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.11 Intangible assets**Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 Depreciation, amortisation and impairments

Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives

At each reporting period end, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

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. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set. AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1.13 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Government grants

The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

1.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

As at the Balance Sheet date the Trust has five assets held for sale. These properties were formally used to provide learning disability healthcare services. The assets are valued at open market value and it is anticipated that all five will be sold before 31 March 2015.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.16 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.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

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.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.17 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

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 in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

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 fair 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 finance lease liability 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 the 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.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

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).

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.19 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 the Trust's cash management.

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Notes to the Accounts - 1. Accounting Policies (Continued)**1.20 Provisions**

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms (1.8% for employee early departure obligations).

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.

1.21 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the trust is disclosed at note 35.

1.22 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.23 Carbon Reduction Commitment Scheme (CRC)

CRC and similar allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS body makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

1.24 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.25 Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the Trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset. The Trust has no such assets.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method. The Trust has no such assets.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition. The Trust has no such assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques. The only relevant loans and receivable financial assets applicable to the trust are its debtors which are valued at their initial value less any provision for impaired debts (based on age).

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.26 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of:

The premium received (or imputed) for entering into the guarantee less cumulative amortisation.

The amount of the obligation under the contract, as determined in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and

Financial liabilities at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability. The Trust has no such liabilities.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.27 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.

1.28 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.29 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. Details of third party assets are given in Note 44 to the accounts.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

Notes to the Accounts - 1. Accounting Policies (Continued)

1.30 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the Trust. 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. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets, net assets transferred from NHS bodies dissolved on 1 April 2013 and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

1.31 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.32 Subsidiaries

Material entities over which the Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust or where the subsidiary's accounting date is not co-terminus.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

From 2013-14, the Trust consolidates the results of North Staffordshire Combined Healthcare Charitable Funds over which it considers it has the power to exercise control in accordance with IAS27 requirements.

However the transactions are immaterial in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in the related parties' notes (Note 41).

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Notes to the Accounts - 1. Accounting Policies (Continued)

1.33 Associates

Material entities over which the Trust has the power to exercise significant influence so as to obtain economic or other benefits are classified as associates and are recognised in the Trust's accounts using the equity method. The investment is recognised initially at cost and is adjusted subsequently to reflect the Trust share of the entity's profit/loss and other gains/losses. It is also reduced when any distribution is received by the Trust from the entity.

Associates that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'

1.34 Joint ventures

Material entities over which the Trust has joint control with one or more other parties so as to obtain economic or other benefits are classified as joint ventures.

The Trust is not engaged in any joint ventures.

1.35 Joint operations

Joint operations are activities undertaken by the Trust in conjunction with one or more other parties but which are not performed through a separate entity. The Trust records its share of the income and expenditure; gains and losses; assets and liabilities; and cashflows.

1.36 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCNE/SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

1.37 Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2013-14. The application of the Standards as revised would not have a material impact on the accounts for 2013-14, were they applied in that year:

IAS 27 Separate Financial Statements - subject to consultation
 IAS 28 Investments in Associates and Joint Ventures - subject to consultation
 IFRS 9 Financial Instruments - subject to consultation - subject to consultation
 IFRS 10 Consolidated Financial Statements - subject to consultation
 IFRS 11 Joint Arrangements - subject to consultation
 IFRS 12 Disclosure of Interests in Other Entities - subject to consultation
 IFRS 13 Fair Value Measurement - subject to consultation
 IPSAS 32 - Service Concession Arrangement - subject to consultation

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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.

2013/14 Memorandum Account - City of Stoke on Trent Council Pooled Budget

Delegated Budgets	Total	North Staffs Combined Healthcare NHS Trust Contribution	City of Stoke on Trent Council Contribution
	£'000	£'000	£'000
Expenditure			
Pay	6,565	4,349	2,216
Non-Pay	2,122	466	1,656
Income	8,687 (386)	4,815 (80)	3,872 (306)
Total Delegated Budgets	8,301	4,735	3,566
Overhead Contribution	-	-	-
Contribution to the Pool	8,301	4,735	3,566

2013/14 Memorandum Account - Staffordshire County Council Pooled Budget

Delegated Budgets	Total	North Staffs Combined Healthcare NHS Trust Contribution	Staffordshire Council Contribution
	£'000	£'000	£'000
Expenditure			
Pay	3,484	2,268	1,216
Non-Pay	490	335	155
Income	3,974 (652)	2,603 (531)	1,371 (121)
Total Delegated Budgets	3,322	2,072	1,250
Overhead Contribution	-	-	-
Contribution to the Pool	3,322	2,072	1,250

3. Operating segments

The 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 5 to the financial statements on page 19. Other operating income is analysed in note 6 to the financial statements on page 19 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 41 to the financial statements on page 47.

	2013-14 £000s	2012-13 £000s
Income	<u>87,471</u>	<u>79,487</u>
Surplus/(Deficit)		
Segment surplus/(deficit)	0	0
Common costs	<u>(85,880)</u>	<u>(76,999)</u>
Surplus/(deficit) before interest	<u>1,591</u>	<u>2,488</u>
Net Assets:		
Segment net assets	<u>21,796</u>	<u>21,847</u>

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

4. Income generation activities

The Trust does not undertake any material income generation activities as defined by NHS Income Generation guidelines.

5. Revenue from patient care activities

	2013-14 £000s	2012-13 £000s
NHS Trusts	0	0
NHS England	2,827	0
Clinical Commissioning Groups	56,726	0
Primary Care Trusts		62,235
Strategic Health Authorities		0
NHS Foundation Trusts	0	0
Department of Health	0	0
NHS Other (including Public Health England and Prop Co)	0	0
Non-NHS:		
Local Authorities	6,790	5,503
Private patients	0	0
Overseas patients (non-reciprocal)	0	0
Injury costs recovery	0	0
Other	34	31
Total Revenue from patient care activities	66,377	67,769

6. Other operating revenue

	2013-14 £000s	2012-13 £000s
Recoveries in respect of employee benefits	405	440
Patient transport services	0	0
Education, training and research *	13,417	3,001
Charitable and other contributions to revenue expenditure - NHS	0	0
Charitable and other contributions to revenue expenditure -non- NHS	0	0
Receipt of donations for capital acquisitions - NHS Charity	0	0
Receipt of Government grants for capital acquisitions	0	0
Non-patient care services to other bodies	4,245	5,710
Income generation	0	0
Rental revenue from finance leases	0	0
Rental revenue from operating leases	0	0
Other revenue **	3,027	2,567
Total Other Operating Revenue	21,094	11,718
Total operating revenue	87,471	79,487

* In 2013/14 the Trust hosted a number of regional Clinical Research Networks which attracted income (and expenditure) in excess of £11m.

** Other revenue includes £853,000 in respect of the *Improving Access to Psychological Therapies service* & £435,000 relating to residential and other social care income. A further £116,000 relates to informatics projects, £182,000 to staff lease car contributions and £100,000 linked to property related recharges. A further £675,000 was income relating the research networks hosted by the Trust in 2013/14.

7. Revenue

Revenue is almost totally from the supply of services. Revenue from the sale of goods is immaterial.

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8. Operating expenses

	2013-14 £000s	2012-13 £000s
Services from other NHS Trusts	1,174	1,855
Services from CCGs/NHS England	462	
Services from other NHS bodies	0	0
Services from NHS Foundation Trusts	797	0
Services from Primary Care Trusts		487
Total Services from NHS bodies	2,433	2,342
Purchase of healthcare from non-NHS bodies	0	0
Trust Chair and Non-executive Directors	56	52
Supplies and services - clinical	1,567	1,574
Supplies and services - general	245	252
Consultancy services	466	416
Establishment	1,898	2,050
Transport	70	87
Premises	3,692	2,978
Hospitality	6	
Insurance	0	
Legal Fees	83	
Impairments and Reversals of Receivables	52	0
Inventories write down	0	0
Depreciation	1,434	1,462
Amortisation	59	58
Impairments and reversals of property, plant and equipment	(48)	729
Impairments and reversals of intangible assets	0	0
Impairments and reversals of financial assets [by class]	0	0
Impairments and reversals of non current assets held for sale	0	0
Impairments and reversals of investment properties		0
Audit fees	69	83
Other auditor's remuneration	0	30
Clinical negligence	164	134
Research and development (excluding staff costs) *	10,171	19
Education and Training	265	309
Change in Discount Rate	0	0
Other **	7,134	6,036
Total Operating expenses (excluding employee benefits)	29,816	18,611
Employee Benefits		
Employee benefits excluding Board members	55,387	57,800
Board members	677	588
Total Employee Benefits	56,064	58,388
Total Operating Expenses	85,880	76,999

* In 2013/14 the Trust hosted a number of regional Clinical Research Networks which attracted expenditure (and income) in excess of £11m which includes the £10.1m shown above as Research and Development.

** Other expenditure includes £3.7m in respect of the unitary charge element of the Trusts PFI scheme and £1.7m of social care residential payments.

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9 Operating Leases

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.

9.1 Trust as lessee	Land £000s	Buildings £000s	Other £000s	2013-14 Total £000s	2012-13 £000s
Payments recognised as an expense					
Minimum lease payments				970	760
Contingent rents				0	0
Sub-lease payments				0	0
Total				970	760
Payable:					
No later than one year	0	480	248	728	679
Between one and five years	0	1,618	194	1,812	1,381
After five years	0	1,099	0	1,099	876
Total	0	3,197	442	3,639	2,936
Total future sublease payments expected to be received:				0	0

9.2 Trust as lessor

	2013-14 £000	2012-13 £000s
Recognised as revenue		
Rental revenue	0	0
Contingent rents	0	0
Total	0	0
Receivable:		
No later than one year	0	0
Between one and five years	0	0
After five years	0	0
Total	0	0

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10 Employee benefits and staff numbers**10.1 Employee benefits**

	2013-14		
	Total £000s	Permanently employed £000s	Other £000s
Employee Benefits - Gross Expenditure			
Salaries and wages	46,977	43,663	3,314
Social security costs	3,317	3,317	0
Employer Contributions to NHS BSA - Pensions Division	5,657	5,657	0
Other pension costs	113	113	0
Termination benefits	0	0	0
Total employee benefits	56,064	52,750	3,314
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	56,064	52,750	3,314

	Total £000s	Permanently employed £000s	Other £000s
Employee Benefits - Gross Expenditure 2012-13			
Salaries and wages	48,880	45,767	3,113
Social security costs	3,543	3,543	0
Employer Contributions to NHS BSA - Pensions Division	5,779	5,779	0
Other pension costs	186	186	0
Termination benefits	0	0	0
TOTAL - including capitalised costs	58,388	55,275	3,113
Employee costs capitalised	0	0	0
Gross Employee Benefits excluding capitalised costs	58,388	55,275	3,113

In 2012-13 there were rows for 'other post-employment benefits' and 'other employment benefits'. These are now included within the 'Salaries and wages' row.

10.2 Staff Numbers

	2013-14			2012-13
	Total Number	Permanently employed Number	Other Number	Total Number
Average Staff Numbers				
Medical and dental	63	60	3	62
Ambulance staff	0	0	0	0
Administration and estates	242	221	21	260
Healthcare assistants and other support staff	501	442	60	545
Nursing, midwifery and health visiting staff	429	401	28	455
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	193	188	4	176
Social Care Staff	0	0	0	0
Other	0	0	0	0
TOTAL	1,427	1,312	116	1,498
Of the above - staff engaged on capital projects	0	0	0	0

10.3 Staff Sickness absence and ill health retirements

	2013-14 Number	2012-13 Number
Total Days Lost	14,201	16,406
Total Staff Years	1,322	1,421
Average working Days Lost	10.74	11.55
	2013-14 Number	2012-13 Number
Number of persons retired early on ill health grounds	3	3
	£000s	£000s
Total additional pensions liabilities accrued in the year	255	292

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10.4 Exit Packages agreed in 2013-14

Exit package cost band (including any special payment element)	2013-14			2012-13		
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Less than £10,000	2	5	7	10	5	15
£10,000-£25,000	3	1	4	7	8	15
£25,001-£50,000	0	0	0	4	4	8
£50,001-£100,000	0	1	1	1	0	1
£100,001 - £150,000	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost)	5	7	12	22	17	39
Total resource cost (£000s)	76	121	197	356	298	655

Redundancy and other departure costs have been paid in accordance with either the provision of the employee terms and conditions of service or the Trusts Mutually Agreed Resignation Scheme (MARS). Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

10.5 Exit packages - Other Departures analysis

	2013-14		2012-13	
	Agreements	Total value of agreements	Agreements	Total value of agreements
	Number	£000s	Number	£000s
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually Agreed Resignations (MARS) contractual costs	0	0	17	298
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	7	121	0	0
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	7	121	17	298

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period

As a single exit packages can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 10.4 which will be the number of individuals.

The Remuneration Report includes disclosure of exit payments payable to individuals named in that Report.

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10.6 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2014, is based on valuation data as 31 March 2013, updated to 31 March 2014 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pensions Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

c) Scheme provisions

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

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the statement of comprehensive income at the time the Trust commits itself to the retirement, regardless of the method of payment.

Members can purchase additional service in the NHS Scheme and contribute to money purchase Additional Voluntary Contributions (AVC's) run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

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10.6 Pension costs (Cont)**Other Pensions 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 (SOF) 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 2013. 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 2013/14 it has been constructed based on the constituents of the iBoxx £ corporates AA index and using UBS delta curve fitting methodology.

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 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 2010 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 1% up to the period ending 31 March 2015 and by RPI plus 1.0% thereafter. An additional allowance has also been made for promotional salary increases.

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 (SOF). The carrying value of this net surplus/deficit is the value of the schemes assets allocated to the Trust less the present value of the schemes liabilities plus or minus the scheme actuarial gains or losses.

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10.6 Pension costs (Cont)**Other Pensions Schemes - Local Government Pension Scheme (LGPS) - (Cont)**

The Financial assumptions used by the scheme actuary in calculating the liabilities and assets are as follows:

	2013/14 % P.A.	2012/13 % P.A.	2011/12 % P.A.
Pension Increase Rate	2.8%	2.8%	2.5%
Salary Increase Rate*	4.6%	5.1%	4.8%
**		4.5%	5.7%
Discount Rate	4.3%	4.5%	4.8%

* Salary increases are 1% p.a. nominal for the years ending 31 March 2015 and then RPI plus 1% thereafter.

** In 2013/14 Expected Return on Assets and Interest Cost components are now shown combined in a net figure

Mortality Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2010 model assuming the current rate of improvement has reached a peak and will converge to a long term rate of 1.5% p.a. The resultant average future life expectancies at age 65 are;

	Male	Female
Current Pensioners	22.1 years	24.3 years
Future Pensioners	24.3 years	26.6 years

Historic mortality

The following life expectancies are based on the Funds VitaCurves:

	Prospective Pensioners	Pensioners
	Year of birth, medium cohort and 1% minimum improvement from 2007	Year of birth, medium cohort and 1% minimum improvement from 2007
31-Mar-13		

The profile of the weighted average duration of the defined pension benefit obligation is as follows:

	Liability Split	Weighted Average Duration
Active Members	39%	17.8
Deferred Members	52.30%	22.8
Pension Members	8.70%	12
Total	100%	19.9

Analysis of fair value of scheme assets

Asset Category	2013/14		Percentage of Total Assets %
	Quoted prices in active markets £000's	Quoted prices not in active markets £000's	
Equity Securities:			
Consumer	710		8
Manufacturing	664		7
Energy & Utilities	391		4
Financial Institutions	701		8
Health & Care	489		5
Information Technology	427		5
Other	197		2
Corporate Bonds	699		7
Private Equities		293	3
Real Estate - UK Properties		686	7
Investment Funds & Unit Trusts:			
Equities	2764		30
Bonds	454		5
Hedge Funds		177	2
Other		294	3
Cash & Cash Equivalents	397		4
Totals	7,893	1,450	100

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10.6 Pension costs (Cont)

Other Pensions Schemes - Local Government Pension Scheme (LGPS) - (Cont)

Analysis of fair value of scheme assets (cont)

Asset Category	2012/13		Total £000's	Percentage of Total Assets %
	Quoted prices in active markets £000's	Quoted prices not in active markets £000's		
Equity Securities:				
Consumer	892		892	9
Manufacturing	545		545	6
Energy & Utilities	406		406	4
Financial Institutions	743		743	8
Health & Care	505		505	5
Information Technology	403		403	4
Other	210		210	2
Corporate Bonds	734		734	8
Private Equities		310	310	3
Real Estate - UK Properties		754	754	8
Investment Funds & Unit Trusts:				
Equities	2,970		2,970	31
Bonds	493		493	5
Hedge Funds		177	177	2
Other		326	326	3
Cash & Cash Equivalents	226		226	2
Totals	8,127	1,567	9,694	100

Notes to the Statement of Financial Position as at 31 March 2014

Changes in value of plan assets and obligations are shown as an income/expense on the Statement of Comprehensive Income (SOCl).

Notes to the Statement of Financial Position as at 31 March 2014

Fair Value of Employer Assets

	2013/14 £000's	2012/13 £000's	2011/12 £000's	2010/11 £000's
Opening Fair Value	9,694	8,269	7,773	9,506
Interest on Plan Assets	437	476	541	694
Member contributions	35	62	56	81
Employer Contributions	156	194	189	219
Actuarial Gains/(Losses)	0	776	-190	-2,699
Remeasurement Gains/(Losses)*	-852			
Benefits Paid	-127	-83	-100	-28
Total	9,343	9,694	8,269	7,773

* For 2013/14 the remeasurement loss on assets amounted to £852,000 which represented 0.9% of asset value. The experience gain on assets in 2012/13 was £776,000 which equated to 0.9% of the total asset value. The experience loss on assets in 2011/12 was £190,000 which equated to 0.2% of the total asset value.

Value of Liability

	2013/14 £000's	2012/13 £000's	2011/12 £000's	2010/11 £000's
Present Value of Funded Liabilities	9,714	7,791	7,057	14,985
Current Service Cost	144	194	193	344
Interest on Obligation	438	378	392	796
Member contributions	35	62	56	81
Actuarial Losses/(Gains)	0	1372	193	-8,211
Past Service Costs/(Gains)	0	0	0	-910
Remeasurement Losses/(Gains) *	-913			
Benefits Paid	-127	-83	-100	-28
Total	9,291	9,714	7,791	7,057

* For 2013/14 the remeasurement gain on liabilities amounted to £913,000 which represented 0.9% of the liability value. The 2012/13 experience loss on liabilities amounted to £1,372,000 which represented 17.6% of the liability value and the 2011/12 the experience loss on liabilities amounted to £193,000 which represented 0.2% of the liability value. The experience gain on liabilities in 2010/11 was £8,211,000 which equated to 116% of the total liability value. The experience loss on liabilities in 2009/10 was £8,069,000 which equated to 129.6% of the total liability value.

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

10.6 Pension costs (Cont)

Actuarial gains/losses arise (within the scheme) from the differences between the actual and the expected outcome in the valuation of the assets and liabilities. The Trust recognises the losses/gains, identified by the scheme actuary, within the Statement of Changes in Taxpayers Equity (SOCITE) having applied the discount rate assumption detailed above.

The Excess of Liabilities over Assets of the schemes are;

	Value at 31/03/14 £000's
Statement of Financial Position - Non Current Asset	52

Note to Statement of Comprehensive Income

	2013/14 £000
Current Service Cost	144
Interest Cost	438
Expected Return on Employer Assets	-437
Employers Contribution 2012/13	-156
	-11

Statement of Changes in Taxpayers ' Equity

	2013/14 £000
Movements in Other Reserves	72

Sensitivity to assumptions made

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as follows:

Change in assumptions as 31 March 2014	Approximate % increase to Employer Liability	Approximate Value £000's
0.5% decrease in Real Discount Rate	11%	567
1 Year increase in member life expectancy	3%	153
0.5% increase in the Salary Increase Rate	1%	73
0.5% increase in the Pension Increase Rate	10%	494

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

11 Better Payment Practice Code

11.1 Measure of compliance

Non-NHS Payables

Total Non-NHS Trade Invoices Paid in the Year
 Total Non-NHS Trade Invoices Paid Within Target
 Percentage of NHS Trade Invoices Paid Within Target

2013-14 Number	2013-14 £000s	2012-13 Number	2012-13 £000s
12,241	19,835	10,434	20,508
11,292	19,216	9,641	19,401
92%	97%	92%	95%

NHS Payables

Total NHS Trade Invoices Paid in the Year
 Total NHS Trade Invoices Paid Within Target
 Percentage of NHS Trade Invoices Paid Within Target

686	13,300	529	3,228
655	13,138	512	3,183
95%	99%	97%	99%

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 a valid invoice, whichever is later.

11.2 The Late Payment of Commercial Debts (Interest) Act 1998

Amounts included in finance costs from claims made under this legislation
 Compensation paid to cover debt recovery costs under this legislation
Total

2013-14 £000s	2012-13 £000s
0	0
0	0
0	0

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

12 Investment Revenue

	2013-14 £000s	2012-13 £000s
Rental revenue		
PFI finance lease revenue (planned)	0	0
PFI finance lease revenue (contingent)	0	0
Other finance lease revenue	0	0
Subtotal	0	0
Interest revenue		
LIFT: equity dividends receivable	0	0
LIFT: loan interest receivable	0	0
Bank interest	15	13
Other loans and receivables	0	0
Impaired financial assets	11	98
Other financial assets	0	0
Subtotal	26	111
Total investment revenue	26	111

13 Other Gains and Losses

	2013-14 £000s	2012-13 £000s
Gain/(Loss) on disposal of assets other than by sale (PPE)	0	0
Gain/(Loss) on disposal of assets other than by sale (intangibles)	0	0
Gain/(Loss) on disposal of Financial Assets other than held for sale	0	0
Gain (Loss) on disposal of assets held for sale	0	0
Gain/(loss) on foreign exchange	0	0
Change in fair value of financial assets carried at fair value through the SoCI	0	0
Change in fair value of financial liabilities carried at fair value through the SoCI	0	0
Change in fair value of investment property	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	0	0

14 Finance Costs

	2013-14 £000s	2012-13 £000s
Interest		
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	0	0
Interest on obligations under PFI contracts:		
- main finance cost	1,440	1,479
- contingent finance cost	0	0
Interest on obligations under LIFT contracts:		
- main finance cost	0	0
- contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Total interest expense	1,440	1,479
Other finance costs	0	0
Provisions - unwinding of discount	0	0
Total	1,440	1,479

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

15.1 Property, plant and equipment

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
2013-14									
Cost or valuation:									
At 1 April 2013	8,982	24,218	0	1,415	640	292	2,393	45	37,985
Transfers under Modified Absorption Accounting - PCTs & SHAs	0	0	0	0	0	0	0	0	0
Transfers under Modified Absorption Accounting - Other Bodies	0	0	0	0	0	0	0	0	0
Additions of Assets Under Construction				0					0
Additions Purchased	0	242	0		0	0	15	0	257
Additions Donated	0	0	0	0	0	0	0	0	0
Additions Government Granted	0	0	0	0	0	0	0	0	0
Additions Leased	0	0	0		0	0	0	0	0
Reclassifications	0	1,415	0	(1,415)	0	0	0	0	0
Reclassifications as Held for Sale and reversals	(422)	(726)	0		0	0	0	0	(1,148)
Disposals other than for sale	0	0	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	261	0	0	0	0	0	0	261
Impairments/negative indexation	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Transfers to NHS Foundation Trust	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0	0	0	0	0	0	0
At 31 March 2014	8,560	25,410	0	0	640	292	2,408	45	37,355
Depreciation									
At 1 April 2013	0	0	0	0	538	221	1,333	43	2,135
Reclassifications	0	0	0		0	0	0	0	0
Reclassifications as Held for Sale and reversals	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		0	0	0	0	0
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	(48)	0	0	0	0	0	0	(48)
Charged During the Year	0	1,011	0		30	21	370	2	1,434
Transfers to NHS Foundation Trust	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0		0	0	0	0	0
At 31 March 2014	0	963	0	0	568	242	1,703	45	3,521
Net Book Value at 31 March 2014	8,560	24,447	0	0	72	50	705	0	33,834
Asset financing:									
Owned - Purchased	8,560	7,709	0	0	72	50	705	0	17,096
Owned - Donated	0	0	0	0	0	0	0	0	0
Owned - Government Granted	0	0	0	0	0	0	0	0	0
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	16,738	0	0	0	0	0	0	16,738
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2014	8,560	24,447	0	0	72	50	705	0	33,834

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2013	6,118	7,309	0	0	60	33	0	0	13,520
Movements (specify)	0	139	0	0	(30)	(33)	0	0	76
At 31 March 2014	6,118	7,448	0	0	30	0	0	0	13,596

Additions to Assets Under Construction in 2013/14

	£000's
Land	0
Buildings excl Dwellings	0
Dwellings	0
Plant & Machinery	0
Balance as at YTD	0

15.2 Property, plant and equipment prior-year**2012-13****Cost or valuation:**

At 1 April 2012	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Additions - Assets Under Construction	10,055	28,006	0	735	640	268	1,652	45	41,401
Additions - Purchased				2,131					2,131
Additions - donated	0	638	0		0	24	741	0	1,403
Additions - government granted	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,451	0	(1,451)	0	0	0	0	0
Reclassifications as Held for Sale and reversals	0	0	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Revaluation & indexation gains	0	81	0	0	0	0	0	0	81
Impairments	(1,073)	(4,069)	0	0	0	0	0	0	(5,142)
Reversals of impairments	0	0	0	0	0	0	0	0	0
Transfer to NHS Foundation Trust	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies under absorption accounting	0	0	0	0	0	0	0	0	0
At 31 March 2013	8,982	26,107	0	1,415	640	292	2,393	45	39,874

Depreciation

At 1 April 2012	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Reclassifications	0	0	0	0	513	205	1,073	42	1,833
Reclassifications as Held for Sale and reversals	0	0	0		0	0	0	0	0
Disposals other than for sale	0	0	0		0	0	0	0	0
Upward revaluation/positive indexation	0	0	0		0	0	0	0	0
Impairments	0	795	0	0	0	0	0	0	795
Reversal of Impairments	0	(66)	0	0	0	0	0	0	(66)
Charged During the Year	0	1,160	0		25	16	260	1	1,462
Transfer to NHS Foundation Trust	0	0	0		0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies under absorption accounting	0	0	0	0	0	0	0	0	0
At 31 March 2013	0	1,889	0	0	538	221	1,333	43	4,024
Net book value at 31 March 2013	8,982	24,218	0	1,415	102	71	1,060	2	35,850

Purchased

Donated	8,982	24,218	0	1,415	102	71	1,060	2	35,850
Government Granted	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	8,982	24,218	0	1,415	102	71	1,060	2	35,850

Asset financing:

Owned	8,982	8,567	0	1,415	102	71	1,060	2	20,199
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	15,651	0	0	0	0	0	0	15,651
PFI residual: interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2013	8,982	24,218	0	1,415	102	71	1,060	2	35,850

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

15.3 Property, plant and equipment

The Trust did not receive any donated assets within the 2013/14 financial year.

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 GVA Grimley, MRICS, was last completed in 2012/13 with a valuation date of 31 December 2012.

Fair values for each building has been based on the modern equivalent basis of depreciated replacement costs. These values have not been determined by reference to markets as specialist properties are rarely, if ever, sold in the open market. The value of the Trusts specialist assets has been valued using estimated valuation techniques taking the following into account:

Valuation Information Paper Number 10
Practice Statement 3.5 of the RCIS Valuation Standards (April 2010)
IAS 16
International Financial Reporting Standards
NHS Financial Reporting Manual

In order to ensure that the Trusts Land and Building assets are carried at fair value as at the balance sheet date, taking into account local circumstances, the Trust applied a level of indexation in line with the prevailing market conditions to its building asset values in 2013/14. The indexation was calculated in line with the BCIS All in Tender index movements from 31 March 2013 to the Balance Sheet date.

The Economic Asset lives for each asset are as follows:

	Minimum Years	Maximum Years
Buildings exc dwellings	6	76
Dwellings	0	0
Plant & Machinery	1	12
Transport Equipment	1	6
Information Technology	1	4
Furniture and Fittings	2	2

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

16.1 Intangible non-current assets

	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Total
	£000's	£000's	£000's	£000's	£000's	£000's
2013-14						
At 1 April 2013	0	381	0	0	0	381
Transfers under Modified Absorption Accounting - PCTs & SHAs	0	0	0	0	0	0
Transfers under Modified Absorption Accounting - Other Bodies	0	0	0	0	0	0
Additions - purchased	0	9	0	0	0	9
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Additions - leased	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments charged to reserves	0	0	0	0	0	0
Reversal of impairments charged to reserves	0	0	0	0	0	0
Transfer to NHS Foundation Trust	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2014	0	390	0	0	0	390
Amortisation						
At 1 April 2013	0	222	0	0	0	222
Reclassifications	0	0	0	0	0	0
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	59	0	0	0	59
Transfer to NHS Foundation Trust	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2014	0	281	0	0	0	281
Net Book Value at 31 March 2014	0	109	0	0	0	109
Asset Financing: Net book value at 31 March 2014 comprises:						
Purchased	0	109	0	0	0	109
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Finance Leased	0	0	0	0	0	0
On-balance Sheet PFIs	0	0	0	0	0	0
Total at 31 March 2014	0	109	0	0	0	109
Revaluation reserve balance for intangible non-current assets						
	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2013	0	0	0	0	0	0
Movements (specify)	0	0	0	0	0	0
At 31 March 2014	0	0	0	0	0	0

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

16.2 Intangible non-current assets prior year

	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated £000s	Total
	£000s	£000s	£000s	£000s		£000s
2012-13						
Cost or valuation:						
At 1 April 2012	0	341	0	0	0	341
Additions - purchased	0	40	0	0	0	40
Additions - internally generated	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation & indexation gains	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0
Transfer to NHS Foundation Trust	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2013	0	381	0	0	0	381
Amortisation						
At 1 April 2012	0	164	0	0	0	164
Reclassifications	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0
Revaluation or indexation gains	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0
Reversal of impairments charged to operating expenses	0	0	0	0	0	0
Charged during the year	0	58	0	0	0	58
Transfer to NHS Foundation Trust	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	0	0	0	0	0
At 31 March 2013	0	222	0	0	0	222
Net book value at 31 March 2013	0	159	0	0	0	159
Net book value at 31 March 2013 comprises:						
Purchased	0	159	0	0	0	159
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Total at 31 March 2013	0	159	0	0	0	159

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

16.3 Intangible non-current assets

The Trust has not undertaken a revaluation of its intangible assets. These assets are initially carried at fair value based on their cost as at the point of acquisition and are amortised to maintain that estimated fair value.

All the Trust intangibles are purchased and not internally generated. These assets have finite lives and the economic lives for each asset are as follows;

	Minimum Years	Maximum Years
Intangible Asset - Software Licences	1	4

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

17 Analysis of impairments and reversals recognised in 2013-14

	2013-14 Total £000s
Property, Plant and Equipment impairments and reversals taken to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	(48)
Total charged to Annually Managed Expenditure	(48)
Total Impairments of Property, Plant and Equipment charged to SoCI	(48)
Intangible assets impairments and reversals charged to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total Impairments of Intangibles charged to SoCI	0
Financial Assets charged to SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	0
Loss as a result of catastrophe	0
Other	0
Total charged to Annually Managed Expenditure	0
Total Impairments of Financial Assets charged to SoCI	0
Non-current assets held for sale - impairments and reversals charged to SoCI.	
Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total impairments of non-current assets held for sale charged to SoCI	0
Total Impairments charged to SoCI - DEL	0
Total Impairments charged to SoCI - AME	(48)
Overall Total Impairments	(48)
Donated and Gov Granted Assets, included above	
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

16.3 Intangible non-current assets

The Trust has not undertaken a revaluation of its intangible assets. These assets are initially carried at fair value based on their cost as at the point of acquisition and are amortised to maintain that estimated fair value.

All the Trust intangibles are purchased and not internally generated. These assets have finite lives and the economic lives for each asset are as follows;

	Minimum Years	Maximum Years
Intangible Asset - Software Licences	1	4

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

17 Analysis of impairments and reversals recognised in 2013-14

	2013-14 Total £000s
Property, Plant and Equipment impairments and reversals taken to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	(48)
Total charged to Annually Managed Expenditure	(48)
Total Impairments of Property, Plant and Equipment charged to SoCI	(48)
Intangible assets impairments and reversals charged to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total Impairments of Intangibles charged to SoCI	0
Financial Assets charged to SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	0
Loss as a result of catastrophe	0
Other	0
Total charged to Annually Managed Expenditure	0
Total Impairments of Financial Assets charged to SoCI	0
Non-current assets held for sale - impairments and reversals charged to SoCI.	
Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total impairments of non-current assets held for sale charged to SoCI	0
Total Impairments charged to SoCI - DEL	0
Total Impairments charged to SoCI - AME	(48)
Overall Total Impairments	(48)
Donated and Gov Granted Assets, included above	
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

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18 Investment property

	31 March 2014 £000s	31 March 2013 £000s
At fair value		
Balance at 1 April 2013	0	0
Transfers under Modified Absorption Accounting - PCTs & SHAs	0	0
Transfers under Modified Absorption Accounting - Other Bodies	0	0
Additions Through Subsequent Expenditure	0	0
Other Acquisitions	0	0
Disposals	0	0
Property Reclassified as Held for Sale	0	0
Loss from Fair Value Adjustments - Impairments	0	0
Loss from Fair Value Adjustments - Reversal of Impairments	0	0
Gain from Fair Value Adjustments	0	0
Transfer to other NHS Foundation Trust	0	0
Transfers (to) / from Other Public Sector Bodies under absorption accounting	0	0
Other Changes	0	0
Balance at 31 March 2014	0	0

19 Commitments**19.1 Capital commitments**

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2014 £000s	31 March 2013 £000s
Property, plant and equipment	0	79
Intangible assets	0	0
Total	0	79

19.2 Other financial commitments

	31 March 2014 £000s	31 March 2013 £000s
Not later than one year	0	0
Later than one year and not later than five year	0	0
Later than five years	0	0
Total	0	0

20 Intra-Government and other balances

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with other Central Government Bodies	1,181	0	1,542	0
Balances with Local Authorities	509	0	187	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	677	0	545	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	1,226	52	3,603	0
At 31 March 2014	3,593	52	5,877	0
prior period:				
Balances with other Central Government Bodies	1,095	0	2,133	0
Balances with Local Authorities	182	0	163	0
Balances with NHS bodies outside the Departmental Group	0	0	0	0
Balances with NHS Trusts and Foundation Trusts	620	0	574	0
Balances with Public Corporations and Trading Funds	0	0	0	0
Balances with bodies external to government	2,054	0	3,755	20
At 31 March 2013	3,951	0	6,625	20

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21 Inventories

	Drugs £000s	Consumables £000s	Work in Progress £000s	Energy £000s	Loan Equipment £000s	Other £000s	Total £000s
Balance at 1 April 2013	50	22	0	12	0	0	84
Transfers under Modified Absorption Accounting - PCTs & SHAs	0	0			0	0	
Transfers under Modified Absorption Accounting - Other Bodies	0	0	0	0	0	0	
Additions	984	222	0	0	0	0	1,206
Inventories recognised as an expense in the period	(977)	(214)	0	(1)	0	0	(1,192)
Write-down of inventories (including losses)	0	0	0	0	0	0	0
Reversal of write-down previously taken to SOCI	0	0	0	0	0	0	0
Transfers (to) Foundation Trusts	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0	0	0	0	0
Balance at 31 March 2014	57	30	0	11	0	0	98

22.1 Trade and other receivables

	Current		Non-current	
	31 March 2014 £000s	31 March 2013 £000s	31 March 2014 £000s	31 March 2013 £000s
NHS receivables - revenue	902	1,350	0	0
NHS receivables - capital	0	0	0	0
NHS prepayments and accrued income	785	199	0	0
Non-NHS receivables - revenue	840	507	0	0
Non-NHS receivables - capital	0	0	0	0
Non-NHS prepayments and accrued income	980	1,768	52	0
Provision for the impairment of receivables	(85)	(39)	0	0
VAT	171	166	0	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	0	0	0	0
Interest receivables	0	0	0	0
Finance lease receivables	0	0	0	0
Operating lease receivables	0	0	0	0
Other receivables	0	0	0	0
Total	3,593	3,951	52	0
Total current and non current	3,645	3,951		
Included in NHS receivables are prepaid pension contributions:	0			

The great majority of trade is with Clinical Commissioning Groups. As Clinical Commissioning Groups are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

22.2 Receivables past their due date but not impaired

	31 March 2014 £000s	31 March 2013 £000s
By up to three months	384	321
By three to six months	127	81
By more than six months	17	403
Total	528	805

The Trust holds no collateral relating to these debts and believes the value shown to be their net realisable value.

22.3 Provision for impairment of receivables

	2013-14 £000s	2012-13 £000s
Balance at 1 April 2013	(39)	(85)
Transfers under Modified Absorption Accounting - PCTs & SHAs	0	0
Transfers under Modified Absorption Accounting - Other Bodies	0	0
Amount written off during the year	6	46
Amount recovered during the year	4	20
(Increase)/decrease in receivables impaired	(56)	(20)
Transfer to NHS Foundation Trust	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0
Balance at 31 March 2014	(85)	(39)

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.

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23 NHS LIFT investments

	Loan £000s	Share capital £000s	Total £000s
Balance at 1 April 2013	0	0	0
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2014	0	0	0
Balance at 1 April 2012	0	0	0
Additions	0	0	0
Disposals	0	0	0
Loan repayments	0	0	0
Revaluations	0	0	0
Loans repayable within 12 months	0	0	0
Balance at 31 March 2013	0	0	0

24.1 Other Financial Assets - Current

	31 March 2014 £000s	31 March 2013 £000s
Opening balance 1 April	0	0
Transfers (to)/from Other Public Sector Bodies in year	0	0
Other Movements	0	0
Closing balance 31 March	0	0

24.2 Other Financial Assets - Non Current

	31 March 2014 £000s	31 March 2013 £000s
Opening balance 1 April	0	0
Transfers under Modified Absorption Accounting - PCTs & SHAs	0	0
Transfers under Modified Absorption Accounting - Other Bodies	0	0
Additions	0	0
Revaluation	0	0
Impairments/reversals taken to Revaluation Reserve	0	0
Impairment/reversals taken to SoCI	0	0
Change in Fair Value through SoCI	0	0
Transferred to current financial assets	0	0
Disposals	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0
Total Other Financial Assets - Non Current	0	0

24.3 Other Financial Assets - Non Current - Capital Analysis

	31 March 2014 £000s	31 March 2013 £000s
Capital Expenditure	0	0
Capital Income	0	0

25 Other current assets

	31 March 2014 £000s	31 March 2013 £000s
EU Emissions Trading Scheme Allowance	0	0
Other Assets	0	0
Total	0	0

26 Cash and Cash Equivalents

	31 March 2014 £000s	31 March 2013 £000s
Opening balance	4,564	5,257
Net change in year	881	(693)
Closing balance	5,445	4,564
Made up of		
Cash with Government Banking Service	5,398	4,506
Commercial banks	36	58
Cash in hand	11	0
Current investments	0	0
Cash and cash equivalents as in statement of financial position	5,445	4,564
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	5,445	4,564
Patients' money held by the Trust, not included above	164	304

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27 Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Financial Assets	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2013											
Transfers under Modified Absorption Accounting - PCTs & SHAs	0	0	0	0	0	0	0	0	0	0	0
Transfers under Modified Absorption Accounting - Other Bodies	0	0	0	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in the year	422	726	0	0	0	0	0	0	0	0	1,148
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0	0
Transfers to Foundation Trust	0	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2014	422	726	0	0	0	0	0	0	0	0	1,148
Liabilities associated with assets held for sale at 31 March 2014	0	0	0	0	0	0	0	0	0	0	0
Balance at 1 April 2012											
Plus assets classified as held for sale in the year	0	0	0	0	0	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0	0
Transfers to Foundation Trust	0	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies	0	0	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2013	0	0	0	0	0	0	0	0	0	0	0
Liabilities associated with assets held for sale at 31 March 2013	0	0	0	0	0	0	0	0	0	0	0

The Assets held for Sale relate to 5 Trust properties that were previously used to provide learning disability healthcare services. The Trust has now ceased to provide any services from these buildings and has declared the properties surplus to requirements. The properties are held for sale as at the Balance Sheet date and it is expected that all will be disposed of within the 2014/15 financial year. It is envisaged that all 5 properties will be sold at not less than their carrying value.

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28 Trade and other payables

	Current		Non-current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£000s	£000s	£000s	£000s
NHS payables - revenue	177	291	0	0
NHS payables - capital	0	0	0	0
NHS accruals and deferred income	871	557	0	0
Non-NHS payables - revenue	539	533	0	0
Non-NHS payables - capital	34	60	0	0
Non-NHS accruals and deferred income	3,377	4,075	0	20
Social security costs	521	554		
VAT	0	0	0	0
Tax	358	555		
Payments received on account	0	0	0	0
Other	0	0	0	0
Total	5,877	6,625	0	20
Total payables (current and non-current)	5,877	6,645		

Included above:

to Buy Out the Liability for Early Retirements Over 5 Years	0	0
number of Cases Involved (number)	0	0
outstanding Pension Contributions at the year end	0	0

29 Other liabilities

	Current		Non-current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£000s	£000s	£000s	£000s
PFI/LIFT deferred credit	0	0	0	0
Lease incentives	0	0	0	0
Other	0	0	0	0
Total	0	0	0	0
Total other liabilities (current and non-current)	0	0		

30 Borrowings

	Current		Non-current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£000s	£000s	£000s	£000s
Bank overdraft - Government Banking Service	0	0		
Bank overdraft - commercial banks	0	0		
Loans from Department of Health	0	0	0	0
Loans from other entities	0	0	0	0
PFI liabilities:				
Main liability	360	395	13,343	13,703
Lifecycle replacement received in advance	0	0	0	0
LIFT liabilities:				
Main liability	0	0	0	0
Lifecycle replacement received in advance	0	0	0	0
Finance lease liabilities	0	0	0	0
Other (describe)	0	0	0	0
Total	360	395	13,343	13,703
Total other liabilities (current and non-current)	13,703	14,098		

Loans - repayment of principal falling due in:

	31 March 2014		
	DH	Other	Total
	£000s	£000s	£000s
0-1 Years	0	360	360
1 - 2 Years	0	351	351
2 - 5 Years	0	1,436	1,436
Over 5 Years	0	11,556	11,556
TOTAL	0	13,703	13,703

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31 Other financial liabilities

	Current		Non-current	
	31 March 2014 £000s	31 March 2013 £000s	31 March 2014 £000s	31 March 2013 £000s
Embedded Derivatives at Fair Value through SoCI	0	0	0	0
Financial liabilities carried at fair value through profit and loss	0	0	0	0
Amortised Cost	0	0	0	0
Total	0	0	0	0
Total other financial liabilities (current and non-current)	0	0		

32 Deferred revenue

	Current		Non-current	
	31 March 2014 £000s	31 March 2013 £000s	31 March 2014 £000s	31 March 2013 £000s
Opening balance at 1 April 2013	412	402	20	112
Deferred revenue addition	647	412	0	20
Transfer of deferred revenue	(412)	(402)	-20	(112)
Current deferred Income at 31 March 2014	647	412	0	20
Total deferred income (current and non-current)	647	432		

33 Finance lease obligations as lessee

The Trust has no finance lease obligations as lessee

34 Finance lease receivables as lessor

The Trust has no finance lease obligations as lessor

35 Provisions

Comprising:

	Total	Early Departure Costs	Legal Claims	Restructuring	Continuing Care	Equal Pay (incl. Agenda for Change)	Other	Redundancy
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2013	2,018	0	94	0	0	0	497	1,427
Transfers under Modified Absorption Accounting - PCTs & SHAs	0	0	0	0	0	0	0	0
Transfers under Modified Absorption Accounting - Other Bodies	0	0	0	0	0	0	0	0
Arising During the Year	1,169	0	14	0	0	0	389	766
Utilised During the Year	(219)	0	(20)	0	0	0	(112)	(87)
Reversed Unused	(65)	0	0	0	0	0	(65)	0
Unwinding of Discount	0	0	0	0	0	0	0	0
Change in Discount Rate	0	0	0	0	0	0	0	0
Transfers to NHS Foundation Trusts (for Trusts becoming FTs only)	0	0	0	0	0	0	0	0
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	0	0	0	0	0	0	0	0
Balance at 31 March 2014	2,903	0	88	0	0	0	709	2,106
Expected Timing of Cash Flows:								
No Later than One Year	2,502	0	88	0	0	0	414	2,000
Later than One Year and not later than Five Years	189	0	0	0	0	0	83	106
Later than Five Years	212	0	0	0	0	0	212	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:

As at 31 March 2014 994
As at 31 March 2013 1,008

Other provisions (£709,000) relate to the projected liabilities and charges arising in 2013/14 and beyond, in respect of injury benefits and other health related claims (£594,000), and provisions for other pay related issues (£115,000).

36 Contingencies

	31 March 2014 £000s	31 March 2013 £000s
Contingent liabilities		
Equal Pay	0	0
Other	(73)	(66)
Amounts Recoverable Against Contingent Liabilities	0	0
Net Value of Contingent Liabilities	(73)	(66)
Contingent Assets		
Contingent Assets	0	0
Net Value of Contingent Assets	0	0

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37 PFI and LIFT - additional information

The information below is required by the Department of Health for inclusion in national statutory accounts

	2013-14 £000s	2012-13 £000s
Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI		
Total charge to operating expenses in year - OFF SOFP PFI	0	0
Service element of on SOFP PFI charged to operating expenses in year	3,733	3,520
Total	3,733	3,520
	Present Value of Unitary Payments	
Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI	2013-14 £000	2012-13 £000
No Later than One Year	3,796	3,633
Later than One Year, No Later than Five Years	15,001	14,814
Later than Five Years	41,522	49,359
Total	60,319	67,806
The estimated annual payments in future years are expected to be materially different from those which the Trust is committed to make materially different from those which the Trust is committed to make during the next year. The likely financial effect of this is:		
Estimated Capital Value of Project - off SOFP PFI	0	0
Value of Deferred Assets - off SOFP PFI	0	0
Value of Reversionary Interest - off SOFP PFI	0	0
Imputed "finance lease" obligations for on SOFP PFI contracts due	2013-14 £000s	2012-13 £000s
No Later than One Year	1,760	1,835
Later than One Year, No Later than Five Years	7,010	6,899
Later than Five Years	19,884	21,755
Subtotal	28,654	30,489
Less: Interest Element	(14,951)	(16,391)
Total	13,703	14,098
Interest Element Obligations	2013-14 £000s	2012-13 £000s
No Later than One Year	(1,400)	(1,440)
Later than One Year, No Later than Five Years	(5,223)	(5,385)
Later than Five Years	(6,329)	(9,569)
Total	(14,951)	(16,391)
Present Value Imputed "finance lease" obligations for on SOFP PFI contracts due Analysed by when PFI payments are due	2013-14 £000s	2012-13 £000s
No Later than One Year	3,796	3,633
Later than One Year, No Later than Five Years	15,842	15,731
Later than Five Years	51,985	64,141
Total	71,623	83,505
Number of on SOFP PFI Contracts		
Total Number of on PFI contracts	1	1
Number of on PFI contracts which individually have a total commitments value in excess of £500m	0	0
Present Value Imputed "finance lease" obligations for off SOFP PFI contracts due Analysed by when PFI payments are due	2013-14 £000s	2012-13 £000s
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Total	0	0
Number of on SOFP PFI Contracts		
Total Number of off PFI contracts	0	0
Number of off PFI contracts which individually have a total commitments value in excess of £500m	0	0
Charges to operating expenditure and future commitments in respect of on and off SOFP LIFT	2013-14 £000s	2012-13 £000s
Total Charge to Operating Expenses in year - OFF SOFP LIFT	0	0
Service element of on SOFP LIFT charged to operating expenses in year	0	0
Total	0	0
Payments committed to in respect of off SOFP LIFT and the service element of on SOFP LIFT.	2013-14 £000s	2012-13 £000s
LIFT Scheme Expiry Date:		
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Total	0	0
The estimated annual payments in future years are expected to be materially different from those which the NHS Trust is committed to make during the next year. The likely financial effect of this is:		
Estimated capital value of project - off SOFP LIFT	0	0
Value of Deferred Assets - off SOFP LIFT	0	0
Value of Residual Interest - off SOFP LIFT	0	0
Imputed "finance lease" obligations for on SOFP LIFT Contracts due	2013-14 £000s	2012-13 £000s
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Subtotal	0	0
Less: Interest Element	0	0
Total	0	0
Present Value Imputed "finance lease" obligations for on SOFP LIFT contracts due Analysed by when LIFT payments are due	2013-14 £000s	2012-13 £000s
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Total	0	0
Number of on SOFP LIFT Contracts		
Total Number of LIFT contracts	0	0
Number of LIFT contracts which individually have a total commitments value in excess of £500m	0	0
Present Value Imputed "finance lease" obligations for off SOFP LIFT contracts due Analysed by when LIFT payments are due	2013-14 £000s	2012-13 £000s
No Later than One Year	0	0
Later than One Year, No Later than Five Years	0	0
Later than Five Years	0	0
Total	0	0
Number of off SOFP LIFT Contracts		
Total Number of LIFT contracts	0	0
Number of LIFT contracts which individually have a total commitments value in excess of £500m	0	0
38 Impact of IFRS treatment - current year	2013-14 £000s	2012-13 £000s
The information below is required by the Department of Health for budget reconciliation purposes		
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g PFI / LIFT)		
Depreciation charges	682	721
Interest Expense	1,440	1,479
Impairment charge - AME	0	0
Impairment charge - DEL	0	0
Other Expenditure	3,733	3,520
Revenue Receivable from subleasing	0	0
Impact on POC dividend payable	265	239
Total IFRS Expenditure (IFRIC12)	6,120	5,959
Revenue consequences of PFI / LIFT schemes under UK GAAP / ESA95 (net of any sublease revenue)	(5,668)	(5,451)
Net IFRS change (IFRIC12)	452	508
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12		
Capital expenditure 2013-14	0	0
UK GAAP capital expenditure 2013-14 (Reversionary Interest)	339	327

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39 Financial Instruments**39.1 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 the Trust Development Authority (TDA). 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.

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 2014 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 commissioners, 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.

39.2 Financial Assets

	At 'fair value through profit and loss' £000s	Loans and receivables £000s	Available for sale £000s	Total £000s
Embedded derivatives	0			0
Receivables - NHS		865		865
Receivables - non-NHS		1,840		1,840
Cash at bank and in hand		4,554		4,554
Other financial assets	0	0	0	0
Total at 31 March 2014	0	7,259	0	7,259
Embedded derivatives	0			0
Receivables - NHS		1,323		1,323
Receivables - non-NHS		1,729		1,729
Cash at bank and in hand		4,564		4,564
Other financial assets	0	0	0	0
Total at 31 March 2013	0	7,616	0	7,616

39.3 Financial Liabilities

	At 'fair value through profit and loss' £000s	Other £000s	Total £000s
Embedded derivatives	0		0
NHS payables		145	145
Non-NHS payables		4,135	4,135
Other borrowings		0	0
PFI & finance lease obligations		13,703	13,703
Other financial liabilities	0	0	0
Total at 31 March 2014	0	17,983	17,983
Embedded derivatives	0		0
NHS payables		741	741
Non-NHS payables		4,205	4,205
Other borrowings		0	0
PFI & finance lease obligations		14,098	14,098
Other financial liabilities	0	0	0
Total at 31 March 2013	0	19,044	19,044

40 Events after the end of the reporting period

£000

0

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41 Related party transactions

During the year, none of the Department of Health Ministers, Trust Board members or 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. These entities are:

	Trust Income 31.03.2014 £000's	Trust Expenditure 31.03.2014 £000's	Receivables 31.03.2014 £000's	Payables 31.03.2014 £000's
Stoke on Trent CCG	31,944		4	7
North Staffordshire CCG	22,538		101	
Department of Health	9,653			
NHS England	3,739	475	387	302
Health Education England	2,267			
Staffordshire and Stoke Partnership NHS Trust	1,848	484		216
South Staffordshire Healthcare NHS Foundation Trust	894	787	344	239
Stafford & Surround CCG	538			
South East Staffs & Seisdon Peninsula CCG	509		38	
Telford & Wrekin CCG	356		17	
University Hospital of North Staffordshire NHS Trust	354	2,636	207	32
East Staffordshire CCG	323		5	
Cannock Chase CCG	319			
Shropshire CCG	168		19	
South Cheshire CCG	138			
University Hospital Birmingham NHS Foundation Trust	72		71	
The Royal Wolverhampton NHS Trust		1,348	8	1
Burton Hospitals NHS Foundation Trust		823	2	30
Shrewsbury & Telford NHS Trust		702		6
Mid Staffordshire NHS Foundation Trust		512		
Robert Jones & Agnes Hunt Orthopaedic NHS Foundation Trust		297		
Shropshire Community Health NHS Trust		66		
West Midlands Ambulance Service NHS Trust		410		
NHS Litigation Authority		164		

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

	Trust Income 31.03.2014 £000's	Trust Expenditure 31.03.2014 £000's	Receivables 31.03.2014 £000's	Payables 31.03.2014 £000's
City of Stoke on Trent Council	4,598	483	159	84
Staffordshire County Council	2,904	14	301	102
Cheshire East Unitary Authority	92		30	

The Trust has also received revenue and capital 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 report which is published under separate cover.

42 Losses and special payments

The total number of losses cases in 2013-14 and their total value were as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	1,100	1
Special payments	43,722	19
Total losses and special payments	44,822	20

The total number of losses cases in 2012-13 and their total value were as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	6,638	1
Special payments	28,701	26
Total losses and special payments	35,339	27

North Staffordshire Combined Healthcare NHS Trust - Annual Accounts 2013-14

43. Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

43.1 Breakeven performance

	2005-06 £000s	2006-07 £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	2012-13 £000s	2013-14 £000s
Turnover	91,076	90,092	87,021	90,910	90,599	86,321	83,063	79,487	87,471
Retained surplus/(deficit) for the year	505	80	214	256	(3,833)	312	(7,776)	434	(373)
Adjustment for:									
Timing/non-cash impacting distortions:									
Pre FDL(97)24 Agreements	0	0	0	0	0	0	0	0	0
2006/07 PPA (relating to 1997/98 to 2005/06)	0								
2007/08 PPA (relating to 1997/98 to 2006/07)	0	0							
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	0						
Adjustments for Impairments				0	3,765	(184)	8,041	729	(48)
Adjustments for impact of policy change re donated/government grants assets							0	0	0
Consolidated Budgetary Guidance - Adjustment for Dual Accounting under IFRIC12*					517	570	626	508	452
Adsorption Accounting Adjustment								0	0
Other agreed adjustments	0	0	0	0	0	0	0	0	0
Break-even in-year position	505	80	214	256	449	698	891	1,671	31
Break-even cumulative position	750	830	1,044	1,300	1,749	2,447	3,338	5,009	5,040

* Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

	2005-06 %	2006-07 %	2007-08 %	2008-09 %	2009-10 %	2010-11 %	2011-12 %	2012-13 %	2013-14 %
Materiality test (i.e. is it equal to or less than 0.5%):	0.55	0.09	0.25	0.28	0.50	0.81	1.07	2.10	0.04
Break-even in-year position as a percentage of turnover	0.82	0.92	1.20	1.43	1.93	2.83	4.02	6.30	5.76

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have **not** been restated to IFRS and remain on a UK GAAP basis.

2013-14 Accounts of North Staffordshire Combined Healthcare NHS Trust

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of the NHS Trust Development Authority 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 the NHS Trust Development Authority. 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; and
- 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.

Signed  Caroline Donovan - Acting Chief Executive

Date 5th June 2014



NHS
HARLANDS
HOSPITAL

Appendix 1 – Glossary

Annual Governance Statement (AGS) - An accountability document for public bodies to provide assurance that they are appropriately managing and controlling the resources for which they are responsible.

Care Quality Commission (CQC) - The Care Quality Commission is the health and social care regulator for England looking at health and social care with the aim of ensuring better care for everyone in hospital, in a care home and at home.

Clinical Commissioning Group (CCG) - the organisation responsible for assessing the healthcare needs of the local area and commissioning (buying) services.

Commissioning for Quality and Innovation (CQUINS) - re goals agreed with commissioners (currently PCTs) to reward excellence by linking a proportion of providers' income (what PCTs pay us) to the achievement of local quality improvement goals.

Healthwatch (formerly LINKs) - are made up of individuals and community groups, such as faith groups and residents' associations, working together to improve health and social care services.

PLACE (formerly known as PEAT) - is an annual assessment of inpatient healthcare sites in England that have more than 10 beds. It is a benchmarking tool to ensure improvements are made in the non-clinical aspects of patient care including environment, food, privacy and dignity.

Private Finance Initiative (PFI) - a partnership project bringing private sector funding and expertise into the running of health services

Stakeholder - A person or organisation with an interest in a particular issue.

The Trust – North Staffordshire Combined Healthcare NHS Trust.

Trust Board – The Trust Board has overall responsibility for the Trust's activities.

The Trust is committed to providing communication support for service users and carers whose first language is not English. This includes British Sign language (BSL).

This document can be made available in different languages and formats, including Easy Read, on request.

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REPORT TO: OPEN TRUST BOARD

Date of Meeting:	31 July 2014
Title of Report:	KPMG Annual Audit Letter 2013/14
Presented by:	Chris Calkin Interim Director of Finance
Author of Report: Name: Date: Email:	KPMG Report for North Staffordshire Combined Healthcare NHS Trust
Purpose / Intent of Report:	<ul style="list-style-type: none"> • For Information
Executive Summary:	<p>The Annual Audit Letter 2013/134 summarises the key issues arising from KPMG (external auditors) 2013/14 audit at the Trust. This report will be published on the Trust's website.</p> <p>The audit concluded that the Trust has in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.</p>
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> • Governance Strategy • Workforce Strategy • Financial Strategy
Relationship with Annual Objectives:	To deliver the planned financial position and drive efficiencies
Risk / Legal Implications:	
Resource Implications:	
Equality and Diversity Implications:	
Relationship with Assurance Framework [Risk, Control and Assurance]	<p>Provides assurance that the Trust has complied with its regularity requirements in that in all material respects the expenditure and income have been applied to the purposes intended by Parliament.</p> <p>Provides assurance that the Trust has complied with the DoH's requirements in the preparation of the Trust's Annual Governance Statement (AGS), and compliance with the Quality Account regulations.</p>
Recommendations:	For the Trust Board to receive this Annual Audit Letter 2013/14 for information purposes.



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ST4 8HH

Our ref NSC Trust AAL/201314

18 July 2014

To the Directors of North Staffordshire Combined Healthcare NHS Trust

Annual Audit Letter 2013/14

We are pleased to submit our annual audit letter which summarises our 2013/14 audit for North Staffordshire Combined Healthcare NHS Trust ("the Trust"). It summarises the key issues arising from our 2013/14 audit at the Trust. Although this letter is addressed to the Directors of the Trust it is also intended to communicate the issues arising from the audit of the Trust to external stakeholders, such as members of the public. It is the responsibility of the Trust to publish this letter on the Trust's website at www.combined.nhs.uk.

Scope of our audit

The statutory responsibilities and powers of appointed auditors are set out in the Audit Commission Act 1998. Our main responsibility is to carry out an audit that meets the requirements of the Audit Commission's Code of Audit Practice ("the Code"). On the 3 June we presented our ISA 260 report to those charged with governance to the Audit Committee which summarised our conclusions from the 2013/14 audit and outlined our auditor responsibilities under statute and the Code. Following the presentation of our ISA 260 report to the Audit Committee we have:

- issued an unqualified opinion on the Trust's 2013/14 financial statements on 6 June meeting the Department of Health's deadline of 9 June;
- concluded that there were no matters arising from our use of resources work that we need to report for the year ended 31 March 2014;
- issued an unqualified Group Audit Assurance Certificate to the National Audit Office regarding the Whole of Government accounts submission with no exceptions.

Quality Accounts

At the Audit Committee on 3 June we highlighted the findings of our mandated work in regard to the Trust's Quality Accounts. The main conclusions can be summarised as:

- The Trust achieved a limited assurance opinion on compliance with the Quality Accounts Regulations.
- The Trust achieved a limited assurance opinion on consistency with other specified information.
- The Trust achieved a limited assurance opinion on the indicators in the quality account.

Public Interest Reporting

We have a responsibility to consider whether there is a need to issue a public interest report or whether there are any issues which require referral to the Secretary of State. There were no matters in the public interest that we needed to report or refer to the Secretary of State in 2013/14.

Key findings

The Trust has generally sound processes in place for the production of the accounts and in relation to use of resources. We raised one low priority recommendations relating to the application of fixed asset indexation. This is detailed within our ISA260 report to those charged with governance.

Fees

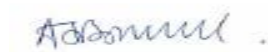
Our fee for the 2013/14 external audit was £68,824 excluding VAT. This included £10,000 for our review of the Trust's Quality Accounts. This was in line with the fee agreed at the start of the year with the Trust's Audit Committee.

Our fee for non audit services for 2013/14 was £16,500 excluding VAT. This related to a review of the Trust's quality governance systems and processes.

Closing remarks

I have discussed and agreed this letter with the Director of Finance of the Trust and confirmed that all Directors of the Trust have received a copy. I would like to thank the finance team, the Directors and the Audit Committee for their support and co-operation throughout the 2013/14 audit.

Yours sincerely



Andrew Bostock
Partner

REPORT TO: **Trust Board**

Date of Meeting:	31 July 2014
Title of Report:	People and Culture Development Committee Report
Presented by:	Mr Peter O'Hagan Chair of the People and Culture Development Committee
Author of Report: Name: Date: Email:	Sandra Storey, Trust Secretary / Head of Corporate & Legal Affairs 21 July 2014 Sandraj.storey@northstaffs.nhs.uk
Purpose / Intent of Report:	<ul style="list-style-type: none"> For information / assurance
Executive Summary:	<p>This report provides a summary of the meetings of the People and Culture Development Committee that took place on the 16 June and 21 July 2014.</p> <p>The report highlights key points discussed and agreed outcomes.</p>
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> Workforce Strategy Governance Strategy Customer Focus Clinical
Relationship with Annual Objectives:	Cuts across all objectives
Risk / Legal Implications:	N/A
Resource Implications:	N/A
Equality and Diversity Implications:	None in this report
Relationship with Assurance Framework [Risk, Control and Assurance]	Provides assurance to the Board that the committee is working in according with its Terms of Reference
Recommendations:	<ul style="list-style-type: none"> To receive for information and assurance purposes. To ratify policies highlighted in the report

High level summary of the People and Culture Development Committee meetings held on the 16 June and 21 July 2014 to raise at the Trust Board meeting on 31 July 2014

16 June 2014

Development meeting:

1. Workforce Service Line Performance – April 2014

The committee received presentations from each of the service line leads on their performance against key workforce indicators.

At the last meeting of the committee a new way of presenting service line performance information was introduced to allow for further scrutiny and identification of any emerging themes or trends. Members welcomed again the high level statistical and visual display of data (statistical process control) which helped members to identify more easily any variances across each of the service lines. It was noted again that these reports are evolving and would be developed further to include, for example, mapping to incidents in order to anticipate trends more easily.

The Chair commented that the revised metric reports had recently been presented to the Trust Board and that the revised reporting arrangements were welcomed.

Members discussed in detail areas such as sickness absence across the service lines which had decreased significantly in comparison to previous reports. Statutory and mandatory compliance was noted as reasonable at 88% but still below target. Members agreed to report this back to their various teams and reinforce the need to improve performance in this area.

2. Staff Wellbeing

The main focus of the People and Development Committee meeting was to have time out to allow for a development session around staff wellbeing.

Committee members received a presentation on staff wellbeing which focused on the importance of the wellbeing of staff and what processes and procedures are in place at the Trust in support of this.

The latter part of the meeting focused on what the Trust priorities should be and how best this should be taken forward.

Particular emphasis was given to the role of the staff support and counselling service and while this service is well established is there more than can be done to ensure all staff are aware of the range of support that is available as well as attending the staff counselling training sessions that are available.

All agreed that there was a need for individual managers to take an individual and personal approach to the needs of the staff within their teams, as managers would be closer to the more specific needs and local complexities. In addition with the various workstreams and initiatives such as Aston Team Leaders, Health Care Support Workers development

programme, Listening into Action, these were opportunities to reinforce the need to ensure staff wellbeing is high on the agenda. In addition, Mrs Summerfield would provide a presentation to the committee at its next development session in October and this would specifically focus on the manager's response to stress, interpretation of Trust policy and the Risk Assessment tool, psychological contract and individual roles and responsibilities.

The meeting concluded with an agreement to formulate a plan to take forward the Trust's wellbeing strategy with oversight by the People and Culture Development Committee.

21 July 2014 meeting:

1. GMC Survey Results/ Student Placement Feedback

The Trust provides placements for a range of students who are studying on a variety of professional programmes inclusive of Nursing, Occupational Therapy, Physiotherapy, Clinical Psychology and Medicine.

Feedback on student placements is routinely gathered by universities and/or Trusts at the end of the placement and collated into reports.

In the majority of placements, trainees provided positive feedback on our training opportunities – recruitment into psychiatry posts following training was high for those who trained at the Trust.

For foundation doctors, 14 out of 15 of the metrics scored 5/5 with the remaining metric scored at 4/5. This is very positive feedback on the placements offered by the Trust.

The committee commended the report and will look to pick up some future work on education and training via the Strategic education and learning group

2. Workforce Service Line Performance – May 2014

The committee received presentations from each of the service line leads on their performance against key workforce indicators. In the main, discussion focused on sickness, mandatory training and DBS compliance.

It was noted that percentage figures can indicate a rise in sickness; however, due to the low number of employees in some service lines, the actual staffing numbers could be as low as one or two. It was agreed to look at how situations are managed where numbers have increased at Service Line Management Group meetings; to discuss trends and focus on issues in relevant area.

It was noted that there has been a proactive approach to personal review compliance across all service lines.

The Local Area Action Team is introducing a new monitoring initiative to reduce alcohol usage across the area. It was suggested that further support could be given to staff who may experience alcohol issues. A potential initiative to raise awareness of alcohol support was discussed in line with Every Contact Counts.

It was agreed that the committee would focus on this further at a future development session for the committee.

3. Policy Review

The committee considered the policies that had been approved by the Joint Negotiation and Consultation Committee (JNCC) and the Trust's policy working group. Consequently they were supported by the committee for onward ratification for 3 years by the Trust Board:

- Consultant Job Planning – Policy and Procedure
- Remediation
- Maternity Policy 3.16
- Pay progression
- Preceptorship (3.33)
- Personal Development Review (PDR) (3.32)
- Solo Working Policy

4. Safe Staffing

New guidance has been issued proposing a 1:8 ratio for acute services which will be reviewed by the Safe Staffing Group.

Assurance was given to the committee that the Trust has submitted all relevant data to NHS England and is meeting full rates. The Deputy Director of Nursing is working on a project to introduce a new electronic rostering system and a business case is being worked up. This will be reported back to the committee in due course.

5. Operational Structure Restructure

This was presented by Paul Draycott in Mr Rogers' absence. The committee was updated on the operational structure proposals. A consultation with staff was launched in June and those staff directly affected have all had 1:1s with the Director of Operations.

The changes are being proposed because staff have stated that there is a need to revise the structure with fewer layers of reporting to help reduce bureaucracy. It is proposed that the structure aligns more to how services are commissioned and the structure will be centred around service / care groups.

The new post of Associate Director of Transformation will work across service lines and manage key work streams to align delivery across the organisation. It is proposed that this will be led by a clinician and lead manager.

6. Friends and Family Test

The committee were presented with an outline of the methodology and first quarter results. A comparison was shown against last year's Staff Survey showing a positive increase. There was however a low return rate and it was agreed that staff will be encouraged to respond.

7. Staff Counselling Report

This very detailed report was presented for information and assurance to the Board. There was discussion on the benefits in using the service as well as referring staff (rather than self-referral)

8. Workforce OD Risks

The committee received the workforce and OD risks noted up to the end of June 2014, and discussed the source of each risk, its risk rating and progress on action plans to mitigate those risks. There were no particular issues that arose from this review. Members of the committee will also consider any other risks that need to be added to the risk register and will bring this back to the committee as well as reporting these to the Trust's Risk Review Group.

9. Communications Highlight Report

The Committee received a comprehensive summary of the communication and projects that the communications and membership team have been involved with over the last couple of months

10. Revalidation

The committee received and reviewed the second report detailing good progress in respect to medical appraisal and revalidation. There was formal recognition of the work done by Lesley Faux in the Trust's OD team to encourage doctors to take forward the revalidation process. It was noted that the Trust has performed well in what is a complex system, and has met all standards. It was also noted that the Trust's personal review appraisal process is more formal which requires better evidence, which has contributed to the revalidation submissions.

11. Next meeting: 18 August 2014

Prepared by:

Sandra Storey, Trust Secretary / Head of Corporate and Legal Affairs
On behalf of the Committee Chair, Mr Peter O'Hagan
And Interim Executive Director of Leadership & Workforce

22 July 2014

North Staffordshire Combined Healthcare

NHS Trust

REPORT TO: Trust Board (Open)

Date of Meeting:	31st July 2014
Title of Report:	Report on Medical Appraisal and Revalidation
Presented by:	Dr Buki Adeyemo Medical Director
Author of Report: Name: Date: Email:	Lesley Faux / Georgina Evans Organisation Development & Innovation Facilitator / HR Business Partner georgina.evans@northstaffs.nhs.uk
Purpose / Intent of Report:	• For information
Executive Summary:	<p>Revalidation is the process by which all doctors will satisfy the GMC (at 5 yearly intervals) that they are fit to practice and should retain their licence. Strong medical appraisal systems (and application) are the bedrock of this process, as is a culture which fosters good professional practice. Revalidation is about making a positive statement of assurance about a doctor's fitness to practice – not merely the absence of reported concerns.</p> <p>This report is the Trust's third formal report on Medical Appraisal and Revalidation since the introduction of regulation in December 2012. This end of year review provides a summary of the activity around Medical Appraisal and revalidation over the second half of 2013.</p> <p>The Trust is fully compliant with all its medical appraisal and revalidation requirements and was recognized as 'GREEN' in the latest Organisational Readiness Self Assessment (ORSA) process by NHS England.</p> <p>This report should be read in conjunction with the Medical Appraisal and Revalidation Action Plan.</p> <p>This report and action plan was discussed at the People and Culture Development Committee on the 21 July 2014</p>
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> • Workforce Strategy • Governance Strategy <p>The Trust is required to participate with national arrangements for the medical appraisal and revalidation of all doctors since regulation in December 2012. This process is all about ensuring that all practising doctors are fit to practice and that they are engaged in processes to ensure and improve on their own performance and service quality. The vehicle to support this is through effective annual medical appraisals (covering the doctor's whole practice) supported by ongoing reflective practice.</p>
Relationship with Annual Objectives:	<p>About medical clinical governance and service quality. Links with the following 2013-14 Trust objectives:-</p> <ol style="list-style-type: none"> 1. To assess the relevant recommendations from the 'Francis

	<p>Enquiry' ensuring key areas for local action (SG1)</p> <p>2. Embed the 'back to essentials' campaign across our services. (SG1)</p> <p>3. To enhance standards of team working through the introduction of a team charter to embed best practice. (SG4)</p> <p>4. Enhance the level of engagement and empowerment at every level of our service, through involving staff more frequently in the change process (SG4)</p>
Risk / Legal Implications:	As above. It is a legal requirement for the Trust to comply with medical appraisal and revalidation requirements, and for individual doctors to be responsible for their own development to support a positive revalidation recommendation.
Resource Implications:	No specific implications – managed within existing resources
Equality and Diversity Implications:	Supports the Trust's clinical and workforce strategies
Relationship with Assurance Framework [Risk, Control and Assurance]	As above
Recommendations:	<p>The Trust Board is asked to:</p> <ol style="list-style-type: none"> 1. Note the contents of this mid-year review, and 2. Note that the People and Culture Development Committee have approved the ongoing management, governance and quality development work in relation to the Trust's medical appraisal and revalidation processes.

WORKFORCE DIRECTORATE

Report to: People & Development Committee / Trust Board
Report by: Lesley Faux, OD & Innovation Facilitator
Date: 21st May 2014
Subject: Medical Appraisal & Revalidation End of Year Review 2013-14

1. Background and Introduction

Revalidation is the process by which all doctors will satisfy the GMC (at 5 yearly intervals) that they are fit to practice and should retain their license. Strong medical appraisal systems (and application) are the bedrock of this process, as is a culture which fosters good professional practice. Revalidation is about making a positive statement of assurance about a doctor's fitness to practice – not merely the absence of reported concerns. Medical appraisal and revalidation aim to strengthen patient confidence, and support the provision of high quality medical care.

This report is the Trust's second end of year report on Medical Appraisal and Revalidation since the government's revalidation plans were signed off by the Health Secretary in December 2012.

Key minimum content of the annual report (as set out in the Trust Medical Appraisal Policy) is:-

1. Trust Medical Appraisal compliance rates for 2013-14 (see section 2)
2. Number of revalidation recommendations made to the GMC 2013-14 (s3)
3. Quality assurance outcomes for the medical appraisal process (s4)
4. Anonymous summary of complaints in relation to medical appraisal (s5)
5. Key themes emerging from the medical appraisal process (s6)
6. Recommendations for improving the process and quality (s7)

2. Trust Medical Appraisal Compliance 2013-14

Minimum requirements for medical appraisal to support revalidation are that all doctors¹ with a license to practice complete an appropriate medical appraisal in each appraisal year (1 April – 31 March), except in highly exceptional circumstances. The Trust's medical appraisal and revalidation process is summarised in a process map at **Appendix One**.

The Trust has consistently maintained high compliance rates for medical appraisal since the introduction of revalidation (compliance for each doctor defined here as a medical appraisal completed within a rolling 12 month period). At the previous report (as at end of September 2013), the Trust had 100% compliance for consultants and 89% compliance for SAS grades of

¹ NB: Doctors in training working with the Trust are excluded as they are assessed through their ARCP programme ie this report focusses on consultant and specialty and associate specialist (SAS) doctors employed by the Trust.

doctor (overall compliance = 97%). This strong position has been further improved to the year-end position, as set out on the next page and in **Chart 1**:-

Trust Medical Appraisal Compliance 2013-14:

Consultant appraisal compliance to end March 2014:	100% (28 of 28)
<u>SAS doctor appraisal compliance to end March 2014:</u>	<u>100% (11 of 11)</u>
Overall medical appraisal compliance:	100%

(Note: one SAS doctor is excluded from the above data who is in the first year in a non-training programme role and, as such, is not due for first medical appraisal until July 2014.)

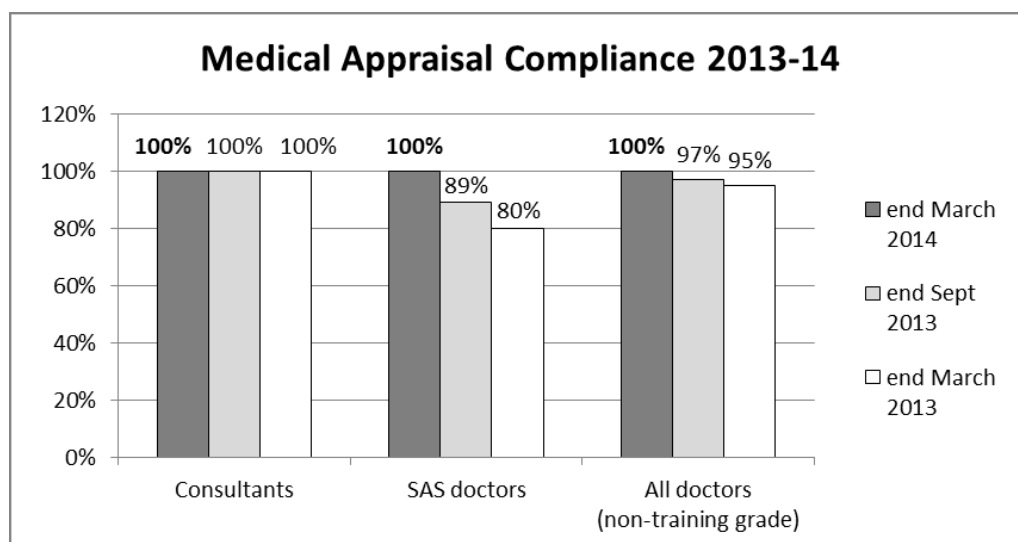


Chart 1:

3. Revalidation recommendations made to the GMC 2013-14

The Trust has a schedule of revalidation recommendations agreed with the GMC, in line with Revalidation Support Team (RST) and GMC requirements. Revalidation recommendations must be one of the following:-

- a positive recommendation that the doctor is up-to-date and fit to practice
- a request to defer the date of your recommendation
- a notification of the doctor's non-engagement in revalidation

An updated summary of the revalidation dates currently set for Trust doctors (as at 31.03.14) is provided below:-

Period	Number of Doctors	Percentage of all Trust doctors currently in post (excluding RO; revalidated 2012-13)	Number of Doctors Revalidated in period	Revalidation compliance
2013-14	11	27%	10 plus one deferral	100%
2014-15	18 (including new doctor appointed May 2014)	44%	/	n/a
2015-16	10	24%	/	n/a
2016-17	2	5%	/	n/a

As outlined above, the Trust has achieved 100% compliance with the revalidation process to end March 2014 (making 10 positive recommendations and one deferral). A further 6 recommendations are due in the first 6 months of 2014-15, and a further 12 to end March 2015.

4. Quality assurance outcomes for the medical appraisal process

The Trust has a range of quality assurance measures in place (as described in **Appendix 2**) to ensure that we deliver a safe system for medical appraisal and revalidation that supports maximum confidence with regard to patient safety and delivery of the highest levels of professional practice and professional/service improvement.

The previous 2 reports to the Board referred to the evaluation process that was undertaken in April-May 2013, consisting of (i) a survey of all medical Appraisees and (ii) a second survey of medical Appraisers only. The results, key findings and actions emerging from these surveys were outlined in the 2013-14 mid-year review report. The actions (as agreed at the appraiser development session in June 2013) were as set out below:-

- Agreement about issuing a Trust Medical Appraisal and Revalidation newsletter
- Introduce an online Revalidation Management System with appropriate technical support
- Review feedback to doctors in relation to complaints, serious incidents etc
- Identify information available to support review of prescribing practice within appraisal
- Review process for doctors with education supervisor responsibilities
- Arrange one-to-one meetings with the Responsible Officer (RO) for each medical appraiser to review and support development of the medical appraisal process

Since then, a further medical appraiser development session focusing on 'Improving the Quality of Medical Appraisals' was held in March 2014 and attended by 11 Appraisers (and one non-appraiser).

Key themes discussed in this session included:-

- Progress to date
- Update Session (new guidance – quality assurance; conflict of interest with RO; professional judgment; CPD for medical Appraisers; quality improvement; support & challenge)
- Action Planning for Quality Improvement

Detailed actions emerging from this session were as set out in **Appendix 3**.

In addition to the above, a range of individual support has been provided to individual doctors in response to queries and support requests in relation to medical appraisal and revalidation. Additional support and guidance has also been provided to individual doctors approaching their revalidation due date and to doctors new to the Trust.

5. Anonymous summary of complaints in relation to medical appraisal

No complaints have been received in relation to medical appraisal in the period 2013-14.

(The Trust is currently addressing a concern raised in relation to our local revalidation requirements raised by one doctor, as at May 2014).

6. Key themes emerging from the medical appraisal process

Key themes emerging from the survey of Appraisees and Appraisers in May 2013 were as follows:-

- Appraisees generally reported high levels of confidence in their own appraisal skills and those of their Appraisers
- Appraisees generally reported high confidence in their own medical skills
- Appraisees reported some difficulty in using the online Medical Appraisal Guide appraisal form (prior to Equiniti RMS being introduced at the Trust)

Appraisees were also given the opportunity to rate their appraisals on the equity system. Rating options were from 1-6 defined as:

- 1 Unable to Comment
- 2 Poor
- 3 Borderline
- 4 Satisfactory
- 5 Good
- 6 Very Good

Feedback from the Appraisees through this system has been very positive with the overall average of the ratings sitting between Good and Very Good at 5.7. The average total score for each appraiser ranged between 52 and 60 out of a possible 60.

Criteria	Average Score
Establishing Rapport	5.8
Demonstrating thorough preparation for your appraisal	5.7
Listening to you and giving you time to talk	5.8
Giving constructive and helpful feedback	5.9
Supporting you, Challenging you	5.8
Helping you to review your practice	4.9
Helping you to identify gaps and improve your portfolio of supporting information through revalidation	5.7
Helping you to review your progress your PDP	5.9
Helping you to produce a new PDP that reflects your development need.	5.8

Further feedback from both Appraisers and Appraisees will be gathered through a survey to be undertaken in July 2014.

7. Recommendations for improving the process and quality of medical appraisals

The Trust has established a sound process of medical appraisal and revalidation with excellent compliance rates to date and appropriate quality assurance. However, in order to meet the aim of medical appraisal of facilitating continuous improvement in medical services and patient care, there are a number of areas where development is recommended. These include:-

1. Further develop a **culture of continuous improvement** through medical appraisals through use of appropriate **support and challenge** by medical Appraisers. This should be supported and reinforced through appraisal of medical Appraisers, through one-to-one sessions with the RO, through appraiser-to-appraiser peer support and through developmental workshops.
2. Review the Trust Medical Appraisal Policy to ensure full compliance with emerging national guidance and to further support the culture of continuous improvement described above.
3. Develop the Lead Medical Appraisal role to support Appraisal and Revalidation process in the Trust

8. CONCLUSION

The People and Development Committee/ Trust Board is asked to:-

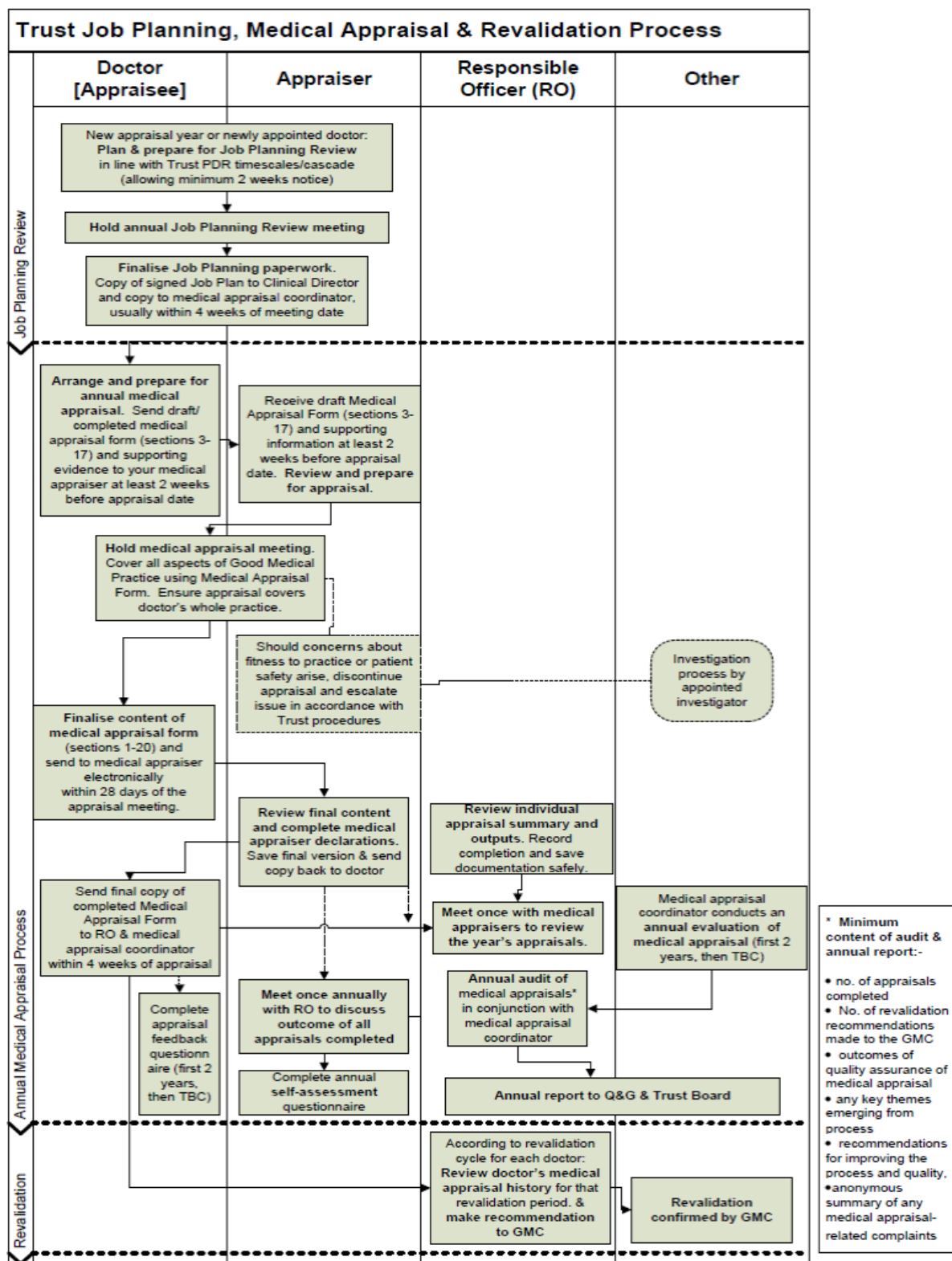
1. Note the contents of this end-of-year review, and
2. Approve the ongoing management, governance and quality development work in relation to the Trust's medical appraisal and revalidation processes, including the recommendations in section 7 above and Action Plan as set out at **Appendix 3**.

End

List of Appendices:

1. Medical Appraisal Process Map (as per Trust Medical Appraisal Policy)
2. Summary of key Trust Medical Appraisal Quality Assurance Processes
3. Actions emerging from Improving the Quality of Medical Appraisals session, 26/03/14

APPENDIX ONE: Process Map for Trust Job Planning, Medical Appraisal and Revalidation



[extract from Trust Medical Appraisal Policy 2012, p15]

APPENDIX 2: Summary of key Trust Medical Appraisal Quality Assurance Processes

1. Trust Responsible Officer (RO) in place (revalidated) with the support of a medical appraisal coordinator
2. Programme of revalidations covering all our doctors over the next 3 years (in line with GMC/RST requirements) – as outlined in Section 3 above.
3. Sufficient suitably trained medical Appraisers. The Trust has 12 doctors on its list of approved medical Appraisers, covering all Clinical Divisions – more than ample for our 40 doctors requiring medical appraisal. Measures are in place to protect against bias or potential conflict of interest
4. Sound medical appraisal system in place – as set out in the Trust's Medical Appraisal Policy – a process map is included as **Appendix 1**
5. Strong medical appraisal compliance rates as outlined in Section 2 above (with regular monitoring and remedial action where required)
6. Regular monitoring of medical appraisal compliance for all doctors via medical appraisal coordinator
7. An appraisal evaluation exercise (annually, for first two years)
8. Development/peer review session for Appraisers (the most recent being 26 March 2014)
9. A Revalidation Management System (Equiniti RMS) was introduced in October 2013 to improve storage and access to medical appraisal and revalidation information for individual doctors, their Appraisers and the RO and medical appraisal coordinator.
10. A development session for Appraisers and Appraisees in relation to the introduction of the Equiniti Revalidation Management System (RMS) was held in October 2013. An RMS user tutorial is available each Friday afternoon to provide technical support in using the RMS system. Support is available from 8am to 8pm, Monday to Friday via the Equiniti Helpdesk team.
11. One-to-one meetings (minimum once annually) for each of the Trust's medical Appraisers with the RO are being arranged

APPENDIX 3: MEDICAL APPRAISAL & REVALIDATION ACTION PLAN resulting from Improving the Quality of Medical Appraisals session, 26th March 2014

Present:-

Jo Barton; R Hodgson; D Okolo; DJ Watts; R Belgamwar; M Gee; M Jorsh; G El-Nimr; B Udeze; P Arshad; (+ S Shivamurthy – not medical appraiser). L Faux.

TO DO	By who	By when	Comments
1. Review adding wording on confidentiality (re occasional need to share) in Medical Appraisal Policy	Medical Appraisal Coordinator then LNC	30 th of September 2014	
2. Consider peer support methods and/or lead medical appraiser role	Responsible Officer	By September 2014	
3. Set out our Responsible Officer Conflict of Interest process in our Medical Appraisal Policy	Medical Appraisal Coordinator (amended Policy to LNC)	September 2014	
4. Repeat survey of medical Appraisees and medical Appraisers	Medical Appraisal Coordinator, support from Carol Drewery to administer the surveys	31st of July 2014	

TO DO	By who	By when	Comments
6. Analysis of results of appraisal surveys	Medical Appraisal Coordinator	In time for mid-year report, October 2014 (results from Carol Drewery)	
7. Review feedback from appraises on appraiser performance in Equiniti system. Individual feedback to Appraisers and themed anonymous feedback to all.	Medical Appraisal Coordinator	Complete	
8. Plan appraisal round 2014-15	All doctors – Medical Appraisal Coordinator to send communication to commence this	31 st of July 2014	
9. Patient activity data to be shared with individual doctors according to timescales also	Medical Appraisal Coordinator to put arrangements in place with appropriate team	Complete	
10. Share information on additional training available for Appraisers	Medical Appraisal Coordinator	Complete	

REPORT TO: Trust Board

Date of Meeting:	Thursday 31 July 2014
Title of Report:	Renaming of the Trust Headquarters
Presented by:	Ken Jarrold Chairman
Author of Report: Name: Date: Email:	Annie Roberts Annie Roberts 23 July 2014 annie.roberts@northstaffs.nhs.uk
Purpose / Intent of Report:	For agreement
Executive Summary:	<p>I am proposing to rename our Trust Headquarters in honour of a lady who dedicated 48 years to NHS service.</p> <p>Miss Lawton started work at what was then Cheddleton County Asylum in 1915 assisting with medical case records at a time when there was a large influx of patients from other mental hospitals evacuated for military purposes. She served as St Edwards' secretary and deputy clerk before being appointed clerk in 1931, the only woman at the time to hold such an office in the country.</p> <p>I would like to propose renaming our Trust HQ as 'Lawton House'.</p>
Which Strategy Priority does this relate to: How does this impact on patients or the public?	<ul style="list-style-type: none"> • Governance Strategy • Customer Focus Strategy <p>No adverse impact anticipated.</p>
Relationship with Annual Objectives:	n/a
Risk / Legal Implications:	None identified as a result of this report
Resource Implications:	Minor resource implication identified – capital budget available.
Equality and Diversity Implications:	None identified as a result of this report
Relationship with Assurance Framework [Risk, Control and Assurance]	n/a
Recommendations:	<p>The Trust Board is asked to receive this report to:</p> <ul style="list-style-type: none"> • Agree the proposed renaming of Trust HQ to Lawton House.

North Staffordshire Combined Healthcare NHS Trust

REPORT TO: Trust Board

July 2014

1. Introduction

You may be aware from media reporting that we have plans to rename our Trust Headquarters in honour of a lady who dedicated 48 years to NHS service.

Miss Lawton started work at what was then Cheddleton County Asylum in 1915 assisting with medical case records at a time when there was a large influx of patients from other mental hospitals evacuated for military purposes. She served as St Edwards' secretary and deputy clerk before being appointed clerk in 1931, the only woman at the time to hold such an office in the country. When the NHS was established on 5th July 1948, Miss Lawton was appointed as Group Secretary [Chief Administrator] of the newly created Hospital Management Committee; one of very few women to be appointed to this role.

The media release at [Appendix 1](#) explains more.

The Sentinel has supported our search for information about Miss Lawton, and an appeal appeared on 23 and May 27, 2014. As a result, we have been contacted by a number of people who know Miss Lawton, including her nephew, John, who cared for her before she passed away in the 1980s. John has shared with us photos and information relating to his aunt, including the MBE she received in recognition of her running the most cost efficient mental hospital in the country at that time. The articles are below:

<http://www.stokesentinel.co.uk/Plea-information-inspirational-lady-worked-asylum/story-21131630-detail/story.html>

<http://www.stokesentinel.co.uk/David-Blackhurst-Combined-Healthcare-honour-Edith/story-21147612-detail/story.html>

2. Progress

An action plan has been developed to identify the key steps needed to be taken to take forward this proposal. This can be found at [Appendix 2](#)

3. Priorities

The landlord has agreed to the renaming of the building and the costs associated with change of signage are £320 + VAT.

It is anticipated that Karen Bradley MP, in whose constituency Miss Lawton worked and lived most of her time in retirement, would conduct the unveiling of a plaque, commemorating the renaming of the building in honour of Miss Lawton.

Relatives and former colleagues of Miss Lawton would also be invited to the ceremony.

4. Recommendations

The Board is asked to note the contents of this report and agree to support the proposed renaming of Trust HQ to Lawton House.

APPENDIX 1

NEWS FROM NSCHT

Thursday 15 May 2014

TRUST LAUNCHES COMMUNITY APPEAL FOR INFORMATION ON INSPIRATIONAL MENTAL HEALTH SERVICE FIGURE

An appeal has been launched by North Staffordshire Combined Healthcare NHS Trust to find out more about one of St Edwards Hospital's most inspirational figures.

The Trust is hoping the community can help in its pursuit of more detailed information about Edith Lawton, who served at the former St Edwards site in Cheddleton for almost 50 years before she retired in 1964 and later died in 1982.

NSCHT has launched the appeal as it is exploring the possibility of renaming its headquarters in Bellringer Road, Trentham in honour of Miss Lawton.

Miss Lawton started work at what was then Cheddleton County Asylum in 1915 assisting with medical case records at a time when there was a large influx of patients from other mental hospitals evacuated for military purposes.

She served as St Edwards' secretary and deputy clerk before being appointed clerk in 1931, the only woman at the time to hold such an office in the country.

Miss Lawton was later appointed group secretary and finance officer and in 1955 was awarded an MBE in recognition of her running the most cost efficient mental hospital in the country at that time.

Ken Jarrold, NSCHT Chairman, said: "Edith Lawton was a truly inspirational figure who exemplified the sort of dedication to service the NHS was built on. She did so much to support mental health patients locally. Very few honours were awarded to NHS managers back then, which just underlines the impact she made in the mental health service."

Launching the appeal, Mr Jarrold added: "What better way to honour Edith Lawton's achievements than to rename our Trust headquarters after her? However, before we are able to do that we need your help. Do you know anything more about Miss Lawton? Perhaps a member of your family knew her? Any and all information would help build a better picture of this remarkable woman."

If you are able to provide more information about Edith Lawton, please email the Trust at communications@combined.nhs.uk or call 0800 032 8728 or 0300 123 1535.

Alternatively, you can write to the Trust at Communications, North Staffordshire Combined Healthcare NHS Trust, Bellringer Road, Trentham ST4 8HH.

[ends]

APPENDIX 2

Action	Notes	Lead	Comms	Deadline
Discuss signage options with Estates		Ian Ball	MF	04/07/2014
Contact Karen Bradley's office <ul style="list-style-type: none"> confirm Ken's invitation to her to be our guest at the naming ceremony negotiate a date ask if she is happy to make a speech draft a briefing note for her speech 	Probably a Friday unless Karen is up during recess. Date to be convenient for KB, KJ DW and JL	AR	AR	12/07/2014
Get the landlord's permission to name the building		Ian Ball	MF	22/07/2014
Arrange funding		Chris Calkin/Steve Blaise	AR	22/07/2014
Order signage		Ian Ball	MF	1/08/2014
Estates to organise a plaque	Edith Lawton MBE St. Edward's, Cheddleton 1915 - 1964 A life of service	Ian Ball	MF	1/08/2014
Identify a suitable place for the plaque	Entrance/ reception.	Ian Ball	MF	15/08/2014
Arrange display of photos, the books etc		MF/CR	MF/CR	15/08/2014
Organise the ceremony in the Board Room	Plenary invite list plus all HQ staff	MF/JS	HC/MF	15/08/2014
Pull together an Order of Events	Ken to introduce the guests <ul style="list-style-type: none"> Karen Bradley Mr Woolmer Mr Lawton our longest serving member of staff Karen Bradley (to make a short speech) Karen to unveil the plaque	MF/Ken	HC/MF	15/08/2014
Arrange light refreshments for everyone	Tea, coffee, soft drinks	Justine Scotcher	MF	15/08/2014
Organise the press coverage.	Contact Dave Blackhurst directly to invite to attend	MF	MF	15/08/2014
Hold Event	Potential dates: <ul style="list-style-type: none"> Thursday 28 August Friday 29 August Thursday 4 September Friday 5 September 	ALL	MF/AR	05/09/2014