

**ANNUAL REPORT
AND ACCOUNTS
2005/2006**

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of the Health and Social Care (Community Health and Standards)
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1. CHAIRMAN'S STATEMENT

Welcome to Stockport NHS Foundation Trust's Annual Report. This publication outlines some of our activities and progress made during 2005/06.

I am pleased to report another good year for the Trust. In respect of the waiting times for inpatients and outpatients as well as dealing with patients who come to our Accident and Emergency department we successfully met all our targets.

This was a direct result of the dedication and commitment of all our staff to delivering the very highest standards of care for the people of Stockport and the High Peak.

The year was also challenging financially and required effective collaboration between our clinicians and managers to ensure our financial stability. The objective of the Financial Plan introduced in September 2005 was to respond prudently to address the financial challenges facing us without compromising clinical care to our patients. Our ability to achieve this is a reflection of a high performance organisation and a testament to the hard work of everyone involved.

This report describes a year of achievement and improvement within a challenging wider strategic environment for the Trust.

From my office I have observed first hand the building of the Cardiology and Surgical Unit. The £25million investment for this development has been achieved as a direct result of our move to NHS Foundation Trust status. The Cardiology and Surgical Unit had long been a strategic objective of the Trust but its realisation only became possible by the freedoms afforded to us by NHS Foundation Trust status. The new unit is a combination of new services and the replacement of old facilities.

The opening of our new facility is very timely as the introduction of Patient Choice will mean that it is important that we are able to attract patients by providing high quality services in modern facilities.

Similarly the publication, in January 2006 of the Government's White Paper "Our Health, Our Care, Our Say" clearly indicates the Government's direction for the future of community services. This presents the Trust with an increasing array of new challenges in the form of wider plurality of providers coming from the independent sector. Furthermore the introduction both nationally and locally of Integrated Clinical Assessment Treatment Services will clearly have implications for acute hospital organisations such as ours. I am confident that we can rise to these challenges and adapt our services and the way that we work to ensure that we remain the hospital of choice for the people of Stockport and the High Peak.

Our second year as an NHS Foundation Trust has seen us continue our membership development and communication. The Board of Governors has further refined its Committee structure and its way of working. We have focused during the year particularly on Corporate Citizenship, Public and Patient Involvement and the development of our diverse community such as young people, people with disabilities and people from minority ethnic communities from Stockport and the High Peak.

We are committed to improving the quality of the services we provide and have used the Dignity and Respect initiative to reinforce this. We have continued to develop and enhance patient care through face to face patient contact, improving our correspondence with patients and ensuring the patient environment is appropriate to their healthcare needs.

Finally, I would like to convey my thanks to all my colleagues on the Board of Directors and Board of Governors for their valuable contribution to the development of the Trust during 2005/06. I have appreciated their support and advice.

The NHS landscape is rapidly changing and as a Foundation hospital it is our desire and belief that we will continue to be a high performance public benefit organisation working within a commercial environment but always placing public service values at the heart of everything we do. The report describes a year of achievement and progress in the face of unremitting pressure, ever increasing demands and rising public expectations. I commend it to you and look forward to continuing to meet the challenges of modernising the NHS locally with our partners in health and social care for the people of Stockport and the High Peak.

Robina Shah
Chairman

2. CHIEF EXECUTIVE'S SUMMARY OF THE YEAR

Welcome to the Annual Report of Stockport NHS Foundation Trust.

The purpose of my statement is to report, on behalf of the Board of Directors, in respect of the performance of the Trust during 2005/06. I would like to comment specifically upon the following areas:

- The record number of patients receiving care.
- The improved patient experience.
- Financial responsibilities and developments.
- The development of Foundation Trust status.
- Our investment in our staff.

2.1 Patients Receiving Care

During 2005/06 we treated a record number of patients with an overall increase in the order of 5% over the number of patients treated in the previous year.

- Accident and Emergency: 83,061
- Outpatients New: 72,799
- Outpatients Follow Up: 177,223
- Elective Inpatients / Day Case: 28,898
- Emergency admissions: 39,539

2.2 Improved Patient Experience

We have improved the experience for our patients in a number of areas.

National Standards

We have continued to meet the more challenging national standards for waiting times across the range of services that we provide.

Despite the 5% increase in patients attending Accident and Emergency we have continued to meet the standard that 98% of all patients are seen, treated, admitted or discharged within 4 hours.

Most notable has been the reduction of maximum waiting times for planned surgery by three months to now guarantee for patients, surgery within a six month maximum wait. In addition, we have reduced the longest waits for a first outpatient appointment to below 13 weeks from December 2005.

We also worked hard during the year to secure delivery of new national standards for commencing cancer treatment within 31 days of confirmed diagnosis and within 62 days of original referral by a GP.

In common with most hospitals we found a comprehensive guarantee of these standards difficult to secure in all circumstances. By the 4th quarter of 2005/06 we had exceeded the 31-day standard and were continuing to close in on full delivery of the 62-day standard.

Dignity and Respect

We have continued and developed our Dignity and Respect initiative which is aimed at improving the experience that our patients have at every contact. This has focused on the following areas:

- Our correspondence with patients – We have undertaken a full review of our written correspondence with patients at every stage of their contact with us.

- Improved face to face patient contact through addressing issues raised by staff and patient focus groups. This has resulted in the development of seven standards for all our staff. These are:
 - A professional image
 - Personal introductions
 - Listening and informing
 - Taking responsibility for patients and customers
 - Valuing staff and being a role model
 - Telephone standards
 - Treating patients accordingly to their needs and beliefs.

Posters explaining these seven standards of behaviour have been issued to all wards and departments and displayed on poster sites along our main corridors. An education programme has been developed for nearly 90 “service champions” who have volunteered to cascade information and training on these standards to fellow staff.

- Our environment – We have invested £4million in the hospital site and equipment including the upgrading of the Day Case Unit. In addition we have also continued with the building of our new Cardiology and Surgical Unit. The Privacy and Dignity work to improve patient experience includes improvements in estates and facilities. Ward bathroom and toilets are on a programme of refurbishment across the hospital. Public toilets have been upgraded and entrance ways improved. The Matrons and ward staff have worked closely with estates and facilities staff to identify areas of greatest benefit for patients and visitors.

2.3 Financial Responsibilities and Developments

We have continued to secure sustainable clinical and patient quality standards for the future, by maintaining our solid track record of financial delivery in the present. Whilst our financial results in 2005/06 were very satisfactory, several key challenges emerged through the year which we tackled to ensure our continuing financial viability into 2006/07 and beyond.

We completed our loan agreement with the Department of Health’s NHS Foundation Trust Financing Facility. As our Cardiology and Surgical Unit moved towards completion, we have taken up £16m of this loan facility, during 2005/06.

This will further boost our capacity from summer 2006 to fulfil our commitment to provide high quality, accessible local services which our patients will continue to make first choice.

We also continued to invest £4m annually in new equipment, building maintenance and new information technology. This included a significant redevelopment to modernise our day surgery suite.

2.4 The Development of Foundation Trust Status

We continued to develop in the second year of our new status as a Public Benefit Corporation, vested in a broad membership base of patients, staff and the community we serve.

Our membership has grown during the year to over 12,000.

During the year the Board of Governors has reviewed the way in which it works and has approved Terms of Reference including membership for its Committees. These are:

- Communications, Publicity and Membership Development Committee.
- “More than a Hospital” Committee.
- Patient and Public Involvement Committee.
- Working Methods Committee.
- Young People’s Engagement Committee.

We are continuing to discuss with Governors the most appropriate way of involving them and our members in the future development of the Foundation Trust.

During 2005/06 we have concentrated particularly in the area of Patient and Public Involvement (PPI). A letter was sent to all of our members asking them if they wished to become involved in PPI and a positive response was received from 1,800 of them. A PPI event was held on 22 September 2005 at Edgeley Park, Stockport and has resulted in 415 of our members working within the Trust in our Clinical Divisions, in Research and Development, in our Patient Advice and Liaison Service (PALS) and as Volunteers.

The Trust has also involved Members, Governors and Patient representatives in its annual Patient Environment Action Team (PEAT) self-assessment of cleanliness, tidiness and patient meal quality. This proved particularly successful and was highly commended by the participants. A number of these representatives are also regular members of the PEAT which meets quarterly to discuss cleanliness, tidiness and environment issues.

2.5 Investment of Our Staff

The dedication and commitment of our staff to delivering excellent services remains at the core of all that we have achieved and is equally fundamental to our future development. Over the last year our staff have again risen to the challenges of dealing with high levels of patient activity whilst modernising the way we work to ensure both efficient and effective patient care. During the year we introduced a balanced scorecard approach to measure the impact of Human Resource indicators and have benefited from a greater understanding at ward level, of how this impacts on our overall performance as an organisation.

There have been a number of high profile projects implemented during the year, the most significant being Agenda for Change as the new basis for terms and conditions for the majority of staff. We have also introduced a local system for the Knowledge and Skills Framework, which uses prompt cards to ensure managers can set robust competencies in all roles to realise benefits.

Staff at all levels have been involved in a range of initiatives, such as the very successful campaign to improve patient information, the environment and attitudes and behaviours described above.

We have attracted funding for our Hospital at Night project and a wireless network system, which in turn will assist with European Working Time compliance by 2009.

I believe that it is important that as an organisation we do celebrate our successes. During 2005/06 we have continued with our internal celebrations including Employee of the Year, Team of the Year and our Celebration of Achievement evening. In addition our staff won two Hospital Doctor awards and we also won a national award for our First Impressions Initiative.

We have also throughout the year marked the Centenary of Stepping Hill Hospital through a number of celebratory events including our staff ball, photographic competition, souvenir publication and various exhibitions detailing the hospital's 100 years. We were particularly pleased to welcome Alison Verity Heap to lay the foundation stone for our Cardiology and Surgical Unit. Mrs Heap is the great granddaughter of George Neil Andrew who was the Chairman of the Board of Guardians and who laid the original foundation stone for Stepping Hill Hospital back in 1903.

I think that 2005/06 was a year of significant progress for the Trust and I commend this report to you.

Dr C. F. Burke
Chief Executive

3. OPERATING AND FINANCIAL REVIEW

3.1 Brief History of Stockport NHS Foundation Trust

We were established as an NHS Foundation Trust on 1 April 2004, pursuant to Section 6 of the Health and Social Care (Community Health and Standards) Act 2003. The Trust provides acute hospital care for children and adults predominantly across Stockport and the High Peak area of Derbyshire. The catchment population for the majority of our services is 350,000.

We employ over 3,600 staff working across four sites. Our major hospital is Stepping Hill Hospital located on the A6, south of Stockport town centre. We also provide hospital services from Cherry Tree Hospital and the Meadows within Stockport and the Corbar Maternity Unit based 18 miles away in Buxton.

We are authorised to provide the following mandatory services (more information can be found in our Terms of Authorisation):

- | | |
|---------------------------|---------------------------|
| ▪ Accident & Emergency | ▪ Neurology |
| ▪ Anaesthetics | ▪ Neurosurgery |
| ▪ Breast Surgery | ▪ Obstetrics |
| ▪ Community Medicine | ▪ Ophthalmology |
| ▪ Dermatology | ▪ Oral Surgery |
| ▪ ENT | ▪ Orthodontics |
| ▪ General Medicine | ▪ Paediatrics |
| ▪ General Surgery | ▪ Rehabilitation Medicine |
| ▪ Genito Urinary Medicine | ▪ Rheumatology |
| ▪ Gynaecology | ▪ Trauma & Orthopaedics |
| ▪ Haematology | ▪ Urology |
| ▪ Medical Oncology | |

These services are delivered through our Clinical Divisions, each of which has a Clinical Director(s) and Divisional General Manager. The Clinical Directors are supported by a number of Corporate Services.

Our Clinical Divisions are:

- Medicine
- Surgery
- Women & Children's Services
- Critical Care
- Diagnostic Services
- Clinical Support Services

Our Corporate Services are:

- Finance
- Human Resources
- IM&T
- Estates
- Facilities
- Modernisation

Overall responsibility for delivering the activities of the Trust rests with the Board of Directors, who are accountable for operational performance as well as the definition and implementation of strategy and policy. More detailed information on our Board of Directors can be found in Section 4.

As a Foundation Trust, we also have Board of Governors, who are the voice of our local community and the majority of whom are elected from our public membership. The Board of Governors:

- Represents the interests of Stockport NHS Foundation Trust members and partner organisations in the local health economy;
- Feeds back information about the Trust, its vision and its performance to the constituency they represent;
- Appoints the Non Executive Directors, including the Chair, of the Trust;
- Appoints the Trust's Auditor;
- Works with the Board of Directors to produce plans for the future development of the Trust;
- Receives, at a public meeting, copies of the Trust's annual accounts, auditor's reports and annual report.

More detailed information on our Board of Governors and membership can be found in Section 5 and 6.

3.2 Our Aims and Objectives

Our aim is to become the First Choice Hospital for the people of Stockport and the High Peak.

We will achieve this through our:

- Membership Development Strategy which defines how we engage with local people
- Service Development Strategy which sets out how we will develop our Hospital and services, whilst still improving the working lives of our staff.

And by:

- Working with our Governors to:
 - be accountable to local people for the services we provide and the way they develop.
- Working with our staff to:
 - Improve the "Dignity & Respect" we observe and demonstrate to our patients.
 - Evaluate and prioritise the use of new technologies and drugs.
 - Deliver NHS standards - including working towards an 18 week maximum patient journey from referral to treatment by 2008.
 - Utilise information technology to support clinical care and how we manage resources
 - Ensure that our working practices are modern, safe, efficient and cost effective.
- Working with partner organisations to:
 - Improve the services we offer to local people.
 - Participate in networks of care with neighbouring health and social care providers.
 - Improve the integration of our services with those in primary care.
 - Commission our new £25m Cardiology and Surgical Unit.
- Our Board of Directors:
 - ensures that we provide effective, responsive and safe clinical services, through robust clinical governance and risk management systems.
 - ensures that we deliver NHS standards by regularly monitoring progress against a broad range of indicators.
 - reviews progress across the full range of our objectives.
 - ensures that financial viability is overseen including the review of cash flow, working capital and income & expenditure performance
 - has in place a robust strategy to support ongoing further investments in technology, facilities, staff and the environment.

3.3 Review of Performance in 2005/06

NHS STANDARDS

The commitment and dedication of our staff ensured that we continued to meet the NHS standards, including:

- over 98% of all patients attending our Accident & Emergency department were seen, treated and discharged (or admitted for further treatment if required) within 4 hours;
- no patients waited more than 13 weeks from referral by a GP to being seen in our outpatient clinics;
- no patients waited more than 6 months for an operation;
- all GP referrals with suspected cancer were seen within two weeks;

- the highest standards of cleanliness and hospital environment were maintained.

FINANCIAL PERFORMANCE

The following table provides a high-level comparison between the original plan and actual performance for the 2005/06 financial year.

		2005/06	2005/06
		<u>Plan</u>	<u>Actual</u>
		£m	£m
Income:	Clinical NHS	151.1	147.7
	Other	<u>17.3</u>	<u>17.9</u>
Total		168.4	165.6
Expenses:	Pay	(116.2)	(108.8)
	Non-Pay	<u>(43.1)</u>	<u>(44.0)</u>
EBITDA		9.1	12.8
	Depreciation	(5.6)	(5.5)
	PDC dividend	(4.1)	(4.1)
	Interest receivable	0.2	0.8
	Interest payable	<u>(0.6)</u>	<u>(0.5)</u>
	Net surplus/(deficit)	<u>(1.0)</u>	<u>3.5</u>

Non-elective clinical income fell by £1.8m compared to a plan based on 2004/05 outturn, although £1.2m of this fall was attributable to a lower-than-expected level of chargeable excess bed days. Plans going forward assume overall stability in emergency demand/non-elective income at 2006/07 tariff levels.

Elective income also fell in-year, though over half of a £1.7m shortfall against plan was comprised of a lower level of growth (than planned) in Orthopaedic activity, to secure delivery of the 6-month maximum wait for surgery from December. The remainder represented a real-terms £0.8m fall in elective activity primarily arising from a decline in throughput in Ophthalmology and changing patterns of service delivery in Rheumatology. Clinical trends in Rheumatology are reflected in our plans going forward, whereas we aim to reverse the decline in Ophthalmology activity and income.

Significant cost savings arose from tracking both the reduced non-elective demand, and from avoiding the (above-tariff) costs of the extra planned growth in Orthopaedic activity. In addition, the forecast increases in pay costs were controlled and offset by rigorous budgetary management of pay costs through the later three quarters of the year, after a poor start and in the context of the emerging income shortfalls. Alongside these measures, the first phase of our programme for improved bed utilisation delivered savings of £1m against planned costs.

Added to these factors, the assessment of upcoming financial challenges for 2006/07 onwards, led to the implementation of a cost reduction programme from September 2005 which was targeted at reducing management and administration costs by £2m in a full year, by the end of 2006.

All of these factors taken together, contributed equally to reducing the forecast increase in pay costs from the original 2005/06 Plan, to a more sustainable level going forward into 2006/07 and beyond. This scale of progress in managing these pay costs in 2005/06, is a major factor in developing a balanced financial plan for the next three-year period.

3.4 Key factors bearing on our future activities

This section highlights significant developments in our future service strategy, the unfolding national trends and local context which underpins our plans going forward.

3.4.1 The NHS White Paper – ‘Our Health, Our Care, Our Say’ - sets the policy context for future primary care services by describing government plans for healthcare outside hospitals, including transfer of activity from secondary care to the primary sector. The white paper has four main goals:

- o Better prevention services with earlier intervention

- o Tackling inequalities and improving access to general practice and community services, including care provision closer to home
- o Improving support for people with long-term conditions
- o Increased influence for local people in planning and providing local services

In summary, this white paper is focused on care outside hospitals and its avowed purpose is to shift the balance of services from secondary to primary care. There are risks and opportunities involved in working, with primary care colleagues, to make the most of the possibilities presented by the white paper to provide new and improved services for patients. In moving services from existing hospital settings to re-provide closer to home, commissioners will welcome bids from alternative providers for what was once, securely, Trust activity.

3.4.2 Integrated Clinical Assessment and Treatment Services (ICATS) - are an additional tier of screening, which will sit in between primary care and the hospital. In a given range of specialities, patients will first be assessed by ICATS - to determine whether they need to be referred to a hospital for treatment, or whether they can be treated elsewhere. How ICATS will work is still unclear, for instance:

- o the scale of the impact
- o whether patients will have a choice of not going through the ICATS and still come direct to hospital,
- o how the ICATS will support the 2008 18-week referral-to-treatment guarantee
- o their geographic location.

However, ICATS will see the transfer of a range of out-patient services out of hospital and into other facilities within the community. This is likely to include elements of the supporting diagnostic services. This will affect our income and infrastructure.

Greater Manchester SHA is currently procuring a range of independent ICATS services through a national tendering process. This will effectively create independent sector providers in Stockport replacing elements of care provided by the Trust. The IS ICATS will be tendered during 2006 with a view to commencing operation in the autumn of 2007. The SHA are also allowing PCTs to create their own local ICATS. Stockport Primary Care Trust is planning to develop local ICATS covering Urology, ENT, General Surgery, Gynaecology and Orthopaedics. The first of these are planned to commence during 2006 and premises have already been commissioned.

Clinical Networks continue to develop at a pace with neighbouring Trusts. This work is often undertaken as part of a wider service reconfiguration such as that for children, young people, babies and parents, and the network for cancer services. At other times network development is the result of individual Trusts reviewing their service configurations and strengthening specialties.

3.4.3 Children, Young People, Babies and Parents - The formal consultation document "Making it Better, Making it Real" has now been published. The consultation period ended on 12 May 2006 after which a decision will be made by the specially established Joint PCT Board comprising PCTs from Greater Manchester, High Peak, East Cheshire and Rossendale.

The document invites comments on the four options for change and a no change option. In all options inpatient paediatrics and obstetrics remain in Stockport, on at least their current scale.

3.4.4 Cancer - The Cancer Network Board's review of Cancer services will have significant impact on Urology and Upper GI Cancer work, with service change likely also in Gynaecology, Breast and minor tumour work.

3.4.5 Cardiology - The Trust continues to be an active member of the Greater Manchester, South Sector Cardiac Board. The Stockport Cardiac Catheter Laboratory is on schedule as a facility for the South East Sector (Tameside, Stockport and East Cheshire) to provide angiograms from August 2006. This should significantly improve access for patients to this diagnostic service.

3.4.6 Choice at the point of GP referral to hospital - was implemented from 1st January 2006. GPs are now encouraged to offer a choice of 4 or 5 providers whenever they need to refer a patient to hospital. Later this year, the Trust will implement a version of Choose and Book, which allows GPs to connect

straight through – electronically - to our appointments. Patients who wish to book whilst at their GP's surgery will then be able to do so.

3.4.7 Our Information Management and Technology programme for 2006/07 - continues to support our service modernisation aims. Increasingly, IT is now providing front line clinical staff with real time direct support to patient care. Systems recently implemented include:

- Radiology: (Appointment management, digital dictation and voice recognition).
- Theatres: (implement latest release and develop reporting capabilities)
- Patient Administration: (roll out of Orders & Results to wards and depts)

New and proposed developments for 06/07 include:

- Preparation for the Picture Archiving Communications (PACS) system that would allow X-Rays to be viewed from any location
- HSDU system (Instrument and Tray tracking)
- Imaging Storage & Retrieval system for Medical Records and A&E.
- Cardiology system
- Infection Surveillance system
- Continued programme to maintain and upgrade the core supporting IT infrastructure e.g Networking (inc Wireless), Computer Rooms and PCs
- Endoscopy system.

All of the above developments are underpinned with a strong commitment to staff training and support.

3.4.8 Human Resource Issues

We face continuing challenges on a range of Human Resource issues.

Following the full implementation of Agenda for Change assimilation, the work will begin on realising the benefits of having a simple and clearly defined pay and conditions framework. It is hoped this will enable extended roles throughout the Trust and working in partnership with staff will allow for new roles and responsibilities to be taken up by a wide variety of staff. In order to consolidate the development all staff will have a knowledge and skills framework document (KSF) which will set out the competencies required for their job and clearly outline how they will be able to develop in their role.

As a result of the European Working Time Directive, no member of staff should be working more than an average of 48 hours per week by the summer of 2009. This will prove to be a significant challenge for out of hours working for doctors employed at the Trust. Arrangements are already in place for cross covering but it is anticipated that further changes will be made as a consequence of some of the Greater Manchester reconfigurations which will affect Maternity and Children's services. Work will continue within the Trust to support out of hours working with other nurse practitioners and support staff.

The Trust was chosen as a pilot for Hospital at Night arrangements during 2005 and has implemented plans to ensure structured handovers in the early morning and evening for both the surgical and medical teams. The Trust was asked to present these findings at regional conference in December 2005 and has been complimented on the success with this pilot. The next step will be to introduce a wireless network project which will enable doctors and senior nurses to use technology out of hours to support patient care.

The arrangements for junior doctor training have altered significantly in the last two years and the Trust is at the forefront of the Modernising Medical Careers (MMC) national programme for new competencies and structured training. It is estimated that the initiative will provide a greater number of senior medical staff in the next 5 – 7 years which will in turn support greater medical involvement for all services. At present the MMC arrangements require significant additional input from consultants in order to appraise, support and assess junior doctors. Significant work has been undertaken, both by the Postgraduate Tutor and the Director of Programmes for Modernising Medical Careers, to ensure a successful transition.

Stockport will be part of wave 7 of a national Electronic Staff Record (ESR) programme to implement a common staff record for all staff employed within the NHS. This project which has both benefits and risks should enable a streamlining of staff information and reduce the number of separate databases with information and records. It is hoped to undertake the initial planning work during 2006 with the full implementation date being April 2007.

3.4.9 Environmental and Estate Issues

The high quality clinical services delivered by our Trust are often provided in buildings in need of modernisation. Past under investment at Stepping Hill Hospital means there are many opportunities to improve patient experience by modernising our estate.

Our new £25million Cardiology and Surgical Unit will open in the summer of 2006 and marks the beginning of a programme of sustained investment in our estate. In addition, parallel investment programmes in updating diagnostic technology, equipment and information technology are taking place.

3.4.10 Risk Management Issues

We have a comprehensive framework in place for identifying and managing risks. These relate to both the day to day delivery of safe and effective clinical care to patients and the Trust's key objectives and the processes that deliver them.

These risks are individually assessed and treatment plans developed, with the aim of either managing or mitigating the risk(s) identified.

3.5 Patient and Public Involvement (PPI)

This year has seen a huge improvement in the ways that the Trust has involved the public in developing and enhancing services.

These activities have included working with the Young Persons Engagement Governors Committee. We have jointly achieved improvements in facilities for adolescents, sponsored youth council members to attend national conferences as well as developing standards for privacy and dignity of children and adolescents. The Chair of this committee, a teenage member of the Youth Council, Emma Stones, has also been involved in the recruitment of our Paediatric Nurse Consultant.

In September 2005 the Trust held a members' event that was attended by over 150 foundation members. At this event a variety of stands from all the Trust's Divisions were displayed and members were able to find out more about what happens within the Trust. At this event 59 members signed up to be more involved with the Trust. There are now approximately 500 members who have expressed an interest in having a greater level of involvement with the Trust. We have captured the enthusiasm of these individuals in a variety of ways. However the level of participation reflects the time and commitment that the individuals can offer. The activities range from members receiving newsletters and being involved in commenting on research projects. In addition members have attended both divisional and corporate PPI activities including representation on the Clinical Audit Committee, involvement in Divisional patients groups and undertaking surveys.

The Governors' PPI Committee has been involved in many projects including providing feedback on many Trust initiatives such as visitors guidelines, protected mealtimes and also infection control initiatives. A PPI Governor is also a member of the Trust's Dignity and Respect Steering Group.

In addition to those mentioned the Trust has a variety of ways of listening to public opinion, for example, through our PALS volunteers, working closely with our Governors on Patient and Public involvement and also through a close working relationship with the Trust's Patient and Public Involvement in Health forum members.

3.6 Service improvements influenced by surveys and complaints

Comments, complaints and patient surveys offers the Trust the opportunity to review and develop practice so that future patient experiences can be enhanced. We use the feedback from National Surveys and complaints, as this is one of many ways in which we test our patients' views. We encourage this feedback to ensure that our services remain responsive to patients' opinions. These changes may follow an individual complaint, a trend or theme of complaints or comments from both local or national patient satisfaction surveys. Some may just relate to one Division or area whilst others initiate change across the whole Trust.

Some examples of these changes to practice that have occurred last year include;

- the improvement of communication with urology patients on discharge so that they have access to a nurse practitioner if they have any concerns when they return home.
- improved training for nurses, doctors and allied health professionals on care of the dying,
- development of an improved patients' journey for patients undergoing endoscopy and barium procedures.
- joint work with the local Motor Neurone Disease Support Group to develop a new way for motor neurone disease patients to communicate key information to carers when they come into contact with healthcare professionals. This project was so successful that the Motor Neurone Disease Association launched it nationally at an event held at the Trust.
- addressing issues regarding communication. The Trust has developed dignity and respect standards for staff to follow. This has been supported by the Training Department and a group of dignity and respect champions across the Trust.
- patient correspondence. This has been an area that patients have identified as needing improvement. Work has been undertaken to set standards for letters that are sent to patients. Now with a standard letter from all departments patients can expect a higher standard of communication.
- Cancelled outpatient appointments naturally concern patients but new booking procedures have led to a reduction in the number of complaints in this area.

In relation to patient feedback the Trust is delighted to report the National Patient Satisfaction Survey 2005 showed that 91% of Stockport patients reported that their care was "good to excellent".

3.7 Patient Advice and Liaison Service (PALS)

PALS volunteers

PALS volunteers visit the wards and conduct 1 to 1 interviews with patients testing their views of their experience whilst in hospital. The patients are asked to rate areas of care such as communication with staff, nursing / medical care, the environment, cleanliness and food. The results are consistently positive. When they report shortfalls we are able act upon their views and improve the care – we have numerous examples of services improving in response to patient feedback.

PALS Activity

This year the PALS Department received 1,500 requests for information and approximately 1800 concerns / comments.

The PALS team also plays an active part in training staff and raising awareness of what concerns are being expressed by the public. PALS and Complaints staff provide input into the Trust's mandatory training for staff and the induction programmes for new staff.

Complaints handling

Although overall satisfaction is good, the Trust has not been complacent. The changes to practice arising from complaints are numerous. Over the year we have received a total of 385 formal complaints and this represents less than 0.1% of all care episodes within the Trust. The overall response times to these formal complaints has improved within the year by over 5% highlighting the commitment of all staff involved in resolving concerns raised about our services.

3.8 Quality Standards

The Trust continues to support a range of mechanisms for ensuring that there is consistent delivery of high standards of clinical care. This includes the:

Clinical Indicators Group

This Group utilises clinical information to look at areas of data comparing our Trust to other organisations. Changes to practice that has occurred as a result of clinical information include quicker administration of medications for emergency heart patients.

Standards for Better Health

This year the Trust has submitted to the Healthcare Commission both a draft and final declaration of compliance to the Standards For Better Health. As part of this process the Trust was visited by the Healthcare Commission and positive feedback given.

Clinical Negligence Scheme for Trusts (CNST)

During 2005/06 the Trust achieved CNST Level 2 for maternity standards.

Essence of Care Benchmarking

The Trust developed improved systems for the development and monitoring of these quality benchmarks.

Saving Lives Initiative

The Trust signed up to the Saving Lives Initiative, which is a performance framework for reducing hospital acquired infections.

Care of the Dying Pathway.

The Trust uses a care pathway to enhance the care that dying patients receive. This model although initially used as a pilot, has over the year been rolled out across the Trust leading to improvements in care for dying patients. Audits have been undertaken and extra training provided for staff on care of the dying and also bereavement care.

3.9 Investment and Financing Strategy

The summer of 2006 sees the completion of our £25m Cardiology and Surgical Unit and the final drawings on the related £21m loan agreement with the Department of Health's Foundation Trust Financing Facility. Our commitment to maintain ongoing compliance with the Prudential Borrowing Code ratios as defined by Monitor (the Independent Regulator of NHS Foundation Trusts), continues to be met in our latest results and our financial plans going forward. Our Prudential Borrowing Limit remains approved at £25m and with the final draw-down of the C&SU loan agreement we will have utilised £21m of this limit.

We continued to invest c. £4m annually in a wide range of refurbishment, maintenance and renewal projects, including equipment replacement and Information Technology as well as renewing the condition of our buildings. Over the next 18 months we will be reinvesting most of the surplus achieved in 2005/06, taking the level of annual investment to c. £7m, in particular ensuring that we achieve a consistently high standard of accommodation and environment across all patient areas.

In planning ahead across a range of strategic possibilities, we foresee a range of possible further capital projects which expand and upgrade our capacity and facilities to:

- (i) Enhance capacity and capabilities in our Neonatal, Obstetric and Paediatric services;
- (ii) Redevelop our laboratory services to provide modern facilities and increase use of automation technology in processing increasing volumes of tests for quick turnaround of results, for both primary care and hospital clinicians to make timely diagnoses, in turn to inform effective treatment;
- (iii) Further develop and concentrate clinical adjacencies for key elements of our cancer services, further streamlining patient journeys and improving on the experience of visits to hospital;
- (iv) Commence a second stage of redevelopment of our main hospital site to co-locate inter-related ward accommodation and supporting clinical services.

Our private patient income remains insignificant to our overall turnover, at only £0.2m and within the tight constraint set as part of our 'Terms of Authorisation', as a % of patient-related income.

The Board's policy in respect of the charitable funds, where it acts as corporate trustee, remains one of annual spending in line with the continuing level of bequests and donations received in the year. This accords with the aims and objectives approved by the Charities Commission, for NHS charities in general. Copies of the separate Annual Report and Accounts for these charitable funds are available on request from the Director of Finance.

Going Concern

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

4. BOARD OF DIRECTORS

The Board of Directors comprises a Chairman, 5 Non-Executive Directors and 7 Executive Directors (2 of which are non-voting posts). The composition of the Board during 2005/06 was:

4.1 Chairman

ROBINA SHAH

Appointed on 01.04.2004 until 31.10.2007

Declared interests

- Board of Governors University of Manchester – 2002-2007.
- Occasional work with NHS and Social Care Organisations outside of Stockport (currently no contract).
- My husband is on the North Western Deanery GPVTS Scheme.
- Deputy Lord Lieutenant of Greater Manchester and Lancashire (appointed 20 April 2006).

Background

Robina Shah has been in NHS public service for 13 years. She was appointed as a Non-Executive Director of the Greater Manchester Ambulance Trust in 1993 and subsequently, as Chairman of a merged Stockport NHS Trust in April 2000. Robina was actively involved in the Trust's successful application for Foundation status and was appointed Chairman of the new Trust in April 2004.

A psychologist and academic researcher by profession, she has been actively involved in Health and Social Care at a national and local level. She is also the author of several publications and actively contributes to strategic and policy direction in the context of learning disabilities and medical education.

Robina was awarded the MBE in 2003 for her work with disabled children. She is part of the National Leadership Network and has recently been appointed to the National Board of Skills for Health. Robina was appointed to the Inner City Bench in 1994 and is a Member of the Board of Governors for Manchester University.

4.2 Non Executive Directors

KATHRYN BALL – VICE CHAIRMAN

Appointed on 01.04.2004 until 31.03.2008

Declared interests

- Solicitor with Cooper, Sons, Hartley and Williams Solicitors.

Background

Kathryn Ball is a practising Solicitor. She qualified in 1984 and now works in private practice in Chapel-en-le-Frith, High Peak.

BARBARA FARRAR

Appointed on 01.04.2004 until 29.02.2008

Declared interests

- Employed by Stockport MBC Department of Education as Learning Support Assistant.

Background

Barbara Farrar was previously a full time teacher.

BRIAN JONES

Appointed on 01.04.2004 until 31.10.2007

Declared interests

- Nil.

Background

Appointed to the Board of Stockport Acute Services NHS Trust in August 1995. Subsequently Non Executive Director with Stockport NHS Trust and Stockport NHS Foundation Trust with effect from 1 April 2004. Prior to his retirement he spent his career working in the banking sector and for his last seven years was corporate banking director of a major UK bank.

PETER SCHAEFER

Appointed on 01.04.2004 until 31.10.2007 – Retired on 31.12.2005

Declared interests

- Managing Director and shareholder in Peter Schaefer Limited.
- Non-executive director and shareholder in Schaefer Associates Limited.
- Non-executive director of Campus.
- Ventures Limited and the Campus Venture Centre Limited.
- Non-executive director and chairman of B2Bnet Limited.

Background

Peter Schaefer spent most of his career in industry and has management experience at all levels including some ten years as CEO and Chairman of a listed company. He has a particular interest in technology-based companies and has been involved in the formation and growth of several companies established to commercialise discoveries emanating from university research. He joined the Board of Stockport NHS Trust in October 2000 and Stockport NHS Foundation Trust on 1 April 2004.

JOHN SLATER

Appointed on 01.07.2005 until 30.06.2008

Declared interests

- Nil.

Background

A chartered management accountant, John Slater recently retired from his position as group finance director of a north west based group of housing associations, having worked in the housing sector since 1996. Prior to that, he worked mainly in the manufacturing industry. John has wide ranging financial experience in both commercial and 'not for profit' organisations and was appointed to the Board of Directors on 1 July 2005.

TERMINATION OF APPOINTMENT OF CHAIR AND NON EXECUTIVE DIRECTORS

Arrangements for any potential termination of appointments of the Chairman or another Non Executive Director are within the remit of the Board of Governors, in accordance with paragraph 13.6. of the Constitution of the Stockport NHS Foundation Trust.

4.3 Executive Directors

CHIEF EXECUTIVE - CHRIS BURKE

Declared interests

- Nil.

Background

Chris Burke entered the NHS in 1977 and moved through a variety of posts in the North West. He has gained a PhD on 'Management Organisational Development and Clinical Leadership'. He joined Stockport Health Authority in 1989 taking on a number of senior management roles prior to becoming Acting Chief Executive of Stockport Acute Services NHS Trust and then Chief Executive of a merged Stockport NHS Trust in 2000. He was appointed as Chief Executive of Stockport NHS Foundation Trust on 1 April 2004.

DIRECTOR OF OPERATIONS - ANN BARNES

Declared interests

- Nil.

Background

Ann Barnes has worked in the NHS since 1979 and during the past 27 years has worked both at regional and hospital level across the full spectrum of district general hospital service provision.

MEDICAL DIRECTOR - JAMES CATANIA

Declared interests

- Nil.

Background

He has been a Medical Director for the last four years and is a specialist in the care of older people, for which he has retained his clinical commitments. He has worked as a consultant physician for the last 13 years and has been involved in management for over 11 years.

DIRECTOR OF FINANCE - ADRIAN ROBERTS

Declared interests

- Nil.

Background

Qualified as a Chartered Certified Accountant in 1988. 15 years experience as an NHS Director of Finance.

DIRECTOR OF NURSING AND MIDWIFERY - JILL BYRNE

Declared interests

- Nil.

Background

Jill Byrne has 26 years experience as a nurse and midwife. She has worked in various hospital Trusts as well as the Commission for Health Improvement. Jill has worked in Stockport for over 4 years.

DIRECTOR OF HUMAN RESOURCES (NON VOTING) - NICOLA REUCROFT

Declared interests

- Nil.

Background

Nicola Reucroft has spent her career in Human Resources, gaining experience in both the public and private sectors. She is a graduate Fellow of the Institute of Personnel and Development.

DIRECTOR OF MODERNISATION (NON VOTING) - DARREN HURRELL

Declared interests

- Nil.

Background

16 years in the NHS with a degree in Computing and a MBA. He started his career in the NHS in Sunderland where he worked as Director of Community. Now in his 8th year as an Executive Director in an acute hospital, with over 4 years in Stockport.

[The remuneration disclosures in relation to Executive and Non-Executive Directors are included with the Annual Accounts contained in this report.]

4.4 Roles of the Board of Directors

CHAIRMAN

The Chairman has a pivotal role in creating the conditions for individual Director and Board effectiveness. It includes

- Leadership of the Board of Governors and the Board of Directors, ensuring their effectiveness on all aspects of their role and agenda
- Facilitating the effective contribution of Non-Executive Directors, Directors and Governors and ensuring constructive relations

NON-EXECUTIVE DIRECTORS

Non-Executive Directors' role is to:

- constructively challenge and contribute to the development of strategy
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- satisfy themselves that financial information is accurate and that financial controls and systems risk management are robust and defensible
- determine appropriate levels of remuneration for Executive Directors

CHIEF EXECUTIVE

The Chief Executive as accountable officer, bears overall responsibility for assurance and overall personal responsibility for the performance of the Trust. The duties include organisational development, external relationships with other health/care agencies and partner organisations, the implementation of strategy and overall responsibility for governance.

DIRECTOR OF FINANCE

The Director of Finance is responsible for all financial operations, strategic financial planning, managing contractual arrangements with commissioners and for implementing and maintaining systems for the effective performance of the Trust in its statutory financial responsibilities. The Director of Finance is also responsible for financial and investment advice to the Board of Directors.

MEDICAL DIRECTOR

The Medical Director advises the Board of Directors on professional medical issues and policy, provides professional leadership and plays an active part in clinical audit, research and development and other quality and clinical governance issues. The Medical Director also has a major role in developing good relationships with local General Practitioners and between the Board of Directors and Trust medical staff.

DIRECTOR OF NURSING AND MIDWIFERY

The Director of Nursing provides professional leadership for nursing, bringing the views of the profession to the Board of Directors and advising the Board on nursing and midwifery issues. The Director of Nursing is also involved in audit, research and development, quality and clinical governance issues and is responsible for health and safety and non clinical risk management processes.

DIRECTOR OF OPERATIONS/DEPUTY CHIEF EXECUTIVE

The Director of Operations/Deputy Chief Executive has executive responsibility for the co-ordination of day to day operational management of the Trust's services and resources. The Director of Operations ensures that agreed activity and financial targets are delivered by Divisions. The post holder also covers for the Chief Executive in his absence.

DIRECTOR OF HUMAN RESOURCES

The Director of Human Resources is responsible for the organisation of HR Strategy and workforce planning. The Director is also responsible for implementing policy and maintaining systems for the effective delivery of the organisation's workforce.

DIRECTOR OF MODERNISATION

The Director of Modernisation is responsible for strategic planning and capital planning. The Director also takes leadership and responsibility for ensuring that the Trust provides modern and efficient services through the implementation of the NHS Plan.

4.5 Sub Committees of the Board of Directors

AUDIT COMMITTEE

Brian Jones (Chair)

Kathryn Ball

Barbara Farrar

Peter Schaefer (until 31.12.2005)

John Slater (from 01.07.2005)

MEMBERS OF THE REMUNERATION AND TERMS OF SERVICE COMMITTEE

Robina Shah (Chair)
Kathryn Ball
Barbara Farrar
Brian Jones
Peter Schaefer (until 31.12.2005)
John Slater (from 01.07.2005)

Note: The remuneration of the Chairman and Non-Executive Directors is determined by the Board of Governors. This Committee of the Board of Directors, determines the remuneration of the Chief Executive and Executive Directors.

ASSURANCE SUB COMMITTEE

Chief Executive (Chair)
Medical Director
Assistant Medical Directors
Director of Operations
Director of Nursing
Director of Finance
Director of Human Resources
Director of Modernisation
Director of Information
Divisional General Managers
Clinical Director – Clinical Support Services
Assistant Director of Nursing, Risk and Quality
Chair of the Audit Committee – Non Executive Director
Chair of Executive Gatekeeper Group – Non Executive Director
Head of Internal Audit

CLINICAL GOVERNANCE SUB COMMITTEE

Kathryn Ball
Barbara Farrar
Peter Schaefer (until 31.12.2005)
Medical Director (Chair)
Director of Nursing
Chief Executive
Specialty Lead Clinicians
Audit Manager
Clinical Risk Manager
Director of Information
Postgraduate Tutor
Chair of the Medical Staff Committee
Divisional General Managers

PERSONNEL, HEALTH AND WELFARE SUB COMMITTEE

Non Executive Director (Chair)
Director of Human Resources
Deputy Director of Human Resources
Consultant in Occupational Health
Director of Operations
Director of Facilities
Training and Development Manager
Divisional General Manager

STANDARDS OF BUSINESS CONDUCT SUB COMMITTEE

Non Executive Director (Chair)
Medical Director
Chairman of the Hospital Medical Staff Committee
Postgraduate Tutor
Director of Human Resources
Director of Finance
Director of Nursing
Clinical Director - Clinical Support

IM&T MODERNISATION PROJECT BOARD

Chief Executive (Chair)

Non Executive Director

Director of Modernisation

Director of Operations

Director of Finance

Director of Nursing and Midwifery

Consultants from the Divisions of Surgery, Medicine, Critical Care and Women and Children's

Clinical Director – Support Services

Director of Information

Assistant Director - Modernisation

Divisional General Managers – Medicine, Surgery, Critical Care and Women and Children's

Divisional Senior Manager – Medicine

Consultant Epidemiologist

Head of Clinical Governance

Head of Organisational Development

In accordance with the Health and Social Care (Community Health and Standards Act 2003) the Trust keeps a register of interests of the Board of Directors which is available upon request for inspection by members of the public (please contact John Pierse on 0161 419 5164 or john.pierse@stockport.nhs.uk if you wish to have access to the register).

5. THE BOARD OF GOVERNORS

The Board of Governors has 39 places, of which 26 represent the public and staff and are elected by our Members. The remaining 13 are appointed by partnership organisations which include Stockport Metropolitan Borough Council, Stockport and High Peak Primary Care Trusts, the voluntary sector, the education sector and other local bodies.

5.1 Elected Governors

Elections were held in 2005 for the Heaton and Heathbank public constituency and the Nurses and Midwives staff constituency, results of which were announced at the Annual Members' Meeting in September 2005. The elections were held under the independent scrutiny of the Electoral Reform Services. The following lists our elected governors:-

Name	Constituency	Elected Until
Mark Dollard <i>Declared interests</i> Nil.	Staff – registered nurses and midwives	Annual Members' Meeting 2005
Alison Ramsay <i>Declared interests</i> Nil.	Staff – registered nurses and midwives	Annual Members' Meeting 2005
Linda Richards <i>Declared interests</i> Nil.	Staff – registered nurses and midwives	Annual Members' Meeting 2008
Jean Rogers <i>Declared interests</i> Centre organiser for British Red Cross. Member of volunteers' council for British Red Cross.	Staff – registered nurses and midwives	Annual Members' Meeting 2008
Shirley Remington <i>Declared interests</i> Private Practice at Alexandra Hospital. Private Practice at Regency Hospital.	Staff – doctors on permanent contract	Annual Members' Meeting 2006
Lynne Cockitt <i>Declared interests</i> Nil.	Staff – allied health professionals & scientists	Annual Members' Meeting 2007
Annette Donegani <i>Declared interests</i> Nil.	Staff – all other staff	Annual Members' Meeting 2006
Sheila French <i>Declared interests</i> Nil.	Staff – all other staff	Annual Members' Meeting 2006
Raj Agarwal <i>Declared interests</i> Nil.	Public – Bramhall & Cheadle	Annual Members' Meeting 2007
Stuart Bodsworth <i>Declared interests</i> Elected Member of Stockport Metropolitan Borough Council, serving Cheadle Hulme South ward.	Public – Bramhall & Cheadle	Annual Members' Meeting 2007
Malcolm Joels <i>Declared interests</i> Nil.	Public – Bramhall & Cheadle	Annual Members' Meeting 2007
Andrew Corrie <i>Declared interests</i> Executive Manager, Eycline Stockport Institute for the Blind.	Public – Bramhall & Cheadle	Annual Members' Meeting 2007
Celia Mellor <i>Declared interests</i> Nil.	Public – Tame Valley & Werneth	Annual Members' Meeting 2006

Name	Constituency	Appointed Until
Chris Gordon <i>Declared interests</i> Chair of Management Committee, Shalom Counselling Service, St Barnabas, Bredbury, Stockport.	Public – Tame Valley & Werneth	Annual Members' Meeting 2006
David White <i>Declared interests</i> Nil.	Public – Tame Valley & Werneth	Annual Members' Meeting 2006
Ricky van Deursen <i>Declared interests</i> Nil.	Public – Tame Valley & Werneth	Annual Members' Meeting 2006
Graham McLennan <i>Declared interests</i> Nil.	Public – Heatons & Heathbank	Annual Members' Meeting 2005
Cecil Brooks <i>Declared interests</i> The Hon Treasurer – The Stockport U.3.A.	Public – Heatons & Heathbank	Annual Members' Meeting 2005 – Re-elected until Annual Members' Meeting 2008
David Levy <i>Declared interests</i> Nil.	Public – Heatons & Heathbank	Annual Members' Meeting 2008
Satish Mehta <i>Declared interests</i> Vice-Chair Stockport MIND Trustee Board member Age Concern Stockport Trustee Board member Beechwood Cancer Care Stockport NHS Continuing Care Review Multi Disciplinary Team Panel (Stockport PCT) Locum General Practitioner (Stockport PCT)	Public – Heatons & Heathbank	Annual Members' Meeting 2005 – Re-elected until Annual Members' Meeting 2008
John Stone <i>Declared interests</i> Director Stone Associated Services Ltd Owner Jonty Catering Owner SAS Travel Stockport MBC Standards Committee Member	Public – Heatons & Heathbank	Annual Members' Meeting 2005 – Re-elected until Annual Members' Meeting 2008
Chris Wrigley <i>Declared interests</i> Nil.	Public – Marple & Stepping Hill	Annual Members' Meeting 2007
Carol Candler <i>Declared interests</i> Nil.	Public – Marple & Stepping Hill	Annual Members' Meeting 2007
John Playle <i>Declared interests</i> Nil.	Public – Marple & Stepping Hill	Annual Members' Meeting 2007
Keith Vigurs <i>Declared interests</i> Nil.	Public – Marple & Stepping Hill	Annual Members' Meeting 2007
Tim Norton <i>Declared interests</i> Nil.	Public – High Peak	Annual Members' Meeting 2006

Name	Constituency	Appointed Until
Lynne Woodward <i>Declared interests</i> Member of PPG at Sett Valley Medical Centre, New Mills.	Public – High Peak	Annual Members' Meeting 2006
Ian Mason <i>Declared interests</i> Director – United Co-operatives Ltd.	Public – High Peak	Annual Members' Meeting 2006
Terry Jackson-Baker <i>Declared interests</i> Eastern Cheshire PCT, Clinical Governance Risk Management Committee, Patient Representative.	Public – Outer region	Annual Members' Meeting 2006

5.2 Appointed Governors

Name	Appointed By	Appointed Until
Susan Glicher <i>Declared interests</i> General Medical Practitioner – Cheadle Medical Practice.	Stockport PCT	Annual Members' Meeting 2007
Barbara Swann <i>Declared interests</i> Chair of Stockport Women's Centre – A Registered Charity No. 1087911.	Stockport PCT	Retired on 31.03.2006
Carol Prowse <i>Declared interests</i> Non-Executive Director High Peak & Dales PCT.	High Peak & Dales PCT	Annual Members' Meeting 2007
Martin Candler <i>Declared interests</i> Executive Councillor Social Care & Health, Stockport Metropolitan Borough Council.	Stockport MBC	Resigned in June 2005
Andrew Webb <i>Declared interests</i> Nil.	Stockport MBC	Resigned on 19.09.2005
Maggie Clay <i>Declared interests</i> Executive Member, Adult Services, Stockport MBC Director, Pennine Care NHS Trust Stockport Health Improvement Partnership – Member Stockport Health Act Partnership Board – Member Stockport CVS Executive Age Concern Knowsley – Consultant Age Concern Barrow & District - Consultant	Stockport MBC	Appointed on 30.06.2005 until Annual Members' Meeting 2008
Ged Lucas <i>Declared interests</i> Nil.	Stockport MBC	Appointed on 10.11.2005 until the Annual Members' Meeting 2008
Tony Kemp <i>Declared interests</i> Chief Executive Officer, High Peak Hospice Rotarian Freemason	Stockport Council for Voluntary Services	Resigned on 18.12.2005

Name	Appointed By	Appointed Until
Kieran McMahon <i>Declared interests</i> Director Disability Stockport Trustee Stockport CVS	Stockport Council for Voluntary Services	Annual Members' Meeting 2007
Edward Peter Atkinson <i>Declared interests</i> Chairman of Management Committee and Board of Trustees Stockport Centre for the Deaf Trustee Arthur Norfolk Battersby Trust	Stockport Council for Voluntary Services	Appointed on 22.03.2006 until the Annual Members' Meeting 2007
Paul Kirkham <i>Declared interests</i> Nil.	Stockport Chamber of Commerce	Annual Members' Meeting 2008
David Fernandez <i>Declared interests</i> Director - Lucas Elliot Management Ltd - Lucas Elliot Consultancy Ltd - BOSSco UK Ltd - BOSSco Online Ltd - Git Cards Ltd Partner - Lucas Elliot Associates	Stockport Branch of Small Businesses Federation	Annual Members' Meeting 2007
Peter Roberts <i>Declared interests</i> Principal of Stockport College (The College delivers training in both health and social care and also offers these services commercially to public and private organisations).	Stockport College	Annual Members' Meeting 2007
Ken Walker <i>Declared interests</i> Chair of Division of Medicine Patient Group also Division of Medicine Patient Representative both within Stepping Hill Hospital.	Trust Patient Forum	Annual Members' Meeting 2007
John Adams <i>Declared interests</i> Director of Postgraduate Hospital Training North Western Deanery Consultant in Emergency Medicine, Bolton Hospitals NHS Trust	University of Manchester Postgraduate Deanery	Annual Members' Meeting 2007
Emma Stones <i>Declared interests</i> Friends of Woodlands Park – Committee member of this group who are applying for funding Corporate Youth Strategy.	Appointed by SMBC in consultation with the Stockport Youth Assembly.	Resigned in April 2006.

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6. MEMBERSHIP

6.1 Eligibility Requirements

Our Membership is open to any individual who:

- is over 16 years of age, and
- is entitled under our Constitution of to be a member of one of the public constituencies or of one of the classes of the staff constituency (as below).

6.2 Public Constituencies

We use an “opt-in” membership system for our public constituency which is open to individuals who:

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

Four areas covered by former Stockport Metropolitan Borough Council as follows:

- 1) **Bramhall and Cheadle – containing the following former Local Authority wards:**
East Bramhall, Bramhall West, Cheadle Hulme South, Cheadle, Cheadle Hulme North and Heald Green.
- 2) **Tame Valley and Werneth– containing the following former Local Authority wards:**
Brinnington, North Reddish, South Reddish, Bredbury and Romiley
- 3) **The Heatons and Heathbank – containing the following former Local Authority wards:**
Heaton Mersey, Heaton Moor, Cale Green, Davenport and Edgeley
- 4) **Marple and Stepping Hill – containing the following former Local Authority wards:**
North Marple, South Marple, Great Moor, Hazel Grove and Manor

One area covering the High Peak:

- 5) **High Peak - containing the following former Local Authority wards:**
Barms, Barmoor, Blackbrook, Chapel East, Chapel West, Central, College, Corbar, Cote Heath, Hayfield, Limestone Peak, New Mills North, New Mills South, Stone Bench, Whaley Bridge

One area covering a wider district around our hospital:

- 6) **Outer Region– the areas covered by metropolitan councils/districts of:**
Macclesfield, Manchester, Trafford, Salford, Oldham, Rochdale, Bury, Bolton, Wigan and Tameside and those wards in High Peak not covered under B above.

During 2004, following a review by the Stockport Metropolitan Borough Council, the boundaries of the Area Committees upon which the public constituencies relating to Stockport had been based, were withdrawn. In addition one of the former areas, Heathbank, had been renamed Victoria.

This was reported to our Board of Governors on 9 December 2004. At that meeting it was agreed that as seven of the eight former areas had been retained by name we should keep three of our public constituencies as previously titled subject to revisiting our member database to ensure that members are in the correct constituency. It was further agreed that we should amend our Constitution to rename our fourth public constituency in Stockport “Heatons and Victoria”.

This proposed amendment to our Constitution was submitted to our Annual Members’ Meeting on 22 September 2005 and received approval in line with paragraph 23.1 of the Trust’s Constitution. This amendment along with a number of others are presently under consideration by the Independent Regulator.

During 2005/06 a number of amendments were made to wards in the High Peak which is one of our public constituencies. This will require an amendment to Annex 1 of Schedule 1 of our Constitution and will be placed on the agenda for our 2006 Annual Members' Meeting.

6.3 Staff Constituency

We use an "opt-out" membership system for staff which is divided into the following classes:

- Registered nurses and midwives
- Doctors on permanent contract
- Allied health professionals
- All other staff groups.

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

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

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

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

shall become members of that class.

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

6.4 Membership Numbers

PUBLIC MEMBERS PER CONSTITUENCY (AS AT 31 MARCH 2006)

Area	No. of Members
Bramhall and Cheadle	2,308
Tame Valley and Werneth	1,552
The Heatons and Heathbank	1,481
Marple and Stepping Hill	1,809
High Peak and Outer Region	1,129
Total	8,279

STAFF MEMBERS PER CONSTITUENCY (AS AT 31 MARCH 2006)

Staff constituency	No. of Members
Doctors on permanent contract	163
Registered nurses and midwives	1,233
Allied health professionals	253
All other staff groups	2,010
Total	3,659

6.5 Membership Development Strategy

One of our key objectives is to build and maintain a vibrant membership. The Trust's Membership Development Strategy recognises that the process of building meaningful membership structures will take a serious commitment to time and resources. It also defines our membership community and how we intend to:

- Develop a strong and representative membership.
- Manage and maintain an active membership.
- Communicate with our members.
- Contribute to our local community as a public benefit corporation.

The strategy details a number of objectives, the implementation of which will be led and monitored by the Board of Governors.

During 2005/06 the Board of Governors has approved an updated Membership Development Strategy one aim of which is to ensure representative membership.

The Communications, Publicity and Membership Development Committee of the Board of Governors has reviewed the composition of our membership against the wider population of Stockport and the High Peak with the aim of ensuring representative membership rather than a blanket increase in members.

We have identified the need during the forthcoming year to concentrate upon membership recruitment for the High Peak and certain public constituencies in Stockport. During May and June 2006 the Trust will be undertaking a membership recruitment campaign with Computershare Investor Services Plc which will target our under represented areas and aim at increasing our public constituencies by 2,000 members.

The Trust has also worked closely with the Stockport Youth Council on ensuring input from young people in Stockport between the ages of 13 and 16 years. The Board of Governors has a Younger Persons Governor and a Younger Persons Committee of the Board of Governors. Each of the other Governor Committees has also nominated a Governor who takes the lead within that Committee in ensuring that young people's views and perspectives are considered.

7. PUBLIC INTEREST DISCLOSURES

7.1 Employee relations

The engagement and involvement of staff is central to the Trust's values and continued success. The HR strategy includes opportunities for staff involvement in the development of services. The Board of Governors includes six staff Governors who represent the interests of their particular staff group, share information about key decisions with them and feed back the views of staff to help shape the strategic direction of the Trust.

There is also a Joint Consultative Team of Trade Union representatives who meet with the Executive Team 6 times a year.

Communication takes place with staff at a corporate level through a monthly team brief and a quarterly staff newsletter.

7.2 Equal Opportunities

The Trust has an Equal Opportunities policy and is approved to use the Positive About Disability kitemark. The Trust is committed to delivering equality of opportunity for all our staff and patients. Our Diversity Equality Scheme aims to provide healthcare that recognises, respects and responds to the diversity of the local community that we serve. We also develop, support and sustain a diverse workforce where staff do not have to face discrimination or harassment because of the diversity of their background.

7.3 Health and Safety

The Trust has an up to date risk register, which identifies and sets actions to overcome risks to the health and safety of staff. There is also a proactive Occupational Health department, free staff counselling service and active participation in a number of healthy hospital initiatives.

7.4 Payment Practice Code

The Better Payment Practice Code requires the Trust to aim to pay all valid non NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. Interest paid under the Late Payment of Commercial Debts (interest) Act 1988 was zero.

7.5 Public Consultations and Related Activities

The Trust has participated in the review of services for children, young people, parents and babies in Greater Manchester, East Cheshire, High Peak and Rossendale. The consultation ended on 12 May 2006 with a decision on the future configuration of services in September 2006.

The Trust has also considered and responded to public consultations relating to:

- Health services in East Cheshire
- A number of applications for NHS Foundation Trust status
- The reconfiguration of Strategic Health Authorities, Primary Care Trusts and Ambulance Services.

7.6 External Audit

The Audit Commission are the Trust's external auditors. Their work was carried out in accordance with the 'Audit code for NHS Foundation Trusts', with a cost of £68,000 including VAT.

8. REMUNERATION REPORT

8.1 Board of Directors

During 2005/06 the Board of Directors of Stockport NHS Foundation Trust had ultimate responsibility for the performance, management and liabilities of the organisation. The Board comprised:

Chair – Mrs Robina Shah.

Chief Executive – Dr Christopher Burke.

Non Executive Directors – Mr Brian Jones, Mrs Kathryn Ball, Mrs Barbara Farrar, Peter Schaefer (left 31.12.2005) and Mr John Slater (start date 01.07.2005).

Executive Directors – Mrs Ann Barnes (Director of Operations), Mr Adrian Roberts (Director of Finance), Dr James Catania (Medical Director) and Mrs Jill Byrne (Director of Nursing).

Associate Directors (non Voting) – Mr Darren Hurrell (Director of Modernisation) and Mrs Nicola Reucroft (Director of Human Resources).

8.2 Remuneration Committee

The Trust has a Remuneration Committee which meets at least annually to discuss the performance and salaries of the Executive Directors. The Committee has terms of reference and its membership is the Chair and all Non Executive Directors. The Committee takes account of relevant market benchmarks and comparisons in deciding on any salary increases together with any financial constraints. In addition a detailed report on individual performance is submitted by the Chief Executive, with his own performance being the subject of a separate report undertaken by the Chair.

A Remuneration Strategy giving opportunities for progression linked to defined objective outcomes is in place and reviewed annually by the Committee. All Executive Directors are on permanent contracts with six month notice periods, whilst the Chief Executive is subject to a 12 month notice period.

Details of the remuneration of all Directors for the period April 2005 – March 2006 are contained in note 5.3. of the Annual Accounts 2005/06. There have been no other awards or allowances made to Executive Directors in the year.

8.3 Chairman and Non Executive Directors

A Committee of the Board of Governors has been actively working on the remuneration and conditions of service for the Chair and Non Executive Directors and taking advice from the Foundation Trust Network and independent organisations both locally and nationally. As a result of this work the Non Executives have been granted a remuneration of £13,000 per annum with effect from 1.4.04 and their terms of service have been revised and reissued. Terms of office are for a period of 3 years and can be renewed for a further term. A separate allowance of £1,000 has been granted to the Deputy Chair, and £2,000 to the Chair of the Audit Committee. Work on the salary for the Chair is due to be considered by the full Board of Governors in June 2006.



Signed:

Date: 13 June 2006

Chief Executive

9. ANNUAL ACCOUNTS – 2005/6

- Statement of Accounting Officer's Responsibilities.
- Statement on Internal Control 2005/06.
- Independent Auditor's Report to the Board of Governors of Stockport NHS Foundation Trust.
- Annual Accounts 2005/06.